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Report on National Follow-up
to the UNECE Regional Implementation Strategy (RIS)
of the Madrid International Plan of Action on Ageing (MIPAA)

Icelandic National Report



Government of Iceland

Ministry of Welfare

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Executive Summary

The following report describes the measures taken in Iceland in the past few years to comply with the Regional Implementation Strategy of the Madrid International Plan of Action on Ageing.

To compile the report, a team of staff was assembled representing all offices in the Ministry of Welfare which deal with elderly persons' affairs. Each member of the team then gathered information both from within the ministry and from outside, e.g. from other ministries and government bodies, and also from reports, surveys, etc. Meetings were then held to examine this information and the answers given in the report, following which the completed draft was submitted to selected specialists for comment.

Elderly persons' associations are consulted when policy is drawn up or decisions taken on their affairs. This consultation is extremely important and should not be undervalued. For example, the National Federation of Senior Citizens' Association has a representative on a special committee, the Joint Committee on the Affairs of the Elderly, the role of which is to advise the Minister of Welfare and the Government on elderly persons' affairs, and also to administer a fund which finances construction projects and other services to the elderly on a nationwide basis. When amendments to laws and regulations affecting the elderly are being prepared, their representatives, and others who have interests at stake, are invited to state their views.

Principal achievements:

1. Policy on improved nursing-home facilities was drawn up in 2008. This has resulted in changed attitudes towards these facilities; all new nursing homes now take account of this policy, and it is applied to all modifications to older homes.
2. Initial moves have been made on the integration of home nursing services and other services in the home, creating scope for the provision of appropriate comprehensive services.
3. Harmonized rules on admission assessments for nursing-home and care facility placements have been established.
4. The merger of the Ministry of Health and the Ministry of Social Affairs and Social Security to form the Ministry of Welfare in 2011 has created greater room for manoeuvre in comprehensive policymaking and decision taking regarding elderly persons' affairs.

Tasks for the future:

1. To increase still further the scope for mainstreaming services to the elderly by transferring responsibility for their affairs from central to local government.
2. To improve services to the elderly (outside the context of nursing homes) and increase variety in these services.
3. To initiate a comprehensive campaign to increase elderly people's level of activity, and consequently their quality of life.
4. To include gender considerations in financial administration and budgeting.

Last but not least, it should be mentioned that one of Iceland's main achievements since 2008 is that the level and quality of services to the elderly has been for the most part preserved intact, despite a severe economic recession.

General Information

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1. National ageing situation

1. Iceland is a progressive modern European society with a high level of technology and education. It has in recent years been among the top ten nations on the United Nations list of quality of life, and per capita income is among the highest in the world. However, Iceland suffered a severe economic crisis in autumn 2008, which has put everything into a new perspective and affected the country's capacity to meet the commitments of the MIPAA/RIS. In some cases, maintaining the *status quo* has posed a considerable challenge, and the nation has had to draw heavily on its available resources.

2. The total population in January 2011 was 318,452. Life expectancy is very high: in 2010 it was 83.3 years for women and 79.7 years for men.

3. Responsibility for services to the elderly in Iceland rests with both central and local government authorities. The bodies providing the actual services are run by the state, the local authorities or private entities.

4. A governmental agency, the Directorate of Health, is responsible for supervision and quality control of services for the elderly.

5. Elderly people in need of assistance are entitled to certain services according to laws set by the parliament. All senior citizens (67 years and older) are guaranteed minimum financial support.

6. The state and the local authorities are responsible for providing social services. Health services are the responsibility of the state. Central and local government collaborate closely regarding social services and health services for the elderly, the costs being split between them. In some cases, individuals themselves bear a certain share of the costs; the amounts involved may vary depending on their financial standing.

7. The age distribution of the Icelandic population remains different from other European nations because the nation is still relatively young and will remain so during the middle of the twenty-first century, due to a high fertility rate.¹ This will change in the coming decades, however. People aged 67 years and older now comprise about 10.6% of the population; by 2050 this proportion is expected to have risen to 20%. The largest growth in population in Iceland over the next 50 years will be the 67+ age group.

Year	Total aged 67+	Women aged 67+	Women as % of the 67+ age group	Total aged 65+	Women aged 65+	Women as % of the 65+ age group	Total population	Persons aged 67+ as % of population	Persons aged 65+ as % of population
2011	33,883	18,547	54.7%	39,173	21,160	54.0%	318,452	10.6%	12.3%
2015	38,007	20,388	53.6%	44,266	23,511	53.1%	326,697	11.6%	13.5%
2020	45,230	23,838	52.7%	52,462	27,448	52.3%	341,367	13.2%	15.4%
2025	54,196	28,237	52.1%	62,362	32,348	51.9%	356,537	15.2%	17.5%
2030	63,617	33,031	51.9%	72,045	37,370	51.9%	370,924	17.2%	19.4%
2040	76,944	40,125	52.1%	85,342	44,262	51.9%	396,793	19.4%	21.5%
2050	85,959	44,546	51.8%	94,965	49,061	51.7%	417,236	20.6%	22.8%
2060	91,620	47,091	51.4%	101,043	51,731	51.2%	433,252	21.1%	23.3%

Source: Statistics Iceland.

8. The average age of old-age pensioners in Iceland is the highest in the OECD countries; this applies both to men and to women. Retirement age in Iceland is 67 years, but people may continue to work until the age of 70 if they so choose. This applies to public employees. In recent years there has been growing debate regarding greater flexibility, with considerations of being made less relevant on the labour market, with individuals' value to employers should be based on their skills and competences and not on their chronological age.

9. According to Eurostat, Iceland has the highest proportion of elderly people in employment in the European Economic Area. In 2010, 35% of Icelanders aged 65 years or older were in employment. Unemployment has risen in Iceland since the collapse of the economy in autumn 2008. In the year 2010 the average unemployment rate was 7.6%.

2. Methodology

10. Until 2008, responsibility for elderly persons' issues lay with two government ministries: the Ministry of Health and Social Security and the Ministry of Social Affairs. By an amendment to the Act on the Affairs of the Elderly in 2008, it was transferred to the Ministry of Social Affairs and Social Security, but despite this change, responsibility for geriatric services remained with the Ministry of Health. A special collaborative mechanism was set up between the two ministries in order to ensure consultation and cohesion in administering these matters, headed by a task force which the permanent under-secretaries of the ministries took turns in directing. At the beginning of 2011, these two ministries were merged to form a single ministry, the Ministry of Welfare. This has created additional scope for establishing centralized experience in the administration of elderly people's affairs and improving services in a comprehensive and professional manner.

¹ The average number of live births during the lifetime of each woman was 2.221 in 2009 and 2.197 in 2010. (Source: Statistics Iceland).

11. After responsibility for ageing issues was transferred to the Ministry of Social Affairs and Social Security, large-scale policy programming was initiated. An assessment was made of the need for nursing facilities and services for the elderly and policy in this area was laid down. Reference figures for the construction of nursing homes or nursing facilities were established and a construction schedule was drawn up. The framework and targets set in the course of this policymaking work have made it easier for the government to respond where necessary. This groundwork and policymaking have also made it easier to take decisions and follow up actions taken in the relevant areas.

12. In some localities in Iceland, special service contracts have been made in order to integrate nursing and other services in the home. These service contracts are based on established requirement quantifications. The aim of integrating the services is to create a single service outlet and achieve greater cohesion in the services. This makes it easier to meet elderly people's requirements and those of other persons who need these services. It also makes greater room for manoeuvre in order to improve administration as regards the use of funds, employee efforts and the utilisation of skills in order to secure standards and safety in the services. Regular surveys are demanded in connection with such contracts in order to find out the attitudes of those who make use of the services and in some cases the attitudes of their relatives. It is planned to increase this integration in the coming years.

13. Supervision of the health services is the responsibility of the Directorate of Health. This includes monitoring the health and nursing services that are delivered. Regular surveys are carried out in order to assess whether the services conform to the official standards. The quality of nursing and care at the nursing homes is measured using the specially-designed Residential Assessment Instrument (RAI) and the associated quality indicators. The RAI is an internationally accepted tool used to assess nursing needs and the health of residents in nursing homes. A similar quality system is being implemented for home nursing and will soon be adopted. The importance of this monitoring is becoming increasingly apparent. If the Directorate receives complaints or tip-offs about any deficiencies, they are given special attention. The RAI system has also been used to create a method of allocating the available funding between nursing homes according to the level and volume of services provided (patient acuity).

3. Review and Appraisal of National Actions to fulfil Commitments of UNECE MIPAA/RIS

RIS Commitment 1: To mainstream ageing in all policy fields with the aim to bringing societies and economies into harmony with demographic change to achieve a society for all ages

14. The merger of the ministries of Health and of Social Affairs and Social Security to form the Ministry of Welfare on 1 January 2011 created a better basis for greater promotion of issues relating to ageing and elderly people.

15. Under the of the Act on the Affairs of the Elderly, No. 125/1999, the Minister of Welfare bears overall responsibility for issues relating to ageing and elderly people. The Ministry of Welfare is in charge of policy formulation and planning of issues relating to ageing and the elderly on a nationwide basis, and monitors the implementation of laws and regulations in this area. The aim of the Act on the Affairs of the Elderly is to guarantee that elderly people will

have access to the health and social services they require, and that these services are delivered at the level most appropriate to the needs of each individual. The Act also aims to ensure that elderly people are able to continue to live in their own homes for as long as possible under normal conditions, while they are also guaranteed institutional services when necessary. In implementing the Act, care is to be taken to ensure that the elderly enjoy the same rights as other citizens and that their right of self-determination is respected.

16. Under the Local Authorities' Social Services Act, No. 40/1991, the local authorities (municipalities) are responsible for providing social services, and they set themselves further rules on implementation. Many of the local authorities run social centres. These are designed to prevent or reduce social isolation by offering social and leisure-time activities that are open to all, and also educational courses. These functions promote social contact and companionship. Services at the social centres include meals and coffee, hobbies and exercise programmes.

17. The Directorate of Health has become considerably more involved in monitoring health services for the elderly in recent years. It bears professional responsibility for monitoring the RAI assessments and providing training in the use of the instrument, assessing the validity of RAI assessments and assessing the quality of care given in geriatric institutions and nursing homes. It is also responsible for supervising admission assessments. Admission assessments are professional and individually-tailored assessments of people's need for permanent placement in nursing homes. They involve standardised assessments supplemented by specific information from the health or social services and physicians' letters, as appropriate. The individual's social circumstances, health and mental condition are assessed, and also his or her ability to meet the challenges of daily life. The outcome of the admission assessment indicates how great the person's need is for long-term placement in a nursing home. Admission assessments have been required in connection with applications for admission to nursing homes since 1991.

18. In development of policies and strategies and in decision-making on matters regarding the elderly, the authorities generally emphasise consultation with the organisation of the elderly and other interest groups.

19. Under Art. 4 of the Act on the Affairs of the Elderly, No. 125/1999, the Minister of Welfare appoints a five-member Joint Committee on the Affairs of the Elderly including a member of the National Federation of Senior Citizens, a member nominated by the Geriatric Council of Iceland and a member of the Association of Local Authorities. The Joint Committee is entrusted with the following tasks: to advise the Minister and the Government on issues which concern the elderly, to act as an intermediary between ministries, institutions and associations involved in issues which concern the elderly and to manage the Senior Citizens' Construction Fund and submit proposals to the Minister for allocations from the Fund. This fund is intended to support building projects and the development of services for the elderly in all parts of the country. Its resources are to be spent on the construction and maintenance of institutions, service centres and day-care facilities for the elderly and other projects which contribute to the development of these services.

20. In most local government areas in the country there are service councils for the elderly in accordance with the Act on the Affairs of the Elderly. Representatives of the elderly sit on these councils. Their role is to monitor elderly persons' health and social welfare and to coordinate services, make proposals to the local authorities on geriatric services and seek to

ensure that elderly people receive the services they need, and also to inform elderly people of the services available.

21. A task force was appointed in December 2007; it made proposals on the main points to be emphasised in policy on the affairs of the elderly. The aforementioned Joint Committee on the Affairs of the Elderly received the proposals for comment, and a Policy on Elderly Persons' Affairs for the coming years was then published in 2008, based on these proposals and the Government's policy statement of May 2007. The key points in the policy are clearly-defined rights, a variety of solutions, freedom of choice and individually-tailored services. One of the proposals made by the task force in 2007 was that in the long term, the definition of people and services according to their age, illness, disability and other characteristics should be abandoned: services and support should rather be based on the needs of each individual.

22. The Act on the Affairs of the Elderly states that in implementing its provisions, care is to be taken to ensure that the elderly enjoy the same rights as other citizens and that their right of self-determination is respected. It should also be mentioned that work is currently in progress on implementing EU directives against discrimination (Nos. 2000/43 and 2000/78). Art. 65 of the Constitution lays down the principle of equality, stating that all persons are equal before the law and are entitled to human rights irrespective of their gender, religious faith, opinions, national origin, race, colour, financial standing, family connections or status in other respects. The second paragraph of this provision states that women and men are to enjoy equal rights in all respects. The principle of equality is also stated in Art. 11 of the Administrative Procedure Act, No. 37/1993.

RIS Commitment 2: Integration and participation of older persons

23. Under the Act on the Affairs of the Elderly of 1999, elderly persons shall have access to the health and social services they require, and such services shall be provided in accordance with the needs and condition of each individual. The aim is also to ensure that the elderly enjoy a normal domestic life as long as they are able to, and that they are assured required institutional services when needed. The elderly shall enjoy equal rights with other citizens, and their right to self-determination shall be respected.

24. Elderly people in Iceland make an important labour contribution and there is wide variation in the retirement age which may be anywhere between 60 and 70 years. However, only some of the elderly are able to choose when they retire. In most cases, the retirement age is fairly narrowly stipulated in laws or regulations, and most people stop work at the age of 65-67. Even though elderly people's economic contribution is important, unemployment in their numbers has risen a great deal since the collapse of the banking system in 2008. General unemployment is currently about 7%; the rate for the 65-74 year age group is 4.2%. In some cases, those who have lost jobs have had difficulty in finding suitable new employment.

25. Certain non-governmental organizations such as the Red Cross, which bases much of its activities on volunteer work, have specifically sought to engage elderly people in volunteer work, since their general life experience can be of direct value there. Many such NGOs receive annual grants from the state in support of their work.

26. The old-age pension has not kept up with the cost of living because of the financial crisis, and many pension funds have reduced their monthly payments to pensioners. The monthly minimum old-age pension has, however, kept up with the wage index, and since 2008, low-

income pensioners have been entitled to special supplementary support to improve their living standard.

27. The National Federation of Senior Citizens embraces more than 52 societies with over 18,000 members. The federation defends members' interests in a very broad sense and strives to ensure their access to full involvement in society. The federation has a representative on the Joint Committee on the Affairs of the Elderly (see Article 19), and it is a member of the Nordic Consultative Committee (NSK), which in turn is a member of the European federation AGE.² AGE gives comments to the European Commission and the European Parliament on all matters concerning ageing issues in the European Union and the European Economic Area. The National Federation of Senior Citizens has received fairly regular grants from the Icelandic State.

28. A poll tax (per capita tax) raised from all adult citizens is paid to the Senior Citizen's Construction Fund (see Article 19), which is used to build geriatric homes and for various other services for the elderly under the Regulation No. 1/2011. The National Federation of Senior Citizens is represented on the board of the fund and makes proposals to the Minister of Welfare concerning allocations from it. Thus, elderly people have an influence (shared with others on the board) on what this money is spent on. Under an amendment made by the Act No. 32/2007 to the Act on the Affairs of the Elderly, people who earn investment income now pay a contribution to the fund; they were not previously obliged to do so. This change took effect in 2008 when taxes for earnings in 2007 were assessed.

29. Policies have been adopted and programmes undertaken to improve the housing and living environment of elderly persons. There were complaints regarding the lack of adequate nursing – in the home and in nursing homes, where people sometimes have to share a room with one or more other residents, resulting in discriminatory treatment and a lack of respect for their right to private life and family life. In 2008 the Government published an official policy standard regarding the structure that should be in place in nursing homes. This is based on a particular ideology regarding both the physical structure of nursing homes and also the activities pursued there. It states that human rights, compassion and respect should be guiding principles and that measures should be taken to reinforce the power of decision that the residents of nursing homes have over their own lives. It also stated that their living facilities should be private (for single persons). The Government has pursued this policy since 2008, and it corresponds with the additional demands now made regarding better facilities and a higher quality of nursing. All new nursing homes are therefore designed to meet this aim, and where possible, shared rooms in older nursing homes have been changed to single rooms.

30. Elderly persons cannot be admitted to a nursing home without a formal prior assessment of the need for such admission. The applicants are assessed by specially appointed groups of professionals. As regards admission into a nursing home, precedence is given to those who have waited for the longest time in the greatest need (see Article 17).

31. The number of nursing-home places³ in Iceland fell slightly from 2007 to 2011. This can be attributed in part to the effects of the collapse of the banking system and also to the Government's policy of enabling the elderly to live in their own homes for as long as possible. On the other hand, funding for nursing at home has risen considerably in the same

² The European Federation AGE; <http://www.age-platform.org/>

³ This refers to facilities at a nursing home or hospital where nursing is provided for those who require care and treatment which can be provided outside a hospital.

period, and by as much as 70% in some localities. This too reflects the policy of encouraging the elderly to remain at home as long as they can.

32. Almost all services provided in nursing homes is paid for by public funding, and elderly people who live there are guaranteed a certain minimum amount of money for their own use. Residents who have financial resources greater than the minimum which all elderly people receive from public funds are obliged to pay everything they have, up to a certain sum, to the state. This arrangement has been criticised, and some have argued that the amount which elderly individuals are permitted to retain is too low and the amount they have to pay is too high, particularly as it is not related to extent of the services they receive.

33. Recent years have seen greater variety in the ideologies regarding nursing homes, including for example the Eden and Greenhouse schemes. Directors of nursing homes have been active in incorporating new ideas, including the possibility of having more contact between generations and making it possible for them to spend more time in each other's company.

34. The Act on the Affairs of the Elderly defines the services that are to be offered in day-care centres for the elderly. Those who require constant observation and care in order to be able to continue to live at home are offered the same support options as are provided at day-care centres. In accordance with the Government's policy of enabling the elderly to live in their own homes as long as possible, the number of places available at day-care centres has risen since 2007.

35. In certain localities in Iceland, service contracts have been made in order to integrate nursing and other services in the home, one of the aims of this being to meet as well as possible elderly people's requirements and those of other persons who need these services. These service contracts are based on requirement quantifications. Surveys are normally carried out in connection with such contracts in order to find out the attitudes of those who make use of the services and in some cases the attitudes of their relatives. It is planned to increase this integration in the coming years.

36. Attention has been drawn to the position of older women, who in many cases receive little or no payments from pension funds and are often in the position of caring for their spouses.

37. Senior citizens are charged reduced fares on buses and lower entry charges to swimming pools and to certain cultural events. They also receive considerable discounts on medicines and the health services.

RIS Commitment 3: Promotion of equitable and sustainable economic growth in response to population ageing

a) What strategies has your country adopted to transform your economies with a view to eradicating poverty, especially among older persons?

38. Shortly after the middle of the last century, legislation was introduced in Iceland by which workers and those who paid their wages (in both the public and the private sector) were obliged to pay part of their wages into pension funds to ensure that they would have sufficient disposable income after retiring. With increased pension entitlements in the last few years, the pension funds have provided the greater part of elderly people's disposable income. Where

elderly people lack private income and have insufficient pension entitlements, the Social Security Administration guarantees them a minimum disposable income.

39. A few years ago, it was decided to offer workers and the self-employed the possibility of paying a certain percentage of their gross income as supplementary pension premiums; these additional pension savings were kept in private pension funds, to be drawn after retirement. In most collective agreements, provisions were introduced by which employers were obliged to pay counter-contributions of up to 2%, matching contributions by employees. The idea was that these additional pension savings should to some extent improve people's financial standing in their old age.

b) What measures has your country taken to review and adjust the macroeconomic policies to address the needs of a growing ageing population?

40. Compared with 2007, the economic climate and outlook in Iceland have undergone a radical transformation for the worse. The banking system in Iceland collapsed in autumn 2008. The state treasury took over control of the banks, guaranteeing to pay individuals' deposit balances, and injected large amounts of money into the banking system. The Treasury deficit approached dangerous levels, and the interest burden became very great; economic growth became negative, the exchange rate of the currency (the Icelandic króna, ISK) weakened substantially, wages were cut and the debt burden on individuals and enterprises became much heavier. There was a sharp increase in the number of private bankruptcies and corporate insolvencies.

41. Since 2009, the Government of Iceland has striven to bring the economy under control and to change stagnation into growth. Positive economic growth is the prerequisite for being able to meet the demands posed by a growing ageing population. Public spending has been cut drastically. Cuts in the welfare services, including the health services, social services and education, have been considerably smaller than those in other service sectors; this has been done partly to protect the welfare system, including the position of the elderly. Taxes and other levies have been increased since 2009 in order to maintain revenues for the Treasury. Taxation has been revised in order to reduce the burden on the lower-income groups and increase it on those with larger incomes. The measures taken on the economy and central government finances have produced considerable results. Although Treasury debt is still substantial, and is likely to remain so for some time, economic growth is once again positive, the exchange rate of the ISK has strengthened and investment and the purchasing power of wages have risen. The economic climate and economic outlook are far better than they were in 2009, and if this trend continues, the economy and the pension funds should be able to meet the needs of the growing numbers of elderly people and ensure their welfare both in the near future and in the longer term.

RIS Commitment 4: To adjust social protection systems in response to demographic changes and their social and economic consequences

42. Iceland has a three-pillar pension system, consisting of: 1) a universal residence-based social pension scheme which is financed by the social security contributions paid by employers and general taxation, 2) a funded obligatory employment pension scheme which is

financed by contributions of both employees and employers and 3) individual pension accounts, which are voluntary⁴ (see also Articles 38 and 39).

43. Anyone who is 67 or older and has been legally resident in Iceland for at least three calendar years between the ages of 16 and 67 is entitled to a national public old-age pension, provided that their income at the time is below a certain level. Special provisions apply to seamen's entitlement to an old-age pension, which may be drawn as early as at the age of 60 (under specific conditions).

44. As a general rule, insured employees and self-employed persons may, at the age of 65 or over, be entitled to a supplementary employment pension from the mandatory pension funds, provided that they were covered by the employment pension scheme between the ages of 16 and 70 and paid contributions to a pension fund. No minimum qualifying period is required.

45. The supplementary employment pension is calculated in accordance with the detailed rules of the statutes of each individual pension fund. The general rule is that the pension is calculated in accordance with accrued pension points. A minimum pension based on 40 years of contributions amounts to 56% of the monthly wages for which contributions were paid.

46. The determining factors for calculating the national old-age pension, however, are the duration of residence in Iceland and income of the beneficiary. Individuals who have been resident in Iceland for at least 40 calendar years between the ages of 16 and 67 are entitled to a full old-age pension. For shorter periods, the old-age pension is calculated in proportion to the period of residence. The national pension is provided as a flat-rate amount, which may be reduced when the individual simultaneously receives income from other sources, or withdrawn if that income exceeds a certain amount. Taxable income of the spouse (with the exception of capital income) does not affect this calculation of the pension. A person can defer the drawing of old-age pension until he or she is 72 years of age, with a yearly increase in the pension amount.

47. Under the Social Assistance Act, various social assistance benefits may be granted in addition to the national pension in special circumstances or when it is shown that the beneficiary cannot support him- or herself without this assistance. These include, e.g., the household supplement for a single person, the special supplement for support for those pensioners whose total income is below the minimum subsistence level set by the ministry and further supplements, e.g. when the pensioner has to meet substantial expenses due to disability or ill health.

48. An important step towards ensuring support for all senior citizens was taken in September 2008, with the issue of a regulation on the minimum subsistence level for pensioners; this has now been ratified in law. Thus, all old-age pensioners are guaranteed a certain minimum amount of social support in addition to other benefits or income they may have, if their aggregate income is beneath the minimum subsistence level. 'Aggregate income' here covers all types of income, including pension payments from the national social insurance scheme and from legally obligatory pension funds. This additional provision has proved to be of crucial importance for those with the lowest incomes. It should be noted that the local authorities are the final safety net that provides basic support to all those who are unable to support themselves on their income.

⁴ Stefán Ólafsson, 2009; http://www.socialprotection.eu/files_db/297/asisp_ANR09_Iceland.pdf

49. The Government's policy is to strengthen the position of senior citizens. It is now aimed to transfer responsibility for mandatory services for senior citizens from central government to the local authorities. Preparations for this transfer have already begun.

RIS Commitment 5: To enable labour markets to respond to the economic and social consequences of population ageing

50. As has been mentioned above, the legal retirement age in Iceland is 67 years, but people may continue to work until the age of 70. This applies to public employees. In recent years debate has been growing on greater flexibility, it being urged that age should become irrelevant in the labour market; individuals' value to employers should be based on their skills and competences and not on their chronological age. Earlier this year, changes were made to the taxation and social benefits systems, one of the aims of which is to encourage the employment of the elderly still further.

51. Participation rates in employment are high in all age groups in Iceland. In 2010, 79.8% of people in the 55–64 age group were in employment. According to figures from Statistics Iceland, the proportion of the unemployed in 2010 was lowest in the 55–75 age group (5.5%). At the same time, it was 7.5% in the 25–55 age group and 9.5% in the 16-24 age group. These figures show that unemployment among people the middle-range age group is by no means more common than in other age-groups.

52. Long-term unemployment, on the other hand, is more of a persistent problem among the elderly than among the young, which indicates that those who are past middle age have a more difficult time finding work than those who are younger.

53. The majority of the long-term unemployed have only basic (compulsory) schooling educational qualifications, and the correlation between education and unemployment is absolutely clear. Surveys have shown a substantial decline in participation rates in continuing education and retraining programmes as people grow older. The labour market demands continually more knowledge, and accelerating technical development calls for vigorous and effective programmes of continuing education and retraining. Education is no longer a single circumscribed challenge that is over once the hurdle is past; it has become a lifelong process, and it is through continuing education that the individual maintains his or her competence on the labour market.

54. Overseas studies and surveys indicate the existence of age-related discrimination on the labour market. The attitude towards the elderly is that it is more difficult for them to adopt innovations and adapt to changes. This, it is alleged, affects their chances of promotion in the workplace, and also means that they are not allowed full access to training/retraining and are less often given challenging things to do. It is not certain, however, whether these findings can be assumed to apply directly to the situation in Iceland.

55. A survey made at the request of the Confederation of Icelandic Employers in 2004 revealed that, among its members, older people were not considered to be inferior, as workers, to younger persons. They are less frequently absent from work due to illness, and have a more positive attitude to their work than do younger people. Overseas surveys show the same findings.

56. In 2004, the Minister of Social Affairs appointed a committee to examine this position of middle-aged and elderly people on the labour market. One of the things it was set to examine was how to counteract the tendency for people to be placed at a disadvantage in the workplace because of their age. The committee initiated a survey of attitudes and the status of middle-aged people on the labour market; this was carried out by the market-survey company IMG-Gallup. After this, the committee proposed that the Government begin a five-year campaign to enhance the position of middle-aged and elderly people on the labour market. Acting on nominations by the committee, the Minister of Social Affairs appointed a seven-man steering committee to direct this campaign. The committee stated in its report for the years 2005-2010 that in the light of comparisons between middle-aged and elderly people in Iceland with their counterparts abroad, it was clear that there was no need for any special measures in Iceland to encourage people of this age to stay longer in employment. The committee reported that it had tried to stimulate discussion on ways of improving the status of people in this age group on the labour market, reduce prejudice towards the elderly and expand their scope for promotion in companies and institutions. Attention was also given to those who wished to reduce their working proportion and move into positions within their companies which involved lighter responsibilities. The committee's efforts were particularly directed towards ways of influencing attitudes by awareness-raising measures, advertisements and meetings. It also stressed the importance of education. No follow-up studies have been made to establish whether or not these remedial measures have had the desired effect.

RIS Commitment 6: To promote life-long learning and adapt the educational system in order to meet the changing economic, social and demographic conditions

57. The passing of the Further Education Act, No. 27/2010, completed the enactment of comprehensive legislation on education in Iceland, covering both the formal educational system and other areas. Earlier, separate legislation had been passed on third-level (post-secondary; university) education (in 2006), pre-schools, junior (compulsory level, to age 16) schools, senior schools and the training of teachers and school principals (2008). This legislation and the syllabuses issued for the formal schooling system during the current year embodies the Government's policy on lifelong learning. This involves an attempt to involve the general public in more education of all types and improve access to education for everybody (and in particular the 30% of people active on the labour market who have not completed formal secondary education) and at the same time to ensure that people will be entitled to have their education recognized, irrespective of where it took place. Another point of priority is that the working experience of those who have been in employment for a long time be evaluated.

58. The Government supports courses that are tailored specifically for the target group mentioned above and are held by various educational bodies providing further education in all parts of Iceland.

59. Methods have been developed in the past few years of improving the evaluation of informal education and practical working experience; this is referred to as "actual skills evaluation". Actual skills evaluation is a structured procedure for the formal evaluation of the individual's all-round knowledge and skills. It may be based on schooling background, working experience, vocational training, leisure-time studies, further education, society work and general life experience. In particular, workers in the legally-protected trades have benefited from actual skills evaluation, but the plan is to make it available to people in all spheres.

60. The Government has increased its budget allocations for the teaching of Icelandic to immigrants in recent years in order to ensure that persons of foreign origin are able to participate fully in Icelandic society and enjoy the same quality of life as native Icelanders.

61. Since 1983, the Continuing Education Institute at the University of Iceland has been the biggest provider of continuing education in the country and has offered ambitious courses and certificate programs at academic level. The numbers of courses and participants have grown year by year. About 400 short courses and study programs are held yearly with more than 12,000 participants, the majority of whom are older persons. The institute offers a variety of daytime, evening and weekend courses. The organising body that is responsible for the planning of activities is based on active participation of organisations outside the University.⁵

62. In addition, there has been close cooperation with a variety of employers' federations, enterprises and research and cultural institutions. Thus the University works actively in bringing together the academic and the professional fields with the aim of improving the educational level of adults.

63. Some municipalities provide courses that are focused on computer and Internet literacy. The teaching methods are sometimes adjusted to older persons but only a few trainers have received special training in how to train older persons in using computers and the internet.

64. Various other courses and schools are also on offer, including the Labour Movement's College of Social Affairs, which is run by the Icelandic Confederation of Labour and BSRB (the Union of State and Municipal Employees) and offers a range of courses for adults. These include courses examining employees as they advance in age and points that must be considered as they reach crossroads related to ageing.

RIS Commitment 7: To strive to ensure quality of life at all ages and maintain independent living including health and well-being

65. It has long been an accepted policy in Iceland that it is an important right for people to live an independent life on their own terms, regardless of disability or illness. The development of the health and social system has taken account of this policy in recent years, and support measures which aim to enable people to remain in their own homes for as long as possible have been increased and strengthened. This trend will no doubt continue, in accordance with the declared wishes of the Government and prevailing opinion in society.

66. Under the Health Services Act, No. 40/2007, Iceland provides equal access to health care to all residents through a universal health care system. Quality health services and easy access to them are important factors in ensuring the quality of life and well-being of the elderly.

67. Services and support of various types are available to enable elderly people to go on living normal lives in their own homes for as long as possible, including transport, social service visits to their homes, home nursing and day-care centres. Senior citizens can go to social service centres or social centres for the elderly, which are operated in most local government areas in the country, in order to have company and something to do.

⁵ Continuing Education – University of Iceland; <http://www.endurmenntun.is/English/>

68. Elderly people can be admitted for rest stays in many nursing homes, each stay generally lasting between three and eight weeks. It has been pointed out that the arrangements applying to these rest stays need to be reviewed in order for this service to be of greater advantage to the elderly.

69. Residential homes for the elderly are intended for those who are no longer able to do their own housework, even with home-assistance services. Government policy has been to cut the number of residential homes, instead building up more effective home nursing and home assistance services. Even when applying this policy, however, it is necessary to remember that it is essential to have a sufficient level of intermediate types of services available, i.e. serviced apartments or apartments with emergency health care services. As has been stated above, nursing homes are intended for those who are too infirm to be able to live in residential homes and who need constant care.

70. The Senior Citizens' Construction Fund, which has been mentioned above, operates under the Act on the Affairs of the Elderly, No. 125/1999, and is managed by the Ministry of Welfare. It is intended to support building projects and the development of services for the elderly in all parts of the country. Its resources are to be spent on the construction and maintenance of institutions, service centres and day-care facilities for the elderly and other projects which contribute to the development of these services. Thus, the fund plays a specific role in increasing the quality of life and welfare of the elderly.

71. A new National Health Plan is being produced in the Ministry of Welfare, and will replace the plan currently in force. The aim of the National Health Plan is to promote health and well-being, and includes seven priority projects, one of which concerns the elderly. One of the main objectives is that over 80% of people 80 years and older should be in such good health as to be able, with appropriate support, to live in their own homes. It should be noted that in 2010, 78% of people aged 80 and older lived in their own homes.

72. One of the priorities identified in the Policy on Elderly Persons' Affairs for the coming years, which was published in 2008, was that elderly people should receive appropriate support and individually-tailored services to enable them to live for as long as possible in their own homes, that elderly persons' right to live independently and to determine their own affairs be respected and that they be offered a variety of residential options.

73. As was stated here in the section dealing with RIS Commitment 5, Iceland has a high elderly persons in employment. Participation in working life by the elderly helps to make them more active in the community, and reduces social isolation. In recent years changes have been made to the taxation and social benefit systems, one aim of which is to encourage still further participation of elderly people in employment.

RIS Commitment 8: To mainstream a gender approach in an ageing society

74. The Gender Equality Act, No. 10/2008, took effect in March 2008. It was intended to establish and maintain equal rights and equality of opportunity between women and men, so redressing the balance between women and men in all spheres of society. All individuals are to have equal opportunity to employ their energies and develop their talents, irrespective of their gender.

75. A special institution, the Gender Equality Bureau, which is administered by the Ministry of Welfare, is in charge of executive procedure in gender equality issues. Amongst other functions, it is charged with working to combat wage discrimination on the labour market. It is also responsible for publishing, and at the beginning of 2011 it published a booklet containing important information for immigrant women in Iceland, including useful guidelines on customs and procedures in Iceland and directions on how to seek assistance.

76. Special equal opportunity councils are in operation in all local government areas.

77. Under the Act No. 10/2008, when appointments are made to committees, councils and boards under the authority of central or local government, steps are to be taken to ensure that the ratio between the sexes is as equal as possible, the minority representation being not under 40% where there are more than three persons involved. Whenever candidates are nominated, two individuals must be named, one man and one woman.

78. In official reporting of the economic standing of individuals, and in interviews and opinion surveys, a breakdown by gender is to be made in the gathering of data, data processing and the publication of information unless particular reasons militate against doing so.

79. Mainstreaming of gender considerations is to be applied in all policy formulation and budgeting/planning under the auspices of government ministries and public bodies operating under their supervision. The same applies to decision-making. Training classes for government officials and employers have been provided to highlight issues in this area and to increase sensitivity.

80. The University of Iceland provides many courses dealing with gender issues, including gender and education, gendered perspectives on education and family life.

81. On 27 April 2011, the Government approved a three-year programme for the introduction of gender considerations in economic management and budgeting in Iceland. Each government ministry has selected a main area of focus to work on in accordance with the methods of gender-sensitive economic management and budgeting over the next three years. As ageing issues represent a large and important topic, the Ministry of Welfare selected them as its main area of focus.

82. Under the Gender Equality Act, employers and trade unions are required to take deliberate measures to equalise the positions of the sexes on the labour market. Women and men working for the same employer are to be paid the same wages, and enjoy the same terms, for the same work or work of equivalent value. Recent surveys have, however, revealed that women in Iceland still receive lower wages than men.

83. Employers are required to take the measures necessary to enable women and men to strike a balance between their employment commitments and their family responsibilities. Amongst other things, these measures are to be aimed at increasing flexibility in the structure of work and working hours in order to make it possible to take account both of employee's family circumstances and the needs of the economy, this to include making it easier for employees to return to work after taking maternity/paternity and parental leave or leave taken from work due to unavoidable urgent family circumstances.

84. The Women's Loan Guarantee Fund was resuscitated in March 2011. Its role is to support women in participating in creative business ventures by granting guarantees for loans.

85. Although Iceland enjoys a high ranking in terms of gender equality on a world-wide basis, there is still some way to go before full equality is attained. In 2006 Iceland scored 0.78 on the Global Gender Gap Index; in 2009 it scored 0.83 and in 2010 it scored 0.85, placing it in first place on the basis of this internationally-recognized scale. To be able to claim that full gender equality has been achieved, on the other hand, this score would have to be 1; this is Iceland's long-term goal.

RIS Commitment 9: To support families that provide care for older persons and promote intergenerational and intra-generational solidarity among their members

86. Iceland's population is still young and younger than that of most other European countries. Thus, about 25% of the population are under the age of 18, while the 67+ age group accounts for only 10.6% of the total. For this reason, greater priority has been given to the younger generations than to the older in Icelandic policymaking in recent years. On the other hand, the relatively high retirement age (67) reflects the general position of the Icelandic Government that older people should remain active on the labour market at least until the age of 67, and most are entitled to remain at work until the age of 70. In 2006, the Government of Iceland entered into an agreement with the National Federation of Senior Citizens on flexible retirement dates and the right to remain in employment beyond the age of 70 where this is possible.

87. Under the Social Assistance Act (No. 99/2007), provision is made for meeting the social requirements of people in various age groups; this is elaborated, for example, in Regulation No. 407/2002 on benefit payments to spouses or care-givers. The Social Services Act, No. 40/1991, also contains provisions on meeting the needs of persons in various age groups, and special provisions are made there on support for the elderly.

88. The legislation named in the last item above contains no provision on gender equality. The parliamentary resolution on a Four-Year Gender Equality Programme which was passed in May 2011, on the other hand, included provision for entrusting a special committee with the examination of the harmonization of family life and working commitments, including an examination of how people in employment can be enabled to meet the care requirements of their family members, including elderly spouses or parents.

89. Various studies and surveys have been carried out in recent years on the lifestyles and personal circumstances of the elderly; these have been made both by universities and at the instigation of central and local government authorities in collaboration with elderly people's associations. The findings of these studies have been used to draw attention to the status and strengths of the elderly. The results of one such study, made at the request of the Ministry of Social Affairs and Social Security and the City of Reykjavík in 2007, in collaboration with senior citizens' associations and the Geriatric Council, were published at a public conference in 2008. They revealed a high level of activity and involvement in society and good standards of health among the elderly.

90. The Regulation No. 407/2002 on benefit payments to spouses or care-givers (see Article 87) makes allowance for the payment of a care-giver's allowance to the spouse or other persons who keep house for an elderly individual where this is necessary. The local

authorities have also engaged relatives in paid employment to look after aged family members.

91. The integration of home nursing services and social services in the home for the elderly has been enhanced in recent years. Moves in this direction began with the establishment of trial projects in certain local government areas in 1995. In 2009, the City of Reykjavík undertook, under an agreement with the Government, to provide home-nursing services for the elderly; these services have been integrated with social services in the home, and the results have been good.

92. Iceland now stands at a crossroads regarding services to the elderly. A committee is currently being appointed in the Ministry of Welfare to prepare for the transfer of responsibility for these services to the local authorities in 2013, with the result that all services to the elderly will be brought under the same administration. This will make it possible to provide comprehensive services for the elderly and consequently to prioritise the needs of the individual and the family.

RIS Commitment 10: To promote the implementation and follow-up of the regional implementation strategy through regional cooperation

93. Iceland has followed with great interest UNECE's work regarding ageing and the follow-up of the implementation of the Madrid International Plan of Action on Ageing. A representative from the Ministry of Welfare (formerly the Ministry of Social Affairs and Social Security) has been participating in the UNECE Working Group on Ageing, but due to the economic crisis in Iceland since 2008 it has not been possible to participate in all meetings or take full part in the work of the group. Through this work, Iceland has received important information and new ideas. Iceland greatly appreciates all the support from UNECE through discussions in meetings and publications.

4. Conclusions and Priorities for the Future

94. Work has proceeded in recent years in Iceland on elderly persons' issues in accordance with a policy that was laid down in 2008; this corresponds for the most part with RIS/MIPAA. Parts of it have been applied and other parts are still in progress. Amongst other things, the policy states the intention of making it possible for elderly people to go on living in their own homes for as long as possible. In order to make this possible, it is recommended that services be provided to meet individual needs, that a greater variety of means of support be available and that access to information be guaranteed. At present, just under 80% of those aged 80 and over live in their own homes. The number of day-care facilities and short-term placement facilities has been increased, but all the same, further development of services and residential options is necessary for those individuals who do not yet need nursing-home placements, i.e. solutions that could be termed 'intermediate solutions'. Facilities for the elderly in nursing homes need to be improved, and new guideline standards for this were introduced in the policy in 2008; these have proved to be of great value in upgrading facilities in new nursing homes and in carrying out modifications at older homes. Although it has not yet proved possible to end all sharing of rooms in nursing homes, much progress has been made. The policy includes provisions on improved monitoring of services to the elderly. This has been done, though there is still room for improvement. The aim is that elderly people, and their families, should have access to information about their rights and the services available. Some integration and simplification of information has been carried out, but some remains to

be done; this will probably be an on-going developmental process in the future. Under the policy, overall responsibility for services to the elderly is to be transferred to the local authorities, which will make it possible to integrate services further. This transfer has not yet taken place, but preparatory work for it has begun. In certain localities, service contracts have been made covering the integration of home-nursing services (which are currently provided by the state) and social services in the home (which are the responsibility of the local authorities), and this arrangement has generally produced great satisfaction. It is important to continue to upgrade and prioritize services for the elderly and to give them greater attention in areas where this remains to be done.

95. Although Iceland is a small nation, in terms of population, and has suffered great economic adversity in the past few years, it also has various strengths which open up opportunities of many types. Most other European nations are facing a range of problems resulting from the demographic profiles of their populations, and even though Iceland's population is also ageing, it is relatively young and the number of births per woman is still relatively high. People remain on the labour market for a long time, generally not retiring until the age of 67 and in many cases older. There are legal requirements by which workers and employers pay contributions to pension funds so as to guarantee workers access to disposable income after they retire. Thus, the old-age pension system is reasonably strong, and this will reduce the burden on future generations. Although Iceland does not face great problems in the short term resulting from rising life expectancy and the demographic profile of the population, there is room for improvement in some areas, as has been described above. It is therefore vital to focus on these areas and work to improve the situation accordingly.

96. The advanced age reached by many senior citizens in Iceland reflects the fact that everyone has access to clean water and good food. Quality health services are available when needed, staffed by well-educated workers trained in an efficient educational system. Everyone in Iceland has equal access to education, irrespective of their age, and can make use of the educational system to acquire new skills and knowledge on a life-long basis. The smallness of the population has always been reflected in strong family ties, which are a valuable source of support for the individual in times of adversity, such as when health declines due to advancing age. Cohesion between the generations plays an important role in this connection.

97. International solidarity and communication are also important factors. It is vital for all nations to exchange ideas and learn from each other through dialogue. This is important not merely as a part of development, professionalism and the introduction of new methods and technology, but also as the basis of efficient and responsible management and administration. Iceland's participation in the UNECE Working Group on Ageing is of great value in this context.

ANNEX

Act on the Affairs of the Elderly, No. 125/1999; <http://eng.velferdarraduneyti.is/acts-of-Parliament/nr/4498>

Health Service Act, No. 40/2007; <http://eng.velferdarraduneyti.is/acts-of-Parliament/nr/20098>

Social Assistance Act No. 99/2007; http://eng.velferdarraduneyti.is/media/acrobat-enskar_sidur/Social-Assistance-Act-No-99-2007-as-amended.pdf

The Social Services Act, No. 40/1991; [http://eng.velferdarraduneyti.is/media/acrobat-enskar_sidur/The Municipalities Social Services Act No 40 1991 with subsequent amendments.pdf](http://eng.velferdarraduneyti.is/media/acrobat-enskar_sidur/The_Municipalities_Social_Services_Act_No_40_1991_with_subsequent_amendments.pdf)

The Gender Equality Act, No. 10/2008; http://eng.velferdarraduneyti.is/media/acrobat-enskar_sidur/Act-on-equal-status-and-equal-rights-of-women-and-men-no-10-2008.pdf

Education Act, No. 27/2010; <http://eng.menntamalaraduneyti.is/media/MRN-PDF-Althjodlegt/Adult-Education-Act.pdf>