



Proposal of the Central Committee for a resolution on skills, knowledge and education in a changing labour market

The 47th Congress of the Icelandic Confederation of Labour (ASÍ) demands that workers be guaranteed full participation in the major transitions now taking place in the labour market as a result of new technology and climate change.

The ASÍ Congress resolves that transformations in Icelandic business and industry must not be allowed to lead to insecurity, reduced income security and inequality. Workers must enjoy the benefits of progress and be guaranteed an unequivocal right to take part in the transition to new jobs and changing forms of work on the basis of justice, social stability and inclusion.

A prerequisite for a just transition in the labour market is that workers are given better access to targeted continuing education and retraining, and that the right to education and career development in response to changes in business and industry is fully recognised. Workers must also have financial security while studying, enabling them to acquire greater knowledge and skills without putting their livelihoods at risk.

The ASÍ Congress resolves that this can only be achieved through a concerted effort by the labour movement, employers and government to build a robust education and income security system that responds to the changing circumstances of working people. Such a system must be based on clear rights in collective agreements, strong labour market support systems and a socially equitable student loan system. This will ensure that everyone has a fair share and opportunities to participate in a changing labour market.

ASÍ priorities for skills, knowledge and education in a changing labour market

Access to education

Continuing education and retraining must be at the forefront of measures for a just transition, to ensure that no one is left behind and everyone has opportunities to participate in the labour market. Comprehensive, accessible and forward-looking education must be strengthened, supporting a diverse and high-quality range of learning opportunities in adult education, upper-secondary schools and universities, so that workers can develop the skills required by a rapidly changing labour market. Continuing education and retraining must be prioritised in line with the changes taking place and genuine opportunities created for people to retrain for new jobs arising from those changes.

Good access to continuing education and retraining must be ensured for all groups, regardless of place of residence, origin or financial circumstances, with particular emphasis on people with less formal education.

Access to recognition of prior learning and Industry Skills Certificates (I. fagbréf atvinnulífsins) must be improved, particularly for workers of foreign origin, and access to further study afterwards must be ensured at both upper-secondary and university level. The availability of courses in more languages, such as English and Polish, must also be increased, and study pathways should be developed in which Icelandic-language instruction is provided alongside work.

At the same time, strong cooperation between government and the social partners must be developed to systematically analyse the skills needs of the labour market, so that education and skills keep pace with developments in business and industry. Data collection and coordinated recording of education, work experience and skills must be strengthened to ensure reliable information, informed debate and targeted policymaking in this area.

Right to pursue education

Retraining must be embedded in workplace learning policies and working environments. Incentives and conditions must be created to support workers in studying alongside work and to ensure that people have genuine scope to acquire new skills and knowledge in line with labour market changes arising from a just transition. Particular emphasis must be placed on ensuring that immigrants can study Icelandic during working hours and that disabled people and people with reduced work capacity have genuine opportunities to participate and progress in the labour market as changes associated with a just transition take place.

It is important that these changes do not lead to greater marginalisation but instead support increased labour market participation by all groups.

Income security while studying

A prerequisite for workers to participate in continuing education and retraining is that their income security is protected while they study. It is important that the Icelandic Student Loan Fund becomes a genuine equalising mechanism that supports access to education and reduces financial barriers. Funding for recognition of prior learning and other measures that make it easier for people to begin or continue their studies must also be increased.

Conditions must be created that enable people to study alongside work without a substantial loss of income security. Financial circumstances must not be a barrier to participation in continuing education and retraining or to people's ability to adapt to new labour market requirements and move into new jobs when changes occur as part of a just transition.

Report

The labour market is constantly evolving and is facing far-reaching changes as a result of rapid technological development, increased use of artificial intelligence and automation, as well as the energy transition, climate action, green economic development and growing sustainability requirements.

In light of these changes, particular attention must be paid to workers' position and opportunities in the labour market. In view of the transitions under way, strengthening continuing education and retraining is among the most urgent priorities. It is the shared responsibility of government, employers and workers to ensure that everyone has easy access to education and opportunities to develop their skills in line with new requirements in business and industry. This requires targeted efforts to remove the barriers workers face when participating in education, while also addressing systemic challenges with greater flexibility, accessibility and support across the education and labour market systems.

In a recently published report by the International Labour Organization, [*Lifelong learning and skills for the future*](#), the key elements of a strong continuing education and retraining system are highlighted. The report notes, among other things, that a robust support system based on strong governance, coordination, financing and social dialogue is essential. A clear division of responsibilities, coordination between institutions and active participation by the social partners, including sectoral councils, are all considered important for ensuring coordination and accountability in the provision of skills development. A strong support system also depends on digital learning infrastructure, effective financial incentives, quality assurance and accessible career development support that makes lifelong learning a realistic option for workers. Where ministries, institutions and the social partners work together, systems tend to be more integrated and better able to respond to needs as they arise.

Equal access to education and opportunities to develop skills alongside work is essential to ensuring that labour market changes do not lead to greater discrimination or inequality. Building coordinated and integrated systems is crucial if continuing education and retraining are to be genuinely accessible to everyone and adapted to changing circumstances. Funding remains a key challenge, but continuing education and retraining should be viewed as an investment that delivers substantial long-term benefits. It is equally important to consider the role of the Icelandic Student Loan Fund, which can play a key role in supporting these changes, as noted in the report by the National Union of Icelandic Students, [*Árangur eða afturför? Áhrif og afleiðingar nýrra laga um Menntasjóð námsmanna*](#) (*Success or Setback? The Impact and Consequences of recent legislative changes to the Icelandic Student Loan Fund*). Looking at groups in a more vulnerable position in the labour market,

such as people with less formal education, young people, immigrants or workers in jobs that are highly likely to disappear or change, it is clear that the challenges are diverse and that supporting skills development is essential to resilience, participation and opportunity. Skills must, however, be developed, recognised, assessed and used in ways that reflect the constantly changing labour market and the needs of society.

Continuing education and retraining must be at the forefront of transition measures to ensure that no one is left behind, by strengthening comprehensive, accessible and forward-looking education that supports a diverse and high-quality range of learning opportunities to develop skills suited to a rapidly changing labour market.

General access to continuing education and retraining at work should be improved for people with less formal education, as should access to recognition of prior learning and study pathways leading to an Industry Skills Certificate (I. Fagbréf atvinnulífsins). Given the rapid pace of technological change in the labour market, it is urgent to develop approaches based on a targeted continuing education and retraining strategy that is integrated into each workplace's learning policy, with particular attention to jobs affected by technological change.

Today's labour market requires the development of diverse and combined skill sets. It will therefore become increasingly important for employers to seek skills among staff that span different areas. Basic digital skills combined with strengths in teamwork are a good example, as are combinations of cognitive skills and practical know-how. Social and emotional intelligence is extremely important in the transformations taking place in the labour market and supports workers' ability to move from simpler tasks into more complex roles as jobs change. When cognitive skills are added, opportunities for career progression increase further.

As noted in the above-mentioned ILO report, barriers such as cost, workers' lack of time, lack of information, and rigid study arrangements prevent people from different groups from participating. Improving access requires targeted financial support, measures that reduce time constraints, such as paid educational leave, recognition of prior learning, and strong career guidance and information provision.

A strong Icelandic economy relies on high participation by immigrants, who account for around 25% of all workers - one of the highest shares in Europe. In many sectors, including construction, tourism, fish processing, cleaning, care work and various services, they form the backbone of operations.

For a long time, there has been an urgent need to strengthen immigrants' language proficiency in order to improve their opportunities to make use of study pathways that can strengthen their position in the labour market. It is therefore essential to ensure access to Icelandic-language

learning during working hours, as surveys consistently show that lack of time and people's circumstances prevent them from studying Icelandic alongside work.

Experience suggests that success in language learning depends not only on obligations but on whether the learning is linked to tangible opportunities, such as an improved position in the labour market, formal recognition of skills and realistic opportunities for career development. If the emphasis is primarily on obligations without targeted and realistic measures and positive incentives being guaranteed, there is a risk that participation will decline, thereby weakening the objective of genuine inclusion.

The Action Plan on Immigrant Affairs 2026-2029 specifically states that immigrants' access to recognition of prior learning must be improved and that assessment of education and labour market participation must be further strengthened.

It is important to clarify the pathways available following assessment of education and prior learning. Indicators should be established and outcomes systematically monitored, such as how many people obtain occupational qualifications, begin further study or secure jobs that match their education and experience. Without such follow-up, it is unclear what effect the measures will have on people's actual position in the labour market. In this context, it is important that immigrants make greater use of such pathways, but for that to happen, opportunities must be available to pursue education at other levels of the education system in languages other than Icelandic.

These measures need to be integrated more clearly with Icelandic-language learning and career development. Skills assessment has limited value unless it is followed by a realistic pathway forward, such as access to appropriate language support and measures that enable people to meet any professional and formal requirements they may lack. Otherwise, there is a risk that assessment outcomes will not translate into an improved position in the labour market.

A just transition in the labour market must be ensured as effectively as possible. It is therefore important to closely monitor jobs that are highly likely to disappear or change, so that a strong continuing education and retraining system can respond.

To address the effects of technological change, it is important to carry out systematic analysis of skills needs through strong cooperation between the social partners and government, and to respond to challenges through continuing education and retraining so that skills and education keep pace with labour market developments and workers' needs. It is therefore important to strengthen bodies such as the Fræðslumiðstöð atvinnulífsins (Education and Training Service Centre), both to respond to these developments and to analyse skills needs

as they arise. This is particularly important so that workers have opportunities to strengthen their position and thereby help bring about a just transition in the labour market. Skills forecasts are an important tool for policymaking and measures that can meet the changes taking place, and those that will continue to take place, in the labour market. The [Fræðslumiðstöð atvinnulífsins 2025 annual report](#) states, among other things, that 56% of participants in recognised study programmes were immigrants. By far the largest number attended the programme *Icelandic and the Labour Market*.

The ILO report states that targeted skills training increases, among other things, the likelihood of better access to jobs and supports opportunities for better pay. The effects vary depending on circumstances, however, underlining the importance of tailoring measures to local realities, collecting detailed and disaggregated data on funding, and systematically assessing which incentives work and why.

Taken together, these findings show that building effective lifelong learning systems requires coordination, accessibility, quality and sustainability. Achieving this vision requires:

- long-term commitment
- social dialogue between government, employers and workers
- a shared understanding that lifelong learning is a public good - a key prerequisite for resilience, participation and decent work in a rapidly changing world

The labour movement plays an important role in analysis and policymaking, ensuring that workers' perspectives are heard and helping to ensure that access to continuing education and retraining is genuinely available to everyone. This can both strengthen workers' position and support a just transition in the labour market.
