

Abstract

Compared to most countries in north-west Europe, Iceland is a latecomer on the international migratory map, as immigration to Iceland has mostly occurred in the new millennium. International migration in Iceland is almost exclusively confined to labor migration. Until the economic boom that took off in the early and mid 2010s, immigration had been sporadic and very low in numbers. Appearing first in the 1970s, international labor migration was to begin with seasonal and confined to fishing plants in the fishing villages around the coast. In the 1990s the number of international labor migrants rose and other sectors within the labor market started opening up - various kinds of small industries and services such as caretaking of the elderly, cleaning and more. Simultaneously the capital area started attracting more labor migrants.

In 1999, foreign citizens counted for 3.2% of the Icelandic labor force, rising steadily up to 4.5% in 2002 and remaining there until 2005 when it took off at an unprecedented speed reaching 10% in 2008, thus more than tripling in less than decade. The economic expansion of the early 2010s created insatiable labor shortages which were met with foreign migrant workers. The building industry and all kinds of services were in dire need for manpower. Labor migrants arrived in Iceland in the thousands, the majority Poles, who represented over 45% of all foreign citizens in the country during the height of the expansion era, by far the largest migrant group in the country.

The intense economic boom collapsed in October 2008 followed by a intense economic crisis. Shifts from one extreme to the other have characterized the Icelandic economy and labor market which went from record high labor shortages to record high unemployment. Foreign migrants in Iceland in general and Polish migrants in particular, have been subject to these extreme economic fluctuations. In the span of few years international migration expanded and contracted in line with the needs of the labor market. The construction industry where high numbers of foreign laborers worked came close to a standstill in wake of the crisis. Unemployment in general, skyrocketed reaching 9% on national average at its peak in 2009. Immigrants however, experienced twice as high unemployment compared to the national average and up to 25% amongst Poles.

In recent years the economy has been recovering and unemployment has steadily decreased, the national average being 2.8% in 2015 yet still twice as high amongst foreign citizens who count for 1/5 of all unemployed. At the same time the share of foreign citizens is on the rise again, reaching 9.3% in 2015.

Focusing on the last four decades - 1975-2015 - this paper will shed light on the international labor migration in Iceland by attempting to answer the following: Who are these people, what are the demographic characteristics, - age, gender, education and residency? How are they distributed across sectors, across different labor unions? How does their salaries compare to the natives? What characterizes their development in Iceland?