Municipalities in Iceland: Labour market and Job evaluation

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Overview

• Icelandic labour market
• Collective agreements
• Job evaluation
• Family-friendly benefits
The Public Sector
Main Features and Characteristics

Icelandic labour market

Public 25%
  State 12%
  Local Authorities 13%

Semi-public 8%

Private sector 67%
The Icelandic labour market is governed by collective agreements.

The labour legislation has a considered effect on the labour market.
Municipalities and the Labour Market II
Main Features and Characteristics

» Participation rate of the Icelandic labour market is the high.
  ▪ About 83 per cent of the population between 16 and 74 years old are active in the labour market.

» Iceland has the highest rate of women's participation among the OECD countries.
  ▪ Women are 46 per cent of the Icelandic labour force.

» Iceland has also a high rate of elderly participation.
The board of Samband has the mandate to negotiate collective agreements on behalf of all the municipalities in Iceland, except for the city of Reykjavik (RVK).

The board of Samband appoints a special negotiating committee to negotiate collective agreements.
City of Reykjavík negotiates collective agreements independently.

Samband and RVK cooperate in collective bargaining agreements with the unions of teachers and firefighters.
Wage formation at the municipal level is a one stage process by centralized collective agreements.

Each employee is placed within the pay scale by two main channels.

- By job evaluation (around 60% of the employees).
- By the conclusion of a centralized collective agreement (around 40% of the employees).
The job evaluation is an analytical instrument used to evaluate jobs systematically.

The local authorities operate a joint centre that conducts the job evaluation.
Components of collective agreements:

» Paid vacation rights
» Authorized absence from work due to sick children under 13 years of age
» Death of a close relative
» Absence from work by force majeure
» Artificial insemination
## Paid sick leave rights

<table>
<thead>
<tr>
<th>Length of service</th>
<th>Number of days</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3 months</td>
<td>14</td>
</tr>
<tr>
<td>3-6 months</td>
<td>35</td>
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<tr>
<td>6 months to 1 year</td>
<td>119</td>
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<tr>
<td>1 to 7 years</td>
<td>133</td>
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<tr>
<td>12 to 18 years</td>
<td>273</td>
</tr>
<tr>
<td>After 18 years</td>
<td>360</td>
</tr>
</tbody>
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Thank you for your attention!