

ICELAND Country Summary

Introduction and Overview

Iceland seems to be something of a modified Nordic model, with an explicit family policy but with measures that are somewhat less generous than in the other Nordic countries.

In 1997 the Parliament enacted a resolution supporting the creation of a public family policy to re-enforce the status of the family. The basic premises of the policy are that the welfare of the family is based on equality between men and women, that the family is the setting for emotional ties both within marriage and within cohabiting relationships, that family life is essential for the well-being of children. Other aspects of the policy include statements concerning protection of the family against violence, assuring families of economic security, and ensuring the rights of immigrant families, of the families of the disabled, and of the families of homosexuals. The legislation requires the establishment of a Family Council with responsibility for advising the government on family affairs, coordinating the relevant activities of different ministries, and promoting research especially with regard to the economic situation of families with children. It stresses the importance of fathers being encouraged to take parental leave.

Iceland is a country characterized by a relatively high birth rate, a high rate of out-of-wedlock births, a high rate of cohabitation, a very high rate of female labor force participation, and a very low unemployment rate for both men and women.

Family policies include the specifics mentioned above, maternity, paternity, and parental leave policies that are generous, but less so than in the other Nordic countries and much less in the way of early childhood education and care services. In addition, in 1996 a law was passed permitting two adults of the same sex to enter into a registered partnership carrying with it all the prerequisites of marriage. Family benefits and services constituted about 2.50% of GDP in 1995.

Government Agencies

The major ministries for purposes of child and family policies are: Ministry of Social Affairs and the Family Council within it, the Ministry of Health; the Ministry of Social Security; the Ministry of Finance; and the Ministry of Education and Science.

Demographic and Other Social Trends

Iceland had a population of about 286,000 in 2001 overwhelmingly Lutheran as to religion. It is a small country, the most sparsely populated in Europe. About 80 percent of the country is uninhabitable, and the vast majority of the population lives in the coastal belt area in the south or southwest. Iceland is a "young" country with 24 percent of its population under age 15 and only 12 percent aged 65 and older. Its fertility rate is high for Europe, at 2.1, at the replacement level, like the U.S. Its out-of-wedlock birth rate is exceptionally high, at 65 percent. Its infant

mortality rate is low, at 2.6, and has declined steadily since 1986. Its unemployment rate is very low at 3.4 percent and its female labor force participation rate is high, at about 78 percent.

Despite its high out-of-wedlock birth rate, 83 percent of children under age 16 lived in families with two adults in 1998, 61 percent in a husband/wife family, 22 percent with a cohabiting, not legally married couple, and 17 percent with a lone parent.

Social Protection

Iceland is a Nordic country with a language and culture related to that cluster of countries. Initially part of Denmark, Iceland established itself as a modern republic in 1944 when 97 percent of the population voted to be independent of Denmark. Since World War II it has had an increasingly high standard of living, comparable to that of the other Nordic countries, with a per capita GDP in 1999 of \$32,000. National income rose rapidly after the War and the national economy underwent dramatic changes, transforming itself from a subsistence economy through rapid urbanization and other features of industrialization. The quality of housing in Iceland is higher than in most places, while the Icelandic roads are poorer than in most countries with a comparable standard of living. The latter is due mainly due to the size of the country and the sparsely distributed population.

Social expenditures constitute 9 percent of GDP, far below that of the EU average but the share going to child and family benefits, at 13 percent, is significantly higher than the average.

Iceland has the prevailing social protection system of the Nordic countries: old age insurance, survivor's benefits, disability benefits, unemployment benefits, health insurance, workers compensation, family benefits, and maternity benefits. All elderly are entitled to an old age pension and all employees and the self-employed, to a second tier, wage-related, occupational pension. Children are entitled to both types of Survivor's benefits in the event of the death of an insured parent and full orphans receive a double benefit. Worker/s compensation and unemployment insurance both carry entitlement to dependents' benefits as well.

Child, Youth and Family Policy Regimes

Maternity, Paternity, Parental, and Family Leaves

Maternity/Paternity and Parental Leaves refer to leaves at the time of childbirth, adoption or the taking of a child under age 8 into foster care.

Each parent is entitled to a three-month maternity/paternity leave at that time but a woman can begin her leave one month before expected birth and one parent can take an additional 3 months for a parental leave of nine months in total. In the case of adoption, the leave begins either when the child enters the parents' home or, if parents must travel to collect the child, when the travel begins. In the case of multiple births the leave can be extended by an additional three months; or in the case of the baby's illness or the mother's illness, it can be extended accordingly. The mother must take at least two weeks leave after birth. While on maternity/paternity leave parents

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are entitled to a cash benefit replacing 80 percent of their prior wages. In the case of a non-working, at-home parent, a minimum benefit is provided. The nine-month leave may be spread out over the first 18 months after birth.

Since 1998, Icelandic fathers have the right to a two-week paternity leave within the first 8 weeks after childbirth (NSSC, 2001).

Sick child leave permits a parent to stay at home to care for a child under age 13, for up to 7 days, without loss of income.

Early Childhood Education and Care (ECEC)

Compulsory school begins at age 6 and ends at age 16. Preschool is for children under age 6, is administered by the Ministry of Culture and Education, and is delivered largely by the public sector. The core philosophy is that the programs are to integrate care and education. In 1999, 57 percent of children aged 0-5 were enrolled in full day, full year care, 86 percent of the 3-5 year olds and 42 percent of those under age three. Parents pay income-related fees, amounting to about 32 percent of operating costs. Coverage has increased dramatically over the last decade, from 42 percent over all in 1990 (73 percent of the 3-5 year olds and 14 percent of the under 3s). Shortages exist for the infant/toddler programs, and some parents use informal family day care as a result; but the preference is for center care.

Family and Child Allowances

Family allowances have recently been transferred to the tax system. However, child allowances are paid to the child of a deceased parent, or of a parent receiving disability benefits, or of a single parent. Child allowances are higher for children under age 6 than for older children.

Child and Family Tax Benefits

A means-tested child benefit is provided through the income tax system.

Child support

A minimum child support benefit is guaranteed to children and paid in advance by the government when the non-custodial parent does not pay it or pays it at an inadequate level. If the child is in school, the payment may be provided until the child is 20 years old.

Other Child Conditioned Income Transfers

All social insurance benefits carry with them either a dependent's benefit (disability benefits, unemployment benefit) or a special benefit. Thus there are survivors' benefits associated with old age pensions (orphan allowances, which are doubled in the case of a full orphan), disability pensions, worker's compensation.

Child and Adolescent Health

There is some combination of a national health insurance program and a health service. The National Health Insurance scheme offers reimbursement for dental care for children. Primary health care includes preventive care in health centers and home nursing. Health promotion is also stressed.

Housing Benefits

Iceland has an unusually high quality of housing and extensive housing subsidies.

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