



**Inaugural address
by the President of Iceland,
Ólafur Ragnar Grímsson,
1 August 2008**

My fellow countrymen,

As I undertake once again the responsibilities of the Presidency, the gratitude to the nation, to you, the people, who have shown me this trust, is uppermost in my mind.

The relationship between the President and the nation, the ordinary inhabitants of our towns and countryside, is the ballast that ensures a prosperous voyage, maintaining a living bond and breathing a productive spirit into the provisions of the Constitution.

I have always tried to preserve the wisdom that the President is first and foremost the servant of our nation. This is his anchor and his compass.

The experience I have gained since I first stood in this position has both gladdened and chastened me; fortune has been kind on me and my loved ones, though life has not been free of setbacks and sorrows.

The goodwill and friendship that the people of Iceland have shown me and my family has been of immeasurable value – at once an encouragement and a source of support during times of trial.

During these past years it has been a privilege to be in a position to make my contribution, giving support to important projects in a variety of fields. It has been rewarding and informative to work with individuals and grassroots organisations, scholars and scientists, artists and innovators and dedicated teams devoted to welfare and business, and I hope that this experience has equipped me better to advance good causes during my term of office which is beginning today.

In retrospect we realise that the years immediately before and after the turn of this century were a time of exceptional prosperity for Iceland, with magnificent achievements in most fields and far greater confidence and drive than we had seen before. We surged ahead under full sail, and many thought the favourable wind would blow forever. Success did not come to all, however; for many individuals and families, and certain regional communities, it was a time of struggle. Nevertheless, the overall picture was one of prosperity, and our reputation was carried further afield than ever before.

Icelandic enterprises made new landfalls; a foothold was gained in many spheres; our economy became diversified over a broader base and its new foundations proved, for the most part, strong. Many new opportunities lay open to our younger generation, who found that it was possible to cultivate their Icelandic roots while simultaneously scoring successes internationally.

All of this will stand us in good stead, even though the conditions have now changed; it will help us to hold our course and to appreciate the quality of life we have and evaluate the experience we have gained.

Our nation has often before encountered rough waters, yet reached port in safety.

Our independence campaign was long and without certainty of success: our nation was ill-prepared to aspire to seizing victory from a foreign power, having for centuries been one of the poorest in the entire continent.

The Great Depression and the Cold War were difficult periods for an isolated island nation, and frequently its government was confronted with unpalatable choices. Other states laid claim to control, and the Cod Wars were fought with real danger; foreign warships deployed as a shield for over-exploitation of our fishing grounds.

Again and again, our people and our business sector struggled against difficult conditions. Falling prices for our products and crises in the world economy considerably undermined our living standards. Lacking the skills of bringing our economy under control, we were plagued by constant inflation and instability in the value of our currency.

Our history contains many such examples of changing fortunes, a legacy which will help us to face with confidence the path that now lies ahead.

Though we can foresee problems of many types, and even though households and individuals, companies and business sectors are feeling the pinch, our nation is better prepared than often before to achieve a smooth landing. For almost all of the last century, conditions were very much less in our favour than they are now.

As we look ahead and tackle our challenges, considering what position will best serve Iceland's interests and how to structure our relations favourably with other countries, it is vital to take full account of

the resources we have been given and understand to the full the strength that lies in our people's knowledge and skills, no less than to appreciate the riches we have in the ground beneath our feet and the depths of the ocean, and the advantages connected with our geographical position – qualities which are rapidly acquiring greater value in terms of the changing world order.

A realistic evaluation of Iceland's position at the beginning of this new century reveals clearly that few nations have such wealth in their heritage and their natural environment. Thus, there is no cause for despondency and no reason to resort to desperate measures simply because we face a temporary head-wind.

Where then does Iceland's strength lie? What are the resources that, if we play our cards properly, can lay the foundation of even greater prosperity in the future? We can identify seven areas on which our national welfare can be based.

Education in Iceland, and especially that of our younger generations, is richer and more multi-faceted than it has even been; our students train and study all over the world and also in our own universities and other centres of learning which are constantly growing in strength and stature. Increasingly, the repository of skills and talent in any nation will become the driving force behind its progress. Our strong positive balance in this account will put us in a good position in the years ahead. In all the business sectors, the ability to expand and exploit new opportunities depends on a dynamic development in education. Iceland has been wide awake to this fact for nearly a century, always striving to ensure that all individuals have the right to education, independent of their place of residence and their financial standing. This vision of equality has been

and will continue to be the key to our prosperity, as it is vital for a small nation to ensure that all talents can find expression.

Culture has constantly become richer and more diverse: new branches come into being and prove their worth, though the legacy of past centuries continues to influence our outlook and lay down our guidelines. In the turmoil of the present times, it is a blessing to have strong roots, but they must be nourished by the waters of innovation. Iceland has never before enjoyed such a broad spectrum of cultural variety; the entire community has become a forum for new and original voices to articulate the advantages of experiencing the world as an Icelander.

For centuries, the sea was our larder, enabling the nation to survive through periods of hardship. We are one of the few nations with rich fishing grounds on our doorstep, the breeding grounds of fish stocks which we have managed to conserve, notwithstanding disagreements about ways and means. This special advantage will become constantly more and more valuable as the market price of natural seafood rises.

Agriculture – the farmer’s vocation – which, together with fishing, was the basis of human life in the far north, is proving its worth once again, when ensuring a secure supply of food is one of the most urgent challenges facing the world; limited supplies have resulted in riots and unrest in many countries. Being able to produce food to meet our domestic requirements puts us in a position that most nations of the world can only dream of.

The energy in the ground beneath our feet, which was a cause of amazement to the first settlers and inspired Ingólfur Arnarson to call his farm Reykjavík, is like a gold reserve in today’s world. Access to renewable energy sources will become in the decades ahead, and in fact has already become, a fundamental part of the global economy. Those

nations that have such resources and the knowledge and skills to harness them will therefore be in a privileged position. The success achieved by our scientists, technical experts and managers in the energy sector commands respect all over the world, and Icelanders are in increasing demand as partners in this field.

Leaders and influential figures in Asia, Africa, Europe and the Americas look towards Iceland and seek our help in raising the proportion of green energy they produced in their own countries. Delegations have come to Iceland from the Middle East, Indonesia, Turkey, Hungary and elsewhere; leaders in China and India regard Iceland as a model, and both the candidates in the coming presidential elections in the USA are thoroughly familiar with Iceland's achievements.

Water is another resource which is constantly growing in value, our pure Icelandic drinking water brought forth by our land, day and night, year after year, century after century. Soon, water shortages will become one of the most serious problems facing the world. It is a sign of the times that influential figures from the richest oil-producing state in the world recently visited Iceland to investigate the possibility of buying drinking water from us. Our country is one of the greatest storehouses of pure drinking water in Europe. This fact opens up new vaults in our treasurehouse. It puts us in a special position, and could become a source of income equal to our energy resources and the riches of the ocean.

The natural environment in Iceland – the desert wastes, mountains and valleys, ice caps, rivers and waterfalls, black sands, moss-grown lava, green meadows, fjords in all their variety of form and length, the open expanses, the aspect of our land, which for us is an everyday experience, intertwined with our consciousness and feelings – all this is an adventure-world for our visitors, a special and sublime experience. Unspoilt

landscape has rapidly become rarer and rarer in many parts of the world. The demand for the chance to experience nature first-hand, such as Iceland offers so generously, has already become a call of increasing urgency in this new century. Our wealth in this sense is greater than that of most other nations; consequently, the pressure on the natural environment can be expected to grow rapidly, and it will be vital for us to be on our guard. Millions of people living in other parts of the world are eager for the experience of being alone in the open wilderness.

These seven areas – diversity in education, vigorous cultural activity, ocean riches, food-production in our own country, energy resources, reserves of drinking water and the natural wonders of Iceland – constitute wealth that others would desire to possess in their own countries, resources and properties that can open up many opportunities. The new world order enhances their value as no other nation of such small proportions is so well equipped for progress and general welfare. Iceland is able to provide its people with a standard of living similar to the best in the world.

Moreover, despite the changes in recent years, our society has preserved an element that was the foundation of our welfare in the last century: the vision of equality, that everyone has the same entitlement when health declines or old age approaches, that education may never become the privilege of the few, that the whole nation will lend a helping hand when danger or natural disasters strike any individual community in our country.

It is also our good fortune that the North Atlantic is now the most peaceful part of the world. The arms race is a thing of the past in our region. The USA closed down its military base because no dangers existed any longer. Soon, two years will have passed since Iceland

became a country without military forces, one of the few nations to enjoy existence without armed personnel on regular shift.

On the other hand, our part of the world, the Arctic region, is set to become a key area in global development, acquiring new importance as a result of a collaborative programme which we have drawn up, together with seven other nations. In this, our geographical position puts us in the leading role. Now it is up to the Nordic countries, together with Canada, Russia and the USA, to arrange for the rational and conflict-free exploitation of the energy resources of the circumpolar region, which are estimated to be one quarter of the global resources. Another task facing us is to arrange how shipping across the northern passage can connect Asia, Europe and America, transforming world trade in the same way as the Suez Canal did when it was opened.

Yes, Icelanders are faced with a richer array of opportunities than ever before and constantly more and more nations are seeking to work with us, seeing our experience as a source of knowledge and guidance. Thus, our contribution may prove to be far greater than appears at first sight.

We can give the many nations who are struggling against poverty a new confidence in the future, showing them our example, demonstrating how through independence we were able to lay down the foundations for greater economic prosperity and universal welfare.

We are a testimony as to how democracy and the open, free and safe society can develop; how it is possible to reject the path of fear and terror, how law and order always lead to a successful outcome.

We are an example of what can be achieved by small states, a group which now accounts for about a quarter of the United Nations, of the advantages of smallness in terms of flexibility and efficiency.

We have proved that it is possible to transform the energy system of an entire nation, turning away from oil and coal to developing a strong economy based on the utilisation of clean energy sources.

Thus we have a message which is of vital importance to the rest of the world, particularly now when the hazards of climate change pose a new threat to mankind, a threat of such terrible proportions that both the Great Depression and the two world wars pale in comparison.

Iceland has never before occupied such an advantageous position in the world or had such resources to draw on. The new century may prove to be our best time.

At this juncture, it is with humility and joy in my heart that I once again accept the office of the President of Iceland, and I call on all Icelanders, far and near, to join together for the advancement of our nation.

It is an honour to be chosen in this way to serve the country, but this honour also involves obligations. The President bears heavy duties and great responsibilities. With the help of you all, I hope to conduct the office in a successful way.