



Vocational education and training policy briefs 2024

ICELAND



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

It can be accessed through the Europa server (<https://european-union.europa.eu/>).

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1. Introduction

This VET policy brief (1) produced by Cedefop presents a snapshot of vocational education and training policy developments in Iceland between 2020 and the end of 2024. 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 policy brief provides information from Cedefop monitoring and analysis on the implementation of the [Council Recommendation on VET](#) and [Osnabrück Declaration](#) and contributes to shaping new EU priorities in VET as of 2026 and informing the mid-term evaluation of the Council Recommendation on VET.

2. National VET context and challenges

2.1 National VET context

The Icelandic school system is inclusive and free of charge, with minor registration fees at the upper secondary level, including vocational education and training (VET). Iceland's VET system is based on Act No 92/2008 and later regulations, with a focus on making VET more visible, accessible, and attractive to young learners. A new regulation on workplace learning came into effect in 2021 as part of a comprehensive reform of the Icelandic VET system. VET is mainly offered at the upper secondary level, where school-based and workplace learning form an integral part. Enterprises responsible for training need official certification and training agreements with both the learner and the school. Most learners in workplace learning receive salaries, and companies training learners can apply for a subsidy to fund training. Several qualifications are offered at upper secondary level, including journeyman's exams, and some are preconditions for holding relevant jobs (Cedefop, & ReferNet, 2024).

The education ministry is responsible for both upper secondary VET, and continuing and adult education. This includes drawing up curriculum guidelines for upper secondary schools, issuing regulations and planning education reforms. Education policy is implemented in collaboration with upper secondary school principals and stakeholders. Upper secondary schools have autonomy in developing general education and VET study programmes, combining learning outcomes, workload, and credits. However, learning pathways must be accredited by the directorate of education on behalf of the education ministry.

Iceland has a relatively high lifelong learning participation rate for adults aged 25 to 64 in Europe (almost 27% in 2024, according to [Statistics Iceland](#)). Adult learning opportunities are provided through a variety of channels, such as upper secondary schools offering day classes and special adult evening classes, 11 dedicated lifelong learning centres, training centres owned and operated by social partners for skilled workers in certain trades, and numerous private training institutions. Two institutions owned by employer and employee organisations offer courses for journeymen and masters of trades in the latest technology. For the healthcare sector, retraining courses are offered by universities. There are specific training institutions for several professions. Labour agreements reached in 2000 established specific training funds,

(1) See also the previous edition: Cedefop. (2024). [Vocational education and training policy briefs 2023 – Iceland](#). Cedefop monitoring and analysis of vocational education and training policies.

to which both employees and employers contribute a percentage of all salaries, and from which both parties can apply for funding to support training initiatives (Cedefop, & ReferNet, 2024).

2.2 Challenges

The main challenges in the field of VET that Iceland addresses in its [national implementation plan](#) (NIP) (Iceland, 2022) are the following: promoting VET in primary schools; increasing the number of VET students, especially in small professions; improving learning conditions in VET schools; increasing the number of VET places/placements; and increasing the number of companies that accept interns for in-the-job-training (Sverrisdóttir, 2024).

Participation in VET is low compared to other European countries. In 2023, less than one third of upper secondary students enrolled in VET (Eurostat, 2025). A long-standing challenge in Iceland has been to increase the number of students in small-scale industries, which suffer from a lack of professionals. Iceland aims to introduce these industries to prospective VET students (Sverrisdóttir, 2024).

There are 30 upper secondary schools in the country, 12 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 consider the possibilities of digital communication and the growing availability of diverse learning materials, as well as the diversity of students.

An assessment of VET school facilities revealed the need for improvements. A new building for the country's largest VET school is under construction, and three to four other schools are planned to receive extensions or new buildings. This expansion is crucial due to the rapidly increasing demand for vocational skills (Sverrisdóttir, 2024).

Regarding the increase of VET placements, there is support from the business community, including the Confederation of Icelandic Enterprise (SA), to increase the number of companies offering apprenticeships. This support aims to address the shortage of training placements (Sverrisdóttir, 2024).

The smallest crafts, often consisting of few entities and mainly sole proprietors, struggle to commit to long-term internships. As a result, trainees may need to rotate between three different workplaces to complete their requested training (Sverrisdóttir, 2024).

Furthermore, there is a need to systematically increase the number of qualified vocational teachers in response to the growing number of students. The [Education Policy 2030](#) strategy (Iceland, 2021) emphasises teacher recruitment and education, aiming to increase the number of new students in teacher training, reduce dropout rates, and ensure that newly graduated teachers see a future in teaching in the country's schools (Sverrisdóttir, 2024).

3. National VET policy priorities

The [national implementation plan](#) (NIP) (Iceland, 2022) 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 (Iceland, 2021), 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.

According to Iceland's NIP, in VET, the main focus continues to be on quality issues and promotion of vocational education, aiming to increase the number of VET students in the country. 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 (Iceland, 2022):

- (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 2020-24

4.1 Increase visibility and accessibility of VET

Between 2020 and 2024, Iceland implemented several initiatives to make VET more attractive by increasing its visibility and accessibility. In 2023, the Ministry of Education and Children's Affairs published the findings of a report on the need for housing in secondary schools for the next ten years, highlighting the need to increase learning facilities for secondary VET schools. In 2024, the construction of new VET facilities began, to increase access to work and apprenticeships in the capital area. These developments are part of the initiative of [new times in VET](#), aiming to strengthen VET in Iceland. As of 2020, the government and key VET stakeholders (industry, local authorities) had collaborated to design a new strategy to strengthen VET by making it more visible, accessible and appealing particularly to young learners (Cedefop, & ReferNet, 2025).

4.2 Improve VET quality and governance

In 2020-24, Iceland's efforts to improve VET quality and governance revolved around the modernisation of its logbook system, the review of VET curricula with the addition of a transversal sustainability competence across all VET sectors, and upskilling in the hospitality sector through microcredentials.

In 2019, Iceland embarked on the modernisation of its 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 new [digital logbook](#) was launched in August 2021 (ReferNet Iceland, & Cedefop, 2021). It 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 digital logbook is a valuable tool for apprentices, trainers and employers. It is hosted and maintained by the new Directorate of Education and Schools Services and the Apprentice Centre, and widely used by all relevant stakeholders (Cedefop, & ReferNet, 2025).

VET curricula were reviewed in 2023. Currently, when reviewing job descriptions and competence requirements, environmental issues are considered in parallel with technical changes, feeding into the national VET curricula. In September 2023, a [new competence requirement concerning sustainability and environmental issues was added to all job descriptions](#) and competence requirements in a transversal way across all VET sectors. (Cedefop, & ReferNet, 2025; ReferNet Iceland, & Cedefop, 2025).

Within the context of [improving the governance of skills anticipation and matching](#), in 2024, Statistics Iceland conducted a long-term forecast on the development of labour supply and demand by education and industries for 2023-2038. The goal of the skills forecast is to highlight developments in the labour market regarding the education of the workforce. It specifically aims to shed light on the imbalances between the supply and demand of labour across different education categories. This forecast was the result of an extensive strategic planning process carried out in 2023. Prior to this, in 2021, Statistics Iceland had published the first version of the national skills foresight policy. 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 (Cedefop, & ReferNet, 2025).

Iceland participates in the MCEU Hospitality Erasmus+ project addressing the [transformative potential of digital microcredentials](#) in the hospitality industry, aiming to support hospitality workers' upskilling and reskilling. Through this initiative, Iceland aims to address the current fragmented landscape surrounding microcredentials and calls for better quality assurance and governance. Iceland aims to pilot the issuing of digital credentials within the industry, placing emphasis on digital and green skills (ReferNet Iceland, & Cedefop, 2024).

4.3 Ensure adequate provision of VET teachers

Iceland has taken several steps to address the shortage of teachers. Various attempts to [attract new teachers](#) were made prior to 2020, but not all measures, including increasing salaries, worked as expected. Since autumn 2020, a more successful measure has been to allow student teachers to apply for a paid training period of up to one school year during their final year of teacher training at university. This aimed 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 2022, the success of the teacher recruitment initiative became visible when 454 teachers graduated, marking a 160% increase on the average for 2015-19. The 2024 measures to attract new teachers to VET included motivational grants. These grants aimed to increase recruitment among teachers and were intended for student teachers seeking a teaching license. The initiative officially ended in 2024. Actions to increase the number of teachers were carried out in consultation with a wide range of stakeholders, including municipalities, the Icelandic Teachers' Association, universities and the Federation of Icelandic Industries. Representatives of the Ministry of Finance and Economy, and the Ministry of Transport and Local Government also supported the work (Cedefop, & ReferNet, 2025).

5. Statistical information in relation to EU targets

Iceland has achieved high rankings in various indicators, often placing itself above the respective EU-27 average. For example, in 2024, the share of unemployed adults with learning experience in the last 4 weeks was 19.1%, close to the EU target of 20% by 2025 and above the EU-27 average of 15.3%. However, although higher than the EU-27 average, this indicator has followed a decreasing trend in recent years in Iceland, dropping by almost 10 percentage points compared to 2023 when it had reached 29%.

In 2024, the employment rate for 20 to 64-year-olds was 87%, following a constant upward trend since 2021 (81.4%), and exceeding the EU target of 78% by 2030. In Iceland, this indicator has been above 80% since 2010. The current value is close to the peak of 87.8% reached in 2016.

Despite the country's efforts to increase the attractiveness of VET, only 32.4% of upper secondary students were enrolled in IVET in 2023 ⁽²⁾, which is lower than the EU-27 average of 49.1%.

Moreover, in 2024, Iceland had a high rate of early leaving from education and training, at 15.3%, which is the second highest rate in EU-27+ ⁽³⁾. Although the 2024 rate is 1.2 percentage points lower than the 2022 one (16.5%) and overall has been decreasing over the years, it is still considerably higher than the EU-27 average (9.3%), and quite far from the EU-27's target of less than 9% by 2030.

At the other end of the spectrum, Iceland lowered its NEET rate for 15-29 year-olds to 5.0% in 2024, further improving its already low 2022 rate (5.4%), and clearly exceeding the EU target of 9% by 2030. Iceland's 2024 rate for NEETs is the second lowest one among all EU-27+ countries.

⁽²⁾ Number and share of pupils in upper secondary vocational education programmes, 2023, 32.4%. Source: Eurostat, [Data extracted in June 2025](#), educ_uoe_enrs04 [Extracted on 25/07/2025].

⁽³⁾ EU-27+ refers to EU-27, Iceland and Norway.

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

Type of indicator ⁽⁴⁾	Indicator	Last available year	IS	EU-27	Policy Document	EU target (year)
VET for developing a lifelong learning culture						
Progress	Adults (25-64 year-olds) with a learning experience in the last 12 months (%) [*]	2022	:	39.5	Skills Agenda	50% (2025)
					Council Resolution on EEA	47% (2025)
					ESPR Action Plan	60% (2030)
Progress	Low-qualified adults with a learning experience in the last 12 months (%) ^(*)	2022	:	18.4	Skills Agenda	30% (2025)
Progress	Unemployed adults with a learning experience in the last 4 weeks (%)	2024	19.1	15.3	Skills Agenda	20% (2025)
Context	Employment rate for 20-64 year-olds (%)	2024	87	75.8	ESPR Action Plan	78% (2030)
Context	Early leavers from education and training (%)	2024	15.3	9.3	Council Resolution on EEA	<9% (2030)
Context	NEET rate for 15-29 year-olds (%)	2024	5	11.0	ESPR Action Plan	9% (2030)
VET for Resilience, transitions, sustainability and excellence						
Progress	Adults (16-74 year-olds) with at least basic digital skills (%)	2023	:	55.6	Skills Agenda ESPR Action Plan	70% (2025) 80% (2030)
Progress	Employment rate for recent IVET graduates (20-34 year-olds) (%)	2024	:	80.0	Council Rec on VET	82% (2025)
Progress	Recent IVET graduates (20-34 year-olds) with a work-based learning experience as part of their vocational education and training (%)	2024	:	65.3	Council Rec on VET	60% (2025)
					Council Resolution on EEA	
Context	25-34 year-olds with tertiary attainment (%)	2024	46.8	44.2	Council Resolution on EEA	45% (2025)
Context	Gender employment gap (%)	2024	6.8	10.0	ESPR Action Plan	To be halved (2030)
Context	People at risk of poverty or social exclusion (1000s)	2024	:	93 333	ESPR Action Plan	15 million decrease (2030)
Context	Employed ICT specialists (1000s)	2024	9.7 ^e	10273.6 ^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	1.0	2.1 ^{dv}	Council Rec on VET	8% (2025)
					Skills Agenda Council Rec Europe on the Move	
Context	Average number of foreign languages learned in IVET	2023	:	1.2 ^d		

Available flags: *b* – break in time series, *c* – confidential, *d* – definition differs, *e* – estimated, *f* – forecast, *n* – not significant, *p* – provisional, *r* – revised, *s* – Eurostat estimate, *u* – low reliability, *z* – not applicable, *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 Covid19 pandemic.

Source: Cedefop. (n.d.). [European VET policy dashboard](https://www.cedefop.europa.eu/en/tools/european-vet-policy-dashboard/methodology).

⁽⁴⁾ Definitions on the type of indicators are available at <https://www.cedefop.europa.eu/en/tools/european-vet-policy-dashboard/methodology>

6. Conclusion

The period from 2020 to 2024 has been marked by significant policy developments in the Icelandic VET system. Key initiatives have focused on enhancing the visibility and accessibility of VET, strengthening VET quality and governance, and ensuring adequate provision of VET teachers.

Visibility and accessibility initiatives included the construction of new VET facilities and the development of a new strategy to strengthen VET.

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 fostering VET quality. The introduction of a digital logbook has streamlined administration and enhanced communication between learners, schools, and workplaces.

VET quality was further strengthened through the review of VET curricula, which has addressed environmental issues while incorporating technical changes. The addition of a new competence requirement concerning sustainability and environmental issues to all job descriptions was part of the review process.

Iceland focused also on improving the governance of skills anticipation and matching. The conduct of a long-term forecast on labour supply and demand has provided valuable insights into the education of the workforce. This forecast aims to highlight imbalances between the supply and demand of labour across different education categories, informing strategic planning and decision-making.

Iceland's participation in the MCEU Hospitality Erasmus+ project has the potential to support hospitality workers' upskilling and reskilling through digital microcredentials, further contributing to country's efforts to improve VET quality and governance.

The provision of qualified VET teachers has also received attention, with measures aimed at attracting and retaining teachers. Initiatives such as paid training periods for student teachers and motivational grants have shown promise in increasing the number of teachers. The success of these measures is reflected in the significant increase in teacher graduates, marking a positive step towards addressing the shortage of VET teachers.

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