

# Iceland

## Demographics for Iceland

Population:	296,737 (July 2005 est.)
GDP (by PPP method):	US\$9.373 billion
Currency (inc code):	Icelandic Krona (ISK)
Language(s):	Icelandic, English, Nordic languages, German widely spoken
Internet country code:	.is

## Elementary and secondary education

Pre-schools are the first level of the educational system, where the youngest children are usually two years of age. The nucleus of the educational work at this first level is play. Pre-schools are available to all children who have not reached six years of age, at which point compulsory education begins. In 2003, 92.6 percent of the age cohort of two and five was in pre-primary education.

Virtually all of the six to 16 age group is enrolled in compulsory schooling and it is organized in a system of primary and lower secondary education. Together they are a part of the same school level and generally take place in the same school. This mandatory level of education for children and adolescents between the age of six and 16 constitutes Grades 1 to 10.

Upper secondary education is not compulsory, but anyone who has completed compulsory education or has turned 18 has the right to enter a course of studies in an upper secondary school. About 85 percent of individuals aged 16-19 enroll in upper secondary school and pupils usually complete their matriculation examination the year they turn 20, whereas in other countries pupils finish comparable programs at the age of 18 or 19. Upper secondary education is primarily organized as a four-year course due to the short

academic year and leads to a matriculation examination, which is a qualification for entry into most institutions of higher education. Upper secondary schooling includes a number of vocational courses of study (Ministry of Education, Science and Culture, 2002).

Local municipalities are responsible for the operation of pre-primary and compulsory schooling, while the state operates most upper secondary schools and higher education institutions. Education in Iceland has traditionally been organized within the public sector and very few private institutions are in the school system. Almost all private schools receive public funding (Eurydice European Unit, 2004).

### **Higher education**

There are eight higher education institutions in Iceland and they differ in the extent to which they engage in research and the number of programs of study offered. Most of the institutions are run by the state, but three are run by private parties with state support. Higher education institutions operated by the state charge no tuition, merely registration fees. Tuition fees of privately run institutions are, however, generally low on an international scale, which conforms to a fundamental principle of the Icelandic educational system that everyone should have equal opportunities to acquire education, irrespective of social, religious or economic status. Icelandic students attending institutions of higher education are eligible for student loans from the Icelandic Student Loan Fund. Also, individuals from EU member states and the EFTA countries, who have worked in Iceland at their trade or profession for at least one year, are entitled to apply for a student loan (Eurydice European Unit, 2003).

For admission to institutions at the higher education level, students must have passed the upper secondary matriculation exam or its equivalent. In some cases where applicants have not completed the matriculation exam, substantial work experience may suffice for admission. Furthermore, the legislation on higher education allows institutions to set their own admission criteria and for vocational and technical courses, practical experience is often required (Ministry of Education, Science and Culture, 2002).

“As a general rule, studies at the higher education level in Iceland are divided into three degree programs: a Bachelor’s degree, which normally takes three to four years to complete; a Master’s degree with duration of one to two years; and a Doctoral degree, with duration of four to five years. Traces of the old professional degree system (Candidatus degrees of five-six years) remain, where the holder qualifies for a special office or profession in the fields of theology, medicine, law, etc. In a number of higher education institutions a diploma or a certificate is awarded after one-and-a-half or two years of study” (Eurydice European Unit, 2004, p. 4).

“In most institutions of higher education the academic year lasts from September to May and is divided into two semesters, autumn and spring. The

autumn semester starts at the beginning of September and lasts until late December. The spring semester lasts from the beginning of January until end of May” (Eurydice European Unit, 2003, p. 28).

Student assessment at the higher education level is usually based on written, oral or practical examinations, semester papers and assignments carried throughout the whole course of study. Degrees are only awarded after students have written a final dissertation or completed a research project.

In 2003 the number of students enrolled in higher education institutions in Iceland amounted to 5.4 percent of the total population. A considerable proportion thereof, i.e. 16 percent, studies abroad, most of them in post-graduate studies.

### **Management education**

Of the eight higher education institutions in Iceland there are, at present, four institutions offering business degree programs at the university level, i.e. University of Iceland, University of Akureyri, Bifröst School of Business and Reykjavik University. The latter two are run by private parties, but both public and private higher education institutions receive individual appropriations from the state budget. The lines of administrative authority are laid out in the law and the state institutions of higher education are directly responsible to the Minister of Education, Science and Culture. The university council has the final authority in matters of the university and its affiliated institutions, unless otherwise specified in its statutes. The role of each higher education institution is defined further in separate legislation on their activities. The administrative structure differs somewhat between the different institutions, but generally faculties in higher education institutions have significant authority in managing their finances and in setting the curriculum (Eurydice European Unit, 2000).

All four institutions mentioned above offer undergraduate education in business and management, leading to a Bachelor’s degree (Bachelor of Science). The length of study is three years for specialized studies, but diplomas are in some cases also offered after one-and-a-half or two years of study. Each year of study is generally divided into a four-month fall and spring semester, with exams held or assignments due either during or at the end of each term.

Three universities provide graduate business education leading to a Master’s degree. Master’s degrees offered within business studies are Master of Science, Master of Arts and Master of Business Administration, where titles vary with the focus of study. Master’s degree programs generally take one to two years to complete and two-thirds are generally devoted to coursework, while a third is specialized research. In total, over ten different fields of study within graduate business studies are offered, a handful of which directly relate to management studies.

The University of Iceland, which has the largest number of students, is currently the only university that provides doctoral education, although other schools have established possibilities of doctoral education in co-operation or through bilateral agreements with foreign universities. There is a long tradition among Icelandic students of studying abroad and relatively few students seek doctoral education in Iceland. A total of 12 percent of Icelandic business students, at all levels of higher education, were studying abroad in 2004.

### *Faculty*

Senior lecturers and professors at institutions of higher education usually hold a PhD degree. Other university teachers are required to have at least a MA degree or comparable education in their subject. In 2003, one in every five university employees held a Doctorate degree and a quarter held a Master's degree. Most professors in universities have received their postgraduate education abroad and maintain international relations through, for example, research cooperation after they move back home.

University teachers of public schools are state employees and come under the law concerning the rights and duties of state employees, while other schools offer private contracts. Lecturers, senior lecturers and professors periodically receive a one-year sabbatical and grants are available for continuing education.

### *Students*

The student body of the universities is mainly native and the principal language of instruction is Icelandic. However, textbooks in business studies are primarily in English and there are generally a number of courses taught in English. Also, in some cases special tutoring can be arranged and exam papers can be provided in English. Furthermore, some graduate programs are taught in English, e.g. MBA programs. In recent years there has been a great rise in female enrollment in Icelandic universities and the gender proportions are about equal in business studies. In total, women have formed the majority of students in higher education since 1980. A large fraction of university students are working towards business related degrees, or around 15 percent of all undergraduate students and 25 percent of graduate students (Table I).

### *Accreditation*

A total of five universities are administrated by the Ministry of Education, Science and Culture and three are administrated by the Ministry of Agriculture. The ministries set rules regarding how each institution is to fulfill its obligations in evaluating the quality of teaching and how external supervision of quality is conducted. There is no national inspectorate, but the ministries are responsible for evaluation and supervision of education at all school levels. The universities themselves are responsible for their internal quality control, but under regulations on the monitoring of the quality of third-level education, the

	All subjects	Business related subjects
Undergraduate	14,043	2,152
Women (%)	63	56
Graduate	2,025	512
Women (%)	67	53

**Note:** The population of Iceland was approximately 290,0000 people

**Source:** Statistics Iceland (2005)

**Table I.** Number of students enrolled in higher education in Iceland, 2004

ministries monitor the quality of education they offer. Hence, the ministries have an explicit role in defining the rules for quality evaluation and quality control. The ministries are also responsible for the certification of courses and publish a list of certified degrees and diplomas (Eurydice European Unit, 2000):

- Number of institutions with undergraduate business degree programs: 4.
- Number of institutions with business Master'S degree programs: 3.
- Number of institutions with business Doctorate degree programs: 1.

### Issues facing business schools

For 60 years there was only one higher education institution in Iceland: the University of Iceland, which was established in 1911. Over the last three decades new institutions have emerged and changed the landscape of higher learning.

Following this transition to a more competitive environment, there has been a significant rise in the number of students in many fields of higher education. In relation to this, there is an ongoing debate about the finances of higher education institutions. Both public and private institutions receive state support and private institutions can charge tuition fees, while public institutions are only authorized to charge registration fees. The public educational system is costly, consisting of 7.6 percent of gross domestic product, with tertiary education being 1.1 percent. Public institutions are therefore considering ways to cope with their financial problems, for example by charging tuition fees or restricting admission to public institutions. Efforts have also been made in recent years to combine smaller institutions into larger ones (Eurydice European Unit, 2004).

Smaller regions in the country have of late been seeking to establish higher education institutions to support their economic and social development. "As these regions do not have the population base to support such institutions, they are looking toward distance education in order to provide higher education opportunities to people in the region. Lifelong learning and distance education

are likely to become of a greater concern in formulation of policy for higher education in the near future” (Eurydice European Unit, 2000, p. 536).

Issues facing business schools in particular are mainly twofold. Research productivity is relatively low and current discussions center on means to enrich the scholastic contribution of business faculty. Second, further steps towards internationalization and international recognition are desired. This includes deepening the diversity of faculty by increasing the number of foreign lecturers, offering more courses in English and admitting more foreign students. These issues are under reform and will continue to be addressed in the near future.

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