

# Small States Social Policy

Iceland

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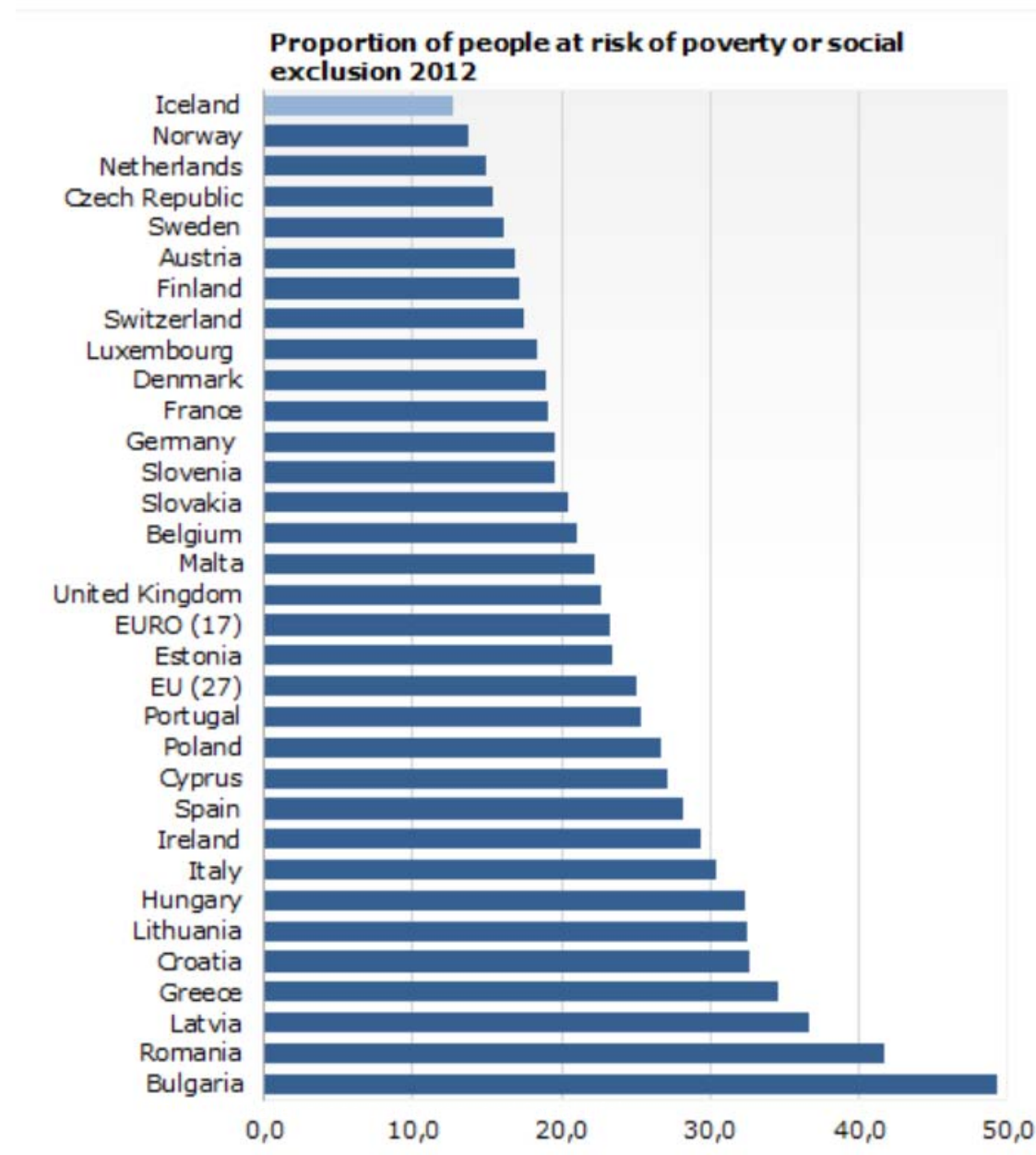
## Social policy - Welfare/Well-being model

- ❑ What kind of welfare system exists in the country?
  - Iceland wishes to align itself with the Nordic welfare model in all areas regarding health, disability, unemployment, etc.
  - The health care system is both public and private. Most other sectors of the welfare system are public.
  - Iceland's social policy model is highly influenced by the Nordic welfare model.

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## Social policy – social (re)distributions

- ❑ Approach to social protection mechanisms (e.g. pensions, health insurance):
  - ❑ universal – everyone is participating, regardless of their will
- ❑ Forms of social (re)distributions, regulations and rights;
  - ❑ Risk of poverty and social exclusion among the lowest in Europe (Source: Statistics Iceland)
  - ❑ “The rapidly growing capital area surrounding Reykjavik offers a diversity of professional, service, government and business opportunities that cannot be matched in other areas of the country. In sharp contrast, occupational opportunities in many rural areas are rather limited and tend to be highly gendered “ (source: WHO)
  - ❑ According to the OECD 16% of Iceland’s GDP is spent on Social spending



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## Social policy - Social protection beneficiaries

- ❑ “The social protection system in Iceland is mainly a residence-based system covering the entire population. Hence, legal residence has to be registered in Iceland. In addition other qualifying conditions may apply for distinctive benefits.” (European Commission)
- ❑ The social security schemes encompass the following:
  - ❑ the national pension scheme (providing old-age, invalidity, and survivor's pensions);
  - ❑ the mandatory employment pension scheme (with pension funds providing old age pensions starting between ages 65-70, invalidity pensions, and pensions to surviving spouses and/or children);
  - ❑ the healthcare and health insurance scheme;
  - ❑ the general family benefits scheme;
  - ❑ the maternity/paternity benefits scheme;
  - ❑ the unemployment insurance scheme. (European Commission [https://ec.europa.eu/employment\\_social/empl\\_portal/SSRinEU/Your%20social%20security%20rights%20in%20Iceland\\_en.pdf](https://ec.europa.eu/employment_social/empl_portal/SSRinEU/Your%20social%20security%20rights%20in%20Iceland_en.pdf))
- ❑ The public national pension scheme is financed by the social security contribution paid by employers (and self-employed persons), and by taxes.
- ❑ Other stakeholders and their position: Red cross, charities, NGO's

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## Social policy - Poverty and Social Exclusion

- Poverty rate: 0.054 (Numbers from OECD)
- In 2015 1,3% of the population lived in poverty (from 0,7-1,8%) according to Stjornarradid.is (Government Iceland)
- Groups in the risk of poverty;
  - Women have a higher risk of being poor than men
  - Old people
  - Unemployed people
  - People that rent are more likely to be poor than people that own housing
  - Immigrants
  - (Source: <https://www.stjornarradid.is/media/velferdarraduneyti-media/media/skyrslur2016/Skyrsla-um-sarafataekt-13.9.2016.pdf>)

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## Social policy – Most vulnerable groups

- Who are they?
  - Homeless people
  - Immigrants
  - People with disabilities
  - Addicts
  - Old people

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### Social policy - Unemployment

- ❑ Traditionally unemployment rates have been low in Iceland – Average from 1991 - 2019 is around 4% (ca. 3,3% if 2009-2012 is left out)
- ❑ Long-term unemployment in your country, unemployment of vulnerable groups;
  - ❑ In 2019, 3,5% of people on the Icelandic labour market were unemployed
  - ❑ Following Covid-19 numbers have risen (May 2020 - 9,9%)
- ❑ Unemployment of persons with disabilities.
  - ❑ 69,4% of registered disabled persons are outside the workforce (numbers from 2017)

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### Social policy – Child support

- Parents must determine child-support payments when they divorce, at the dissolution of cohabitation, and when changes are made with respect to the custody of the child.
- Generally, the parent with whom the child lives and is domiciled claims child support.
- Child-support agreements are not valid unless notarised by the district magistrate.
- Child support agreements may be changed if circumstances have changed or if the agreement is not concordant with the interests of the child.
- If there is a disagreement concerning child-support payments, the district magistrate shall be contacted.

(Source: Island.is)



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## Social policy – Response to the COVID-19 pandemic

- ❑ The objectives of the Icelandic government measures are to safeguard the foundations of society, protect households' and businesses' income, and ensure strong resilience for the Icelandic economy. As the adverse economic impact of the pandemic materialises, the need to consider social welfare and security increases.
- ❑ Measures focusing directly on individuals fall into two categories.
  - ❑ On the one hand, there are measures aimed at helping those groups that are considered to need immediate support because of the social repercussions of COVID-19.
  - ❑ On the other hand, the objective is to create temporary study and work opportunities for students, workers on unemployment benefits, and others who may seek out such opportunities. The main measures are the following:
- ❑ Mental health and remote medicine: Strengthening mental health services, healthcare services, and remote services
- ❑ Protection for children and vulnerable groups: A campaign against violence, support for recreational activities, and measures to counteract social isolation
- ❑ Special subsidies: Front-line wage enhancements for healthcare workers
- ❑ Pathways to effectiveness in study and work: A campaign to expand study options and temporary jobs

(Source: Government.is)