



**New Year's Address  
by the President of Iceland  
Ólafur Ragnar Grímsson  
January 1<sup>st</sup> 2003**

Fellow Icelanders:

I wish you all good luck and success and thank you for enjoyable times spent together during the past year. It was certainly an eventful year from which the nation benefited in many ways.

For some time now we have enjoyed greater prosperity than we have known before, national income has been growing steadily, entrepreneurs have been continuously expanding their activities in many parts of the world, corporate profits have been announced in what are astronomical terms for the general public, and the majority of people have reaped the benefits of this progress.

Every day we hear news reports about new ground being won in the business world, innovations in marketing and buying and selling of companies whose value is measured in billions of krónur. It is planned to launch shortly the largest investment project in Icelandic history, on a scale comparable to the treasury's total outlays.

Never before have Icelanders had so much money at their disposal. There are more opportunities for doing well than at any other time in the history of the nation. So it is undeniably a paradox that in precisely such a time of plenty, poverty is increasing from one year to the next.

The Mothers' Aid Society, Church Aid, the Red Cross, welfare agencies and the Salvation Army have all told us the same story before Christmas. An ever-growing number of people seek assistance in need, cannot afford food and are so destitute that they cannot buy clothes for their children or medication that doctors deem necessary, mothers are forced to move with their children from one place to another, uncertainty and helplessness fill their hearts with despair and some have lost their mental health from struggling against such severe poverty.

Admittedly, many people find it difficult to believe that this description is true, that people face such a harsh fate in Iceland in our day. This had been the reality of the depression years and the life of poor people as Tryggvi Emilsson describes in his books, but hardly today. Perhaps the occasional person is so badly off, but it is scarcely conceivable that such a large number could be involved, unthinkable that poverty and destitution are becoming entrenched here at the start of a new and promising century. But the facts, unfortunately, speak for themselves.

Thousands of people now approach the relief agencies I mentioned and an ever-growing number have to tread that path of tribulation for the first time and admit their need in this way. These people wear old clothes that they are given by others, deny themselves all entertainment they would have to pay for, ask for assistance so they can bring their children joy at Christmas; see little hope in a new day.

More and more people become caught up in the poverty trap, a vicious circle from which there seems to be no hope of escape despite their determination to provide for themselves without outside assistance. It is a bitter experience to have to admit one's need in this way, to swallow the pride that is instilled in us all, and relief agency workers have told me of the anguish that consumes many people who seek assistance.

Who are so badly off? Where is poverty a daily presence? The answer is a wide section of the community: young mothers, the lowest-paid, single people, old people who only have a basic pension to live on, the disabled who live on minimum welfare benefits. Their numbers are swelling from one year to the next and becoming increasingly diverse, to a growing extent people with permanent jobs whose wages do not suffice for the rent, feeding the household, kindergarten fees and other unavoidable outlays. Even when both parents work outside the home, some families with many children have needed help, are given food coupons to exchange in supermarkets, and there is an ever-growing number of single mothers in full-time employment who cannot make ends meet. Close at hand is another group of young parents who are enmeshed in debt from paying higher education fees or mortgages, can hardly make ends meet and see insolvency looming around the corner.

There has not been any widespread discussion of this problem and in one sense poverty is hidden away in the shadows. It is mainly during the buildup to Christmas and the New Year that the media carry reports of the Mothers' Aid Society and relief work in churches around the country, yet helping the needy is their task all year round. Useful surveys were published in the newspaper Morgunblaðið last year and there was some coverage of the tasks and duties of local government in this field during

the buildup to the municipal elections. A comprehensive work by a social scientist is to be published shortly which will present the findings of an in-depth study of poverty in our country, attempting to analyse the trend in recent years and explain what it is in our social infrastructure that creates the grim fate of poverty at the turn of the century.

In other respects, silence has largely prevailed about this dark side to life in Iceland, this malady which is apparently steadily growing. The safety net which we thought was secure and comprehensive and saw as the chief advantage of Icelandic welfare is actually so full of holes that thousands of people cannot manage through their own efforts to provide for themselves and their nearest and dearest.

It has been the unequivocal will of this nation that everyone should be guaranteed a minimum standard of living, that our welfare should be on a par with our cousins in the other Nordic countries, that the elderly and the sick, single people and large families should not have to suffer.

In recent decades we have achieved exceptional results in the battle against inflation and consolidated economic stability. In this task the labour movement, central government and local government joined forces, enjoying the support of corporate leaders.

We now need a similar campaign to eradicate poverty and make the welfare safety net so tight that it provides security for all. We need to retie the knots that have come undone and model ourselves on the other Nordic countries in this respect.

I urge the leaders of the labour movement who spearheaded last year's anti-inflation campaign to provide the same kind of leadership in the battle against poverty, to bring together central and local government, influential businessmen and relief agency workers, and establish reforms to ensure that Iceland no longer lags behind the other Nordic countries.

We must be bold in facing up to these shortcomings at the same time as we applaud successes in many fields. Last autumn one individual's initiative opened everyone's eyes to the bullying which has spread through schools in this country, the way that violence and brutality have stricken many young people's health of mind, self-confidence and happiness. The "Rainbow Children" movement provided a glimpse of hope for those who have suffered pain and loneliness, and a symbol of protest against an evil which has far too long been taboo. Since a single idealist's selfless efforts managed to change the way the nation thinks, a campaign against poverty in which the labour movement and influential political and business figures join forces will surely create a turning point.

Love for one's neighbour has been the essence of the ethical principles that Icelanders have long subscribed to, care and tolerance have been the guiding light of the Christian faith. It is important to remember this when prejudice and violence appear to be increasingly taking root in Iceland. Virtually every day Icelanders whose skins are a different colour from what we are accustomed to encounter insults, and new citizens of Iceland who were born in distant parts of the world and have been making good contributions here for many years face animosity and abuse on the streets.

The youth of this country have open access to violent games, and fights and incessant killings are the world that the entertainment industry is mass-producing. Those of us who are older and are supposed to bear responsibility do not sufficiently realise what effect this endless violence has on the minds and behaviour of young people. For this reason I was prompted to serious reflection by a letter which I received in the autumn from a young man who had taken part in an act of grievous bodily harm. He said in his letter:

“My friend would never have realised that one kick could kill someone. The message that the world sends out to so many young lads is that fighting is tough and people can fight the way they do in films, where it has no effect. A man who can beat up more people than anyone else is made into a hero and women are attracted to them in films. In other words, beating people up is presented as a cool thing to do. No one can imagine that fighting kills.”

That was part of a letter from this unfortunate young man who urges an awareness campaign to be launched in all schools in Iceland. And he adds:

“If this could prevent just one person from ending up in the same position as my friend and me, then the purpose would be achieved.”

Yes, the world of generations is completely altered. The rural roots that older people enjoyed are wearing thin and the bonds of loyalty that typified communities in the countryside and coastal villages are rapidly unravelling.

The books about Nonni and Little Hjalti which we joyfully read in our childhood are now a remote world for young people. New generations no longer walk along dirt tracks to herd up the cows or fetch fish for their homes from the harbour. They are largely brought up in the city, have their roots in some part of a conurbation stretching from downtown Reykjavík through Kópavogur and Garðabær to Hafnarfjörður, out to Seltjarnarnes and up to Mosfellsbær. Although run by several

municipalities, this conurbation is effectively a single whole, a young and rapidly growing city, in diverse ways a *tabula rasa* which is full of promise in many fields despite the difficulties of tackling human problems when they arise.

Reykjavík and its neighbouring communities will particularly need in the new century to provide an answer to the question: What does it mean to be an Icelander? The Greater Reykjavík Area has inherited the task which Skagafjörður, Þingeyjarsýsla, the West Fjords and other communities once dealt with: To give new generations awareness and will, to secure the firmness of local roots. In the future the majority of Icelanders will have their origins here in the Greater Reykjavík Area which will become the reality shaping the character of our nation.

The tension that long prevailed in the last century between regional Iceland and the capital area perhaps prevented us from seeing clearly the watershed that has been reached in tackling the challenges and privileges of being an Icelander. The great momentum behind their large population bestows upon Reykjavík and its neighbouring communities the major responsibility of giving new generations the experience and roots that will strengthen Iceland's position in the new century.

And there are definitely many promising signs in that respect. Youthful talents have brought Reykjavík a unique reputation internationally. Influential figures from the music world flock to Iceland every year to discover groups that are barely out of their teens and Reykjavík has become a symbol of original energy and creativity in the young people's musical world. Groups such as Sigur Rós, Múm and Quarashi have spread Iceland's name far and wide and thousands of people in cities abroad flock to see their concerts. Perhaps these young musicians are today's equivalent to the Fjölnir [19<sup>th</sup>-century national awareness] movement, teaching us how it is possible to have roots in Reykjavík and be a cosmopolitan at the same time. And it was interesting to note in a dialogue earlier this winter that some rappers had a better command of the Icelandic language than lecturers at the University.

A new generation in literature and music, film, visual arts, dance and other fields is showing the rest of the world the creative energy within our nation, making modern Icelandic culture relevant to the whole world.

In fact there are more fields in which the urban culture of Reykjavík and its neighbouring communities has brought out talent and trained it to an internationally competitive level. Last year we saw repeated proof of the way that business experience from Iceland can provide a basis for operations worth billions of krónur in other countries, and in most cases the leadership was in the hands of young people.

A little shop which started up just over a decade ago in a Reykjavík suburb has grown into an international chain which now operates hundreds of stores in America and department stores in Scandinavia, and vies to acquire world famous retail chains in Britain. Experience of running a soft drinks plant in Iceland provided, in an astonishingly short time, the basis for a giant corporation in Russia. Knowhow and discipline from pharmaceuticals production in an Icelandic city is now the foundation for extensive and growing activities in a large area of Eastern Europe. Production of prosthetics for people who have been injured or afflicted with diabetes, originally housed on a single floor on Hverfisgata [in Reykjavík], has now become one of the most dynamic companies worldwide in its field. Securities trading which was initially linked to Icelandic savings banks has, in the hands of young experts, been transformed into an international banking institution.

Even more examples can be cited, extending to software and computer technology, food production and innovations in the fisheries sector. A common feature of the bulk of these businesses is that they were spawned and grew to maturity in the Reykjavík market area and are to a significant extent under the leadership of a generation which has only recently entered the field.

The enterprising spirit of young people, their successes in culture and the arts, business and industry, are certainly proof that it is possible to rank with the best in the world yet preserve at the same time Icelandic roots, that the experience obtained at home can provide a basis for substantial results elsewhere in the world.

It is the good fortune of a small nation which for centuries was impoverished and had to earn its independence with a bold struggle lasting a hundred years, to see clear signs in our day that new generations are set on combining a world view and Icelandic roots.

The creative energy shown in the regeneration of Icelandic culture and imaginative business gives us the promise that Iceland will hold its own in the world, that the emerging generation will bring a new and flourishing era for our nation.

But it is also important that the sense of community which has been Iceland's heritage should continue to shape the character of the nation, that we should not forget our brothers and sisters who face adversity.

I wish you all a successful New Year and pray and hope that good fortune will always be with the people of Iceland.