



Vocational education and training

Policy briefs 2023

ICELAND



This VET policy brief was produced by the European Centre for the Development of Vocational Training (Cedefop), Department for VET [vocational education and training] and Qualifications under the supervision of [Loukas Zahilas](#), Head of Department.

The report was drafted by [Inés Sancha Gonzalo](#), Cedefop expert, under the guidance of VET policies and systems team coordinator [George Kostakis](#).

This report is part of Cedefop's monitoring of vocational education and training policies and systems. It is based on detailed information on VET policy implementation submitted by Cedefop's European network of expertise on VET (ReferNet) and other sources. For additional information please visit Cedefop's online tool [Timeline of VET policies in Europe](#).

Please cite this publication as:

Cedefop (2024). *Vocational education and training policy briefs 2023 – Iceland*. Cedefop monitoring and analysis of vocational education and training policies. <http://data.europa.eu/doi/10.2801/352621>

A great deal of additional information on the European Union is available on the internet.

It can be accessed through the Europa server (<http://europa.eu>).

Luxembourg: Publications Office of the European Union, 2024



© Cedefop, 2024.

The reuse policy of the European Commission is implemented by the Commission Decision 2011/833/EU of 12 December 2011 on the reuse of Commission documents (OJ L 330, 14.12.2011, p. 39). Except otherwise noted, the reuse of this document is authorised under the Creative Commons Attribution 4.0 International (CC BY 4.0) licence. (<https://creativecommons.org/licenses/by/4.0/>). This means that reuse is allowed provided appropriate credit is given and any changes are indicated. For any use or reproduction of photos or other material that is not owned by the EU, permission must be sought directly from the copyright holders.



Publications Office
of the European Union

PDF ISBN 978-92-896-3739-8 doi: [10.2801/352621](https://doi.org/10.2801/352621) TI-02-24-441-EN-N

Contents

1.	Introduction.....	2
2.	National VET context and challenges	2
2.1	National VET context.....	2
2.2	Challenges	3
3.	National VET policy priorities	3
4.	Main policy developments and progress 2020-23	4
4.1	Increase visibility and accessibility of VET	4
4.2	Improve VET quality and governance	5
4.3	Ensure adequate provision of VET teachers.....	5
5.	Statistical information in relation to EU targets.....	6
6.	Conclusion.....	7
	References	8

1. Introduction

This VET policy brief produced by Cedefop presents a snapshot of vocational education and training policy developments in Iceland between 2020 and the beginning of 2023. It presents the context and the challenges the country faces, a selection of the latest VET-related statistics, as well as the national priorities until 2030 identified in Iceland's national implementation plan. This VET policy brief provides information from Cedefop monitoring and analysis on the implementation of the [Council Recommendation on VET](#) and [Osnabrück Declaration](#). It offers stakeholders a regular source of information on VET policy developments that could be used for future policy making.

2. National VET context and challenges

2.1 National VET context

The Icelandic school system is inclusive and free of charge, with only minor registration fees at the upper secondary level, including VET. Almost all Initial VET in Iceland comprises 'certified trades', offered mainly at the upper secondary level (ISQF3/EQF4). These programmes involve a combination of school-based and workplace learning, spanning from 1 to 4 school years.

The education ministry is responsible for upper secondary VET, as well as continuing and adult education. This includes drawing up curriculum guidelines for upper secondary schools, issuing regulations and planning education reform. The government's policy in this area is implemented in collaboration with upper secondary school principals and stakeholders.

Upper secondary schools are entrusted with great responsibility and enjoy autonomy in developing general education and VET study programmes, combining learning outcomes, workload and credits. Focus is on a flexible schedule, balancing general subjects and occupation-specific skills; these can vary between VET programmes. However, learning pathways must be accredited by the directorate of education on behalf of the education ministry.

Iceland has one of the highest participation rates in lifelong learning. The State partially finances various forms of continuing and adult education, such as evening classes in upper secondary school, distance learning and lifelong learning centres. It also provides grants from State-financed funds for VET in business and industry. Iceland also allocates funds for continuing education and lifelong learning courses for civil servants and university educators, including schoolteachers.

Vocational education and training is based on Act No 92/2008 and some later regulations. The 2014 White paper on education reform contributed to making VET more visible, accessible, and more attractive to young learners. A new regulation on workplace learning in Iceland came into effect on 2021, as part of a comprehensive reform of the

Icelandic VET system. Education Policy 2030 was recently adopted and is being implemented.

2.2 Challenges

The main challenges that Iceland faced between 2020 and 2023 were to promote VET and increase the number of VET students, especially in small occupations; to increase the number of VET places, the number of enterprises offering on-the-job training and the number of qualified VET teachers; and to improve learning conditions and facilities in VET schools.

The high demand for vocational and technical personnel in Iceland has led to a disparity in skills within the labour market, resulting in lower productivity compared to the Nordic average (OECD, 2019). Participation in VET is low compared to other countries, with less than a third of upper secondary students enrolled in VET in 2021; early school leaving rate is almost twice the EU average. This is leading to labour shortages, especially in the so-called small-scale industries, where there is a lack of skilled workers, and few have been following those programmes for a long time.

Before 2020, VET students faced unequal access to tertiary education opportunities compared to those who had completed general programmes. Ensuring VET learners have equal matriculation rights to other school graduates was introduced to the policy agenda as a way to increase young people's interest in VET and raise their number in the labour market.

The VET system combines school and workplace learning. However, stakeholders agreed that there was a need to develop practical/workplace learning further.

There are thirty upper secondary schools in the country, twelve of which offer vocational training. These schools have to meet the growing demand for more qualified staff, catering not only for the low-skilled but also for VET graduates, who need to improve their skills. Schools also need to take into account the possibilities of digital communication and the growing availability of diverse learning materials, as well as the diversity of students.

These challenges cannot be met without increasing the number of qualified vocational teachers. Teachers, like the rest of the population, are ageing, which means that Iceland will need to replace about two out of five of its teachers in the next decade or so (OECD, 2021).

3. National VET policy priorities

The [national implementation plan](#) (NIP) presents Iceland's actions to implement the Osnabrück Declaration on VET as a factor for recovery and a fair transition to the digital and green economy. The NIP is in line with the Icelandic [Education Policy 2030](#) strategy, which is organised around five pillars to improve the education system and support

economic development. It links more specifically to the third pillar, Skills for the future, which covers vocational education and training, digitalisation, and lifelong learning.

The overall goal of the NIP is to raise awareness of the importance of VET in meeting future skill needs and thus ensuring prosperity in the country. This overall goal is addressed through the following three objectives:

- a) increase visibility and accessibility of VET;
- b) improve VET quality and governance;
- c) ensure adequate provision of VET teachers.

4. Main policy developments and progress 2020-23

4.1 Increase visibility and accessibility of VET

2020 marks the beginning of [new times in VET](#) for Iceland. The government and key VET stakeholders (industry, local authorities) collaborated to design a new strategy to strengthen VET by making it more visible, accessible and appealing particularly to young learners. Various measures were proposed concerning apprenticeships, access to VET in rural areas and guidance services, and progressing to tertiary education.

The COVID-19 pandemic slowed down the implementation of many of these measures, but in the second half of 2021 a [new regulation on apprenticeships](#) transferred the responsibility for finding workplace contracts for apprentices from the learners themselves to VET schools, which now have to ensure that learners have access to the necessary workplace training and find companies willing to take on interns for on-the-job training. This shift places new responsibilities on schools in an economic environment where small enterprises dominate.

In early 2020, the education ministry, the Confederation of Industries and the Union Icelandic Municipalities signed an action plan to increase young people's interest in vocational and technical education. This led to five projects, one of which was to increase the emphasis on engineering, technology and arts for all students in compulsory education, as required in the national curriculum guide but was lacking in some schools. The Ministry of Education is monitoring this provision, but it is up to the schools to comply, giving the schools' autonomy in this country.

A second project was to improve access to vocational education and training in rural areas, as young people's options for further study after compulsory schooling depend largely on the range of courses available in their local area. This is achieved through the Municipalities Equalisation Fund, which distributes grants to local authorities to compensate for differences in the cost of running schools and to ensure that all municipalities meet minimum schooling requirements.

A third project aimed to raise awareness of vocational and technical studies and the opportunities they offer. The promotional #FyrirMig (#ForMe) campaign, from 2020 to 2022, was a joint effort by key stakeholders to improve study and career guidance in primary

schools. Promotional images were displayed in bus shelters and LED screens across the country. In addition, the photos and videos were posted on Facebook and Instagram.

Another project culminated in May 2021, when a [regulation](#) was adopted to provide equal opportunities to learners who have completed art, technology and vocational studies to access tertiary education. Previously, only those who had passed the matriculation exam could enter university, while VET learners were required to complete further general education to qualify. Following the new regulation, universities must define their admission criteria and notify secondary schools to allow learners to organise their studies accordingly.

Several trade regulations were amended, resulting in their [cancellation or merger with other trades](#). The purpose was to reduce IVET learner obstacles to entering such professions as, previously, only master tradespeople, journeymen and apprentices in the relevant occupation had the right to work in their specific trade. This affected 16 professions, which were either cancelled or combined with others. Course descriptions and study programmes must be adapted to the new regulation and be formally approved and implemented.

4.2 Improve VET quality and governance

Iceland embarked in 2019 on the modernisation of the logbook system. The previous logbook was outdated and poorly coordinated. It did not allow a general overview of students' progress in their studies and training; they had to rely on written documents from their workplace trainers, preventing learners and VET schools from improving the planning of individual learning and teaching procedures.

The [digital logbook](#) keeps track of the academic progress of VET learners and the skills they must acquire to master their trade. It is a platform that all partners, including the learner, the school, and the workplace, can use for communication, making administration simpler and clarifying each partner's responsibilities. The first apprentices signed a workplace contract through the logbook system in August 2021. As of 2022, 35 study programmes were in the logbook and the concept was still being introduced to users. It is expected to serve as a quality management tool for apprenticeships and to increase the attractiveness of VET.

Statistics Iceland published the first version of the national skills anticipation policy in 2021. The initiative was part of a joint effort between Statistics Iceland and other government ministries to [improve the management and coordination of skills anticipation](#) efforts, as agreed by stakeholders in 2018. A National Skills Council, a forum for consultation between representatives of ministries and stakeholders, was expected by 2022. However, staffing and funding issues at Statistics Iceland hampered this project. In 2023, work was under way to ensure that the skills forecast was guaranteed for the future.

4.3 Ensure adequate provision of VET teachers

Various attempts to address the shortage of teachers and [attract new teachers](#) were made prior to 2020. Increasing salaries had not worked as expected. Part of the demand

for teachers was met by allowing some individuals to teach without the necessary teacher training.

Since autumn 2020, a more successful measure has been to allow student teachers to apply for a paid training period of up to 1 school year during their final year of teacher training at university. This aims to increase the ability of student teachers to deal with the challenges of teaching after graduation, which increases the likelihood of a successful career and promotes stronger relationships between the university and work.

In 2021, four active teachers or school principals were appointed by the University of Iceland to work part-time for a period of 2 years. The main aim was to establish a stronger link between students and education professionals, as well as to strengthen the relationship between the university and school administrators at all levels. Both parties have benefited from this initiative during the first 2-year period, and the university is seeking new recruits for a second period.

5. Statistical information in relation to EU targets

Iceland has achieved high rankings in various indicators. For example, in 2021, 81.0% of adults (aged 16-74) in Iceland had basic digital skills, which is 1.8 percentage points higher than the best performing EU27 country.

In 2022, the employment rate of recent IVET graduates aged 20-34 and the population aged 20-64 were the highest in Europe. The employment rate for recent graduates was 95.9%, 16.2 percentage points above the EU27 average and the highest in Europe. The employment rate for those aged 20-64 was 84.8%, 10.2 p.p. above the EU27 average.

However, in the same year, Iceland had the highest rate of early school leaving compared to the EU27, at 16.5%, 2.1 points higher than the previous year, and quite far from the EU's target of less than 9% by 2030. The NEET rate is very low (5.4%), the second lowest compared to EU27.

Only 31.4% of upper secondary students were enrolled in IVET in 2021 ⁽¹⁾, which is lower than the EU27 average of 48.7%, with only five EU27 countries having a lower enrolment rate.

Table 1. **European vocational education and training policy dashboard: Iceland**

Type of indicator ⁽²⁾	Indicator	Last available year	IS	EU-27	Policy Document	EU target (year)
VET for developing a lifelong learning culture						
Progress	Adults (25 to 64-year-olds) with learning experience in the last 12 months (%) [*]	2022	:	39.5	Skills Agenda	50% (2025)
					Council Resolution on EEA	47% (2025)

(1) Share of initial VET learners from total learners at upper-secondary level (ISCED level 3), 2021, 31.4%. Source: Eurostat, educ_uoe_enrs04 [Extracted on 13/06/2023]

(2) [Definitions](#) on the type of indicators is available.

					ESPR Action Plan	60% (2030)
Progress	Low-qualified adults with learning experience in the last 12 months (%)	2022	:	18.4	Skills Agenda	30% (2025)
Progress	Unemployed adults with learning experience in the last 4 weeks (%)	2022	24.1	13.2	Skills Agenda	20% (2025)
Context	Employment rate for 20 to 64-year-olds (%)	2022	84.8	74.6	ESPR Action Plan	78% (2030)
Context	Early leavers from education and training (%)	2022	16.5	9.6	Council Resolution on EEA	<9% (2030)
Context	NEET rate for 15 to 29-year-olds (%)	2022	5.4	11.7	ESPR Action Plan	9% (2030)
VET for Resilience, transitions, sustainability and excellence						
Progress	Adults (16 to 74-year-olds) with at least basic digital skills (%)	2021	81	53.9	Skills Agenda ESPR Action Plan	70% (2025) 80% (2030)
Progress	Employment rate for recent IVET graduates (20 to 34-year-olds) (%)	2022	95.9	79.7	Council Rec on VET	82% (2025)
Progress	Recent IVET graduates (20 to 34-year-olds) with work-based learning experience as part of their vocational education and training (%)	2022	: ^u	60.1	Council Rec on VET Council Resolution on EEA	60% (2025)
Context	25 to 34-year-olds with tertiary attainment (%)	2022	40.2	42	Council Resolution on EEA	45% (2025)
Context	Gender employment gap (%)	2022	5.2	10.7	ESPR Action Plan	To be halved (2030)
Context	People at risk of poverty or social exclusion (1000s)	2022	:	95 284	ESPR Action Plan	15 million decrease (2030)
Context	Employed ICT specialists (1000s)	2022	8.9 ^e	9 370.2 ^e	2030 Digital Compass	20 million, with convergence between men and women (2030)
VET for the European Education Area						
Progress	Learners in IVET who benefitted from a learning mobility abroad (%) **	2021	1	2.1 ^{dV}	Council Rec on VET Skills Agenda	8% (2025)
Context	Average number of foreign languages learned in IVET	2021	:	1.2		

Available flags: d - definition differs, e - estimated, u - low reliability, V - Cedefop estimate. Special value - not available

* Eurostat data (Adult education survey, special calculation excluding guided on-the-job training)

** Provisional estimates affected by the COVID-19 pandemic

Source: [European VET policy dashboard](#)

6. Conclusion

Iceland devised a new strategy in 2020 to make VET more attractive, particularly to young learners. This strategy included reinforcing guidance services, reorganising qualifications to adjust VET provision to local resources better, and ensuring equal opportunities for those living in rural areas. Changes were also made to the requirements for accessing tertiary education, providing equal opportunities for VET students. However, the COVID-19 pandemic slowed down the implementation of some of these measures. Iceland will need further efforts to fulfil the goals set in the New times in VET strategy.

More effective measures are also required to reduce high early school-leaving rates and to increase the country's skilled labour force. Careful skills forecasting and capacity planning can provide the basis for stronger skills policies and ensure that Iceland has an adequate and skilled workforce to meet current and future challenges. Iceland needs to implement fully the measures required to overcome the lack of financial and human resources, which are hampering the complete implementation of skills foresight efforts. The methods and tools to assess and anticipate skills needs should be based on quantitative and qualitative sources of information, in line with best practice.

The modernisation of the logbook system, to overcome previous limitations and provide learners and schools with a more effective and coordinated way to plan and track their progress, is a key measure in improving the VET system. It needs to expand to all VET programmes to have a major impact and guarantee equal opportunities.

Investing in qualified teachers is crucial for the progress of vocational education and training (VET). Teacher shortages need to be addressed with more effective measures to attract more candidates and retain them as VET teachers, while providing for their continuous professional development.

References

[accessed 3.4.2024]

Cedefop (2021). [VET in Iceland](#). In: Cedefop (2021). Spotlight on VET - 2020 compilation: vocational education and training systems in Europe. Luxembourg: Publications Office. pp. 40-41.

Cedefop (2022). [European skills index: country pillars: Iceland](#).

Cedefop and ReferNet (2023). [Timeline of VET policies in Europe](#) [online tool].

Cedefop; ReferNet Iceland (2022). [Vocational education and training in Europe - Iceland: system description](#) [From Cedefop; ReferNet. Vocational education and training in Europe database].

Iceland (2022). [National implementation plan on VET: Iceland](#).

Ministry of Education, Science and Culture. (2014). [White paper on education reform](#) (in Icelandic).

OECD (2019). [Fostering strong and relevant skills in Iceland](#), *Economics department Working Papers*, No. 1582

OECD (2021). [Iceland Education Policy 2030 and its implementation](#), *OECD Education Policy Perspectives*, No. 32, OECD Publishing, Paris

ReferNet Iceland, Cedefop (2020). [Iceland: The digital logbook project](#). National news on VET

ReferNet Iceland, Cedefop (2021). [Iceland: new regulation on apprenticeships](#). National news on VET

ReferNet Iceland; Cedefop (2021). [Iceland: digital logbook becomes operational](#). National news on VET

ReferNet Iceland; Cedefop (2021). [*Iceland: new act regulating easier access from VET to higher education*](#). National news on VET

ReferNet Iceland; Cedefop (2023). [*Iceland: easing access to employment for IVET learners*](#). National news on VET