

Immigrants in Icelandic tourism – drive for growth and profit

Transformation of the Icelandic labor market

- The exponential growth in Icelandic tourism is unthinkable without the contribution of thousands of foreign migrant workers.
- Tourism has recently become the biggest sector in the Icelandic national economy rendering the largest profits.
- Labor shortages driven by economic growth is the main drive behind international migration to the country. One fifth of active employees in the labor market are people of foreign migrant origin.
- Immigrants are concentrated in low paid jobs, often jobs the locals no longer want.
- Membership within the trade unions for non-skilled workers in the south-west area, where the ratio of migrant workers ranges from one fourth to over half members, clearly reflects the changes currently underway within the Icelandic labor market.
- Uneven age dispersion characterizes the immigrant population where the overwhelming majority falls between twenty and forty-five years of age i.e. the prime working age.
- In 2017 every eight taxpayer registered at the Icelandic tax register was a foreign citizen.
- The Icelandic labor market is ethnically segregated and the tourist sector significantly so.
- The number of registered workers within tourism increased by half from 2010 to 2017 and the ratio of workers of foreign origin tripled in the same period.

- Tourism in Iceland suffers from lack of clear vision and a unified policy.
- Disunity and lack of a unified policy affects the position of workers within the sector not least the ones coming from abroad.
- Emphasis on the importance of the workers is difficult to find within the goals the sector has set, whereas emphasis on profits seem to have priority over the rights and conditions of the workers.
- On estimate around 40% of all registered immigrants active in the labor market are to be found within tourism. The number of unregistered workers is unknown.
- Tourism is a labor demanding sector calling mostly for un-skilled laborers, often in the lowest steps in the wage ladder. Many of the jobs do not offer any kind of career promotion.
- On average, over three quarters of the staff at hotels and guesthouses are foreign migrant workers. Over half of them are Poles. Ethnic and cultural diversity is great at both small and big hotels and guesthouses. Over 75% of hotel staff is under 35 years of age.
- Gender ratio among hotel staff is on average 60% women and 40% men. Women take care of cleaning almost exclusively in other jobs gender division of labor is more even. Women are numerous in managing positions, migrant women included.
- English is everywhere the first language of communication amongst hotel staff. Polish comes second and Icelandic is the third most common language spoken. Opportunities to use Icelandic at the workplace are very few. Job promotion within the hotels is dependent upon knowledge of English.
- Workers of foreign origin are content with the relatively flat power structure at the workplace and the friendly communication between subordinates and superiors.
- Workers are content with having their rights in the labor market secured. Over 70% of all staff at car rentals is less than 35 years of age with men in great majority. Workers of immigrant origin at car rentals range from 20% to 65%. No Icelanders are willing to work at car cleaning anymore. Very few car rentals use staff agencies and then only at the tire shops over the high seasons.

- The ratio of foreign migrant workers in tourist bus companies varies greatly ranging from none to forty percent. Men are in a large majority of bus drivers and age dispersion is significant with around one third over 56 years old.
- Local accommodation (Airbnb) is about half of all accommodation in Reykjavik. Very little is known about the number, origin and working conditions of the labors working within Airbnb. Research is sorely needed.
- Despite numerous disclosures of illegal economic activity, dumping and even human trafficking in tourism - many of which have been in the media spotlight – there has been rather low voiced response or condemnation of this disgraceful behavior from the leaders within the tourist sector.
- In light of these reluctant responses, the promises of socially responsible tourism, which agents within the sector have agreed upon, becomes rather hollow. One may wonder if the criminal activity disclosed in the sector may harm the reputation of the tourist destination Iceland.
- Despite the punitive behavior of operators, laws and regulations appear to stop short at such activities. Social dumping, - at times by companies shifting ID numbers – and other criminal activity continues mostly affecting immigrants who are least likely to seek their rights due to their precarious position.
- It is noteworthy, that the trade unions along with The Icelandic Confederation of Labour (ASI) which first and foremost, have handled the cases of the foreign workers who have been violated.
- Political authorities have unfortunately responded too little, too late despite many cases being disclosed in the media. It is clear, that these cases need to be handled more firmly with the rights of the workers upheld and respected while those caught in the criminal act should be penalized.

The research shows international migration to Iceland to be highly characterized by ‘the needs of the labor market’. The ‘de facto’ political policy has been aimed at meeting labor shortage rather than receiving people, who have life after work – and include people in the national social policy making. Systematic action, on the behalf of political authorities responding to the unprecedented increase of immigrants, is lacking. As a result, appropriate measures regarding housing, safeguarding their rights in the labor market as well as preparations

within the administration have been lacking. An ethnically segregated labor market where immigrants are in the majority of those at the bottom of the lowest paid, is not desirable for anyone.

The great profits which Icelandic tourism and the entire national economy in Iceland has benefitted from in recent years would never have come true had it not been for the labor contribution of the thousands of foreign migrant workers /immigrants who flocked to the country. In light of that and also in the light of general humanity, the political authorities and leaders in tourism have a duty to offer their workers decent wages and conditions in the country where they have decided to dedicate their labor power.