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33rd National Report
on the implementation of
the European Social Charter
submitted by

THE GOVERNMENT OF ICELAND

Article 1, 15 and 18

for the period 01/01/2015 - 31/12/2018

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CYCLE 2020

EUROPEAN SOCIAL CHARTER

33rd report on the
implementation of the
European Social Charter



Submitted by
THE GOVERNMENT OF ICELAND

Ministry of Social Affairs

(Articles 1, 15 and 18 for the period 1 January 2015 to 31 December 2018)

REPORT

on the application of Articles 1, 15 and 18 for the period 1 January 2015 to 31 December 2018 made by the Government of ICELAND in accordance with Article 21 of the European Social Charter and the decision of the Committee of the Ministers, taken at the 573rd meeting of Deputies concerning the system of submission of reports on the application of the European Social Charter.

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

Article 1§1 – Full employment

1. The economic situation.

Economic growth in Iceland more than doubled from 1.9% in 2014 to 4.2% in 2015, remaining steady thereafter with the exception of a spike to 7.4% in 2016. The figures for 2017 and 2018 were 4% and 4.8% respectively.¹

Since 2010, GDP has grown every year, by a total of 20.9% in real terms, and is higher than previously measured.² Allowing for the population increase of 2.7%, GDP per capita grew by 2.1% in real terms in 2018: the previous year's figure was 1.1%; for 2016 it was 5.9% and in 2015 it was 3.1%.

The gross domestic product amounted to ISK 2.294 b in 2015, ISK 2.491 b in 2016, ISK 2.616 in 2017 and ISK 2.787 b in 2018.³ Concurrently with this growth, recorded unemployment fell between the years 2015 and 2016 and kept at a rather steady rate in the years from 2015 and until 2018. In 2018 it increased again slightly.⁴ Recorded unemployment stood at 2.9% 2015, 2.3% in 2016, 2.2 in 2017 and 2.4% in 2018.⁵

Private consumption rose by 4.3% in 2015 and 7.1% in 2016. In 2017 it rose further, to 7.9%, which was the highest ever recorded in real terms. The increase for 2018 was 4.8%. When the population increase is taken into account, private consumption was somewhat less than the level recorded in 2007.⁶ The last few years have seen a strong correlation between strengthening purchasing power of wages, which rose by about 28.5% since 2007, and private consumption, which rose by 20.2%. Per capita private consumption, on the other hand, rose less steeply, by about 8.7%, in real terms, from 2007 to 2018.⁷ In the period 1980–2007, private consumption was equivalent to 58.2% of GDP, on average; in 2008–2017 the proportion was 51.6%. As a proportion of GDP, private consumption stood at 50.7% in 2018, which was similar to the previous year. The corresponding figures for 2015 (49.7%) and 2016 (49.5), were

¹ Statistics Iceland: Statistical Series: National Accounts. Gross Domestic Product 2015 – 2018.

² [Statistics Iceland](#).

³ [Statistics Iceland](#).

⁴ [Statistics Iceland](#).

⁵ Annual Reports of the Directorate of Labour, 2015–2018.

⁶ [Statistics Iceland](#).

⁷ [Statistics Iceland](#).

the lowest since records began in 1945. In historical comparison, this figure has been very low since 2008, at an average of 51.8%; the average for the period 1980 to 2007 was 58.4%.⁸

Following four years of constant contraction in 2009-2012 and rather slow growth in 2013-2015, growth in public consumption was close to its historical average during the years covered by this report.⁹ Public consumption grew by 1.1%, in real terms, in 2015 and 1.9% in 2016. The real-terms increase was 3.6% in 2017 and 3.3% in 2018. As a proportion of GDP, public consumption was 22.8% in 2016, 23.3% in 2017 and 23.6% in 2018. The average figure for the 20 years up to 2018 was 23.5%.¹⁰

Investment rose by 18.3% in 2015, 22.8% in 2016, in 2017 and 2.1% in 2018. Investment in employment sectors declined by 5.4% in 2018, in contrast to a rise of 7.7% in 2017. Public investment rose by 21.2% in 2018, a slight decline from 2017. Despite a drop after the increase of recent years, investment amounted to 22.2% of GDP in 2018, which was in line with the 22% average for the period.¹¹

National expenditure, i.e. consumption and investment combined as a single figure, rose by 4.1% in real terms in 2018, which is considerably less than the years before. It rose by 6.7% in 2015, 8.0% in 2016 and 7.6% in 2017. Greater growth, in real terms, in imports than in exports means that GDP has risen more than national expenditure. On the other hand, growth in GDP (121.3%) was greater than that of national expenditure (108.2%), in real terms, since 1990.¹²

Having been under the Central Bank's target maximum of 2.5% for four consecutive years (1.6% in 2015, 1.7% in 2016 and 1.8% in 2017), inflation rose to 2.7% in 2018. Housing has been the principal factor in inflation in recent years: if the consumer price index is taken without the housing component, then 2016 and 2017 were years of deflation rather than inflation.¹³ Housing continued as the main driver of inflation in 2018, with increases in the price of imports, particularly automobiles, also contributing significantly. Nevertheless, there was a slowing in the increase of house prices during the year, and the housing component of the index stood at 6.4% in December, against 12% in the same month of the previous year.¹⁴

2. The employment situation.

A Employment rate.

Table 1. Employment rate by months (%).

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Year												
2015	78.6	78.7	79.2	78.8	78.6	80.2	78.7	80.0	78.5	79.2	80.3	80.3
2016	81.3	80.9	79.2	81.0	82.1	80.1	81.5	81.6	80.4	81.3	82.4	81.1
2017	79.7	81.6	83.2	81.7	80.1	80.5	79.9	79.8	78.6	79.4	80.0	80.0
2018	79.5	79.3	79.9	78.8	80.0	78.2	78.6	79.7	80.2	79.1	79.7	79.4

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

Source: Statistics Iceland.

⁸ Statistics Iceland: Hagtíðindi – Landsframleiðslan (Economic statistics – GDP) 2015-2018.

⁹ [Statistics Iceland](#).

¹⁰ Ibid.

¹¹ Ibid.

¹² Statistics Iceland: National Accounts 2015-2018.

¹³ [Statistics Iceland](#).

¹⁴ [Central Bank of Iceland, Monetary Matters](#).

As the above table shows, there were slight fluctuations in the employment rate between months during the period. In 2015, the average rate of employment was 80.3; in 2016 it was 81.1%, in 2017 it was 80.0% and in 2018 it was 79.4%.

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

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Year												
2015	75.5	74.5	76.0	75.8	73.8	78.3	75.9	76.0	74.4	77.0	78.0	78.0
2016	77.8	77.6	74.5	77.4	78.2	75.3	78.6	78.5	75.3	76.7	78.8	77.3
2017	74.8	79.6	79.1	76.9	76.6	75.8	75.4	76.3	74.5	76.8	77.6	75.4
2018	75.9	75.3	77.0	75.4	76.2	73.9	74.1	76.4	76.6	74.7	78.4	75.1

*The employment rate is the proportion of people in work as a percentage of the total population.
Source: Statistics Iceland.*

The employment rate among women rose in the early part of the period, peaking in February 2017. It was lowest at 73.8% in May 2015 and highest at 79.6% in February 2017. On average, it was 76.0% in 2015, 77.2% in 2016, 76.6% in 2017 and 75.8% in 2018.

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

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Year												
2015	78.6	78.7	79.2	78.8	78.6	80.2	78.7	80.0	78.5	79.2	80.3	80.3
2016	81.3	80.9	79.2	81.0	82.1	80.1	81.5	81.6	80.4	81.3	82.4	81.1
2017	79.7	81.6	83.2	81.7	80.1	80.5	79.9	79.8	78.6	79.4	80.0	80.0
2018	79.5	79.3	79.9	78.8	80.0	78.2	78.6	79.7	80.2	79.1	79.7	79.4

*The employment rate is the proportion of people in work as a percentage of the total population.
Source: Statistics Iceland.*

The employment rate among men fluctuated to some extent between months, beginning and ending the period at much the same level. On average, it was 82.4% in 2015, 84.8% in 2016, 83.8% in 2017 and 82.8% in 2018.

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

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Year												
2015	70.4	73.9	71.2	69.0	75.0	72.2	70.3	76.4	72.2	72.2	75.9	73.6
2016	78.9	76.1	72.8	79.5	80.3	72.7	77.3	77.5	77.2	75.6	80.7	77.2
2017	75.6	76.8	82.1	79.4	75.7	78.2	72.6	69.1	71.8	78.2	68.6	74.6
2018	79.0	72.9	76.8	77.2	74.1	70.5	66.1	77.1	77.3	73.5	77.5	75.0

*The employment rate is the proportion of people in work as a percentage of the total population.
Source: Statistics Iceland.*

The employment rate of young people (aged 16-24) rose until early 2017. On average the youth employment rate was 72.6% in 2015, 77.1% in 2016, 75.3% in 2017 and 74.9% in 2018. The employment rate was higher among young women than young men (see Table 5).

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

	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
Women				
2015	69.9	78.1	79.3	76.7
2016	71.3	83.5	82.2	73.9
2017	76.3	81.8	74.7	71.4
2018	73.0	80.3	77.7	73.9
Men				
2015	64.4	73.5	77.2	62.4
2016	70.3	79.9	82.7	73.5
2017	69.9	81.5	77.6	68.9
2018	68.9	76.9	80.2	68.7

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

Source: Statistics Iceland.

B. Activity rate.

The activity rate, for both men and women, rose at the beginning of the period. At the same time, total unemployment declined from the levels described in the last report. The number of people in employment continued to rise in the early part of the report period, and there was a great increase in the numbers of foreign nationals on the labour market. The first decline in the activity rate for five years took place in 2017; this was mainly due to a slackening of demand in the economy, including a slowing of the previous years' high growth rate in the tourist industry.

Table 6 shows the ratio of the labour force to the total population during the period 2015-2018 according to information from Statistics Iceland.

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

Year	2015	2016	2017	2018
Men				
16-24	77.7	82.0	81.5	78.9
25-54	93.9	94.9	93.8	93.6
55-74	74.5	75.7	73.7	71.7
Total	85.7	87.4	86.2	85.3
Women				
16-24	81.5	83.0	81.9	80.8
25-54	87.5	88.8	88.7	87.9
55-74	61.5	59.7	57.8	56.5
Total	79.3	79.6	78.7	77.8
All				
16-24	79.5	82.5	81.7	79.8
25-54	90.7	91.9	91.3	90.9
55-74	68.0	67.7	65.8	64.1
Total	82.5	83.6	82.6	81.6

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

Source: Statistics Iceland

The activity rate rose slightly between 2015 and 2016, from 82.5% to 83.6%. In 2017 it fell, following years of constant increase since 2012. The fall was visible in all age groups, though it was considerably larger among men than women and among the old rather than the young. The overall rate, covering ages 16-74, was 83.6% in 2016, dropping to 82.6% in 2017 and to 81.6% in 2018.

The activity rate rose by 1% for both sexes between 2014 and 2015. The number of men in employment rose by 3,400 while there was a drop of 1,000 in the number of unemployed men. In the same period the number of employed women rose by 2,500 and the number of unemployed women dropped by 600.¹⁵ Among men, the rate among men rose by 1.7% in 2016; the increase among women was far smaller, at 0.3%. That same year saw an increase of 6,900 in the number of people in employment: 5,100 men and 1,800 women. At the same time there was a slightly greater reduction in unemployment among women (with a drop of 800 names on the unemployment register) than among men (with a drop of 900).¹⁶ As mentioned before there was a drop in the activity rate for both women and men in 2017 and 2018 (0.9% in both years among women; 1.2% in 2017 and 0.9% in 2018 among men). The year 2017 saw a reduction of 100 names on the men's unemployment register and 300 on the women's.¹⁷ The rise in men's unemployment in 2018, the first for a decade, resulted in the addition of 200 names to the register; in the same year, women's unemployment continued to fall, with 100 fewer registered as unemployed.¹⁸

The increase in jobs in 2015 was greatest among specialists, on the one hand, and drivers, working-machine operators and machine-minders on the other. The main increases in 2015 and 2017 were in commercial and goods transport services, and also in tourism, specialist services and informatics. There was also a considerable expansion in employment in the construction sector in 2015-2018, though this was smaller than had been anticipated. This may be because a large proportion of construction workers are foreigners who are less likely to be included in surveys, particularly in the case of migrant workers who remain in the country for short periods only or who are hired by temporary-work agencies.¹⁹

C. Unemployment.

Table 7. Unemployment figures (%), by month.

Month Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Ay. %
2015	3.6	3.6	3.6	3.4	2.9	2.6	2.6	2.6	2.4	2.6	2.7	2.8	2.9
2016	2.9	2.9	2.7	2.5	2.2	2.0	2.0	2.0	1.9	2.0	2.1	2.3	2.3
2017	3.0	2.9	2.4	2.1	1.9	1.8	1.8	1.9	1.8	1.9	2.1	2.2	2.2
2018	2.4	2.4	2.4	2.3	2.2	2.1	2.2	2.3	2.3	2.4	2.5	2.7	2.4

Source: Directorate of Labour.

The above table shows clearly how recorded unemployment declined over the period, from annual average of 2.9% in 2015 to 2.4% in 2018. The figures for 2016 and 2017 were 2.3% and 2.2%.

¹⁵ [Annual Report of the Directorate of Labour for 2015.](#)

¹⁶ [Annual Report of the Directorate of Labour for 2016.](#)

¹⁷ [Annual Report of the Directorate of Labour for 2017.](#)

¹⁸ [Annual Report of the Directorate of Labour for 2018.](#)

¹⁹ Annual Reports of the Directorate of Labour for 2015-2018.

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

Year	2015	2016	2017	2018
Men				
16-24	10.7	6.7	8.6	13.1
25-54	2.6	2.2	1.8	2.3
55-74	2.5	2.2	1.4	2.1
Total	3.9	2.9	2.8	2.9
Women				
16-24	6.7	6.4	7.1	5.6
25-54	3.8	2.8	2.0	2.0
55-74	2.7	1.3	1.4	2.0
Total	4.1	3.1	2.7	2.6

Source: Statistics Iceland.

There was a considerable drop in recorded unemployment for both genders up until 2016; the reduction was 2.2% among men and 1.8% among women from 2014 to 2016. The reduction between 2016 and 2017 was far smaller: 0.1% among men and 0.4% among women. In 2018 there was a small reduction in recorded unemployment among women (0.1%); for the first time since 2009 the trend among men was reversed, with a rise of 0.1%. All in all, there is little difference in the rates between the genders, but when the 16-24 age group is considered, a considerable difference is found, particularly in 2015 and 2018.

The figures on recorded unemployment from the Directorate of Labour are slightly lower than those from Statistics Iceland. One explanation for this is because the directorate covers the age range 16-69, while Statistics Iceland takes 16-74 as its age range. According to the directorate, recorded unemployment in 2018 was 2.4%, 2.2% among men and 2.5% among women.²⁰

Table 9. Unemployment, by region and gender (average per month).

	Men				Women				Total			
	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018
Metropolitan area	1,560	1,285	1,224	1,562	1,821	1,507	1,289	1,343	3,381	2,792	2,513	2,905
Rural area	736	535	678	693	838	652	708	685	1,574	1,187	1,386	1,378
– Sudurnes	196	130	175	244	246	146	170	200	442	276	345	444
– W. Iceland	72	52	59	57	88	67	82	70	160	119	141	127
– Westfjords	54	33	46	33	39	35	39	21	93	68	85	54
– Northwest	29	18	21	23	27	26	18	21	56	44	39	44
– Northeast	187	153	206	180	226	193	207	177	413	346	413	357
– East Iceland	57	45	54	49	75	61	54	57	132	106	108	106
– South Iceland	141	104	117	107	138	124	138	139	279	228	255	246
Total	2,296	1,820	1,902	2,255	2,659	2,159	1,997	2,028	4,955	3,979	3,899	4,283

Source: Directorate of Labour.

The highest rate of recorded unemployment in 2018, 2.6%, was among women in the metropolitan area; it was lowest, at 1.9% among men in the rural areas. There was a rise in unemployment among both men and women between 2017 and 2018 for the first time since 2009. The rate for men in the rural areas rose from 1.6% in 2016 to 1.9% in 2017, remaining

²⁰ [Annual Report of the Directorate of Labour for 2018.](#)

unchanged through 2018. Among women in the rural areas, the rate rose slightly from 2.4% in 2016 to 2.5% in 2017, falling back in 2018.

Of the rural areas, Suðurnes had the highest unemployment rates, particularly at the beginning and end of the report period. In 2015, the rate of recorded unemployment there was 4%: 3.2% among men and 5% among women. In 2016, the highest rate (2.5%) was in the metropolitan area: 2.9% among women and 2.1% among men. Suðurnes had the highest unemployment rate again in 2018, 3.2%. The lowest recorded unemployment rate during the period, 1.2%, was recorded in the Northeast region in 2018. Other regions had rates under 2%, with the exception of the Northwest region where the rate was 2.3%. Unemployment rose by 0.4 percentage points in the metropolitan area between 2017 and 2018, and by 0.2 percentage points in the rural areas over the same period. The average number of unemployed persons in the metropolitan area rose by 3,900 in 2018, while at the same time the average for the rural areas fell by 6.²¹

Most of those who were unemployed in the years 2015-2017 had previously worked in the commercial sector. They accounted for 18% of the total in 2015 and 2016 and 16% in 2017. In 2018, 12% of the unemployed had worked in the hotel and hospitality sector and 10% in industry. Having fallen during the preceding years, the proportion of unskilled workers on the unemployment register rose from 25% in 2016 to 28% in 2017. As before, the second-largest group among the unemployed in 2017, amounting to 16%, had worked as caregivers or wardens or in service jobs of various types. Persons with experience in other occupations formed groups of similar proportions within the unemployed, little changed from the levels of 2016.

Table 10. Educational background of the unemployed (%).

	2015	2016	2017	2018
Men				
Basic schooling	48.7	38.7	46.7	46.9
Vocational and secondary school	35.9	45.2	33.3	31.2
Post-secondary	15.4	16.1	20	21.9
Women				
Basic schooling	43.3	39.3	44.0	41.6
Vocational and secondary school	27.0	32.1	28.0	29.2
Post-secondary	29.7	28.6	28.0	29.2

Source: Statistics Iceland.

At the end of the period, those who only had basic schooling constituted 46.9% of the unemployed; at its highest, in 2012, this figure was over 50%. The gap between men and women, in their proportions of the unemployed, narrowed somewhat among those with post-secondary education; in 2015 there were twice as many men as women. There was a significant rise in the numbers of men in this category, the proportion went from 15.4% in 2015 to 21.9% in 2018. The change in the proportion of those with vocational or only secondary school education was not so great, with the exception of 2016, when it rose by 10%, only to drop back again the following year.

²¹ The Employment Situation 2015-2018. Reports by the Directorate of Labour.

Nearly 1,300 more Icelandic nationals left the country than returned to it in 2015; this figure was nearly twice that for the previous year. In 2016 146 more Icelandic nationals left the country than moved to it. This trend was reversed in 2017 when, for the first time since 2005, more Icelandic nationals moved to Iceland than left it; the margin was 352. In 2018 the number of Icelanders leaving the country once again exceeded the number returning, by 65.

As the table below shows, the number of persons who had been without work for more than 6 months fell in general over the period.

Table 11. Long-term unemployment (%).

	2015	2016	2017	2018
0-6 months	56%	55%	59%	58%
6-12 months	22%	22%	21%	22%
More than 12 months	22%	23%	20%	20%

Source: Directorate of Labour

Long-term unemployment declined in 2015-2018. Those who had been without work for one year or more constituted 20% of the total in 2017 and 2018, compared to 22% in 2015 and 23% in 2016. This represents a reduction as compared with the figures from the last report, in which it appeared that 28% were still unemployed in 2013, one year after registering, and 26% in 2014. Figures from the Directorate of Labour indicate that in most cases, people in Iceland are not unemployed for longer than 6 months. Thus, 58% of those on the register had been unemployed for 6 months or less in 2018; in 2015 the corresponding figure was 56%. Very little change occurred in the number of those who had been without work for 6-12 months; the proportion was 21-22% throughout the report period.

Long-term unemployment was slightly more prevalent among women (21%) than among men (19%) in 2018; the gap between them had closed significantly since 2014, when it was 4 percentage points, and in 2017 it became as little as 0.38 percentage points. The age group most affected by long-term unemployment was the over 50s; nevertheless, the number involved fell sharply and was, in 2018, only half what it had been in 2012. The problem of joblessness lasting more than one year was greater in the metropolitan area than in the rural areas, the percentages of the unemployed affected in this way being 21% and 17% respectively. Again, the gap had narrowed over the report period, having been nearly 15 percentage points in 2013.²²

3. The labour market.

A. Legislative amendments applying to the labour market.

The main acts of law relating to the labour market are the Unemployment Insurance Act, No. 54/2006 and the Labour Market Measures Act, No. 55/2006, together with Regulations No. 1224/2015, on participation in labour-market measures by jobseekers who are insured under the unemployment insurance system and the payment of support grants from the Unemployment Insurance Fund, and No. 1223/2015, on courses of study and workshops recognised as labour-market measures. Amendments were made to both the aforementioned acts during the report period, and the regulations named above replaced older regulations on the same topics, introducing some new provisions. Two new acts of law were also passed. The first of these was Act No. 38/2018, on Services for Persons with Disabilities who have Long-Term Support Needs, which entered into force on 1 October 2018, replacing the Disabled Persons Act, No. 59/1992. The second new piece of legislation was Act No. 86/2018, on Equal

²² The Directorate of Labour.

Treatment on the Labour Market. For other information on legislation, reference is made to Iceland's last report (the 29th Report) on the provisions of the Charter that are under discussion here.

It should be pointed out that the Welfare Appeals Committee Act, No. 85/2015, combined seven adjudicative and appeals committees into one dealing with appeals against decisions on welfare issues. As a result, appeals against decisions taken by the Directorate of Labour under Act No. 54/2006 and Act 55/2006 may be brought before the Welfare Appeals Committee, instead of committees dealing specifically with insurance benefit and labour-market measures issues.

The Unemployment Insurance Act, No. 54/2006.

The Act on Various Premises for the Budget, No. 125/2014, introduced amongst other things an amendment to the Unemployment Insurance Act stating that unemployment benefit was to be paid continuously for 30 months, instead of 3 years as previously. The reasoning behind this amendment was discussed in the notes to the bill that was passed as Act No. 125/2014. These stated that the shortening of the period of continuous payments was in line with the Government's aim of reducing expenses and exercising fiscal restraint, and also to bring Iceland's unemployment insurance system closer to that of the other Nordic countries. It was also stated that the estimated expense was based on forecasts by the Directorate of Labour of the unemployment situation expected in 2015. As is stated above, unemployment was then in decline. It may be added that prior to the commencement of the act, there were indications of a sharp decline in unemployment (*cf* information from the Central Bank²³ and the National Economic Forecast by Statistics Iceland).²⁴

The Labour Market Measures Act, No. 55/2006, and regulations issued thereunder.

Act No. 88/2015, amending the Social Security Act, No. 100/2007, added to Act No. 55/2006 an authorisation permitting the minister of social security to commission the Directorate of Labour to enter into contracts with undertakings or institutions by which they would engage for work disabled persons who received disability benefit, disability grants, rehabilitation pensions or disability payments following accidents at less than 50% of the full level, and who had working capacity that was not being absorbed on the labour market and no income, or no substantial income, on which to support themselves apart from payments from the social security system. Reductions of pension payments during the employment period is in accordance with the general rules applying to such reduction at any given time. Some fairly substantial amendments were made to Act No. 55/2006 by Act No. 38/2018 on Services to Disabled Persons with Long-Term Service Requirements. Under these, the Directorate of Labour was authorised to enter into collaborative agreements with local authorities on the participation by disabled persons in solutions run by the local authorities, or service areas to which they belong, under the Act on Services for Persons with Disabilities who have Long-Term Support Needs. In addition, the Directorate of Labour was to see to the organisation of labour-market measures for disabled people, including special support for job-seekers and follow-up monitoring, and of employment contracts for the disabled.

The minister has issued two new regulations under the authorisation of the fifth paragraph of Article 12 of Act No. 55/2006, which states that the minister is to issue regulations setting out further provisions on the structure of labour-market measures after receiving the comments of

²³ [Economic indicators \(Hagvísar\) from the Central Bank of Iceland, January 2014.](#)

²⁴ [Statistics Iceland.](#)

the board of the Directorate of Labour, covering such matters as the types of courses to be held and what types of study are to be regarded as constituting labour-market measures. These were Regulation No. 1223/2015, on courses of studies and workshops that are recognised as constituting labour-market measures, and Regulation No. 1224/2015, on participation by job-seekers who are insured within the social insurance system in labour-market measures and on the payment of grants from the Unemployment Insurance Fund.

Regulation No. 1223/2015 replaced the earlier Regulation, No. 13/2009, of the same name. No great material changes were made in the later regulation, though under indent *i* of Article 1 of Regulation No. 1223/2015, courses of studies held in evening schools and/or by distance learning, and which count as only one-third, or less, of full-time studies but which may lead to the school-leaving (matriculation) examination, are now regarded as labour-market measures under Article 12 of Act No. 55/2006. For other information, reference is made to the previous report on these provisions, which contains a discussion of what constitutes labour-market measures under the act.

Regulation No. 1224/2015 repealed Regulation No. 12/2009, on participation in labour-market measures by persons insured under the unemployment insurance system and on grants to facilitate relocating (moving house). The new regulations do not contain provisions on probational engagement (*cf.* Article 4 of Regulation No. 12/2009). On the other hand, the new regulation does contain a provision on training in the workplace, under which the Directorate of Labour may enter into contracts with undertakings or institutions covering training of job-seekers in the workplace. The aim of such contracts is that the job-seekers involved will have the opportunity of undergoing training, so preparing themselves for further participation in the labour market. These contracts may run for maximum terms of 8 weeks, and may not be extended or renewed for work done by the same job-seeker. During the term of the contract, the job-seeker is obliged to attend courses and workshops that are designed as part of the training in the workplace. The job-seeker receives unemployment benefit payments under the Unemployment Insurance Act while the contract is in force.

The provision on study contracts was also amended slightly; it was made a condition that job-seekers had been actively engaged in seeking work, and registered as unemployed by the Directorate of Labour for at least three months following the loss of employment before applying for such a contract. In the case of a programme of studies rated as 75% or more, the job-seeker is required to have been registered with the Directorate as unemployed for at least 12 months following the loss of employment before applying for such a contract. Job-seekers are required to be actively seeking employment during the term of the contract and to be prepared to accept any job they are offered during that time. The term of the study contract is unchanged as compared with the older regulation, i.e., it may amount to a total of one semester of study. Contracts may be extended providing that the job-seeker has demonstrated satisfactory academic performance, in the opinion of the educational institution concerned, and met the conditions set in connection with the course of studies. It is not permitted, however, to extend contracts covering courses of study rated at 75%, or higher proportions, of full-time studies.

Changes were made to the provision covering contracts between the Directorate of Labour and job-seekers regarding the development of their own commercial ideas (see Article 5 of the new regulation). These empowered the directorate to request that Innovation Centre Iceland and/or other bodies judged competent by the directorate testify to the value of the ideas. During the term of the contracts, the directorate is permitted to cancel the contract if, in the opinion of its

advisory body, the commercial idea is not likely to produce the results envisaged when it was drawn up.

The provisions on employment-related labour-market measures were changed (see Article 6 of Regulation 1223/2015 and 1223/2015), defining the maximum term of the contracts at three months and prohibiting their extension. (Previously, job-related rehabilitation contracts could be made for 13 weeks and could be renewed once.)

Under Regulation No. 1224/2015, the Directorate of Labour is permitted to enter into contracts with non-governmental organisations which act as agents arranging volunteer work in other EEA member states (see Article 7 of the regulation). ‘NGOs’ here refers to organisations that work to promote charity or humanitarian work for the general public, are not profit-driven and are exempt from taxation under Article 4 of the Income Tax Act, No. 90/2003.

Act No. 86/2018 on Equal Treatment on the Labour Market.

The Equal Treatment on the Labour Market Act, No. 86/2018, took effect on 1 September 2018. The aim of the act is to combat discrimination and establish, and maintain, equality in the treatment of individuals on the labour market, irrespective of their race, national origin, religious belief, life-stance, disability, reduced working capacity, age, sexual orientation, sexual awareness, sexual characteristics or sexual expression (see the first paragraph of Article 1 of the act). Thus, the factors listed above are not to have an effect on access to employment, independent economic activity or occupational sectors, access to counselling in connection with education or career, vocational education or vocational training, decisions in connection with wages, other terms of service and termination of employment or participation in workers’ or employees’ organisations. The act does not cover differences in the treatment of individuals on the labour market on the basis of citizenship or statelessness, or measures prescribed in law which are considered necessary with reference to public order, public security, public health or the protection of other persons’ rights, and nor does it apply to various age-related conditions in connection with entitlements in pension funds. Further discussion of this act is to be found in the section dealing with Article 1(2) of the Convention.

Act No 38/2018 on Services to Disabled Persons with Long-Term Service Requirements.

Iceland became a signatory to the UN Convention on the Rights of Persons with Disabilities on 30 March 2007 and ratified it on 23 September 2016. The aim of the convention is to promote, protect and ensure the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities on an equal basis with others. An inter-ministerial collaborative committee worked on the ratification process, each ministry separately examining the legislation applying to its field of competence; after this, legislative amendments were proposed to harmonise Icelandic law with the provisions of the convention. Act No. 38/2018, which took effect on 1 October 2018, is largely based on the convention. As of the same date, the Disabled Persons Act, No. 59/1992, stood repealed. The aim of Act No. 38/2018 is that persons with disabilities should have access to the best possible services that can be provided at any given time so as to meet their special needs for support. Services are to be aimed at giving disabled persons the necessary support so as to enable them to enjoy full human rights on a par with other people and so created the conditions for an independent life on their own terms.

Act No. 45/2007 on Posted Workers and Obligations of Foreign Service Providers and Act No. 139/2005 on Employment Agencies.

The most important amendments that were made to both of these Acts with Act No. 75/2018 relate to the obligations of service recipient companies in Iceland to be subject to chain liability.

With this, the responsibility of the server recipient company and the company that sends it's employees to Iceland is made inseparable regarding the rights of the employees of the latter, but with some narrow exceptions. Service recipient companies in Iceland must therefore be liable to the employees for fulfillment of certain rights, if their actual employer fails to fulfill such obligations. The enactment of provisions on chain liability is based on Article 12. of Directive 2014/67 / EC and the aim is i.a. to promote compliance with the provisions of laws and regulations, as well as wage agreements that apply in the domestic labour market, not least in order to combat social dumping as much as possible. Other amendments include an obligation imposed on the Directorate of Labour to publish in an accessible manner, in collaboration with the social partners' associations, information on laws and rules that apply in the labour market in Iceland, as well as information on current wage agreements. The Directorate of Labour is also granted supervisory authority over companies that provide services in this country and employment agencies, e.g. to turn up for inspections and access payslips, and the agency may impose administrative fines if information and data are not provided, regardless of whether such withholding is intentional or negligent.

B. Labour market measures.

Labour market measures come under the purview of the Ministry of Social Affairs; under the Labour-Market Measures Act, No. 55/2006, they are organised and implemented by the Directorate of Labour.

The Government regards it as a priority to ensure that job-seekers are given individual counselling and assistance in seeking employment. The Directorate of Labour assesses the situation of particular groups when drawing up its employment survey for each year, and then fixes its priorities in accordance with that assessment. In the following discussion, further details are given of the priorities identified during the report period. The last report gave an explanation of the term “labour market measures”, in addition to describing in some detail the divisions between basic measures, education-related measures, employment-related measures or vocational training measures. Reference is made to the previous report concerning these definitions.

In 2015-2017, nearly 18,000 people participated in labour-market measures. The number involved in 2015 was 8,640; in 2016 it was 3,060; in 2017 2,907 and in 2018 3,170.

Table 12. Job-seekers in Labour market measures (%).

Type of measure	2015	2016	2017	2018
Basic remedies	62%	44%	50%	49%
Short courses	20%	34%	31%	36%
Study programmes	7%	8%	8%	6%
Employment-related remedies	2%	5%	5%	4%
Vocational training remedies	9%	9%	6%	5%

Source: Directorate of Labour

Table 13. Total unemployed and participation in active measures.

	2015	2016	2017	2018
Unemployed recorded by the Directorate	4,955	3,979	3,899	4,283
No. of job-seekers registered by the Directorate ¹	15,135	13,532	13,638	13,503
Job-seekers registered in remedial measures ²	8,640	3,060	2,907	3,170

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

² Total number of individuals who participated in measures of some sort during the year (cumulative figure). In 2015 the number is not based on number of job-seekers, as one job-seeker can take part in more than one measure.

Source: Directorate of Labour.

Persons listed as job-seekers were 15,135 in 2015, 13,532 in 2016, 13,638 in 2017 and 13,503 in 2018. The number of persons registered as unemployed in 2015 stood at 4,955; in 2016 it was 3,979; in 2017 it was 3,899, rising slightly to 4,283 in 2018. As can be seen from the table above, levels of participation in labour-market measures were high.

The results produced by labour-market measures are discussed in the annual reports of the Directorate of Labour for the years 2015, 2016 and 2017. In 2015 and 2016, about 50% of participants were no longer on the register three months after their participation in the measures came to an end; in 2017 this applied to about 40% of participants. All three reports show that the best results were produced by employment-related measures; 82-84% of participants in them were no longer unemployed three months later.²⁵ A programme entitled “Develop your own commercial idea” also produced good results. This gave participants the opportunity to develop their ideas for up to six months, with support from the Directorate of Labour; 47% of participants were no longer unemployed three months after the end of their contract terms.

Employment-related labour-market measures for women.

As it had been found that the proportion of women who had begun working under contracts for vocational training in the workplace was rather lower than that of men, it was decided to boost vocational training opportunities for women in 2015. One way this was done was to involve more employers in providing openings of this type as labour-market measures for women. Men had constituted 61% of participants in such measures, against a figure of 39% for women. At the end of 2015, a review of the situation showed that 676 job-seekers had landed jobs in this scheme: 346 men and 330 women. The proportion of women in vocational training in undertakings had risen to 50%; thus, complete gender equality was achieved. The overall effectiveness of these measures continued to be high, as in previous years: 81% of men, and 86% of women who participated in the measures were no longer unemployed three months later.

Upgraded services for job-seekers of foreign origin.

Additional priority was given to providing services for job-seekers of foreign origin in 2015, as it had been found that unemployment was declining more slowly among their number than among people born in Iceland. The Directorate of Labour sought collaboration with providers of courses in Icelandic for foreigners, with an emphasis on training in the workplace, in addition to which various job-related courses were offered. Almost half the places offered on these courses were occupied by job-seekers of foreign origin in 2015. Results of this programme were also good: unemployment within the group dropped from 7.6% at the end of 2014 to 6.1% at the end of 2015 at the same time as the number of foreign nationals in the country rose.

Unskilled job-seekers and the long-term unemployed.

The Directorate of Labour has placed great emphasis on services and counselling, involving labour-market measures, for unskilled job-seekers, who have constituted the greatest proportion of all job-seekers. Services for those who have been out of employment for longest have also been expanded and restructured so that each advisor serves fewer clients; this should make it possible for the services to take greater account of individual requirements. A varied

²⁵ Annual reports of the Directorate of Labour for 2015-2018.

range of education-related measures are on offer, the aim of which is to strengthen the position of the job-seeker on the labour market.

Counselling and labour-exchange services for refugee job-seekers.

At the end of 2015, the Directorate of Labour began offering services and counselling specifically for refugees in search of employment and also keeping special statistics on this group. The reason was that there had been an increase in the numbers of those applying to the directorate after their status as asylum-seekers had been recognised. It was also considered that persons in this group needed a special approach since they had no knowledge or experience of the Icelandic labour market. The emphasis was placed on providing them with jobs and also on being able to give them support for some time after that aim had been achieved so as to help them to adapt as best as possible.

The Directorate of Labour received 94 referrals in 2016 of people who had requested services for refugees. The refugees were from 20 different countries, with extremely varied experience and histories. Five individuals were referred back to the social services as being unfit for work. Of the 89 who were able to make use of the assistance provided by the Directorate of Labour in looking for work, 67 (i.e., 75% of the total) received jobs that year; others continued to make use of the service on into 2017.

Unga in i Norden (Ungt fólk til virkni).

In 2012 the Nordic Council of Ministers took the decision to give priority to a project aimed at ensuring activity and participation by young people in studies and on the labour market and to seek ways of protecting their mental welfare and well-being. A growing number of young people (aged 16-29) in the Nordic countries draw disability benefit due to mental illness; the proportion is thought to lie between 2% and 5%, and this is seen as one of the most serious public health challenges faced by the Nordic countries. In Europe, a group of young people has been designated as ‘NEET’: not in education, employment or training. It is thought to constitute 6-12% of the total. Even though persons in the group share the status of being neither in employment nor in education, there is little else that they have in common, and it is therefore vital that the services available to them take account of their individual variety. The decision to launch special services for this group was taken following a conference of specialists on youth mental health and untimely disability, as the number of young people moving onto disability benefit is both large and growing.

The project began at the end of 2013. Its aims included:

- The sharing of knowledge and experience between the Nordic countries regarding measures to ensure activity and participation by young people and to prevent untimely disability.
- The promotion of collaboration between institutions, researchers, universities and professional with the aim of throwing light on the causes and consequences of the fact that young people are failing to engage with the labour market.
- To promote collaboration on a ‘best solution’, this specifically being a way of ensuring that young people will make the transition from school to the labour market.
- To promote the growth of knowledge through research, both across the Nordic countries and in smaller localities.
- To initiate research and developmental work.
- To submit proposals embodying clear and well-defined targets for policymakers to implement.

Nordens välfärdscenter in Stockholm was entrusted with administering the project, which it did with a team of specialists which included representatives of all the Nordic countries. Collaboration was sought with a large number of specialists and researchers in the field, and the results were published in a number of reports and summaries which can be viewed on the project's webpage.²⁶

The project ended with a conference in Oslo on 20 January 2017 at which the main conclusions and proposals to government authorities were unveiled. This was done by representatives of young people, on the one hand, and by the managers of the project on the other. There was a general consensus that, in all the Nordic countries, there is a need for greater funding for youth issues in general: leisure activities, education and health issues. It was also agreed that additional funding should be given to developing specially-focused measures and services to meet the needs of those young people who are at particular risk of exclusion or of developing mental disorders.

Site studies were made in Iceland, the Faroes and Norway to examine services to the target group addressed in the “Unga in i Norden” project and collaboration between different service systems. In Iceland, interviews were taken with people in the target group and with persons working in the social services, the health services, the school system and on employment issues. Altogether, it can be said that the greatest challenge Iceland faces in this area is an urgent need to expand its mental health services for young people and to improve collaboration between service systems. The conclusions of the survey can be found in the report “When someone has to take charge”.²⁷

Improved welfare of young people.

The Directorate of Labour organised a seminar and workshop in the Nordic House in Reykjavík in collaboration with Nordens välfärdscenter in 2016. The topic for the workshop was “The Health of Children and Teenagers”; it was based on the findings of the collaborative project “Unga in i Norden - Ungt fólk til virkni” which was launched in 2013 and ended in 2018 (described above) in which the emphasis was on mental health, education and participation in the working economy. The conclusions of this workshop were that greater priority should be given to an interdisciplinary approach and on ideas that would promote collaboration between the municipal social services, the employment services, the health services and the school system, with the welfare of young people as its guiding principle. The Directorate of Labour took the initiative in calling for such collaboration in the metropolitan area, the Northern Iceland (Eastern District) and Suðurnes.

Job Forum (Atvinnutorg).

Even though it is perhaps not considered as a special priority in employment, it may be mentioned in addition to the discussion above that at the end of 2017, a ‘job forum’ was opened in the headquarters of the Directorate of Labour in Reykjavík. This is intended as a facility for job-seekers in which they can have individual counselling from counsellors working for the directorate to assist them in seeking employment, e.g. in drawing up CVs and writing job applications. There are six computers in the Job Centre, and a side room that counsellors can use to have private sessions with persons who apply for assistance. When this room was designed, special attention was given to creating a cosy and comfortable atmosphere so that job-seekers would retain positive feelings after talking to counsellors.

²⁶ Unga in i Norden – [Project's webpage](#).

²⁷ Report – [“When someone has to take charge”](#).

C. Formal collaboration with the local authorities.

A three-year experimental project was launched in the metropolitan area in 2017 on collaboration between service systems. The main aim of this is to strengthen the position on the labour market of young people who have not completed any level of studies higher than compulsory schooling and are regarded as being at risk of becoming chronically inactive and becoming classified as unfit for work or disabled. The background to this was the effort being made all over Europe to establish collaboration between service systems to assist persons classified as 'NEET' (see the discussion above) who are seen as being furthest removed from the labour market and at particular risk following the economic recession and austerity of the past few years. The discussion of this project in the annual report of the Directorate of Labour points out that the longer someone is out of the labour market, and inactive, the greater the danger that he or she will qualify as disabled and be permanently unemployed. The report also notes that there was a high level of willingness and interest in finding solutions based on collaboration and a multiplying effect between all service providers aimed at promoting the welfare of young people in a vulnerable position. The experimental project is intended to form the basis of formal collaboration between the Directorate of Labour, the municipal social service departments in the metropolitan area, the Virk rehabilitation fund, the upper senior schools and the health clinic network. It is aimed to bring researchers in on this project and to make it a priority to have consultation and collaboration with representatives of young people.²⁸

A collaborative agreement between 14 institutions in Akureyri on the provision of services to young people in Akureyri and the Eyjafjörður district was signed on 19 October 2017. The aim of this was to promote better general and specialised services for people aged 16-29 who are in need of seamless assistance in connection with job searches, school attendance, rehabilitation or treatment of another type. From that date onwards, collaboration on assistance to persons in the 'NEET' category was placed on a formal footing; it had existed, informally, since 2008, but the change to a formal status was designed to ensure involvement of the relevant institutions and create a seamless service network and an overview of the issues.

Late in 2017, the Directorate of Labour held a seminar in the Suðurnes region under the slogan 'Stronger Together.' The aim was to provide a forum for the exchange of ideas in two groups: firstly, the systems that provide services to young unemployed people who suffer from mental or physical illness with a view to checking the rise in untimely disability among such people, and secondly the discussion of employment possibilities for people of foreign origin, as this group had expanded considerably from year to year in the Suðurnes area. A collaborative agreement was made between the social service departments of the local authorities in the region, the Directorate of Labour, the Virk Rehabilitation Fund, the upper secondary schools and the health clinics so as to secure collaboration between service providers.

D. Participation in international employment projects.

Iceland participated in many international employment programmes during the report period. Some of these are listed below.

Female – Fostering Entrepreneurship and Mentoring in Europe.²⁹

The entrepreneurial programme Female – Fostering Entrepreneurship and Mentoring in Europe began in 2013 and ended late in 2015. The Directorate of Labour administered this programme, in which 6 entities from 5 countries took part. The aim was to offer guidance for women

²⁸ [Annual report of the Directorate of Labour for 2017.](#)

²⁹ Female – Fostering Entrepreneurship and Mentoring in Europe – [Project's webpage.](#)

entrepreneurs who had recently set up companies and to encourage women to begin running companies by making available information of a practical nature that would be of use to them in doing this. The Female programme was also intended as a contact network for women, giving them access to a common social medium and homepage with information relevant to women entrepreneurs.

Free – Female Rural Enterprise Empowerment.³⁰

In 2015, the Directorate of Labour received a grant from the EU's Erasmus+ scheme to administer the European collaborative project "Free": Female Rural Enterprise Empowerment. This started in 2015 and ended in 2018; 250 women took part in it. It could be described as a continuation of the Female – Fostering project, but with a particular focus on giving encouragement to embark on the running of companies in the rural enterprises. The reasoning behind it was, amongst other things, that such encouragement and support is even more important in the rural areas where it can be difficult to find guidance and support and few women are in a position to do so in each locality. Education via the internet, coaching, a contact network and peer education bring together some of the methods used in the project; they produced excellent results among the women who participated in it. Guidance was made available in three regions in Iceland: the West Fjords, Northern Iceland (Western Region) and Eastern Iceland, all of which share a history of population decline and a one-sided economy. Others involved in the project came from Britain, Croatia, Bulgaria and Lithuania; in Iceland, the Regional Development Authority was the participating body. In the course of the project, eleven contact networks were set up in four countries; these are now under the direction of women entrepreneurs in their respective locations. They have served as a means of sharing experience, finding support and giving guidance which would not otherwise have been easily accessible. About 250 women have taken part in the contact networks.³¹

Enterprise4all.³²

The European collaborative project Enterprise4all came to an end in 2015, after running for two years. It was under direction from Spain, and brought together participants from Iceland, Britain, Austria, Hungary and Italy. It was aimed at young job-seekers, the long-term unemployed and job-seekers who were more than 45 years old and had shown an interest in new enterprises or the development of their own commercial ideas. The idea was to help these people to identify the competence, knowledge and skills they lacked in order to be able to create their own opportunities on the labour market. A special analytical instrument was created to facilitate analysis; the project also resulted in the production of special educational material that was produced for those at whom it was aimed.

Job Broker.

Job Broker was a development project that started in 2015 and ended in 2018. It was intended to define and introduce a recognised and certified professional designation for professional counsellors in the participant countries and to draw up a syllabus to be covered in order to earn the designation, as has been done for other occupations whose members work for public labour exchanges in these countries. The participating states were Iceland, Britain, Germany, Austria, Spain, Italy, Cyprus and Greece.³³ The final meeting in the project was held on 5 July 2018; there, the results were reviewed. They included a new role and vision for labour-exchange services and a job description that unites the traditional functions of labour-exchange officers

³⁰ Free – Female Rural Enterprise Empowerment – [Project's webpage](#).

³¹ [Policy makers guide](#).

³² Enterprise4all – [Project's webpage](#).

³³ [The Job Broker project newsletter number 1](#).

and counsellors. In the fifth newsletter in a series devoted to the project, it was said that participants had ‘been successful with a new Job Broker project to turn the learning programme into a European professional certificate.’³⁴

EURES.

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

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

1. Prohibition of discrimination in employment.

A. Discrimination based on sex.

The report by the World Economic Forum published 1 November 2017 stated that gender equality was nowhere more advanced than in Iceland, according to the WEF’s assessment criteria. Iceland is thus in first place out of the 140 countries surveyed, and for the ninth year running. On a scale from 0 to 1, Iceland currently has a score of 0.88. The assessment is based on four key elements: access to health services, educational standard, participation in politics and economic position. Each of these is analysed, e.g. on the basis of data on activity rate, wage equality, employment earnings and the gender ratio among managers and specialists.³⁵ In the light of Iceland’s position in first place in the WEF’s assessment, it is interesting to examine the gender divisions on the Icelandic labour market.³⁶

The Icelandic labour market has long been characterised by a high activity rate among women: no other western country has such a large proportion of women on the labour market, and the activity rates for both sexes are the highest among the OECD countries. The activity rate among women has risen steadily in recent decades and the gap between the sexes has narrowed. The overall activity rate has been just under 80% since the beginning of this century; in 2017 it was 78%. Among men, the activity rate has fallen somewhat since the beginning of the century; in 2017 it stood at 84%. The difference between the sexes is larger if the upper age cohorts are examined separately: among the 55-74 year age groups, the activity rate for women was 59.6% in the fourth quarter of 2017; among men of the same age, it was 72.1%, about 12.5 percentage points higher.

Table 14. Ratios of women and men in various positions of influence, 2017 and 2018.

	Women (%)	Men (%)
Managers of companies in operation in 2017	22.0	78.0
Members in Icel. Journalists’ Union and Radio/TV Journ. Union, 2017	38.0	62.0
District Court judges, December 2018	38.0	62.0
Supreme Court judges, December 2018	12.5	87.5
Ambassadors at end of 2017	32.0	68.0
Elected local council members 2018	47.0	53.0
Elected members of parliament (Althingi), 2017	38.0	62.0

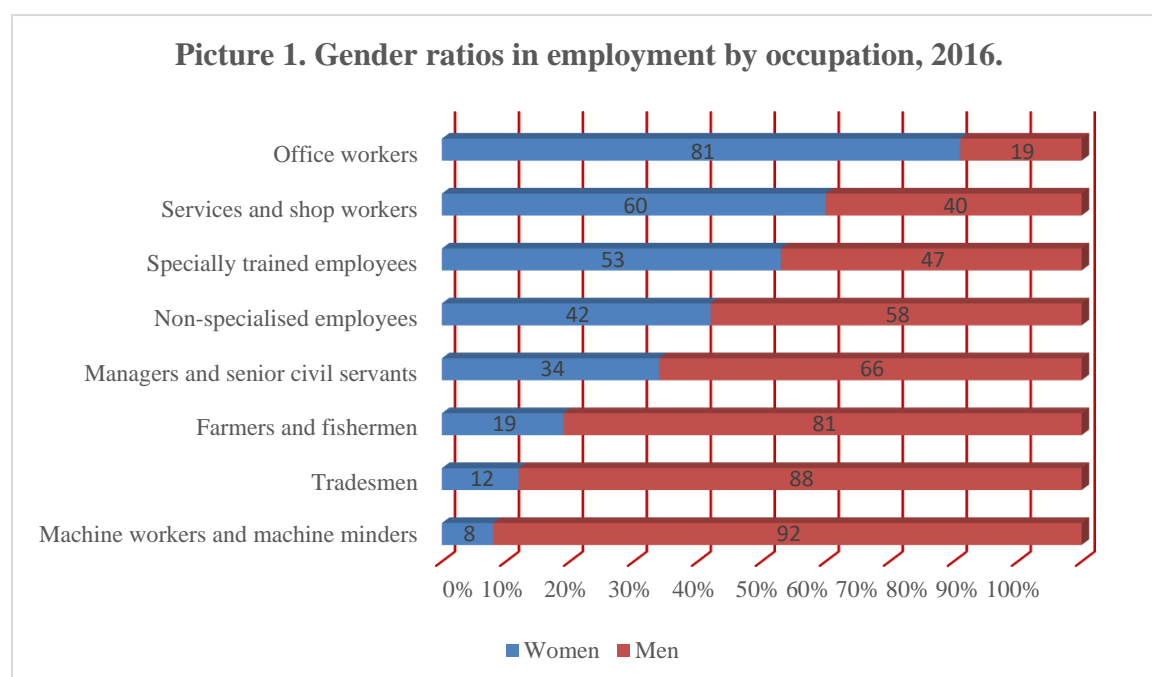
Source: Statistics Iceland.

³⁴ [The Job Broker project newsletter number 5.](#)

³⁵ [The Global Gender Gap Report 2017.](#)

³⁶ [Gender Equality Congress 2018 – Report of the Minister of Social Affairs and Gender Equality.](#)

Iceland's labour market may be described as fairly distinctly divided along gender lines, i.e. one gender tends to be in a significant majority in certain occupations. Thus, women are in a significant majority among office workers, services and the commercial sector, and also form a majority of specialists and specially trained employees, though the genders are most equally represented in these latter categories. Occupations that are traditionally male-dominated lie in industry, technical sectors and production: 92% of machine operators and machine minders and 88% of artisans are male. Posted workers and employees of temporary-work agencies who are active in Iceland are also predominantly male.³⁷ According to data from the Directorate of Labour, about 1,800 people worked in Iceland as posted workers in 2017; 91% of these (about 1,640) were men and 9% (160) women. Information from the directorate reveals that about 3,100 workers were active in Iceland under the auspices of temporary-work agencies in 2017; of these, 95% (2,900) were men and 5% (200) women.³⁸



Source: Statistics Iceland. *Women and men in Iceland 2017*.

A general election was held in October 2016, with a considerable narrowing of the gender gap in the composition of the new Althingi, with women as 47.6% of MPs, the highest proportion ever. However, the government coalition split just under a year later, with another general election following in October 2017; the proportion of women MPs then fell to 38.1%, with 24 seats taken by women, a figure broadly comparable to that in the pre-2016 parliament, which had 30 women members.³⁹

In the local council elections of 2014, 222 women were returned as municipal councillors, 44% of the total.⁴⁰ This figure rose slightly in the 2018 local council elections, to 47%.⁴¹

³⁷ Ibid.

³⁸ Ibid.

³⁹ [Statistics Iceland. Women and men in Iceland 2018.](#)

⁴⁰ [Gender Equality Congress 2015 – Report of the Minister of Social Affairs and Gender Equality.](#)

⁴¹ [Gender Equality Congress 2018 – Report of the Minister of Social Affairs and Gender Equality.](#)

Under Article 15 of the Gender Equality Act, care is to be taken in the appointment of committees, councils and governing boards of central and local government bodies to ensure that the gender balance is as close as possible to equal, either gender to form not less than 40% when there are more than three representatives. Since 2010, the Centre for Gender Equality has issued special reports on committees, councils and governing boards in the government ministries, which are published on its website. Table 22 below shows that the gender ratios in these bodies have been fairly equal, overall, since 2017. In 2015 the proportions were 45% women and 55% men; in 2016 they were 46% women and 54% men.

The year 2017 was the fifth in which all government ministries in Iceland fulfilled the 40% minimum requirement. The ministry for the environment and natural resources had the most even balance in its committees, with 51% women and 49% men. That same year, three ministries had larger female representation on their committees; these were the ministries for the environment and natural resources, the ministry for foreign affairs and the ministry of welfare. The lowest proportion of women, at 41%, was found in the ministry of transport, communications and local government; it nevertheless satisfied the legal requirement.

Table 15. Proportions of men and women on ministerial committees in 2017.

Ministry	Women	Men	Total	Women, %	Men, %
Prime minister's office	45	48	93	48%	52%
Industry and innovation	116	131	247	47%	53%
Justice	83	95	178	47%	53%
Finance and economic affairs	84	109	193	44%	56%
Education, culture and science	542	716	1,258	43%	57%
Transport, comm. and local govt.	53	76	129	41%	59%
Environment and natural resources	205	195	400	51%	49%
Foreign affairs	44	41	85	52%	48%
Welfare	386	301	687	56%	44%
Total	1,558	1,712	3,270	48%	52%

Source: Centre for Gender Equality.

A rather different picture emerges if, instead of concentrating on the total composition of committees, attention is also given to each year's new appointments to committees, councils and boards: where some of these bodies have been in existence for many years, adjustments to the gender balance within them can only be made when their members are appointed anew. Thus, a different perspective emerges if only those committees (etc.) that began operations in 2017 are considered. That year, the gender balance was closer than it had ever been previously, and for the first time, female-majority appointments were made, though the difference in numbers amounted to only 10 individuals.⁴²

⁴²[Directorate of Equality – Report on committees, councils and boards under the auspices of ministries.](#)

Table 16. Proportions of men and women in committees appointed during the year 2017.

Ministry	Women	Men	Total	Women, %	Men, %
Prime minister's office	13	9	22	59%	41%
Industry and innovation	90	101	191	47%	53%
Justice	21	25	46	46%	54%
Finance and economic affairs	66	73	139	47%	53%
Education, culture and science	99	99	198	50%	50%
Transport, comm. and local govt.	22	32	54	41%	59%
Environment and natural resources	40	39	79	51%	49%
Foreign affairs	33	31	64	52%	48%
Welfare	99	64	163	61%	39%
Total	483	473	956	51%	49%

Source: Centre for Gender Equality.

The Gender Pay Gap.

As in previous years, working hours explain, in part, the higher aggregate wages paid to men than to women for full-time work: men generally worked longer hours. In this context, it may be noted that, as is stated above, the labour market in Iceland is to a large extent divided along gender lines, and the length of the working day may differ between occupations. It should be noted that the proportion of overtime work in the total hours for which wages are paid can also differ between men and women, as was revealed by an extensive study made by Statistics Iceland in 2008-2016. This proportion was 10.1% for men and 5.4% for women. Overall, the proportion of working time that was paid as overtime amounted to 7.5% in Iceland, which was the highest among the EU/EEA countries. In the EU states it was 1.5%, on average: 2% for men and 0.9% for women.⁴³

Unexplained gender wage differentials have generally diminished since the financial collapse of 2008, though they increased in the public sector between 2014 and 2017. In 2015 the gender pay gap was 17%; in 2016 it was 15.6%, falling to 15.3% in 2017.⁴⁴ Comparable figures for 2018 are not yet available. These figures apply to both the private and the public sector, with the exception of municipal employees, where the wage spread tends to be generally smaller. In this comparison, hourly rates applying to men and women are calculated separately. The difference in these hourly rates, as a proportion of men's average hourly rates, is then considered to represent the unadjusted gender wage differential. The hourly rate calculation includes basic wages, fixed supplements and bonus payments, and overtime pay.⁴⁵

When various background factors are taken into consideration, as is described in the foregoing discussion, the unexplained gender wage gap was 4.4% in 2015 and 4.5% in 2016. Unexplained differentials tended to be higher in the private sector, at 5.4% both years, against 3.1% in the public sector in 2015 and 3.3% in 2016.⁴⁶ Comparable statistics for 2017 and 2018 are not yet available.

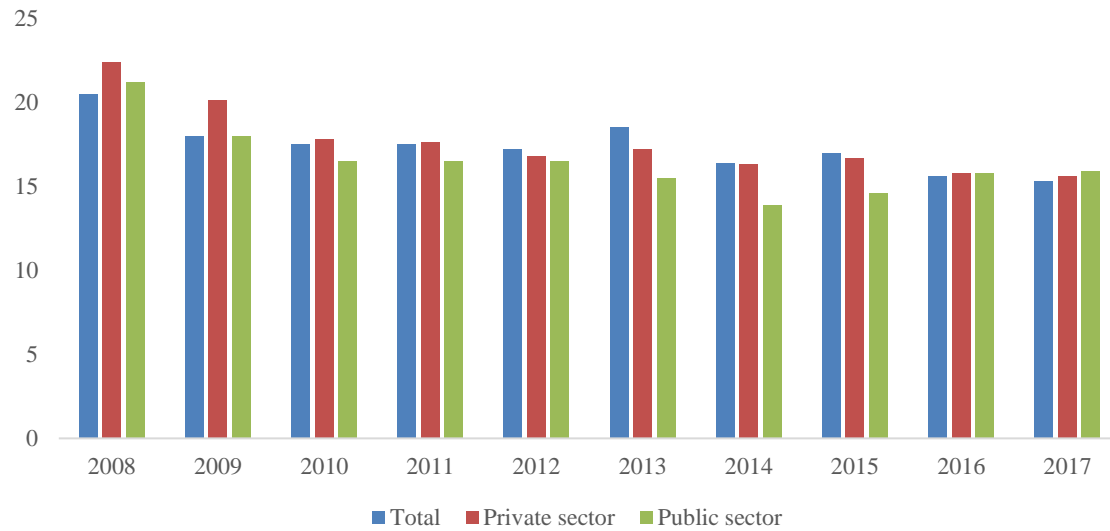
⁴³ [Statistics Iceland](#).

⁴⁴ [Gender Equality Congress 2020 – Report of the Prime Minister](#).

⁴⁵ [Statistics Iceland](#).

⁴⁶ [Gender Equality Congress 2020 – Report of the Prime Minister](#).

Picture 2. The unadjusted gender pay gap, 2008-2017 (%).



Source: Statistics Iceland.

Picture 3. The unexplained gender pay gap 2008-2016 (%).



Source: Statistics Iceland.

Part time work.

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

Table 17. Average working hours per week 2015-2018.

	2015	2016	2017	2018
Men	44.1	43.9	43.3	43.1
Women	35.5	35.7	35.7	35.3
Total, hours	40.1	40.1	39.9	39.6

Source: Statistics Iceland.

The number of working hours for both genders remained rather steady during the four-year period, according to information from Statistics Iceland. The average working week for people aged 16-74 on the Icelandic labour market was 40.1 hours in the years 2015 and 2016, 39.9 hours in 2017 and 39.6 hours in 2018. On average, men worked 44.1 hours per week in 2014 and 43.1 hours in 2018. Working hours among women were on average 35.5 hours per week in 2015 and 35.3 in 2018. It should be noted that certain meal breaks are included in the above numbers of working hours and active work hours per week can therefore be up to 2 hours and 55 minutes shorter.

The majority of those who are active on the labour market are employed full-time, and this proportion is higher among men than among women. In recent years there has been a greater proportional increase in the number of women who work full-time, while fewer men now work full-time. Between 2015 and 2016, there was a 3% increase in the number of women who worked full-time, and a 1% decrease in the number of men working full-time. In 2015, about 65.9% of employed women, aged 16-74, worked full-time, the proportion was about 64.7% in 2016, 64.8% in 2017. In 2018, there was some increase in this proportion, when 65.4% of all employed women worked full-time. As mentioned earlier, this proportion is higher among men. In 2015, about 86.1% of employed men, aged 16-74, worked full-time, in 2016 the proportion was 85.4%, 85.6% in 2017 and 86.4% in 2018.⁴⁷

In recent years, more women than men have been employed part-time. Women usually take longer maternity leave following the birth of a child (when men are entitled to maternity leave). The most commonly-named reasons given by women for working part-time were connected to their family and private lives.⁴⁸ There was a considerable increase in the number of part-time workers as compared with the previous report period, this increase being greater among men than among women. According to information from Statistics Iceland, 43,200 persons were employed in part-time work in 2015, of which 13,300 were men and 29,900 were women. In 2016, the number of people working part-time rose to 46,200, comprising 14,800 men and 31,500 women. In 2017, there were 46,600 people working part-time on the Icelandic labour market. Of this figure 15,000 were men and 31,600 were women. In 2018, 46,100 persons were employed part-time, of which 14,400 were men and 31,700 were women.⁴⁹

The majority of women (14,000) in part-time work in 2015 were in the age range 25-54 years; by 2018 this number had risen to 15,600. Between 4,400 and 5,200 men aged 25-54 years worked part-time during the period covered by this report. The largest group in part-time work among men were aged 16-24 years; 6,200 men worked part time in 2015, this figure rising to 6,600 in 2017, but fell again in 2018 to 6,400. The number of women aged 16-24 who worked part-time ranged between 9,000 in 2015 and 8,500 in 2018.⁵⁰

⁴⁷ [Statistic Iceland](#).

⁴⁸ [The Nordic Gender Effect at Work](#).

⁴⁹ [Statistic Iceland](#).

⁵⁰ Ibid.

Legislation prohibiting discrimination in employment on grounds of gender.

The Gender Equality Act, No. 10/2008.

The objective of the act is to continue making progress towards gender equality and to give women and men equal opportunities. Below follows an account of the amendments made to the act during the period; for a general discussion of the act, reference is made to the previous report. In the executive branch of government, the minister of social affairs was responsible for gender equality issues until 1 January 2019 when, following the issue of a presidential decree on the division of responsibilities between the government ministries, this responsibility was transferred to the office of the prime minister.

The Gender Equality Act was amended by Act No. 56/2017, the amendment taking effect on 1 January 2018. The act now specifies that any company or institution with 25 or more employees, on an annual basis, is to acquire certification following an audit of its equal pay arrangements by a certification body; this certification establishes that the equal pay system and its implementation by the company or institution in question meet the requirements of the ÍST 85 standard; reference is made to the last report regarding this equal pay standard. The certification requirement is not absolute, however. In this connection it should be pointed out that under the act, the organisations of the social partners may negotiate to include in collective agreements a provision to the effect that in an audit of the equal pay system of a company or institution which employs an average of 25–99 employees on an annual basis, the company or institution is to have the choice of having stakeholders certify that it has an equal pay system in operation instead of requesting an audit by an accredited certification body. Notwithstanding the inclusion of a provision to this effect in a collective agreement, companies or institutions of this size nevertheless have the choice of acquiring certification, if they so choose, rather than to have their equal pay systems attested by stakeholders. The term ‘stakeholders’, in the act, refers to employees, non-governmental organisations, institutions or other parties with legally-protected interests at stake (see Article 3 of the ÍST 85 standard).

The main aim of equal pay certification is to militate against gender-based pay differentials and to promote greater gender equality on the labour market by ensuring that men and women will not receive different wages for the same work, or for work of equal value, unless there are relevant reasons for such a situation. Under a certification system, or some sort of confirmation by stakeholders, an examination is made of whether equality prevails in the pay system of the company in question, i.e., whether its equal pay system, and the way it is implemented, meet the conditions of the Equal Pay Standard. When certification or confirmation has been made, the certification body or stakeholder is required to submit to the Centre for Gender Equality a copy of the certificate or confirmation, together with a report on the result of the audit. Certificates or confirmations are to be renewed every three years. The certification body is also required to inform the Centre for Gender Equality if the audit does not result in certification, stating the reasons for this by presenting a report on the findings of the audit. This also applies to confirmations by stakeholders. If an audit does not result in certification or confirmation, the Centre for Gender Equality may grant the organisations of the social partners access to the report by the certification body or stakeholder on the company’s equal pay system. It is assumed that certification bodies will have received accreditation from the accreditation division of the Icelandic Patent Office or a comparable entity in the European Economic Area in accordance with Article 4 of the Regulation No. 929/2014 on the certification of equal pay systems of companies and institutions according to the ÍST 85 Standard.

The organisations of the social partners are in charge of monitoring whether companies and institutions with an average of 25 employees or more, on an annual basis, have acquired

certification or confirmation and have then renewed it every three years. Companies and institutions are required to provide the organisations of the social partners with the information and materials they consider necessary to carry out this monitoring. If a company or institution has not acquired certification or confirmation, or renewed it, or if it fails to provide the data necessary to establish whether this is the case, the organisations of the social partners can notify the Centre for Gender Equality of this. Thus, the organisations of the social partners can inform the Centre for Gender Equality if a company or institution has not applied for an audit by a certification body or if it has failed to pass such an audit. The Centre for Gender Equality can follow up such a notification by issuing instructions to the company or institution in question, requiring it to make satisfactory improvements by a certain deadline, failing which a fine will be imposed on it. It may, for example, require the entity to make over the relevant materials, provide necessary information or to draw up a schedule showing how it intends to meet the requirements for receiving accreditation or confirmation. Regarding decisions by the Centre for Gender Equality to impose fines, the act contains provisions under which appeals may be made to the prime minister against such decisions.

There are several different deadlines laid down for when certification is to be completed, depending on the number of employees at the companies or institutions involved. While the act took effect on 1 January 2018, they were granted periods of time in which to act under the interim provisions of the act and Regulation No. 1030/2017 so as to take account of the time needed to introduce equal pay systems that meet the requirements of the Equal Pay Standard. Under the aforementioned amendment to the Gender Equality Act, the Centre for Gender Equality was given the role of granting those companies and institutions that earned certification the right to use the equal pay symbol. The centre also maintains a register of companies that have acquired certification or confirmation. At the end of 2018, there were 42 companies and institutions on this register. Under an amendment to the regulation made in November 2018, the Centre for Gender Equality was commissioned with issuing temporary operating licences to certification bodies.

On the date of commencement of Act No. 56/2017, Regulation No. 1030/2017, on the certification of equal pay systems of companies and institutions according to the ÍST 85 Standard, also took effect, replacing the older regulation, No. 365/2017 and taking account of Act No. 56/2017. The aim of the regulation is that the equal pay management systems of companies and institutions should be certified in accordance with the requirements of the Equal Pay Standard, ÍST 85, and with international requirements applying to certification and certification bodies that are laid down in the standard ÍST EN ISO 17021-1:2015. It lays down requirements made of certification bodies, which must have received accreditation by the Icelandic Patent Office or comparable entities in the European Economic Area. Regulation No. 1030/2017 has been amended on three occasions, first by Regulation No. 997/2018, which laid down provisions on deadlines for certification that are, substantively, the same as those stated in the Gender Equality Act following the commencement of Act No. 56/2017. The second amendment, made by Regulation No. 1092/2018, introduced certain exemptions from the requirement that certification bodies are to have received accreditation allowing them to audit and certify the equal pay systems of companies and institutions. After this amendment, certification bodies are permitted to conduct audits and to certify the equal pay systems of companies and institutions on the basis of temporary operating licences issued by the Centre for Gender Equality after the centre has received a statement from the accreditation division of the Icelandic Patent Office to the effect that the certification body meets certain conditions laid down in the regulation. Temporary operating licences are valid for twelve months from their date of issue. The third amendment was made by Regulation No. 1085/2019, the main change

being that certification bodies' temporary operating licences may be extended for up to six months, instead of the three months previously allowed.

Together with approving Regulation No. 1030/2017, the then minister of social affairs and gender equality signed special criteria for bodies conferring certification under the Equal Pay Standard, ÍST 85, which were intended to function as guidelines for these bodies. Rules have also been passed on the use of the equal pay symbol. The aim of these measures is to ensure consistency in the use of the symbol and prevent its abuse. The symbol is an attestation of quality and forms part of the image and reputation of the companies and institutions that use it, showing that they have introduced procedures that ensure that their decisions and handling of wage issues do not involve gender discrimination.⁵¹

Amendments to Act No. 95/2000 on Maternity/Paternity and Parental Leave.

One of the aims of the Act No. 95/2000, on Maternity/Paternity and Parental Leave (hereinafter 'the Parental Leave Act') is to enable both men and women to integrate their participation on the labour market with the demands of family life. In December 2014, the minister of social affairs and housing appointed a task force to draw up proposals on a future policy on parental leave in Iceland. In particular, the task force was to examine how best to secure the aims of the Parental Leave Act. In its proposals, which were submitted in March 2016, the main emphasis was on increasing the likelihood that both parents would consider themselves able to use their full entitlements to parental leave following the birth of a child and would see it as being to their advantage to do so. The main proposals concerned payments to parents during parental leave, the length of the leave period, the division of parental leave between the parents and the day-care facilities available when parental leave comes to an end. These proposals resulted in amendments to the payments made from the Parental Leave Fund. In December 2018, the minister of social affairs and welfare signed Regulation No. 1207/2018, amending Regulation No. 1217/2008, on payments from the Parental Leave Fund and on the payment of birth grants. After the amendment, monthly maximum payments rose from ISK 520,000 to ISK 600,000. It should be noted that the parental leave entitlement was extended from nine months to ten by Act No. 149/2019, amending the Parental Leave Act, No. 95/2000.

Regulation on measures against ostracism and exclusion (bullying), sexual harassment, gender-based harassment and violence in the workplace.

The minister issued Regulation No. 1009/2015, on measures against ostracism and exclusion (bullying), sexual harassment, gender-based harassment and violence in the workplace, in November 2015. This forms part of the government's work to promote a good social and mental atmosphere in the workplace, and is aimed to prevent ostracism and bullying, sexual harassment, gender-based harassment and violence in the workplace by means of preventive measures, and to promote mutual respect in the workplace. The results of a Gallup survey in November 2017 indicated that one quarter of people had experienced sexual harassment at some point in their working lives; the proportion was significantly higher among women (41%) than among men (12%). The survey also showed that young people (under the age of 35) were more likely to have experienced this. Another finding of the survey was that 55% of women in the 18-24 year age group had experienced sexual harassment at work, compared with 23% of men in the same age group.

⁵¹ [Gender Equality Congress 2018 – Report of the Minister of Social Affairs and Gender Equality.](#)

Other measures to promote equality of opportunities for women and men.

Plan of action on gender equality 2016-2019.

A parliamentary resolution on a plan of action on gender equality for the period 2016-2019 was approved in the 145th session of the Althingi. It was divided into seven chapters presenting 21 projects that were to be put into practice during the period. Rather than listing these projects under each ministry, the plan was divided into chapters reflecting the government's aims in the sphere of gender equality. This was intended to ensure that the government's emphases and priorities would be clearly expressed in the plan. The chapters are as follows: A. The executive. B. The labour market – wage equality between the genders. C. Gender and democracy. D. Gender-based violence and violence in intimate relationships. E. Equality in education. F. Men and gender equality. G. International cooperation.

The commentary accompanying the bill for this resolution explained that the plan of action was intended to define the government's policy at any given time and to describe projects that either illustrated the position of the sexes or set out direct measures to achieve gender equality. The plan was submitted following proposals from the government ministries, the Centre for Gender Equality and the Gender Equality Council, with attention also being given to discussions at the Gender Equality Congress held under Article 10 of the Gender Equality Act. They also state that gender equality does not mean that everyone is to be cut to the same pattern, but rather that people will have the opportunity to fulfil their potential on their own terms, independent of their gender. Notwithstanding the existence of gender equality legislation that is almost 40 years old, gender still seemed to be an obstacle to individual freedom. As much remained to be done in this area, the plan of action was intended to implement the government's most pressing projects in the sphere of gender equality, even though no exhaustive listing of urgent projects had been made.

Ministerial committee on gender equality.

A special ministerial committee on gender equality was appointed at a meeting of the cabinet of Katrín Jakobsdóttir's government on 5 December 2017. This was in accordance with the government's intention of giving Iceland a strong voice in the international arena and making it a model in the field of gender equality. The role of the committee is coordinate the work done by individual ministers and the government in the sphere of gender equality and to pursue the gender equality targets set out in the governing coalition's policy statement. The prime minister, the ministers of social affairs, justice, health, education, culture and science and the minister for foreign affairs occupy permanent seats on the committee; other ministers attend its meetings as necessary. The committee functions in the prime minister's office and it is chaired by the prime minister. It meets regularly and discusses matters with an urgent bearing on the progress of gender equality in Iceland. Specialists in the ministries' gender equality team-work with the committee.

Establishment of the Icelandic Gender Equality Fund.

On the 100th anniversary of the gaining of the right to vote by Icelandic women, on 19 June 2015, a parliamentary resolution was adopted on the establishment of the Icelandic Gender Equality Fund which was to receive a budget allocation of ISK 100 million each year for the five years 2016-2020. The fund is intended to support projects that promote gender equality. The resolution stated that the aim of the fund was to be the support of projects that illuminate the social, environmental and economic advantages of further gender equality, projects that reduce the gender pay gap and generally advance gender equality on the labour market, projects designed to oppose gender-based violence, developmental projects in the educational system, projects designed to encourage young people of both sexes to become more involved in their

communities and research projects that are designed to illuminate the position of the sexes, both present and past.⁵²

Monitoring of gender equality schedules.

One of the principal functions of the Centre for Gender Equality is to monitor the application of the Gender Equality Act. The centre is also in charge of the application of Act No. 85/2018 on Equality of Treatment Independent of Race and National Origin and Act No. 2018, on Equal Treatment in the Workplace (see below for further discussion of these acts).

One part of the centre's monitoring consists of calling for gender equality schedules from companies and institutions with 25 or more employees at three-year intervals and from local authorities at four-year intervals. Gender equality schedules on the labour market are to state aims and the steps by which they are to be achieved in order to secure employees their rights under the act. The centre also regularly calls for reports from the same parties on the situation and the progress being made in these areas. If companies and institutions fail to submit materials requested by the centre, the centre is empowered to impose *per diem* fines on them until the situation is put to rights.

Much effort was focused on calling for gender equality schedules from companies and institutions in 2018-2019. At the beginning of 2018, the centre began calling for schedules from companies with 250 or more employees. This covered 115 companies, of which 103 (just under 90%) submitted satisfactory schedules. In autumn that year, schedules were called for from junior schools, 170 in number. By the end of the year, 112 (just under 66%) had submitted their schedules to the centre. Also, in autumn 2018, pre-schools were asked to submit reports on the situation in gender equality matters. In order to simplify matters for their directors, they were asked to answer a questionnaire on how gender equality issues were being addressed. Despite this measure to facilitate participation, only 150 of 254 pre-schools responded.⁵³

Conference on gender equality in the home and in the workplace.

Iceland undertook, on behalf of the Nordic Council of Ministers, to organise a 'barbershop conference' in Copenhagen, in collaboration with UN Women, in October 2017, on "Equality in the home and in the workplace: activating men and boys in the interests of gender equality". This was attended by about 200 directors of companies and institutions, politicians and academics, and was devoted to clarifying the rationale behind bringing men into the gender equality debate and raising awareness.⁵⁴

Conference on gender-based violence and harassment.

A 'barbershop conference' was held in the Althingi on 9 February 2018, in collaboration with the ministry for foreign affairs and UN Women in Iceland. Parliamentarians from all parties in Iceland participated in its seminars. The aim of this was to provide men with a space in which to discuss gender equality issues and what courses of action are open to them in order to combat gender discrimination and how to eradicate gender-based violence and harassment.⁵⁵

Decisions of the Gender Equality Complaints Committee.

The Gender Equality Complaints Committee consists of three lawyers nominated by the Supreme Court of Iceland and appointed by the Prime minister. The committee is an

⁵² [Resolution on the Icelandic Gender Equality Fund.](#)

⁵³ [Annual report of the Directorate of Equality 2018.](#)

⁵⁴ [Nordic Information on Gender.](#)

⁵⁵ [UN Women in Iceland.](#)

independent administrative committee – neither the minister nor any other authority can give the committee binding instructions regarding the outcome of a case. The committee’s decisions are final and cannot be referred to any other administrative authority. However, the parties may refer the committee’s decisions to a court of law. In such circumstances, the committee can decide to postpone the legal effects of the decision on the request of either party, on the fulfilment of the particular provisions of the legislation.

Between 1 January 2015 and 31 December 2018, the Gender Equality Complaints Committee received 30 cases. In 14 of these, the committee’s ruling was that violations of the Gender Equality Act had taken place; in ten cases, the conclusion was that no violation had taken place, and six cases were dismissed. Sixteen of the total cases submitted concerned engagement to positions, ten concerned wages and terms, or wage discrimination, and the others concerned discriminatory treatment on termination of employment, rehabilitation allowances in connection with pregnancy and childbirth, the advertising of job vacancies or matters concerning the integration of family and professional life.

Judgements of the Supreme Court in equality cases.

Between 1 January 2015 and 31 December 2018, the Supreme Court delivered judgments on four cases concerning gender equality. One case involved dismissal from employment, one involved engagement in employment and two concerned the appointment of judges to the Court of Appeals.

Supreme Court Judgment of 8 October 2015 in Case No. 189/2015.

U, who had worked as a pilot with the company I ehf., was dismissed, the reason for her dismissal being stated that she did not meet the competence requirements, even though she had received far more training from the company than was usual among its pilots, with concomitant expense. In her case against the airline I ehf., U demanded that the court recognise that the termination of her employment contract with I ehf. was invalid. U argued, amongst other things, that the Gender Equality Act, No. 10/2008, had been violated. She considered that the training time that she had been offered in a flight simulator had been limited due to her taking of maternity leave. She claimed that this was an instance of discrimination on grounds of gender. The Supreme Court did not concur with this reasoning by U, and I ehf. was acquitted of her claims against it.

Supreme Court Judgment of 6 December 2017 in Case No. 843/2016.

H, one of three applicants for the position of senior physician at L, brought an action against the Icelandic state and demanded compensation for non-pecuniary loss, based on the view that when another applicant was engaged in the position, he had been the victim of discrimination under Article 26 of the Gender Equality Act, No. 10/2008.

In its judgment, the Supreme Court stated that even though it was to be accepted, in terms of the background to Article 31 of Act No. 10/2008, and the legal interpretative materials relating to that article, that this was a special provision allowing for the payment of compensation for non-pecuniary loss arising from discrimination on grounds of gender, the condition of a substantial degree of negligence would have to be met so as to entail any right to compensation of this type. The court noted that the selection committee of the Director of Public Health, appointed under the first paragraph of Article 35 of the Health Services Act, No. 40/2007, had made a professional assessment of all the applicants for the position, found all three applicants to be qualified for the position and had not found any reason to rank them with respect to each other. Consequently, the court took the view that, notwithstanding any flaws in the engagement to the position, H had not demonstrated that he had been a more deserving candidate for the

position than the third applicant, who was also not appointed, and whose case was the subject of Supreme Court Judgment in Case No. 364/2014. Taking this into consideration, and also noting that H had not demonstrated that the condition of substantial negligence had been met, the court did not consider there to be grounds for awarding him compensation for non-pecuniary loss. Consequently, the Icelandic state was acquitted of H's demands.

Supreme Court Judgment of 19 December 2017 in Case No. 591/2017.

Á (a man) was one of 33 applicants for the positions of judges in the Court of Appeals, and also one of the 15 which the selection committee, which was appointed under the Judiciary Act, had found to be best qualified for these positions. In her proposal to the Althingi on the appointment of 15 of the original applicants as judges, the minister deviated from the findings of the selection committee regarding four of the applicants, and consequently Á was not among those who were proposed for appointment. The Althingi approved the minister's proposal, following which Á brought an action against the Icelandic state demanding, principally, the annulment of the minister's proposal, secondly, that the court recognise the Icelandic state's tortious liability and, thirdly, compensation for non-pecuniary loss. In the antecedent case, Á's claims had been rejected by the district court; the Supreme Court set that decision aside as far as it applied to the claims for compensation. Thus, the Supreme Court case concerned only the tortious liability on the part of the Icelandic state. The state argued, amongst other things, the priority of the provision of the Gender Equality Act requiring the appointment of A (a woman) as she was as well qualified as Á to fill the position in question and women were in the minority among Icelandic judges. The Supreme Court stated, amongst other things, in its judgment that it was an unwritten principle that a government authority making an appointment to a public position or office should, in any given case, choose the best qualified applicant. In earlier times, it was the duty of the minister in charge of the justice portfolio to ensure that matters of significance in making this assessment were examined in sufficient detail. With the introduction of rules on selection committees and their role in establishing the qualifications of applicants for the positions of judges, on the other hand, this obligation had, to a great extent, been shifted from the minister to an independent and impartial selection committee. Accordingly, the view had been adopted, in judicial practice, that if the minister of justice proposed to the Althingi a deviation from the selection committee's assessment, then it was unavoidable to demand, in accordance with Article 10 of the Administrative Procedure Act, that such a decision be based on further investigation by the minister. Taking this into account, the Supreme Court considered it clear that, as a minimum, the minister of justice should have made a comparison of the competence of, on the one hand, the four applicants whom the selection committee had placed among the 15 best qualified applicants and, on the other, the four applicants whom the minister was proposing as candidates in their stead. Furthermore, the court concluded, considerations based on the Gender Equality Act, No. 10/2008, could not be observed when the minister made appointments to the positions of judges unless two or more applicants had previously been assessed as equally well qualified to fill them. The evidence in the case, on the other hand (the court concluded), did not indicate that any such investigation had been made by the minister. Accordingly, her handling of the matter was at variance with Article 10 of the Administrative Procedure Act, and it followed that the same applied to the Althingi's treatment of the minister's proposal, as nothing had been done to rectify the flaws by which the minister's handling of the matter had been tainted. As Á had not submitted satisfactory materials to demonstrate that he had suffered financial loss as a result of this matter, his demand for the recognition of his entitlement to compensation was rejected; on the other hand, the court concluded that the conditions of indent b of the first paragraph of Article 26 of the Tort Damages Act for ordering the Icelandic state to pay him compensation for non-financial loss were met, and accordingly he was awarded ISK 700,000.

Supreme Court Judgment of 19 December 2017 in Case No. 592/2017.

The circumstances and the grounds for action here were the same as those in Case No. 591/2017; in this case, J was also one of 33 applicants for the positions of judges at the Court of Appeals and was among the 15 whom the selection committee appointed under the Judiciary Act assessed as being best qualified for the positions. The Supreme Court came to the same conclusion as in the case described above.

B. Discrimination based on grounds other than sex.

Comment by the European Committee

Conclusions XXI-1, Article 1§2, p. 1.

The report indicates that as regards legislation prohibiting discrimination in employment on grounds other than sex, there was no change to the situation in 2011-2014 as compared with the situation described in the previous report as the Ministry of Welfare was still working, in co-operation with the social partners, on two bills to give effect to Council Directive 2000/43/EC implementing the principle of equal treatment between persons irrespective of racial or ethnic origin, and Council Directive 2000/78/EC establishing a general framework for equal treatment in employment and occupation. The committee repeats its request to be informed about any development on this issue and reiterates its finding that the situation is not in conformity with the 1961 Charter.

Legislation prohibiting discrimination in employment on grounds other than gender.

It is a matter of great pleasure to be able to describe, in this report, legislation which took effect during the report period, covering, on the one hand, the establishment and maintenance of equal treatment of individuals on the labour market irrespective of their race, ethnic origin, religion, life stance, disability, reduced working capacity, age, sexual orientation, gender identity, sexual characteristics or gender expression and, on the other, measures to combat discrimination and to establish and maintain equal treatment of individuals irrespective of their race or ethnic origin in all aspects of society outside the labour market.

Act No. 85/2018 on Equal Treatment Independent of Racial and Ethnic Origin.

On 1 September 2018, Act No. 85/2018, on Equal Treatment Independent of Race and Ethnic Origin, took effect; its aim, as stated in Article 2, is to combat discrimination and to establish, and maintain, equality of treatment of individuals irrespective of their race and ethnic origin in all areas of society outside the labour market. Section III of the Act prohibits discrimination on grounds of race or ethnic origin, both in general and in certain specified areas of society in particular, for example in social protection and the purchase of goods and services; discrimination is prohibited in educational institutions and child-care organisations. The commentary on the bill which resulted in the act stated that it had been drawn up to take account of Council Directive 2000/43/EC, of 29 June 2000, implementing the principle of equal treatment between persons irrespective of racial or ethnic origin, though only that part of the directive applying to areas of society other than the labour market.

Act No. 86/2018 on Equal Treatment on the Labour Market.

As mentioned before, Act No. 86/2018, on Equal Treatment on the Labour Market, took effect on 1 September 2018. The notes accompanying the bill on which the act was based stated that Council Directive 2000/78/EC, of 27 November 2000, establishing a general framework for equal treatment in employment and occupation, had been taken into account when the bill was drawn up. The scope of the directive is restricted to the labour market. When the Icelandic bill was compiled, attention was also given to Council Directive 2000/43/EC, of 29 June 2000, implementing the principle of equal treatment between persons irrespective of racial or ethnic

origin, though only to the extent that it applied to the labour market. In this context it should be noted that the bill was submitted together with a bill on equal treatment irrespective of racial or ethnic origin, this aim being described in both bills. The aim of submitting the two bills was to ensure the substantive alignment of Icelandic law with that of the EU as enshrined in the aforementioned directives. Thus, the passing of these two acts represents Iceland's response to the conclusions reached by the Governmental Committee of the European Social Charter and the European Code of Social Security regarding violations by Iceland of Articles 1 and 15 of the ESC. In the present context, reference is made to the aforementioned conclusion, which stated that the situation in Iceland was not in conformity with the second paragraph of Article 1 of the ESC since Iceland lacked legislation prohibiting discrimination on the labour market on grounds other than gender.

The aim of the act (see the first paragraph of Article 1, and Article 2 of the act) is to combat discrimination and to establish, and maintain, the equal treatment of individuals on the labour market, irrespective of their race, ethnic origin, religion, life stance, disability, reduced working capacity, age, sexual orientation, gender identity, sexual characteristics or gender expression. Thus, these factors are not to influence access to employment, independent business operations or professional occupations, access to educational and vocational counselling, decisions regarding wages, other terms of service and the termination of employment or participation in workers' or employers' organisations. Items 1-14 of Article 3 of the act present definitions of the key terms used in the act. These are as follows:

1. *Equal treatment*: When individuals suffer neither direct nor indirect discrimination due to any of the factors mentioned in the first paragraph of Article 1.
2. *Direct discrimination*: When an individual receives less favourable treatment than another individual receives, has received or would receive under comparable circumstances, due to any of the factors mentioned in the first paragraph of Article 1.
3. *Indirect discrimination*: When what appear to be impartial conditions, criteria or measures would have less favourable consequences for some individuals, due to any of the factors mentioned in the first paragraph of Article 1, than they would for other individuals, unless this can be justified in an objective manner in terms of a lawful aim and the methods adopted to achieve that aim are appropriate and necessary.
4. *Harassment*: Conduct which is unwelcome to the person at whom it is directed and which has the aim, or the effect, of offending that person's dignity, particularly when the conduct results in situations that are threatening, hostile, degrading, humiliating or insulting.
5. *Wages*: Ordinary remuneration for jobs and all forms of additional remuneration, direct or indirect, whether in the form of perquisite payments or in another form, which an employer makes to his or her worker for his or her work.
6. *Terms of service*: Wages, together with pension, vacation pay and sick-pay entitlements and all other work-related terms or entitlements that can be assigned a monetary value.
7. *Life stance*: A stance based on a secular view of life, particular ethical values and morals, together with a defined morality and epistemology.
8. *Disability*: The consequence of impairments and obstacles of various types which occur in the interaction between persons with impairments and their environment and attitudes which prevent them from participating fully and successfully in the community on an equal footing with others. The impairments affecting the individuals concerned are long-term, and the obstacles are of such a nature that the individual will suffer discrimination due to physical, mental or cognitive impairments or impaired sensation.

9. *Reduced working capacity*: A permanent physical, mental or cognitive condition which is inherited or originates subsequently and reduces the individual's working capacity on the labour market.
10. *Age*: A person's age from birth.
11. *Sexual orientation*: An individual's ability to be attracted to or become enamoured of another individual.
12. *Gender identity*: An individual's experience of his or her own gender.
13. *Sexual characteristics*: An individual's chromosomes, sex glands and anatomical features.
14. *Gender expression*: The day-to-day expression by an individual of his or her gender identity.

This act does not cover discriminatory treatment of individuals on the labour market on grounds of nationality or lack of nationality, or measures that are prescribed in law and are necessary with reference to public order, public safety, public health or the protection of other persons' rights; nor do they apply to the various age-related requirements and conditions made in connection with individuals' entitlements in pension funds.

Specific measures to counteract discrimination in employment of migrants and refugees.

Legislation on equal treatment on the labour market is described above. It does not apply to differences of treatment based on nationality or lack of nationality (see the second paragraph of Article 3 of Council Directives 2000/78/EC and 2000/43/EC, which state that those directives do not cover differences of treatment based on nationality and are without prejudice to provisions and conditions relating to the entry into and residence of third-country nationals and stateless persons in the territory of Member States, and to any treatment which arises from the legal status of the third-country nationals and stateless persons concerned). Thus, the act does not affect the scope of the Foreign Nationals Act or the Foreign Nationals' Right to Work Act, which contain further provisions on the conditions to be met for granting the nationals of states outside the European Economic Area, or nationals of the Faroe Islands or Switzerland, temporary residence permits in Iceland, on the one hand, and temporary work permits on the other. Persons who are not citizens of these states must acquire such permits before they meet the requirements for entering into employment in Iceland.

Under the Foreign Nationals' Right to Work Act, No. 97/2002, the Directorate of Labour is in charge of issuing work permits to foreign nationals on the Icelandic labour market and maintaining records of such permits. Amongst other things, the directorate has taken on more employees of foreign origin in order to provide better services to persons who come to Iceland from other countries in search of employment.⁵⁶ Regarding assistance of a general nature to foreign nationals seeking employment in Iceland, the Directorate of Labour runs educational activities providing material on Icelandic society in collaboration with workers' organisations and it purchases Icelandic-language courses which include information on workers' rights. The Directorate of Labour is currently making a review of the materials regarding Icelandic society.

Regarding specific assistance to asylum-seekers and refugees, the answer from the Directorate of Labour is that it, together with the Directorate of Immigration, the Multi-Cultural Centre and the Association of Local Authorities in Iceland have recently reaffirmed the collaboration between them on housing and employment for refugees. The way this is handled, the process begins with an employee of the Multi-Cultural Centre taking an interview with the asylum-seeker or refugee concerning his or her personal circumstances; the person is then offered

⁵⁶[Annual Report of the Directorate of Labour for 2018.](#)

housing in a specific municipal area. If this offer is accepted, the person is assigned a supervisor employed by the municipal authority who will then assist him or her in dealing with the Directorate of Labour.

2. Prohibition of forced labour or compulsory labour.

A. Exploitation of vulnerability, forced labour and modern slavery.

Human trafficking is a punishable offence under Article 227a of the General Penal Code, No. 19/1940, and the law provides for a maximum sentence of 12 years' imprisonment. Under the Code of Criminal Procedure, No. 88/2008, the police handle the investigation of cases of this type. It should be noted that, as has been stated above, the Directorate of Labour runs educational activities providing material on Icelandic society in collaboration with workers' organisations and purchases Icelandic-language courses that are attended by foreign nationals seeking employment; these which include information on workers' rights. Workers can approach their trade unions with questions about their rights. Regarding human trafficking, the Association of General and Specialised Workers issued a handbook in 2016 for unionised workers covering human trafficking on the labour market. This contains a definition of human trafficking, descriptions of some features that may be indications of human trafficking and questions which employees of the unions can ask potential victims and guidelines on what measures to take when instances of human trafficking are identified.⁵⁷

The Directorate of Labour has a special response team to deal with cases of possible human trafficking. Its members have received special training in, for example, interview techniques and analysis. Workers' organisations are also alert to the possibility of human trafficking: it is they, together with the Directorate of Labour, that often make the first contact with potential victims in such cases. In the event of a suspected case of human trafficking, it is to be referred to the police, who are in charge of investigations under the Code of Criminal Procedure, No. 88/2008. The main bodies involved in dealing with cases of human trafficking are, besides the police, the ministries of justice and social affairs, the Directorate of Labour and the social services departments of the local authorities (municipalities).⁵⁸

The Directorate of Labour supervises the labour market to the extent specified and permitted under the Foreign Nationals' Right to Work Act, No. 97/2002, the Act on Posted Workers and the Obligations of Foreign Service-Providers, No. 45/2007 and the Act on Temporary-Work Agencies, No. 139/2005. These acts of law are designed primarily to cover the largest groups to which the question refers. The Directorate of Labour carries out both site examinations and documentary monitoring of the employers and workers who are covered by the legislation. Inspections and investigations, particularly site inspections, are made in collaboration with other bodies with supervisory functions on the labour market, including the tax authorities, the Directorate of Immigration, the police and the Administration of Occupational Health and Safety, and also with the social partners to the extent permitted by law.⁵⁹

The ministry of justice published the government's priorities in measures against human trafficking in March 2019. A draft policy on these matters was submitted to the parties that are defined as bearing responsibility for them in January 2018, in connection with which it was considered appropriate to explain the reasoning behind the policy. The government's priorities are presented under four main emphases: preventive measures, measures involving support and protection, criminal investigation and prosecution and collaboration and consultation. In the

⁵⁷ [Human Trafficking in the Labour Market – A Handbook for Union Staff.](#)

⁵⁸ Information from the Directorate of Labour.

⁵⁹ Ibid.

general discussion, it is stated that human trafficking is a human-rights violation and it is the constant responsibility of every nation not to relax its guard in the struggle against it. The measures are therefore not tied to any time-frame; they are in place until further decisions are taken, and are subject to regular review and upgrading.⁶⁰

B. Protection in the “gig economy” or “platform economy”.

So far, the platform economy remains marginal in Iceland. In the autumn of 2014, Uber launched its operations in all the Nordic countries except Iceland. According to the Icelandic Confederation of Labour, the development and discussion on platform work is not well under way in Iceland.⁶¹

C. Work of prisoners.

Comment by the European Committee

Conclusions XXI-1, Article 1§2, p. 2.

Again, with reference to its Statement of Interpretation on Article 1§2 with regard to prison work (Conclusions XX-1/2012), the Committee asks for up-to-date information in the next report on prisoners’ social protection (covering employment injury, unemployment, health care and old age pensions). It underlines that if the necessary information is not provided in the next report, there will be nothing to show that the situation is in conformity with Article 1§2 of the 1961 Charter as regards work of prisoners.

Legislation on prisoners’ social protection.

The Execution of Sentences Act, No. 15/2006.

The Execution of Sentences Act, No. 15/2016, took effect in 2016, replacing the earlier legislation, Act No. 49/2005. Provisions are made for work done by prisoners held in prisons in Articles 25 and 26; Article 27 of the new act covers remuneration for this work. This states, amongst other things, that prisoners are to be paid a remuneration for pursuing work or studies. In the event that it is not possible to provide a prisoner with employment, or if, according to a medical certificate, he or she is unable to discharge the requirements regarding work or studies, the prisoner is to receive a *per diem* allowance of the sum that he or she would otherwise have earned. The minister of justice determines the amount of the *per diem* allowance in a tariff; it is currently ISK 630 (see Article 3 of Regulation No. 162/2017, on remuneration for work or studies and *per diem* payments to prisoners). The regulation also sets out rates that prisoners are to be paid for work or studies.

Accident and illness insurance under the national social insurance scheme.

The Social Security (Accident Insurance) Act, No. 45/2015 applies to compensation from the social insurance system for accidents at work. The aim of the act is to ensure persons insured compensation from the social insurance system for occupational accidents or other specific accidents, irrespective of the insured person’s income. The act specifies that compensation is to be subject to the Social Insurance Act, the Health Insurance Act and other acts of law as appropriate. The Health Insurance Act, No. 112/2008, applies to matters including the payment of certain benefits, including *per diem* payments, the reimbursement of costs incurred, grants and other payments and assistance provided in other ways to ill or injured persons in accordance with the act. The general rule is that all persons domiciled in Iceland, and who have been living there for at least the preceding six months before making an application for benefits from the social insurance system are covered by health insurance, providing they meet other conditions laid down in the act, unless another arrangement obtains in accordance with an

⁶⁰ [The Government’s Priorities in Measures against Human Trafficking.](#)

⁶¹ [‘New Organisation of Work’](#) (ASÍ).

international agreement. Entitlement to health insurance may also obtain in other cases, e.g. regarding refugees who have been granted international protection by the Icelandic government and individuals who have been given residence permits on humanitarian grounds. Prisoners who are unable to work due to illness or injury sustained in accidents have the same entitlement as others to assistance under the Health Insurance Act, with the exception that they do not qualify for *per diem* benefits due to absence from work due to illness; on the other hand, as has been stated above, they qualify for *per diem* payments if, as attested by a medical certificate, they are unable to pursue work or studies (see Act No. 15/2016 and Article 3 of Regulation No. 162/2017).

Prisoners' pension rights.

Regarding prisoners' pension rights: under Article 56 of the Social Insurance Act, No. 100/2007, payment of pensions from the social insurance system is suspended when a pensioner is serving a sentence in prison. This also applies to old-age pensions. If benefits are suspended, an allowance may be paid under the eighth paragraph of Article 48 of the Social Insurance Act; if this is done, the prisoner loses his or her entitlement to *per diem* payments from the Prisons Administration. This provision was added to the Social Insurance Act by Act No. 88/2015, which took effect on 1 January 2016. In the commentary that accompanied the bill which became Act No. 88/2015, it was stated that this measure was being taken to place prisoners who were pension recipients on the same footing as other prisoners who lose their income when they begin serving prison sentences. Even though prisoners lose their benefit entitlements, the Social Insurance Administration may decide to pay benefits, or partial benefits, to prisoners' spouses or children, or to some third party who will ensure that the payments are put to the best use.

Unemployment benefit entitlement.

Prisoners are not covered under the Unemployment Insurance Act while serving their sentences (see Article 53 of the Unemployment Insurance Act, No. 54/2006). On the other hand, under Article 27 of the act, their unemployment benefit entitlements accrue, and they can therefore accumulate their accrued entitlements until they complete their sentences. In 2015, during the 144th legislative session of the Althingi, a bill was submitted with the intention of amending the Unemployment Insurance Act; however, it was not passed as law. The bill proposed an amendment whereby prisoners would be regarded as being insured under the act while serving their sentences, providing they fulfilled certain other conditions in the act. The commentary to the proposed amendment stated, as an argument, the view that prisoners excluded from the social insurance system at the end of their sentences would be likely to re-offend. The comments also made reference to the fact that comparable amendments to the act had been submitted to the 117th, 120th and 131st legislative sessions of the Althingi, without their having been passed.

Health services for prisoners.

Under Article 29 of the Execution of Sentences Act, No. 15/2016, prisoners are to enjoy health services comparable with those generally applicable under the Health Services Act and the ministry of health is responsible for health services to prisoners in the prisons in consultation with the Prisons Administration. Under an agreement dating from 1997, the ministry supervises, and is responsible for, general clinical healthcare services to prisoners, essential specialist medical services, including psychiatric services and physiotherapy treatment that is regarded as necessary by a physician. The Prisons Administration, on the other hand, is responsible for ensuring that prisoners have access to the services of psychologists and dentists. Regarding specialised healthcare, the same applies to prisoners as to other people, i.e., it is

generally provided in response to referrals from physicians in the health clinics, or others, to parties qualified to provide it.⁶²

Below follows an account of how healthcare services are provided in the various prisons in Iceland. Finally, even though it occurred outside the report period, it should be mentioned that late last year, the Icelandic government decided to commission a schedule on the provision of healthcare services to prisoners with the aim of improving their access to these services and greatly improving the psychiatric services in Iceland's prisons.⁶³

Litla-Hraun.

The South Iceland Healthcare Centre (Heilbrigðisstofnun Suðurlands) provides healthcare services to prisoners at the Litla-Hraun prison (the country's largest). Nurses are on duty there from Mondays to Thursdays. Physicians have fixed consultation times at the prison twice a week every second week and once a week in the weeks in between. Prison warders take down prisoners' requests for appointments and nurses then assess which prisoners are to be given appointments with nurses only and which ones need a consultation with a physician.

Hólmshéiði.

Heilsugæslan Lágmúla (a healthcare centre in Reykjavík) provides healthcare services to prisoners in the Hólmshéiði prison (about 15 km outside the city) under a contract with Icelandic Health Insurance. At present, these services are structured with two nurses, providing services in the prison on two days per week, in addition to giving advice by telephone as needed. Physicians hold consultations in the prison on two half-days each week and give advice by telephone as needed. Prison warders take down prisoners' requests for appointments and the nurses and physicians then divide the appointments between them. Outside working hours, prisoners are taken to consult physicians in the after-hours service, Læknavaktin, in Reykjavík, when necessary.

Akureyri.

Physicians from the Akureyri Healthcare Centre (Heilsugæsla á Akureyri) have a fixed consultation session for prisoners in the Akureyri Prison, lasting one-and-a-half hours once a week. Prison warders take down requests for appointments and contact the physicians providing the service as necessary. No nurses work at the prison. Healthcare outside the periods stated above is provided at the Akureyri Healthcare Centre.

Kvíabryggja.

The Grundarfjörður Healthcare Centre (Heilsugæslustöðin Grundarfirði) provides general healthcare services for prisons at Kvíabryggja (in the west of Iceland). No regular consultation times are held in the prison; prisoners come for appointments at the centre as needed. In emergency cases, the duty physician will make calls at the prison.

D. Domestic work.

Comment by the European Committee

Conclusions XXI-1, Article 1§2, p. 3.

The Committee asks that the next report provide information on the rules and procedures for granting residence permits to migrant domestic workers who are victims of abuse and who are not EEA nationals, along with information on the scale of this phenomenon.

⁶² [Answer of the Minister of Health to an inquiry of a Member of Parliament.](#)

⁶³ [Schedule on the provision of healthcare services to prisoners.](#)

The Foreign Nationals Act, No. 80/2016.

A new Foreign Nationals Act, No. 80/2016, took effect on 1 January 2017, previous legislation from 96/2002 being repealed on the same date. Under the new act, the Directorate of Immigration is empowered to grant temporary residence permits in cases involving victims of human trafficking or suspected cases of human trafficking. Permits granted under this provision cannot form a basis for granting permanent residence permits. In these cases, temporary permits can be granted without the conditions for the granting of such permits stated in the first and second paragraphs of Article 55 of the act being met. These conditions require that the foreign national has a secure means of support, and health insurance, and meets other conditions laid down in the act. In addition, applicants must undergo a medical examination within two weeks of arriving in Iceland and no circumstances may apply that may entail refusal of entry into the country or permission to stay in it under the act. In addition, the reason for applicants' presence in the country must correspond to the purpose stated in their residence permit applications.

Under Article 75 of the act, residence permits may be granted to foreign nationals who are suspected of being the victims of human trafficking for up to nine months; the same applies to children of such individuals if they are present in Iceland together with their parents. When cases of this type are under investigation, the police are required to assist the Directorate of Immigration, e.g. in assessing individuals' circumstances. Persons may not be deported while they hold temporary residence permits granted on this basis. If they have applied for international protection under Article 37 or Article 39 of the act (covering international protection of refugees and stateless persons), or if there is a suspicion that these articles apply, then it must first be established whether grounds exist for granting them such protection before Article 75 is applied. This procedure is more closely in line with applicants' interests. Residence permits granted in order to confer international protection are for four years, with the possibility of extension.

Article 76 of the Foreign Nationals Act allows for granting victims of human trafficking, and their children who are present in Iceland, renewable residence permits for one year under special circumstances, without the conditions of the first and second paragraphs of Article 55, as described above, being met if this is considered necessary in view of the individual's personal circumstances or if the police consider it necessary in connection with collaboration between the individual concerned and the authorities in order to investigate and process a criminal case. Persons may not be deported while they hold temporary residence permits issued on this basis. The provisions of the older act, No. 96/2002, were for the most part identical in terms of substance, except that the time covered by residence permits issued in cases where there is a suspicion of human trafficking was shorter (up to six months). This period was lengthened in the new act, partly in response to comments submitted to the Althingi's Committee on Welfare by two local police forces while the bill was under discussion.⁶⁴

Procedure for examining and processing applications for residence permits on grounds of human trafficking.

Only one residence permit was granted on grounds of human trafficking during the report period. That was in 2016. It was reported to the Directorate of Immigration that the circumstances in some cases were mixed, i.e., there were grounds for granting residence permits both under the provisions on international protection and because the person involved was a victim of human trafficking. In such cases, however, it is necessary, first, to adopt a position on whether the person's circumstances should result in the granting of a residence

⁶⁴ <https://www.althingi.is/altext/erindi/145/145-1472.pdf>, point 8.

permit in connection with international protection; it should be pointed out that such residence permits are granted for more than four years. Furthermore, such permits may form the basis for the issue of permanent residence permits.

A special team has recently been established at the Directorate of Immigration to deal with cases of human trafficking. It includes two employees of the permits department and two from the protection division. This team then collaborates with the team dealing with human trafficking cases at the Metropolitan Police and the support department of the National Police Commissioner's Office. In the past, the procedure in dealing with such cases has been that applicants for residence permits give an account of themselves and submit, with their applications, a report by the police stating that they have been the victims of human trafficking. Now, however, a new procedure has been adopted, based on the government's plan of action to combat human trafficking. One aspect of this involves work to identify human trafficking when processing residence permit applications made on the basis of employment and vocational training. This work is done in close collaboration with the Directorate of Labour. A procedure, or plan of action, is being prepared in the protection department of the Directorate of Immigration to deal with cases where there is a suspicion that an individual who has applied for protection is a human trafficking victim; this work is proceeding in collaboration with the healthcare clinics and the Icelandic Red Cross. Various other procedures are being developed; these are either new or are revised versions of older ones. For example, work is being done on a special procedure to examine and process applications for residence permits in connection with voluntary work and *au pair* work.

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

A Privacy and work.

Comment by the European Committee

Conclusions XXI-1, Article 1§2, p. 4.

The Committee takes note of the information provided on electronic surveillance and employees' personal data protection. It points out that the emergence of new technologies has made it possible for employees to work for their employers at all times and in all places, including at home, with the result that there is no longer a clear dividing line between work and private life. There is therefore an increased risk of work encroaching on employees' private lives, including outside working hours and the workplace. The Committee considers that the right to earn one's living in an occupation freely entered upon includes the right to be protected against such interference. Again with reference to its Statement of Interpretation on Article 1§2 (Conclusions XIX-1/2012), it asks for up-to-date information on this point in the next report.

Council Directive 93/104/EC (the "working time directive") was given the force of law in Iceland by amendments to the Occupational Health and Safety Act, No. 46/1980, providing for resting time, days off and maximum working hours. Mention may also be made here of collective agreements in which the various occupations are covered by provisions on working time. Time not defined as working time is resting time.

Apart from this, no legislation exists specifically preventing employers from bothering their workers during resting time. It is clear, however, that at present much emphasis is being placed on the reduction of working hours, additional resting time and more family-friendly workplaces. In this connection, mention should be made of the "Quality of Life Agreement 2019-2022," this being a collective term for many individual agreements and measures agreed

between the government and the social partners for the coming years.⁶⁵ It includes provisions under which workers are supposed to be able to request negotiations with their employers on the shortening of the working week to 36 hours. In the light of these emphases, it may therefore be expected that most companies and institutions will take care not to bother workers outside their working hours except in cases of urgent necessity. It may also be mentioned here that all government ministries have adopted a policy on staff attendance requirements; these are designed to protect employees' health and promoting a healthy working environment. It is also intended to promote the maintenance of a balance between work and private life; thus, the government ministries can be regarded as family-friendly workplaces. The policy on staff attendance states that the sending of e-mails outside working time should be kept to a minimum, and that e-mails written outside working hours should be marked in the e-mail programme so that they will not be sent until the morning of the next working day. It also states that, in general, staff are not to be expected to read their e-mail during their resting time unless their superiors request that they do this in connection with urgent and clearly-defined projects at work.

Article 1§3 – Free placement services.

Comment by the European Committee

Conclusions XXI-1, Article 1§3, p. 1.

According to the report, the total numbers of those who registered with the public regional labour-exchanges were as follows: 26,855 in 2011; 22,828 in 2012; 19,310 in 2013 and 16,862 in 2014. In 2011, a total of 3,001 vacancies were reported to the public labour exchanges; the figure was 2,522 in 2012, 2,543 in 2013, 2,837 in 2014. The number of placements in the private sector which took place through the public labour exchanges was 815 in 2011, 495 in 2012, 370 in 2013 and 446 in 2014. The Committee asks that the next report specify the placement rate (i.e. percentage of placements compared to the number of notified vacancies).

Amendments to the Labour Market Measures Act, No. 55/2006, and to regulations issued thereunder, were described in the last report, to which reference should be made. Here follows the information requested; for other matters relating to this article, please see the previous report.

The total number of those who registered with the public regional labour exchanges in 2015 was 15,135; in 2016 it was 13,532 in 2017 the number was 13,638 and in 2018 it was 13,503. A large proportion of these people were unemployed and received unemployment benefit.

Table 18. Job vacancies at the end of each month in the public labour exchange system.

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct.	Nov	Dec	Total
Year													
2015	130	133	193	161	170	176	159	231	169	111	100	64	1,797
2016	131	118	142	180	210	154	141	202	159	107	89	63	1,696
2017	234	223	279	204	315	222	182	304	208	150	100	71	2,492
2018	122	102	193	182	187	143	151	146	159	133	107	47	1,672

Source: Directorate of Labour.

⁶⁵ [Aðgerðir stjórnvalda til stuðnings lífskjarasamningnum 2019-2022.](#)

In 2015, a total of 1,797 vacancies were reported to the public labour exchanges; this number was 1,696 in 2016, in 2017 the number was 2,492 and 1,672 in 2018. The number of placements made through public labour exchanges in the private sector came to 815 in 2015, but after that year the Directorate of Labour quit publishing the annual number of placement, as it is thought to be unreliable since employers often fail to confirm employments based on the exchange system.

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

1. Equal treatment.

Comment by the European Committee

Conclusions XXI-1, Article 1§4, p. 1.

The committee previously noted that nationals of other states party living and working lawfully in Iceland are guaranteed equal access to the various training courses and programmes. The committee asks the next report to clarify whether this also applies to vocational guidance services and what is the legal basis ensuring equal treatment.

Vocational guidance and vocational training are provided under the Labour Market Measures Act, No. 55/2006. All job-seekers have access to the services of educational and vocational counsellors at the Directorate of Labour, without charge; these include vocational solutions in the form of job presentations, vocational training and provisional placements. Those who have received work permits in Iceland are therefore entitled to these services. Provisions on equal treatment in this area are laid down in the Equal Treatment on the Labour Market Act, No. 86/2018 (see the foregoing discussion); the aim of the act is to combat discrimination on the labour market. Thus, race, ethnic origin, religious belief, life stance, disability, reduced working capacity, age, sexual orientation, gender identity, sexual characteristics and gender expression, amongst other factors, should not impede access to educational and vocational counselling, vocational education and vocational training.

2. Vocational Guidance.

Comment by the European Committee

Conclusions XXI-1, Article 1§4, p. 1.

In the education system, pursuant to Section 13 of the Compulsory Schools Act, No. 91/2008, and Section 37 of the Upper Secondary Education Act, No. 92/2008, free vocational guidance is provided to pupils by professional counsellors. The qualifications required to be a counsellor are set by the law and their number in each school varies between 1 and 5. The Committee notes that, although a survey carried out in October 2014 revealed some shortcomings in the effective access of pupils to educational and vocational counselling, notably in Junior schools, the authorities took measures in order to strengthen the implementation of the law for the future. Furthermore, the report indicates that a task force was set up in 2014 with a view to making proposals on future vision, policy and measures regarding educational and vocational counselling in Iceland. The committee asks the next report to provide information on the follow-up given to these initiatives.

Reference is made to the previous report on the matter, regarding the right of pupils to vocational guidance according to the Compulsory Schools Act, No. 91/2008, and the Upper Secondary Education Act, No. 92/2008. No amendments have been made to the applicable provisions.

Report on policy on educational and vocational counselling.

The government has set the goal that by 2020, not more than 10% of people on the labour market should be without recognised secondary educational or vocational qualifications. In the light of this, it is vital that information on educational training and employment, and also the services of educational and vocational counsellors, be accessible.

As was described in the previous report, the minister of education, culture and science appointed a working group on the creation of policy on educational and vocational counselling in 2014. This included representatives of the ministry, the Education and Training Centre, the Íðunn Educational Centre, the ministry of welfare, the ministry of industry and innovation and the Association of Educational and Vocational Counsellors. It was commissioned with making proposals on a future vision, policy and measures to be taken in the field of educational and vocational counselling in Iceland, in collaboration with the major stakeholders, and also to make proposals on the development of a support system for lifelong educational and vocational counselling. The group's report was published in May 2015.⁶⁶ It drew on work done by the European Lifelong Guidance Policy Network (ELGPN, www.elgpn.eu); work of this type is going ahead in many parts of Europe.

The report lays down the basis for a future vision of educational and vocational training in Iceland up to 2024. It is based on five main pillars, each of which is described together with the targets aimed at for the overall vision to become a reality. Here follows a brief discussion of the five pillars.⁶⁷

Lifelong educational and vocational counselling.

In the light of changes in the working environment, lifelong counselling in the fields of education and employment gives valuable support both to the individual and to the business sector. The emphasis is on the quality of counselling and publicity, minimising the drop-out rate and increasing the employment rate. The services provided are continuous, extending across all levels of the educational system and the whole spectrum of business and employment. Funds are spent effectively in close collaboration with entities of different types.

Lifelong professional development.

Educational and vocational counsellors provide services that are focussed and effective in leading to solutions for individuals and the business sector. The labour market plays an active role in this process by providing information, holding job introductions and demonstrations and educational projects. Individuals' competence to be in control of their education, training and working careers throughout their lives is enhanced by means of focussed and well-delineated projects both in the working world and in educational institutions. Counselling is integrated with teaching up through the levels of junior and senior school, in upper education and in advice given to university students and job-seekers.

Access to educational and vocational counselling.

Educational and vocational counselling is designed to meet individuals' needs, irrespective of their place of residence, and groups with particular needs are also catered for. The services are accessible to all those who need them, in the form of information sources on educational and vocational training. Individuals and groups are informed about the counselling services

⁶⁶ [Report about policy on educational and vocational counselling.](#)

⁶⁷ Ibid.

available. The combination of skills assessments and educational and vocational counselling has given individuals greater chances of finding something suitable on the labour market.

Development and enhancement of the service.

A quality system exists to enhance the effectiveness of educational and vocational counselling and promote its quality. Sophisticated studies are carried out, and counsellors undergo special training. Services provided take account of trends on the labour market, the needs of the economy and analysis of the requirements of various groups.

Collaboration.

Educational and vocational counselling is under constant review involving contributions from users and providers of the services. Close collaboration is maintained between the administrative sector, educational institutions, the Directorate of Labour and business interests. Aims, means to their achievement and the criteria observed in educational and vocational counselling services are set out in a plan of action, which is under constant review.

The European development project GOAL.⁶⁸

The Education and Training Service Centre (Fræðslumiðstöð atvinnulífsins), the Suðurnes Centre for Continuing Education (Miðstöð símenntun á Suðurnesjum, MSS) and the adult education school Mímir símenntun have, since the beginning of 2015, been involved in the European development project GOAL (*Guidance and Orientation for Adult Learners*). This is intended to develop counselling and guidance for adults regarding suitable opportunities for study. The main focus in the project was on bringing about greater collaboration between stakeholders, bringing counselling closer to the target group and developing counsellors' skills in dealing with their clients. The project was intended to support further policymaking regarding counselling to help people with little formal education who want to undertake studies later in life. The project itself ended in 2018, but developmental work based on its conclusions is continuing and is in the hands of a consultative group of stakeholders.⁶⁹

At the final conference in the GOAL project, on 14 December 2017, the minister of education, culture and science announced amendments that were planned to the Adult Education Act, No. 27/2010, referring to the report on policy on educational and vocational counselling. The minister stressed the importance of taking account of that report and other comparable documents when drawing up policy on the development of this counselling.⁷⁰

Comment by the European Committee

Conclusions XXI-1, Article 1§4, p. 2.

Under Section 8 of the Adult Education Act, No. 27/2010, vocational guidance is also provided free of charge to adults in the education system by the Education and Training Service Centre and the lifelong learning centres (during the reference period, such guidance was provided by 24-28 counsellors). Between 2011 and 2014, the number of counselling interviews given by educational and vocational counsellors was of the order of 10-11 thousand each year. The Education and Training Fund provides funding for educational and vocational counselling as part of the adult education system. The Committee notes that the funding that has been allocated to counselling during the reference period decreased from ISK 147,801,084 in 2011 (€927,896) to ISK 132,928,326 in 2014 (€857,911), and that the number of educational and

⁶⁸ Fræðslumiðstöð atvinnulífsins – [GOAL nýtt evrópskt þróunarverkefni](#).

⁶⁹ [Ársskýrsla Símenntunarmiðstöðvarinnar á Vesturlandi 2018](#).

⁷⁰ [Ávarp ráðherra á málþingi um náms- og starfsráðgjöf í framhaldsfræðslu](#).

vocational counselling sessions passed from 10 868 in 2011 to 9 467 in 2014. It asks the next report to explain the reasons for this decrease.

Less funding was available during the period 2011-15 from the Education and Training Fund for adult counselling projects run by the Education and Training Service Centre than in the previous period. The reduction was from ISK 147,801,084 to ISK 114,188,300. However, funding for this work has again been increased: in 2018, ISK 147,780,047 was devoted to educational and vocational counselling.

The main reason for this variation in funding for educational and vocational counselling lies in the conditions and allocation rules of the Education and Training Fund. It allocates funding in response to applications and estimates from educational entities. The board of the fund issues a tariff for individual and group counselling sessions; this varies according to the type of session and where they take place. At the end of each year, accounts are balanced and the entities are required to repay any funds that have not been used for counselling sessions over the year. In 2011-15, fewer people than in the previous period came for counselling sessions; this was probably due to the improvement that took place in the labour market over the period. As a result, less funding was required. During the period covered by this report, however, there has been an increase in demand for educational and vocational counselling, as can be seen from the following table.

Table 19. Funding for educational and vocational counselling provided in the adult education system (ISK).

Year	2015	2016	2017	2018
Funding ISK	114,188,300	134,166,300	131,330,166	147,780,047

Source: The Education and Training Centre.

Table 20. Number of educational and vocational counselling sessions in the adult education system.

Nationality	2015	2016	2017	2018
Icelandic	8,057	8,385	7,439	7,616
Other nationality	559	658	1,251	1,857
Total	8,616	9,043	8,690	9,473

Source: The Education and Training Centre.

Comment by the European Committee

Conclusions XXI-1, Article 1§4, p. 2.

In the labour market, vocational guidance is provided free of charge to all job-seekers by the Directorate of Labour, pursuant to the Labour Market Measures Act, No. 55/2006. The Committee takes note of the services provided, as described in the report, and notes that the number of counsellors passed from 45.97 in 2011 to 36.83 in 2014; the funding passed from ISK 21,267,606 in 2011 (€133,518) to ISK 19,359,763 in 2014 (€124,947); the number of beneficiaries decreased from 13,067 in 2011 to 6,675 in 2014; and the ratio of job-seekers 117 per counsellor went from 283 in 2011 to 181 in 2014. The committee asks the next report to indicate whether the offer of vocational services is adequate to the demand and to clarify whether vocational guidance is available not only to job-seekers but also to workers in activity wishing, for example, to change job or to undertake further training.

Reference is made to previous information, regarding unemployment in 2015-2018. Unemployment kept decreasing in the period, from 4,955 persons in the end of 2015 and to 4,283 in 2018. Total numbers of job-seekers also decreased, from 15,135 in 2015 and to 13,503

in 2018. As stated before, all job-seekers are entitled to guidance under the Labour Market Measures Act, No. 55/2006. According to information from the Directorate of Labour it is, however, rather uncommon for people who are engaged in an employment to seek vocational service at the directorate. If compared to information in the 29th report, ratio of job-seekers per counsellor is similar with 2012. Statutory roles of the Directorate of Labour, according to the Labour Market Measures Act, are financed through the annual state budget. That includes service of educational and vocational counseling.

A general standard at the Directorate of Labour has been that each counselor is able to conduct five individual interviews per day, or about a hundred each month, based on almost full contribution to the counseling. An estimate at the directorate is that about 20% of job-seekers need little or no assistance in their search for work and the services of that group are minimal. In addition to individual interviews, the consultants at the directorate hold courses in searching for a job for groups of job-seekers, participate in improvement and development work, communicate with course providers and other service providers from with the directorate buys service from. Consultants also participate in supervisory with regard to the directorate's role. Special employment brokers serve as an addition to the consultants, but they communicate with employees, visit workplaces, promote labour market measures, conclude agreements on such measures, manage and register jobs in employment banks and more.

Table. 21. Educational and vocational counselling provided by the Directorate of Labour.

	2015	2016	2017	2018
Man-years	50.48	43.99	43.99	44.05
Total number receiving ed. and vocat. counselling	7,884	7,199	6,872	6,394
Total number of counsellors working directly with clients	35.8	29.5	29.4	29.5
Ratio of job-seekers per counsellor (full time-equiv. position)	220	244	234	217

Source: The Directorate of Labour.

If the information in the table above are compared to information in the 29th report, the ratio of job-seekers per counsellor is similar with 2012. Statutory roles of the Directorate of Labour, according to the Labour Market Measures Act, are financed through the annual state budget. That includes service of educational and vocational counselling.

3. Continuing vocational guidance.

Comment by the European Committee

Conclusions XXI-1, Article 1§4, p. 2-3.

The report refers in particular to the Education and Training Service Centre, set up to promote adult education and vocational training in cooperation with other educational institutions. The Committee takes note of the detailed information provided on the centre's activities, which were further developed during the reference period. It also takes note of the information provided, in response to the Committee's request (Conclusions XX-1 (2012)) concerning the types of training provided. According to the report, at the end of 2014, fourteen entities had been certified as education-providers in collaboration with the Education and Training Service Centre and the Education Fund, of which 10 were traditional lifelong learning centres. From 2009 to 2013, 1,829 people benefited from evaluations of their real competence (validation of prior learning) and 13,398 took courses of various types. In 2012, a project was also started, which involved the development of real competence evaluation (validation of prior learning)

and of a web portal (Myschool) on education and work. The number of courses provided in the framework of this project kept rising during the reference period, as well as the number of participants, according to the report: in 2011, 2,486 people (65% women and 35% men) participated in a total of 203 accredited courses held by the Education and Training Service Centre in various parts of Iceland; in 2014, the number of participants was 2,804 (67% women, 33% men) and the accredited courses were 227 in total. The Committee takes also note of the information provided in the report concerning the increase of the budget for adult education during the reference period. It also notes that the number of students on courses paid for by the Education Fund rose each year from 2010 to 2012, falling slightly between 2012 and 2013. As regards the students following continuing education courses at the University of Iceland, their number was 7,521 in 2011, 6,730 in 2012, 7,291 in 2013 and 7,202 in 2014. The committee takes note of the information provided and asks the next report to provide updated information on these issues and to clarify whether continuing vocational training is available both to adult jobseekers and people already working.

Iceland's 29th report discussed the aims of continuing education, with reference to Article 2 of the Adult Education Act, No. 27/2010. With reference to the above request, it is appropriate to recall these aims. The aims of the act are as follows:

- To provide those with limited schooling with increased opportunities for active participation in society.
- To provide those in the labour market who have limited formal education with suitable education and training opportunities and facilitate their re-entry into the education system.
- To enable people to increase their work-related skills and to take more responsibility in that respect.
- To make available the resources and solutions needed to meet the demands of industry for a more knowledgeable and competent workforce.
- To provide those with a reduced capacity for study or work with adult education adapted to their disparate situations and skill sets.
- To promote recognition of the value of education pursued outside of the formal upper secondary and tertiary education systems.
- To ensure that education and experience acquired outside of the formal education system are appreciated to an appropriate extent.
- To raise the general educational level in Iceland and strengthen the Icelandic educational system.

Adult education is available to persons on the labour market, i.e., both those who are already employed and those who are looking for employment.

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

In the period 2015-2018, 1,981 individuals underwent skills assessments; in the same period, 9,936 completed certified training courses run by the Education and Training Service Centre and entities working with it. Men were in the majority of those who underwent assessments. The gender numbers were as follows: 2015: 268 men, 182 women; 2016: 340 men, 176 women; 2017: 299 men, 139 women. There was an increase in the numbers for both genders in 2018, to 383 men and 194 women.⁷¹

⁷¹ [Annual report of the Education 2018.](#)

Numbers of participants in certified study courses were as follows: 2015: 2,706; 2016: 2,268; 2017: 2,583 and 2018: 2,379. In all cases, women formed the majority: 66% in 2015, 69% in 2016, 62% in 2017 and 60% in 2018. An increase in the proportion of men is discernable from 2016 to 2018.⁷²

Most of those who received educational and vocational counselling were within the Education and Training Service Centre's target group, i.e., they were adults who had not completed secondary school or other post-compulsory education. In 2015, 78% had only completed compulsory schooling (to the age of 16) or had begun secondary school but not completed it. In 2016 this applied to 87%; in 2017 to 84% and in 2018 to 78%.⁷³

Table 22. Status of recipients of vocational guidance with the Education and Training Service Centre 2011-2017.

	2011	2012	2013	2014	2015	2016	2017
Employed	38%	46%	46%	55%	68%	74%	70%
Unemployed/VMST	47%	38%	39%	30%	19%	13%	11%
Occupational rehab.	6%	6%	2%	2%	4%	3%	8%
Unfit for work	2%	1%	2%	1%	0%	0%	1%
Part-time work, part-time benefit recipients	3%	3%	4%	7%	3%	4%	5%
Pursuing studies	3%	4%	5%	4%	5%	5%	4%
Others/not recorded	1%	2%	2%	1%	1%	1%	1%

Source: The Education and Training Centre.

A survey of the status of clients using educational and vocational counselling services on the labour market reveals that there was a large increase in the proportion of those who were unemployed and/or came for counselling via VMST (the Directorate of Labour) in 2009-2013. In 2010, people in this category accounted for 57% of recipients of counselling. In 2017, this group accounted for only 11% of the total. There was also a drop in the number of users of these services who were in employment in the period 2009-2013, reaching its lowest point, 29% of the total, in 2010. On the other hand, this group accounted for 70% of the total in 2017. There was an increase, from 3% to 8%, in the proportion of those who were undergoing occupational rehabilitation between 2016 and 2017, but the number of job-seekers fell over the same period, which suggests a movement of individuals, to some extent, between these groups.⁷⁴

In 2018, the Technical faculty of the University of Iceland, operating through Keilir, opened courses to access by persons who had not completed the upper secondary school leaving certificate (*stúdentspróf*); instead, they could undergo a placement test by Keilir. When a decision is made as to whether to grant exemption from the school-leaving examination requirement, attention is given to the applicant's working experience, including whether he or she has completed the journeyman's examination in a technical trade. Those who are granted this exemption are required to take preparatory courses in the autumn and spring semesters of their first year at university.

Reykjavík University and Bifröst University offer courses open to those who have not completed the school-leaving examination. These are prolegomena courses which take one

⁷² Ibid.

⁷³ Ibid.

⁷⁴ The Education and Training Service Centre – [Educational- and vocational guidance statistics](#).

year, after which those who complete them are recognised as holding the equivalent of the leaving examination and may proceed to enroll in the university.

In the field of continuing education, the University of Iceland's Institute of Continuing Education has been in the lead in its range of courses and seminars; this is very broad, with something relevant to almost every aspect of society. The institute is run entirely on what it earns in the form of course fees and receives no public funding.

Table 23. Total number of students in Continuing Education – University of Iceland 2015-2018.

Year	2015	2016	2017	2018
Number	7,521	6,730	7,291	7,202

Source: Continuing Education – University of Iceland.

Finally, it may be mentioned that a bill was submitted to the 149th session of the Althingi proposing amendments to the Higher Education Act and the State-Run Higher Education Act, but it was not passed. It proposed that these acts be amended to include clear provisions stating that students in possession of knowledge and skills corresponding to these institutions' entrance requirements be given the opportunity of enrolling in studies. Thus, instead of the requirement of completion of the school-leaving examination, or a comparable examination, the universities themselves would be able to determine various requirements for entry. The aim of this was to give industrial, practical and vocational training the same status as that of theoretical studies in legislation on entry requirements for third-level education.

4. Guidance and vocational training for persons with disabilities.

Comment by the European Committee

Conclusions XXI-1, Article 1§4, p. 3.

As regards measures related to vocational guidance and training of persons with disabilities, the Committee refers to its assessment under Article 15§1 (Conclusions 2016), in which it considers that the situation is not in conformity with the Charter of 1961 on the ground that there is no legislation explicitly prohibiting discrimination in training on the ground of disability. Accordingly, the Committee considers that the situation is not in conformity with Article 1§4 on the same ground.

A. Legislative amendments.

The Labour Market Measures Act, No. 55/2006.

Article 12 of the Labour Market Measures Act, No. 55/2006, states that the Directorate of Labour is responsible for the structure of labour market remedies, including job introductions, vocational training and provisory engagements. It is permitted to enter into service agreements on participation by job-seekers with disabilities in remedies run by the local authorities or the service areas which they comprise, under the Act on Services to Disabled Persons with Long-Term Service Requirements. Since the commencement of this last-mentioned act, No. 38/2018, the Labour Market Measures Act contains a specific provision stating that the Directorate of Labour is in charge of labour market measures for persons with disabilities, including special support for job-seekers and follow-up measures including employment contracts with persons with reduced working capacity.

Act No. 38/2018, on Services to Disabled Persons with Long-Term Service Requirements.

Article 24 of the act states that persons with disabilities are to have access to employment- and habilitation-relation services designed to increase their ability to work and take part in daily life on an equal footing with other people. The same article specifies that the local authorities

are to operate sheltered workplaces and centres for habilitation and day-care services for persons with disabilities where social pedagogic activities, occupational therapy and vocational training are available to them. They are also to have access to vocational training on the labour market, with appropriate support, under the Labour Market Measures Act.

Act No. 86/2018 on Equal Treatment on the Labour Market.

As has been stated earlier in this report, the Equal Treatment on the Labour Market Act, No. 86/2018, took effect during the report period (see, in particular, the discussion under Article 1, paragraph 2, of the Charter). The act provides for equality of treatment on the labour market, this applying, amongst other things, to discrimination on grounds of disability and reduced working capacity. Areas where it applies include, e.g., access to employment, independent operations or occupations, educational and vocational counselling, vocational education and training (see indents a-d of the first paragraph of Article 1 of the act. Article 10 of Act No. 86/2018 states that employers are to take the appropriate measures, where these are needed in individual instances, to enable a person with disabilities or a person with reduced working capacity to have access to, and to participate in, a job, to benefit from promotion at work or to undergo training, providing that such measures are not excessively encumbering for the employer.

B. Parliamentary resolution on policy and a plan of action regarding the affairs of persons with disabilities.⁷⁵

Parliamentary resolution No. 16/146, on policy and a plan of action covering the period 2017-2021 regarding the affairs of persons with disabilities, was approved by the Althingi on 31 May 2017. The resolution was in three sections (here below follows an examination of the first two). The third covered monitoring and supervision, which is in the hands of a working group consisting of representatives of the ministry of social affairs (previously the ministry of welfare), the ministry of the interior, the association of local authorities, the National Association of People with Disabilities (Þroskahjálpi) and the Organisation of the Disabled in Iceland (Öryrkjabandalagið).

The first section addresses principal aims regarding the affairs of persons with disabilities and the premises for their achievement during the period 2017-2021. Amongst other things, it states that Icelandic society is based on respect for persons with disabilities as part of the variety of human beings. Full human rights are to be promoted, protected and ensured for persons with disabilities no less than for other persons, and conditions are to be created in which persons with disabilities are able to live independently on their own terms. All persons with disabilities are to enjoy fundamental freedoms and their human dignity, self-determination and independence are to be treated with respect. The United Nations Convention on the Rights of Persons with Disabilities is to be given the force of law in all legal frameworks and implementation; in this way, it will be possible to ensure that persons with disabilities, both children and adults, will be able to live independent lives with dignity. The section also states that emphasis is to be placed on human rights and the prohibition of discrimination on grounds of disability so as to ensure that persons with disabilities will enjoy human rights and human freedoms to the same extent as other persons and will be guaranteed support in order to enjoy those rights. Persons with disabilities are to enjoy the benefits of all general actions taken by the government authorities, e.g. in matters concerning housing, education, insurance and employment.

⁷⁵ [Resolution resolution on policy and a plan of action regarding the affairs of persons with disabilities 2017-2021.](#)

In its second section, the policy lays down the conditions to be created so as to enable persons with disabilities to live independent lives, enjoying access on a par with other people, both as regards access to the man-made environment, transport, services and information, or opportunities for communication that facilitate their involvement in society and activity in daily life. One of the sub-sections specifically addresses employment of persons with disabilities. Several aims are delineated, as follows.

- The first aim is to increase the range of employment opportunities for persons with disabilities, by means including counselling and awareness-raising for employers regarding persons with disabilities. Amongst other things, studies should be made of how the private sector and public entities meet the various needs that persons with disabilities have and what obstacles exist to their participation in the labour market.
- The second aim is to enhance collaboration between senior schools and third-level education and the business sector with the aim of expanding educational and vocational counselling for young persons with disabilities when they complete their education and to create more employment possibilities for them. The aim is that on completion of their studies, young persons with disabilities should be able to apply for the services of the Directorate of Labour on the basis of the Labour Market Measures Act and have a session with an educational and vocational counsellor within two weeks to examine their standing, the jobs available to them and, as appropriate, their participation in labour market measures. Collaboration is to be initiated with companies and institutions on providing more young persons with disabilities under the project; engagements are to be made with support involving counselling and other means of support for the employment of persons with disabilities, including training other employees at the workplace in providing support.
- The third aim is to create easier access for persons with disabilities to the labour market by means of more individually tailored solutions. This is to be done by expanding counselling and labour-exchange services for persons with disabilities on the basis of assessments carried out by the Directorate of Labour. Schedules covering employment searches and participation in the appropriate labour market measures are to be drawn up for job-seekers, these to take account of their individual needs as established by the assessments. The solution “Employment with support” is to be systematically promoted among companies and institutions under this project, and professional procedures within the project are to be coordinated; these include counselling and support given when engagements in employment are made.
- The fourth aim is that participation in employment by persons with disabilities be facilitated by coordinating, in a regulation, the criteria for the allocation of auxiliary aids and equipment for persons with disabilities on the labour market. In particular, it must be established what measures are needed to authorise the Health Insurance Administration (Sjúkratryggingar Íslands) to allocate aids and equipment in accordance with the criteria.

Measures to provide persons with disabilities with more educational opportunities are addressed in another section of the policy. These include the aim of increasing opportunities for adult education. To achieve this, it is proposed that a working group make proposals on the structure of a vocational and continuing education fund that would have the same functions as corresponding funds operated by the trade unions and pension funds. The role of the fund would be to make grants to persons with disabilities who are of an age to work and have not previously had such entitlements.

C. Counselling and courses presented by Fjölmennt.

Fjölmennt is a center for continuing education and expertise which organises seminars and courses for persons with disabilities aged 20 and over. Its activities fall under the Adult Education Act, No. 27/2010. Funding for the projects handled by Fjölmennt is allocated under the annual state budget. The aim of Fjölmennt's work is to offer persons with disabilities counselling on the continuing education opportunities they have, both at Fjölmennt itself and with entities that collaborate with it. Fjölmennt's activities consist mainly of providing counselling to individuals and educational institutions on study opportunities for persons with disabilities, collaboration with, and support to, other continuing education bodies and holding seminars and courses of its own for individuals who need highly specialised course programmes. Fjölmennt enters into collaborative agreements with all continuing education entities outside the metropolitan area in Iceland on the provision of courses for persons with disabilities. In all its policymaking, the emphasis is on enabling persons with disabilities to pursue continuing education on a par with other citizens and at the same institutions as provide other adult education.

Article 15

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

15§1 and 15§2

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

1. Proportion of persons with disabilities.

The proportion of recipients of disability benefit and rehabilitation grants, and disability grant recipients, of the total population grew from between the two first years of the period but remained steady after that. Of the 18-66 age group, it was 8.6% in 2015 and remained 8.9% from 2016 to 2018.

Table 24. The number of persons between ages of 18 and 66 with disability status in Iceland.

Year	2015	2016	2017	2018
Disability ($\geq 75\%$)	16,767	17,474	17,843	18,268
Disability (50-74%)	760	683	582	538
Rehabilitation	1,445	1,530	1,830	1,988
Total	18,972	19,687	18,290	20,794

Source: Social Insurance Administration

Table 25. The number of persons with disabilities ($\geq 75\%$) by gender.

Year	2015	2016	2017	2018
Males	6,540	6,810	6,943	7,080
Females	10,227	10,664	10,900	11,188
Total	16,767	17,474	17,843	18,268

Source: Social Insurance Administration

The next table presents data from the Social Insurance Administration on the payment of social insurance and social assistance due to disabilities.

Table 26. Disbursements connected with disabilities.

Disbursements connected with disabilities: Pensions and social assistance payments, 2014-2018 (Active entitlements in ISK millions).

Entitlement figs., exc. dis. pers. w. contr.)	2015	2016	2017	2018
<i>Pension insurance and benefits under the Social Assistance Act – <u>disbursements connected with disabilities</u></i>				
Invalidity pensions	6,997	7,972	8,744	9,301
Age-related invalidity supplement	3,234	3,718	4,167	4,478
Invalidity pensioners' income supplement	19,651	22,455	24,934	26,505
Disability pensioners' pocket money	47	63	93	96
Invalidity grants	224	220	188	187
Child pension	3,450	3,875	4,337	4,624
Spouse and care-giving benefits	146	160	163	138
Rehabilitation pension	2,841	3,191	3,785	4,634
Household supplement	2,022	2,286	2,528	3,105
Further supplement	147	169	163	138

Special support supplement	1,278	1,488	2,043	2,197
Supplement/grants for automobile purchase/running	720	972	1,109	1,042
Disabled person work contracts*	522	816		
Total	41,279	47,385	52,254	61,217

Source: Social Insurance Administration

*The Directorate of Labour took over the project in 2016.

Table 27. Accounted figures (ISK m.). Pension insurances: 3 benefit categories.

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018
Invalidity pension	4,911	6,063	5,667	6,151	6,633	6,997	7,972	8,744	9,301
Age-related invalidity supplement	2,178	2,375	2,575	2,796	3,023	3,234	3,718	4,167	4,478
Invalidity pensioner's income supplement	13,353	15,362	16,398	17,558	19,133	19,651	22,455	24,934	26,505
Total	20,442	23,800	24,639	26,505	28,789	29,882	34,145	37,845	40,284

Source: Social Insurance Administration

Table 28. Residents with disability assessment aged 18–66.

	2015	2016	2017	2018
Disability pension recipients in December	16,767	17,474	17,843	18,268
Individuals with disability assessment, without disability benefits due to stay in medical facility, but receive daily allowances in December	86	94	95	100
Total payments in December	16,853	17,568	17,938	18,368
% of population (age 18-66) at year end	7.9%	8.1%	7.9%	7.9%
Persons with disability assessment without payment in Dec. due to income	763	805	808	845
Total registered at Social Insurance Administration in December	17,616	18,373	18,746	19,213
% of population (age 18-66) at year end	8.3%	8.4%	8.3%	8.3%
Population (age 18-66)	213,357	217,733	225,794	232,517

Source: Social Insurance Administration

The number of children assessed as being in need of special care came to 3,895 in 2018, a reduction from the 4,105 of the previous year. In 2016 the number had been 3,797 and in 2015 it was 3,688. Over the past eight years the figure has ranged from about 3,600 to about 4,400. The figure for 2010 was 4,624. Thus, there has been an overall reduction over the past decade.

The minister of social affairs and housing appointed a working group to examine caregiving allowances and allowances to the parents of chronically ill or seriously disabled children in January 2015. The groups was instructed to review Act No. 22/2006, on Payments to the

Parents of Chronically Ill or Seriously Disabled Children (the ‘Payments to Parents Act’) and Article 4 of the Social Assistance Act, No. 99/2007, which provides for the payment of caregivers’ allowances to those who support disabled or chronically ill children; the review was to be aimed at assessing experience of the application of these provisions and the need for amendments to the aforesaid legislation and the regulations issued thereunder. An interim report issued by the group in December 2017 stated that the group had been working on proposals aimed at:

1. Simplifying financial support to the families of disabled and chronically ill children by, for example, having all provisions on the payment systems involved in a single act of law.
2. Changing the composition of payments by reducing the emphasis on medical diagnosis and increasing the weighting of assessments of the need for care.
3. Separating payments based, on the one hand, on caring for children from actual costs on the other.

It is also proposed to simplify the system for giving financial support to the parents of disabled or chronically ill children. One part of this, according to the interim report, would involve a change of emphasis in the assessments on which payments are based, with a reduction of the importance of medical diagnosis and an increase in the weighting of the actual caregiving to take account of the children’s care requirements and ensure that the support granted is sufficient to ensure that children with disabilities and their families can live normal lives and participate in society.

To date, the main proposals made by the working group have been as follows.

- Financial support to the caregivers of chronically ill and disabled children should be covered in a single act of law; the provisions of Article 4 of the Social Assistance Act, No. 99/2007, and of Act No. 22/2006, on Payments to Parents, should be brought together in a single context.
- Caregivers’ income should not affect the payment sums.
- Payments should be in respect of the child and be made to the party who in fact cares for the child.
- The municipal social affairs departments should be entrusted with making care needs assessments for chronically ill children, as is now the case for disabled children. Furthermore, attention should be given to the possibility of introducing standardised assessments.
- Emphasis should be placed on the taking of interviews with parents regarding the actual extra care requirements pertaining to their children.
- Caregivers should receive financial support based on the child’s care requirements rather than on medical diagnosis, and payments should be based on the same ideology as ‘user controlled personal assistance’ (NPA).
- Special payments should be introduced to cover extra expenses incurred by parents of chronically ill and/or disabled children; these should be independent of the parents’ financial standing and the assessment of the degree of care required. ‘Extra expenses’ here refers to expenses incurred as a result of the child’s disability or illness which are over and above common expenditure on children.

The working group has not yet completed its work; it was planned that it would submit its final report in summer 2018.

2. Definition of disability.

Comment by the European Committee

Conclusions XXI-1, Article 15-1, p. 1.

The Committee asks the next report to clarify what is the current legal definition of disability.

As has been stated above, amendments were made to various acts of law in order to prepare for the ratification of the UN Convention on the Rights of Persons with Disabilities (see Act No. 115/2015). An account of Act No. 38/2018, on Services to Disabled Persons with Long-Term Service Requirements, has previously been given. The act is based to a large extent on the CRPD. It may for example be mentioned that the definition of disability in that act is in conformity with the convention. Disability is defined in item 1 of Article 2 of the act as:

“The consequence of impairments or obstacles of various types which arise in interaction between people with impairments and their environment, and of attitudes which hinder their full and effective participation in society on an equal basis with others. The impairments suffered by the individuals involved are long-term and are of such a nature as to result in the person’s experiencing discrimination due to physical, mental, intellectual impairments or reduced sensation.”

Disability is defined in the same way in the Equal Treatment on the Labour Market Act, No. 86/2016.

Item 2 of Article 2 of Act No. 38/2018 also contains a definition of persons with disabilities, being persons with long-term physical, mental or intellectual impairments or reduced sensation who encounter obstacles of various types which may prevent their full and effective participation in society on an equal basis with others if they do not receive assistance.

3. Anti-discrimination legislation.

Comment by the European Committee

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

Although Icelandic law provides for equal rights for all citizens in general, the Committee notes that no legislation has been adopted as yet which would explicitly protect all people from discrimination on ground of disability in the field of education and training. Furthermore, no judgment was issued by the Supreme Court during the reference period on cases regarding the right to education of persons with disabilities. In light of this, the Committee holds that the situation which it previously found not to be in conformity with Article 15§1 of the 1961 Charter has not changed.

Reference is made to former review on the ratification of the CRPD, and entry into force of Act No. 86/2018 on Equal Treatment on the Labour Market and Act No 38/2018 on Services to Disabled Persons with Long-Term Service Requirements.

4. Education of persons with disabilities.

Comment by the European Committee

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

The Committee refers to its previous conclusion for a detailed description of the educational system in respect of persons with disabilities, and asks the next report to provide updated information on the applicable legislation, as well as on statistical data on the number of children with disabilities attending respectively mainstream schools facilities and special education institutions.

Considerable amendments were made to Icelandic legislation during the report period due to the ratification of the UN CRPD. This applies, for example, regarding entitlements of persons with disabilities to education. Under Act No. 115/2015 the term “disabled (person)” was replaced by “person with disabilities” in all appropriate grammatical forms in Icelandic legislation. This applies, for example, to the Compulsory Schools Act, No. 91/2008, the Upper Secondary Education Act, No. 92/2008 and the Public Higher Education Institutions Act, No. 85/2008. It should be noted before proceeding further in this reply that in Iceland, the main emphasis is on access to education without distinction, though special schools do exist, for example, for those who are not able to pursue schooling in the ordinary compulsory schools. During the report period, various legal amendments were made to reinforce this policy, as can be seen from the following discussion.

As has been stated above, the Act on Services for Persons with Disabilities who have Long-Term Support Needs, No. 38/2018, entered into force in Iceland on 1 October 2018. It can be seen clearly from the text of the act that it is very much based on the UN CRPD. The basic principles of the convention echo those of Article 65 of the Constitution of the Republic of Iceland regarding equality of rights, not least in specifying that persons with disabilities should be able to participate actively in society without distinction. In this connection, it should be pointed out that the Icelandic government has, for many years now, made a priority of schooling without distinction: for example, children with disabilities are able to attend the ordinary compulsory schools with support services. The commentary to the bill which became Act No. 38/2018 stated that in the course of revising legislation, an attempt had been made to guarantee the local authorities sufficient leeway to be able to implement these services in the way that best suits each locality and also to ensure that users of the services will have the right to comparable services irrespective of where they live. Another consideration was that people should have access to the services they needed, rather than simply that they should all have equality of access. Rather than having provisions to the effect that certain services were available to person belonging to certain groups, the emphasis was placed on coming to terms with individuals’ service needs. In this way it would be possible to ensure that the principle of equality was observed in practice, but in such a way that comparable instances would receive comparable treatment and non-comparable instances would be met with different solutions. Article 8 of the act contains a general provision on support services. It states that persons with disabilities are to have access to the support services necessary to enable them to participate in society without distinctions so that they are on the same footing as other people, so avoiding their becoming socially isolated. Support services are to be provided in all local government areas (municipalities) in the way best suited to each given locality. A special section with the heading “Services to children with disabilities and their families” states that measures are to be taken to guarantee that children with disabilities receive the services necessary to enable them to enjoy human rights and dignity on a par with other children, live independent lives and participate in a society without distinctions. In addition, children with disabilities are to have real access to, and benefit from, education, training, preparation for a working career and leisure activities. The parents of children with disabilities are also to receive sufficient services so that their children who have disabilities are able to enjoy their rights and entitlements on a par with others.

Amendments to the Municipalities’ Social Services Act, No. 40/1991, were made by Act No. 37/2018. The main amendment is that a new section, Section VII, on support services, was added. The aim of support services is to assist and habilitate users of the services who, due to their circumstances, need support in the activities of daily life and/or to break their social isolation (see Article 25 of the Act). Assessment of the need for support is covered by Article

27 of the Act. Under the first paragraph of this article, the need for support services is to be assessed before assistance is given. If the need for support due to disability is greater than can be met through services or assistance under Section VII of the act, then additional support is to be provided in accordance with the Act on Services to Disabled Persons with Long-Term Service Requirements, and the services are to be integrated in the recipient's best interests.

Under these amendments, the municipal authorities are obliged to ensure that children with disabilities have access to special support, including as regards their schooling. Under the Compulsory Schools Act, the municipalities are responsible for the operation of ordinary junior schools (compulsory schools, to the age of 16); the act also covers privately-operated junior schools and other recognised education at the compulsory school level. Under the act, all pupils in compulsory school are entitled to receive teaching suited to their ability which takes account of their needs and general well-being. Article 17 of the act addresses pupils with special needs. This states that pupils are entitled to have their educational requirements met in ordinary junior (compulsory) schools, without discrimination, irrespective of their physical or mental abilities. It also states that pupils who have difficulty with studies due to particular learning problems, emotional or social difficulties and/or disabilities (*cf.* Article 2 of the Disabled Persons Act), pupils with reading handicaps, chronically ill pupils and other pupils with health-related special needs are entitled to special support in their studies corresponding to their assessed special needs. Finally, mention should be made of what is stated in the general syllabus of the compulsory schools (see Iceland's 29th report). The general syllabus states that all pupils in junior school are entitled to pursue studies suited to their ability and that educational opportunities should be independent of the abilities and personal circumstances of each individual, these including disabilities.⁷⁶

The following table presents information on the numbers of children with disabilities attending compulsory schools during the report period, showing whether they were in ordinary schools or special schools at the compulsory level.

Table 29. Children with disabilities attending compulsory schools, 2015-2018.

School year	2015-2016	2016-2017	2017-2018
Children attending ordinary compulsory schools or privately-operated compulsory schools	2,362	2,937	1,886
Children attending special schools	161	164	163
Total	2,523	3,101	2,049

Source: Statistics Iceland

The table shows the numbers of children of compulsory schooling age (i.e. to the age of 16) in each school year, both those attending ordinary junior schools or privately-run junior schools with support in the classroom or special teaching to meet their needs and those attending special schools. The information needed to analyse these figures further to find the numbers of children with disabilities is not available. In this context it must be borne in mind that the right to support in connection with learning difficulties applies to a broader group than only those who would be classified as having disabilities (see below). Figures on the numbers of parents who receive caregivers' allowances in view of their children with disabilities and/or chronically ill children or children suffering from developmental disturbances are also not reliable indications of the total number of children with disabilities of compulsory school age, since these payments are

⁷⁶ [National Curriculum for compulsory schools.](#)

not restricted to cases where the child is of compulsory school age. In 2015, 1,673 children with disabilities aged 0-17 received services from the local authorities in respect of their disabilities. The corresponding figures for 2016, 2017 and 2018 were, respectively, 1,591, 1,706 and 1,668.⁷⁷

It should be noted that Iceland has two special schools; both are situated in Reykjavík but serve the whole country. One of them, Brúarskóli, is a temporary solution for children who suffer from serious mental or social difficulties.⁷⁸ Its aim is to make its pupils better equipped to pursue studies in ordinary compulsory schools. When they leave Brúarskóli, a schedule of how counselling and follow-up measures are to be applied by Brúarskóli. The other special school, Klettaskóli, is a junior (to the age of 16) school for pupils with mental retardation or mild mental retardation combined with additional disabilities such as autism, blindness, deafness and serious disorders in motor function. School attendance by pupils domiciled outside Reykjavík is supported financially by their local authorities. Klettaskóli provides counselling services to other junior schools regarding their pupils, and pedagogical support for pupils in them who have support needs similar to those of the pupils in Klettaskóli itself.⁷⁹

The Upper Secondary Education Act, No. 92/2008, provides, under Article 38, that pupils with disabilities and pupils with emotional or social difficulties are to be given schooling and special support with their studies. Pupils are entitled to special assistance and the appropriate equipment or facilities as needed. It also specifies that pupils with disabilities are to pursue their studies together with other pupils where circumstances permit. A comparable provision is to be found in the Higher Education Act, No. 63/2006, regarding students in universities and third-level educational institutions.

5. Vocational training.

Comment by the European Committee

Conclusions XXI-1, Article 15-1, p. 3.

The Committee recalls that to have a comprehensive picture of the situation and assess its conformity under Article 15§1 of the Charter, it needs to be systematically provided with data on the number of persons with disabilities attending respectively mainstream or special training facilities. It asks the next report to provide such data, as well as information on the different forms of training opportunities available to persons with disabilities.

Several facilities offer vocational training for work and activities for disabled people, covering the biggest regions in Iceland.⁸⁰ Their aim is to strengthen the individual's ability to cope with paid work in the labor market. There are also facilities that have the main purpose of promoting social skills of disabled people. Unfortunately no comprehensive data exists on the number of disabled people attending special training facilities when this is written.

Article 15§2 – Employment of persons with disabilities

1. Employment of persons with disabilities.

Earlier in this report, an account has been given of the entry into force of Act 38/2018 on Services to Disabled Persons with Long-Term Service Requirements and some of the provisions of Section V of the act regarding employment of persons with disabilities. The

⁷⁷ Statistic Iceland.

⁷⁸ [Brúarskóli's webpage.](#)

⁷⁹ [Klettaskóli's webpage.](#)

⁸⁰ [List of training facilities for persons with disabilities.](#)

general commentary on the bill which was passed as Act No. 38/2018 stated, amongst other things, that the basis of Section V was a declaration of intent by the state and the local authorities regarding the future structure of employment for persons with disabilities⁸¹, of 28 September 2015, which reflected the principle that the employment of persons with disabilities should be approached in the same way as employment in general.

The aforementioned declaration of intent was part of a comprehensive agreement between the Ministry of Finance and Economic Affairs, the Association of Local Authorities, the Ministry of Welfare and the Ministry of the Interior, on behalf of the Local Authorities' Equalisation Fund, on the assessment of the transfer of services for persons with disabilities from central to local government. The parties to this agreement as embodied in the declaration of intent were the Ministry of Welfare and the Directorate of Labour, on the one hand, and the Association of Local Authorities on the other; the declaration of intent provides for the responsibilities of these parties for certain aspects of the employment of persons with disabilities.

Under the declaration of intent, the Directorate of Labour is to be in charge of ordinary labour-market measures, places of sheltered employment, occupational training, employment with support and other employment-related rehabilitation measures. The role of the local authorities was to be to attend to the application of labour-market measures connected with occupations and habilitation and the operation of 'mixed' workplaces and places of sheltered employment. The aim is that a collaborative agreement will be made between the Directorate of Labour and the service regions covering the affairs of persons with disabilities in which a framework will be marked out for team work and consultation with users of the services. It should be mentioned that the Directorate of Labour has been involved with the implementation of employment for persons with disabilities for far longer than this discussion might imply (see the discussion in Iceland's 29th Report).

In the declaration of intent, it is stressed that services relating to employment and habilitation are to be regarded as forming a single whole and that their implementation is to be regarded as constituting labour-market measures. Thus, access to all employment-related measures will be in the same place, irrespective of the individual's reasons for needing them. As labour-market measures are, by law, under the purview of the Directorate of Labour, the directorate will receive all applications, assess individual competences and, to the extent possible, channel applicants into the courses of action that are best suited to them.

Statistics Iceland published data on the position of disability benefit recipients on the labour market for the first time in 2019. This data was produced from labour-market materials held by Statistics Iceland and materials from the Directorate of Taxation.

Table 30. Position of disability benefit recipients on the labour market

Position	2011	2012	2013	2014	2015	2016	2017
Not on labour market	10,600	12,263	12,842	12,431	12,285	12,415	12,419
Unemployed	508	593	665	948	920	629	375
In employment	3,264	4,419	5,279	5,501	5,632	6,488	5,105
Total	14,372	17,275	18,786	18,880	18,837	19,532	17,899

Source: Statistics Iceland.

On average, there were twice as many women as men in the category of those disability benefit recipients who were not on the labour market in 2015-2017: in 2015 there were 8,353 women

⁸¹ [Declaration of intent on the future structure of employment for people with disabilities.](#)

in this group (68%) and 3,932 men (32%). The proportions were similar in 2016. In 2017 there was a slight change, with 4,281 men (34.5%) and 8,138 women (65.5%).⁸²

From 2012 until 2016, women had formed the majority of disability benefit recipients. Of those who received disability benefit in 2015, 4.9% were unemployed: 545 women and 376 men. In 2016, 3.2% of disability benefit recipients were unemployed: 381 men and 249 women. In 2017, 2.1% of this category were unemployed: 253 men and 122 women. Thus, the overall number of disability benefit recipients who were unemployed declined, and at the same time the gender ratio was reversed.⁸³ Unfortunately, the figures for 2018 are not yet available.

In 2015, 48.5% of disability benefit recipients who were in employment worked part-time. In 2016 this proportion was 49.5%; in 2017 it was 51.9%.⁸⁴

The next table shows the numbers of persons with disability ratings who are active on the labour market and do not receive disability benefits due to the earnings they have from employment.

Table 31. Numbers of persons with disability ratings who receive no payments due to their employment earnings.

	2015	2016	2017	2018
Disability-rated individuals without payments	763	805	808	845
Persons qualifying for disability grants, but receiving no payments	168	160	172	164
Total	931	965	980	1,009

Source: Statistic Iceland.

2. Anti-discrimination legislation.

Comment by the European Committee

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

The Committee has previously found that the situation in Iceland was not in conformity with the 1961 Charter on the ground that there was no legislation explicitly prohibiting discrimination in employment on the ground of disability (Conclusions XX-1 (2012), XIX-1 (2008), XVIII-2 (2007)). It notes from the report that this situation has not changed and that no obligation to ensure reasonable accommodation in the workplace applied during the reference period. A bill on equal treatment in employment, including a provision on reasonable accommodation, was presented in 2014 but was not adopted. The Committee asks the next report to provide updated information on any relevant development in this field. It maintains in the meantime its finding that the situation is not in conformity with Article 15§2 of the 1961 Charter.

Reference is made to former review on the ratification of the CRPD, and entry into force of Act No. 86/2018 on Equal Treatment on the Labour Market and Act No 38/2018 on Services to Disabled Persons with Long-Term Service Requirements.

3. Measures to encourage the employment of persons with disabilities.

As has been stated above, Section V of the Act on Services for Persons with Disabilities who have Long-Term Support Needs specifies that the Directorate of Labour is in responsible for

⁸² [Statistic Iceland](#).

⁸³ Ibid.

⁸⁴ Ibid.

organising and presenting labour-market measures, including as regards labour exchanges, assessment of suitability for work and evaluation of the need for labour-market measures under the Labour Market Measures Act. The organisation, implementation and operation of sheltered employment facilities, habilitation and training in employment activities, on the other hand, are the responsibility of the local authorities unless other specific provisions are made in agreements between the state and the Directorate of Labour. Persons with disabilities are to have priority access to jobs with the state and the local authorities if their competence for the work is greater than, or equal to, that of other applicants (see the third paragraph of Article 22 of the act). Under the third paragraph of Article 12 of the Labour Market Measures Act, No. 55/2006, the Directorate of Labour is in charge of labour-market measures for persons with disabilities, including special support for job-seekers and follow-up measures such as employment contracts for persons with disability ratings (reduced working capacity). Here follows a survey of amendments to legislation and special measures adopted to address matters with a bearing on the employment of persons with disabilities during the report period.

A. Legislative amendments.

Act No. 60/2012, on Employment-Related Vocational Rehabilitation and the Activities of Vocational Rehabilitation Funds.

One of the main amendments to this act was made by Act No. 47/2018, an act of amendment to various legislative provisions on designated income. After the amendment, Article 7 of Act No. 60/2012 states that annual funding to vocational rehabilitation funds operating under the act are to be determined on the basis of authorisations in the state budget. It is to amount to a minimum of 0.13% of the tax basis for social security tax under Section III of the Social Security Tax Act, No. 113/1990, based on information about the monetary sum of the tax base for the previous year.

B. Other measures and solutions in operation during the period.

Employment contracts in the private sector.

It has been noted previously that the minister is authorised to commission the Directorate of Labour to enter into contracts with companies or institutions under which they engage persons with reduced working capacity who are in receipt of disability benefits, disability grants, rehabilitation pensions or accident disability benefit at less than 50% of the full rate and have working capacity that has not been harnessed on the labour market and who have no substantial income to live on, other than benefits from the social security system.

The numbers of persons making use of this service were as follows: 2015: 522; 2016: 592; 2017: 900 and 2018: 1107. They were employed in a wide range of workplaces: kindergartens, libraries, fitness centres, staff canteens, computer firms, sports clubs, offices, production companies and shops.

Employment with Support (Atvinna með stuðningi).

A description of this was given in Iceland's 29th Report; for information apart from what is stated here, reference should be made to that report. The programme provides broad support for persons with reduced working capacity due to mental and/or physical disabilities, and includes assistance with finding suitable employment in the private sector, training in the workplace and follow-up monitoring. It is available in the metropolitan, Suðurnes and Akureyri service regions.

Engagement with support.

The experimental project “Engagement with support” was launched by the Directorate of Labour in autumn 2016 and ran for one year with funding under the national budget as part of the Plan of Action on the affairs of persons with disabilities. It was based on collaboration between schools, companies and representatives of the business sector on a developmental project aimed at providing more working opportunities for young persons with disabilities who are completing the vocational courses offered in upper secondary school or diploma courses in the universities. After the project ended, the Directorate of Labour expressed the view that greater emphasis should be placed on collaboration between it, the business sector and the schools, and how important it was to have the role of the service entities properly defined at the beginning of the collaboration. The conclusion was that the experience gained through the collaboration gave grounds to expect that it would produce sound procedures for job-seekers and support to young persons who were on the point of completing their schooling. There was seen to be a need to put collaboration between institutions and the labour market on a firmer footing and to secure a better understanding of the importance of having everyone feel that they are able to make an active contribution to society.

Employment-related occupational rehabilitation.

An agreement on employment-related occupational rehabilitation⁸⁵ was signed in March 2015 between the Minister of Finance and Economic Affairs and the Minister of Social Affairs, on the one hand, and VIRK, the Vocational Rehabilitation Fund, on the other.

This agreement is in four parts. The first states that the two ministers are to propose, in the national budgets for the years 2015-2017, that the Althingi grant allocations of certain amounts to the vocational rehabilitation funds under Article 7 of Act No. 60/2012 on Employment-Related Rehabilitation and the Activities of Employment-Related Rehabilitation Funds. Secondly, the agreement states that all those who are able to benefit from employment-related vocational rehabilitation in order to be active on the labour market are to be guaranteed employment-related vocational rehabilitation from VIRK (see item 3 of the first paragraph of Article 8, and also Article 9, of the act). Thirdly, the agreement provided for a change to be made to the charter of VIRK, introducing on its governing board an individual appointed by the Minister of Social Affairs and Housing. Fourthly, the parties to the agreement declared that they were unanimous that there was an urgent need to adopt an assessment system based on fitness for work rather than on disability as hitherto in the social security system and on loss of working capacity as hitherto in the pension fund system.

The Vocational Rehabilitation Fund VIRK.

Reference is made to Iceland’s previous reports regarding discussions of the role of VIRK. Numbers of persons entering vocational rehabilitation with VIRK for the first time were: 2015: 1,793; 2016: 1,710; 2017: 1,855 and 2018: 1,965. The total number, by the end of the period, who had applied to VIRK since its inception had reached 14,971, of whom 8,695 had been discharged from vocational rehabilitation. About 67% of users of the scheme were women; 33% were men. In 2018, 74% of those who completed rehabilitation with VIRK were either fully or partly active in employment, or were seeking employment or were pursuing studies. This applied to 77% of all those who had been discharged from VIRK since it began operations. In 2017 the proportion was 79%; in 2016 it was 82% and in 2015 it was 74%.⁸⁶

⁸⁵ [Agreement on employment related occupational rehabilitation.](#)

⁸⁶ Annual reports of VIRK 2015-2018.

Information from VIRK shows that people have been applying to the fund earlier than before, i.e., shorter periods now elapse between their leaving the labour market and seeking assistance than used to be the case. This is seen as a positive development, since better results are normally achieved if problems are addressed early. The number of applicants with limited educational backgrounds or qualifications is now higher than it used to be, though 130 more university graduates applied to VIRK in 2018 than in 2017, and indeed they account for most of the rise in the number of people registered with VIRK between those two years.

VIRK's report for 2018 stated that there had been a constant rise in the numbers of individuals using its services, the explanation being not only increased incidence of illness or injury but also the fact that the majority of the population has become familiar with the fund and its activities. The report noted that the numbers of new admissions to, and new discharges from, the programme were at record levels, but that it was difficult to identify any single factor as the reason for this.

With reference to VIRK's role (which is defined in Article 10 of Act No. 60/2012), a special developmental project was launched in 2015: "*Closer connection between vocational rehabilitation and employment*", the aim of which was to establish definite contact between individuals with reduced working capacity and the labour market before their vocational rehabilitation ended. This took account of the findings of studies which show that the earlier people try to re-enter the world of work following an accident, the more likely they are to find places on the labour market. It is therefore important to give them the opportunity of taking up suitable work early on in the vocational rehabilitation process. Right from the outset of the project, the emphasis was on establishing a close working relationship with the business world and stepping up awareness-raising and support for companies and institutions.⁸⁷ Currently, about 200 enterprises have signed collaboration agreements with VIRK under the project, and a special campaign is now in progress in which the focus is on reaching out to companies that have not worked with VIRK hitherto. It was expected envisaged that the outcome of this developmental project might be of great significance for the careers of people who undergo vocational rehabilitation through VIRK. This proved to be the case, as it was decided in 2018 to retain on a permanent basis the arrangements by which individuals with reduced working capacity were enabled to re-enter the job market with special assistance.⁸⁸

At the beginning of 2018, the committee of VIRK decided to finance and launch a special three-year project to prevent people from leaving the labour market because of failing health.⁸⁹ This has been done in collaboration with the Ministry of Social Affairs, the Occupational Safety and Health Administration and the Directorate of Public Health, in addition to which a representative of the ministry has had a seat in the steering committee of the project. Individual targets within the project include the following.

1. An investigation of the factors that influence whether or not someone with long-term health problems will return to employment. This is being carried out in collaboration with the Occupational Safety and Health Administration and other parties.
2. Stimulating an awakening of understanding about the factors in the workplace and in the individual's environment that may lead to health problems and loss of competence for work. This is being done by means of mini-campaigns and advertisements. The first of these appeared in December 2018 with the slogan "Loads to do? Let's work together

⁸⁷ [Annual report of VIRK 2016.](#)

⁸⁸ [Annual report of VIRK 2019.](#)

⁸⁹ Ibid.

to achieve balance.” More of these mini-campaigns are planned for 2019; the overall project will continue throughout that year, and possibly longer.

3. A web-page with information of various types, advice and recommendations, articles, tips and techniques to increase balance in life and promote well-being at work. This has been set up (www.velvirk.is). Its contents are designed both for employees and managers, and in fact anyone who is interested in looking after their health and well-being.
4. Collaboration on the goal of ‘Health in All Policies’ in the workplace, including the identification of um requirements that workplaces must meet in order to describe themselves as being healthy workplaces. This project is in preparation. It will be launched, on an experimental basis, in a few workplaces where it will be monitored and the results assessed. This procedure is based on similar projects that the Directorate of Health has carried out in the past on introducing the UN Global Goals regarding Health in All Policies in society in general and in the schools.

Comment by the European Committee

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

The Committee notes that in 2015, out of the reference period, the repartition of competences between central and local government was being reassessed by a steering committee; it asks the next report to provide updated information in this respect.

The report of the steering committee that conducted a reassessment of the professional and financial aspects of the transfer of services for persons with disabilities from central to local government in 2011-2013 was published in November 2015.⁹⁰ This “Reassessment of the transfer of responsibility for the affairs of persons with disabilities” states that the committee’s brief was to gather information on all financial and professional aspects needed in order to assess the success of the transfer. It was then to analyse this information, present it in an accessible form and make proposals on how it was to be used in discussions between the local authorities and central government.

The main conclusions and proposals in the report were as follows.

- That the local authorities had made every effort to provide services to persons with disabilities in a responsible and professional manner; nevertheless the development of these services and the changes in their structure had not met all the expectations in some of the areas where the provision of such services was most difficult. The main reasons for this were a substantial rise in the number of service recipients, greater need for services and limited funding.
- The concerns of the local authorities center mainly on the financial aspect: during the period under examination, there were some disparities in financial standing between the service areas; it may also prove difficult to control the growth in demand for services that has taken place in recent years.
- Surveys made for the steering committee revealed that the main purposes of the transfer had been achieved. These included improvements in services, better utilisation of funds, less overlapping between administrative levels and clearer divisions of responsibilities between central and local government.
- There was an overall operating surplus of ISK 685 m on the services in 2011 and 2012, changing to a deficit of ISK 195 m in 2013. Operating results varied between the various service regions.

⁹⁰ [Report on transfer of services for persons with disabilities.](#)

- There has been some increase in the volume of special services over the past three years, due partly to an increase in the numbers of recipients and changes in service structure, not least as a result of changes in residence patterns. Little change has taken place in ordinary services.
- It can be expected that, on average, about ten children with serious disturbances will need special services at any given time. The steering committee estimates that an additional sum of about ISK 340 m will be needed each year, in addition to the funding that is being transferred from the Child Welfare Agency, in order to meet the costs involved.
- Construction of new municipal accommodation for persons with disabilities will go hand in hand with the new socially-assisted rental accommodation system, the foundation of which has been laid down by the minister of social affairs and housing. It will be financed by foundation contributions from central and local government and by direct interest supplements by the state, amounting to about 30% of establishment costs at current price-levels. Thus, the solution to the problem of housing for persons with disabilities will not be a separate solution, but part of the ordinary socially-assisted housing system.
- Financial records relating to the transfer indicate that the introduction of user-controlled personal assistance led to considerable expenditure pressure, first in 2013 and increasing greatly in 2014. The municipalities/service regions responded to this expenditure pressure, and users' expectations, by increasing the level of services that fall under user-controlled personal assistance agreements (UCPA agreements).
- In some cases, the additional expenditure relating to UCPA agreements was probably entered in the books as being for legally-prescribed services. Such cases must be taken into account when a final review is made of how the income bases have been allocated in connection with the service transfer. The steering committee is in agreement that it would be appropriate to assume that this figure amounted to ISK 230 m in 2014.
- SIS assessments (on the Supports Intensity Scale) prove to be fairly accurate in relation to achieving the targets set, though some aspects of the calculation procedure need to be clarified. It is important to have a more secure legal basis for SIS assessments and to apply it when individual service schedules are drawn up. It is also a matter of urgency to introduce SIS assessments for persons with disabilities in the youngest age-groups.
- The steering committee appeals to the task force dealing with the comprehensive review of the Disabled Persons Act to make a proposal on the definition and legal framework of "extended presence" in the compulsory and upper secondary school system, and how it is to be funded.
- The steering committee recommends that all projects in the new plan of action on the affairs of persons with disabilities be cost-assessed and that the plan be executed in active collaboration between the ministry of finance and economic affairs, the Association of Local Authorities and the service regions.
- The steering committee recommends strongly that an assessment of the impact of the costs resulting from the ratification of the UN CRPD for both central and local government be completed by the time the matter is discussed in the Althing.

In the report, the steering committee also made the following recommendations regarding the review and amendment of the arrangements and future structure as regards quality monitoring, service structure and the funding of matters relating to persons with disabilities.

To the Association of Local Authorities and the service regions:

- More efficient and uniform methods of recording information on services and operations must be established.
- A clearer distinction needs to be made between ordinary and special services regarding their operating expenses.
- Clear and uniform priority ranking must be observed when it comes to providing residential accommodation solutions.
- SIS assessments should be used more generally when drawing up personal service schedules.

To the ministry of welfare and the Association of Local Authorities:

Uniform criteria should be issued on the distinction between ordinary and special services, both as regards their duration in hours and the operating expenditure.

To the ministry of the interior and the Local Authorities' Equalisation Fund:

- Use of the SIS assessment method for children and teenagers should be introduced as soon as possible.
- The regulations on equalisation measures should be revised promptly every year with a view to having more done to equalise the cost burden relating to support provisions.

To the ministry of welfare:

- Professional assessment of results and service quality should be introduced as soon as possible.
- Rules should be set regarding uniform criteria for total time in ordinary services.
- Work must be done on solutions for children with multiple, and serious, problems.
- The new plan of action, and its cost assessment, should be executed in active collaboration between the ministry of finance and economic affairs, the service regions and the Association of Local Authorities.

Comment by the European Committee

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

The Disabled People Act No. 59/1992, which provides inter alia for sheltered employment did not change during the reference period. The Committee asks the next report to provide updated information as to whether sheltered employment facilities still operate and how many people with disabilities work there.

Reference is made to review on act no. 38/2018, which replaced act no. 59/1992. Article 24 of act no. 38/2018 now provides for sheltered employment.

Hlutverk (e. *Role*) is the name of a nationwide association of sheltered employment facilities, institutions and organisations active in the field of employment and vocational training for the disabled. Its aims are:

- a) to promote collaboration and communication between its members,
- b) to defend its members' interests,
- c) to promote collaboration with other companies, institutions, societies and associations, both in Iceland and abroad, on educational and awareness-raising activities concerning persons with disabilities and their rights, and those of other vulnerable groups,

- d) to provide counselling to central and local governmental institutions, including the government ministries and other bodies in charge of vocational rehabilitation and the employment of persons with disabilities,
- e) to promote collaboration on the development of vocational training, habilitation and rehabilitation to enable people to enter the labour market.

There are 25 sheltered employment facilities in the association; this figure accounts for practically all such facilities in Iceland and a total number of employees is around 800. The sheltered-employment facility Reykjalundur is not a member of the association.

4. Requirements of reasonable accommodation.

Act No. 38/2018, on Services for Persons with Disabilities who have Long-Term Support Needs, includes a special section on the employment of persons with disabilities. Under its provisions, the Directorate of Labour is in charge of organising and presenting labour-market measures for persons with disabilities, including labour exchanges, assessment of their suitability for work and evaluation of the need for labour-market measures under the Labour Market Measures Act. Costs of services provided by the Directorate of Labour and of labour-market measures operated by the directorate is to be met by the Treasury; these costs include special support to job-seekers and follow-up measures, including the cost of employment contracts covering persons with disability ratings.

Under Article 10 of the Equal Treatment on the Labour Market Act, No. 86/2018, employers are to take the appropriate measures, if they are needed in particular cases, to enable persons with disabilities or with reduced working capacity to have access to, and to participate in, and to advance in, employment, or to undergo training, providing that these measures are not excessively encumbering for the employer. This provision is based on Article 5 of Directive 2000/78/EC; the recitals to the directive explain ‘appropriate measures’ as meaning effective and practical measures to adapt the workplace to the disability, for example adapting premises and equipment, patterns of working time, the distribution of tasks or the provision of training. The European Commission has provided further explanation of what it considers employers’ duties to include in this context, as can be seen from its proposals in the draft version of the directive. This stated that the provision was regarded as imposing on employers an obligation to take measures in the case of individuals who were not able to perform the essential functions of the job in question without modification of the workplace. It also stated that this obligation was restricted, on the one hand, to cases where the measures in question were practicable and, on the other, to cases where the measures involved would not impose a disproportionate burden on the employer in terms of the activity in question in each individual case. When assessing whether the measures involved a disproportionate burden for the employer in question, so releasing the employer from the obligation, it was necessary to give special attention to the financial cost entailed and the extent of the measures in terms of the size of the institution or undertaking in each case and its financial strength, account being taken of the possibility of public financial support designed to support measures to give persons with disabilities or reduced working capacity access to the labour market or provide facilities for them in the workplace. Allowance is also made for the non-applicability of the obligation in cases where it is considered demonstrated that the individual in question would not be able to discharge the basic functions entailed in the position even if measures were taken by the employer. Some examples of appropriate measures on the part of the employer were given in the notes to the bill which was passed as Act No. 86/2018, e.g. the engagement by the employer of a sign-language interpreter so as to secure vocational training for a hearing-impaired worker on an equal footing with other workers. Another example given was that of an applicant who uses a wheel-chair applying for an office job where the workplace is located on the fourth floor of a

building with no lift. If the employer has offices on several floors, including the ground floor of the building, then it could be expected that he or she would arrange working facilities on the ground floor for the worker, moving another worker who is capable of climbing the stairs to the fourth floor instead. If, on the other hand, the company in question only has offices on the fourth floor, then it would be natural to conclude that the measures needed in order to engage an applicant who uses a wheelchair would impose too great a burden on the employer, thus absolving him or her from the obligation to undertake them.

Article 18

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

18§1, 18§2, 18§3 and 18§4

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

1. Work permits.

Comment by the European Committee

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

The Committee asks whether the abovementioned types of permit apply to both employed and self-employed workers or whether the latter require a specific work permit. It also asks the next report to clarify the maximum length of each type of temporary work permit.

Item 7 of Article 3 of the Foreign Nationals' Right to Work Act, No. 97/2002, defines a self-employed individual as any person who works at his/her own business or independent activity to the extent that he/she is obliged to pay withholding taxes on presumptive income and social security contribution in respect of his/her work, either monthly or in another regular manner according to rules set by the Director of Internal Revenue on presumptive employment income of the self-employed. The third paragraph of Article 6 of the act states that foreign nationals may not work in Iceland as self-employed individuals unless they are exempted from the requirement to hold a work permit under the act. Grounds for such exemption are enumerated in Section III of the act. Those who qualify for exemption include, for example, foreign nationals who have been granted permanent residence permits under the Foreign Nationals Act, No. 80/2016, and foreign nationals who have been granted residence permits on grounds of international protection under the same act.

The various categories of temporary work permits, and the length of time they cover, are shown in the following table, as they are according to Act, No. 97/2002.

Table 32. Duration of temporary work permits.

Type of temporary work permit	Maximum duration	Permitted extension (max.)
Temporary permits – expert skills	2 years	2 years at a time
Temporary permits – shortage of workers	1 year	1 year at a time
Temporary permits – athletes	1 year	2 years at a time
Temporary permits – special circumstances	Period of residence permit	As per period of residence permit
Temporary permits – family unifications	Period of family member's residence permit	Period of family member's residence permit
Temporary permits - service contracts	6 months for each contract	No
Temporary permits - students	12 months at a time	12 months at a time

2. Relevant statistics.

Comment by the European Committee

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

The Committee asks that the next report provide updated data, as well as a more detailed explanation of the trends observed, in particular as regards any decrease in the number of permits granted.

The Committee notes that, during the reference period, the number of immigrants and foreign workers continued to increase, despite a decrease by 10% in the number of permits granted or renewed. In this respect, it notes from the report that the number of new or renewed work permits granted to nationals from non-EEA European countries, USA, Canada and Asia decreased by almost 16%, while the number of new or renewed work permits granted to nationals of other parts of the world increased by almost 34% in the same period. However, this information does not answer the Committee's request to specify the number of permits (first permits and renewals) granted or refused, against the number of applications, concerning specifically nationals of non-EEA States Parties to the Charter. The Committee accordingly reiterates its request and reserves in the meantime its position on this point.

On 1 January 2015 there were 24,294 foreign nationals residing in the country, representing about 7.4% of Iceland's population. This number had risen to 37,830, or 10.9% of the population, by 1 January 2018.

Table 33. Foreign nationals living in Iceland 2015-2018.

Year	Number	% of population
2015	24,294	7.4%
2016	26,485	8.0%
2017	30,275	8.9%
2018	37,830	10.9%

Source: Statistics Iceland.

Table 34. The immigration/emigration balance among Icelandic and foreign nationals.

	Icelandic nationals			Foreign nationals		
Year	Immigration/ emigration balance	Immigration	Emigration	Immigration/ emigration balance	Immigration	Emigration
2015	-1,265	2,498	3,763	2,726	4,963	2,247
2016	-146	3,099	3,245	4,215	7,859	3,644
2017	352	3,171	2,819	7,888	11,758	3,870
2018	-65	2,738	2,803	6,621	11,537	4,916

Source: Statistics Iceland.

The immigration/emigration balance among Icelandic nationals was negative throughout the period, except for 2017. In 2015 there was the most difference between immigration and emigration, when 3,763 Icelandic nationals emigrated, against 2,498 who returned to the country after time spent abroad. As can be seen from the above table, there was a decline in the numbers of Icelandic nationals emigrating, but the immigration/emigration balance was nevertheless negative in the end of the period.

If the period 2015-2018 is taken as a whole, it is clear that the migration balance among foreign nationals was positive, with a net gain of 21,440 persons. The immigration/emigration balance among Icelanders, on the other hand, was negative by 1,124.

According to data from Statistics Iceland, the great majority of foreign nationals living in Iceland are from Europe (87.5%); 7.3% are from Asia, 3.3% from America and 1.9% are from elsewhere.

By nationality of origin, the largest group of immigrants were Poles, as has been the case in previous years. In 2018 there were 16,987 Polish citizens resident in Iceland.

The issue of certificates from the Directorate of Labour for the confirmation of employment (U1), which nationals from the within the European Economic Area apply for when leaving the Icelandic labour market, increased each year during the period. In 2015 the number of certificates issued was 791; the previous year, 2014, it had been 623. In 2016 it was 871; in 2017 it increased to 1,038 and in 2018 it was 1,213. The largest single group, 340 (43% of all U1 certificates issued) in 2015 were to Poland; 81 were issued to the Czech Republic, 63 to Denmark, 53 to Spain and 52 to Norway. In 2016 and 2017, most such certificates were again issued to Poland and the second-highest number to the Czech Republic.

Foreign workers accounted for 12-18.6% of the Icelandic labour market during the period. As can be seen from the following table, the majority of foreign nationals on the Icelandic labor market are Polish.

Table 35. Numbers of Icelandic and foreign nationals working in Iceland.

	2015	2016	2017	2018
Icelandic	158,388	162,281	164,541	165,295
Foreign nationals	21,558	26,196	32,565	37,680
Foreign nationals (proportion).	12%	13.9%	16.6%	18.6%
Total	179,946	188,477	197,106	202,975

Source: Statistics Iceland.

It should be pointed out that the figures in the above table are the numbers of persons working, not the total numbers on the labour market (which would include the unemployed as well).

Work permits grant the right to work in Iceland subject to the legislation and regulations applying to the Icelandic labour market (see the first paragraph of Article 5 of the Foreign Nationals' Right to Work Act, No. 97/2002). Numbers of permits issued and renewed during the report period can be found in the tables below.

Table 36. Response to work permit applications, 2015-2018.

Year	2015	2016	2017	2018
Temporary permits granted	655	720	918	987
Permits renewed	346	624	701	954
New permits – new workplaces	105	130	139	123
Permanent work permits	67	59		
Application withdrawn/cancelled	68	122	130	152
First-time applications rejected	58	106	231	181
Renewal/extension applications rejected	8	13	18	12
Applications, total	1,307	1,774	2,137	2,409

Source: Directorate of Labour.

The table above presents a summary of the responses to applications for work permits, and their renewal, during the report period. Many more work permits were issued during this period than the previous one. In particular, it should be noted that after 2016, i.e., following

commencement of the Foreign Nationals Act, No. 80/2016, the issue of permanent work permits came to an end: foreign nationals who had received permanent residence permits under the act were exempted from the requirement that they hold permanent work permits.

Table 37. New temporary work permits in 2015-2018.

Year	2015	2016	2017	2018
Temporary permits – expert skills	103	142	162	199
Temporary permits – shortage of workers	74	120	229	228
Temporary permits – athletes	124	115	135	119
Temporary permits – special circumstances	81	112	89	70
Temporary permits – family unifications	61	76	74	89
Temporary permits – service contracts	39	17	12	51
Temporary permits - students	173	138	217	231
Total	655	720	918	987

Source: Directorate of Labour.

Table 38. New temporary work permits, by gender.

Year	2015		2016		2017		2018	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
All	655		720		918		987	
Women	270	41%	292	41%	378	41%	429	43%
Men	385	59%	428	59%	540	59%	558	57%

Source: Directorate of Labour.

The ratio of women among recipients of new temporary work permits grew as compared with the previous period: in 2011-2014 it was 32-36%; in 2015-2018 it was 41-43%.

Table 39. New and extended work permits, by nationality of recipients.

Year	2015		2016		2017		2018	
	<i>New permits</i>	<i>Extensions</i>	<i>New permits</i>	<i>Extensions</i>	<i>New permits</i>	<i>Extensions</i>	<i>New permits</i>	<i>Extensions</i>
Europe (non-EEA)	154	51	137	134	190	161	183	198
Asia	201	215	240	308	342	358	431	563
North America	155	69	182	152	206	146	212	132
Central and S. America	41	42	52	59	68	67	58	74
Africa	45	43	47	70	63	82	66	88
Australasia	54	11	58	17	48	20	35	15
Stateless	5	20	4	14	1	6	2	7
Total	1,106		1,474		1,758		2,064	

Source: Directorate of Labour.

Considerably more temporary work permits were issued and renewed in the report period than in 2011-2014; the total in 2014 was 918. This trend is in accordance with the pattern that has become established in the immigration/emigration balance among foreign nationals in Iceland.

Table 40. New and extended work permits, by sectors.

Year	2015		2016		2017		2018	
	<i>New permits</i>	<i>Extensions</i>	<i>New permits</i>	<i>Extensions</i>	<i>New permits</i>	<i>Extensions</i>	<i>New permits</i>	<i>Extensions</i>
Agriculture	2	5	13	7	6	15	14	20
Fisheries	12	46	25	40	46	37	64	68
Meat processing	47	6	43	3	32	6	13	8
Industry/utilities	57	21	33	35	73	42	70	55
Construction	8	10	29	8	20	13	39	23
Commerce	27	30	59	96	78	89	74	116
Tourism	187	134	196	217	240	234	260	282
Specialist work	36	49	50	74	65	90	76	88
Miscellaneous	169	68	159	102	187	89	153	79
Healthcare/social services/education	110	82	113	172	171	225	224	338

Source: Directorate of Labour.

Table 41. New work permits, by place of residence.

Year	2015	2016	2017	2018
Metropolitan area	442	546	624	684
Suðurnes	37	37	55	40
Western Iceland	22	17	19	32
West Fjords	7	11	12	16
Northern Icel. (W. region)	16	28	48	15
Northern Icel. (E. region)	40	23	75	96
Eastern Iceland	18	21	45	46
Southern Iceland	73	37	40	58

Source: Directorate of Labour.

The breakdown in the above table is based on the regional labour exchange where the application was registered.

Table 42. Rejections of applications for new temporary permits.

	2015		2016		2017		2018	
	Number	%	Number	%	Number	%	Number	%
Expert skills	8	13.8%	5	4.7%	14	6.1%	26	14.4%
Shortage of labour	38	65.6%	80	75.5%	175	75.8%	137	75.7%
Athletes	0	0%	1	1%	2	0.9%	9	5%
Special circumstances	5	8.6%	19	17.9%	15	6.5%	1	0.6%
Family unifications	4	6.9%	1	1%	6	2.6%	3	1.7%
Students	3	5.2%	0	0%	19	8.2%	5	2.8%
Total	58		106		231		181	

Source: Directorate of Labour

Table 43. Rejections of applications for extensions of temporary permits.

	2015		2016		2017		2018	
	Number	%	Number	%	Number	%	Number	%
Expert skills	0	0%	1	7.7%	1	5.5%	2	16.7%
Shortage of labour	1	12.5%	2	15.4%	3	16.7%	5	41.7%
Athletes	0	0%	0	0%	1	5.5%	0	0%
Special circumstances	3	37.5%	5	38.5%	4	22.2%	2	16.7%
Family unifications	3	37.5%	2	15.4%	2	11.1%	2	16.7%
Students	1	12.5%	3	23.1%	7	38.9%	1	8.3%
Total	8		13		18		12	

Source: Directorate of Labour

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

1. Administrative formalities and time frames for obtaining the documents needed for engaging in a professional occupation.

Comment by the European Committee

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

The Committee recalls that conformity with Article 18§2 presupposes the possibility of completing the formalities concerning the issuance of work and residence permits in the country of destination as well as in the country of origin and obtaining the residence and work permits at the same time and through a single application. It also implies that the documents required (residence/work permits) will be delivered within a reasonable time. As work and residence permits are still issued through two distinct procedures and foreign nationals are not allowed to file their application in Iceland, the Committee maintains that the formalities have not been simplified and that the situation remains therefore not in conformity with Article 18§2 of 1961 Charter. The Committee asks the next report to indicate whether the same formalities apply in respect of self-employed workers. It furthermore asks what formalities apply to the renewal of work permits and what is the time-frame needed for it.

The main pieces of legislation regarding foreign nationals and their access to work are the Foreign Nationals Act, No. 80/2016 and the Regulation on Foreign Nationals, No. 540/2017, the Foreign Nationals' Right to Work Act, No. 97/2002, the Icelandic Citizenship Act, No. 100/1952, the Schengen Information System in Iceland Act, No. 16/2000 and the Administrative Procedure Act, No. 37/1993.

A. Granting of residence permits and work permits.

The Foreign Nationals Act, No. 80/2016.

A new Foreign Nationals Act, No. 80/2016, took effect in Iceland on 1 January 2017, replacing the earlier act of the same name, No. 96/2002. Like its predecessor, the new act contains provisions on residence permits, asylum, refusal of the right of entry and deportation, and also special procedural rules. Section II of the act contains provisions on entry into and departure from Iceland; these are of relevance in connection with border control. Section III contains procedural rules on international protection. Section IV contains provisions on refugees and protection against persecution. Section V sets out the general provisions regarding residence permits; Section VI covers residence permits in connection with participation in employment. Special rules on citizens of EEA/EFTA states are to be found in Section XI of the act. The Directorate of Immigration handles the granting of residence permits.

The Foreign Nationals' Right to Work Act, No. 97/2002.

This contains provisions on the granting of work permits; it is complemented by Regulation No. 339/2005 on Foreign Nationals' Right to Work. The authorisation for granting foreign nationals work permits reflects the policy of the government at any given time. The act is intended to guarantee those who come to Iceland in search of employment security under the law, and it lays down provisions on their right to employment subject to their meeting certain requirements. The Directorate of Labour handles the issue of work permits. Reference should be made to the discussion above for details of the various types of work permit.

Residence permits and work permits.

In cases where foreign nationals move to Iceland in search of work, the granting of residence permits and work permits are linked. Under the second paragraph of Article 50 of the Foreign Nationals Act, No. 80/2016, foreign nationals intending to accept work in Iceland must hold residence permits; this condition is set in the Foreign Nationals' Right to Work Act. It is, furthermore, not permitted to grant a foreign national living in Iceland a work permit without a residence permit (see the first paragraph of Article 6 of the Foreign Nationals' Right to Work Act, No. 7-97/2002).

Foreign nationals from states outside the European Economic Area (EEA) and EFTA who intend to live in Iceland for more than three months must be in possession of residence permits. These are issued under the Foreign Nationals Act and the Regulation on Foreign Nationals, No. 540/2017, with subsequent amendments. EEA and EFTA state citizens do not need residence permits, but are required to register with the National Registry. Relatives of EEA and EFTA nationals who are regarded as citizens of a third state must obtain residence certificates, which are issued by the Directorate of Immigration. First-time applicants for residence permits who are in Iceland at the time of application are required to leave the country before their applications can be considered. Exemptions from this requirement are granted, however, in special circumstances such as where families are to be reunited or considerations of fair treatment favor such a course of action.

As has been described in Iceland's previous reports, the established practice in this area is that the Directorate of Immigration first takes a decision on whether or not a residence permit is to be granted; only after that is the Directorate of Labour able to take a decision on the granting of a work permit. When the Directorate of Immigration has confirmed that the basic requirements for a residence permit are met, the application for a work permit is sent on to the Directorate of Labour. After the Directorate of Labour has issued a work permit, the Directorate of Immigration has the authorisation to issue a residence permit on the grounds of employment. The time required for the granting of a residence permit may be up to 180 days from the date of submission of the application and payment of the processing fee. The Directorate of Labour generally takes about three weeks to process applications for work permits.

2. Chancery dues and other charges.

Fees for residence permits and applications (whether first-time or renewal applications or applications for temporary or permanent permits) are determined in the Additional Treasury Income Act No. 88/1991. The following amounts are the fees collected for the processing of applications for residence permits and permits to stay.

- | | |
|---|------------|
| - First-time residence permit applications: | ISK 15,000 |
| - Applications for renewal of residence permits: | ISK 15,000 |
| - Applications for provisional residence permits: | ISK 15,000 |

Article 18§3 – Liberalising regulation.

1. Access to the national labour market.

Comment by the European Committee

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

The Committee asks the next report to clarify what are the specific requirements applying to the granting of work permits during the reference period, and in particular whether the access of foreign workers to the national labour market has been extended or restricted during such period. The Committee furthermore asks the next report to clarify under what conditions a foreign national from a non-EEA State party to the Charter can get access to the Icelandic labour market as self-employed worker.

A. Requirements for granting work permits.

Regarding the secure income, that apply for a temporary residence and work permit, the amounts are now ISK 189,975 for an individual and ISK 284,813 for a married couple. Couples that are not married need to each fulfill the minimum income for individuals.

As has been described before, the general rule is that work permits may not be issued to foreign nationals in Iceland unless they also possess residence permits. The general conditions for the granting of temporary work permits are set out in the first paragraph of Article 7 of the Foreign Nationals' Right to Work Act, No. 97/2002. These are as follows.

- a. That employees cannot be found either on the domestic labour market or within the European Economic Area, the EFTA states or the Faroe Islands, or that there are other special reasons for granting the permit. Before a permit is granted, the employer shall have sought employees with the assistance of the Directorate of Labour, unless it is a foregone conclusion, in the opinion of the Directorate, that such a search would prove fruitless.
- b. That the local trade union in the relevant branch of industry, or the appropriate national federation, has made its comment on the application. A comment shall be made within seven days of receipt of a copy of the application for a work permit and of the employment contract. However, this condition may be waived where there is no overall organisation or national federation in the relevant branch of industry.
- c. That an employment contract between the employer and the foreign national has been signed, covering a specific period or task and guaranteeing the foreign national wages and other terms equal to those enjoyed by Icelandic nationals and in conformity with the valid legislation and relevant collective agreements. In the case of jobs lying outside the scope of collective agreements, the foreign national shall be guaranteed wages and other terms equal to those applying to Icelandic nationals; when assessing whether this is done, the Directorate of Labour may, amongst other things, have regard to the reference figures under the rules set by the Directorate of Internal Revenue on calculated remuneration and information from Statistics Iceland on wage surveys made by independent entities.
- d. That it is demonstrated that the employer has taken out health insurance for the foreign national in accordance with the Foreign Nationals Act.
- e. That the employer guarantees to pay the cost of sending the employee back to his home at the end of the employment period in the event of the termination of employment for which the employee is not responsible or if the employee becomes incapable of working for a long period as a result of illness or an accident. The country to which the employee may be sent home shall be specified in the employment contract.

It should be noted that work permits may not be granted under the act in connection with employment through temporary-work agencies. Regarding extension or renewal, general and specific conditions apply to each type of work permit, in addition to which the employer must have made over all at-source tax deductions and social security tax according to law in connection with the foreign national's work.

Once the general conditions named in the preceding paragraph are met, others apply for the renewal of each type of temporary work permit. The Directorate of Labour may call for an evaluation of whether the conditions are met and call for further information. The main types of temporary work permits are as follows.

Temporary work permit for work that calls for expert skills (see Articles 7-8 of Act No. 97/2002).

An employment contract must have been made between the applicant and the employer on the execution of a specific job that is of such a nature as to require, according to law or custom, that the person who does it shall possess certain specialist qualifications.

- The foreign national's special skills must be necessary to the enterprise involved.
- The foreign national's special skills must consist of university-level education, industrial, artistic or technical training, which is recognised in Iceland. The Directorate of Labour may, in exceptional cases, grant work permits under this provision if the specialist skills or knowledge of the foreign national involved may be considered as equivalent to the above requirements regarding educational qualifications.
- The Directorate of Labour may waive the conditions of indent *a* of the first paragraph of Article 7 of the act [regarding shortage of labour on the domestic labour market or within the EEA/EFTA states and the Faroe Islands] in the case of work that calls for university qualifications.

The conditions applying to work permits of this type were amended (see Act No. 80/2016); the amendment concerned the definition of specialist skills.

Temporary work permits due to shortages of labour (see Article 9 of Act No. 97/2002).

- There must be a shortage of workers on the domestic labour market and within the EEA, the EFTA states and the Faroe Islands.
- The Directorate of Labour may waive the condition stated above in cases where an employer sends his employee to work temporarily at his branch in Iceland, providing that the person involved is an employee of the employer who holds an unrestricted contract of employment as a manager or specialist (cf. Article 8), at his branch abroad.

Temporary work permits for athletes (see Article 10 of Act No. 97/2002).

- Permits may be granted to cover work done by athletes at sports clubs within the Icelandic Sports and Olympic Federation. The conditions of indents *c-e* of the first paragraph of Article 7 of the act [regarding a signed contract based on collectively negotiated terms and for a specific period, the taking out of health insurance for the foreign national and a guarantee by the employer to meet the cost of repatriation in the event of termination of the contract] must be met.

Temporary work permits in view of special circumstances (see Article 11 of Act No. 97/2002).

- Permits of this type are granted in exceptional circumstances.
- The foreign national must previously have been granted a provisional residence permit, a residence permit on humanitarian grounds, a residence permit as a possible victim of human trafficking, a residence permit as a victim of human trafficking, a residence permit for parents, a residence permit on grounds of special relations to Iceland or a residence permit on grounds of a lawful purpose under the Foreign Nationals Act.
- The conditions of indents *b*, *c* and *d* of the first paragraph of Article 7 of the act [regarding a prior comment by the local trade union, the existence of a signed employment contract based on collectively negotiated terms and for a specific period, health insurance and a guarantee by the employer to meet the cost of repatriation in the event of termination of the contract] must be met.

The conditions applying to work permits of this type were amended, relaxing the conditions for their granting. Previously, the authorisation applied in cases where the foreign national had previously been granted a provisional residence permit, a residence permit on humanitarian grounds or a residence permit for a lawful purpose under the Foreign Nationals Act.

Temporary work permits on grounds of family reunification (see Article 12 of Act No. 97/2002).

- A temporary work permit may be granted due to work by the closest relatives of an Icelandic citizen or of a foreign national holding a work permit under Article 8 of the Ac.; a temporary work permit in connection with a residence permit on humanitarian grounds or residence permit on grounds of special relations to Iceland under Article 11 of the Act, a residence permit on grounds of international protection under the Foreign Nationals Act, or a permanent residence permit under the Foreign Nationals Act, providing the conditions of the first paragraph of Article 7 are met. The same applies regarding work done by the closest relatives of foreign nationals who hold residence permits on grounds of courses of study as provided for under the Foreign Nationals Act when the studies involved are postgraduate university courses, doctorate studies or research carried out in Iceland, or renewed residence permits on grounds of study as provided for under the Foreign Nationals Act where the foreign national in question has completed the study courses in Iceland. Furthermore, temporary work permits may be granted covering work done by the closest relatives of foreign nationals who have been granted residence permits as sportsmen under the Foreign Nationals Act, providing that the residence permits are granted for at least one year. The conditions of indents *a* and *e* of the first paragraph of Article 7 may be waived when granting work permits under Article 12. [Indent *a* requires demonstration of a shortage of labour on the domestic labour market or within the EEA/EFTA; indent *e* requires that the employer guarantee to pay the cost of repatriation in the event of termination of the employment.]

Temporary work permits in connection with study (see Article 13 of Act No. 97/2002).

- The conditions of indents *b*, *c* and *d* of the first paragraph of Article 7 of the act must be met. [These concern a prior comment by the local trade union, the existence of a signed employment contract based on collectively negotiated terms and for a specific period and health insurance cover for the worker.]
- A work permit may be granted if the foreign national's job proportion is not greater than 40% of full-time employment. Exemption from this may be granted if the work is done during vacation periods according to the study programme of the educational institution involved or if the foreign national has previously been granted a renewed

residence permit for study purposes according to the Foreign Nationals Act as he or she has completed university studies in Iceland and is living in the country while seeking employment on the basis of his or her specialist qualifications.

- The foreign national may be granted a work permit if he or she has previously been granted a residence permit under the Foreign Nationals Act.
- If the studies take place in a workplace, a statement from the educational institution involved shall be produced to the effect that the studies undertaken in the workplace for the period specified constitute a necessary part of the student's studies at the institution.
- When foreign nationals have completed studies at Icelandic educational institutions comprising university, industrial, artistic or technical training, they may be granted work permits under the first paragraph of Article 8 of the Act covering specific jobs related to their education.

Temporary work permits in connection with service contracts (see Article 15 of Act No. 97/2002).

- Temporary work permits on the basis of service contracts or collaboration agreements on educational, academic or scientific work may be issued to foreign nationals who it is planned to send to Iceland in the service of employers who do not have branches in Iceland, providing the conditions of indents c-e of the first paragraph of Article 7 [on the existence of a signed employment contract, health insurance and an undertaking by the employer to meet the cost of repatriation in the event of termination] are met.
- Service contracts or collaboration agreements covering educational, academic or scientific work, as appropriate, between employers that are established in Iceland and employers that are not established in Iceland, shall be available for inspection. In the case of service contracts, the contract shall state, amongst other things, that a condition for the transaction is that the foreign employer's employee is to provide the service in Iceland. In the case of collaboration agreements, the agreement shall state, amongst other things, that it covers work which the foreign employer's employee will carry out in Iceland on the basis of collaboration between the Icelandic employer and the foreign employer covering educational, academic or scientific work, and that the foreign employer's employee in question shall have completed the university studies that are necessary to perform the work involved.

This provision was amended by Act No. 80/2016; amongst other things, the amendment means that work permits may now also be granted to cover employment under collaborative agreements.

No amendments were made during the report period resulting in a restriction or relaxation of the authorisations to grant work permits, apart from the broadening of the authorisation covering work permits in connection with special circumstances, as noted above.

It should be noted that Act No. 80/2016 repealed the authorisation of Article 17 of Act No. 97/2002 on the granting of permanent work permits. This was proposed in the commentary accompanying the bill which was passed as Act No. 80/2016 as it was not considered to set further conditions in law regarding participation in the labour market by foreign nationals once they had met the requirements for being granted the right of permanent residence under the Foreign Nationals Act. In general, it was seen as being in line with domestic legislation that foreign nationals who are permitted to live permanently in Iceland should at the same time gain the right to participate in employment without restrictions, this being necessary for them to be able to support themselves and their dependants.

B. Self-employed workers.

Article 50 of the Foreign Nationals Act, No. 80/2016, identifies those who are required to hold residence permits. It follows from this provision that foreign nationals who intend to remain in the country for more than 90 days must be in possession of residence permits. Exemptions apply in the case of citizens of the Nordic countries and, in certain cases, citizens of EEA or EFTA member states. Foreign nationals who intend to work in Iceland must hold residence permits and work permits where these are required under the Foreign Nationals' Right to Work Act. Foreign nationals may not work in Iceland as self-employed individuals unless they are exempt from the requirement to hold work permits under the Foreign Nationals' Right to Work Act. Exemptions from that requirement are described in Section III of the latter act. The most important categories of those who qualify for exemption are the following

- Foreign spouses or cohabiting partners of Icelandic citizens, who have been granted residence permits on grounds of marriage or cohabitation under the Foreign Nationals Act.
- Foreign nationals who have been granted residence permits on grounds of international protection under the Foreign Nationals Act.
- Foreign nationals who have been granted permanent residence permits under the Foreign Nationals Act.

As has been described above, Act No. 80/2016 made some amendments to the Foreign Nationals' Right to Work Act. Amongst these, the definition of 'employer' was changed to include self-employed individuals. In the commentary to the bill which was passed as Act No. 80/2016, it was stated that this change was proposed so as to remove all doubt as to who was to be regarded as an employer for the purposes of the Foreign Nationals Right to Work Act. It was seen as important to prevent employers from being able to engage workers who were not exempt from the requirement to hold work permits in Iceland, e.g. on grounds that the persons in question have expert knowledge or skills, without their having been granted work permits in Iceland. In line with this, the third paragraph of Article 6 of the act was also amended. Previously, this stated that foreign nationals were not permitted to work as self-employed individuals in Iceland unless they had received permanent work permits; after the amendment, it is not possible to receive a work permit as a self-employed individual, which is in line with other amendments made to the Foreign Nationals Act, including the definition of 'employer' and the repeal of the provision on permanent work permits.

It should be noted that despite the foregoing, it is still possible for foreign nationals to found a company for the purpose of business operations, e.g. a private limited company or public limited company, providing they meet the legal requirements regarding such companies, and to apply for the appropriate temporary work permits according to the provisions applying thereto so as to cover their work as employees of the company in question. Whether the conditions for granting such work permits were met would depend on the provisions of the Foreign Nationals' Right to Work Act.

C. Statistics on rejections, based on nationality/provenance.

Comment by the European Committee

Conclusions XX-1, Article 18-3, p. 1-2.

As regards the number of applications for work permits submitted by nationals of non-EEA States parties to the Charter, the Committee refers to its finding, under Article 18§1, that the data provided do not allow to identify the number of permits (first permits and renewals) granted or refused, against the number of applications, concerning specifically nationals of

non-EEA States Parties to the Charter. The Committee accordingly reiterates its request and considers that, if the next report does not provide information in this respect, there will be nothing to establish that the situation is in conformity with the Charter.

Reference should be made to the above discussion in this report on Article 18-1, where statistics are presented on the response to applications during the report period. These include figures on the applications that were rejected. Thus, in 2015, 66 (5%) out of 1,307 applications were rejected; in 2016, 119 (6.7%) out of 1,774 were rejected; in 2017, 249 (11.7%) out of 2,137 were rejected, and in 2018 the figure was 193 (8%) out of 2,409. These figures cover both first-time applications and applications for renewal of work permits.

If permanent work permits and applications that were withdrawn are overlooked, the proportion of applications from European nationals from non-EEA and -EFTA states of the total number of applications for a first-time permit or extension were as follows, see also table 36 and 39. In 2015 this proportion was 18.9% of all applications, in 2016 the number was 19.2%, in 2017 it was 22% and 20.3% in 2018.

Table 44. Total applications for new or extended work permits, accepted and rejected, by nationality/provenance of applicants.

	2015		2016		2017		2018	
	Number	%	Number	%	Number	%	Number	%
Europe (non-EEA/EFTA)	222	18.9	306	19.2	441	22.0	458	20.3
Asia	448	38.2	597	37.5	776	38.7	1.060	47.0
North America	231	19.7	340	21.3	380	18.9	360	16.0
Central/ South America	85	7.3	118	7.4	159	7.9	144	6.4
Africa	95	8.1	135	8.5	168	8.4	173	7.7
Australasia	65	5.5	77	4.8	74	3.7	52	2.3
Stateless	26	2.2	20	1.3	9	0.4	10	0.4
Total	1.172		1.593		2.007		2.257	

Source: Directorate of Labour

Table 45. Rejections of applications for new and extended work permits, by nationality/provenance of applicants.

	2015		2016		2017		2018	
	Number	%	Number	%	Number	%	Number	%
Europe (non-EEA/EFTA)	17	25.8	35	29.4	90	36.1	77	39.9
Asia	32	48.5	49	41.2	76	30.5	66	34.2
North America	7	10.6	6	5.0	28	11.2	16	8.3
Central/ South America	2	3.0	7	5.9	24	9.6	12	6.2
Africa	7	10.6	18	15.1	23	9.2	19	9.8
Australasia	0	0	2	1.7	6	2.4	2	1.0
Stateless	1	1.5	2	1.7	2	0.8	1	0.5
Total	66		119		249		193	

Source: Directorate of Labour

D. The condition of shortage of qualified workers in the EEA.

Comment by the European Committee

Conclusions XX-1, Article 18-3, p. 2.

The Committee asks the next report to provide more detailed information on the condition related to the shortage of qualified workers in the EEA, how such condition is assessed and what is the rate of refusal of applications based on this requirement, in respect of nationals of non-EEA states parties to the Charter. It recalls that should refusals always or in most cases derive from the application of rules – like the so called “priority workers” rule – would not be in conformity with Article 18§3, since the State would not comply with its obligation to liberalise regulations governing the access to national labour market with respect to nationals of non-EEA States Parties to the Charter. As the information provided in the report does not allow to assess this situation, despite the questions raised in the previous conclusions, the Committee considers that it has not been established that the existing regulations have been liberalised.

Article 7 of the Foreign Nationals’ Right to Work Act sets out the general conditions for the granting of temporary work permits. One of these, set out in indent *a* of the first paragraph of Article 7, is when employees cannot be found, either on the domestic labour market or within the European Economic Area, the EFTA states or the Faroes Islands, or when there are other special circumstances that favour the granting of work permits. Before a permit is granted, the employer must have sought workers with the assistance of the Directorate of Labour, unless it is a foregone conclusion, in the opinion of the directorate, that such a search would prove fruitless. Articles 8-15 of the act contain further provisions on conditions applying to each separate type of work permit. Temporary work permits issued due to shortages of labour within the country are covered in Article 9. Shortage of labour is the requirement stated; no conditions are set in this provision regarding qualifications.

According to information from the Directorate of Labour, work permits issued according to the condition of a shortage of employees under Article 9 of the Foreign Nationals’ Right to Work Act are normally only granted in order to address temporary situations on the Icelandic labour market. In this context, it should be noted that, by contrast, in cases involving specialist work where university-level educational qualifications are required, work permits are sought under Article 8 of the act; there, allowance is made for waiving the aforementioned condition of indent *a* of the first paragraph of Article 7. When evaluating whether an application for a work permit on the grounds of a shortage of labour should be granted, the Directorate of Labour adopts a position on the job that is at the focus of the application and examines whether it could be expected, in general terms, that the employer could fill the job with a worker who is already exempt from the requirement to hold a work permit in Iceland. This is done, in particular, in consideration of the strong priority right which citizens of the EEA member states, EFTA states and of Faroe Islands enjoy. Among the data examined in this evaluation is the analysis by experts at the directorate of the employment outlook in Iceland and assessments by employment advisers at the EURES network. The directorate also checks whether the employer has advertised the job in question on the EURES job search facility which it houses, and consults the appropriate professional associations in the occupation under which the job is classified, if this is necessary. The directorate normally also calls for reasoning by the employer for engaging workers from states outside the EEA, EFTA or the Faroe Islands. On the other hand, the Directorate of Labour may waive the requirement of indent *a* of the first paragraph of Article 7 if special circumstances favour the granting of a work permit. Thus, in some cases, the directorate has granted temporary work permits on grounds that run a middle course between Articles 8 and 9, i.e., applications have not completely met the conditions of

Article 8 (expert skills or knowledge), but on the other hand there have been reasons for granting the permits applied for.

The following table presents statistical information on rejections of work-permit applications, by type of permit and by nationality or provenance of the applicants, in cases where the condition of a shortage of labour has not been met.

Table 46. Rejections of applications for new permits and extensions.

	2015		2016		2017		2018	
	Number	%	Number	%	Number	%	Number	%
Expert skills	8	12.1%	6	5.0%	15	6.0%	28	14.5%
Shortage of labour	39	59.1%	82	68.9%	178	71.5%	142	73.6%
Athletes	0	0%	1	0.8%	3	1.2%	9	4.7%
Special circumstances	8	12.1%	24	20.2%	19	7.6%	3	1.6%
Family unifications	7	10.6%	3	2.5%	8	3.2%	5	2.6%
Students	4	6.1%	3	2.5%	26	10.4%	6	3.1%
Total	66		119		249		193	

Source: Directorate of Labour

Table 47. Rejections – failure to meet condition of a shortage of labour when first-time applications are made. By nationality/provenance of applicants.

	2015		2016		2017		2018	
	Number	%	Number	%	Number	%	Number	%
Europe (non-EEA/EFTA)	11	28.9%	21	25.9%	56	32.0%	60	43.8%
Asia	22	57.9%	40	49.4%	46	26.3%	44	32.1%
North America	1	2.6%	5	6.2%	23	13.1%	9	6.6%
Central/South America	1	2.6%	5	6.2%	17	9.7%	5	3.6%
Africa	3	7.9%	3	3.7%	18	10.3%	11	8.0%
Australasia	0	0%	2	2.5%	2	1.1%	2	1.5%
Outside EES and scope of the ESC	0	0%	4	4.9%	11	6.3%	5	3.6%
Stateless	0	0%	1	1.2%	2	1.1%	1	0.7%
Total	38		81		175		137	

Source: Directorate of Labour

The figures show clearly that more cases have been rejected during the report period on the grounds that the condition regarding a shortage of labour has not been met. According to information from the Directorate of Labour, this has been, in a considerable number of cases, because employers have failed to present satisfactory arguments in favour of engaging the individuals in question. In the long term, the employment situation in Iceland has been good, compared with many other European countries, and wages paid are among the highest across the continent. For these reasons it is natural that citizens of other European countries, and of other countries where the employment situation has not been so good, with lower wage-levels, have sought employment in Iceland. In this context it should also be borne in mind that the number of work permits granted has more than doubled since the last report period: in 2014, a total of 981 permits were issued; in 2018 the figure was 2,064. Moreover, the proportion of new work permits issued due to a shortage of labour also grew, during the period as a whole, as compared with the previous report period. In 2011-2014, these permits accounted for

between 14.75% and 15.7%. The proportion fell slightly in 2015, to 11.3%, rising to 16.7% in 2016. In 2017 it was 24.9%, and in 2018 it was 23.1%.⁹¹

E Conditions for renewal of work permits and permanent work permits.

Comment by the European Committee

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

The Committee recalls that a person who has been legally resident for a given length of time on the territory of another Party should be able to enjoy the same rights as nationals of that country. The restrictions initially imposed with regard to access to employment (which can be accepted only if they are not excessive) must therefore be gradually lifted. As the report does not provide any information on this issue, the Committee asks the next report to indicate under what conditions a work permit can be renewed or changed, for instance in case of change of employer or occupation, including when the person wishes to change from employment to self-employment or the other way round. It furthermore asks under what conditions a foreign worker can obtain a permanent work permit.

Renewing or changing a temporary work permit.

Reference is made to the reply given under Section 1.-A above, in response to the Comment by the European Committee, Conclusions XX-1, Article 18-3, p. 1, on the conditions applying to the types of work permit in each instance, and to the discussion of the maximum periods of validity of work permits (see Table 32). Below follows a discussion of whether work permits can be renewed or changed, i.e. in cases where the permit-holder changes job. It should be emphasised, at the outset, that, as has been stated earlier in this report, under the third paragraph of Article 6 of the Foreign Nationals' Right to Work Act, No. 97/2002, work permits are not issued to self-employed individuals.

Articles 8-13 of Act No. 97/2002 contain provisions under which temporary work permits may be extended. The general rule is that the same conditions apply for renewal as applied for granting the permit; however, there are some exceptions to this. For example, when temporary work permits are renewed (extended) covering work that demands expert skills or family reunifications, it is not necessary to meet the condition that there be a shortage of workers in Iceland or within the EEA or EFTA member states, or the Faroe Islands, or that there be other special reasons favoring the granting of the permit. The requirement that the employer re-confirm having arranged medical insurance for the permit-holder is normally also waived. In all cases, confirmation is required that the employer has made over the legally-required payments of tax deductions at source, and social security tax, in respect of the foreign national in question. Also, work permits will not be issued for a period longer than the period for which a residence permit has been issued, or than the engagement period under an employment contract if this is for a shorter time than the residence permit.

Here follow details of the periods for which work permits may be renewed/extended, and of special conditions applying in addition to the general conditions described above.

Temporary work permits covering work that calls for expert knowledge or skills (see Article 8 of Act No. 97/2002).

- These permits may be extended for up to two years at a time. The Directorate of Labour may request from the employer such information regarding the job done by the foreign national in question as it considers necessary to assess whether the conditions for the

⁹¹ Directorate of Labour.

extension of the work permit have been met, e.g. information as to whether the foreign national's specialist qualifications have been applied in the job which he or she was engaged to perform.

Temporary work permits due to shortage of labour (see Article 9 of Act No. 97/2002).

- These permits may be extended for one year at a time.

Temporary work permits for athletes (see Article 10 of Act No. 97/2002).

- These permits may be extended for up to two years at a time.

Temporary work permits granted under special circumstances (see Article 11 of Act No. 97/2002).

- These permits may not be extended for periods longer than the term of the holder's residence permit or period of engagement under an employment contract if the period of engagement is shorter than the term of the residence permit.

Temporary work permits granted in order to reunite families (see Article 12 of Act No. 97/2002).

- These permits may not be extended for longer than the term of the holder's residence permit or period of engagement under an employment contract if the period of engagement is shorter than the term of the residence permit.

Temporary work permits granted in connection with study (see Article 13 of Act No. 97/2002).

- Students' work permits may be extended during the study period, though not normally by more than twelve months at a time.

Temporary work permits granted in connection with service contracts (see Article 15 of Act No. 97/2002).

- Permits of this type are not normally to be granted for more than six months on the basis of the same contract.

Granting of work permits in view of a change of employer (see Article 16 of Act No. 97/2002).

If the foreign national intends to leave the job with the employer to which the work permit applied and to enter a job with another employer, then he or she must apply for a new temporary work permit. New work permits may be granted under such circumstances on the basis of Articles 8-13 of the act.

- The requirements stated in Articles 8-13 of the act for granting a work permit must be met.
- The foreign national may not begin work for the new employer until the work permit has been granted (see, however, the fifth paragraph of Article 19 of the act). Under this last-named provision, a foreign national who holds a valid residence permit on the basis of the Foreign Nationals Act, No. 80/2016, may continue working at his or her job during the time taken to process the application for a work permit, or an extension thereof, providing that the application is received by the Directorate of Immigration not less than four weeks before the previous work permit expires. If the application is received later, the Directorate of Labour shall make a decision on the foreign national's

authorisation to continue working at his or her job during the time taken to process the application, providing that a decision has been taken by the Directorate of Immigration to the effect that the foreign national in question may stay in Iceland during that time.

- A temporary work permit granted in view of a change of employer shall not be valid for a longer period than the previous permit.
- A declaration of the termination of engagement between the foreign national and the previous employer shall be submitted with the application, together with a written employment contract between the foreign national and the new employer.

Permanent work permits.

Section III of the Foreign Nationals' Right to Work Act sets out exemptions from the requirements regarding temporary work permits. One such exemption applies in the case of foreign nationals who have received permanent residence permits under the Foreign Nationals Act, No. 80/2016. When such permits have been granted to them, foreign nationals working in Iceland also receive permanent work permits.

Article 58 of the Foreign Nationals Act provides for the granting of permanent residence permits. Under this article, such permits may be granted to foreign nationals who have resided in Iceland continuously for the previous four years on the basis of residence permits that may constitute grounds for granting permanent residence permits. The general conditions for the granting of permanent residence permits are set out in indents *a-e* of the first paragraph of Article 58, and are as follows.

- That applicants for permanent residence permits continue to meet the requirements for residence permits during the application period.
- That applicants demonstrate that their means of support have been secure during their stay in Iceland and that they have been able to support themselves in Iceland in a lawful manner.
- That applicants have attended courses in Icelandic for foreigners. (Exemption from this applies if the person concerned has appropriate knowledge of Icelandic.)
- That no legal proceedings are in progress that may result in the foreign national's being expelled from Iceland.
- That the foreign national is not implicated in a case in the criminal justice system that has yet to be brought to conclusion in which he or she is accused of criminal conduct.

In exceptional circumstances, the requirement regarding means of support may be waived if the person's means of support has been less than secure for a short time only and there are cogent considerations of fairness in favour of this. The requirement of a secure means of support does not apply to those whose residence permits have been based on international protection or humanitarian reasons.

Exemption may also be granted from the requirement of having resided in Iceland for at least four continuous years according to a residence permit that may constitute the basis of a permanent residence permit; in fact, several grounds for such exemption exist. For example, this may be done if an applicant for a permanent residence permit has resided in Iceland for at least two years, and has previously resided in the country, continuously, on grounds of a residence permit issued in connection with study, resulting in a total residence period of at least four years, or if a doctoral student has resided in Iceland on grounds of a residence permit granted to cover work that calls for expert skills or knowledge for at least three years and completed his or her doctoral studies in Iceland. Exemption may also be granted on grounds of particular family relationship between the applicant and an Icelandic citizen; in such cases,

certain conditions apply regarding duration of residence in Iceland, and also regarding the time of duration of the marriage with an Icelandic citizen, as appropriate.

2. Consequences of loss of employment.

Comment by the European Committee

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

The Committee recalls that in case a work permit is revoked before the date of expiry, either because the employment contract is prematurely terminated, or because the worker no longer meets the conditions under which the work permit was granted, it would be contrary to the Charter to automatically deprive such worker of the possibility to continue to reside in the State concerned and to seek another job and a new work permit, unless there are exceptional circumstances which would authorise expulsion of the foreign worker concerned, in the meaning of Article 19§8 (i.e. where the individual concerned has been convicted of a serious criminal offence, or has been involved in activities which constitute a substantive threat to national security, the public interest or public morality). Insofar as the legislation in Iceland allows for a residence permit to be revoked in certain cases, following the revocation of a work permit, the situation is not in conformity with Article 18§3 of the Charter.

Reference is made to what was stated in the previous report regarding the revocation of residence permits in cases where the granting of the residence permit is based on participation in employment in Iceland and the work permit has been revoked. Here it should be noted that the revocation of a work permit and residence permit is an administrative act in the sense of the second paragraph of Article 1 of the Administrative Procedure Act, No. 37/1993. Both in the Foreign Nationals' Right to Work Act, No. 97/2002 and in the Foreign Nationals Act, No. 80/2016, reference is made to the Administrative Procedure Act; these acts also specify the application of certain procedural principles of Administrative Law. It follows from the procedural rules that, under certain circumstances, the Icelandic authorities are obliged to give parties to cases guidance regarding their rights and the procedure in the case, in a language which they may fairly be assumed to be able to understand, and to grant them the right of raise objections before decisions are taken. The same applies to the taking of a decision on the revocation of a residence permit; such a decision cannot be taken until after the final decision on the revocation of the work permit is known.

The processing time leading up to the taking of such decisions varies; nevertheless, it may be considered likely that a foreign nation who loses his or her work permit due to termination of employment would have ample time in which to look for a new job and to apply for a new work permit in accordance with Article 16 of the Foreign Nationals Act, No. 97/2002, before the final decision were taken on whether or not to revoke his or her residence permit in Iceland.

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

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

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

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