



Report on the employment of disabled people in European countries

Country: Iceland
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Background:

The [Academic Network of European Disability experts](#) (ANED) was established by the European Commission in 2008 to provide scientific support and advice for its disability policy Unit. In particular, the activities of the Network will support the future development of the EU Disability Action Plan and practical implementation of the United Nations Convention on the Rights of Disabled People.

This country report has been prepared as input for the *Thematic report on the implementation of EU Employment Strategy in European countries with reference to equality for disabled people*. The purpose of the report ([Terms of Reference](#)) is to review national implementation of the European Employment Strategy from a disability equality perspective, and to provide the Commission with useful evidence in support of disability policy mainstreaming. More specifically, the report will review implementation of EU Employment Strategy and the PROGRESS initiative with reference to policy implementation evidence from European countries, including the strategies addressed in the EU Disability Action Plan (such as flexicurity and supported employment).

PART ONE: GENERAL EVIDENCE

1.1 Academic publications and research reports (key points)

There is not an extensive body of research on the relationship between disability and employment issues in Iceland. A good deal of the existing work in this regard focuses on the disability pension system and its linkages to the conditions of the Icelandic labour market or other pension schemes available in the broader social welfare system. However, employment issues have been and continue to be a key component of the disabled people's movement in Iceland (Traustadóttir 2008).

One significant recent study, *Disability and welfare in Iceland in an international comparison* (Ólafsson 2005), explores a number of socio-economic indicators relating to disability in Iceland in a comparative framework. Drawing upon data from sources such as the OECD and Statistics Iceland, the report notes that the employment participation rate for disabled people is approximately 38% (Ólafsson 2005:59). Over the last few decades Iceland has enjoyed relatively high levels of employment which is posited as one key reason why there is a relatively low prevalence of disability pensioners in Iceland in comparison with other European nations (ibid.). However, examining data from 1992 through to 2006, Sigurdur Thorlacius and Stefán Ólafsson (2008) have noted that fluctuations in the employment market correlate to the rates of new disability pension recipients, with economic downturns coinciding with increased rates of disability pensioners.

Another report which had drawn some media attention in Iceland was the 2005 report by Tryggvi Þór Herbertsson entitled: *Fjöldgun öryrkja* (Increase of disability pensioners). This

report posited that recent upswings in the number of those who sought a disability pension are related to the nature of the pension system itself, primarily that the more generous disability pensions acted as a disincentive for pensioners from seeking waged labour and encouraged those on other social assistance schemes to seek a disability evaluation. This claim, however, as a general statement of fact is debatable as it focuses rather narrowly on financial incentives alone and ignores the sociological and psychological importance of employment, as well as overlooking the significant numbers of disabled people who do not seek to claim a disability pension (Ólafsson 2005:19–20; Traustadóttir 2008:77).

There are also a number of graduate theses which have focused on disability issues as they pertain to unemployment. One such includes Einarsdóttir's (2000) *Fatladar konur á almennum vinnumarkaði* (Disabled women in the general labour market). This research found that the success of disabled women in the labour market, aside from the initial placement by supported employment agencies, depended upon support from other co-workers, the attitudes of employers, and individual dispositions. Another thesis examined the issue of supported employment as well. Valdimarsson's (2003) *Atvinnumál fatladra: Málaflokkur í vanda* (Disability and employment: A field in trouble) found that supported employment agencies play a critical role in finding and enabling employment for disabled people in the open labour market. However, the research is critical of, among other things, the fact that certain support employment programs, such as AMS (Atvinna með studningi), began as an experimental programme but continues to remain categorized as such despite many years of operation.

1.2 Employment statistics and trends (key points)

While Iceland is not a member of the EU, and thus not covered under the report *Study of the compilation of the disability data from the administrative registers of the EU member states*, a wealth of statistical information on Iceland can still be found on the website for Hagstofa Íslands (Statistics Iceland <http://www.statice.is/>). More information on data relating to the disability pension system can be found at the website for Tryggingastofnun (Social Insurance Administration <http://www.tr.is/>). Both websites contain detailed information in English. However, it is important to note in regard to issues of disability that most of this information is based upon data collected about disability pensioners or those who are receiving rehabilitation services or other kinds of support, rather than disabled people more broadly. That being said, some work has been done which has examined the relationship between disability and employment.

Throughout the 1950s up until the late 1960s, unemployment in Iceland in terms of the general populace was practically negligible. Aside from a spike in unemployment in the late 1960s, attributed to the collapse of the herring stock (Ólafsson 2005:62), a key industry in Iceland at the time, the unemployment rate remained under the 2% mark until the early 1990s. After a significant spike of unemployment at the 5% level in the mid-1990s, the Icelandic labour market did recover but remained much more in flux than in previous years. For the first quarter of 2008, the unemployment rate was 2.3% (Hagstofa Íslands 2008).

One significant trend that is apparent in terms of the relationship between disability and employment in Iceland is that these fluctuating labour participation rates appear to be linked to the number of disability pensioners. Sigurdur Thorlacius and Stefán Ólafsson (2008)

explain that significant peaks in the rate of unemployment in the periods of 1993-1995, as well as from 2003 onwards, correspond to increased numbers of those seeking disability pensions, followed by a decline in such applications once the conditions of the labour market improve. The authors contend that a number of factors determine the disability pension rates, but that these fluctuations are primarily related to the unemployment rate. The data over the last decade reveal a similar pattern among both male and female pensioners. However, it must be noted that among the 12,000 disability pensioners in Iceland (in 2004) – that is, those between the ages of 16 and 66 who receive some form of disability assistance – women significantly outnumbered men (5,509 compared to 2,454 respectively) (see Ólafsson 2005: 33, 62–63).

There is no question that there has been a dramatic increase in disability pensioners in recent years. Disability pensioners constituted approximately 3.5% of the population of Iceland in 1986; this number has doubled by the year 2004 (Ólafsson 2005:37). Some of this can be explained by the fluctuations in the labour market, an aging population and overall population growth. But increases in the number of disability pensioners also include those who receive a full disability pension (referred to as 75% in Iceland) as well as those who subsist upon the less generous disability allowance (50-65%), so care must be taken to distinguish between absolute and proportional increases in disability pensioners when examining this data. Data gathered and analysed over the last decade by the Nordic Social-Statistical Committee (NOSOSCO 2002) reveal that the largest age group to receive as disability pension in Iceland has been those aged 50-59 and 40-49 respectively, with the smallest group being the youngest aged 16-19 (NOSOSCO 2002:141–142). A more recent report in Iceland made the claim that there was a significant increase in young disability pensioners (Herbertsson 2005). However these findings were disputed and the data continue to suggest that the prevalence of young disability pensioners remains small in comparison with the older age groups (Ólafsson 2005:39).

1.3 Laws and policies (key points)

The legal definitions of disability in Iceland are primarily based upon medical criteria (Flóvenz 2004). There are a number of laws and statutes in Iceland pertaining to disability. The key act is *Lög um málefni fatladra - númer 59/1992* (Act on the affairs of people with disabilities 59/1992 <http://eng.felagsmalaraduneyti.is/legislation/nr/3704>). The act espouses many goals and ideals pertaining to the equality and inclusion of disabled people in Iceland, with specific reference to the need for employment services, rehabilitation and personal support. It is also specifically stated in this law that disability rights organisations, such as Öryrkjabandalag Íslands (the Organisation of Disabled in Iceland) and Landssamtökin Throskahjálp (National Association of Intellectual Disabilities), among others, are to be consulted for their input regarding policy. However, it is a question as to the extent to which these ideals translate into practice. Some scholars have suggested that these policy ideals fall short in envisioning achievable targets and in their implementation, and that the full inclusion of disabled people in Iceland does not fare well in comparison with other European nations (Flóvenz 2004; Ólafsson 2005).



1.4 Type and quality of jobs (summary)

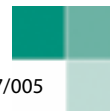
There are a number of vocational training centres and sheltered workshops in operation in Iceland that opened in the 1960s to the 1980s, including Tjaldarnes, a training school for men with intellectual disabilities as well as the sheltered workshops of Bjarkarás and Lækjarás, among others (Bjarnason 2002). Certain more recently established vocational training programmes, such as Hringsjá, are managed by disability rights organisations whereas others, such as the supported employment program AMS (Atvinna með studningi), operate under the auspices of the state through the Regional Offices for Disability Services. The primary goal of many of these programmes is to enable the transition to waged labour in the open labour market. However, some of those who complete the rehabilitation or training programmes are placed in sheltered workshops, particularly those with significant disabilities or in the cases of instructors who are not able to find appropriate work for their students (Traustadóttir 1996:143). Sheltered workshops continue to comprise a significant employment option for disabled people in Iceland, particularly for those with intellectual disabilities. There is a super-ordinate organisation SVV (*Samtök um vinnu og verkthjálfun* – The Icelandic Union of Special Employment and Training) which has coordinated the work of training institutions and sheltered workshops since 1985. Currently there are over 600 individuals working among the existing 24 sheltered workshops throughout Iceland (SVV 2008).

However, according to figures from 2003, only 4.4% of disabled people in Iceland received vocational rehabilitation and few disabled people benefit from active labour market policies (Ólafsson 2005:119, 122). This indicates that Iceland falls far behind the other Nordic nations in this regard.

PART TWO: SPECIFIC EXAMPLES

2.1 Reasonable accommodation in the workplace

One key organisation in the capital city of Reykjavik, SSR, the Regional Office for Disability Services, offers a supported employment programme, AMS (Atvinna með studningi). This programme provides personal assistants, including long-term assistance if need be, for disabled people in order to support their positions in the labour market. One of their aims also includes assistance to employers in order to accommodate the needs of disabled workers. The AMS programme operates under the auspices of the SSR and the Ministry of Social Affairs. However, there is a lack of publicly available information on the evaluation of these programmes. Some information is available from SSR (2004) which provides basic data on expenditures and client numbers, but limited information is available on how the clients fare under these programmes. A few studies have been undertaken in the form of independent academic research projects. For example, Einarsdóttir (2000) reports in the first 5 months of operation of the AMS supported employment programme that one woman was successfully placed in employment. In April of 2000, 20 individual were active in the AMS programme: 17 found employment, but only 2 were fulltime positions (Einarsdóttir 2000:31). Further, by 2002 there were 67 people on a waiting list for this programme (Valdimarsson 2003:67). The SSR has publicly released statistics from 2003 which indicates that 73 people at



the time were active in AMS supported employment programme. However, what is lacking is detailed and longitudinal research on the outcomes and effectiveness of these programmes.

2.2 Other activation policies

The Janus rehabilitation initiative of 2000 (see Siggeirsdóttir et al. 2004) was a programme intended to rehabilitate and retrain disability pensioners in order to assist in their transition back to the labour market. This programme focused on ‘motivating’ the clients through courses in a number of areas ranging from counselling, to physical therapy, to practical skills such as computer literacy. From 2000-2001, 40 clients were admitted to the programme (13 women and 27 men). As a result of follow-up research in 2002, 23 continued to receive a disability pension, 8 returned to fulltime employment, 2 to part-time work, 2 to part-time and further education, and 5 on to full-time education. The authors of the report note that education played a key role, as the higher the level of education the client had achieved the greater the chance he or she would be able return to work. Conversely, the longer period of time the clients had been out of the labour market impacted negatively upon their chances of returning.

2.3 One example of best practice

One example of best practice is perhaps the AMS (Atvinna með studningi) supported employment programme detailed above, which operates under the auspices of the SSR Regional Office for Disability services in Reykjavík and the Ministry of Social Affairs. The aims of the programme are to assist disabled people with job placement, ensuring an appropriate match between employee and employer, and with an additional emphasis upon long-term support. This can take the form of personal assistants as well as efforts to help the employee adjust to the work environment as well as to help the employer adjust to the employee. A further emphasis is placed upon ensuring the employees receive the same benefits and duties as their co-workers. Some brief statistics (in Icelandic) regarding the AMS programme can be found on the SSR website (<http://www.ssr.is/gagnlegar-upplysingar/arsskyrslur/>). However, as mentioned earlier, there is a lack of publicly accessible information regarding any evaluations of this programme. There have been some independent evaluations in the form of scholarly research in this area, usually in the form of MA theses and essays (Einarsdóttir 2000; Valdimarsson 2003; Ellertsdóttir et al. 2002). Questions have been raised regarding the success rate of the programme relating to the numbers of clients who have found full-time employment, the length of waiting lists, and the ongoing categorisation of the programme as ‘experimental.’

PART THREE: SUMMARY INFORMATION

3.1 Conclusions and recommendations (summary)

The available data on the relationship of disability to employment issues suggests that Iceland is characterised by high rates of employment participation in terms of the general populace, but that disabled people face relatively much lower instances of employment participation. Given that this stands in the context of historically low levels of unemployment

in Iceland, this suggests that economic downturns will adversely affect the employment of disabled people, in addition to shifts towards the emphasis upon competitiveness in the Icelandic labour market.

The number of disability rights organisations in operation, some of which are consulted by the Icelandic government in policy making decisions, is an important strength, as is the number of supported employment programmes. However, a key emphasis on sheltered workshops is not in keeping with practices in other European nations that are moving away from sheltered workshops towards employment alternatives in the general labour market. Further, there is a dearth of evidence on the effectiveness of these programmes and much more research on the relationship between disability and employment, and disability issues in general, needs to be done in Iceland.

3.2 References

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