

**Iceland's fourth Periodic Report  
under Articles 16 and 17 of the  
International Covenant  
on Economic, Social and Cultural Rights**

**Government of Iceland  
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**Implementation of the International Covenant  
on Economic, Social and Cultural Rights**

**Fourth periodic report submitted by Iceland  
under Article 16 and 17 of the Covenant**

**I. GENERAL OBSERVATIONS**

1. In the following a general description will be presented of development in the most important laws and practice in the field of economic, social and cultural rights since the submission of the third periodic report of Iceland on the implementation of the International Covenant on Economic, Social and Cultural Rights in September 2001 (hereinafter referred to as „the Covenant”).
2. As regards general information on Iceland and its people, Iceland's legal system, the power to resolve whether human rights have been violated, and the applicability of international human rights conventions under national law, reference is made to the General Observations submitted in Iceland's initial report on the implementation of the Covenant as these aspects remain unchanged if no particular observations are made to the contrary herein.
3. To the extent that no changes have occurred in legislation and legal practice since Iceland's last report to the Committee on Economic, Social and Cultural Rights reference will be made to the third periodic report submitted by the Government of Iceland or previous reports.
4. As regards the concluding observations of the Committee on Economic, Social and Cultural Rights (hereinafter referred to as „the Committee”) from 23 May 2003 (E/C.12/1/Add.89) following the consideration of the third periodic report, the answers to the Committee's concerns and suggestions will be discussed specifically in relation to the relevant Article of the Covenant.

**1. Constitutional protection of economic, social and cultural rights**

5. As stated in Iceland's second periodic report extensive amendments were made to the human rights provisions of the Icelandic Constitution in 1995 by Constitutional Act No. 97/1995. In this respect reference is made to para. 4 of the second periodic report where the new and amended rights are enumerated. Reference is also made to para. 3-8 of the third periodic report where Articles 65, 75 and 76 of the Constitution are, *inter alia*, explained in detail. The constitutional protection of economic, social and cultural rights is explained further below.

**2. Application of the Covenant in the Icelandic legal system**

6. As noted in para. 4 of Iceland's second periodic report extensive amendments were made to the human rights provisions of the Icelandic Constitution in 1995 by Constitutional Act No. 97/1995. The amendments included changes to provisions concerning economic, social and cultural rights and the addition of new rights which were inspired by and reflect to a large extent international conventions in the field of economic, social and cultural rights such as the European Social Charter and the Covenant. In the explanatory notes to the bill clear references are made to the Covenant as one of the major instruments guiding the interpretation of the constitution. This establishes a clear connection between the Constitution and the Covenant.
7. Despite the fact that the Covenant does not have the force of domestic law, it should be stressed that as individuals can rely upon their constitutional rights before the judiciary they have a judicial remedy in the case of violations of the economic, social and cultural rights which are protected by the Constitution. An administrative decision conflicting with the human rights provisions of the Constitution will be invalidated by the courts of Iceland and this may make a person suffering loss as a result of the decision entitled to compensation. Furthermore, legislation conflicting with the human rights provisions of the Constitution will not be applied by the Icelandic judiciary, although such legislation will not be formally invalidated. In such a case a person suffering a loss of his rights as a result of such legislation will also be entitled to compensation.
8. Although the Covenant does not itself have direct force of law within the Icelandic legal system and its incorporation is not currently on the agenda the effect of the Covenant has increased and individuals have judicial remedies as far as the constitutional rights go.
9. The influence of the Covenant within the Icelandic legal system is illustrated by references to its provisions in domestic judgments. In para. 8-12 of Iceland's last periodic report the increased application of the Covenant in the Icelandic legal system was explained in detail. This development which shows the increased public awareness of social, economic and cultural rights within the Icelandic society has continued.
10. In a judgment of the Supreme Court of Iceland from 14 November 2002, the Court held that an act of law issued for the purpose of ending a strike in the labour market was, in part, in conflict with Article 74 of the Constitution protecting the right of association. The ruling of the district court, which the Supreme Court confirmed by reference to its reasoning, makes direct reference to the Covenant and other international obligations as regards the interpretation of the relevant provisions of the Constitution.
11. On 16 October 2003 the Supreme Court rendered a judgment in a case which relates to a previous judgment from 19 December 2000. The latter judgment is

described in para. 9 of Iceland's third period report. In short the Court ruled that a new Act which reduced social security payments to disabled persons violated the right to minimum social benefits under Article 76 of the Constitution, as interpreted in the light of Article 9 of the Covenant. Accordingly the Court found that the reduction in benefits was unlawful. In the 2003 judgment the Court was called upon to assess whether a new Act, which was enacted after the 2000 judgment was rendered, which introduced retroactive provisions restricting entitlement to social security payments conflicted with Article 72 of the Constitution protecting the right of ownership. The Court found the new provisions to breach the Constitution.

12. Due to constitutional amendments and court practice, public awareness of human rights has increased greatly within Icelandic society. Accordingly, Icelandic people are constantly better informed of their rights and their enforceability before the Icelandic courts and international monitoring bodies.

### **3. Summary of main legislative amendments**

13. Several important legislative amendments have taken place since Iceland's third report was submitted. Below a summary of the most important amendments is presented, but further discussion on the amendments is to be found in relation to the respondent provisions of the Covenant.

- 1) Act No. 10/2008 on Gender Equality
- 2) Act No. 55/2006 on Labour Market Measures
- 3) Act No. 97/2002 on Foreign Nationals Right to Work
- 4) Act No. 139/2005 on Temporary-work Agencies
- 5) Act No. 45/2007 on the Rights and Obligations of Foreign Undertakings that post workers temporarily in Iceland
- 6) Act No. 54/2006 on Unemployment Insurance
- 7) Act No. 90/2005 on Maternity/Paternity Leave and Parental Leave
- 8) Act No. 22/2006 on Payments to Parents of Chronically Ill or Severely Disabled Children
- 9) Act No. 80/2002 on Child Protection
- 10) Act No. 40/2007 on Health Services

14. As concerns the legislation in the field of social affairs reference is made to the homepage of the Ministry of Social Affairs and Social Security, where some of the legislation discussed in this report can be found in English translation:  
<http://eng.felagsmalaraduneyti.is/legislation/>

Some of the legislation in the field of health and social security can be found in English translation on the homepage of the Ministry of Health:  
<http://eng.heilbrigdisraduneyti.is/laws-and-regulations/>

## **II. INFORMATION RELATING TO INDIVIDUAL PROVISIONS OF PARTS I, II AND III OF THE COVENANT**

### **ARTICLE 1**

15. No specific legal amendments or issues concerning this Article have taken place since the third periodic report was submitted.

### **ARTICLE 2**

#### **1. Exercise of rights without discrimination**

16. Reference is made to para. 16 of Iceland's third periodic report and to para. 9-13 of the second periodic report. As explained therein Article 65 of the Icelandic Constitution ensures that the rights within the Covenant shall be enjoyed by everyone without discrimination.

#### **2. Comments in relation to para. 20 of the concluding observations of the Committee**

17. In para. 20 of its concluding observations in relation to Iceland's third periodic report the Committee expressed its regrets that Iceland devotes only 0.16 percent of its gross domestic product (GDP) to international cooperation and recommended that this would be increased to 0.7 percent as recommended by the United Nations.

18. International development cooperation is one of the cornerstones of Iceland's foreign policy and the Minister for Foreign Affairs has declared that Iceland aims to be among the top ODA contributors in terms of GDP. The Government has in recent years steadily been increasing its funds for development cooperation, having doubled the ODA in the period 2003-2007. As a part of strengthening Iceland's development cooperation a new Act regarding Iceland's development cooperation was adopted by the Icelandic Parliament on 17 September 2008, cf. Act No. 121/2008.

19. Furthermore, Iceland is also in the process of becoming a full member of the OECD Development Assistance Committee.

### **ARTICLE 3**

20. As explained in para. 17 of Iceland's third periodic report Icelandic law is based on the principle that all persons are equal before the law, irrespective of sex. This general principle is enshrined in Article 65(2) of the Constitution which makes a special reference to gender.

### **1. A new Gender Equality Act.**

21. A special Act on Gender Equality has been in force in Iceland since 1976.

22. In 2006 when 30 years has passed from the approval of the first comprehensive legislation on gender equality in Iceland the Minister of Social Affairs appointed a committee to review Act No. 96/2000 which is described in para. 18-20 of Iceland's third periodic report. The members of the committee came from every political party represented in Parliament at that time and had broad authority to review the legislation. The committee paid particular attention to consulting NGOs, the social partners and other parties with are concerned about gender equality. The Minister of Social Affairs received a draft bill from the committee in March 2007 which was published on the website of the Ministry so that the general public could submit comments. The Minister put the bill before Parliament in autumn 2007 and a new Act on Gender Equality was adopted in February 2008 as Act No. 10/2008.

23. The objective of the new Act is to continue enhancing gender equality and to give women and men equal opportunities. It is hoped that the new provisions of the Act will carry the Icelandic nation forward in the direction of increased equality of women and men. The experience of the old legislation highlighted the need for firmer law regarding the rights and obligations of those who are responsible for implementing gender equality.

24. The structure within the administration remains unchanged under the new Act, but the Centre for Gender Equality, the Gender Equality Council and the Complaints Committee on Gender Equality were granted greater powers.

25. The Centre for Gender Equality is a public body that operates under the auspices of the Minister of Social Affairs and Social Security and has the role of administering the gender equality legislation. Among other things, the Centre is expected to monitor the implementation of the legislation, to educate and distribute information and to provide gender equality consultation services for a range of bodies, including the government, other public bodies, municipalities and the private sector. The Centre also monitors gender equality developments within the community and makes comments and proposals for actions that could be taken to achieve gender equality to the Minister, the Gender Equality Council and other administrative bodies.

26. The new Act specifically stipulates that the Centre for Gender Equality is expected to work against gender-based wage discrimination and other gender-based differences in the labour market. The Centre shall also work on increasing

participation of men in gender equality activities. The Centre will also be expected to arbitrate in any disputes referred to it as a result of the legislation.

27. The new Act gives the Centre for Gender Equality a more powerful supervisory role, with wider authority to gather information from companies, institutions and associations on occasions when there are sufficient grounds for suspecting that provisions of the Act have been breached. When such a case arises, the Centre must ascertain whether there is reason to refer the matter to the Complaints Committee on Gender Equality. The institution, company or association under investigation must in such circumstances provide the Centre with any information or documents considered necessary in the investigation of the case. If the Centre's request is not complied with, within a reasonable period, the Centre may impose daily fines until the information or documents have been submitted. If the Centre decides that the information or documents provide sufficient evidence of a violation of the law, the Centre may request that the Complaints Committee consider the case. The respective institution, company or association will be informed about the decision in writing. This increased authority replaces the more general powers of the Centre under the old legislation which did not contain provisions for special penalties in cases where information was not provided on request.
28. A further addition introduced by the new Act is that the Centre for Gender Equality shall seek to change traditional images of the genders and to eliminate negative stereotypes of the roles of women and men. This task has always been regarded as vital in achieving gender equality and has now been specifically included in the Gender Equality Act.
29. The Complaints Committee on Gender Equality is an independent administrative committee which consists of three lawyers nominated by the Supreme Court of Iceland and appointed by the Minister of Social Affairs and Social Security. The Committee considers cases brought before it, concerning alleged violations of the Gender Equality Act. According to the new Act its decisions are binding which is a welcome change from the older Act under which the Committee could only deliver a non-binding opinion. This clearly gives the Committee's decisions more weight than before. Parties may refer the Committee's decision to the Icelandic courts. In this case the Committee may decide to postpone the legal effects of its decision on the request of either party.
30. New provisions allow complainants to request that the Centre for Gender Equality follows up the Complaints Committee's decisions when those decisions are not complied with. The Centre will then issue an appropriate instruction to the party that is subject to the decision, concerning reparation consistent with the Committee's ruling within a reasonable period. If the instruction is ignored, the Centre may decide to impose daily fines on the party until the order is complied with.
31. In addition, the legislation allows the Complaints Committee, after consulting the complainant, to refer a case for arbitration by the Centre for Gender Equality. This applies to cases in which a result may be reached more quickly without infringing the rights of the complainant. Another new provision allows the Committee to

demand that a party found to have violated the Act pays the complainant's costs in bringing the matter before the Committee.

32. According to the new Act each ministry is required to appoint a gender equality expert who mainstreams gender equality within the sphere of the ministry and the institutions within its auspices. The Act provides that gender mainstreaming must be respected in all policy making and planning carried out on behalf of ministries and public bodies. The role of the experts is to involve themselves in matters of gender equality at work and to monitor issues in that field within their respective ministries or public bodies. Furthermore, a special gender equality advisor follows up the provisions of the Act on education and schooling, which stipulates that students at all levels of schooling must receive education on gender equality issues, with special emphasis on the equal participation of both genders in the community.
33. According to the new Act the Gender Equality Council will continue to work as an administrative committee reporting to the Minister of Social Affairs and Social Security. There are now eleven persons on the Council. The Minister appoints the council's chairperson without nomination. Two representatives are jointly appointed by trade unions, two jointly by employers organisations, two jointly by the Feminist Association of Iceland, the Federation of Icelandic Women's Associations and the Women's Rights Association of Iceland, and one jointly by the Association for Women's Shelter (*Samtök um kvennaathvarf*) and the Education and Counselling Centre for Survivors of Sexual Abuse and Violence (*Stígamót*), one by the Centre for Women's and Gender Studies at the University of Iceland, one by the Organisation for the Equality of Parents, and one by the Association of Local Authorities in Iceland.
34. The legislation assumes that the Gender Equality Council and the Centre for Gender Equality will work closely together. One of the Council's purposes is to advise the Minister of Social Affairs and Social Security and the Director of the Centre for Gender Equality in relation to policy-making which concerns gender equality. This involves emphasizing the equal status of both genders on the labour market and the co-ordination of family life and working life. The Council also organizes a gender equality forum with the Minister of Social Affairs and Social Security which shall be held every two years. The forums are intended to be a venue for discussion on gender equality matters. One of its objectives is to encourage more vigorous debate in this field among the public and at most levels in the community. The first forum took place in January 2009.
35. In order to stimulate more effective discussion during the gender equality forums the Minister of Social Affairs and Social Security submits a report on the status and development of gender equality issues at the beginning of each forum. The report covers a wide range of topics including: the labour market and the development of gender-based wage discrimination; women and men in employment and the participation of the genders in the business community in general; grants provided by public bodies, itemised according to the gender of the recipient; the participation of men and women in politics and the gender ratio of public committees and boards. Furthermore, it is the statutory role of the Gender Equality Council to ensure that a summary of the fora discussions is prepared and

delivered to the Minister. It is hoped that this will create a forum for useful communication on gender equality between experts on this matter, politicians, government representatives and NGOs involved in these issues.

36. As before, the Minister of Social Affairs and Social Security will be expected to present a motion for Parliamentary resolution before Parliament regarding the implementation of a gender equality action plan during the next four years. The action plan will be formulated after proposals have been received from other ministries, from the Centre for Gender Equality and from the Gender Equality Council. Discussions at the gender equality forum must also be taken into account.
37. The Ministry of Social Affairs and Social Security and the Centre for Gender Equality have attached great importance to informing and activating local authorities in the field of gender equality. Local authorities must continue to appoint gender equality committees that will provide local governments with advice in this field and monitor and implement measures, including special measures, to ensure the equal status and equal rights of women and men in each respective district. These committees will also prepare gender equality policies and action plans for the following four years. A new addition to the legislation is that each committee must deliver a report to the Centre for Gender Equality every two years, describing the status and development of gender equality issues in the respective local authority. One purpose of these reports is to encourage local authorities to apply even more effort in the gender equality arena.
38. For many years, legislation concerning the equal status and equal rights of women and men has included a provision to ensure that there are equal numbers of women and men on public committees, councils and boards. In order to strengthen this provision, there is a clear stipulation that the proportion of genders must be as even as possible and not less than 40% when there are more than three members. This also applies to the boards of public companies on which the government or local authorities are represented. In order to make sure that this objective is achieved both women and men must be nominated when appointments are made to committees, councils and boards.
39. As before, the new Act prohibits direct or indirect discrimination of all types on grounds of gender. The new Act contains definitions of direct and indirect discrimination which were previously only to be found in regulations.
40. Special provisions on education and schooling remain in the new Act. They specifically require gender mainstreaming in all policy formulation and planning in education and schooling and require students to be educated on gender equality issues.
41. As before, employers are not permitted to discriminate between their employees with regard to wages, or other terms, on the grounds of gender. The same applies to promotion, continuing education, vocational training, study leave, working conditions, and other matters.
42. Employers and trade unions are expected to work systematically to equalise the position of women and men in the labour market. Employers are also expected to

continue to work specifically on equalising gender status within their company or institution. At the same time, they must focus on increasing the proportion of women in management and positions of influence.

43. Since 2000 legislation on gender equality has included a provision stating that institutions and enterprises with more than 25 employees are to create a gender equality policy or to make special provisions regarding gender equality in their human resources policy. The new Act gives the Centre for Gender Equality greater authority to monitor compliance with this provision. The companies and institutions involved are obliged to deliver a copy of their gender equality policy or human resources policy to the Centre upon its request. They must also provide the Centre with a report on their progress within a reasonable time, when so requested.
44. If a company or institution has not prepared a gender equality policy or has not integrated equality perspectives into its human resources policy the Centre will instruct it to remedy the matter within a reasonable timeframe. The same applies if the Centre believes that a company's or institution's gender equality policy is not acceptable, or if equal rights perspectives have not been integrated into its human resources policy sufficiently clearly. If the company or institution does not comply with the Centre's instructions, the Centre may impose daily fines until its instructions are met. The same applies when a company or institution neglects to deliver a copy of its gender equality policy or human resources policy to the Centre or refuses to deliver a report on its progress. This amendment is considered to be extremely important as it gives the Centre clearer authority for active monitoring of companies and institutions and their compliance with the Act.
45. The new Act includes a provision which stipulates that employees are at all times permitted to disclose their wage terms if they so choose. Accordingly, companies may no longer prohibit employees from discussing their salaries with a third party. This is part of the strategy to fight the chronic problem of gender-based wage discrimination and to increase wage transparency.
46. In order to encourage companies to establish a policy on equal pay and to follow them through, the Minister of Social Affairs and Social Security will, according to temporary provisions of the Act, oversee the development of a certification system for implementation of equal pay and equal rights policies as regards recruitment and termination of employment. The provisions will be implemented during the next two years in co-operation with the social partners.
47. Collective agreements reached in the private sector in February 2008 contained a special clause that draws particular attention to co-operation between the social partners, as regards gender equality issues during the term of the agreement. The clause states, among other things, that work on "developing procedures for certifying the implementation of the gender equality policies of companies shall begin immediately with the objective of completing such work by the end of 2009."
48. In order to fulfil their obligations above, the Minister of Social Affairs and Social Security, the Confederation of Icelandic Employers and the Icelandic

Confederation of Labour have together signed a declaration to the effect that they will embark on negotiations with Icelandic Standards (*Staðlaráð Íslands*) for the creation and management of a standard on the implementation of equal pay and equal opportunities policies. The standard will also cover professional development.

## **2. Maternity, Paternity and Parental Leave Act**

49. As stated in para. 23 of Iceland's third periodic report one of the main aims of the Maternity/Paternity Leave and Parental Leave Act is to reduce gender-related wage discrimination, which is believed to result, in part, from the taking of maternity leave. A new Act on Maternity/Paternity Leave and Parental Leave has been enacted since the third periodic report and will be described under Article 10.

## **3. Comments in relation to para. 21 of the Committee's concluding observations**

50. In para. 21 of the Committee's concluding observations in relation to Iceland's third period report the country is called upon to intensify its efforts to ensure that women and men enjoy full and equal participation in the labour market, particularly in terms of equal pay for work of equal value. In this respect reference is made to the provisions of the new Gender Equality Act described above. Below, specific efforts in the field are described.

51. The Icelandic Parliament has passed three four-year action plans on measures to implement gender equality since 1992. During the winter 2003-2004, the Minister of Social Affairs submitted a proposal to Parliament on a new action plan which was accepted in spring 2004 with a running time until May 2008. The plan addressed the problem of gender-based wage discrimination as one of its main issues. A new action plan is currently being drafted.

52. Gender-based wage differentials appear to be a persistent feature of the Icelandic labour market to women's disadvantage. Measures are needed to prevent gender-based wage differentials as experience has shown that provisions in law concerning equality of pay and a prohibition against discrimination when wages are determined are not sufficiently effective. Many people consider the root of the problem to lie with those who determine the wages of employees on the labour market. When wages are determined in companies and institutions, care must be taken to ensure that the same considerations are in force when the contribution made by workers is evaluated, irrespective of their gender.

### *Circular to all companies and institutions operating in Iceland*

53. In an attempt to urge company managements to work against gender-based wage differentials the Minister of Social Affairs and the director of the Centre for Gender Equality sent out a circular on the issue in June 2005 to all companies and

institutions operating in Iceland with 25 employees or more. It was accompanied by a poster with the title: *“Does Beard Stubble Make a Difference?”*.

*“Yardsticks of Wage Equality in the Nordic Countries”*

54. The project *“Yardsticks of Wage Equality in the Nordic Countries”* was launched in 2004 when Iceland chaired the Nordic Council, and the final report was published in February 2006. The main aim of the project was to expand knowledge and understanding of wage differentials between the sexes in the Nordic countries. A comparison was made of the statistical yardsticks that are used to measure wages, together with an analysis of the methods that have been used to correct gender-based wage differentials and an assessment of the success of methods used to combat wage discrimination between men and women in the Nordic countries.
55. In this project, statistical data on gender-based wage differentials in Denmark, Finland, Norway, Sweden and Iceland were compared and an account was given of the trends and differences in gender-based wage differentials in the various countries. Attention was also given to studies of gender-based wage differentials and their correction in each of the Nordic countries, in which the methods used were examined in a critical manner. An attempt was made to analyse the methods that have been used to remedy gender-based wage differentials. Methods which Nordic specialists consider to have had a positive effect include various legal provisions, gender equality action plans, provisions in collective agreements and attempts to raise public awareness.
56. The final report on the project contains many proposals on methods of improving the assessment of gender-based wage differentials and emphasizes improvements in studies of the matter. There are also proposals on frames of reference which are seen as potentially useful for identifying and assessing remedial measures aimed at redressing gender-based wage differentials. Thus, it seems likely that the project will be of value in developing methods of assessing gender-based wage differentials and ways of reducing the difference between men's and women's wages on the Nordic labour market. The final report on the project can be found on the homepage of the Centre for Gender Equality.

*2006 Wage Survey*

57. The survey *“Wage Formation and Gender-Based Wage Differentials”* was part of the last gender equality action plan. It involved a repetition of the 1994 survey of the factors influencing the wages and career prospects of women and men. Capacent Gallup carried out the survey for the Ministry of Social Affairs, and the findings were presented in autumn 2006. The survey was made in January-May 2006 and involved the presentation of a questionnaire covering wages, job content, motivation, responsibility, changes of position and attitudes towards gender equality which was presented to 2,200 employees of eight companies and

institutions (four public institutions and four private companies). The response rate was 50.5%. Eighty in-depth interviews were also taken with managers and ordinary employees on the situation regarding gender equality.

58. A statistical analysis was also made of data from the payroll of the companies in the survey, and the conclusions were compared with the replies given to the questionnaires. Finally, some questions on attitudes towards gender equality issues were presented to a broad general sample of 1,800 in the “Gallup Wagon” in the period between 26 April and 17 May 2006. The response rate was 61%.
59. Very considerable changes had taken place in the working environment and working methods in the eight companies and institutions which took part in the survey on wage formation and gender-based wage differentials in 1994 and again at the beginning of 2006. The main changes were that the working week of both men and women in full-time employment had become shorter, the number of women in full-time employment had risen and their attitudes towards their jobs had undergone certain changes. These changes should, in all likelihood, have resulted in a reduction in gender-based wage differentials. However, the difference in wages was almost the same as it had been in 1994. When all the factors influencing wages were taken into account (e.g. education, occupation, length of working experience, age and working hours) the unexplained difference between the wages of men and women was found to be 15.7%, to women’s disadvantage. In 1994 it was found to be 16%. The differential among managers was found to have grown smaller and in this category gender-based wage differentials were found to be smallest, with women drawing about 7.5% lower wages than men.
60. The findings of the wage survey also indicated that the difference between the highest and lowest wages had grown larger, being fourteen fold in the case of men and eleven fold in the case of women in the latter survey against eightfold among men and fivefold among women in 1994. In 1994, managerial wages had been, on average, 64% higher than those of machine minders and unskilled labourers, but in the 2006 survey the difference was 98%.
61. Even greater wage differentials come to light when data from the payrolls was examined. The highest rates of daytime pay, with supplements, per hour in private companies are nearly 26 times higher than the lowest. The difference between the highest and lowest wages paid to men is far greater than the difference between women in private companies. The difference between the highest and lowest wages paid for daytime work, with supplements, in public institutions, was nearly tenfold, with a slightly greater gap between the highest and lowest wages paid to women than to men.
62. Great changes had taken place, compared with 1994, in how wages and terms of service were determined. In 1994, about 60% of men received pay according to the pay-scales of their trade unions and this applied to about 85% of women. In

the 2006 survey it was found to be very common for people, and particularly men, to work according to special agreements with their employers and to receive fixed wages irrespective of the hours they actually worked. More than 48% of the men who participated in the survey received fixed wages while this applied to just under 18% of the women. In addition, supplementary payments of various types were found to be far less common, and women received higher supplementary payments than men (unlike the situation in the earlier survey). About 25% of both women and men received some sort of supplementary payments in the form of “un-worked overtime” and/or automobile grants. In 1994 13% of women and 37% of men received such payments.

63. Interviewees who worked in public institutions considered that relatively little change had taken place over the previous ten years, though they thought many more managerial positions had been occupied by men ten years previously and people were now probably more aware of gender equality issues and wage equality.
64. Managers were found to be far more likely than they had been in 1994 to encourage women to show initiative in their work, to represent the company, to ask for promotion, etc., though they were still rather more likely to encourage men to do these things. Women also appeared to be more likely than before to seek promotion and to attend courses and conferences. It was particularly striking how much interest there was in career advancement (promotion) among younger workers and this applied both to women and men. Managers also mentioned fairly frequently in the course of the in-depth interviews that young women were unlike their seniors. To a large extent, they had acquired a “male” sense of values, demonstrating more initiative, seeking more demanding tasks and striving after career advancement. All this indicates that further progress in the direction of gender equality can be expected. Nevertheless, women were still found to have less confidence than men about their possibilities regarding promotion in their current places of work.

#### *Surveys from VR trade union*

65. The VR trade union has also made regular surveys of gender-based wage differentials among its members. According to a survey made in autumn 2006, education was seen as an important element in achieving wage equality. Gender-based wage differentials become considerably smaller as workers’ educational qualifications increase. Differentials were found to be 20% among those with only basic compulsory schooling, while they were under 10% in the case of university graduates. The main explanation of this is that university education resulted in greater benefits, in terms of wages, for women than for men. Masters’ degrees and doctorates brought men a 7% increase in wages and a 13% increase for women. Even though gender-based wage differentials were found to be largely unchanged compared with the previous year for the union’s members as a whole, they were smaller among the younger age-groups. Among workers aged 18-34, gender-

based wage differentials were 14%, while they were 16% among older workers. In this regard there is a discrepancy between the findings of the VR survey and the survey by Capacent Gallup. In the latter survey the difference between the sexes regarding wages was found to be 14.3% amongst workers with only compulsory schooling, 12.3% among those who had completed senior school and 17.1% among university graduates, i.e. the gap was found to widen as educational qualifications increased. The explanation for this discrepancy probably lies in the different occupations of the workers in the two surveys.

### *Job-evaluation*

66. Job-evaluation schemes were described in para. 54-55 of Iceland's third periodic report. Such a scheme was introduced in Reykjavík in November 2004. In a collective agreement between the city of Reykjavík and Reykjavík's Employees' Union, the Efling Trade Union and the Icelandic Society of Engineers it was decided to adopt a new job-assessment system and to correct wages in steps over the contractual period, making use of special funding for this purpose. At the same time it was decided to adopt a single qualifications-evaluation system and a new competence-based wage system.
67. Equal wages, i.e. equal wages for workers who discharge comparable jobs that are of equal value, are one of the cornerstones of the City of Reykjavík's wage policy. Bearing this in mind, a job-evaluation system was selected that has the capacity to systematically evaluate the jobs discharged by the city's employees. Furthermore, the City of Reykjavík has made it a priority to make collective agreements with its negotiating partners concerning job evaluation. The system used by the city is based on a British system (Single Status Job Evaluation) which dates from 1997. The British system is computerised, with closed questions, and is thus designed to reduce as far as possible any subjective slanting in evaluation.

### *Working group on wage equality*

68. In autumn 2007 the Minister of Social Affairs and the Minister of Finance appointed three working groups intended to seek ways of putting the government's policy on wage equality, as described above, into practice. To begin with, the Minister of Finance appointed a working group to handle equality issues in the public sector. Its main task is to present a strategy on how to reduce unexplained gender-based wage differentials in the public sector, with the aim to cut them by half during the electoral period, and to make proposals on a special review of the wages of women working for the state, particularly in occupations where they are in the overwhelming majority. Secondly, the Minister of Social Affairs appointed a working group to address equality issues in the private sector. The main task of this group was to seek ways of eliminating unexplained gender-based wage differentials in the private sector and achieving gender balance in representation in committees and councils of institutions and enterprises. The working group submitted a report in October 2008 and found that certain methods,

which could possibly be applied together, could hopefully eliminate wage discrimination. The working group emphasized the importance of regular review of wages within companies and the importance of changing the mentality of those responsible for deciding wages. Accordingly, the working group pointed out that it was necessary to educate people on gender equality from the moment they start pre-school.

#### *Project on Equal Opportunities*

69. In 2007 the Centre for Gender Equality in cooperation with the Ministry of Social Affairs participated in a project which was sponsored by the *European Year 2007 of Equal Opportunities*. The goal of the project was, inter alia, to enhance knowledge of inequality in wages. In autumn 2007 two seminars on wage inequality took place which discussed different methods in fighting this problem. In the seminars preliminary results of a study conducted by the Centre on the issue were introduced. These results showed that women in Iceland had around 81% of the wages of men when account had been taken of working hours. According to the study the proportion had risen from 74% in 1991.

#### *2008 Survey from the Social Research Institution of the University of Iceland*

70. In the first part of 2008 the Minister of Social Affairs asked the Social Research Institution of the University of Iceland to perform a wage survey for the entire employment market. According to the results of the survey the difference in wages between the genders is 16,3% when account has been taken of working hours, jobs, education, age etc. The difference is greater among people who operate on the general employment market and also greater outside the capital.

### **ARTICLES 4 AND 5**

71. No specific legislative changes nor development have taken place since Iceland's second periodic report was submitted, in relation to the principles stated in these articles of the Covenant.

### **ARTICLE 6**

72. Various changes have taken place within the legal framework in the field of employment since the submission of Iceland's third periodic report. In the following paragraphs the main legislative changes are described.

#### **1. Act No. 55/2006 on Labour Market Measures**

73. A new Labour Market Measures Act, i.e. Act No. 55/2006, took effect on 1 July 2006, replacing the older 1997 Act which is described in para. 28-33 of Iceland's

third periodic report. The aim of the new Act is to provide individuals who, for some reason, have dropped out of the labour market, with appropriate assistance to enable them to become active participants on the labour market again.

74. The Directorate of Labour sees to the implementation of labour-market measures. These fall into the following categories: Individual courses; courses for deciding on job-seeking schedules or self-improvement and courses to improve abilities in specific areas; specific types of employment-related solutions, i.e. job promotions, vocational training and provisional engagements; counselling in combination with participation in courses and provisional engagements; educational solutions; employment-related rehabilitation and employment-related rehabilitation for specific groups.
75. It falls to counsellors from the Directorate of Labour to assess which measures suit each individual, in consultation with the person concerned. The range of remedies available is intended to take into account the composition of the groups seeking the assistance of the Directorate and the employment prospects on the domestic labour market. When a job-seeker applies to take part in labour-market measures, his or her aptitude and fitness for work is assessed by counsellors from the Directorate. The job-seeker is required to submit all information available on his or her suitability for work so as to make it possible to help him or her find suitable employment and give him or her the opportunity of participating in particular labour market measures. Consequently, with the job-seeker's consent, a schedule is drawn up covering his or her search for employment and participation in labour-market measures on the basis of the assessment. At the same time, the job-seeker is informed of other services if it is thought necessary for him or her to seek further assistance from other public service systems before receiving, or concurrent with receiving, the services described above.
76. Job-seekers are also expected to follow the job-seeking schedule and to take part in labour-market measures and to do everything in their power to improve their job skills in order to become active participants on the labour market. As part of this, they are expected to attend interviews with counsellors from the Directorate of Labour, and also to inform the Directorate of all changes that may occur affecting their suitability for work, or other changes in their circumstances, without unreasonable delay.
77. Counsellors from the Directorate of Labour are required to ensure that job-seekers attend regular interviews. A comprehensive re-assessment of the position of each job-seeker is to take place not more than three years after they first apply to take part in labour-market measures if they are still unemployed.
78. Furthermore, the new Act is intended to apply to the disabled with emphasis on their individual abilities.

## **2. Foreign Nationals' Right to Work Act No. 97/2002**

79. A new Foreign Nationals' Right to Work Act No. 97/2002 took effect on 1 January 2003, replacing Act No. 133/1994. The new Act does not entail any major change of policy from the older legislation regarding the issue of work permits for non-EEA nationals. It contains rules authorising foreign nationals to work in Iceland if they meet certain conditions and is also intended to ensure the legal position of foreign nationals who come to Iceland for employment purposes.
80. Amendments have been made to the Act several times since it was passed. Amending Act No. 84/2003 brought the Act into line with the provisions of the new EFTA Convention (established by the Vaduz Agreement) so that the rules of the EEA Agreement on the free movement of persons also apply to EFTA states that are not members of the EEA. Amending Act No. 19/2004 gave effect to the adaptation provisions of an agreement concerning the enlargement of the EU and the EEA which entered into effect on 1 May 2004. Minimal changes were made to the Act with the Temporary-Work Agency Act, No. 139/2005. Amending Act No. 26/2006 gave effect to the provisions of Council Regulation, No. 1612/68/EC, with subsequent amendments, on the free movement of workers within the EEA applicable to the citizens of Estonia, Latvia, Lithuania, Poland, Slovakia, Slovenia, the Czech Republic and Hungary. Amending Act No. 108/2006 introduced changes to reflect an agreement between the Icelandic Government, on the one hand, and the government of Denmark and the home-rule administration in the Faroe Islands, on the other hand. Its aim was to establish a common economic area in the jurisdictions of Iceland and the Faroe Islands. Amending Act No. 106/2007, had the purpose to defer the entry into force of the provision of item *a* of Article 14 of Act No. 97/2002 concerning foreign nationals from EEA/EFTA states until 1 January 2009 in the case of citizens of Bulgaria and Romania. Amending Act No. 78/2008 took effect on 1 August 2008. The main aim of the Act is to clarify the provisions of the Act, to make its application more effective and to ensure active monitoring of compliance with the Act. This Amending Act entails the adoption of categories of temporary work permits reflecting the grounds on which foreign nationals are working in Iceland. The explanatory notes accompanying the Act underline the priority of maintaining equilibrium between supply and demand for labour on the domestic labour market as it is important to consider the long-term effect that work permits to meet temporary shortage of labour could have on the market in the long term. Furthermore, the notes explain that it is necessary to take into account the experience gained on the expansion of the EEA over the past years.
81. Act No. 97/2002 provides that temporary work permits are in the name of the foreign worker in each case and that he or she holds the work permit. It is nevertheless envisaged that the permit is valid for employment with a specific employer. The employer continues to apply for work permits, although he or she is not the actual applicant and only submits the application in the name of the foreign worker involved. The employer automatically becomes an "agent" of the foreign worker in this respect. In accordance with these amendments, the

employer and the foreign worker have the right to appeal jointly to the Ministry of Social Affairs and Social Security against decisions of the Directorate of Labour to turn down applications for temporary permits or to revoke such permits, The parties may, on the other hand, grant others the authority to pursue the matter on their behalf. According to the Act, a new temporary work permit may be granted, as appropriate, in connection with the employment of the foreign worker by an employer other than the one to which the previous permit applied.

82. The rationale behind this arrangement regarding temporary work permits is that it makes it easier for the Government and the trade unions to monitor and ensure that foreign workers are not treated unfairly on the domestic labour market, since the employer named in the permit is obliged to ensure compliance with current laws and collective agreements. The Directorate of Labour and the trade unions have enjoyed smooth and close collaboration in defending the rights of foreign workers employed under temporary work permits and assisting them where necessary. It is envisaged that the comments of the relevant trade union will continue to be called for before the issuing of temporary work permits in cases of a shortage of labour and positions where specialist skills are required. This arrangement makes it easier for the trade unions to make contact with the foreign workers who come to work in Iceland and to inform them of their rights on the Icelandic labour market.

### **3. Temporary-work Agency Act No. 139/2005**

83. Temporary-work agencies began offering their services on a larger scale in Iceland in 2005. In response to the resultant change in the Icelandic labour market Act No. 139/2005 was enacted in December 2005. Before this date no such legislation existed in Iceland. One of the aims of the Act was to strive to guarantee that foreign workers would enjoy social rights on the same basis as Icelanders and to remove all doubt as to the applicability of Icelandic collective agreements, irrespective of whether the employees stand in a direct contractual relationship with companies in Iceland or are employed in Iceland through a temporary-work agency.

84. The Temporary-Work Agency Act contains various provisions designed to protect the rights of those employed by such agencies. Temporary-work agencies are under an obligation to enter into written employment contracts with their employees and to provide written information on the work which the employee is sent to carry out in Iceland in each individual instance before the work commences. The agencies are not permitted to demand payments from their employees, or negotiate or receive such payments from them in exchange for offering them employment. Furthermore, temporary-work agencies are not permitted to restrict the right of an employee who has been hired to a user company to enter into a contractual relationship with that company at a later date.

85. The Directorate of Labour is responsible for monitoring the application of the Act and temporary-work agencies are obliged to provide the Directorate with the information they consider necessary, including employment contracts and details of wages and terms of service. The Directorate of Labour may, if certain conditions have been met, demand that the police close the operations of a temporary-work agency temporarily until action has been taken to remedy an unsatisfactory situation.

#### **4. Act No. 45/2007 on the rights and obligations of foreign undertakings that post workers temporarily in Iceland, and on their workers' terms of employment**

86. Act No. 45/2007 on the rights and obligations of foreign undertakings that post workers temporarily in Iceland, and on their workers' terms of employment replaced Act No. 54/2001 on the Legal Status of Employees Working Temporarily for Foreign Enterprises in Iceland. The Act applies to companies which are established in other states within the EEA, EFTA or the Faroe Islands and send workers to Iceland on a temporary basis in connection with the provision of services, as well as to temporary-work agencies.

87. The Act is intended to provide Icelandic authorities with a better overview of the situation on the domestic labour market as regards the activities of foreign service-providing companies in Iceland and the number of foreign workers employed by such companies. It is also intended to ensure that Icelandic law and collective agreements apply to the workers concerned. Furthermore, the Act shall ensure that foreign nationals who come to Iceland on a temporary basis under the auspices of foreign companies are lawfully resident in the country and that reliable information is available concerning them.

#### **5. Comments in relation to para. 22 of the Committee's concluding observations**

88. In para. 22 of the Committee's concluding observations in relation to Iceland's third periodic report the state is urged to continue its efforts to implement current policies and programmes aimed at improving access to employment and improving the working conditions of people with disabilities and to provide disaggregated statistical data on this matter.

89. In this respect it should be noted that the principal aim of the Labour Market Measures Act is to ensure that as many people as possible are able to participate actively on the labour market, both for their own advantage and for that of society as a whole. It is also intended to put unemployed persons in a more secure position and to give individuals assistance, as appropriate, to enable them to become active participants in the labour market. The term "labour market measures" covers labour-exchange services, assessments of job-seekers' aptitudes and abilities and the organisation of remedial measures designed to improve their suitability for employment. The Act provides for the measures to take into account

the abilities and strengths of job-seekers who need assistance in order to enter the labour market and continue to participate actively on it. Therefore disabilities of job-seekers are taken into account.

90. When the Act was passed, it was considered vital to have remedies available which involved employment-related rehabilitation with the main aim of enabling the job-seeker to be an active participant on the labour market. In the Act, the expression “employment-related rehabilitation” is used rather than “vocational rehabilitation,” which is broader and may cover medical rehabilitation and general rehabilitation which is not necessarily aimed at having the persons involved resuming participation on the labour market, e.g. after accidents or serious illnesses. In some cases, a return to the labour market is not seen as a practical possibility. Instead, the person is trained to deal with the tasks of daily life, such as looking after their homes and taking part in leisure activities. Those who have had to stop work or have not managed to establish themselves on the labour market often need employment-related rehabilitation for one reason or another. This involves effective assistance and support and encouragement to become active participants on the labour market. In some cases, they have undergone medical and general rehabilitation, as appropriate, before being able to take part in employment-related rehabilitation. According to the Act the Directorate of Labour is responsible for organizing employment-related rehabilitation for groups of persons. Such measures include so-called “Employment with Assistance” and the availability of places which provide sheltered employment.
91. The social partners have worked on the establishment of a special Work-rehabilitation fund which is based on collective agreements from February 2008. The role of the fund is to decrease the likelihood of people leaving the employment market because of permanent disability and to assist individuals which are in need of work rehabilitation. A team comprised of a doctor, nurse, physical therapist, social worker and education specialists works under the auspices of the Fund. The Fund pays for the work of its consultants and provides them with various support. Furthermore, the Fund pays for the assistance of various professionals which form a special, personal rehabilitation plan.
92. No information is available on the total number of people with reduced working capacity on the labour market. The only information available in relation to this group covers those who also apply to the State Social Security Institute for disability benefits. According to information from the Institute, there were about 3,500 recipients of disability benefits on the labour market in 2006 and about 3,440 in 2005. Altogether, it is estimated that about 200 disabled people who received social assistance were unemployed during 2006. No figure is available for 2005.

## **ARTICLE 7**

### **1. Minimum remuneration**

93. All workers in Iceland are covered by the terms of some collective agreement, either directly as members of trade unions or through the provisions of Act No. 55/1980 on Terms and Wages etc. It is clearly stipulated in the Act that it is unlawful to hire a worker for less remuneration or on worse conditions than the worker would have been entitled to as a member of the respective trade union. According to the Act agreements made by individual workers and employers which entail less remuneration or worse conditions are null and void, cf. para. 46 of Iceland's third periodic report.
94. Act No. 55/1980 was amended by Act No. 145/2004. It is now stipulated in the Act that agreements made between the organisations of the social partners regarding the handling of disputes as to whether the wages and terms of service of workers on the Icelandic labour market conform with the provisions of legislation and collective agreements shall have the same general validity as their agreements on wages and other terms of service, with the limitations stated in the agreements.
95. In the explanatory notes which accompany Act No. 145/2004 it is stated that the system established by the Act is based on the tradition that organisations of the social partners reach agreements on the remuneration and terms for workers, as well as other conditions of work, in free collective bargaining discussions. Such collective agreements stipulate the minimum terms of employment for all workers in their respective fields of employment. Accordingly, employers must respect the collective agreements when they make decisions on remuneration or other terms of employment for workers which are not members of trade unions. In line with these general rules the parties are themselves considered to be responsible for ensuring that the collective agreements are upheld. Therefore it has not been customary for authorities to have a specific supervisory role to ensure that employers observe the collective agreements. It is thus considered that the parties shall themselves decide freely how supervision in this field shall take place if they consider specific measures to be necessary. It is considered important for such agreements to have the same status as agreements on remuneration and conditions of employment so that it is not to the advantage of the parties to leave organizations in order to escape such agreements. By this it is also ensured that workers are not pressurized to leave organizations for the aforementioned purpose.
96. Recently an agreement was reached by the social partners on a procedure in the case of disputes in relation to foreign workers. The aim was, inter alia, to ensure that remuneration and other terms of employment for foreign workers was in accordance with collective agreements and relevant legislation. According to the agreement it is the role of an entrusted person within each workplace to ensure that collective agreements are upheld. If a breach of agreement or the relevant legislation is suspected this person may, for example, review documents regarding the terms of employment of the person in question. The Agreement includes provisions on a procedure for resolving the dispute. Disputes may be handed over to a special committee which is comprised of four persons and has powers to

demand documents from employers. The committee shall reach a conclusion on the dispute and notify the parties.

## **2. Inequality in remuneration for work of equal value**

97. Reference is made to the previous discussion under Article 3.

## **3. Occupational health and safety**

98. As has been stated in Iceland's earlier reports the Administration of Occupational Safety and Health, a state body which operates under the Ministry of Social Affairs and Social Security, is responsible for inspection of occupational safety under Act No. 46/1980 on Health and Safety at Work Act. Considerable changes have been made to the regulations on occupational health and safety in recent years, as can be seen from the following list of regulations which have been issued:

1. Regulation 430/2007 on the prohibition of the use of asbestos in the workplace .
2. Regulation 160/2007 on the control of major-accident hazards involving dangerous substances.
3. Regulation 922/2006 on the protection of workers against the risks arising from vibration in the workplace.
4. Regulation 921/2006 on the protection of workers against the risks arising from noise in the workplace.
5. Regulation 920/2006 on the organization and implementation of health and safety in the workplace.
6. Regulation 367/2006 on the use of instruments.
7. Regulation 384/2005 on work in chilled areas on food production.
8. Regulation 553/2004 on the protection of the health and safety of workers from the risks related to chemical agents at work.
9. Regulation 349/2004 on explosive atmospheres in the workplace.
10. Regulation 1000/2004 on action against bullying in the workplace.
11. Regulation 341/2003 on person- and product elevators.
12. Rules 280/2003 amending rules 696/2001 on the emission of gaseous and particulate pollutants from internal combustion engines to be installed in non-road mobile machinery.
13. Rules 279/2003 on noise emission in the environment by equipment for use outdoors.
14. Regulation 668/2002 on cableway installations designed to carry persons.
15. Rules 98/2002 on the protection of workers from the risk related to exposure to carcinogens at work and extending it to mutagens.
16. Rules 764/2001 on the protection of workers from health risks resulting from biological dangerous components in the workplace.
17. Rules 762/2001 on transportable pressure equipment.

18. Rules 761/2001 on machinery and technical equipment.
19. Rules 696/2001 on the emission of gaseous and particulate pollutants from internal combustion engines to be installed in non-road mobile machinery.

#### **4. Comments in reply to para. 23 of the concluding observations of the Committee**

99. In para. 23 of the Committee's concluding observations in relation to Iceland's third periodic report the State was urged to continue its efforts to reduce the frequency of occupational accidents on land and at sea by raising awareness of the importance of preventive measures and, in particular, by providing training to seamen in matters related to vessel stability and the use of treatment of hoisting equipment.
100. In 2006 Regulation No. 920/2006 on Safety in the Workplace was adopted. The objective of the regulation is to adopt a systematic safety system in workplaces and to ensure that effective deterrents which ensure health, security and well-being of employees in the workplace is protected. Companies are now under an obligation to enact a written plan on safety and health within the workplace. This, inter alia, entails that an employer is responsible for compiling a written risk assessment, i.e. describe and assess the risks for safety within the workplace. A plan for preventive measures against dangers shall also be compiled.
101. Introduction of this Regulation was one of the major projects for the Administration of Occupational Safety and Health in 2007. Furthermore, an introduction on methods in risk assessment took place for various groups, companies and others. Employees of the Administration also visited workplaces in order to ensure that the Regulation was implemented.
102. The Icelandic Maritime Accident Investigation Committee monitors the effectiveness of security and safety on board Icelandic vessels. The Committee operates in accordance with Act No. 68/2000 on Investigation of Accidents at Sea and has the role of investigating such accidents as well as registering all accidents which are notified. In 2001 the Committee initiated a campaign to contact relevant parties and enhance their cooperation with the police. No special assessment has been made, but the extensive collection of data, inquiries and studies by the Committee indicate conditions and trends.
103. Numbers of accidents at sea appear to have dropped in recent years. Comparison of the number of accidents in the periods 1993-96 and 1997-2000 show a fall of about 30%. The Committee's data indicates that the nature of incidents notified is comparable between 2005 and 2006. Registered incidents in 2005 were 168 and 172 in 2006. From 2004 ship wreckage has reduced significantly, but it has become more common for ships to strand and the number of collisions has also risen. There were three fatal accidents at sea in 2006 and also in 2007, i.e. six fatal accidents in total.

104. It is the Government's intention to reduce the frequency of occupational accidents both at sea and on land. The Administration of Occupational Safety and Health will, amongst other things, place greater emphasis on raising the awareness of employers and employees of the importance of preventive action and measures to protect workers' health. Even though the number of accidents at sea seems to have dropped, there are still a large number of accidents involving seamen, particularly those employed on fishing vessels, in comparison with other occupations.
105. With a view to doing something serious about safety at sea, the Parliament approved a parliamentary resolution on 19 May 2001 on a long-term programme of action in this area. This programme ran until 2004 and its aims included measures to ensure the safety of Icelandic vessels and their crews so as to bring about a reduction of at least one third in the number of accidents at sea by the year 2004. The measures included greater emphasis on the education and training of seamen, including retraining of deck officers, education and training in matters relating to vessel stability, education and training in the field of supervision and safety administration for vessel officers and courses in the use and treatment of hoisting equipment. In 2006 the success of the programme was assessed by reference to fatal accidents and notifications of accidents at sea to the Social Insurance Administration.
106. In 2006 an educational brochure on service-, training- and work safety within fishing vessels was published. The brochure educates seamen on how to use handbooks on these issues which the Federation of Icelandic Fishing Vessel Owners has sent to fishing vessels.

## **5. Working hours**

107. Under Act No. 68/2003 amendments were made to Chapter IX of Act No. 46/1980 on Health and Safety at Work Act, with subsequent amendments. The terms "working hours", "rest time", "night work", "night worker", "shift work" and "shift worker" are defined in the Act as amended. Furthermore the Act as amended has new provisions on rest time and total working hours per week.
108. Amending Act No. 68/2003 does not affect the validity of Act No. 88/1971 which entails a 40-hour working week and states that working time is normally to be eight hours of daytime work from Monday to Friday unless other working hours are more suitable due to special reasons and the parties agree on such an arrangement. It also provides a special authorisation for agreeing on a shorter working week than 40 hours of daytime work and the social partners have made use of this provision in their collective agreements. It should be noted that daily working time, including overtime, is limited by the provisions of Act No. 46/1980, as amended, where there are provisions on daily rest time and maximum permitted working hours per week including overtime.

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

110. The Act includes provisions on the maximum working hours per week including overtime. It states that workers' maximum working hours per week, including overtime, may not exceed 48 hours, on average, during each four-month period. By agreement between the organisations of the social partners workers' maximum weekly working hours may be calculated on the basis of a reference period that may be up to six months. In view of objective or technical reasons or the special nature of the jobs in question, the organisations of the social partners may determine by agreement that workers' maximum weekly working time shall be calculated on the basis of a reference period of up to twelve months, providing that the general principles of the Act regarding the protection of workers' safety and health are observed.

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

## **ARTICLE 8**

112. No fundamental changes have taken place in the legislation and regulations concerning trade unions since Iceland's third periodic report was prepared. Reference is therefore made to previous reports.

## ARTICLE 9

### 1. Social Security

113. The emphasis in social security has recently been on the affairs of the elderly. The Minister of Health and Social Security issued a plan for the future where the main principle is to give domiciliary care priority over residential care. There is a growing emphasis on providing nursing and care to chronically ill people in their homes to enable them to live as long as possible in their own homes. Persons who are unable to continue living in their own homes as a result of chronic illness, notwithstanding support, shall be ensured other recourses, such as hospitalisation or other institutionalisation in institutions intended for the long-term residence of people who are not capable of living at home, even with support.

114. In 2005 the Prime Minister established a committee with government representatives and representatives from the Association of the Elderly in Iceland. The task of the committee was to propose a new plan for the next few years regarding old age benefits from the national pension scheme and social services at home when the elderly decide to live in their own houses. The committee made proposals to the Prime Minister in July 2006. In accordance with the proposals the amounts of the pension benefits were increased on 1 July 2006 by 5.5% and a special supplement was paid for the period July to December 2006. Other proposals entailed amendments to the Act on Social Security and the Act on the Affairs of the Elderly. These amendments entered into force on 1 January 2007. The legislative amendments included simplification of the national pension scheme and increases in pension benefits. They also included a new definition of “other income” of a pensioner, minimizing the influence of the spouses’ income and allowing pensioners to have a certain amount of income before pension is reduced. Various proposals were made as regards the social services, nursing and institutions for long-term residence of the elderly.

115. After the parliamentary elections in 2007 it was decided to reorganize the division of tasks in the field of social security. According to legislation which entered into force on 1 January 2008 the responsibility and supervision of the social pension scheme and state social assistance was transferred from the Ministry of Health and Social Security to the Ministry of Social Affairs. The two ministries were given new names and are now called the Ministry of Health and the Ministry of Social Affairs and Social Security. From 1 January 2008 the Ministry of Health is only responsible for health care and health insurance, occupational injuries insurance and occupational diseases insurance. The Ministry of Social Affairs and Social Security is responsible for national pension insurance, unemployment insurance, maternity leave cash benefits, adoption benefits and social assistance from the state and the municipalities. Furthermore, issues regarding the elderly were transferred from the Ministry of Health to the Ministry of Social Affairs and Social Security. This emphasizes the view that ageing is not

a disease which necessarily entails health services, but rather a natural process which calls for certain care services.

116. In the autumn of 2007 several Acts which relate to social security and health were adopted because of the division of tasks between the two ministries. The objective of the division of tasks was to simplify the health and social security system and to make it more accessible for the public.

117. The Act on Social Security underwent significant changes as a result of Act No. 166/2006 which entered into force on 1 January 2007. The changes included the abolition of limitations to pension benefits because of the income of a spouse. Furthermore, the limitation percentage for old age benefits was reduced from 30% to 25% and the free income limit for pensioners aged 67-70 was raised to 100.000 ISK. The amount of age-related disability benefits was raised from 1 July 2008 and at the same time a special 300.000 ISK free income limit was set on pension benefits for disability pensioners.

Tables 1 – 4 show the amounts of social security payments in 2005 –2007.

**Table 1. Social security payments, unlimited monthly payments to married pensioners where the spouse is not a pensioner (ISK)**

	2005	2006	2007
Basic pension	21.993 kr.	23.502 kr. <sup>1</sup>	24.831 kr.
Pension supplement	43.113 kr.	51.709 kr. <sup>2</sup>	79.542 kr.
Lump sum payments: Low income, holiday and December payments	3.952 kr. <sup>3</sup>	1.868 kr.	3.273 kr.
Basic pension and pension supplement with extra payments	69.058 kr.	77.079 kr.	106.646 kr.

Notes:

1) Averages of payments in 2006. The basic pension rose on 1 July 2006 from ISK 22.873 to ISK 24.131.

2) From 1 July 2006 until 31 December 2006 a special addition to the pension supplement was paid. Because of average calculations over the year, monthly pension supplement is ISK 44.838 and special additional pension ISK 6.871.

3) In 2005 an additional retirement pension supplement and an additional invalidity pension supplement were paid according to Regulation No. 1020/2005. According to the Regulation, those who are entitled to a pension supplement payment in November or December 2005 shall receive a lump sum payment, which amounts to 5% of the pension supplement in 2005.

**Table 2. Number of recipients with unreduced pensions and allowances in 2005**

Recipients in each category	Basic pension	Pension supplement	Household supplement

Old age pensioners	25.282	9.566	4.056
Invalidity pensioners	11.706	6.367	2.702
Rehabilitation pensioners	757	511	201
<b>Total number of recipients with unreduced pensions and allowances</b>	37.745	16.445	6.959
Total number of pensioners in each category	40.254	34.756	11.968

**Table 3. Number of recipients with unreduced pensions and allowances in 2007**

<b>Recipients in each category</b>	<b>Basic pension</b>	<b>Pension supplement</b>	<b>Household supplement</b>
Old age pensioners	25.924	364	212
Invalidity pensioners	12.195	2.218	999
Rehabilitation pensioners	866	391	165
<b>Total number of recipients with unreduced pensions and allowances</b>	38.985	2.973	1.376
Total number of pensioners in each category	41.955	37.179	12.485

**Table 4. Unlimited monthly payments to single pensioners from 2005 – 2007 (ISK)**

	<b>Retirement pension</b>	<b>Pension supplement, lump sum payments</b>	<b>Basic pension and supplement with lump sum payments</b>	<b>Household supplement/additional household supplement/Additional pension supplement</b>	<b>Total payments</b>
<b>2005</b>	21.993	47.065	69.058	40.978	110.036
<b>2006</b>	23.502	53.577	77.079	42.616	119.695
<b>2007</b>	24.831	81.815	106.646	24.129	130.775

## **2. Unemployment Insurance**

118. In the past year unemployment in Iceland has been very limited and in 2007 it was only 1%. However, as a consequence of the banking crisis which hit Iceland during the autumn of 2008 unemployment has risen significantly. By the end of

2008 unemployment was 4,8% and on average 7.902 individuals were registered as unemployed.

119. A new Unemployment Insurance Act No. 54/2006 took effect on 1 July 2006, replacing Act No. 12/1997 on Unemployment Insurance and Act No. 46/1997 on the Self-Employed Individuals' Insurance Fund. The aim of the new Act is to guarantee wage-earners and self-employed individuals temporary financial assistance while they are seeking new employment after losing their previous job. According to the Act, a condition for receiving unemployment benefits is that the applicant is actively seeking employment. Those who meet the following conditions are regarded as actively seeking employment:

- a. They must be capable of doing most ordinary jobs;
- b. they must take the initiative in seeking employment and be prepared to accept any work for which payment is made according to law and collective agreements and which meets the conditions of other statutes;
- c. they must be willing and able to accept work without any special period of notice;
- d. they must be willing to accept work anywhere in Iceland;
- e. they must be willing to accept work irrespective of whether it constitutes a full job or a part-time job, or involves shift work;
- f. they must not be entitled to wages or other payments in connection with work on the labour market during the period in which they are regarded as actively seeking employment, unless the provisions of Article 17 or Article 22 of the Act apply;
- g. they must be willing and able to participate in labour-market measures that are open to them;
- h. they must be prepared to give the Directorate of Labour the information necessary in order to increase their chances of obtaining suitable employment and give them the opportunity of participating in labour-market measures.

120. Under the Act an unemployed individual can have the right to unemployment benefits continuously for three years from the time his or her application is registered, unless provisions of law state otherwise. The individual has the right to income-related unemployment benefits for up to three months after general benefits have been paid for ten weekdays. Income-related unemployment benefits for an employee amount to 70% of his average income and is based on a six month period measured from two months before the individual become unemployed. Income-related unemployment benefits for the self-employed amount to 70% of the average income in the year preceding the year when the individual became unemployed.

121. The amount of unemployment benefits and the maximum of income-based unemployment benefits are reviewed when the National Budget Act is adopted each year and account is taken of development in wages, prices and the economy. The Minister of Social Affairs may, with the consent of the government, raise the amount of the unemployment benefits and the maximum of the income-based unemployment

benefits if there are substantial changes in wage development and the economy from the adoption of the National Budget Act. The Minister has twice utilized this authorization.

122. According to the Act, persons who reject jobs they are offered in a verifiable manner after seeking employment for at least four weeks from the date on which the Directorate of Labour receives their applications for unemployment benefits shall not be entitled to receive benefit until 40 days, for which they would otherwise have received benefit payments, have elapsed from the date on which the decision by the Directorate of Labour to impose a penalty is announced to them. The same shall apply to those who refuse to attend interviews for jobs they are offered in a demonstrable manner or fail to attend an interview without unreasonable delay.

123. If an insured person accepts employment that does not constitute part of labour market measures during the penalty period, the penalty period lapses if the insured person works for at least ten working days before re-applying for unemployment benefits, providing that he or she has resigned from or lost his or her job for valid reasons. If the job lasts for a shorter time, or if the individual resigns from the job without valid reasons or loses it for reasons for which he or she is to blame for, the penalty period continues to run when the insured person re-applies for unemployment benefits. In cases where a job-seeker turns down an offer of work for a second time, cumulative effects may come into play, with the result that he or she will not qualify for unemployment benefits until 60 days following the decision by the Directorate of Labour to invoke the cumulative effect. If the job-seeker turns down an offer of employment for the third time, he or she does not qualify for unemployment benefits until he or she has worked for at least eight weeks on the domestic labour market.

124. When deciding whether to impose a penalty as described above, it is the responsibility of the Directorate of Labour to consider whether the insured person's decision to reject a job is justifiable on grounds of his or her age, social circumstances in connection with reduced working capacity or the obligation to care for young children or other close family members. Furthermore, the Directorate of Labour may give consideration to the insured person's domestic circumstances if the person rejects a job that is far from his or her home and also if the person is engaged to start a permanent job within a certain period of time. Consideration may also be given to the personal circumstances of individuals who are unable to undertake certain jobs because they have reduced working capacity as attested by a medical certificate from a specialist physician. In such cases, penalties may apply if the insured person deliberately concealed information regarding his or her reduced working capacity.

125. Persons who refuse to participate in labour market measures decided on by the Directorate of Labour after they have sought employment for at least four weeks from the date on which their applications for unemployment benefit are received may be subject to the same penalty provisions as described above. The same applies to persons who give the Directorate of Labour false information in their applications or neglect to supply the information necessary to make it possible to assist them in

obtaining suitable employment and enabling them to participate in appropriate labour market measures. Persons who acquire, or seek to acquire, unemployment benefits by dishonest means may lose their rights for up to two years, or be liable to a fine.

126. The Unemployment Insurance Act was amended in the fall of 2008 by Act No. 131/2008 in response to new circumstances on the employment market. Two temporary provisions were added to the Act. Firstly, unemployment benefits are now paid alongside a lower work proportion without the deduction of payment for partial work which is no more than 50%. Furthermore, income-based unemployment benefits may be based on the difference between the rights of the employed had he fully lost his job and the work proportion which he will work in the future. It is a condition that the work proportion has been reduced because of special circumstances on the employment market. Secondly, self-employed individuals are entitled to benefits if they have notified tax authorities of a substantial reduction in their operations which leads to temporary unemployment. Self-employed individuals may, however, take on certain projects and enjoy unemployment benefits at the same time. Income from such projects shall be deducted from the benefits and the free-income limit is 100.000 ISK per month. The temporary provisions are valid until 31 December 2009, cf. Act No. 37/2009, where the further condition was added that a reduction in work proportion had to be at least 10% so that the insured had a right to unemployment benefits along with a reduced work proportion.

#### **4. Financial assistance**

127. Reference is made to Iceland's previous reports. As stated in Iceland's third periodic report, cf. para. 91-93, rental benefits are covered by Act No. 138/1997. Amendments in relation to such benefits are discussed under Article 11.

#### **5. Poverty**

128. In December 2006 the Prime Minister's report on the poverty and situation of children was submitted to the Icelandic Parliament.

129. The main conclusions of the report are the following.

Firstly, Iceland is within the group of OECD countries where the poverty of children is measured the smallest. According to measurements 6,6% of Icelandic children are considered to have lived in poverty in 2004. If account is taken of student loans from the Icelandic Student Loan Fund the proportion is lowered to 6,3%. Child support payments to single parents further lowers the percentage, but accurate numerical data is not available in this respect.

Secondly, it should be noted that according to the methodology of OECD the poverty limit is based on the disposable income of homes. Due to a great increase in income for the past years the poverty limit has been raised by approximately 50% in real value during 1994-2004.

Thirdly, the most important explanatory aspects in measuring child poverty are the age of the parent, their marital status and temporary circumstances. The highest level of poverty was measured within the group of children who live with single parents within the age of twenty. However, poverty appears to last for a short period for most parties as a research showed that  $\frac{3}{4}$  of families which were considered to live in poverty in 2000 did not do so in 2004.

Fourthly, it was found that the taxation scheme and the social system had the effect of reducing the number of children who live in poverty by half. Furthermore, financial assistance from the municipalities which is intended to assist in temporary difficulties was found to play an important role.

Fifthly, amendments to tax legislation in 2004 were found to have improved the status of families with children. Child benefits are now paid until children reach the age of eighteen.

Finally it was found that in most instances financial assistance from municipalities was provided for less than three months a year to each applicant. It appeared that half of the homes which received assistance were provided with assistance for more than a year.

## **5. Comments in response to para. 27 of the concluding observations of the Committee**

130. In para. 27 of the Committee's concluding observations in relation to Iceland's third periodic report the State was urged to pursue efforts to combat poverty and social exclusion, particularly of the disadvantaged and marginalized groups, with the adoption of clear indicators to assess progress achieved.

131. In January 2008 the Minister of Social Affairs and Social Security appointed a committee to propose an action plan against poverty and to enhance the welfare system. The chairman of the committee was appointed by the Minister and other members included nominees by the Icelandic Confederation of Labour and the Icelandic Red Cross.

132. The committee delivered its report on 22 September 2008. The report, inter alia, stated that those who were most vulnerable to poverty were people with little education and low income, unemployed people, people who were ill, people who were brought up under difficult social circumstances and families where one person is responsible for supporting the family, as well as foreigners who lack a social network in Iceland.

133. After the banking crisis in the autumn of 2008 the Minister of Social Affairs and Social Security appointed a working group to monitor welfare in accordance with a resolution which was adopted by the Government. The working group shall follow the

social and financial consequences of the economic crisis for families and individuals within Iceland and propose action to help households. The working group is comprised of nineteen representatives, including representatives from the social partners, ministries, organizations and municipalities. The role of the working group is to obtain information on social and financial consequences of the financial crisis on people, collect information regarding the experience of other countries and chart the methods by which the state, municipalities and organizations can fight the crisis and enhance cooperation among those who may be of assistance in this regard due to their knowledge and experience. Special emphasis is placed on the welfare of children as it is seen as very important to seek methods and action to protect their interests as well as possible.

134. The working group delivered a preliminary report in March 2009. On the basis of the report the Government agreed on an action plan in relation to welfare issues which addresses the issues which the authorities wish to emphasize. A special fund was set up which is intended to make payments to those who undertake research in the sphere of welfare as well as to projects which are aimed at assisting those who are most affected by the economic crisis. Furthermore, specialists shall be employed to observe the social and financial consequences of the crisis on families in Iceland. Emphasis is also placed on ensuring easy access to welfare assistance and effective ways to help the financial status of households. Furthermore, it is seen as important to ensure that those who become unemployed remain effective and that ways are found to create more work.

135. In September 2008 minimum support for pensioners was guaranteed and it is thought that around 12.000 pensioners utilize this right. Furthermore, from 2006 unemployment benefits have been systematically raised. In 2006 the benefits were a little less than 90.000 ISK per month, but in the beginning of 2009 they amounted to 149.523 ISK per month. Rental benefits were also raised in spring 2008, cf. discussion under Article 11.

## **ARTICLE 10**

136. Some changes have been made in the areas of the protection of the family, parental rights and the protection of children since Iceland's third period report. As concerns general protection of the family reference is made to para. 103-109 of the third periodic report.

### **1. Maternity/Paternity Leave**

137. The Maternity/Paternity Leave and Parental Leave Act No. 95/2000 which was described in Iceland's third periodic report was amended by Act No. 90/2004. The aim of the amendments was, in particular, to reinforce the leave system introduced in 2000. It was decided not to embark on a major revision of the system, but rather to maintain it in such a way that it would continue to encourage equal participation by

women and men on the labour market and to make for an equal sharing of parental responsibilities. It was regarded as especially important to ensure that children should have the maximum opportunity to receive care from both parents during the first months of their lives.

138. The finances of the Maternity/Paternity Leave Fund were secured more reliably than before, and changes were also made to the calculation of payments made to parents during the maternity/paternity leave. These included the introduction of a ceiling on payments; the maximum was based on average monthly wages of ISK 648,000. Thus, the maximum monthly payment by the fund to a parent was ISK 518,000 in 2006. This means that payments to parents whose monthly wages were under ISK 648,000, on average, was 80% of their total wages during the reference period. On the other hand, it follows that a ceiling on payments from the fund may militate against the aims of the Act if the maximum sum is very low in comparison to parents' income on the labour market. In determining the maximum sum, the view was taken that the resulting disruption to the income of the vast majority of households resulting from the birth of a child should continue to be as small as possible. It was considered likely that a lower reference sum would reduce men's interest in availing themselves of their right to paternity leave, since men generally have higher wages than women. Consequently, this could militate against equality on the labour market, and could also prevent children from receiving care from both mother and father during the first months of their lives. Thus, it was not considered justifiable to adopt a lower reference sum.

139. Previously, the reference period consisted of twelve months, counted backwards from two months prior to the birth of the child. This was changed with the 2004 Act to the two income years preceding the year in which the birth takes place, or the year in which the child arrives in the home in the case of adoption or permanent fosterage. As before, wages used for the assessment include all types of wage payments and other fees as defined in the legislation on social security tax. Only the average total wages earned by parents during the months they have worked on the domestic labour market are taken into consideration. In no case, however, shall the average be based on fewer than four months when calculating average total wages. As a result of these amendments, payments from the Maternity/Paternity Leave Fund are made solely on the basis of the information held by the tax authorities.

140. Amendments were made to the Act in 2008, cf. Act No. 74/2008. The Amending Act relates to the rights of parents who have had children, have adopted children or received children for permanent foster care from 1 June 2008 or later.

141. The new Act involves, among other things, changes to the reference period on which the calculation of payments from the Maternity/Paternity Leave Fund are based. The object of the changes was to shorten the reference period from 24 months to 12 months and to bring it closer to the birth date of a child or the date on which a child enters a home due to adoption or permanent foster care. Calculations of payments to parents who are considered wage earners according to the Act will be

based on a period of 12 consecutive months which ends six months before the birth of a child, or the date on which a child enters a home due to primary adoption or permanent foster care.

142. According to the Act, as amended, both parents may begin taking maternity/paternity leave up to one month before the expected birth of their child. Authorisation to transfer maternity/paternity leave, or entitlements to grants, was extended when one of the parents cannot utilise his or her right to leave, due to illness, the consequences of an accident or service of prison sentence.

143. Parents who do not enjoy custody of their children are now entitled to maternity/paternity grants for the first time, provided that the parent who does have custody has granted visitation rights to the other parent during the period in which the grant is to be paid.

144. The Ministry of Social Affairs and Social Security will continue to closely monitor the implementation of the Act on Maternity/Paternity Leave and Parental Leave. It will also address any possible defects in the Act that emerge. The legislation dates from the year 2000 and it is an extensive, complex field. It is quite natural that adjustments will be needed over a period of years or even decades.

145. As a result of the financial crisis in the autumn of 2008 the Government has been forced to take action to improve the status of the State treasury. As a result maximum payments from the Maternity/Paternity Leave Fund have twice been reduced. From 1 July 2009 the maximum payment is based on a monthly salary of 437.500 ISK so that the maximum payment to a parent is 350.000 ISK. Payments to parents who have a lower monthly salary than 437.500 ISK will be 80% of their average payments as has previously been the case.

146. The Government is aware that a low roof on the payments from the Maternity/Paternity Leave Fund may not be in line with the goals of the Act. It has been thought that a roof on payments is likely to reduce men's interest in utilizing their right to paternity leave as they generally have higher wages than women. Therefore, it is stressed that the reduction in maximum payments is a temporary measure which will be reviewed as soon as the status of the State treasury allows. It is likely that more than 15% of parents will face reductions due to these amendments, thereof more than 30% of men and less than 10% of women.

147. Most fathers have availed themselves of their separate paternal leave entitlement and 88% did so, entirely or in part, in 2004. The average length of time they took as paternal leave was 97 days. The average taken by mothers was 183 days and this can be accounted for because mothers tended to use a greater share (90%) of the entitlement which is shared by both parents. In 2004, only 17.9% of fathers did not use their entire separate entitlements, while 17.1% also used the shared entitlement. Information from the Maternity/Paternity Leave Fund indicates that more and more parents are making use of flexible working hours when taking leave.

148. A survey by Capacent Gallup of wage formation and gender-based wage differentials, made in October 2006, revealed that about 85% of participants did not see childbearing and/or the number of children in a family as a hindrance to career advancement in the workplace. Among those who did see these factors as influencing career opportunities there were far more women who saw it as more likely that their career opportunities would be restricted by having children or by larger numbers of children. Over 40% of the men saw this as applying to both sexes, but only 8% of the women shared this view. It can therefore be concluded that women, rather than men, experience these factors as obstacles in their career advancement.

149. An article by Ingólfur V. Gíslason, which is called “Fathers who take Longer Paternity Leave” and was published in 2005, revealed that the mother’s position on the labour market was frequently a decisive factor as to whether or not the father would take a share of their joint entitlement to maternity/paternity leave. In cases where mothers ran their own businesses or were in managerial positions, they felt they were less able to be away from work for a long period. In such cases it was felt to be more natural that the father should take more than his basic entitlement to paternity leave.

150. The effects of the Maternity/Paternity Leave and Paternal Leave Act were also analysed in the aforementioned Capacent Gallup survey of wage formation and gender-based wage differentials. In the survey the participants were asked what effect they thought the Act had had on the position of men and women on the labour market. Most (73%) felt that the amendments had improved the position of women on the labour market. There was no difference by gender among the respondents stating this view. Nearly a quarter felt that the amendment had also improved men’s position on the labour market. However, a similar proportion was of the opinion that the amendment had weakened men’s position. This view was also reflected in the interviews which were taken as part of the survey. The vast majority of interviewees thought that paternal leave had a positive effect on the position of women on the labour market, as they were no longer the only ones to be absent from work in connection with the birth of a child. Furthermore, paternal leave was seen as having a beneficial effect on men’s participation in caring for their children later in life as it would for example be seen as more natural that they should take time off work in connection with children’s illnesses.

151. It may therefore be concluded that the Maternity/Paternity Leave and Parental Leave Act has had the effect it was intended to have on the position of women on the labour market. It may be assumed that the changes in attitude which the Act aimed for will take a longer time to become fully established. In this connection it is important to bear in mind that under the Gender Equality Act, employers are obliged to take the measures necessary to enable both women and men to integrate their professional obligations with their obligations towards their families. These measures are to be directed, amongst other things, at increasing flexibility in the structure of work and

working hours so as to take into account the needs of employers and the employees' family circumstances.

## **2. Act No. 22/2006 on Payments to Parents of Chronically Ill or Severely Disabled Children**

152. On 1 July 2006 Act No. 22/2006 on Payments to Parents of Chronically Ill or Severely Disabled Children came into force. The objective of the Act is to ensure that parents of such children receive financial support when they are unable to work or study due to the care of their children.

153. The Act was amended by Act No. 158/2007 which came into force on 1 January 2008. The aim of the Amending Act was to assist parents of chronically ill or severely disabled children in a more efficient manner as experience shows that they tend to face financial difficulties.

154. The Act is based on a twofold system. Firstly, income-based payments are paid for up to six months if the parent has worked continuously for six months on the domestic employment market when the child is diagnosed. The payments amount to 80% of the income of parents during a specific period and the maximum payment is based on income of a little less than 650.000 ISK. Special illness funds which operate within trade union may also assist parents of chronically ill or severely disabled children. The minimum right of parents from such funds is 80% of their previous income for three months and some funds offer assistance for a longer period. The Act anticipates that parents shall first receive benefits from the sickness funds and thereafter in accordance with the Act.

155. Secondly, the Act is based on a social payment system for parents who cannot work for a long period due to the care of their children, i.e. when it becomes apparent that they will not be able to return to their employment. Parents in this situation may be entitled to monthly payments of 147.193 ISK (based on the first month of 2009) and child benefits amounting to 21.657 ISK for each child under the age of eighteen which they support. Single parents which support two or more children have a right to special child benefits amounting to 6.269 ISK for two children and 16.300 ISK for three children. Furthermore, it is envisaged that parents which were not active on the employment market when the Act came into force may be entitled to these payments. The payments are not limited as long as the status of the child remains unaltered and it is within 18 years of age.

## **3. Child Protection Act, No. 80/2002**

156. The Child Welfare Act of 1992 has been replaced by Act No. 80/2002 which came into force on 1 June 2002.

157. A few structural changes were made by the new Act. For example, the number of child protection committees was reduced so that the total population of the

municipalities represented by one child protection committee may not be less than 1,500. Those with smaller populations are required to collaborate with other municipalities on the election of these committees. The purpose of this change is to strengthen the capacity of these committees. As each committee represents more people, there is a greater likelihood that it will be possible to elect people with the appropriate education and experience as members of the committees. The child welfare committees are to consist of five or seven members depending on the size of the area they are responsible for. The members are to be of known probity and have a good understanding of the matters dealt with by the committees. As a result of these changes, the number of committees fell from 57 to 34 in 2001.

158. The new Act makes the rules which the committees have to follow in relation to child protection cases much clearer. Clear distinctions are drawn between on the one hand the rules that apply to the investigation of a case and on the other hand the basis on which other decisions are taken. Furthermore, clear provisions are laid down regarding the handling of cases by the Child Welfare Complaints Committee and provisions are set forth regarding the handling of cases by the courts. This is an innovation in Icelandic law as it was never previously envisaged that such cases would be brought before the ordinary courts.

159. A very important change from the older Act is that the child welfare committees have to bring a court action against a parent whom they think it necessary to deprive of custody instead of taking the decision themselves. Deprivation of custody may only be sought if it is not possible to apply less severe measures or if such measures have been tried without acceptable results. On the other hand, child welfare committees may deliver rulings on the placement of a child outside its home for up to two months and to place the child with foster-parents or seek other remedies in order to guarantee the safety of the child during this time. It is always attempted to come to an agreement with the parents before such serious measures are taken. If the parents, or a child who has reached the age of 15, are not prepared to accept the ruling of the child welfare committee, they may refer the ruling to a district court instead of to a special administrative council as used to be the case. Other less drastic measures decided upon by a child welfare committee, such as monitoring of the home or a ruling that the child may not be taken out of the country, can be made the subject of appeals to a special child protection complaints committee. The main purpose of these amendments is to ensure a fair trial and to simplify procedure in this type of cases with the intention of shortening the time they require. It is also regarded as more natural that any coercive measures adopted by the child welfare committees should be referred directly to the courts. This must be regarded as being in greater compliance with the international legal obligations that Iceland has undertaken.

160. Furthermore, the new Act contains a provision on the measures available to child welfare committees in relation to expectant mothers who are endangering the health or lives of their unborn children by their way of living. Another innovation is that the Child Welfare Agency has the right to obtain information from the State Penal Registry concerning individuals who have been sentenced for offences involving

sexual abuse or violence directed at individuals under the age of eighteen. Provision is made for the Directorate of Public Prosecutions to be obliged to give the Agency copies of the relevant judgements if it requests them. Similarly, the Child Welfare Agency can inform the appropriate child welfare committee when such an individual moves into the area that it administers. Moreover, it is prohibited to engage persons as employees of the child welfare authorities or other bodies involved in child welfare work, whether these are run privately, by the state or by the local authorities, if they have been sentenced for offences of the aforementioned type. Provision is also made for the directors of schools, kindergartens, summer holiday camps, sports and leisure centres and other similar institutions and places where children congregate or stay for various lengths of time, to request information from the State Penal Registry as to whether a particular individual who applies for a position with them has been sentenced for offences of this type.

161. Another innovation is that children who have reached the age of 15 are to be informed of the legal action taken and given the opportunity to safeguard their rights. They may become a formal party to the case by means of a written intervention. This is in line with changes that have been made in the other Nordic countries.

162. Special provisions have been introduced in the Act concerning the rights of children in public homes and institutions. Physical or mental punishment of children, and certain other coercive measures, are prohibited. Also, a special provision is included to give legal protection to children involved in modelling and beauty contests. According to this provision organizers and persons responsible for modelling and beauty contests and other competitions of this type, in which the participants are aged under eighteen, are obliged to notify the Child Welfare Agency of the competitions. Children who are under the age of eighteen are also prohibited from participating in striptease shows or other displays of a sexual nature. The organizers or persons responsible for such shows are responsible for ensuring compliance with this age restriction.

163. By Act No. 52/2009 which amended the Child Welfare Act it was clearly stipulated that it was fully prohibited to show violence or other humiliating behaviour against children. The concept violence encompasses mental, physical and sexual violence, including mental or physical punishment. The Amending Act ensures the criminality of mental and physical violence as it is specifically stated that such behaviour can lead to criminal sanctions. This provision shall be read alongside general provisions of the Penal Code which apply to violence and other violations against children.

#### **4. Parliamentary resolutions concerning child protection**

164. In June 2007 the Parliament approved a parliamentary resolution on a four-year action plan to improve the situation of children and young persons. The plan is applicable to the period 2007-2011. The measures to be taken are based in part on children's rights as defined in the UN Convention on the Rights of the Child.

165. The action plan is, inter alia, intended to improve the financial position of families with children by raising the rate of child benefits for low-income families and strengthening general preventive measures. Emphasis is placed on measures to benefit children and young persons with mental disturbances and developmental disorders, chronically ill children as well as young persons with behavioural and drug-abuse problems. Measures will likewise be implemented to protect children and young people against sexual offences as well as measures for the benefit of the children of immigrants.

166. In accordance with the resolution a committee has been appointed to coordinate and monitor the action plan under the supervision of the Ministry of Social Affairs and Social Security.

167. In spring 2008 a resolution regarding an action plan in child welfare issues was adopted by Parliament. Therein the main projects which shall ensure that children which live in poor circumstances are provided with effective assistance are listed. The action plan is in force until the next municipal elections in 2010.

## **5. Comments in relation to para. 25 of the Committee's concluding observations**

168. In para. 25 of the Committee's concluding observations in regard to Iceland's third periodic report the State party was urged to adopt specific legislation on domestic violence.

### *Act No. 27/2006 amending the Penal Code*

169. On 18 November 2004 the Minister of Justice asked the Committee on Penal Issues to give its opinion on whether a specific provision should be inserted into the Penal Code on the criminality of domestic violence or whether the general provisions on bodily harm were sufficient. Furthermore, the Committee was asked to review any issues in relation to the case which it thought necessary.

170. During its review the Committee, inter alia, obtained information on legislation in the field of domestic violence from Nordic and European countries and reviewed case law in the field. The Committee delivered its report on 29 August 2005 and found for several detailed reasons that there were not sufficient grounds for adopting a special criminal provision on domestic violence. However, the Committee, inter alia, proposed that a new provision should be added to the Penal Code stating that a close relationship or connection between the perpetrator and victim of a crime should have an aggravating effect on penalties.

171. By Amending Act No. 27/2006 several amendments were made to the Penal Code to enhance protection against domestic violence. A new provision was added to Article 70 of the Penal Code which states that a close relationship or connection between the perpetrator and victim of a crime, whether it is a man, woman or child, shall have an aggravating effect on penalties. Accordingly, those who are convicted for causing bodily harm to persons who they are close to them shall generally receive a heavier sentence than if no such connection existed. Furthermore, Article 191 of the Penal Code, which inter alia concerns insults against one's wife, husband or children, was abolished. This provision was reinforced by the introduction of a new provision, i.e. Article 233 b, which states that a person who insults or belittles their spouse or former spouse, child or another person who is close to the perpetrator shall be imprisoned for up to two years if the insult is considered to fall within the concept of major defamation.

*Committee on measures to combat violence against women*

172. In January 2003 the Minister of Social Affairs appointed a committee on measures to combat violence against women. The Ministries of Justice, Social Affairs, Education, Culture and Science and Health and Social Security, as well as the Union of Local Authorities, are represented on the committee. The committee's task is to coordinate actions taken by the authorities aimed at combating violence against women.

173. The Committee was originally for four years but the committee was reappointed in 2007 for a period of four years. By a resolution adopted by the Government on 18 October 2005 the committee was entrusted with the task of discussing measures against violence against children and also to prepare an action plan in connection with domestic violence and sexual violence. This was done at the instigation of the Minister of Social Affairs and the Minister of Justice and Ecclesiastical Affairs.

174. The committee worked on an action plan on domestic violence and sexual violence which was approved by the Government on 26 September 2006. This plan is intended to run until 2011, and the main task of the committee will be to monitor the implementation of the plan. In drawing up the plan, attention was given to, amongst other things, a draft action plan on gender-related violence that had been drawn up by a non-governmental organisation and sent to some of the government ministers in April 2005.

175. The main aim of the action plan is to combat domestic violence and sexual violence against women and children, as well as to improve the care facilities available to those who have suffered such violence or are at risk of doing so. It is divided into two parts. One part covers measures against violence in the homes and sexual violence against children and the other part covers domestic violence and sexual violence against women. In each part, there are four main guiding principles. The first of these is to increase preventive measures aimed at stimulating public discussion on violence against children and gender-related violence to encourage a change in the public attitude. Secondly, the aim is to support the staff of certain

institutions to enable them to identify the signs and consequences of violence against children and gender-based violence, as well as to assist the victims. Thirdly, the aim is to ensure the availability of suitable assistance for the victims of domestic violence and sexual violence. Fourthly, the aim is to strengthen methods designed to provide treatment for the perpetrators in order to break the vicious circle which is often a feature of this violence.

176. The action plan is wide-ranging and is comprised of 37 separate measures which cover all aspects of the problem that are considered likely to have an effect in reducing violence in the home and sexual violence. This includes preventive measures, support to employees in public institutions to enable them to identify indications of violence, measures to ensure appropriate assistance and to break the vicious circle in which violence often thrives. Each measure, together with the aims involved, is described in detail in the plan. The project is administered by the Ministry of Justice, the Ministry of Social Affairs and Social Security, the Ministry of Health and the Ministry of Education, Science and Culture. The Union of Local Authorities in Iceland also participated in some of the individual parts. The action plan can be found in English on the homepage of the Ministry of Social Affairs and Social Security: <http://www.felagsmalaraduneyti.is>.

177. Furthermore, the committee has published a small card with the telephone numbers of the principal institutions and organisations that offer assistance to victims of sexual abuse. The card is intended to be carried in a wallet or pocket with the aim of giving accessible and useful information for those in need of it. This was thought to be helpful as victims often take time before making up their minds to seek assistance and frequently are not in a position to find out for themselves where it can be found.

## **6. Comments in relation to para. 26 of the Committee's concluding observations**

178. In para. 26 of the Committee's concluding observations in regard to Iceland's third periodic report the State party was urged to increase its efforts to provide greater support to single-parent families.

*Committee concerning the situation of single parents and parents without custody, as well as the status of stepparents*

179. The Minister of Social Affairs and Social Security appointed a committee in the autumn of 2007 to discuss the situation of single parents and parents without custody, as well as the status of stepparents. The main role of the Committee was to review the financial and social situation of parents in this situation. The Committee was split into three working groups. The first group handled the legal and social status of children, the second group discussed the financial situation of the families and the third group considered reviews support and education for the families.

180. The Committee held a seminar in October 2008 under the heading "Are we working in the best interests of the children?". The seminar discussed the social, legal and financial status of children within different types of families. It was, inter alia,

stated that research shows that on the whole children of single parents have more problems than children who enjoy the attention of both parents.

181. The Committee delivered its report in April 2009. In view of the financial situation in Iceland the Committee found that it was important to assist families by reference to their income rather than only by reference to the type of family involved. However, the Committee stated that it was clear that the income of single parents was normally lower than the income of married or co-habiting couples. A committee which works under the auspices of the Minister of Justice will continue to review the proposals of the Committee which concern the legal status of children.

#### *Child benefits*

182. Those who support children receive child benefits until the child reaches the age of eighteen. The supporting party is considered to be the party which the child lives with and mainly supports it. A party which pays child alimony is not considered to be the supporting party in this sense. Married and co-habiting couples are both considered to be supporting parties and the child benefits are divided between them. Accordingly single parents who support their children receive child benefits.

#### *Social security payments*

183. There have not been any recent changes to the right of single parent to social security payments. Single parents have the right to mother- or father payments in accordance with Regulation No. 540/2002. Payments are based on the condition that the parent is supporting two or more children under the age of eighteen and that the children live in Iceland.

#### *Social Assistance from municipalities*

184. Social Assistance from municipalities is mainly granted to low-income families with children and among those are a vast number of single parent families. Single mothers are one of the largest groups which enjoy such assistance. The proportion of single mothers among those who were granted financial assistance in 2002 – 2006 is as follows:

2002 – 33,6%  
2003 – 33,5%  
2004 – 34,5%  
2005 – 34,0%  
2006 – 33,5%

185. Furthermore, services which are granted to single parents by municipalities are subsidized in various ways. For example single parents pay lower fees for childcare than married or co-habiting couples. For examples couples who live together pay 20.655 ISK for eight hours of childcare in Reykjavík, while single parents pay 12.207 ISK. Some municipalities have also subsidized fees for children of single parents in relation to sports and various hobbies. Many municipalities have granted single parents priority in regard to access to services, such as social housing and childcare.

186. Rental benefits are granted to low-income persons and thereof a large number consists of single parents.

187. In Reykjavík single parents may receive educational assistance to help them conclude school.

## **7. Comments in relation to para. 28 of the concluding comments**

188. In para. 28 of the Committee's concluding observations in regard to Iceland's third periodic report the Committee called upon the State party to take effective measures to address the high level of alcohol and drug consumption, particularly among young people.

189. In revision of the principal objectives of the Health Plan for the period to 2010, the objectives which aim to reduce use of alcohol and other substances by children and adolescents were reinforced. Under the Health Plan the principal objectives in this field are first of all that alcohol consumption should not exceed 5.0 litres per year of pure alcohol per head of population aged 15 and older and be as close as possible to none among younger people. Secondly the aim is that the use of alcohol and other substances by under-age young people should be reduced by 40%. The methods for achieving these objectives are as follows: educational and preventive efforts directed at children, adolescents and adults; enforcement of the ban on alcohol advertising and price control; easier access to treatment programmes for alcohol and substance abusers and systematic gathering and processing of statistics on alcohol and substance use by the population as a whole and individual social groups.

190. According to information from the Public Health Institute, which was founded by the merger of several specialist councils, including the Council on Prevention of Alcohol and Substance Abuse, there have been various recent developments which have the aim of preventing alcohol and drug abuse by young people.

191. The national campaign *Drug-Free Iceland*, which had the objective to educate young people's use of alcohol and other substances, was commenced in 1996 and ended in 2002. It was followed by the local-government project *Live Your Life* which was launched in 2003 with the objective of prompting preventive work in local communities by the provision of advice on the organisation and implementation of preventive programmes.

192. Collaboration with and among parents has been greatly increased, through such organizations as the Saman group, Heimili og skóli and Samfok. Furthermore, the President of Iceland, in collaboration with various bodies, launched an annual Prevention Day.

193. The collaborative board on prevention has, in collaboration with other voluntary bodies and young people themselves organized the so-called *I'm Going to Wait*

campaign in which youngsters state their reasons for waiting for as long as possible before starting to drink alcohol.

194. Furthermore, a campaign called *Cool not High* has been operating in primary and lower secondary schools (for ages 6 to 16). The focus is on establishing a good, healthy school society without use of alcohol, tobacco or other substances.

195. The police established a task force to deal with the sale of illegal substances in 2007 and the work of the customs authorities has become more active.

196. In 2006-2007 a cooperative agreement was undertaken by the Ministries of Education and Health to collaborate on prevention of alcohol and substance abuse and health promotion in upper secondary schools.

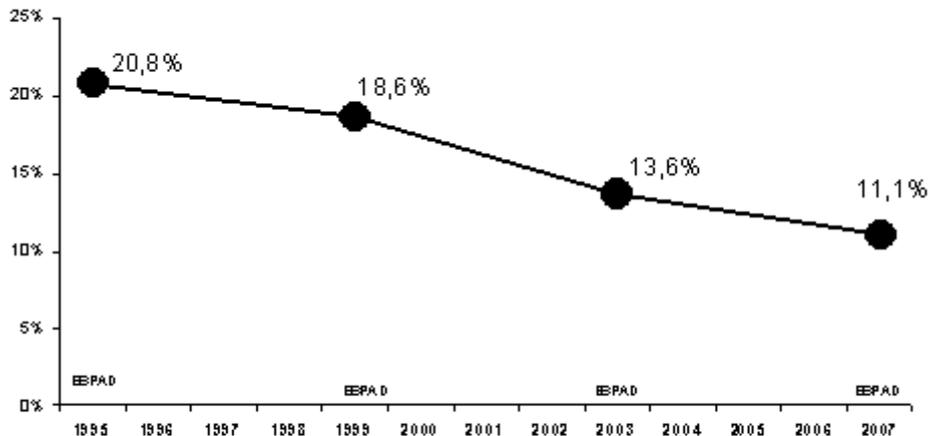
197. The Public Health Institute, in collaboration with primary health care, is preparing comprehensive educational material for all levels of compulsory education, i.e. ages 6 to 16. The material will include education on alcohol and other substances and will be taught by nurses. In addition the Institute runs regular advertisements on the effects of alcohol on violent behaviour and on the effects of alcohol during pregnancy. Last year special emphasis was placed on individual responsibility for oneself and others at open-air music festivals.

198. Furthermore, annual grants are allocated from a Prevention Fund for diverse prevention projects directed at different groups, but especially children and young people.

199. The age requirement for purchasing alcohol remains high and alcohol sales remain a state monopoly. In recent years the State Alcohol and Tobacco Company has placed special emphasis on careful examination of IDs of customers in liquor stores.

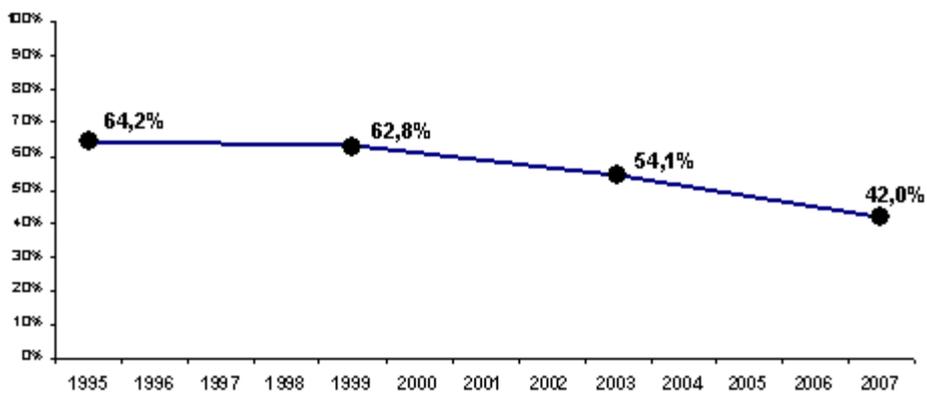
200. The National Centre of Addiction Medicine has operated a youth unit since 2000 which has eleven places and the prevention department was re-opened in 2006.

201. It should be pointed out that use of alcohol, tobacco and illegal substances has dropped among children of compulsory school age, i.e. aged 6-16, in recent years. This is evident from consumption surveys which were carried out jointly by the Institute of Public Health and Akureyri University. This can be seen from the accompanying figures from a presentation of the so-called ESPAD findings in 2007.



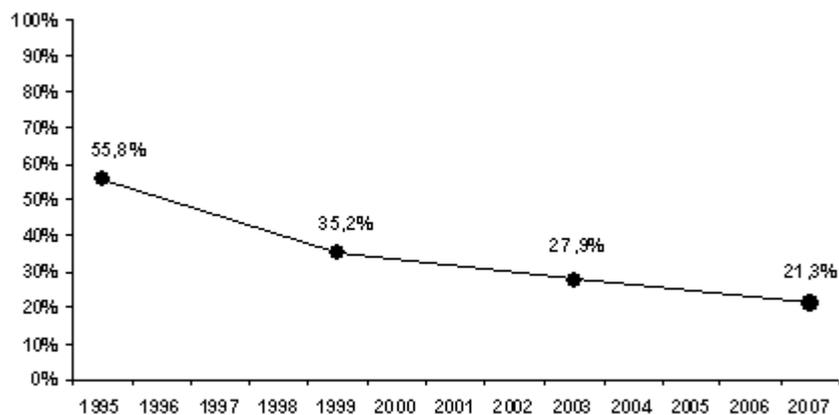
**Mynd 1**  
**Breytingar á hlutfalli íslenskra nemenda í 10. bekk**  
**sem reykja daglega**

Fig. 1  
 Changes in proportion of Icelandic pupils in year 10 (aged 15-16) who smoke daily.



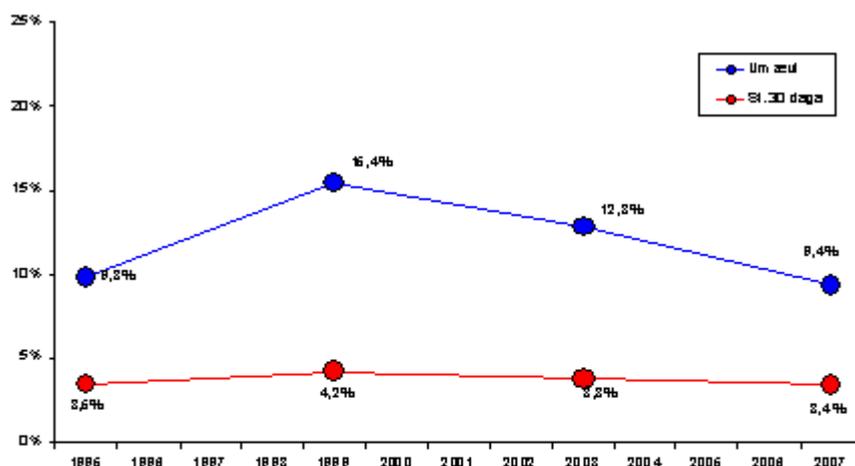
**Mynd 2**  
**Breytingar á hlutfalli nemenda í 10. bekk**  
**sem hafa orðið drukknið um ævina**

Fig. 2  
 Changes in proportion of pupils in year 10 (aged 15-16) who have been intoxicated at least once.



**Mynd 3**  
**Breytingar á hlutfalli nemenda í 10. bekk**  
**sem hafa orðið drukknir síðustu 30 daga**

**Fig. 3**  
 Changes in proportion of pupils in year 10 (aged 15-16) who have been intoxicated in the last 30 days.



**Mynd 5**  
**Breytingar á hlutfalli nemenda í 10. bekk**  
**sem hafa orðið reykt hass um ævina og á síðustu 30 dögum**

**Fig. 5.**  
 Changes in proportion of pupils in year 10 (aged 15-16) who have smoked cannabis at some point (blue line) or in the last 30 days (red line).

202. No fundamental changes have taken place in the legislation and regulations concerning housing since Iceland's third periodic report was prepared. However, some changes were made as a result of the financial crisis during the autumn of 2008 with the aim of assisting people who were having payment difficulties due to housing obligations.

### **1. Amendments to Act No. 63/1985 regarding Housing Mortgages to individuals**

203. Act No. 63/1985 on Payment Equalization of housing mortgages to individuals was enacted in 1985 to balance payment obligations because of housing loans and changes in wages on the employment market. The goal was to ensure that the payments obligations would not become heavier even though the purchasing power of wages decreased due to changes in the economy. From the time of enactment there have been substantial changes on the market for housing loans as banks and other financial institutions entered the market. In view of this and the financial crisis which has now hit Iceland it was considered necessary to extend the scope of the Act so that it was applicable to all indexed housing mortgages held by individuals. The goal is the same as before, i.e. to prevent payment obligations from increasing.

204. According to the Act a new index is calculated, the so-called payment equalization index (PEI). This index is a weighted average of the evolution of wages according to the Statistical Bureau's wage index and the evolution of employment as measured by Directorate of Labour. If "income" as calculated by the PEI increases less than the consumer price index (CPI), a part of the repayment on the loan's principal is postponed. This is done each time repayment is calculated until the PEI increases more than the CPI. According to the Act, the difference between the payment according to the loan conditions and the payment according to the above is recorded in a special account. The amount in this account is additional debt by the debtor and subject to the same interest conditions as the original loan. This debt is then repaid proportionally when the wage index exceeds the credit terms index (lánskjaravísitala) or in the years following the final payment date, if some debt is still outstanding.

### **2. Financial remedies of the Housing Financing Fund expanded**

205. After the financial crisis in the autumn of 2008 it became clear that more families would experience financial difficulties. Therefore the resources of the Housing Financing Fund were expanded and the debt-collection strategies of the Fund were made less severe. The Fund can, for example, revoke forced sales of housing if a third of payments which are in default are made instead of half of the payments as before. Furthermore, the eviction of housing which were up for forced sales was extended from one month to three months.

206. These remedies are additional to older remedies for people in financial difficulty which include extension of loans and the freezing of payments for up to three years.

Furthermore, the Government and financial institutions reached an agreement stating that the financial institutions would offer those who had taken housing loans comparable remedies.

## **ARTICLE 12**

### **1. The right to health**

207. On 1 September 2007 a new Health Service Act came into force, cf. Act No. 40/2007. The previous health service legislation was obsolete and unclear in many ways. The principle objectives of the new Act are, firstly, to define clearly the basic organisation of the public health service system. Secondly, to provide a clear legal framework for the Minister and other health authorities and individual healthcare facilities run by the state. Thirdly, to ensure active monitoring of health services and their quality, and fourthly to define more specifically the Minister's policymaking role within the legal framework, and to ensure that he/she always has the authority to implement policies, e.g. with respect to the organisation of health services, prioritisation of projects, where service is to be provided and by whom.

208. The Act is based upon the fundamental principle that an effective public health system shall be operated to which people have equal access, regardless of their financial status or place of residence. Emphasis is placed upon general medical services being provided locally and that the primary health care level should normally be the patient's starting point. The role of the National University Hospital as Iceland's leading hospital and a university hospital is defined, and that of Akureyri Hospital as a teaching hospital and specialised hospital.

209. On 1 September 2007 a new Act also took effect concerning the Directorate of Health, cf. Act No. 41/2007. The Act defines the status and role of the Directorate of Health as a monitoring and administrative body and includes provisions on the duty of the Director of Health to monitor professional aspects of the operations of health services and the work of health practitioners. The Act makes provision for the role of the Director of Health in information gathering and reporting in the health field and on the duty of health-service providers and health practitioners to notify and record incidents which may take place during provision of health services. Furthermore, the Act concerns the role of the Director of Health in quality development within the health service.

### **2 Improvement in dental health**

210. By Act No. 53/2005 the Social Insurance Act was amended to be consistent with the objective of the Health Plan for the period to 2010 in order to improve dental health in Iceland. The provisions of the Social Insurance Act were deemed inconsistent with the declared objective of the Health Plan, as the Social Insurance

Administration was authorised only to reimburse dental costs for fixed dental prosthetics, but not removable ones. This has been amended and in addition the Social Insurance Administration is now authorised to subsidize dental costs in order to prevent grave consequences of dental and oral infections for the health of immune-compromised patients.

211. From 1 June 2007 the Social Insurance Administration meets the full cost of one preventive consultation with a dentist for all children aged three and twelve years old covered by medical insurance, who use the services of a dentist who is party to the agreement.

212. By increased contributions to dental costs under new regulations the Social Insurance Administration is authorised to make a greater contribution to dental costs for the disabled and children with long-term illnesses in receipt of care allowances and dental care for developmentally-handicapped people aged over 18.

### **3. Reimbursement of costs for consultations with cardiac specialists**

213. By Act No. 82/2006 a free-choice reimbursement system was introduced in order to ensure the public's right to reimbursement of costs for consultations with cardiac specialists not working on the basis of a contract between the Reykjavík Medical Association and the Minister of Health's contracts board. The crux of the free-choice reimbursement system is that a primary healthcare physician or general practitioner must examine the patient, assess his/her condition and refer him/her to a cardiac specialist. This is necessary in order for the patient to be entitled to reimbursement for expenses which stem from consultation with a cardiac specialist who does not operate under the contract between the Reykjavík Medical Association and the Minister of Health's contracts board.

### **4. Mental health care for children and adolescents**

214. Mental health care for children and adolescents has been greatly increased. In August 2007 the government agreed to the Minister of Health's proposal for the allocation of ISK 150 million over the next 18 months to greatly increase services to children and adolescents with behavioural and mental disorders.

215. According to the Minister of Health's plan, children and adolescents will have easier access to the services of specialists in the field of mental health care. Furthermore, the number of staff in the service is to be raised and cooperation is to be enhanced between service providers. The consultative and service role of the National University Hospital Child and Adolescent Psychiatric Unit (BUGL) and the Centre for Child Health Services is to be expanded so these parties are able to respond to the urgent need which has arisen for their services.

216. The State has reached an agreement with self-employed psychologists with the aim of enhancing services to children and adolescents. The agreement, *inter alia*,

provides that psychologists who provide this service have extensive experience of treatment of children and adolescents. Provision is also made for the National University Hospital Child and Adolescent Psychiatric Unit (BUGL) and the Centre for Child Health Services to refer patients to psychologists.

## **5. Fees for primary health care**

217. Fees for primary health care and hospital visits have been abolished for children and adolescents under the age of 18 who are covered by medical insurance. Fees for adults have been raised from ISK 700 to ISK 1000. Senior citizens and those in receipt of disability pension pay, as before, a 50% fee for a primary health care visit or ISK 500 during daytime surgery hours. For a visit or return visit to a hospital Accident and Emergency Department the normal fee is ISK 4,600, which has risen by ISK 300. Senior citizens and those in receipt of disability pension pay 50%. The fee for a visit or return visit to a hospital outpatient department for services other than those of a physician is normally ISK 2,400, and has risen by ISK 200. Senior citizens and those in receipt of disability pension pay ISK 1,100. When a person aged 18-70 covered by medical insurance has paid a total of ISK 27,000 during one calendar year for health services, he/she is entitled to a discount card. The same applies when the total costs for children in one family exceed ISK 8,100 in one calendar year, i.e. the family is then entitled to a discount card for the children. When a pensioner has paid a total of ISK 6,500 in one calendar year for services, he/she is entitled to a discount card issued by the Social Insurance Administration. This category includes old-age pensioners aged 70 and older, disability pensioners and old-age pensioners aged 67-70 who were on disability pension prior to the age of 67, and old-age pensioners aged 60-70 who are on full pension.

## **6. Contributions to the costs of children's spectacles**

218. The Government has issued a regulation on state contributions to the costs of children's spectacles. The regulation applies to all children who require corrective spectacles up to a certain degree. The state's support was previously confined to children with certain visual defects up to the age of 16. The reimbursement age has now been revised from 16 to 18 years. The amount of the reimbursement was also raised from 37.5% of the price of lenses to 50% on average.

## **ARTICLES 13 AND 14**

219. School attendance in compulsory education (primary and lower secondary education), which lasts 10 years and covers ages 6-15, is 100%.

220. According to the European Commission's document "Progress towards the Lisbon Objectives in Education and Training, Indicators and Benchmarks 2007" the percentage of the Icelandic population aged 18-24 with only lower secondary education and not in education or training was 26.6% in 2006. This information is

based on Eurostat's Labour Force Survey. The percentage for males was 30,5% and 22,0% for women.

221. Iceland Statistics measured drop-out from upper secondary education between the school years 2004/2005 to 2005/2006. The data refers to students studying in October 2004 who were not studying at the same time in 2005 and had not graduated in the meantime. The average drop-out rate for students in day schools was 16.4%. It was 18.2% for males and 14.6% for females. For students in general education the rate was 13.2% and for vocational education it was 22%. Many of these students may only have taken temporary leave from studying as entry to upper secondary education is relatively open for all ages and most of the schools operate according to a uni-credit system. Of those who had for example dropped out between the autumn of 2003 and 2004, 29,6% had resumed their studies in 2005. Drop-out rates disaggregated by area of residence are not available.

222. The enrolment rates of age cohorts in the autumn of 2006 was according to Iceland Statistics as shown in the table below. It should be noted that some students may have finished short programmes by the age of 18-19.

**Enrolment rates of age cohorts 16-19, autumn 2006**

	<b>Total</b>	<b>Males</b>	<b>Females</b>
16 years	93	91	94
17 years	85	83	87
18 years	75	70	80
19 years	69	63	75

223. Students entering a university are required to have passed the Icelandic matriculation examination (*stúdentpróf – upper secondary school-leaving examination*) or to have completed other equivalent education. This includes students who have completed studies abroad which ensure sufficient preparation for university studies. Entrance to university studies is thus open for all irrespective of their nationality if the above-mentioned requirements are fulfilled. Foreign students shall acquire a residence permit. According to the Lisbon Convention Icelandic education institutions are to be flexible in relation to refugees, asylum-seekers and other foreigners if the situation in their countries prevents them from delivering their examination papers, certificates and diplomas.

224. A condition for receiving assistance from the Icelandic Student Loan Fund is currently that the applicant is financially competent and has been domiciled in Iceland for two continuous years before the beginning of the period for which the student has applied for, or has been domiciled in Iceland for three of the ten years preceding the beginning of the period.

225. However, in accordance with the EEA Agreement, individuals from the EU member states and the EEA and EFTA countries who have worked at their trade or profession in Iceland for at least one year are entitled to apply for a loan. Students from the Nordic countries, who are permanently resident in Iceland and are registered at an Icelandic institution of higher education, are also eligible for student loans if they are not supported financially by their own country. The Icelandic Student Loan

Fund may grant loans to other foreign student if reciprocity agreements have been concluded between their countries of origin and Iceland.

226. The Ministry of Education, Science and Culture annually offers a limited number of scholarships to foreign students to pursue studies in the Icelandic language and literature at the University of Iceland.

227. Provisions of the Act regarding the Icelandic Student Loan Fund on the right to financial assistance are currently being revised in order to give equal rights to all workers from the EU members states and the EEA and EFTA countries and their families. The Act does not specifically mention the right of asylum seekers to students loans but the Ministry of Education, Science and Culture considers that such issues belong to the general law on the legal status of asylum seekers.

## **ARTICLE 15**

228. The Ministry of Education, Science and Culture is responsible for administering the arts and general culture affairs in Iceland. State support of the arts and culture allows Icelandic citizens to enjoy arts and culture regardless of their social status and to ensure a favourable working environment for artists. The state's involvement in the arts primarily focuses on professional artists and arts institutions. The state's support in the field is outlined below.

### **1. Operation of arts institutions**

229. Through the operation of arts institutions the state wishes to ensure that the citizens are given the opportunity to enjoy art of the highest standards and to give professional artists the best possible conditions for their creativity. Moreover, art institutions are venues for creativity in Icelandic art and the preservation of the cultural heritage.

### **2. Direct allocation form the national budget to independent arts organizations and others**

230. The state allocates funding to independent agents who operate arts institutions founded on similar premises as those run by the state. This gives a greater number of individuals the opportunity to engage in artistic and cultural activities on a professional basis. Cultural agreements with local authorities also fall within this category.

### **3. Artists' salaries**

231. The state provides working grants to professional artists to ensure that they have the opportunity to devote themselves entirely to their craft, free from external concerns, thus ensuring a high standard of artistic creativity in Iceland.

### **4. Funds supporting the arts and general cultural affairs**

232. The Ministry of Culture allocates grants for projects of various types in order to ensure that professional and independent creative work takes place. Grants are also provided for artistic groups to secure consistency in their activities and work. In this way artistic creativity and expression on a professional basis are placed on a par with, for example basic research in the sciences.

## **5. Promotion of Icelandic arts and artists abroad**

233. Artists' participation in international cooperation is a necessary ingredient in promoting artistic creativity in Iceland and cannot be held separate from other artistic work. The state helps to facilitate such artistic cooperation in addition to actively promoting Icelandic arts and culture abroad.

## **6. Legislative measures and other state measures**

### *Funds for cultural development*

234. A new Act on Public libraries was enacted in 1997, i.e. Act No. 36/1997. The Act stipulates that all Icelandic residents shall have access to the services provided by public libraries and their role is defined as information and cultural institutions for the general public. Under the Act public libraries are defined as libraries for the public run by different local authorities on the one hand, and libraries in hospitals, nursing homes and prisons, on the hand. Under the Compulsory School Act and the Upper Secondary School Act, libraries shall also be operated for students. The Act is now under revision and it is anticipated that a library council will be established as well as a library fund to further strengthen the function of public libraries.

235. A special Literature Fund was set up by Act No. 91/2007. The role of the Literature Fund is to support Icelandic literature and book publishing by supporting the publication of original Icelandic works of fiction and quality publications that are likely to promote Icelandic culture. According to the Act authors who are citizens of or domiciled in a country within the EEA shall be entitled to payments for the use of their books in libraries which are funded by the Treasury or local authorities. The payments both relate to loans from libraries and the use of books in library reading rooms. Authors, translators, artists and composers are entitled to allocations, as well as other individuals who have played a part in the writing of books, provided that the books have been published in Icelandic, unless the books are translations, revisions, rewordings or adaptations of texts which were originally in a foreign language, and providing that their contribution is registered by the Icelandic Consortium of Icelandic Libraries or in another demonstrable manner. Allocations for the use of sound recordings and editions in digital format shall be made in the same manner. Translators and those who re-casts, reword or adapt foreign books in Icelandic shall nevertheless be entitled to allocations equivalent to two thirds of a full allocation. Other right-holders shall be entitled to full allocation. Entitlement to allocations is a personal right and shall lapse on assignment of copyright, irrespective of whether the assignment is partial or total.

236. Act No. 138/1998 on Dramatic Arts stipulates that the state funds and operates a national theatre and provides allocations from the national budget on an annual basis to support other forms of dramatic arts, both on a professional and amateur basis. In

addition to general theatre such funding may incorporate children's theatre, puppet theatre, opera and dance. A Drama Council is appointed for a two-year term to make recommendations to the Minister of Culture regarding funding for professional theatre groups.

237. By Act No. 6/2007 on the Icelandic National Broadcasting service the National Broadcasting Service became an independent limited company owned by the state. Its role is the operation of public service broadcasting of all types. Its sources of income include a special fee that shall be imposed on all individuals who are liable for tax and constitute independent entities for taxation. Furthermore, income stems from advertisements, sponsoring and the sale or rental of goods connected with its programmes.

238. Various public funds exist to further the arts in Iceland. The objective of Act No. 46/1998 on the Public Buildings Art Fund is to provide contributions to decorate public buildings and their surroundings with artwork in order to promote artistic creativity. It is stipulated that 1% of the total construction cost of any public building shall be used for decoration purposes for the building and its surroundings. Allocations are also made from the national budget each year for artistic decoration of other buildings.

239. Act No. 94/1984 on the Icelandic Film Fund was replaced by Act No. 137/2001 on Cinemas in 2001. According to the new Act the Icelandic Film Archive became an independent institution, the Icelandic Film Centre was established and a Film Council was established. The director of the Film Centre is responsible for allocation of funding from the Icelandic Film Fund. The main purpose of the Film Centre is to support the production and distribution of Icelandic films, facilitate the promotion, marketing and sales of Icelandic films in Iceland and abroad, to collect and publish information about Icelandic films, to work to advance cinematic culture in Iceland and to facilitate increased communication between Icelandic and foreign parties in the cinematic field.

240. According to Act No. 76/2004 a special Music Fund disburses grants to various music projects in addition to awarding fixed stipends to orchestras and other parties under various agreements. A Music Council provides recommendations to the Minister of Culture regarding allocation of grants.

241. Under Act No. 35/1991 on Artists' Salaries such salaries are allocated each year from four separate funds, i.e. the Writers' fund, the Visual Artists' Fund, the Composers' Fund and the Arts Fund. The purpose of the salaries is to stimulate artistic creativity in Iceland and to make it possible for artists to devote themselves entirely to their respective craft. Artists' salaries which are paid annually amount to a total of 1.200 monthly wages.

242. The state and local authorities have collaborated on a project called *Music for All*. Its goal is to introduce Icelandic compulsory school pupils to various forms of music. Musicians visit the schools and give concerts. Furthermore, from time to time theatre groups give performances in the schools.

### *Institutional infrastructure*

243. Various festivals are held in Iceland each year, especially during the summer. These festivals are organized by different organizations, local authorities or private persons with support from various funds. On the basis of cultural agreements between the state and local authorities the latter have generally taken on the role of administering the resources.

244. With support from the state cultural houses have been built or are under preparation in differing parts of Iceland. They are intended to strengthen appropriate facilities for cultural activities in the local communities.

245. The Icelandic Opera, which is a private enterprise, is supported by the state through a special agreement.

246. The Reykjavík Arts Festival has been held during the spring of every year from 2000 in Reykjavík as well as other parts of the country.

#### *Promotion of cultural identity*

247. By Act No. 40/2006 on the Árni Magnússon Institute for Icelandic studies the Icelandic language Institute, the Icelandic Dictionary of the University of Iceland, the Árni Magnússon Institute in Iceland (Icelandic manuscript collection), the Sigurður Nordal Institute and the Place-Name Institute were merged into one institution. The role of the institute is to conduct research on the Icelandic language and Icelandic studies, to transmit knowledge in those areas and to protect and develop the manuscript collections that it possesses or those placed in its care.

248. Iceland has ratified the following UNESCO conventions: Convention for the Safeguarding of Intangible Heritage, the Convention on the Protection and Promotion of the Diversity of Cultural Expression and the Convention concerning the Protection of the World Cultural and Natural Heritage.

249. Þingvellir National Park was added to UNESCO's World Heritage List in 2004.

250. The Icelandic Academy of Arts was established in 1999 on the basis of Act No. 43/1995 on Arts Education at University Level. The Academy operates four departments, i.e. the departments of fine arts, of design and architecture, of theatre and of music.