

## Atypical labour markets in Iceland

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### Flexible employment forms in Iceland

In Iceland 31.9% of employees were non-standard workers in 2015, compared to 28.6% in 2008. The share of marginal part-time workers (working less than 15 hours per week) increased from 4.9% in 2008 to 6.8% in 2015. Long part-time work (working 15-29 hours per week) did not change much during this period, and measured 10.5% in 2015. Temporary employment is the most common form of non-standard employment in Iceland, up from 9.5% in 2008 to 12.8% in 2015. The incidence of solo self-employment has stayed relatively stable and measured 8.7% in 2015.

### Variations in flexible employment across sectors

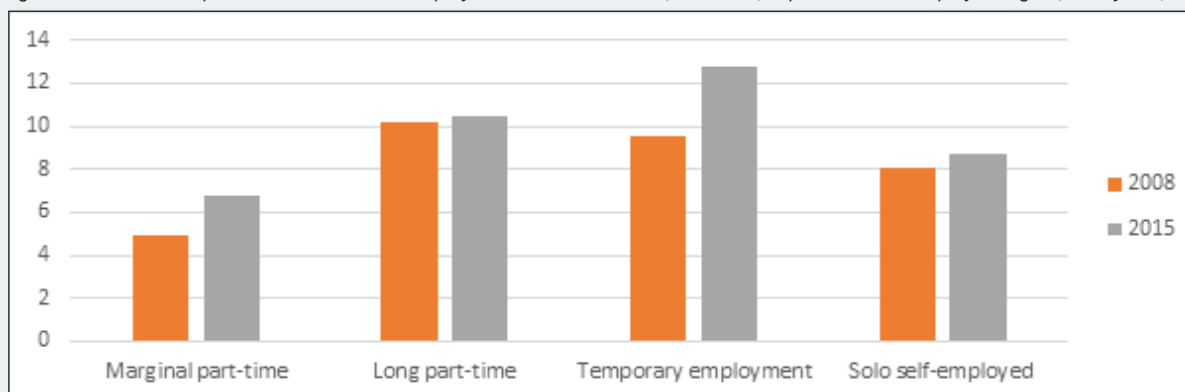
The combined category of *Wholesale and retail trade, transportation and storage, accommodation and food service activities* was among the most common sectors in part-time work – whether marginal or long. Temporary employment and solo self-employment were among the most frequently used in *Agriculture, forestry and fisheries*. Long part-time and temporary employment can be found in *Public administration, defence, education, human health, and social work activities*. *Other services* show up as one of the three largest sectors in all four forms of non-standard work. This category includes *Arts, entertainment and recreation, Other service activities, Activities of households, and Extra-territorial organizations and bodies*. The same sectors

are among the top three in all categories of non-standard work in both 2008 and 2015, except for marginal part-time work. In 2008, *Construction* and *Information and communication* were among the most common sectors, but had been replaced by *Financial and insurance activities* and *Other services* among the top three sectors in 2015.

### Characteristics of flexible workers

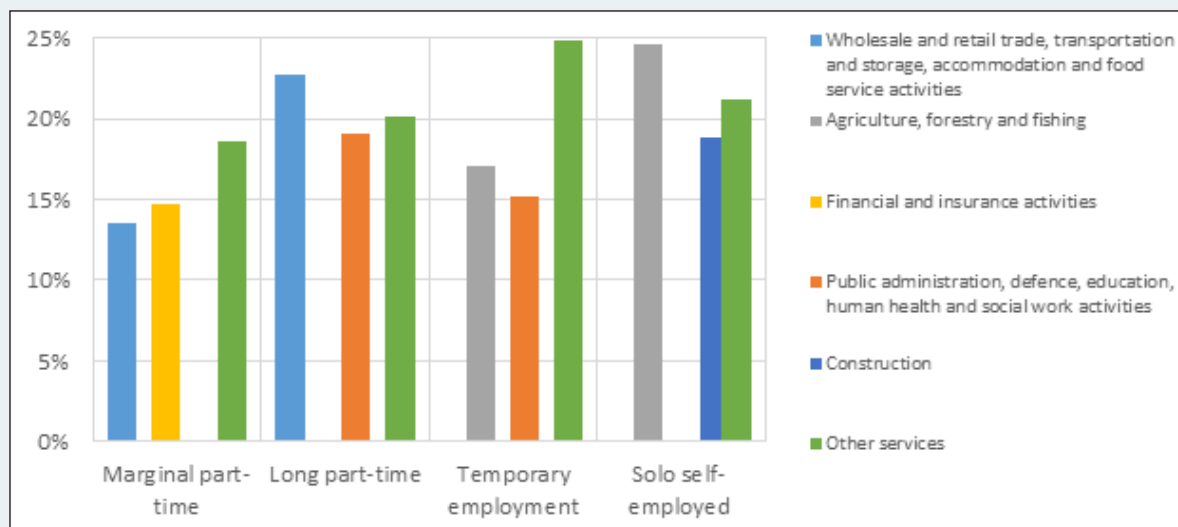
Being young, a student, and without a university degree are all strong predictors of both marginal and long part-time work, and the strongest predictor of temporary work. Marginal part-time work is more common in the urban south-west of Iceland, while long part-time work and temporary work is used more in the rural areas. Being above 65 years old is also a predictor of working part-time, whether marginal or long. Women are more likely than men to work long part-time. The most common reason given for working marginal part-time is having another main activity like being in school, education or training (72%), while only 4% were unable to find a full-time job. Half of those holding long part-time jobs gave other reasons or no reason as an explanation (51%), while 27% were in school, education or training. Only 12% stated that they were unable to find a full-time job. Three out of four in temporary employment did not want a permanent job (73%), while 11% could not find one. A different pattern emerges among solo self-employed workers. While being a student

Figure 1: Recent development in non-standard employment forms in Iceland (2008-2015) in per cent of all employees aged (15-74 years)



Source: Authors own calculations based on LFS data.

Figure 2: The three sectors with the largest shares of non-standard employment forms in Iceland in 2015, percent of all in employment, 15-74 year olds, weighted yearly data.



Source: Authors own calculations based on LFS data.

is still a strong predictor, other predictors include being above 65 years of age and living in rural areas. Men are more likely than women to be solo self-employed.

### Recent debates and regulatory changes

There has not been much of a debate on the non-standard forms of employment as most of it is voluntary, and the rights of part-timers are the same as for full-timers. The tax treatment of solo self-employed individuals is comparable to regular employment. The debate in Iceland has focused on foreign workers and whether their working conditions are in accordance with Icelandic labour law.

### Future challenges or any other national peculiarities

The challenge is to find methods to better integrate non-Icelandic citizens into the labour market and make sure they are aware of their rights and obligations. The share of non-Icelandic citizens has risen from 2.6% in 2000 to 7.4% in 2015, up to 8.9% in 2018, while their participation rates in the labour market have been estimated as even higher than that of Icelanders. Furthermore, new forms of employment or self-employment need to be monitored and the authorities need to ensure that those emerging forms also fit within the regulations applied to the labour market to reduce the risk of worker exploitation.



### The future of work: Opportunities and challenges for the Nordic models

In this collaborative project funded by the Nordic Council of Ministers, more than 30 researchers from the five Nordic countries study:

- What are the main drivers and consequences of the changing future of work in the Nordic countries?
- In what ways will digitalisation, new forms of employment, and platform work influence the Nordic models?
- What kind of renewal in the regulation of labour rights, health and safety, and collective bargaining is warranted to make the Nordic model fit for the future?

Through action and policy oriented studies and dialogue with stakeholders, the objective is to enhance research-based knowledge dissemination, experience exchange and mutual learning across the Nordic boundaries. The project runs from 2017 to 2020, and is organised by Fafo Institute for Labour and Social Research, Oslo. [www.faf.no](http://www.faf.no)

This brief emerges from Pillar III Self-employed, independent and atypical work, coordinated by Anna Ilsøe, [ai@faos.dk](mailto:ai@faos.dk)

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