



Report on the employment of disabled people in European countries

Country: Iceland
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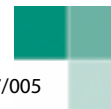
Background:

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).

The first version of the report was published in 2008. This is the second version of the report updated with information available up to November 2009.



Summary of changes since 2008

New quantitative data

While quantitative data on employment and the labour market in Iceland is regularly compiled and updated by Statistics Iceland, this data rarely sheds light on employment and disability. The most significant quantitative data to emerge is an ongoing research project that is based upon original survey research for a PhD dissertation project. The findings are only beginning to emerge, some of which are described further below in the report (Guðrún Hannesdóttir, Sigurður Thorlacius and Stefan Ólafsson (in progress) *Work in the Life of Disability Pensioners in Iceland*). But it must be noted as well that much quantitative research on disability and employment in Iceland focuses on disability pensioners rather than disabled people in general. Iceland continues to lack nationally-based statistics on self-reported disability.

New policy changes

The key policy shift regarding the employment of disabled people in Iceland comes under the 2006 law *Lög um vinnumarkaðsaðgerðir nr. 55/2006* (Act on Labour Market Initiatives). Under this law, the responsibility for employment matters concerning disabled people that had fallen under the jurisdiction of each Regional Office for the Affairs of Disable People will now be shifted over to Vinnumálastofnun, the Icelandic Directorate of Labour. This process is under way and is expected to be complete by the close of 2010. As such, the effects of this policy shift upon labour issues concerning disabled people remains unclear currently.

New research evidence

Guðrún Hannesdóttir, Sigurður Thorlacius and Stefan Ólafsson (in progress) *Work in the Life of Disability Pensioners in Iceland*. This ongoing research draws upon publicly available data as well as new survey research. The project's initial findings include: 96% of disability pensioners have worked at some point in their lives, yet only 28% have worked in the last 6 months and only 20% were working during the time of the survey. The primary reason given for absence from the labour market was health status, as well as uncertainty about individual capabilities and an inflexible labour market that does not consider the varying special needs of disabled workers.

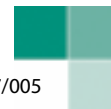
María Elísabet Guðsteinsdóttir (2009). *Atvinnumál fólks með þroskahömlun: Velgengni og félagsleg staða á vinnumarkaði* (Employment and People with Intellectual Disabilities: Success and social status in the labour market). MA Thesis. Faculty of Social and Human Sciences: University of Iceland. This recent research investigates the conditions faced by people with intellectual disabilities in the open labour market. Among the factors found to substantially increase the success of finding and retaining employment were: gradual introduction to the working environment, support from co-workers and management, tasks suited to the abilities of the worker and good social interaction with co-workers. Difficulties included too demanding tasks and problems in communication. The conclusion argues that it is crucial for workplaces to offer good training, support and a friendly social environment for people with intellectual disabilities.

Blindrafélagið (The Association for Blind and Visually Impaired People in Iceland) commissioned 3 Capacent/Gallup surveys in May and June of 2009 that polled 1200 members of the general public in Iceland and 168 of the Association's members on their views on a number of issues relating to the situations of people who are blind or have with visual impairments. When asked as to what they felt were the most important issues currently facing blind and visually impaired people, the clear majority (46.9% and 48.9% respectively) rated increasing job opportunities as the most pressing issue, followed closely by increasing educational opportunities. In contrast, social issues such as reducing prejudice were rated as far less of a pressing concern (17.5% and 12.0% respectively) in comparison to the issues of education and employment, as economic issues clearly occupied the minds of those polled.

When faced with a choice of 7 scenarios, 'finding employment' was rated as the most difficult for blind and visually impaired people; 40.8% rating this as 'very difficult' and 12.2% of those polled as 'difficult in every respect.'

The economic crisis

The recent economic crisis has hit Iceland particularly hard, especially in the wake of the collapse of the banking sector in the autumn of 2008. Among other things, this has resulted in increased rates of unemployment that have affected both disabled and non-disabled workers. In terms of disabled people specifically, it is difficult to assess the impact of the crisis. For example, one official with a work habilitation centre in the sub-urban city of Kópavogur has relayed to the authors of this report that some of the companies that accept referrals for employment positions or have contracts with this habilitation centre are either encountering difficulties or have gone out of business. However, this official also pointed out that it is difficult to say with precision the extent to which this is the result of the recent crisis, or how the other two dozen or so sheltered workshops around the country are faring, not to speak of disabled employees who work in the open labour market and have little or nothing to do with the municipal support systems. Another official with the Icelandic Directorate of Labour reported as well that, at least in the greater Reykjavík area, the anticipated increase in requests for assistance for job training or placement for disabled people have not materialized to the levels expected. Without further research, in conjunction with a number of state and municipal agencies, any statements on the impact of the crisis for disabled people remain speculative.



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 drew some media attention in Iceland was the 2005 report by Tryggvi Thór Herbertsson entitled: *Fjölgun öryrkja* (Increase of disability pensioners). This report posited that recent upswings in the number of those who sought a disability pension were related to the nature of the pension system itself, primarily that more generous disability pensions acted as a disincentive for pensioners from seeking waged work 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 employment. 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, apart 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 a pilot programme but continue to remain categorized as such despite many years of operation. María Elísabet Guðsteinsdóttir's recent (2009) *Atvinnumál fólks með þroskahömlun: Velgengni og félagsleg staða á vinnumarkaði* (Employment and People with Intellectual Disabilities: Success and social status in the labour market), research investigates the conditions faced by people with intellectual disabilities in the open labour market. Among the factors found to substantially increase the success of finding and retaining employment were: gradual introduction to the working environment, support from co-workers and management, tasks suited to the abilities of the worker and good social interaction with co-workers. Difficulties included overly demanding tasks and problems in communication. The conclusion argues that it is crucial for workplaces to offer good training, support and a friendly social environment for people with intellectual disabilities.

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. Apart 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 in 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 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 had 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).

The most significant recent factor in Iceland affecting employment is the economic crisis, which hit Iceland particularly hard in the autumn of 2008, resulting in the collapse of the banking sector, the devaluation of the currency and rising unemployment. In the first quarter of 2009, the unemployment rate quickly rose to 7.1% and again to 9.1% in the second quarter—numbers that are quite unusual for Iceland in recent memory—though the numbers have subsided somewhat to 6.0% as of the 3rd quarter of 2009.

In terms of disabled people specifically, it is difficult to assess the impact of the crisis. For example, one official with a work training centre in the sub-urban city of Kópavogur has relayed to the authors of this report that some of the companies that accept referrals for employment positions or have contracts with this training centre are either encountering difficulties or have gone out of business. However, this official also pointed out that it is difficult to say with precision the extent to which this is the result of the recent crisis, or how the other two dozen or so sheltered workshops around the country are faring, not to speak of disabled employees who work in the open labour market and have little or nothing to do with the municipal support systems. Another official with the Icelandic Directorate of Labour reported as well that, at least in the greater Reykjavík area, the anticipated increase in requests for assistance for job training or placement for disabled people have not materialized to the levels expected. An official with the supported employment agency AMS (Atvinna með studningi) in Reykjavík similarly reported that the anticipated impacts of this economic crisis have as yet not manifested within their area of work. Without further research, in conjunction with a number of state and municipal agencies, any statements on the impact of the crisis for disabled people remain speculative.

The findings of a forthcoming research project may also shed further light on issues of disability and employment in Iceland. Guðrún Hannesdóttir, Sigurður Thorlacius and Stefan Ólafsson's (in progress) *Work in the Life of Disability Pensioners in Iceland* has found, among other things, that 96% of disability pensioners have worked at some point in their lives, yet only 28% have worked in the last 6 months and only 20% were working during the time of the survey. The primary reason given for absence from the labour market was health status, as well as uncertainty about individual capabilities and an inflexible labour market that does not consider the varying special needs of disabled workers.

However, the availability of reliable quantitative figures pertaining to the employment of disabled people, and disability issues in general, in Iceland is currently quite poor. Part of the reason for this is that there are a number of state, regional and municipal level agencies responsible for a number of issues pertaining to disability. Thus, information concerning disability issues is fragmented, with no centralized database and the national statistical agency, Hagstofa Íslands (Statistics Iceland), does not appear to be mandated to collect this information nor does it report on many issues concerning disability. Secondly, national censuses are not conducted in Iceland and thus no national level figures on self-reported disability exist. Third, in the absence of a self-reported disability rate or centralized database, social scientists have generally relied upon the only consistent source of information concerning disability figures in Iceland—Tryggingastofnun ríkisins (the Social Insurance Administration of Iceland) that oversees the disability pension system. As such, it is important to remember that the information provided by this agency only refers to people who receive a pension, have been evaluated by this agency as eligible for a pension, and are between the ages of 16–66 years old. Therefore, the information provided is limited and under-reports all figures in Iceland concerning disability, as it only includes disability pensioners and excludes those too young to receive a pension, those who receive a senior's pension, as well as disabled individuals who have little or nothing to do with the disability pension system.

In 2008, 1900 individuals (or 13% of disability pensioners) who were eligible for a pension received all of their income from earned sources. This figure is derived from information provided to the authors of the report from the Organization of Disabled People in Iceland (ÖBÍ) via the State Social Insurance Administration (Tryggingastofnun). It refers to figures that compare data concerning disability pensioners between March 1, 2007 and September 1, 2008. This number therefore suggests that these individuals were employed full-time, but excludes those who work but have not received a disability evaluation from Tryggingastofnun. The term 'employment' used here does not follow the Eurostat definition, which includes those who have worked even 1 hour in the reference week, and thus would under-report the employment of disabled pensioners as per that definition.

1.3 Laws and policies (key points)

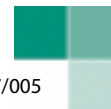
Legal definitions of disability in Iceland are primarily based upon medical criteria (Flóvenz 2004). There are a number of laws and statutes in Iceland pertaining to disability. The key act is *Lög um málefni fatladra - númer 59/1992* (Act on the affairs of people with disabilities 59/1992 <http://eng.felagsmalaraduneyti.is/legislation/nr/3704>). 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, the extent to which these ideals translate into practice is questionable. 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).

The key policy shift regarding the employment of disabled people in Iceland comes under the 2006 law (Alþingi 2006) *Lög um vinnumarkaðsaðgerðir nr. 55/2006* (Act on Labour Market Initiatives). Under this law, responsibility for employment matters concerning disabled people that had fallen under the jurisdiction of each Regional Office for the Affairs of Disabled People was shifted over to Vinnumálastofnun, the Icelandic Directorate of Labour. This process is under way and is expected to be completed by the close of 2010. As such, the effects of this policy shift on labour issues concerning disabled people remains unclear currently.

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 Hring sjá, 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 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 where instructors 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, also known as Hlutverk, (*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. Recent information was collected by Hlutverk on behalf of the authors of this report after a request for this information. The data indicates that in 2007, a total of 243 individuals received supported employment training (AMS – Atvinna með stuðningi). The gender ratio was similar to that of sheltered workshops: 36% women and 64% men. In 2008, this number increased to 255 and the gender ratio remained fairly constant: 35% women and 65% men. Reporting from 28 sheltered workshops and habilitation centres across Iceland in 2008, 777 people were working in sheltered workshops, vocational rehabilitation or job training centres. In total, 1032 disabled individuals received some form of supported employment, job training or employment in a sheltered workshop in 2008. This represents approximately 6% of the total number of disability pensioners (16,885) in Iceland 2008. While this figure appears to be an improvement compared with earlier data (4.4% in 2003 – Ólafsson 2005:119, 122), it still suggests that relatively few disabled people in Iceland benefit from active labour market policies.



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 med 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 full time employment, 2 to part-time work, 2 to part-time and further education, and 5 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, longer periods of time out of the labour market impacted negatively upon clients’ chances of returning.

2.3 One example of best practice

One example of best practice is perhaps the AMS (Atvinna med 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 to help the employee to 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-upplýsingar/arsskyrslur/>). However, as mentioned earlier, there is a lack of publicly accessible information regarding any evaluations of this programme. There have however 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 that disabled people in Iceland face relatively much lower instances of employment participation. This has been the case within the context of Iceland's historically low levels of unemployment and continues to be the case within the context of the recent economic crisis and higher than normal levels of overall unemployment. The impressions of officials within the supported employment and job training centre system seem to suggest that the crisis, as yet, has not had an overly negative impact on the users of their services. However, there is a lack of comprehensive and longitudinal data on these issues. Furthermore, generally speaking, many of the employment positions of disabled people within the sheltered employment workplaces, job training and support employment programmes are often low-skilled and part-time positions, and it may be possible that such positions are not as sensitive to economic fluctuations within the open labour market. Lastly, there is little data on the effects of the recent crisis upon the employment situations of disabled workers in the open labour market who are not the clients of any kind of supported employment agency.

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.

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Annex 1: quantitative data on the employment of disabled people

Year: 2008	Absolute? (N)	Percentage (%)	Change (from previous year)
Disability rate	16,885 (a)	7.8% (b)	+739 individuals
Employment rate of disabled people	1,900 (c)	13% (d)	+208 individuals
Activity rate of disabled people¹	4,900 (e)	29% (f)	N/A
Inactivity rate of disabled people	2,896 (g)	20% (h)	- 738 individuals (i)
Employment in open labour market	unavailable		
Employment in sheltered workshop	777 (j)		+12 individuals
Reason for leaving the labour market due to disability or long standing health problem	unavailable		

Year:	% Permanent	% Temporary
Permanent contracts vs. short term contracts	unavailable	

Year:	% Full-time	% Part-time
Full time vs. part time jobs	unavailable	

Year:	Public sector	Private sector	(e.g. comment or give % employers meeting obligations?)
Fulfilment of employment quota (if it exists)	Not applicable in the case of Iceland	N/A	

Participation in training of disabled people	In 2007, a total of 243 individuals received supported employment training (AMS – Atvinna með stuðningi). The gender ratio was similar to that of sheltered workshops: 36% women and 64% men. In 2008, this number increased to 255 and the gender ration remained fairly consistent: 35% women and 65% men.	(e.g. comment or give number of people participating in vocational or work-related employment)
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¹ Data is based only on the population of people receiving disability pensions aged 16-66

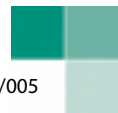
Comment to Annex 1:

The state of knowledge of reliable quantitative figures pertaining to the employment of disabled people, and disability issues in general, in Iceland is currently quite poor. Part of the reason for this is that there are a number of state, regional and municipal level agencies responsible for a number of issues pertaining to disability. Thus, information concerning disability issues is fragmented, with no centralized database and the national statistical agency, Hagstofa Íslands (Statistics Iceland), does not appear to be mandated to collect this information nor does it report on many issues concerning disability. Secondly, national censuses are not conducted in Iceland and thus no national level figures on self-reported disability exist. Third, in the absence of a self-reported disability rate or centralized database, social scientists have generally relied upon the only consistent source of information concerning disability figures in Iceland—Tryggingastofnun ríkisins (the Social Insurance Administration of Iceland) that oversees the disability pension system. However, it is important to remember that the information provided by this agency only refers to people who receive a pension, have been evaluated by this agency as eligible for a pension, and are between the ages of 16–66 years old. Therefore, the information provided is limited and under-reports all figures in Iceland concerning disability, as it only includes disability pensioners and excludes those too young to receive a pension, those who receive a seniors' pension, as well as disabled individuals who have little or nothing to do with the disability pension system. Lastly, on the one hand efforts are underway to move employment related issues from the level of the regional office for the affairs of disabled people (svæðisskrifstofa málefna fatlaðra) to the Icelandic Directorate of Labour. The authors of this report are in contact with a key official responsible for this transition and it is possible in the near future that more reliable data concerning employment will result. However, on the other hand there are ongoing efforts to shift responsibility for other affairs concerning disabled people from the Regional Offices to the individual municipalities throughout Iceland. What this means for the provision of services remains to be seen, but considering the already fragmented nature of data concerning disability in Iceland this does not suggest that this situation will improve.

Note (a): The figure of 16,885 refers to the following individuals based upon information provided by the State Social Insurance Administration which can be found [here](#): 14,103 disability pensioners (those rated as '75%' and who received a full pension); 532 individuals who are eligible for a pension but did not receive one due to income; 209 individuals who did not receive a pension as they resided within a healthcare institution; 1,137 individuals who received a rehabilitation pension; 75 individuals eligible for a rehabilitation pension but did not receive one due to income; 651 individuals who were not evaluated as 'fully disabled' and received the less generous disability allowance; and 178 individuals who were eligible for the disability allowance but did not receive one due to income. It is important to note as well that not all research and reports concerning the disability pension system in Iceland employ all of these categories; a combination of the first two categories is most typical.

Note (b): It is important to note that this percentage refers to the number of people reported in 'note (a)' as a percentage of the national population of Iceland between the ages of 16–66 in 2008, as those younger and older are not eligible for a disability pension: the former receive (via their parents/guardians) child specific disability or illness benefits and the latter a seniors' pension.

Note (c): This figure is derived from information provided to the authors of the report from the Organization of Disabled People in Iceland (ÖBÍ) via the State Social Insurance Administration (Tryggingastofnun). It refers to figures that compare data concerning disability pensioners between March 1, 2007 and September 1, 2008. The figure of 1,900 refers to the number of individuals in 2008 who were eligible for a pension, but received all of their income from earned sources. This number therefore suggests that these individuals were employed full-time, but excludes those who work but have not received a disability evaluation from Tryggingastofnun. The term 'employment' used here does not follow the Eurostat definition which includes those who have worked even 1 hour in the reference week, and thus would under-report the employment of disabled pensioners as per that definition.



Note (d): This percentage is derived from comparing the number of individuals who were eligible for a pension but received all of their income from earned sources in 2008, with the 2008 population of disability pensioners as set by the above mentioned report.

Note (e): The number provided of 4,900 refers to the number of individuals who received, or were evaluated as eligible for, a disability pension in 2008 but who received a sum greater than 0 in earned income (launatekjur). It was reasoned that this number approximates the number of disability pensioners who were in some way active in the labour market, but it does not quite approximate the Eurostat defined 'activity rate' which statistically refers to the overall potential labour force. It is currently unknown how many disability pensioners were unemployed; that is, those actively seeking or ready to begin work.

Note (f): This is a percentage of disability pensioners who received some form of earned income in 2008 as a percentage of the total number of disability pensioners. No corresponding figure for 2007 was provided.

Note (g): The inactivity rate of disabled people in Iceland is currently unknown. What can be stated is that in 2008, 2,896 individuals received all of their income from the disability pension system and nothing from earned, waged labour. This, however, does not necessarily mean that all such people were 'inactive' in the sense of not actively looking for work and thus this number must be treated with caution.

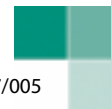
Note (h): The figure of 20% is a percentage of disability pensioners who received all of their income from social security in 2008 as a percentage of the total number of disability pensioners.

Note (i): This may be an important number to warrant further attention, as it appears to indicate that there were 738 less people in 2008 who were entirely dependent upon social security benefits than in 2007. However, this number is derived from data as of September 1, 2008, just before the worst of the economic crisis affected Iceland, and therefore information from 2009 needs to be sought for comparative purposes.

Note (j): Reporting from 28 sheltered workshops and habilitation centres across Iceland in 2007-2008:

2007: A total of 765 individuals worked in sheltered workshops in Iceland. The gender ratio was 41% women and 59% men.

2008: A total of 777 individuals worked in sheltered workshops in Iceland: an increase of 12 individuals compared with 2007. The gender ratio remained identical: 41% women and 59% men.



Annex 2: 2008-9 laws and policies on the employment of disabled people

Name of law:	<i>Lög um vinnumarkaðsaðgerðir nr. 55/2006 (Act on labour market initiatives)</i>
Date of entering into force:	2006, but longitudinal implementation to be completed by 2010.
Objective:	Transfer of the responsibility for employment affairs from each Regional Office for the Affairs of Disabled People to Vinnumálastofnun, the Icelandic Directorate of Labour.
Impact assessment (positive/negative):	Uncertain as of time of writing.

Name of law:	
Date of entering into force:	
Objective:	
Impact assessment (positive/negative):	

Name of law:	
Date of entering into force:	
Objective:	
Impact assessment (positive/negative):	

Annex 3: 2008-9 research/evaluation on the employment of disabled people

Publication details (author, date, title, etc):	Guðrún Hannesdóttir, Sigurður Thorlacius and Stefan Ólafsson (in progress). <i>Work in the Life of Disability Pensioners in Iceland.</i>
Key findings from the research:	96% of disability pensioners have worked at some point in their lives, yet only 28% have worked in the last 6 months and only 20% were working during the time of the survey. The primary reason given for absence from the labour market was health status, as well as uncertainty about individual capabilities and an inflexible labour market that does not consider the varying special needs of disabled workers.
Comment or assessment:	This research is ongoing, but it is bound to produce further findings and publications. The research is based upon primary survey research undertaken for a PhD project, and as such is not publicly accessible at the moment.

Publication details (author, date, title, etc):	María Elísabet Guðsteinsdóttir (2009). <i>Atvinnumál fólks með þroskahömlun: Velgengni og félagsleg staða á vinnumarkaði (Employment and People with Intellectual Disabilities: Success and social status in the labour market)</i>. MA Thesis. Faculty of Social and Human Sciences: University of Iceland.
Key findings from the research:	This recent research investigates the conditions faced by people with intellectual disabilities in the open labour market. Among the factors found to substantially increase the success of finding and retaining employment were: gradual introduction to the working environment, support from co-workers and management, tasks suited to the abilities of the worker and good social interaction with co-workers. Difficulties included too demanding tasks and problems in communication. The conclusion argues that it is crucial for workplaces to offer good training, support and a friendly social environment for people with intellectual disabilities.
Comment or assessment:	Currently only available in Icelandic.

Publication details (author, date, title, etc):	
Key findings from the research:	
Comment or assessment:	