

# Distrusting the Dragon

*An Ethnographic Study of Distrust and Marginality in  
the Eastern Fjords of Iceland*

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Master's Thesis

Department of Social Anthropology

University of Oslo

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# Abstract

This thesis aims to explore the manifestation of distrust and the feeling marginality in the community of Orkuvík, situated in the eastern fjords of Iceland. More particularly, it investigates the correlation between the financial crisis in 2008, the startup of an oil industry in the “Dragon Area”, and the relationship between a peripheral community, the urban center and global processes. Orkuvík is peripheral and semi-isolated, but at the same time interconnected with global processes and large-scale systems. The community is connected to the largest hydropower plant in Iceland, the Kárahnjúkar dam, which provides power for the largest aluminum smelter in Iceland, Fjarðaál. Simountanously, Orkuvík inhabits the largest fishing company in Iceland, Fiskur. This thesis provides a comparative analysis of these two different industries, and creates an understanding of how the indifference expressed towards the oil industry is not due to the lack of experience with industrial endeavors, but is rather based on a feeling of distrust.

Building on the ethnographic descriptions throughout this thesis, I suggest that there are multiple reasons for the cynicism towards the opening of an oil field in the Dragon Area. However, they all emerge from the same feeling of distrust and marginality. The reason for indifference towards the oil industry was not only based on a feeling of distrust in the aftermath of the financial crisis. The financial crisis served as a catalyst for change and simountanously revealed larger issues concerning marginality, the feeling of not being heard and an understanding of disconnect from the greater Reykjavík area. As the fieldwork unfolded, different strategies for maneuvering in this reality became overt. Rather than staying dependent on global processes that provides industry, or nation-state decisions that suggests further industrial development, Orkuvíkians started to engage in how to frame their own future, and take back control.

**Keywords:** Iceland, Oil, Distrust, Neoliberalism, Crisis, Scale, Industry, Disillusionment, Marginality.



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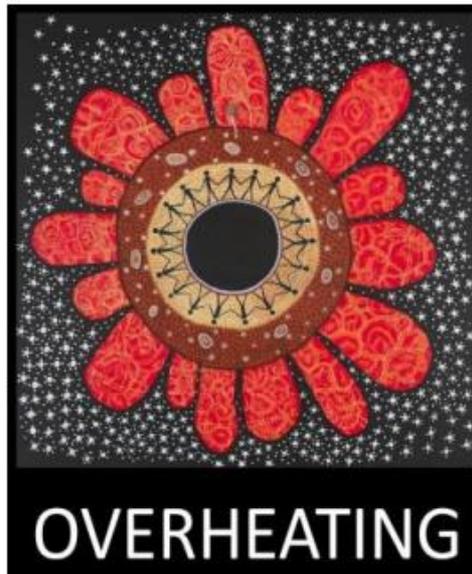
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Trevor Nickolls: Warmun Mandala (c) Trevor Nickolls/BONO

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# Chapter 1:

## Introduction

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All stationary energy in Iceland is renewable, and the country has the world's largest production of green energy per capita. This representation of Iceland as a "green" country, when it comes to energy production and nature conservation, is often put in the forefront, especially when it comes to attracting tourists and visitors. I, therefore, found it peculiar that the Icelandic government had started to show interest in exploration of natural gas and oil resources. This thesis aims to explore the local reactions towards the planned startup of an oil industry in *Drekasvæðið*, the Dragon area, outside of the northeastern shore of Iceland. The proposed industry is still in an early phase, but the fact that there is already a proposal, makes it possible to ethnographically investigate local responses.

Now, there are discussions regarding the start of an oil industry on the ridge between northeastern Iceland and Jan Mayen. If the plan is followed through, the main hub for oil production will most likely be developed in the community of Orkuvík. Today, Orkuvík has already two of the most lucrative businesses in Iceland, which are one of the largest fish processing plants, and the largest aluminum smelter in the country. To access the energy that was required to run the aluminum smelter, the Kárahnjúkar Dam was built, the largest hydropower dam in Europe. Still, Orkuvík is ambiguous in the way that it is geographically and politically isolated. It is located a nine hours drive from Reykjavík, as far away from decision-making in the capital as it is possible to get in Iceland.

Simultaneously, it is not isolated due to its strong connections to the global scale, through industry and investments in the Arctic. In this way, Orkuvík is peculiar, because it is nationally isolated while globally interconnected. Orkuvík was scarcely inhabited before the fishing industry became a lucrative business, and there was built a fish factory in town. Until 1949, the area was only accessible by boat; the government then built a single-lane tunnel through the mountain on the top of the mountain pass. But if the weather is too harsh, the tunnel will be closed, and the town is once again isolated.

This paradoxical relationship between being isolated, and still in the core of global connections, will be one of the main themes for this thesis.

## Orkuvík: Clarification of Field Site

The eastern fjords are closely linked together in many aspects. They are interconnected when it comes to schools, workers commuting, hospitals and so on. There is a large flow of people and goods between the different fjords, and therefore I decided not to limit my research to only one of the fjords. I did fieldwork in the municipality of Fjarðabyggð, which consists of the following villages/towns: Neskaupstaður, Reyðarfjörður, Eskifjörður, Fáskrúðsfjörður, Stöðvarfjörður and Mjóifjörður. Most of my research material was gathered in respectively Neskaupstaður, Reyðarfjörður and Eskifjörður (see table for number of inhabitants).



Figure 1 Map showing the eastern fjords. Source: Google maps.

To make my argument flow more neatly I decided to collapse these small villages into one single fictional name as most people who live in these places travel between them on a daily basis. I chose Orkuvík to be the name that entails all these fjord communities. Orkuvík translates directly to “Energy bay”, which I find fitting. The area is surrounded by waterfalls and rivers and there is an abundance of geothermal energy in the region. Orkuvík sees an increased flows of tourists, it has Europe’s largest hydropower plant, a large fish processing factory, there are fishing boats coming in and out the fjord every

day, and it also hosts Iceland's largest aluminum smelter and probably soon, it will become the main hub for the planned oil industry.

<b>Level</b>	<b>Number of inhabitants 01.01.2015</b>
a. Iceland	329,100
b. Eastern Iceland	12,496
c. Fjarðabyggð	4,747
d. Neskaupstaður	<b>1,481</b>
d. Reyðarfjörður	<b>1,012</b>
d. Eskifjörður	<b>1,188</b>

Figure 2 Inhabitants in 2015 on different levels. a. Country. b. Region. c. Municipality. d. Town.

Source: www.statice (2016a).

## What is it About Orkuvík?

I have always had a fascination with Iceland. Ever since I was young, I have owned Icelandic horses and travelled to the island numerous times. However, it was not until I watched the documentary *Draumalandið*<sup>1</sup> (Guðnason, Magnasson & Pálmason, 2009) in 2014 that I found it to be of ethnographic interest as well. The documentary illustrates the interaction of politics, environmental preservation and damming. It focuses on the Kárahnjúkar hydropower plant and its environmental impact in the Icelandic highland. The narrative is about the question, of how far the Icelandic highland should be preserved or if it is more important to build enormous dams to produce hydroelectric energy. The documentary shows how the aspiration after "green energy", to provide the aluminum industry with cheap energy, threatens the natural environments of Iceland. The Fjarðaál aluminum smelter is located in Orkuvík and receives energy from the Kárahnjúkar hydropower plant. The discussion regarding the hydropower plant that is featured in this documentary and its impact on Orkuvík will serve as a comparative

<sup>1</sup> Translates into "Dreamland".

narrative in this thesis, as well as it inspired me to conduct my fieldwork in the region. Orkuvík serves as an interesting field of research because of its complex history of outside intervention. It has an ability to be very isolated and marginal, and at the same time being situated in the core of global industries and competitions about the resources in the Arctic. This is the place where the planned oil industry will have most of its infrastructure and main center. Already now, one of the fjords is the homeport to M/S Polarsysel, a supply vessel for the oil industry.

## **How My Fieldwork Started Out**

“I think it is very hard to find people who are willing to talk to you about this”, Kári said while stirring his coffee. “I mean, people here don’t even know about the Dragon area. There will of course be academics and politicians who know about it, but not anyone else”. Kári and I were sitting in the cafeteria at *Háskóli Íslands*, the University of Iceland, drinking coffee and discussing each other’s thesis proposals. We had just met, and had only been in contact via e-mail before this meeting. As Kári was a master student in the Environmental and Natural Resources programme at the University of Iceland, he found interest in my research regarding the proposed oil industry in the eastern fjords. He had a similar project proposal for his master thesis, and we were discussing back and forth how we should go on with our research. “So, you think this research is doomed?” I asked him, tongue in cheek. He laughed a little bit before he answered me, “Maybe not doomed, but you have a lot of work to do”.

Kári’s prediction unfortunately showed itself to be quite true. After spending a month doing fieldwork in the capital of Iceland, Reykjavík, I had still not met anyone who wanted to discuss the startup of an Icelandic oil industry. Did Kári have a point? Did no one know about this endeavor, and did I have to accept that I could only speak to politicians and academics about my research? I decided that I needed to change my approach.

My intention for this fieldwork was to start my research in Reykjavík, and after a few months, branch out to other smaller communities in the eastern fjords. I wanted to locate different groups of people in different parts of Iceland, who had opinions about

the planned oil industry, and use the collected data material in a comparative manner. After trying vigorously to establish contact with environmental groups, politicians and youth groups with environmental interests, I had only come in contact with Kári. A student, who basically told me that I would not find any informants, except maybe a few academics and politicians. During my time in Reykjavík, I had been living in my friend's house, just outside of the city. I was allowed to stay there as long as I needed, but with Kári's statement in the back of my mind, I decided to leave Reykjavík and move my fieldwork to the eastern region. I found an online advertisement, where a family was asking for someone who could help out around the farm. I was able to get accommodation in return for working at this farm, in a neighboring municipality of Orkuvík. I thought this could be a great opportunity, to live in a house with an Icelandic family, and experience the farm life. I was there for only a total of five days, before I suffered an accident that resulted in a complicated broken arm. With the advice from my supervisor at the University of Oslo, I decided to travel back home, and to reenter the field when I was sufficiently healed.

After eight weeks of healing, I was ready to get back into the field and continue my fieldwork. I soon got the message that the family I had been staying with, were no longer in need of help, so following the advice from my friend's family in Reykjavík, I started driving to Orkuvík instead. I had, with the help of my Icelandic friend, come in contact with the hotel manager Hans, who needed someone to help him with housekeeping, and was willing to provide accommodation for the duration of my fieldwork. Due to these events, my fieldwork was conducted in two different periods: First from January to February 2015, and then from April through August 2015. The separation of these two periods was unintentional, but did not affect my time in the field as much as it could have. After I decided to leave Reykjavík and rather situate myself in the eastern fjords, I spent only four days doing fieldwork before my accident, as mentioned above. As I returned to the eastern fjords in April, I had to relocate to a different area, and therefore I was not suddenly exiting or reentering the field site. I rather look at the fieldwork that started in April as a new start, where I could start afresh, and rather build upon my experiences in Reykjavík.

## **Unexpected Data- Change of Research Question**

I heard countless times while preparing for my research that I would probably need to make changes to my research question. I never fully grasped the thought about changing my focus during fieldwork, but it turned out to be a factor I needed to take in-to consideration. I spent six months preparing to conduct research on activism and local resistance to a planned oil industry in both Reykjavík and in the eastern region of Iceland. I thought I would find one out of two reactions: Either, I would meet people who were against the startup of the planned oil industry, and had created tactics to stop the process. Or, I would find people who were excited to get development, and to become part of the states that inhabit the “black gold” (Reyna & Behrends, 2011, p. 5). I was therefore taken aback when I did not meet any of the reactions that I had planned to encounter. As a social anthropologist one should never be bound by a strict hypothesis or rigid strategies for finding what one has planned to find. The researcher should act flexible and not be hindered by a project proposal or the research question she had formulated prior to entering the field (Okely, 2012, p. 48). However, this unplanned character of the ethnography is not a downfall or a sign of insufficient preparation. As Fredrik Barth put it “both topic and method must be allowed to develop in response to the concrete situation of fieldwork and the findings that accumulate” (Barth, 1981; Wadel, 1991, p. 127). This trait of being flexible and understand that “things happen” is the value of ethnography (Okely, 2012, p. 48). If the anthropologist is able to widen her gaze, and look away from her initial rigid plan, she can gain information and comprehend information that would otherwise be lost in the search for “X” (Okely, 2012, p. 49). Cato Wadel puts emphasis on the idea of fieldwork as a “circular dance” of theory, method and data (1991). In other words, one can change the approach or course of the research during the actual fieldwork. Theory, method and data are all interconnected, and one must balance between them throughout the fieldwork process. There is a correlation between the theory and method that is being used to understand your field, and this choice will in turn affect the data material, and vice versa.

I had an idea in the back of my mind that as soon as I would move my fieldwork to the area that would possibly get the oil infrastructure, I would also meet people who had opinions about the industry. As I quickly figured out, the person that was most interested in the planned oil industry was in fact, myself. As this discovery became more

and more clear during my fieldwork, I needed to take a step back and leave my presumptions about what information I would find. I needed to be flexible, leave my project proposal behind and start paying attention to what people were actually interested in, or not interested in. As I was able to give up my prior convictions and move beyond the words (Wikan 1992), new patterns started to occur. This thesis is based on data material, which created a pattern of expressed distrust in government policies, a state of disillusionment after the financial crisis, and a feeling of marginality. Even though my research started out as a study of reactions towards an oil industry and ended up somewhere else, I still used the case of the oil endeavor as a catalyst for conversation and as an entrance to why distrust and disillusionment were social facts among my informants. I aim to explore distrust, disillusionment, and marginality among people in this small community, in the aftermath of the financial crisis in 2008.

In order to understand the cynicism expressed towards the planned oil industry and the distrust shown against government decisions, I ask: Is there a correlation between the distrust towards the government, the financial crisis of 2008, and the feeling of being marginal and peripheral? If so, how are people maneuvering their lives when they feel this distrust?

## **Theoretical Approaches: Introducing Key Words**

There are some concepts and key words that are used throughout the thesis, that should be introduced. Although I have not found that my research belongs in any specific anthropological traditions or already consisting theoretical frameworks, there are some conceptual frameworks that need to be highlighted due to its connection to the overall theme of this thesis.

One of the key concepts for this thesis is the *crisis as chronic*, based on Henrik Vigh's article *Crisis and Chronicity: Anthropological Perspectives on Continuous Conflict and Decline* (2008). Vigh proposes to move away from the perception of crisis as something temporal, and rather consider it as a chronic state, that people find themselves living in. The *normal* life, based on the western conception of peace and comfort, is not the reality for a large portion of the world's inhabitants, thus crisis is not a rupture in everyday life,

it is life itself (cf. Chapter 5). I would like to stress the fact that the concept of crisis is used relatively throughout this thesis, and that I do not wish to propose that my informants suffers the same severity of crisis that Vigh exemplifies. However, the crisis that people live in is based on previous experiences, and is therefore highly subjective. One could say that Iceland suffered a financial crisis in the end of 2008 (cf. Chapter 2), but according to Vigh, a crisis is a symptom of a destructive condition that has affected a society for a period of time. The Icelandic crisis became overt when there was a financial meltdown in 2008, however, the crisis did not end when Iceland recovered its financial stability. In this thesis I examine why and how a small-scale coastal community still inhabit traces of a distrust and disillusionment that first became a reality in the aftermath of the financial crisis. As we will see, the financial meltdown is only one part of a twofold explanation. The other reason for the expressed distrust is based on feeling of isolation and disconnect from the capital area.

There are some structural relationships that unfolded during my fieldwork. Orkuvík, is in a way both local and global, disconnected and interconnected, dependent and independent, all at the same time. To grasp the connection and the relationship between these binaries, I found the concept of scale valuable. My informants live their lives in a community that foremost is small-scale and local, but they are simultaneously connected to processes that are global and large-scale. Scale as an analytical tool, proved to be helpful in the way that it can unfold the structural relationship between the local, national and global level of society.

I use the term “state of disillusionment” frequently throughout this thesis. This term refers to a feeling of disappointment resulting from the discovery that something is not as good as one believed it to be. In chapter 2, I use this term to explain the reactions after the financial meltdown, and it was also something that unfolded during my fieldwork, eight years after the crisis where the state of disillusionment first became overt. The discovery of this prevalent state of mind of my informants became more evident through the use of scale, in the way that it made me interested in how my informants think about their place, about themselves and their place in the world, and about how they choose to deal with their futures. I chose to follow the conceptual framework of Thomas Hylland Eriksen, which is an expanded version of the work of

Reidar Grønhaug (1978). Eriksen's understanding of scale refers to three different domains: The social, the temporal, and the conceptual scale (2016, p. 3). These three domains are closely linked together, and together they provide a better understanding of my informants' understanding of themselves in their place and how they want to escape the state of disillusionment. As Eriksen explains: "The temporal scale on which people take decisions is therefore relevant in a comparable way to the cultural scale by which they orient themselves and the social scale in which they are integrated through networks and social organization" (2016, p. 3). This trifecta of scale made my analysis of my informants feeling of marginality more effective, because it says something about the correlation between the ideas of place, the feeling of belonging or not belonging, and offers an aspect of the past and the future.

The feeling of marginality is a key concept that is based on my informant's lack of trust in the government and outside forces. It is not as simple as only being isolated in geographical terms, but also inhabit traces of being isolated politically and emotionally. As we will see in the following chapters, there is a feeling of marginality that is connected to distrust in governmental decision-making, especially after the financial crisis, and the sense of not being able to control their own place. Thus, there is a "fend for ourselves" attitude that has taken over, and my informants are no longer waiting for something to happen to them. They have taken the traces of marginality and are now trying to use them to their own advantage and escape the dependency on the government and global processes.

## **Earlier Anthropological Research in Iceland**

Eventhough Iceland is a small island between two continents; it has never been socially or politically isolated (Durrenberger & Pálsson, 1996). Icelanders have always had some contact with other countries through trade and travel, especially through the fishing industry.<sup>2</sup> However, in earlier anthropological research, there seems to be an inclination to discuss Iceland as bounded and homogeneous, culturally pure and as something similar to a natural laboratory (Durrenberger & Pálsson, 1996, p. xi).

Icelanders have had a peculiar interest in keeping continuous records of their society

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<sup>2</sup> Note that there have been some farms that stayed isolated for centuries (Hastrup, 1990b).

through the early medieval Sagas, and have done so since the start of settlement in the middle of the ninth century. These historical sources have made Iceland especially interesting for researchers who wish to study change, medieval history or the reinvention of old traditions (cf. Hastrup, 1998). Some of the most notable anthologies concerning Iceland are *The Anthropology of Iceland* (Durrenberger & Pálsson 1989) and *Images of Contemporary Iceland* (Durrenberger & Pálsson 1996), both with an inclination towards rural areas and phenomena that do not particularly reflect upon the lives of the “everyday Icelander”. This inclination has received criticism based on the idea of that the ethnography is trying to locate the “purest form of Icelandicness” and disregards the urban areas as suitable for fieldwork in Iceland (Norsted, 2015).

In the 1990s, a debate concerning this inclination, regarding focusing on the rural areas and the search for the “pure icelandicness” arose, contemplating that the urbanity of Iceland had been overlooked in anthropological research (Einarsson 1990, Hastrup 1990a, Norsted 2015). This trend of exotification, to research what are the “true” Icelanders, when the majority of the Icelandic population lives in the Reykjavík metropolitan area, was deemed as a disregard to the everyday Icelanders, the urban dwellers. Even though this debate was an important one, I do not wish to revive it, but revisit one of the main points of the debate.

The critique was based on an idea of making Iceland exotic, and to study small fragments of the population, and disregard the Reykjavík metropolitan area. This is a critique that I agree with. But there are some elements that need clarification. What about semi-urban areas that are not connected to the greater Reykjavík metropolitan area? Orkuvík is, as we will see in the following chapters, not rural, yet not completely urban either. This is also one of the characteristics that make Orkuvík peculiar. In the way that it can be a small-scale society, but inhabit urban traits, such as flows of tourists, advanced processing plants and sufficient infrastructure. My choice of field site was not an attempt to continue within the trend of urban research in Iceland, but rather to reflect upon small-scale places and their place in global connections. This was neither a process to find the purest form of Icelanders or the most exotic parts of Iceland, but rather to put emphasis on that people who live on the other side of the island, are not

exclusively rural.

However, there has also been a general shift away from the rural focus, as evident in the book *Gambling Debt* (Durrenberger & Pálsson, 2015b) that concerns the rise and fall of the Icelandic economy, and entails a more nuanced image of contemporary Iceland, at least when it comes to research conducted in urban areas. The same goes for Karl Benediktsson and Leena Suopajarvi's research from the eastern region before the aluminum smelter was built, where they gathered local reactions towards the reinvention of their place (2008). Their research will provide a comparative perspective for my discussion in chapter 4. There has also been significant research done concerning gender equality (Norsted 2015; Mathisen 2007; Loftsdottir 2015a). However, I will not comment on this research in this thesis.

## **Doing Fieldwork in Orkuvík: Methods and Data Material**

Finding a place to live in a small fishing village was more difficult than first anticipated. There were not many rooms or apartments for rent in the area that I wanted to reside in, so I decided to look for a place that was offering accommodation in return for working a couple of hours per day. After trying relentlessly to find a place that was in the desired area, and also would allow me to work on my thesis while living there, I finally found a suitable place, with the help from my friends in Reykjavík. I was allowed to live at a hotel in Orkuvík, where I could get food and an apartment, if I worked four hours on weekdays. My work at the hotel was mainly in housekeeping, but also as a dishwasher in the hotel restaurant. I could also be working with prepping food, handling maintenance and gardening. I was quite pleased with finding this place and felt like it was a good deal and a great opportunity. On the other hand I was a little bit nervous about getting enough time to conduct fieldwork and participatory observation. I quickly learned that by working with so many different people, from different social and economic standings, age and gender, was a huge advantage. By working at the hotel I met my first informants and got to know people quickly and effortlessly. I also learned that sharing a work experience helped me grow closer to my informants and I took part in their daily lives in a different way. This type of participation gave me an insight to how their lives were shaped by work, and by doing the same job as them, I also gained

a feeling of belonging to the group. When my informants became also co-workers instead of informants, our relationship became more meaningful. When my co-worker Eyrún could teach me how to change the bed linens more quickly or how to wash a floor properly, she could slowly but surely see a value in having me following her at her work, and I could appreciate how working together was a great way to get to know someone without formally interviewing them. It dawned upon me at the end of my fieldwork, when I was cleaning rooms with the new summer staff, that I was trying to teach them how to wash the floors properly and how to change bed linens quick enough. I had shaped my own bodily activities in the same matter as my first co-worker Eyrún, and now I was reproducing them to the next cohort of workers. I was truly entrenched with skills from my informant, reciprocating the skills I had learned to the newcomers. This opportunity was invaluable for me as a field researcher, in the way that I got a close connection to my informants, and they saw me as something else than a person following them around. As Eyrún told me, “You are no longer an annoying follower, you are helping me, and now I will help you”. I see our relationship as a highly reciprocal one, as we helped each other out with our daily tasks.

I collected data material on different arenas of interaction, through informal conversations and observation. I did not conduct any formal interviews with a recorder or with a set of interview questions. However, I often used my mobile phone to take notes during conversations. I found this method less disturbing than having a notepad and pencil with me at all occasions. This type of informal interviewing was comfortable for me and my informants, and it made me more adaptable and open to engage in topics that were interesting for my informants, and not only limited to my research question. Participant observation was the main method of research used during my fieldwork, entrenched with informal semi-structured interviews and conversations. These conversations usually happened at the hotel I stayed in, in my car while driving to different sights in the area, or in the homes of my informants.

As a rookie anthropologist with my first fieldwork experience I was a little bit nervous about not getting access, to find people willing to talk to me and let me take part of their everyday lives. I had decided to tell everyone I met that I was in town doing research, but not necessarily ask them about distrust in the state, hopes for the future or thoughts

about oil business in the “getting to know each other” phase. Instead I tried to come up with something so trivial that almost everyone would have an opinion and felt like they had something they could contribute with. In Norway, the most common conversation starter is to talk about the weather, so I decided to give it a try with my new friends. “So, how do you think the weather will be tomorrow? As windy as today?” I tried asking some people I was drinking coffee with in the lunchroom at the hotel, they seemed bored by my question and answered with short sentences like “Oh I don’t know, it is not something I think about” or “We will see tomorrow!” It occurred to me that my plan had failed, and I later learned that talking about weather in Iceland is quite hopeless. It changes constantly and it is hard to plan something according to the weather forecast, you always just wait and see what it will be like on that day. Nevertheless, the weather had a large impact on my fieldwork and how it mapped out. The different weather made it somewhat easier for me to get access. First of all, I told all my informants upon arrival that my dream was to experience the northern lights. This was a great conversation starter and I even got called during the night when the northern lights were showing. People invited to go searching for it and were in general very interested in helping me achieve my dream. Second, snowstorms and foul weather made it easier for me to get invited home to my informants. If the weather were too bad to go out for a walk or to go riding on horses, I would by default be invited home for coffee and to hang out. This gave me access to the household and to meet people at home, not just in work, at the store, or when we went out driving around the countryside.

As a Nordic, young woman, with knowledge of Icelandic language, there was really no limited areas or people that I could not talk to. As Iceland is ranked as one of the most gender equal countries in the world, there were really no limitations, connected to my age or gender that stopped me from getting information from my informants. At times I felt like people would agree to talk to me out of pity, or just saw me as so non-threatening that there was no second thoughts about letting me in-to their homes. However, when it became clear that I was interested in people’s attitudes towards oil, people started joking around with me being a Norwegian oil tycoon on the look for my next place to start industry. I quickly got the nickname *ólú stelpan* and *Dreki stelpan*,

both referring to me being interested in oil.<sup>3</sup> This fact did not change my access to the field or the relationships to my informants, but it made my present more political and not as neutral as I would have wanted it to be. One of my informants in Orkuvík asked me if I was there to try to make them believe that the oil industry would be a good thing for them and if I wanted to convince her to be positive about it. This question made me understand that some people would have preconceptions about me as a person with motives that did not resonance with the ideas I had prior to my fieldwork. This did not make my fieldwork harder, but it made me plan informal interviews more thoroughly and made me more self-conscious about how I acted in town and I how asked my questions.

## **On Doing Research in Familiar Surroundings**

Signe Howell (2001) has discussed how there is a change in how anthropologists reach out to their specific fieldwork, and how there is an inclination in doing fieldwork “at home” or in familiar surroundings. Prior to my fieldwork, I prepared myself for the fact that I was going to do research in a country that was already familiar to me, and that I had lived in before. I had never been to Orkuvík or the eastern region, but at the same time, I felt fairly confident that my familiarity to the country would have some advantages, but also some disadvantages. Howell emphasize the importance of three different aspects that might get lost when conducting fieldwork in your own country or familiar surroundings. Since I am a Norwegian, with familiarity to Iceland, these concerns involve me as a fieldworker. The aspects regarding the methodological shortcomings that Howell voices when it comes to conducting fieldwork “at home” are; the researcher does not usually get access to the home sphere of her informants, the contact with the informants are usually regarding a research question or overall theme, and that there is a tendency to pay more attention to narratives than data gathered from interaction (Frøystad, 2003, p. 32). These are all valid concerns, but I do not believe that these concerns should stand in the way for doing research in familiar settings. Kathinka Frøystad (2003) emphasizes that the anthropologist will not immediately initiate thick descriptions and rich ethnography when faced with cultural difference (p. 50).

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<sup>3</sup> Olíu is the Icelandic word for oil and Dreki is the name of the oil field outside of Orkuvík. Stelpan is the Icelandic word for girl.

According to Frøystad, doing fieldwork in a far-away place with extremely different cultures and customs, will not necessarily give the researcher a good basis for conducting her fieldwork. When I arrived in Iceland, I was not met with a culture drastically different from my own, as a matter of fact; I was actually quite familiar with Iceland. However, as Wadel proposes, the researcher should reflect upon ones own gaze and presumptions. The idea of “naïve observation” implies that the researcher should attempt to put all her prior knowledge to the side, and experience the field through observation, as if it was all unfamiliar and “exotic” (Wadel, 1991, p. 80; Frøystad, 2003, p. 51). I always tried to have this perspective with me during my fieldwork. Even though I categorize Iceland as a place of familiarity, I have never been to Orkuvík, or even the eastern fjords of Iceland. In my previous travels I have either been in Reykjavík, or was working on horse farms in the southern region. Thus, there was still a trace of unfamiliarity. My data material is mainly gathered through conversations conducted between my informants and me in informal settings. For example, when driving around the countryside, conversations during mealtime or conversations happening during work hours. Thus, not conflicting directly with Howells concerns about only being able to carry out formal interviews. When it comes to Howell’s concerns, I share her convictions. However, this should not limit a researchers possibility to conduct fieldwork at a familiar place, it can actually offer some advantages.

One of the advantages I had with being familiar to my field site is that I had a good understanding of the Icelandic language. This allowed me to follow conversations that took place around me, follow what was happening on the news channels and read newspapers. My downfall is that I am not a confident speaker. I can only converse in a superficial way like talking about the weather, how people are doing and what they had for dinner. This lack of oral skills can of course be seen as a disadvantage, but I was fortunate enough that all of my informants understood English or Norwegian, and if they were unsure about their own oral skills in English, they could talk to me in Icelandic. Therefore, I do not see this as a limitation to my material, even though it would have been an advantage to be able to converse fluently in my informant’s language.

## **Ethical Considerations: During and After Fieldwork**

I have done ethical considerations, both before, during and after my fieldwork. Firstly, I always tried to be upfront about why I lived in Orkuvík and why I was seeking information from the inhabitants there. All of my informants have given me permission to use their stories and narratives in this thesis, and I have, as promised, given them pseudonyms and changed certain facts that would otherwise give away their real identity. I entered the field with the idea that I would “do no harm” to my surroundings and my informants. I tried to merge into their daily lives and follow them, instead of assume that my informants would go out of their way to please my research and myself. I have tried my best to conduct my fieldwork ethically, and made sure that my informants have not come out of this fieldwork in a worse position than they went in with (Madden, 2010, p. 89). By this I mean that they have not been harmed by my research, and that they have not suffered in any economical, social or health-wise aspects. As mentioned earlier in this chapter, I have not anonymized the place of fieldwork specifically, but due to other considerations, it now has a pseudonym, namely Orkuvík. In accordance with ethical guidelines I have chosen to give the fish company in Orkuvík a pseudonym. The fish factory goes by the name Fiskur in this thesis. I have chosen to keep the aluminum smelters name, but I have not mentioned the name of the company. During the writing process I have reflected much upon the power that lies within the task of writing about people. I have tried to avoid criticizing my informants and their place, and rather tried to nuance a situation. I am fully aware of the power I have when writing this thesis, and have tried to act as humble as possible.

## **Short Introduction of Informants**

Here follows a short introduction of the people most frequently mentioned throughout this thesis. As I arrived in Reykjavík, and later on in Orkuvík, I always made clear to everyone around me that I was there as a researcher. The information provided to me from my informants has gone through a process of clarification, and my informants have given me oral consent that I can use this information in my thesis. All of my informants have granted me permission to base my thesis on our conversations, and they have all received fictional names in order to protect their anonymity. My main informants and the people I have interviewed informally and spent time with in Orkuvík, are from all

age groups, and people from both genders are close to equally represented. I have altered gender and age on some of the informants presented in this thesis, due to securing their identity. However, the balance between genders and age groups remain the same.

### **Lína**

Lína is a 24-year-old woman who is born and raised in Orkuvík. She became one of my closest friends, and she shared many of my interests concerning environment, industrialization and nature. She quickly, after her own suggestion, turned in-to a kind of “assistant” during my fieldwork. She was adamant in that I always had people to talk to and places to see that would be of interest to my research. I found it very helpful to have a person so close to my own age and with similar interests to turn to.

### **Hans**

I first came in contact with Hans because I needed a place to live in the eastern region. As it turned out I had an acquaintance that knew about the hotel owner Hans (in his late twenties), which needed people to work at his hotel. Since the hotel was not very busy out-side of tourist season, I could live at the hotel in exchange for working as a maid four times per week. Hans turned out to be an important key informant as he was very interested in local history and politics.

### **Steini**

Steini is a 27-year-old man living in Orkuvík. He is not from there himself, but his mother was born and raised there. Therefore, he has family in the region, and lives in his mother’s house with the cat Magnús, but on occasions gets visits from his mother and siblings. We met when I was doing research on the fishing industry in Orkuvík, where he works as a fish handler in the factory of Fiskur.

### **Jón Ásgeir**

One of the people that Lína introduced me to was Jón Ásgeir (in his mid-fifties), her *frændi* (male relative) that also lived in Orkuvík and worked at the aluminum smelter in town. Jón Ásgeir turned out to be an important informant in the way that he represents the workers in need of industrial jobs in the region. He often told me that he moved

there for the jobs available in the aluminum smelter, and if it had not been for the opportunities provided by industry, he would not have lived in the area.

## **Outline of Thesis**

This thesis consists six chapters, including the introduction. In chapter 2, I will give a historical backdrop, not only to the societal history of Iceland, but also provide a focus on the escalation to the financial crisis that occurred in 2008, and how this created a state of disillusionment, a topic to be followed up in the subsequent chapters.

In chapter 3, I will move from a national scale level, to the small-scale society where I conducted my fieldwork. The chapter will focus on Orkuvík as a place with characteristics that makes it a peculiar place for research. Orkuvík has an interesting and complex industrial history, which will be presented here.

In chapter 4, the focus will center in on the planned oil industry of Iceland. I will portray different meanings of Orkuvík as a place, and analyze the multivocal and multilocal characteristics of this small-scale town. I will also conduct a comparative analysis between the contemporary industrial endeavors and industrial development done prior to the financial crisis. As we will see, the hope and aspirations that was apparent in connection to the first industrial development, the aluminum industry, has now been eclipsed by the state of disillusionment.

In chapter 5, I will explain a twofold explanation for the expressed indifference towards the oil industry and discuss the connection between marginality and distrust. Also, I will portray how my informants are taking actions for a better future and try to escape the state of disillusionment, by refusing to stay dependent on global processes.

Chapter 6 will be divided into two different sections; one section that offers concluding remarks, and one section that will contextualize recent events. The lack of engagement and interest in the planned oil industry is not due to ignorance or passivity; it is rather based on a twofold explanation, the link between distrust and marginality. As recent events have showed, for example the Panama Papers exposé that revealed that the

Icelandic Prime Minister had connections to offshore- accounts, there was reason for distrusting the government. I will provide an explanation for the situation, and express how it makes this thesis more significant.

# Chapter 2:

## The Rise and Fall of the Icelandic Economy

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After spending about a month in Reykjavík interviewing environmentalists and trying to figure out how the people living in the urban city area reacted towards the initialization of an oil industry, I needed to change my approach. It was difficult to find and interact with people outside of the academic institutions that actually had something to say about the matter. Most often, when I asked around what people thought about this endeavor, I got the same type of answers. “Oh, do we have oil in Iceland?” “I do not think this is ever going to be a reality” or simply “I have heard about it but it is not something I think about”. This made me think that maybe I had situated myself too far away from where the oil industry actually would be placed and put into action. Sure there had to be some discussion about the matter in the area that would actually get the industry and that would see change close to their homes. I decided to make my stay in Reykjavík shorter than first planned and I started driving the long way to the eastern fjords and Orkuvík.

The drive takes a total of nine hours, 750 km on a road varying in quality. I would drive the *Ring 1 road*, the road that encircles the entire island. This was in late January and the weather can be highly variable. With the sun shining in one minute, you can find yourself in a blizzard the next. The road was curvy and twisty taking me in and out of several small and larger fjords. Each small town I passed had its own special look and style to it. One was influenced by French fishermen staying there over winter in the 1900s and even had street signs in French and a French hospital. Another one had a Norwegian flag on one of their houses greeting me as I drove through town. I thought the hard part of driving on these narrow winding roads was over while I drove over the last mountain pass to get into Orkuvík. But at the top of the mountain was the narrowest single lane tunnel I have ever encountered. The tunnel cannot have been more than a few meters wide, and was very dark, being made of concrete with little to no sources of

light. Inside of the tunnel were two small passages that you could swing onto if you were unlucky to meet another car while driving through the tunnel. Outside of the entrance was a light blinking in yellow. Not knowing any better, I pulled up on the side of the tunnel right under the light, so I could see when it would change to a green light, signaling that it was my turn to drive into the tunnel. Little did I know that this yellow blinking light was just to let me know that the tunnel is functioning, and there was in fact another system to know when to drive into the tunnel. I later learned that if you are coming from outside of the town driving to it you could use the small spots inside of the tunnel to let oncoming traffic pass you. So in fact you just have to take your chances and drive into the tunnel and hopefully you will not need to stop, back up or use the side lanes inside of it. That is what I did. I took my chances and accelerated quickly through the tunnel. I was nervous about driving so fast that I would get too close to the walls of the narrow tunnel. Luckily, I was able to keep the car straight and also did not meet any traffic. The sun was shining on the other side of the mountain pass and I could use the light at the end of the tunnel as navigation.

The first thing you notice while driving down the mountain pass is the large blue fish factory set in the beginning of the town center. Following is the main street that goes past the harbor and through town. The town extends further out the fjord and upwards to the mountain. On the bottom part of the mountain surrounding the fjords there are mounds of sand and stone protecting the town from avalanches. I had already made a phone call to the hotel manager, Hans, who had agreed to host me during my time there. I met Hans in front of his hotel close to the harbor in the middle of the town. “ There you are! Welcome to Orkuvík!” He said loudly while he was walking towards me with his hand reached out ready to greet me. His essence and aura was warm and welcoming with a huge smile and a twinkle in his eye. “Let me show you where you will be staying, just walk up the stairs there and into room 204”. The wooden staircase took me up one level, I walked over a concrete terrace and found the entrance to the rooms that belonged to the hotel. There was a small car lot, covered in gravel, outside of the entrances. I found my room, number 204 on the first level on the backside of the building. The restaurant area and the lobby of the hotel are on the first floor on the ground level facing the harbor. After getting my luggage in to the room, I headed downstairs again and went into the side door of the building. Hans was sitting inside

smoking his electronic cigarette talking to some of his staff. There was a chef, a kitchen assistant and a waiter. They were all talking to each other about why I wanted to come to this town to do my research. I told them that I was interested in the life in the town and especially what they would think about the oil industry that might become a reality in the future. I was a little bit nervous that I had started out too strong, because I had planned to get to know people more before I would talk about the oil industry. The chef, Hinrik, made a scuffing sound while he shrugged his shoulders and said, "You know, this place is hard to get to. It is hard to live here. You went through the tunnel right? It is not always open. They will never put something that important here. Never." He laughed a little bit. The other people nodded their heads in agreement. Once again, I had been met with the same opinions about the oil industry as I heard in Reykjavík, and now I was even in the town that would experience it firsthand. Why did not anyone believe that this could be a reality?

## **Understanding History: A New Social Order**

To understand my informants' opinions about this matter, it is necessary to give a historical backdrop and contextualize how the Icelandic political system and financial structure came into place. I will provide a short introduction to the history of settlement, the way the first constitution came in place and how the first Icelanders were described in the *Sagas*. History and identity are important factors in the Icelandic perception, and it is therefore necessary to introduce how these ideas were formed originally and how they are still used as identity markers today. I will give an explanation of the financial crisis, that laid the groundwork for the ongoing crisis in Orkuvík, how it occurred and how it was perceived in the aftermath. The crisis was not only economical; it showed signs of a social crisis and left the Icelandic public in a state of disillusionment. The history of Iceland started with the Viking era, and as we will see, it ends up there as well.

There are some disadvantages and problems that occur when giving a historical account to Iceland. Most of the historical sources are found in the *Sagas*, which are mostly realistic stories about the everyday life and issues occurring in the era of the Icelandic farmers and settlers (Byock, 1988, p. 9). There has been an ongoing debate about

whether these narratives can be used fruitfully as historical evidence, due to the acceptance of immense exaggeration in the genre.<sup>4</sup>

Following the Sagas published in *Landnámabók* (Book of settlement), Iceland was first settled by Norwegians in the middle of the ninth century (Byock, 2001, p. 9). During the years of the *landnám* (Time of settlement) around ten thousand people immigrated to Iceland, and there was an abundance of uninhabited land and available resources for the taking. During this time of medieval European history, the social order was being reframed (Hastrup, 1985, p. 9). The economic, religious and social changes that occurred in Scandinavia were a reaction to the *Great Migration Period* that unfolded in the sixth and seventh centuries. This new social order had features like increased population, changing notions of landownership expressed in feudalism and centralized political power (Hastrup, 1985, p. 9). In Iceland, on the contrary, people created an autonomous political structure, without any kingship or military power, and thus had a more egalitarian society, compared to other Nordic states (Hastrup, 1985, p. 9).

In order to function as an island-wide community they founded the *Alþingi*, Althing, or the “General Assembly” in 930. The Althing functioned as a vehicle for the society to operate through consensual order (Byock, 2001, p. 3). The society that was formed relied on a system that functioned through personal relationships and social networks between leaders and their followers (Byock, 2001, p. 75). This way of handling the law, intertwined with advocacy and friendship and kinship ties are still, as I will discuss later, apparent in contemporary Iceland though *crony capitalism*. Crony capitalism is a term commonly used to explain phenomenon including patrimonial arrangements between state, political parties and business, the secret financing of political activities, and corruption (Formosa and Kahn, 2002, p. 48). In spite of their Scandinavian heritage with political hierarchy, the Icelanders created a self-contained governmental system without any powerful overlords. During this period, called The Free State Period, the country

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<sup>4</sup> William Short explains how we are to understand the Sagas and how they can be used fruitfully. He explains the Sagas as stories based on real historical people and events, but made by an author, which is more than willing to bend facts in order to make the story better (2005). However, there are some who doubts that the people portrayed in the Sagas are actually based on *real* people.

was ruled by a system of laws that facilitated consensus and resolved disputes through negotiations and compromise (Short, 2010, p. 25).

Even though the idea of consensus and negotiations of dispute sounds quite democratic and civil, the era was also somewhat dramatic and ruled by Vikings. The term Viking is not to be understood as an ethnic term, and such a thing as a Viking society is a misnomer (Byock, 2001, p. 12). The term *Víkingr* translates into something similar to a pirate, and *víkingar* were men who together raided boats and settlements. In the latter half of the 19<sup>th</sup> century, the Vikings were portrayed as honorable men who would move across oceans and live dangerous lives and made the effort to bring goods and valuables back home (Byock, 2001, p. 12). This notion of the Viking as someone who has great honor is still evident today. A way of talking about new contemporary ventures and rapid changes developed as the people involved tried to live up to the characteristics of the brave, fearless and adventurous people of that era (Loftsdóttir, 2015b, p. 5). I will explain more about the notion of the *Útrásarvíkingar*, or *Business Vikings* later in this chapter.

The Free State period ended in 1262, when the Icelanders swore their allegiance to the Norwegian King (Hastrup, 1985, p. 9) In 1380 Iceland fell under Danish supremacy, and in 1918 it became a sovereign state, though still in union with the Danish Crown. The Republic of Iceland was declared in 1944, and has since functioned as an independent state (Hastrup, 1985, p. 9)<sup>5</sup>.

## **Fishing as Trade and International Relations**

Even though Iceland is geographically and topographically secluded, the Icelanders have always been involved in trading within its surroundings. One of the reasons for international relations is the fishing industry.

This activity was an important factor in the running of every household, not only export of fish but also trade of dried fish, which was an important and valuable commercial

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<sup>5</sup> The population of Iceland has varied, here with an overview starting at the first available number of population; 1700: 50 000 inhabitants, 1944: 120 000 inhabitants and 2016: 320 000 inhabitants (Statice, 2016b)

item in domestic trade. The best fishing grounds were situated off the southwest and west coasts and the Sagas frequently mention livestock farmers who travelled a long way in order to barter their own goods, such as fur and meat, for fish from seaside landowners, and vice versa. There is little doubt that during the latter half of the 12<sup>th</sup> century, and during the entire 13<sup>th</sup> century, the importance of fisheries in the Icelandic economy and society increased. This was above all caused by a growing domestic demand, due to the harsh and cold climate that made agriculture problematic, but also by increasing demand of fish from abroad.<sup>6</sup> I will include a discussion about how the Icelandic fishing culture has changed, both in terms of the process and the organization of the fishing industry, in the following chapters.

## **Vikings, Nostalgia and Nationalism**

The Icelandic identity has been interwoven with nationalistic ideology. There is an emphasis on the “glorious past” and the Icelandic identity is constructed around recognition of invented traditions, mythmaking and historical memory to create continuity between the past and the present. After being colonized for about 700 years, first by Norway and later by Denmark, Iceland was seen as a decayed country in the 1950s (Hálfðánarson 2000). It was one of the poorest countries in Europe and was depicted in European travel writing as wild and semi savage around the time they became independent (Durrenberger and Pálsson 1989). These images were quite unfortunate at a time when Iceland was trying to build a reputation as a nation state and as being compatible with other European countries (Loftsdóttir, in press). As former colonies are often seen as unable to modernize themselves without being governed by others, the emphasis on gaining acknowledgement was even more important. The Icelanders also saw themselves as shaped through landscape and environment such as harsh winters, volcanoes and rugged sea on all sides. This gave them characteristics that was reproducing their past Viking identity, such as independence, endurance and roughness (Loftsdóttir, 2015b). This representation of Icelanders as being in touch with their “glorious past” and still stretching towards a dynamic present continue to play a big part in the growing tourism industry.

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<sup>6</sup> The history of Iceland also include floods, eruptions, and earthquakes, which all have had influence on the soil and its ability to grow crop.

One of the identity markers that are often played as typically traditional Icelandic is the idea of “purity”. This idea becomes evident in how Icelanders perceive nature, the environment, their language and even their food. For example if an Icelandic horse leaves Iceland, it can never return to the island, due to fear of unknown diseases or impure breeding. Iceland is also known for their exceptionally good lamb meat. By keeping the lambs outside grazing in the highland, without the interference of pesticides they manage to produce high quality meat.

Iceland was getting more and more involved in the international scene and moving out of the periphery in the 1970s due to cheaper airfare, extensive export and import of goods and close ties to the Naval Air Force Base located in Keflavík, which brought Americans into the cities.<sup>7</sup> During this time, the Icelandic government wanted to adapt, without losing touch with their history and their traditions. Special emphasis was put on the idea that they had developed differently than the rest of the Nordic Countries with their own history, especially when it comes to political and social structure.

## **Liberalization Processes and Crony Capitalism**

In the beginning of the 1990s a center-right coalition formed between the conservative party *Sjálfstæðisflokkurinn*<sup>8</sup> and the social democratic party *Alþýðuflokkurinn*<sup>9</sup>. The chairman of *Sjálfstæðisflokkurinn*, Davíð Oddsson, started a campaign fronting privatization and economic liberalization. Iceland quickly gained recognition from the international scene, and the first Business Vikings and entrepreneurs appeared. The Business Viking is “a modern media version of the fabled medieval Vikings who heroically pillaged distant lands” (Durrenberger & Pálsson, 2015a, p. xv). This term was

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<sup>7</sup> Naval Air Station Keflavik (NASKEF) is a former U.S. Navy base at Keflavík. Built during World War II by the United States Army as part of securing Northern Atlantic air routes. Intended as a temporary wartime base under an agreement with Iceland and the British, NASKEF was closed on 8 September 2006 and the Icelandic Coast Guard currently uses its facilities.

<sup>8</sup> *Sjálfstæðisflokkurinn* is a right-wing party and can be translated as The Independence Party.

<sup>9</sup> *Alþýðuflokkurinn* is a social democratic party and can be translated as The Peoples Party. It was succeeded in 2000 by the *Samfylkingin* (Social Democratic Alliance), a center-left party with a wider political base created by the merger of the Peoples Party with the People's Alliance, Women's List and National Awakening.

coined to understand the sudden rise of internationalization in the late 1990s. The growing internationalization of the economy was talked about as *útrás*, a word meaning a sudden assault that resonated with the plundering of the Viking era. This type of expansion was connected to the Business Vikings, the businesspersons who engaged in trade, investment and finance speculation outside of Iceland. A way to talk about these ventures and rapid changes was to give the people involved narratives that fit with the characteristics of the brave, fearless and adventurous people of the Viking era (Loftsdóttir, 2015b, p. 5).

During the economic boom years the discourse of the Business Viking emphasized a masculine and virile man going out in the world and bringing home treasures and goods from abroad (Loftsdóttir, 2015b). The Business Vikings quickly gained recognition and became a fast growing Icelandic financial elite. Much in the same manners as discussed by John and Jean Comaroff regarding “millennial capitalism”, with the idea that consumption trumps production, and that the value of labor has lost against the fascination of capital (2001). The Comaroff’s emphasizes that the idea of gaining wealth without productive labor, and the idea of “casino capitalism” has become somewhat normalized. That is, a world of gambling and speculation arises and a society where a few individuals become instantly wealthy is becoming a reality. They use the term “millennial capitalism” not only to explain the sudden economic transformation in the turn of the new millennia, but also to capture the idea of the mystical and magical aspects connected to the fear of entering into a new millennia (Ortner, 2011).

In the case of Iceland, there were expressions of tendencies similar to those of crony capitalism, that is, where a successful business economy depends on close relationships between business people and government officials. Friendships and family relations between business men, government officials and state representatives is not all that surprising in a country with a little over 300,000 inhabitants. However, these self-serving friendships and family ties between businessmen and government officials can influence in the extent that it corrupts political and public-serving economic ideals. In other words, the Icelandic Business Vikings grew too close to government officials, or had family ties to people in government, which in turn made the ethics of business and the public responsibility of the government corrupted.

In order to understand and deal with the notion of corruption it is necessary to understand the nature, characteristics, patterns and organizational structure of the notion (Sissener, 2001 p.1). One main definition of corruption is “the abuse of public office for private gain” (Gray and Kaufmann 1998). This definition depends upon the existence of a public sphere and has no regard for the possible corruption in the private sphere. Another ambiguity in this definition is that if corruption is abuse of public office for private gain, this will typically occur in private and secret settings. If the action of corruption is done in secret and behind closed doors, how can we measure the level of corruption in a credible matter? I find this definition narrow and not sufficient to explain the link between the financial meltdown in Iceland and a form of corruption. We need a broader understanding of the term to understand its ambiguity. As economist Vito Tanzi explains:

*To argue that the personal relationship that come to be established between public sector employees and individuals who deal with them reflect a “corrupt” society may be correct in a legalistic sense, but it misses the point that these relationships simply reflect different social and moral norms (1995).*

In other words, relationships can form and the individuals in these relationships will act differently according to social and moral norms, but these norms might look different when one is in a close friendship or have family ties. In the aftermath of the financial crisis, the parliament launched an independent Special Investigation Commission to map out how this had come about and to analyze the causes of the collapse. Bribery might not have been very widespread in Iceland, but the large contributions by financial firms to politicians and the translation of political power into private and corporate wealth through privatization, such as the Icelandic banks does qualify as corruption (Durrenberger & Pálsson, 2015a, p. xxvii). The report, as a result of the Special Investigation Commission, points out that corruption; clientelism and a small group of political and financial individuals literally looted the nation’s treasury (Erlingdóttir, 2009). There have also been instances where people with political or financial power have moved through various positions with different degree of influence. The former prime minister, Davið Oddsson, who launched the privatization and liberalization processes in Iceland in the 1990s is such an example. Davið Oddsson was the Prime Minister of Iceland from 1991 to 2004, and Minister of Foreign affairs from 2004-2005.

After stepping down from this position, he took the job as CEO for the Central Bank. After the financial crisis he was forced to step down from this position, and he instead obtained a job as the chief editor of *Morgunblaðið*, the most influential newspaper in Iceland, in 2009. The newspaper, under the leadership of Óddsson fired many experienced journalists, and the Special Investigation Commission mentioned this as an example of media owners engaged in manipulation for political ends rather than protecting fair and professional reporting (Special Investigation Commission, 2010).

In addition to exposing the issue with political corruption, the Special Investigation Commission also revealed the problem with neoliberalism (Bernburg, 2015, p. 70). This is noteworthy, since Iceland prior to the crisis ranked low in corruption compared to other countries (Durrenberger & Pálsson, 2015a, p. xxvii). The second problem was that of neoliberalism, I would like to expand on this matter, and give a thorough explanation on how I have decided to use the term in this thesis.

## **Neoliberalization and Increased Privatization**

The concept of *neoliberalism* has been used by social scientists and researchers from other disciplines to understand tendencies such as deregulation, flexible working and the liberalization of capital. However there is a lack of a unified definition in which everyone seems to agree (Hilgers, 2010, p.352). As explained by Mathieu Hilgers,

*[t]hey apply the term to a radicalized form of capitalism, based on deregulation and the restriction of state intervention, and characterized by an opposition to collectivism (...) a belief that growth leads to development, and a promotion of freedom as a means to self-realization that disregards any questioning of the economic and social conditions that make such freedom possible" (2010, p.352).*

There are a few different ways in understanding how neoliberal policies affect the Icelandic society and it is evident that large former state owned companies or industries controlled by the state either were sold or went through processes of liberalization. For example the spread of the market principle into the fisheries domain, which had

formerly been part of the commons, and not owned by private actors. One can also see traces of neoliberal processes in the implementation of the quota systems in the Icelandic fishing industry, which gave the opportunity for a few large companies to own all the fishing rights. A third example is the deregulation of the Icelandic banking sector, making it seemingly free of state intervention.

I stress the fact that even though neoliberalism is discussed as a global term, there is a need to acknowledge that global phenomenon manifests itself locally as well. Hence, these processes and practices look different in various parts of the world and unfold separately (Appadurai, 1996, p. 42). In the same manner as the market changes and becomes more flexible, something changes in the actors as well. In markets that are constantly changing, appearing and disappearing, there is a need to act more flexible (Bateson, 1972, p. 497). Following this idea of flexibility and more focus on the individual, Loftsdóttir underlines the link between neoliberal emphasis on flexibility and the nationalistic ideas about the Business Viking (2015b, p. 5). I would like to point out a similarity to the work of Comaroff and Comaroff (2001) on how to understand neoliberalism. When we talk about *neoliberal culture* it is not to propose a rigid theory about culture, but how ideas and tendencies flow through culture and can shape it and influence it. Even though neoliberalism was the result of a changed trade regime developed in the 1980s emphasizing a transnational free market trade and not just the mere spread of ideas, these ideas were still infectious. It is therefore important to note that cultures do not exist in a vacuum, and they can therefore transform and change its structures. Comaroff and Comaroff offer a new way to look upon this new globalized culture. In the same way that cultures are shaped by the ethics of life, neoliberal processes, especially financialization, is shaped by the belief that one can produce wealth and riches out of thin air. Financialization can be said to be the spread of financial principles in to entities that were previously non-financial. It is when something that was not considered to inhabit the traits that it could be sold or bought, suddenly becomes part of a system of commodities.

Even though Comaroff and Comaroff's research takes place in South Africa there are still some similarities to the situation in Iceland. With the rise of new markets, technologies and products neoliberalism creates autonomy for those who master these new tendencies in the economy, and creates a process of some individuals becoming very

wealthy very quickly (2001, p.17). When the market is dematerialized, and there is no longer a correspondence between the stock markets value on material and the material itself; paper and figures turn into capital (Hilgers, 2010, p.353). It creates a relationship to the economy that relies on gambling and a sentiment that the actor has to risk something to be able to win something, previously explained as “casino capitalism” (Strange, 1986). This idea of earning material goods without any overt effort can in turn become a symbol for those who understand the way to do business. In the case of Iceland, the Business Vikings were distinguished like honorable men who really knew how to use the market for their own good and speculation on the stock market paid off for them. People who were yet to “crack the code” looked up to them and they gained large support from the society.

In the case of Iceland, financialization is most visible in the reorganization of access to the natural environment, more specifically, the conversion of fishing rights into commodities through a system of individual, transferable quotas (Carrier, 1998, p. 16). The new market that appeared was the stock market for fishing quotas, where you could buy, sell and trade the right to take part in the fishing industry. This is an example of how neoliberal processes made fish quotas private property, and through the process of financialization fish became an abstract value computed on a screen, which in turn enabled banks to take huge loans based on expectations of future gains. James Maguire (2015) explains how Icelanders have always been watching the fish and following it, but now they were following the fish to the electronic stock market (p. 122). The fish became an index on a piece of paper before becoming a number on a screen. The *Kvótakóngur*, or the Quota Kings, were eager to get their hands on as much fishing quotas, or *paper fish* as they could, resulting in a few large firms owning all of the fishing quotas. This culminated in an industry, which had always been a huge part of the Icelandic livelihood, to be owned by a few companies, and left small fishing communities without the possibility to fish. I will provide a short example. In the West Fjords lies a small old fishing town called Flateyri, with approx. 230 inhabitants. There has been a settlement there since 1792, and it has mainly survived on fishing. The cornerstone industry in this town was called *Kambur*, a fish factory with its own boats and quota. This industry was the workplace for half of the inhabitants of Flateyri. In 2007 the management decided to sell its five fishing vessels and quota. Suddenly half of the town

was without work. The fish was still living in the fjord, but the fishermen had no rights to the fish in the ocean (Kristjánsson, 2015, p. 101).

Coastal towns, like Flateyri, have developed and disappeared according to the lack or abundance of fish and fishing rights. This exemplifies the new responsibilities of the government in the sense that there are problems with depopulation, unemployment and reduced wellbeing of its citizens in a population that was previously self-sufficient (Pinkerton, 2015, p. 113).

## **Banking Sector Prior to Privatization**

Prior to the boom years in Icelandic economy and banking sector, the markets and business ideas changed drastically (Mixa, 2015, p. 33). Iceland is a special example because it had little or no experience in commercial banking, and especially not in investment banking (Mixa, 2015, p. 37). Having a history with localized banking due to an decentralized population, and the main bank *islandsbanki* going bankrupt in the 1920s, Iceland had a highly regulated banking system. Similar to the other Nordic countries, there was a system of political connections and governmental policies deciding which industries should get preferential treatment. This system made way for special interest groups to form their own banks. Bank of Industry (*Iðnaðarbankinn*) and the Icelandic Bank of Commerce (*Alþýðubanki Íslands*) are a few examples (Mixa, 2015, p. 37). This restrictive nature of the banking sector started to change in the 1980s and in 1994, when Iceland joined the European Economic Area (EEA), the Icelandic economy was connected globally and the restriction of capital movements was abolished. This modification and development marked two specific changes. For one it allowed internationalization of financial markets, and secondly it favored financial liberalization.

## Heating Up

The economic boom period of Iceland started in the mid 1990s, gradually expanding in the 2000s.<sup>10</sup>

In the years that followed, the coalition started to encourage privatization and economic liberalization. The process of privatizing the banking- and financial sector created new opportunities for the Business Vikings. This development opened up for access to domestic and foreign capital investment and made Iceland a hotspot for financial services and investment banking (Erlingsson, Linde & Öhrvall, 2015, p. 3). Following this privatization scheme three major banks appeared, *Glitnir*, *Landsbanki* and *Kaupþing* which all developed in the same matter. They experienced rapid growth due to the increased activity abroad and instead of strengthening the economy; these privatization processes impaired the Icelandic economy and made it unstable (Jónsson & Sæmundsson, 2015, p. 30).

The three main banks Glitnir, Landsbanki and Kaupþing all failed to fulfill external obligations. The general opinion was that the government had failed to manage the corruption occurring in the financial sector (Loftsdóttir, 2014, p. 168). The Icelandic government ignored the warning signs that were provided from foreign experts concerning the extensive growth of the banking system. Media and politicians consequently celebrated the Business Vikings and gave them status as national heroes (Loftsdóttir 2015b). The former important discourse concerning Icelandic identity, that arose after the fight for independence gained importance again, and Iceland was depicted as a “neoliberal success story” in the media, who shared stories about Iceland finally taking part at the global stage (Björnsdóttir, 2011).

By deregulating the market and implementing neoliberal policies, the government had allowed the financial sector to borrow money they could not pay back since their stocks evaporated following the financial meltdown. These policies created an economic

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<sup>10</sup> The continuous deregulation of banks in the 1990s, along with liberalization of capital flows and the acceptance of the EES treaty in 1994 is often marked as the start of the boom period (Björnsdóttir & Loftsdóttir, in press, p. 5)

upswing at first, but later showed that it made the economy unstable and vulnerable (Bernburg, 2015, p. 70).

## **Melting Down**

The financial crisis hit Iceland in the end of 2008<sup>11</sup>. Within a few days the three major banks had collapsed, and transfer of funds in and out of the country was difficult or impossible. In a matter of few hours the Icelandic Stock Exchange was shattered, resulting in huge losses for business owners, investors and capital owners. The value of houses depreciated while the mortgages rose due to inflation at the same time (Bernburg, 2015, p. 67).

The Prime Minister at the time of the meltdown, Geir Haarde, declared in a national broadcast that Iceland was in a state of national emergency, and he was now informing the public about the special emergency laws set in place for the government to take responsibility over the public's money in the failing banks (Bernburg, 2015, p. 74). He ended this broadcast with the famous word " God bless Iceland!" leaving the public in a state of panic. One of the most affluent democracies in the world was now living in fear for their economic future.

Soon after the collapse had occurred, an antigovernment social movement emerged and attained support among the Icelandic public (Bernburg, 2015, p. 63). Public protests and citizens meeting became a regular sight at the *Austurvöllur Square* outside of the Icelandic Parliament. The protesters claimed that the crisis had lifted the veil from the state institutions and discovered severe dysfunctional processes and policies within the government. The people wanted justice and demanded that the ruling government, selected government officials and the then Chairman of the Central Bank, Davið Oddsson, would take responsibility for the crisis and resign (Bernburg, 2015, p. 64). The government answered the demands by blaming the financial elite, the banks and the external global market forces.

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<sup>11</sup> The European Debt Crisis also hit other European countries such as Greece, Portugal, Spain and Ireland hard 2008-2011.

The protests and demonstrations that occurred in the aftermath of the financial collapse were interesting in the way that financial downturns does not automatically result in public revolt. In this case of Iceland, the mixture of sudden disillusionment, public shock and the realization that the government had failed to regulate the financial sector gave a basis for public revolt. After weeks of meetings and protests the demand from the public got expressed more furiously and turned in to a six days long demonstration. Finally, on January 26<sup>th</sup> 2009, the government resigned and a new coalition government was formed and new elections would be held the following spring (Bernburg, 2015, p. 64).

The sociologist James C. Davies (1962) argues that public revolts often occur after a large-scale backlash, such as an economic crisis, that has put a prolonged period of rising prosperity to a sudden end. The fact that Icelandic economy grew rapidly over a short period of time and that the standard of living grew in the same pace induced a type of disillusionment, or a feeling of disappointment resulting from the discovery that something is not as good as one believed it to be. Davies argues that in long periods of prosperity, economical or political, people's expectations and goals rise, and thus when a severe crisis suddenly puts an end to the prosperity period, such as the Icelandic boom period, many individuals experience shattered expectations and blocked goals. This results in a widespread frustration and a sense of injustice, creating a fertile ground for public revolt.

The aftermath of this disillusionment and how it transfers into a public distrust in the Icelandic government and authorities will be discussed thoroughly throughout this thesis.

## **End of Chapter Remarks**

In this chapter I have provided a historical introduction to Iceland with connection to the financial crisis in 2008. I have chosen to write excessively about this connection to give an understanding of the current situation and how the ideas about identity, history and nationalism are interconnected with the current state of disillusionment that my informants find themselves in. As put forward by Comaroff and Comaroff the idea that someone can manage to maneuver through neoliberal policies and operate new markets

in a way that is highly beneficial creates a feeling of being left behind (2001). How were the Business Vikings using the new system for their advantage? The Business Vikings were portrayed as heroic, tough and entrepreneurial in the way that they managed to gain riches from the new markets and grab opportunities in speculating economies.

As discussed in this chapter, the former government was accused of not managing the financial sector in a sufficient matter and for being involved in crony capitalism. The fact that there is not only external global factors that led to the crash, provides conditions that supports the public revolt that followed. As discussed by Davies, when expectations are shattered and goals blocked the frustration and sense of injustice becomes more overtly portrayed. The protests and demonstrations in Reykjavík acted like an arena for the public to show their disapproval of the current government, and resulted in the sitting government stepping down. Even though the protests were “successful” in the sense that the public succeeded in their agenda, they were not left with much clarity. Surprisingly, based on the fact that the meltdown resulted in social unrest, unemployment, a threat to the contract between the government and the people, and a state of distrust, the political parties responsible for the neoliberal turn and the financial meltdown returned to power in 2013. The return of the Independence party and the Progressive party can be partly explained by the lack of change the Social Democrats and the Left-Green party could provide. The process of getting back to normal and to prosecute the correct politicians, Business Vikings and financial elite that had taken part in the meltdown was slow, and not much was being done with fixing the state of things. The rich were still rich, and the public got buried in debt and loans (Durrenberger & Pálsson, 2015a, p. xxvi). The failures of the previous years was being presented as a global problem, that Iceland got caught up in, and that there was no problem with neoliberal policies itself. However, as discussed in this chapter, there were undeniable local actions that contributed to the meltdown, not only outside pressure. Neoliberalism could be justified as a “science” of economies and therefore no one seems responsible, because everyone is following the rules of the ideology. In this matter it shares similarities to the medieval era when Vikings where plundering villages.

As I will discuss in the next chapters the distrust and disillusionment is still present, not only in Reykjavík where the discontent was most overt, but in smaller communities as

well. I had started to understand why Hinrik was so suspicious towards the government and why he did not have any trust in what they were offering him. He had seen how Iceland had seemingly succeeded and failed due to governmental decisions, and did not want to take part in it happening again. In the next chapter I will explain how small communities in the periphery are affected by state decisions and the politics the government choose to follow in the urban core. Neoliberal policies make smaller communities, like Orkuvík, change or adapt as the different policies change the modes of the industries that exists there.

# Chapter 3:

## In the Urban Periphery: Orkuvík and Attitudes Towards Industry

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In the previous chapter I gave an overview of how Iceland took part in the European financial crisis, how different policies unfolded and acted locally, and how the public's state of mind became disillusioned. One of the policies that were adopted was financialization, or in the case of Iceland, virtualization of fishing rights. As the fishing rights went through the process of financialization, they changed into commodities that could be sold and bought at the financial stock market. As I have explained in the previous chapter, this resulted in a few large fishing companies owning large amounts of the national fishing quota, and thus a type of reorganization occurred in the fishing industry. Small towns that had previously relied on fishing as the main source of income were now stranded in the sense that they no longer had the rights to fish. Other small towns flourished when large processing plants were put up or made larger to handle all of the fish that now belonged to the quota owners. The reorganization in Orkuvík unfolded differently than in other small towns, since it already had an established fish company and a processing plant owned by Fiskur. As I will discuss in detail in this chapter Fiskur was established in 1952, and already had fishermen working for them when the reorganization started. However, when Fiskur grew larger due to the increased amount of quota, they hired more people and so this small town became a hub for labor migration and increased boat traffic. Even though the Fiskur processing plant and the boat traffic is easily noticed in Orkuvík, this is not the only industrial enterprise located here. Just around the next fjord lies the aluminum smelter, Fjardaál, the largest aluminum smelter in Iceland. The aluminum smelter was finished in 2008 and I was told it produces around 940 tons of aluminum per day.

Considering these two large industrial areas, Orkuvík has a curious set of characteristics. When I woke up in the morning and stepped out on the balcony overlooking the fjord

and the harbor I felt calm. It was tranquil and still. Then I started to look around. I saw the fishing vessels either leaving the fish factory or coming back in from the sea with a fresh load of herring, mackerel or cod. I noticed the hotel staff arriving at the hotel, to clean, cook and act as a welcoming committee for newly arrived tourists. I saw people driving to work, some of them working at the Fjardaál aluminum smelter on the other side of the mountain pass. Orkuvík has a peculiar set of characteristics in the way that it can seem energetic and hectic and tranquil and calm at the same time. These are characteristics that are both connected to industries and tourism, the tranquility of nature and the feeling of being out of the urban city. This made it harder for me to distinguish if the town encompasses traits of being either rural or urban. After I had spent a few weeks in Orkuvík, I realized that what I had thought of as a rural town in the eastern fjords, showed more characteristics of an “urban hub” outside of the capital area. There has been a tendency to write about areas outside of the capital, Reykjavík, as rural. However, the binary division of urban versus rural is contested, and it is possible that this division is unhelpful in this discussion. I will suggest a different approach to understanding Orkuvík and its position in Icelandic society before explaining the connection between the industries of fish and aluminum.

## **Out of the Core - Into the Urban Periphery**

To get a more nuanced understanding of the division between rural and urban I would like to offer a short set of distinctions between the two concepts. From a social demographic perspective, the notion of *rurality* is something that “(...) consists of areas having small population size and low density” (Fuguitt, 2005, p. 74). This is a vague definition that is based on territory and number of inhabitants, which does not mention notions such as *complexity* or *scale* within the given society. On the opposite end of the divide is *urbanity*; a term that entails traces of an assumed modernity, and based on the idea of binaries, connects the rural to the idea of tradition. Dichotomies like rural-urban, modern-traditional and core-periphery<sup>12</sup> are problematic because they are not nuanced in a way that makes it easy to distinguish something that could be found in between the

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<sup>12</sup> I do not propose to use the core-periphery dichotomy as coined by Immanuel Wallerstein (1974) in World System Theory, where some countries benefit economically when others are exploited. I rather use them as a structural relationship between the capital area and Orkuvík, where they are interdependent, but not exploitive.

two opposing terms, and does not address the dynamics between them. The dichotomies are also ambiguous in the way that generalized designated categories seldom serve their cause as explanatory terms, and rather indicate that the world can be divided in two different categories. The categories are dubious due to different understandings of the literal meanings of the words, and they will have different outcomes based on what criteria are being put to use. If we imagine urbanity in the terms of sociologist Georg Simmel, the urban dweller is someone who can hide in plain sight in the hustle and bustle of the city. You can become anonymous in the way that you can go through the urban town without any significant contact with other people. Therefore, the different individuals are in a way removed from the emotional bonds that would have tied them together in smaller cities (1971[1903]). Based on Simmel's criteria of anonymity as one of the characteristics of urbanity, one could argue that urbanity does not exist in Iceland at all, where the most populated city has around 122.000 inhabitants. Hence, urbanity is relational and it will therefore look different for different people in various places.

However, if we shift focus from the rural-urban dichotomy and rather consider them as part of a continuum, it opens up for a more nuanced understanding of a place. When looking at it as part of a continuum it acknowledges the idea that the rural is flexible, changing and saturated with multiple meanings. Considering the opportunities for change and that rurality do not entail a fixed set of ideas within a society, it can be both modern and traditional at the same time, or shifting between the two. If we consider Orkuvík, according to the definition of rurality, it can be said to be quite rural and peripheral considering low density and a small population. The peripheral quality however, must always be understood relatively. This is because even though Orkuvík is not close to the urban core, it is also located at the center of a global chase to secure energy resources, such as hydroelectric power and oil. Using this approach, one could argue that Orkuvík is a small-scale community, with bonds to larger global processes.

When I started my fieldwork, I knew that I had decided to conduct my research in an area that is as far away from the capital, or the core, that I could possibly get. If you drive the Ring 1 Road from Reykjavík, it takes around nine hours to reach Orkuvík regardless of whether you start driving south or north. If we then think of the capital area as urban, it is logical to imagine Orkuvík as somewhat rural and out of bounds. So thinking about a

rural town, I imagined a place that is lacking in infrastructure, isolated and out of the city, preferably agricultural or in a nature setting. But if we then look away from this dichotomy and rather use a continuum, Orkuvík is no longer rural. It is located far away from Iceland's core, where urbanity is most overt, and it is still isolated in a nature setting. However, this is a place with large work migration, flourishing tourism, two large industries and it is being considered for future industries, such as the planned oil industry. In this case, it could be helpful to understand Orkuvík with the idea of a core-periphery continuum, which can be understood as the structural relationship between the centralized core, often an urban area, and communities on the periphery, usually rural and resource-based communities. It is a reciprocal relationship where the core is dependent on the periphery, and vice versa. This fits to describe Orkuvík, as its industries are important factors when it comes to Iceland's export transactions. Icelandic economy is highly export-driven and the country's main exports are fish and fish products, which stands for 40 per cent for all export, and aluminum and alloys which stands for another 40 per cent (Trading Economies, 2016).

One evening I was invited to join Hans and his partner for a drink at their house, close to the harbor. Hans and his partner both share an interest for eclectic furniture and interior, and their home is full of different artifacts, furniture and art they had found at different flea markets and online thrift stores. A desk in the living room was an item that they recently bought, previously owned by the Icelandic writer Halldór Laxness, who won the Nobel Prize in literature in 1955. Hans walked me over to his newly purchased one-of-a-kind rococo-style sitting group, a couch and two large armchairs in black brocade with tassels, flown in from abroad. Hans wanted to know what I thought about Orkuvík and if I liked it "out here in the middle of nowhere". I started telling him about how I was stunned by how much energy this town had and how much was going on, not just with the industry, but with tourism as well. "Well, I think tourists are tired of Reykjavík and now they want to experience the "real" Iceland, and visit places that have not yet been taken over by tourism", Hans told me. He was working in the tourism industry himself and told me that he put a lot of emphasis on keeping the "dream alive" for the tourists. "We sell the idea of untouched nature and amazing scenery, we have the fjord, whales, northern lights and the feeling of being free", he said while taking a drag of his e-cigarette. I asked him "So people want to travel outside of the normal tourist sites

and experience the part of the island that is seemingly undiscovered by other tourists?“ He put his arm up in the air and said “Oh yes, the more isolated the better, and we are isolated! We only have that one tunnel and if it is closed during a storm, we are trapped. There was even a television show filmed around here, where the idea was a cold area with huge isolation”.

The way that Hans was describing his own town as isolated and far away from the usual tourist trail resonated with me, but how about the town in connection to the rest of the island and not just in the discourse of tourism? He later in the evening added the following sentiment: “Sometimes it is like the south<sup>13</sup> does not acknowledge us and understands that the east is an important part of the country. Hey, just look at the fish company and the aluminum smelter! We provide a large part of Iceland’s income!” With Hans’ comment on income, I understood this as Orkuvík and the east being a part of the export-driven economy. Fish and aluminum are the two largest exported commodities in Iceland, and Orkuvík has both one of the largest fishing companies and the largest aluminum smelter in Iceland.

I find Anna L. Tsing’s analysis from South Kalimantan, Indonesia, helpful in understanding how Orkuvík can be distinguished as a place. Tsing describes how she chose to turn away from political centers and move her attention to political peripheries to best get a hold of how state interference is conceived in “out-of-the-way places” (Tsing, 1993, p.27). An out-of-the-way place is “a place where the instability of political meanings are easy to see. The authority of national policies is displaced through distance and the necessity of reenactment at the margins”(Tsing, 1993, p. 27). I would like to suggest that Orkuvík is somewhere in the middle of the rural-urban and core-periphery continuum in an out-of-the-way place. In the words of Tsing; “Places are made through their connections with each other, not their isolation”(Tsing, 2000, p. 330). Therefore, even though Orkuvík is isolated geographically, and according to Hans, in some degree politically, it has not lost touch with the core. In addition, through interconnectedness it has achieved to run two of the largest industries in Iceland. In regard to Orkuvík being geographically secluded and at the margins of national politics,

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<sup>13</sup> I often noticed that people in Orkuvík used the word “south” when addressing Reykjavík and the capital area.

one could argue the traces of being isolated. However, when it comes to the level of connectivity through national economy and connections to the global race for resources that is found in the Arctic, it also holds signs of being at the center of global politics. In turn, Orkuvík can then be understood as an out-of-the-way place with a degree of interconnectedness to the capital urban area, and other countries this interconnectedness is achieved in, through industry.

## **Aluminum and Fish- Two Building Blocks in Orkuvík**

There are two main industries found in Orkuvík; the aluminum smelter Fjardaál, and the fish company Fiskur. These two serve as the main employer of workers in Orkuvík, and the industries has also led to some labor migration from nearby towns. Even though these two enterprises cause most of the vibrancy in town, together with summer tourism, they are quite different from each other. There is a need to understand the difference between these two industries, to get a hold of why there is a negative or passive attitude towards obtaining more industry, namely the oil industry, in the same region.

The fishing company Fiskur has a long history in Orkuvík. Fiskur has grown to become one of the largest fish companies in Iceland. It was founded in Orkuvík in the 1950s and in 1952 an era known as the “herring bonanza”, started in the east fjords. The fish was salted and made ready for sale in Orkuvík, but there was still no way to process fish oil and fishmeal. In 1957, a public holding company was founded in order to build the facilities that were needed to be able to utilize the whole fish (Icelandic Times, 2013). Fiskur was presided over by a few people, whereas the fishermen's cooperation held 60 per cent of the shares. This era laid the foundation for a flourishing company, and in 1966, they processed 107,000 tons of herring. The company has expanded several times during these years, adding more boats and new modes of production, such as starting to catch capelin and shrimp trawling. Fiskur operates in three different towns, but has its main processing plant in Orkuvík and employs around 250 people (Icelandic Times, 2013). Fiskur can be said to represent traits that are familiar to the people who live in or around Orkuvík. It is a locally founded and longstanding company and it takes part in a reorganized traditional economy, namely the fishing industry.

The other large industry in Orkuvík is the new aluminum smelter Fjardaál, which is located 30 minutes away from the Fiskur processing plant. Compared to Fiskur and the fishing industry in Orkuvík, this industry has different traits and features, that I will get to shortly. Connected to the Fjardaál aluminum smelter is the Kárahnjúkar dam project and hydropower plant. The project was set in motion after the privatization of energy started in the 1990s alongside of the government's implementation of neoliberal policies, such as deregulation, privatization and financialization. The conservative government initiated a plan to get international companies to put their factories in areas that could provide them with cheap energy and low taxes. It was decided that Orkuvík in the eastern region would provide the Fjardaál aluminum smelter with workers, space and energy for aluminum production. To get enough energy to power this large factory there was a need for a new hydropower plant. The Kárahnjúkar dam is the largest dam in Europe and the energy it produces, about 650MW annually, is enough to power a city of one million people. In contrast, Orkuvík has around 4,000 inhabitants. The dam is 190m high, with 730m wide main dam, two smaller saddle dams, and 53km of tunnels. The main dam has a reservoir called *Hálslon*, which overflows a 57sq km swathe of the highland before running on-to the glacier itself, which resulted in protected highland being flooded (De Muth, 2003). The idea that the hydropower plant and the dam would be built in an area that was protected as a reservoir made the whole project contested by environmental activists. Their protests did not stop the construction of the dam, and it was opened in 2008. The aluminum smelter has around 470 employees where 50 per cent are people from Orkuvík, 20 per cent are people who had moved away, but decided to return to work at the smelter. The remaining percent are people from other parts of Iceland and abroad, and the area in total experienced a sufficient immigration, which led to an increase of 219 new inhabitants in Orkuvík after the start up of the smelter in 2008 (Alcoa, 2008).

I will now provide a deeper explanation of the two industries, before connecting them to understand the attitude towards further industrialization in Orkuvík.

## **“They only tell us what we want to hear”**

I had spent almost six months preparing for a fieldwork on local resistance towards the startup of an oil industry in the eastern fjords. As the weeks went by, and I did not find any traces of this resistance, I needed to take a step back and let go of my prior convictions and assumptions and start from the beginning. Thus, I decided to change the theme for my research (Cf. Chapter 1). I needed to figure out what my informants were talking about, what their aspirations were and what they wanted me to learn about Orkuvík. These were some of the questions that I had in the back of my mind, going down into staff area to start my workday. The staff, including Hinrik and Hans were all drinking their morning coffee and eating sweet buns called *kleina*, a pastry similar to a doughnut. They were discussing the opening of the new tunnel, connecting one part of Orkuvík to the area on the other side of the mountain pass. As explained earlier, the only way in to this part of the eastern area is over the mountain pass through a single lane tunnel. With the new tunnel, you would not have to drive over the mountain, and furthermore, the new tunnel would have two lanes. Hans took a drag from his e-cigarette before he said; “It will open soon”. Hinrik answered Hans’ statement exactly at the same time as he got up from the table, almost as if he was making a statement. “They only tell us what we want to hear,” he said while walking out of the coffee area and into the kitchen. One woman waived her hand dismissively and another man grunted and asked for a refill of his coffee. It did not seem as anyone really took offense by Hinrik’s statement, but no one really showed a sign of agreement either. Sitting at the same table was Lína, a 24-year-old girl from Orkuvík who now was working as a waiter at the hotel. We had already become close friends, and she was quite interested in local history and nature preservation. She told me that she felt that it was her responsibility to show me around the area, so that I would get all of the “correct” information and not only “experience Orkuvík as a tourist”, as she put it.

Since Lína felt so strongly about helping me getting to know the area, I took her up on her offer to be my guide. She was constantly asking me what I wanted to see, whom I wanted to talk to and so on. She was also very adamant on bringing me around to see friends and members of her family. We mostly communicated in English because Lína wanted to practice her oral skills. One afternoon she wanted to take me to her relatives’ house in the end of town. During the short five-minute drive from the hotel to her

relatives, she was telling me about whom we were going to visit. “Jón Ásgeir is my cousin. He and his family live near the end of town. He is working with the aluminum. Maybe he will share some stories or, you know, some facts about how it is to work there”, Lína explained. I parked the car on the street outside of Jón Ásgeirs house, and we walked towards it together. Jón Ásgeir met us at the door, and opened it even before we got the chance to ring the doorbell. “There you are! Come in, come in”, he said and seemed pleased with having visitors. Jón Ásgeir offered us a cup of coffee and to sit down in his lounge area, overlooking the fjord outside the window. The coffee mugs were in odd shapes and various colors, just like the different art pieces placed around the living room. He sat down in the armchair facing the sofa I sat in and asked “ So, I hear you are a researcher! What do you want to know?” I was quite baffled by his approach and at the same time intrigued by his energized way of talking. He was leaning back in the armchair and folded his hands. Like he was ready for me to fire away. “I heard that you are working at the aluminum smelter?” “ Yes, and if it had not been for that smelter, I would not be living in this place!” I took it as a sign that he was very grateful for the fact that a foreign company and the Icelandic government had decided to put the aluminum smelter, Fjardaál, in Orkuvík. So I proceeded asking him if my presumption was correct. “Yes, of course” he answered while taking a sip of his coffee. “We need reasons to be here and we need something to make our lives better. Everyone needs to work, you know!” So industry is something we should all be happy about and it is something that we need? I asked. Jón Ásgeir looked out of the window when he answered me “Industry keeps the town alive, I would be gone without it”. Lína, who had been sitting quietly next to me in the sofa asked “But, it is not all good, right? What about Kárahnjúkar?”. I had heard about the Kárahnjúkar dam before and I had seen photos and videos of the place in the documentary *Draumalandið* (Guðnason, Magnasson & Pálmason, 2009). This documentary was what made me want to travel to this part of Iceland, and it deals with the construction of the Kárahnjúkar dam. Jón Ásgeir was quiet for a minute before he answered, “I think we need to give up some things to gain others, and we all need jobs to live here. It is hard, because we love our nature, but we need a reason to stay”. I understood Jón Ásgeir in the way that this was clearly a paradox. On the one side, there is an inclination to preserve nature, but people also need a livelihood in Orkuvík. This was not something that was easy to deal with, and like he put it; “ We need to give up some things to gain others”. After enjoying a few cups of coffee Lína and

I decided that it was time to get back to the hotel. In the car ride home she told me that we should drive up to see the dam together, because, like she said “a video is not close to the feeling you get up there”.

## **The Disputed Dam and Fjardaál**

When the planning of the hydropower plant and the dam was set in motion, there was a large group of environmental activists contesting the planning. The reason for the dispute between the government and the activists was the fact that the plant would be built in an area that was protected as a national park. Activists chained themselves to excavators and tried to sabotage the building process. Interestingly enough, the main arena for the disagreement was the dam in the highland, and not the ongoing building of the aluminum smelter in one of the most scenic areas of the fjord. The activists gave most attention to the matter of how the government could make the decision of giving previous protected land status as unprotected, and use it for industrial purposes. The Minister for the Environment at that time, Siv Friðleifsdóttir, altered the resolution that made the highland area protected and said in an interview “protected does not mean for ever protected” which was supported by Friðrik Sophusson, Landsvirkjun’s <sup>14</sup> managing director at that time, who stated that “the government has the right to change human decisions” (De Muth, 2003). The dam and hydropower plant was constructed in the former protected highland, and the aluminum smelter started its production in 2008, accessing energy from the Kárahnjúkar dam and hydropower plant.

The hydroelectricity project harnesses the *Jökulsá á Dal* and *Jökulsá í Fljótsdal* rivers by creating three reservoirs with five concrete rock-filled embankment dams. After being used in the *Fljótsdalur* Power Station, all water used in electricity production is discharged into the *Jökulsá í Fljótsdal* River. All these rivers and the surrounding highland were originally protected as a national park, but the boundaries that made up the protected area were moved so the plan could be set in motion. Not only is one of the lakes being slowly drained, the rivers are not in their original condition either. In order to build the dam, a large part of protected highland area needed to be flooded and destroyed. Rivers were rerouted and left some areas completely dried up. I will provide

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<sup>14</sup> Landsvirkjun is the National Power Company of Iceland; it is Iceland's largest electricity generator and one of the ten largest producers of renewable energy in Europe.

an empirical example of my first impressions of the aluminum smelter and the Kárahnjúkar dam.

## **Neoliberal Policies Depicted in Nature**

Lína had become a close friend that I spent a lot of time with. We often went on road trips, driving my rented Skoda Octavia to various locations in the Eastern region. I was usually driving the car, and Lína would point out things along the way, explaining extensively about the area and its history. Both Lína and I live in the end of the fjords that Orkuvík consists of, and there is only one way out, so after driving it a few times Lína ran out of stories to tell. She would always point out special places, mountains and waterfalls along the way and tell me all about them. Eventually we started filling the lack of talking topics with music instead. But there was always one exception, and this exception was the theme for today's road trip, the Fjardaál aluminum smelter.

The eastern fjords are very scenic and beautiful. I was always excited to get past the next turn and see what landscape would unfold in front of me. When you are driving to get to the Ring 1 Road, the main road that stretches around Iceland, you have to drive past the Fjardaál aluminum smelter. For the first time since I got to Orkuvík we stopped next to the aluminum smelter to get a closer look. We got out of the car and started walking a little bit closer to the fence and to the sign signaling where to drive to get into the premises. "They named the aluminum factory Fjardaál. It means "aluminum of the fjords". They made it familiar, as if it was always supposed to be here. You know what I mean?" I nodded and could not say that I disagreed with her understanding of the choice of name. "If you think this is ugly? Just wait and see," she said while we were strolling back to the car.

The drive up to the Kárahnjúkar dam and hydropower plant was almost 130 kilometers away from Fjardaál, up in the highland through rough and fairly untouched nature<sup>15</sup>. The mountain road got more and more foggy the higher up the mountain we got, and we had to keep a low speed. Both Lína and I had to keep a close look out for sheep sleeping on or

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<sup>15</sup> If we look past the fact that Vikings deforested the area in the beginning of the 12th century.

strolling around the roadside. The sheep run wild in the highland, and there are several signs along the road warning cars to slow down and be assertive. Even reindeer and an arctic fox crossed the road while we were driving up through the highland.

Once we got to the highest area of the highland road, the fog started to fade away. It was like a veil lifting in front of the car and we could see the dam and its surrounding infrastructure. I could feel it, chills down my spine. Not because of the crisp winter air but because of the contrast evident and visible in nature. On one side of the dam, the green moss and highland vegetation was still growing. If you turned your head and looked only to the right, you would be able to convince yourself that you were in the middle of the *Vatnajökull National Park*, surrounded by reindeer, sheep and a large variety of birds. On the opposing side of the dam, everything was dead. The green vibrant color was overtaken by black sand-like substance. The wildflowers were gone and no birds were in sight. Dividing these two sides of the dam were the remains of the Jökulsá í Fljótsdal River. I choose the word remains because it on that day consisted of a 100 meters shallow scar that was stretched through the vast landscape. Lína stopped at the middle of the dam. “People are talking about how ugly the Fjardaál factory is. What we see down there is not even half as bad as what is happening up here. I think the most concerning thing is that most people have not even been here”.



Figure 3 The view from the Kárahnjúkar Dam. An example of neoliberal policies depicted in nature. (Photo: Author)

Maybe Lína had a point. It made me think of what Jón Ásgeir had said about people needing work, and if it had not been for the aluminum smelter, he would probably not live in Orkuvík. Now this paradox was even clearer to me, and it gave me a different feeling when I actually saw what decision-making, based on neoliberal principles, does to the nature. If people have not even seen what has been happening in the highland due to the aluminum smelter, it is also hard for them to relate to it in any way. What people see is the aluminum smelter itself, not the infrastructure built to provide energy for production. As much as the smelter is an eye sore, it is possible that it serves as a symbol for work, interconnectedness and possibilities, instead of damages made to the environment. The socio-cultural landscape in Orkuvík also changed when the society went from being dependent on one single industry, to having a large international industry that increased their global ties and connection to large-scale businesses.

Again, the idea of the core-periphery relationship comes to mind. If we now imagine that Orkuvík is the core for industry and production, then the Kárahnjúkar dam is in the periphery of the center, working as a necessary partner in the aluminum industry that employs around 470 people in the region. Yet again, the core and the periphery are interconnected and dependent on each other. One could also argue that the Fjarðaál project came at a good time for the people in Orkuvík and Iceland in general. When the smelter was opened for business in April 2008, it was only four months before the financial crash. The aluminum business in Orkuvík had prior to opening their smelter employed a sufficient amount of people in order to build the smelter and all connected industry. Iceland could continue to sell their energy to the smelter, and people in the region had a steady income, despite the financial meltdown. What had been most important for Jón Ásgeir was that the people had a job to uphold their livelihood in the region, and it seems that the aluminum smelter, although contested in the beginning, functioned as a safe haven for workers in the east during the financial meltdown. Thus, the paradox is still present, but it points to that the industry worked as a positive reliever.

However, the aluminum smelter is not the only enterprise that functioned as a savior after the financial meltdown. When investments, currency speculation and stock trade proved inadequate, Iceland had to depend more on their traditional economies and

resources, such as fish. The fishing industry has gone through a reorganization process, which makes the enterprise look quite different today, then when it first started.

## **Fiskur Processing Plant and the Energy of the Fjord**

The other key enterprise, the Fiskur fish company, is distinctive in the sense that it builds on a traditional economy and livelihood. This is not to imply that the fishing industry and Fiskur has not changed through time. The fishing industry was, like some many other aspects of the Icelandic economy, including the aluminum industry, affected by the government's gradual shift toward neoliberal policies, and especially the start of financialization processes.

The headquarter of the Fiskur processing plant lie in the beginning of the town center in Orkuvík. Most of the buildings that belong to Fiskur are painted in a bright blue color, and even some of the fishing vessels are painted in the same shade of blue. It is hard not to notice the different types of traffic and vibrancy the fish company brings to town. I noticed car traffic going back and forth from the processing plants, the harbor and the main offices, and the increased movement of fishing vessels entering and leaving the harbor. The Fiskur logo is also evident on different clothing worn by children and teenagers in town, which gives me the assumption that Fiskur are sponsoring different sporting teams in the region. It is clear that Fiskur has a very overt presence in Orkuvík, and considering the history of the factory, it is quite clear why. As I have already mentioned in this chapter, Fiskur was founded in the town and helped the region become what it is today. Not many people lived in the Orkuvík region in the beginning of the 1900s, but as fishing increased in lucratively, Fiskur was founded and processing plants were built, Orkuvík slowly transformed into a town.

## **Entrepreneurs and Quota kings- How the Privatization Processes Changed the Fishing Industry**

Fish and the act of fishing have deep roots in the Icelandic history, with influences in economical, sociopolitical and cultural processes. As I have discussed in the previous chapter, fishing as an activity worked as an opportunity to create international ties, as a commodity for domestic trade and as a traditional livelihood. A social anthropologist,

Gísli Pálsson, once remarked that when it comes to transformations in the fishing industry, the most essential is the discursive shift in production, namely that from land to sea (Helgason & Pálsson, 1996, p. 61). From the beginning of settlement, Icelandic farmers and landowners who had access to the sea occupied a central position in the community. Fishing was regarded as a supplementary subsistence activity, but even though the use of the sea and its resources was considered part of the “common use rights”, only the inhabitants that owned land with access to good landing sites controlled the resources (Helgason & Pálsson, 1996, p. 61). Landing a boat without a good landing site could be risky, especially during winter season. Fishermen were therefore dependent on a good area to put their boat in the water (Helgason & Pálsson, 1996, p. 83). Thus, the sea was a common fishing ground, but the fact that you needed access points at land, inhibited some from getting a hold of the sea’s resources.

In the nineteenth century, new market opportunities emerged, and fishing became more like an occupation, rather than a mode of survival, and thus had its own separate economy. Over time the skippers took over as the ones in control of production. They owned their own boats, hired a crew and went out fishing. Today, fishing is still considered a major economic activity, but the skippers are no longer in control of production. The control has yet again shifted to owners at land, who hold quotas for fishing rights, boats and fish processing plants (Helgason & Pálsson, 1996, p. 61). This change, that Pálsson deemed important; not only changed the ownership and the mode of individuality in the fishing industry. It also made fishing a more stable living. If you were hired by a fishing company, your salary was somewhat fixed, and did not only rely on the amount of fish that was caught that day. Nevertheless, fishing is still a risky industry to be dependent on, because you never know when the fish will “run out” or change its habitat.

As the intensity of unregulated fishing got higher, a plan for a more regulated fishing industry started as a precaution for what seemed to be a decreasing cod stock. The Icelandic fleet was increasing rapidly and to remain sustainable, the quota system was introduced with a consensus from fishermen. However, over the following years the terms and conditions were altered, resulting in a more centralized ownership, and the existence of a new market and Quota Kings (Eythorsson, 2003). The Quota Kings are

people who are eager to buy small fishing firms and their associated fishing quota from small-scale actors who had joined the International Transferable Quotas (ITQ) scheme (Einarsson, 2015, p.156). As discussed in chapter 2, the financialization of the fishing quotas, making fish an abstract value that could be bought on the stock market, resulted in an industry that had always been a huge part of the Icelandic livelihood to be owned by a few companies, leaving small fishing communities without the possibility to continue their activities (Maguire, 2015). When the ITQ system was implemented it did not only turn collectively managed resources into commodities, it also made fish become commodities before it was even caught. Previously one could argue that fish became a commodity when a fisherman caught the fish, and so he or she could sell it. Now, with the ITQ system, the fish is a commodity already before it is taken out of the water (Carrier, 1998, p. 15).

As Iceland went through a number of neoliberal policy changes during the 1980s and the 1990s, the economic landscape changed radically (Maguire, 2015, p. 125). The fishing industry entered the world of privatization that started with the introduction of quota management system when the ITQs were implemented, in 1984 (Maguire, 2015, p. 125). The quota system is a way for the government to put restrictions on the fishing industry and to maintain sustainability in marine life. The total flow and the productivity in the fish stocks are studied to determine the amount of stock that could be sustainably harvested. The total allowable catch (TAC) was then determined by the surplus of fish that is safe to harvest without harming the sustainability of the fish stock and the marine habitat that supports them (Pinkerton, 2015, p. 109). Even though the government still owns the fish stock and the marine life, it becomes more complicated when privately owned groups with interests to promote economically efficient production start acting in the same market (Helgason & Palsson, 1996, p. 64). The ITQ system is part economically driven and part scientific. It is trying to manage a stock by adopting a fishing effort to the point where maximum economic yield occurs or where maximum sustainable yield results. The quotas can be sold and traded at the stock market, making them valuable for private companies with the capacity to obtain a number of large quotas, and thus become Quota Kings. In this way the quotas and the rights to fish are centralized and can lead to radical transformations for a large percentage of the population, among other fishermen who are left without the right to fish (Pinkerton,

2015, p. 113). In the case of Orkuvík there was already a large fish processing plant and a fish company in the area, and so fishermen had a company to work for and affiliate with. In other places like Flateyri mentioned in chapter 1, fishermen no longer had a fish company who owned a quota for them to be able to fish, and thus could no longer perform their profession.

When changes and transformations occur, new opportunities tend to reveal themselves and make room for innovation and entrepreneurs. According to Fredrik Barth (1981), the entrepreneur is someone who manages to discover and implement new ways to conduct trade in a way that gives economic revenue. To be able to succeed in this innovation, the society must agree and conclude that this is the preferable way to make transactions and economic activity. In Barth's example from Darfur, an outsider came to an area and discovered a new way of turning labor into a commodity (1981). The entrepreneur manages to develop ways of bridging together domains that were formerly discrete, and work them into their own advantage. In the same matter the entrepreneurs of Iceland, the Quota Kings, made fortunes by bridging finance and fish, and reorganizing the fishing economy. Leading up to the financial crisis the Icelandic banks were mainly owned by newly rich Quota Kings and Business Vikings, and the banks offered what seemed like lucrative loans in foreign currency for investment in the fish quota, with the intention to raise the quotas collateral equity (Pálsson, 2015, p.156). Even though the financialization and privatization processes linked fisheries to the financial meltdown, the fisheries served as a reliever after the crash. In the aftermath of the financial crisis, the government needed to depend on traditional economies, such as the fishing industry, to get the economy back on its feet. The fishing industry proved to still be one of the most important industries, especially for export income.

## **End of Chapter Remarks**

Even though it is fairly isolated, has a small population and lies in the periphery of Iceland, Orkuvík serves as an important small-scale town. It holds two of the largest enterprises in Iceland, with the fishing industry providing about 80 per cent of the country's export income. As I was preparing to conduct my research on the future of an oil industry in Orkuvík, I thought I would experience one out of two things. Either, this

would be a place with a debate climate sharing the same characteristics as the ongoing debate about an oil industry in Lofoten, Vesterålen and Senja in northern Norway. This ongoing political debate in Norway concerns the environmental damages the oil industry could possibly have on the unique marine and coastal wildlife. The debate has been ongoing since the 1970s, and is split between those who are concerned with the environmental impact and those who believe that there are little to no hazard for any environmental damage. Alternatively, I expected to find a place with little knowledge and experience with large industries, and that there would be people either agreeing with the idea that industry will help their town grow, or people who were negative to how an industry could change their town.

As I have discussed in this chapter, I ended up finding out how Orkuvík has sufficient experience with two different types of industries, which have different characteristics. The aluminum industry in Orkuvík has these given traits: Firstly, it is a foreign company who placed their smelter in Orkuvík after being promised an abundance of cheap energy and low taxes by the Icelandic government, and without previous connection to the place. Secondly, it has a young history in this town, inaugurated only in 2008. Thirdly, the planning and the execution was highly contested by environmental activists. On the other hand, there is the Fiskur fishing company, which has quite different traits than the aluminum industry: Firstly, Fiskur is an Icelandic fish company, which was founded in Orkuvík. Secondly, it has been in Orkuvík since the 1950s, and it is well established and continues to grow. Thirdly, the fishing industry in Iceland is considered very traditional from a sociocultural perspective and takes part in traditional economy, even though it has gone through a process of reorganization.

In short, one could say that Fiskur is familiar, local and traditional while Fjardaál is unfamiliar, foreign and at first contested. Two very different industries existing close together, which in turn will mean that the people who live in Orkuvík is not only familiar with industries, but have accepted two very different ones, which proved to be important factors in getting the economy back on track after the meltdown.

In the next chapter I will discuss how it seems like people in Orkuvík, with the knowledge of two different industries, have little to no interest in the Icelandic oil

endeavor. An oil industry that, if followed through, will be operationalized in Orkuvík, along side Fiskur and Fjardaál.

# Chapter 4:

## Multivocal Place: The Start of an Oil Industry in Iceland

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In the previous chapter I discussed how Orkuvík, which lies in the periphery of Iceland and out of the urban core, is relatively industrial and an important part of Iceland's export economy. With both the Fjardaál aluminum smelter and the Fiskur fishing company, Orkuvík house two of the largest companies in industries that together stand for 80 per cent of Iceland's export income (Trading Economies, 2016). These two industries are also important factors in the analysis in the way that they indicate that this area is not apprehensive about industrialization. Since both of the industries proved to be relievers during the financial meltdown, I was starting to wonder why there was the same state of disillusionment and distrust in Orkuvík, which on paper, had not suffered as much as the people in the capital area.

In order to understand how the state of disillusionment and the distrust in governmental decisions after the financial crisis manifested itself locally, I will use this chapter to discuss the reactions to the startup of an oil industry in comparison to research conducted in 2006 by Karl Benediktsson and Leena Suopajärvi<sup>16</sup> on the startup of the aluminum industry. I find it interesting from an analytical standpoint, to be able to use this research as a comparative source to my own data material. The opinions that usually arose when I asked around about oil and the upcoming industry were about misbelief and an attitude of not giving it an extra thought, unlike research on the aluminum industry where it was an attitude of hope and aspirations for the future. In this chapter I will discuss how a place with previous experience of being an industrial town, also obtaining a new industry after the millennia, is not responsive to the idea of

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<sup>16</sup> Their fieldwork was conducted in 2006, yet not published until 2008.

opening yet another industry in the area. I will start with an explanation concerning oil as a research topic.

## **From Renewable Resources to Oil and Gas Exploration**

When I first got off the airplane at Keflavík Airport in the beginning of my fieldwork, I noticed a large billboard from Landsvirkjun, the national power company, in one of the waiting areas. The billboard read “Who needs coal when you have fire?” showing smoke coming up from underneath the ground and had a subtext greeting new tourists to Iceland, as well as the message “We make green electricity exclusively from geothermal and hydropower sources”. However, green energy is not only positive, as the example of the Kárahnjúkar dam in chapter 3 shows. Even though energy harnessed from waterfalls and rivers is considered more environmentally friendly than energy from coal and oil, it still has other environmental issues and problems. Such as destroying protected areas and redirecting glacial rivers. I found it interesting that Landsvirkjun expressed that coal is not the right way to get energy nowadays, but at the same time Iceland is planning to engage in oil and gas exploitation.



Figure 4 Ad campaign from Landsvirkjun. (photo: author)

Oil as a research topic in the field of social anthropology has usually followed the same lines of themes. The research is typically aimed at countries that have had natural gas and oil resources, but has had them exploited by another country, and the research includes how this extraction has changed or affected the local community, often in an environmental or health related context (See Watts 2013; Friedman 2013; Gledhill 2013; Schiller 2013). Timothy Mitchell researches energy and power in his book, *Carbon Democracy*. Here, there is a focus on detecting the connections that are engineered between carbon fuels and different undemocratic and democratic politics in various countries (2011, p. 24). Mitchell highlights how different oil companies have constructed a complicated system for restricting supply to expand their revenue. There is also significant research on the construction of “extraction enclaves”, for instance in Angola, where the revenue and resources accumulated from the offshore oil extraction hardly ever touch Angolan soil and is not benefitting the Angolan society (Ferguson, 2005, p. 2).

Oil is no longer just a resource. It stands for so much more, and has become a complex symbol that entails and holds various meanings, that has changed over time. One can discover the oil’s transformation from the natural state as a natural resource, to being introduced as a commodity with a price tag, to a paradoxical symbol of wealth and despair (Watts, 2013, p. 15). In the case of Orkuvík, the oil extraction has yet to be put into action. However, people still need to relate and deal with the idea of an oil industry, because if it becomes a reality there are reasons to believe that Orkuvík will indeed change. Even though the oil industry is abstract in the way that the installations will be offshore, the oil discourse will probably manifest itself locally, and it is yet to see if Orkuvík will, like Angola<sup>17</sup>, have an offshore extraction enclave. I think it is important to have these perspectives in mind when discussing and analyzing research that consists of an oil discourse. It is no longer just a resource in the background; it actually has an impact on the society it exists in, the environment and natural habitats, and the people who are surrounded by it and its discourse.

When trying to understand oil as something more than a resource, two analytical issues emerge, connected to the ideas of materiality and temporality (Rogers, 2015, p. 366).

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<sup>17</sup> Even though there are some structural differences between Iceland and Angola when it comes to power relations, interference of national companies and so on.

There is a need for a framework to understand oil beyond its characteristics of a substance, and enter in to an understanding of how the oil discourse and the infrastructures that deals with the substance enters social, cultural, political and economic relationships (Rogers, 2015, p. 371). One can theorize the fact that oil encompasses different industrial endeavors that will have an affect on the community. For example spatial enclaves, such as boomtowns that have a role in transforming raw oil into substance suitable for human consumption, or even off-shore oil platforms and extraction enclaves. Infrastructural pipelines, heavy oil machineries and industry beyond the production field are also part of the materiality of oil, along with chemical aspects of failed oil projects, such as the BP oil spill in the Gulf of Mexico in 2010. However, in this thesis where at the time of research production had not started and where there still are no visible signs of an industry (other than the supply vessel M/S Polarsysse), I will focus on the temporality of oil and the issues it raises for understanding the oil discourse in Orkuvík.

Oil inhabits traces of temporality in the way that it can suddenly be discovered and suddenly run out. It entails characteristics that are similar to the way that Ferry and Limbert explains temporality; “They frame the past, present, and future in certain ways; they propose or preclude certain kinds of time reckoning; they inscribe teleologies; and they are imbued with affects of time, such as nostalgia, hope, dread, and spontaneity” (2008, p. 4). The idea of oil as something that appears, disappears, or can be reorganized in new ways gives it a factor of uncertainty, and in some cases hope, or even despair. However, in Orkuvík, the oil discourse seems to be based on disbelief to the idea that it will actually become a reality. One could argue that its temporal traits exist in the thought that if it happens, it will happen with or without the people believing that it will become a reality. Thus, an idea of why one should bother to give it any thought, when it is not up to the people in Orkuvík to decide if it will become a reality or not. In other words, the way that people imagine the temporality of oil in the context of Orkuvík has almost stagnated. This is connected to the fact that it seems like my informants are indifferent to the idea of having oil industry in their future. I must add that the oil industry is highly abstract in the way that both the resource and the offshore platforms are not visible from shore. This idea, that it is hard for people to imagine, has been taken in to consideration when measuring my informants’ interests in the venture. However,

since the oil industry is well known as a lucrative industry and since my informants have good knowledge about Norway and its oil industry and the associated benefits, I still believe that there is fertile ground for discussing the possibility of an oil industry in Orkuvík.

## **The Dragon and the Vulture- Short Story of Icelandic Oil Reserves**

The fact that Iceland has oil and gas reserves is not something that was newly discovered. Already in the beginning of the 1980s, Iceland and Norway agreed on a partition of the continental shelf between Iceland and Jan Mayen (Bishop, Bremner, Laake, Strobbia, Parno & Utskot, 2011, p. 38). They came to an agreement on a joint venture on researching the subsea areas for viable oil and gas reserves. In 1985, they conducted seismic research to get clarification on what resources that could be expected to exist in the Icelandic shelf area. The seismic survey helped discover two areas that are believed to have natural gas and oil resources available for commercial accumulation (Bishop et al., 2011, p. 39). The two areas are the *Dreki* and the *Gammur*, which is translated in to the “dragon” and the “vulture”. The dragon and the vulture are two of the four characters depicted in the Icelandic coat of arms, and they are thought to be the protectors of the northeastern and the northwestern regions of Iceland.

In January 2009 the Ministry for Industry, Energy and Tourism launched a report based on a series of public meetings around the area that would be affected if the oil industry were to become a reality. The town officials and a group of people from Orkuvík were present and had mainly one concern and one suggestion regarding the plan of starting to explore for oil in the sea outside of the fjord<sup>18</sup>. Their concern was about whether or not the exploration would disturb the fish stock that the fishermen and Fiskur are dependent on, and their suggestion was that with the increased boat traffic in the area, a shipping center could and should potentially be placed in Orkuvík (Ministry of Industry, Energy and Tourism, 2009, pp. 6-7). In the final assessment plan, it was made clear that the licenses would be made available in the end of January 2009, and a maximum of five exclusive licenses for exploration and production would be available. As of January

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<sup>18</sup> Based on what is described in the report.

2014, when the third round of licenses was handed out, it was granted to China National Offshore Oil Corporation (CNOOC) Iceland ehf. as operator with 60 % share, Eykon Energy ehf with 15 % share and Petoro Iceland AS with 25 % share (National Energy Authority, 2014). Petoro Iceland AS is the holder of the license on behalf of the Norwegian State according to the decision made by the Norwegian Parliament. This was in accordance with the agreement between Iceland and Norway on the continental shelf, in the area between Iceland and Jan Mayen (National Energy Authority, 2014).

In the end of 2014, Fafnir Offshore purchased the most expensive ship in the history of the Icelandic fleet. Iceland's first platform supply vessel for servicing oil exploration and production has its homeport in Orkuvík, and services the oil activities in the Norwegian Sea. At USD 58 million dollars, the "M/S Polarsysel" was built and reinforced for the harsh weather conditions in the Arctic. The ship is able to receive helicopters, has a fire fighting unit and an emergency oil recovery and reduction system (Iceland Review, 2013)." M/S Polarsysel" is currently the only overt sign of the materiality of oil in Orkuvík.

I must also add, due to the drastic fall of global oil prices in 2015, which led to a price drop on more than 50 per cent, that the development and start up of an oil industry is moving slow. One factor that is crucial to consider, is that the project is still at a level of exploration, and production or exploitation is not planned in any near future, other than that it is a goal for the sitting government of 2015. In this stage of planning an oil industry, they are still only exploring the possibilities to find valuable reserves in the Dragon area. The process of exploration includes evaluations of the size, location and production properties by drilling explorations wells, to see if there are any signs of hydrocarbons (National Energy Authority, 2011). These factors have been taking in to consideration when understanding my informants responses.

## **The Apparent Indifference Towards a Possible Change**

During my time in Orkuvík I had noticed a pattern regarding attitudes towards oil industry. Not one single person of the people that I had met or spoken to during my fieldwork had a positive outlook on the assumed oil industry. I was usually met with

some type of disbelief, feeling of indifference or strong sense of distrust regarding any news or plans from the government or the “south”. By using the case of the assumed oil industry as pretext for discussing the political climate, I gained valuable insight in how my informants relate to the capital, government and decision-making regarding them, but made by others. I will provide one empirical example to illustrate this apparent indifference about the oil industry.

As I had done research on the fishing industry and especially the Fiskur processing plant, I had gotten to know a few people that work there. One of the people that I met at Fiskur, Steini, turned out to be being not just an informant, but also a friend that I spent many of my afternoons with. Steini was not from Orkuvík originally, but his mother’s side of the family was, so in his adult years he decided to move there, and now he works at Fiskur. Steini is a young man in his mid-twenties. He is strong and heavy built, so the hard physical working tasks at the processing plant suits him well.

We often enjoyed a coffee and an occasional cigarette at his house after we had finished our workday. One could see the whole fjord from his balcony, and we often sat outside if the weather allowed it. The house was quite big with two main floors, where the second floor was very inspired by the 1970s, or rather not renovated since then. It had colorful wallpaper, beige linoleum floors and many different ornaments in various material and colors. The first floor was more modern, with white walls and with wallpaper picturing the skyline of a big city I could not recognize. There was a small modern bathroom with a shower, but the toilet was not functioning due to some reason that was never made clear to me. However, I suspected a clogged pipe. Luckily, the upstairs bathroom was functioning. There was a TV-area with a large flat screen television with different video game consoles connected to it, and a small refrigerator to keep beer and sodas cold. This lower part of the house immediately stood out as what could be similar to a “bachelor pad”, and the upper part as the complete opposite, unintentionally in a more retro style. The house cat, a yellow Persian with a very indignant personality named Magnús, usually sat with us on the balcony. He liked to be pet for a few seconds, and then he would either run down the outside staircase to the street level or start wailing to get someone to feed him. Steini was petting him slowly as we sat down outside on the second story balcony. We had moved two of the kitchen table leather chairs with us

outside, and used the side table of the grill as a table. Right now Steini and Magnús lived alone in the house, but his mother who now lived in the South, would visit them occasionally.

We were as usual discussing our workdays and he was explaining to me the different processes of cutting up and packing the fish into different containers. From the balcony, we had a clear view at the fish factory in the end of the fjord and the large amount of boats coming back in to the fjord with different amounts and types of fish for the processing plant to handle. “Soon there will be oil vessels and platform supply vessels going in and out the fjord”, I said quietly before I took a sip from the hot coffee Steini had offered me. Steini looked at me with a puzzled look upon his face. I started telling him that I had seen Iceland’s first platform supply vessel, M/S Polarsysssel, for servicing oil exploration and production, when I was driving through town the day before. It has its homeport in one of the fjords in Orkuvík. Steini looked at me shrugging his shoulders and snorted. “I don’t believe it. They can tell me all they want that the oil thing will happen, but I do not think I will see it in my lifetime. This place is dead anyway, and the way the government is selling our nature off, we will all be fucked by then.” Somehow, I seemed to have hit a nerve, so I continued to push him on the topic, “Dead in what way? There is so much going on here in this small place?” He continued telling me that he felt like the place had lost its authenticity and “soul”, and that it is not how he remembered it from his childhood. “We are all about aluminum and tourism now, they come here to see the real Iceland, but it is funny how that makes this place less and less authentic”. I continued asking him, “So do you not think that it is actually oil there, or do you just not think that they will follow through?” He took some time before he answered, “I think that...” he paused, “Why would I believe the same government that fucked me over? When they say there is a pot of gold under the sea, should I just scream hurray and live in the idea that this will come to me personally?” I understood Steini, he would not just put his destiny in an idea that may or may not come true, and if it did happen, it would probably not benefit him. He had felt hopeful about the future in the past, before the financial crisis, and was not willing to give up his own way of looking at how his life will be, to an idea of future accumulation and happiness.

This hope for a better future for the area has been offered before, and this is not the first time the people of Orkuvík have been given promises by the government. Last time, it was not about the dream for oil, but for aluminum.

## **Place Singularity- On Becoming Interesting for Foreign Investment**

As discussed in the previous chapter, Orkuvík lies in the periphery of Iceland, but is not peripheral when it comes to close ties to global markets and foreign interests in the Arctic region. Despite their isolated location, they are still connected to the “global world system” and international connectivity, which in turn would make them interesting for foreign investment and collaborations. There are constantly appearing new global and international negotiations that will affect places with seemingly no immediate connection to the initial negotiation starter. One example of these outcomes of increased global interconnectivities would be Iceland, who possess an abundance of geothermal and hydropower energy, with no way to export it. The National Energy Authority created a pamphlet in 1995 called “Lowest Energy Prices”, to get the interest from heavy industries to come to the country. The pamphlet was filled with promises about cheap, green energy without any “red tape”. Several heavy industrial companies replied positively to the pamphlet and one of them, as we have seen, decided to open a smelter in Orkuvík. However, it raises the question whether foreign investment and sale of resources is positive, or if the tactic backfired.

John Perkins, the author of *Confessions of An Economic Hit-Man* (2004), contemplates that an “economic hit man” in fact hit Iceland, during the time of marketing hydropower resources. An “economic hit man” can be described as someone who has to convince leaders of “third world”<sup>19</sup> countries to accept sizable development loans for large construction and engineering projects while making sure that these projects in turn will be contracted to companies that the “hit man” represents. It is about gaining control over resources that are coveted for a company, and by providing the leaders of a “third

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<sup>19</sup> The economic hit man typically targets countries of the so-called third world. Countries that may have an abundance of resources, but not the means to extract them. According to Perkins, Iceland was one of the first countries in the so-called first world, to be targeted by an economic hit man.

world” country with a loan they are unable to pay back, the “hit man” traps these leaders. They can then start negotiating, in example, cheap hydropower to run aluminum smelters. According to Perkins, Iceland was one of the first “developed” countries to be hit, and that “hit men” from the aluminum companies convinced Iceland to take up a large loan in order to build the hydroelectric power plant that was needed to provide the aluminum smelter with energy. In the case of Iceland, they had large power resources near Orkuvík’s premises that were coveted to the aluminum industry. Iceland was promised huge development projects of this peripheral region, and sold the resources cheap to a foreign company, in favor for urban development. As a result of trying to obtain foreign investment and to stay connected to the stakeholders in the Arctic region, Orkuvík got a new industry. An industry which employs around 400 people, and Fjardaál got the cheapest energy for aluminum production they could possibly get, so cheap that it barely provides an income for Iceland.

Nonetheless, this constant need of staying singular and interesting is at the same time a sign of dependency. Being peripheral and being constantly reliant on the “outside world” for investments and interests, creates vulnerability. The idea of being in a “one way relationship” where ones survival is dependent on the other part is not uncommon. Orkuvík is a small-scale town, but at the same time incorporated in global systems. This relationship, or interconnectedness, can offer some modes of conflict or disputes in the sense that there is a “clash of scale”. The local voices that have an idea of how they want or should have it, meets the terms and conditions of the global scale. “One size fits all” logic interferes with the local voices of singularity that can become grounds for conflict. One could also argue that the *temporal scale*, referring to how one makes decisions, is an important factor in understanding how one would think about changed or prolonged meaning of place (Eriksen, 2016, p. 3) Along-side the temporality of oil, Orkuvík is at a standstill when it comes to further industrialization, or rather in-between decision-making, and so the lack of imagined temporality in the eyes of Orkuvíkians is overt. On a *cognitive scale*, referring to how people orient themselves, the people of Orkuvík realize that they are part of a large-scale system of interconnectedness to the wider, global system (Eriksen, 2016, p. 3). They realize that they need to take part in the global race for resources and industry that is happening in the Arctic, but at the same time my

informants displays a mode of passivity and indifference, because the decision-making is not up to them, but to large-scale actors.

When discussing the impact or the influences made by *globalization* one must be aware that globalization is not an external force that simply happens to a place, and that makes the people who live in that place victims of an idea they have to adjust to. One could rather look at it as the opposite: Places opens for the opportunity to constitute, invent and organize global processes, and so places and people are agents in the globalization processes (Massey, 2004, p. 11). According to Ulrich Beck, “you cannot even think about globalization without referring to specific locations and places” (2000, p. 23). This begs for the question of what a place constitutes of in the global world, and it seems as the idea of place and the locale could be rediscovered or reorganized in the encounter of global negotiations.

Orkuvík was previously understood as a small-scale town with a single industry, the fishing company. They experienced depopulation and stagnation, and the fishing industry went through a process of making their production less dependent on actual workers, and so there was a need for more job opportunities. As Iceland became more involved in the global market, there was an opportunity to get foreign investment and factories in various parts of the island. As I have discussed, Iceland has an abundance of and opportunity to offer cheap electricity, so it was lucrative for the aluminum industry to consider Iceland for future factories. Since aluminum production is one of the most energy-dependent industries in the world, Iceland seemed like a logical choice for Fjardaál. Orkuvík was rediscovered by the global market, as a place suitable for aluminum production with a close proximity to cheap energy. There was a reorganization in the way that people started moving back to the town, there was put more money into infrastructure and more emphasis was put on making Orkuvík into a town where one could live, raise a family and have a livelihood for the children in the future.

## **Revival of Place: Embracing New Industrial Endeavors in the Past**

There is a saying in Orkuvík, where an old grandfather asks his grandson what he wants to be when he grows up. The grandson answers him “I am going to be just like you, I am going to sit and wait for an aluminum smelter”. This is of course an exaggerated and parodic saying, but it says something about how people in Orkuvík have been used to false or delayed promises for the future, in the past. Karl Benediktsson and Leena Suopajarvi (2008) discuss how Orkuvík went through a “second modernization” in the wait for the aluminum smelter to be built and ready for production (p. 37). In their study, which was done in 2006, there does not seem to be much emphasis concerning the environmental impact that the Fjardaál aluminum smelter and the Kárahnjúkar Dam would have on their community, compared to the national contestation. It was rather made clear by their informants that they were entering a new era with new risk factors to adhere to. They did not take the development and opportunities that happened in their town for granted, but rather constantly reflected on what it would mean for them, their livelihood, their community and their economy. Their informants admitted that they were living in a state of uncertainty, and somehow laid their faith in the hands of global tendencies and further industrialization when they approved new international interference. They understood that they were stepping in-to a risky global environment, but at the same time, they made clear that they were used to being dependent on uncertain industries, such as the fisheries (Benediktsson & Suopajarvi, 2008, p. 37).

Benediktsson and Suopajarvi also discovered attitudes around the idea of waiting for something to change, or rather advance faster and further when it came to job security. Prior to the development of the Fjardaál aluminum smelter it seemed that the majority of the people in Orkuvík were favorable to the idea of a “proper industry” that could provide job security and increase the viability in town, alongside the fisheries advancing their technology and being less dependent on actual workers on the assembly line. The area had suffered huge depopulation, and this new industry could be a way to make way for the next generation of *Orkuvíkians*. The inhabitants contemplated that they wanted to enter a new era and leave the economic stagnation that they had experienced in the

past. They wanted to embrace the Fjardaál aluminum smelter and the possibilities it brought.

It is important to bare in mind that even though the research by Benediktsson and Suopajärvi was done in a time where there was need for new economic opportunities in a town that had suffered a loss of viability, a lot of changes have happened since this research was conducted in 2006, most importantly the financial crisis. Nevertheless, I find it interesting to use this research in a comparative manner. There are still a lot of similarities and contradictions to their research and the research that has been done in order to write this thesis. The people in Orkuvík at the time of their research admitted that they had waited a long time for this industry to become a reality. As one of their informants, a local male in his thirties said “(...)even when I was just a small boy, there was always something just about to come, some heavy industry. ... Then that faded away, and perhaps two or three years passed, and then the discussions began again about something big. I experienced this right from my childhood” (Benediktsson & Suopajärvi, 2008, p. 33). So they have been talking about something, waiting for something to become a reality for many years and experienced the same temporality as the oil industry stands for now. Already in the 1970s there was made plans for heavy industry to be placed in Orkuvík, but the deal fell through, and many years passed by while the people were still waiting for something to happen.

Finally in 2008, they got their aluminum smelter, steady jobs, had an increase in population and experienced a revival of place. This raises the question, why do my informants not believe that the oil industry will come, when they held their hopes up for the aluminum smelter that in the end came true and had huge benefits for the community?

## **Second Revival- A Change of Attitudes Towards New a Industry**

Jón Ásgeir had told me that the industry in Orkuvík kept the town alive, and in his words “without it, we would all be gone”. Job security seemed to be an important factor to get people to either stay in the region, choose the region or return to the region. Several

times, I had heard that the opening of the Fjarðaál aluminum smelter was something that changed the pace of life in the fjord. The startup of the aluminum industry in the east was an important shift in the way that it changed patterns that had been developing over time and provided security during the financial crisis. While the people in the southern part of Iceland struggled with losing their jobs, their savings and also experienced a rise in mortgage, the people of Orkuvík had two businesses that were growing and one was employing more and more people, also during and after the crash. As described by Benediktsson and Suopajarvi (2008) the time when the Orkuvíkians were waiting for heavy industry to arrive, was filled with excitement and hope for most of the inhabitants. The opening of a new heavy industry would change this pattern and as we have seen, revived the area in terms of labor migration<sup>20</sup> and that there was an end of the stagnation that had been a reality in the past. This is significant in the way that Orkuvík experienced this growth, while the southern part of the country suffered a financial meltdown. As expressed by one of the informants interviewed by Benediktsson and Suopajarvi in 2006, the time where other Icelanders thought of Orkuvík as a moribund fishing town was over, and it had now expanded into becoming a *place* (Benediktsson & Suopajarvi, 2008, p. 34).

Even though Orkuvík already had ties to the global economy through their fishing industry, they became even more interconnected when they obtained a foreign company with larger global ties. The economy and the job opportunities were previously mainly focused in one economy, namely fish. This was both an advantage due to the high degree of specialization and a disadvantage because of the vulnerability of being dependent on just one economy. The industry experienced cyclical fluctuations, which made it unstable and in some cases unreliable. With the opening of a new industry, Orkuvík had more than one leg to stand on, and people had more job opportunities to choose from, as well as they experienced an expansion in most public services such as infrastructure, education and social life. Improved infrastructure, new restaurants and renovated hotels opened up for a larger flow of tourism, which in turn made more favorable conditions for smaller companies. The area expanded and the sense of place was reinvented.

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<sup>20</sup> Demographic development: Inhabitants in Orkuvík in 1950: approx. 1800 people, 1990: approx. 3400 people, 2005: approx. 3177 people, 2016: approx. 4693 people (Statrice, 2016a, 2016c).

The new industry offered revival to Orkuvík, but still there is hesitation and various opinions towards a new oil industry. To understand the attitudes towards a new global industry, one must consider the multivocality of place, and how these have been framed in different ways.

## **The Multivocality of Orkuvík**

After talking to Lína, Steini and Jón Ásgeir about their life in Orkuvík, I had noticed that there was a discrepancy in how they perceived their town, the life in town and the future of the area. I will provide a discussion of three different understandings of place, where especially two are contrasting. Steini contemplated about how dead and soulless Orkuvík was and how nothing ever seemed to get any better there, while Jón Ásgeir had put much emphasis on the idea that job opportunities kept the town alive, and both the fisheries, aluminum industry and maybe soon the oil industry all helped the city to advance and experience even more population growth. There existed a tension between belief and distrust, and it gave me the feeling that the perception of despair and state of disillusionment inhabited by Steini was not just connected with the financial crisis that exposed a dysfunctional government.

First, to understand the multivocal tension between Steini and Jón Ásgeir's perceptions, one must understand the analytical meaning of *place*. A place must be understood as something constructed and does not exist in a vacuum with fixed boundaries. Places are politicized, historically specific, and inhabit multiple local constructions and meanings (Rodman, 1992, p. 641). Places are multivocal in the way that they stand for different things, to different people at different times, and one person's ideas and feelings of a place can be highly variable and based on previous experiences. According to Margaret C. Rodman (1992) one must involve the social meaning of place to understand the different voices that comes through the research. Rodman argues that the meaning of place has typically been positioned in the background of anthropological research, often as a backdrop to understand other aspects of a society. Rodman proposes to rather understand the social constructions of place and that one must interpret how ideas and reality of a place can be unique for the people inhabiting a place. There must also be an

understanding that different people can share the meanings, but the views of a certain place can also often be grounds for competing imageries or be contested in practice (Rodman, 1992). These different opinions, experiences and ideas about a place can be said to be the *multivocality* aspect of place, or the different voices of a certain place. One other perspective to consider is that of *multilocality*, which is connected to the idea of multivocality in the way that these different voices in a place give the place different meanings for different people. In other words, a place is multivocal because of the different voices that people have in a society, and these voices put together, constitute different meanings of place, hence multilocality. A place is not singular in a meaning perspective, and different people with different experiences of a place will have their own opinion of what that place is. When people have a variety of ideas of what a place is and what it means to them, one could envision that there are different modes of identity processes, and so people will continue to produce similar, different or contesting ideas and meanings of place. However, Orkuvík is not so isolated and peripheral that it only consists of different meanings produced and reproduced locally or nationally, it is also embedded in networks of relations created through history and continued pressure and interference from global economy, politics and contemporary history. For example, Orkuvík was for a long time known as “Little Moscow”, because it had strong ties with a socialistic worldview and was governed by a left wing party for over 50 years.

In the case of Steini and Jón Ásgeir it is apparent that they have different views of place and that Orkuvík holds different meanings based on their individual experiences. Jón Ásgeir had moved to this place in need of a job, and he saw how Orkuvík grew with the new aluminum smelter. More people moved to the town, they experienced degrees of town development, such as a new school, increased flow of tourists, improved road system, a new restaurant, and so on. Jón Ásgeir sees this town as part of something that will create a better future for many of the inhabitants of the eastern fjords, and is positive to further development and industry. In his words, “We need jobs to live here, and the industry gives us job security”. He was also skeptical to continued sale of resources, and found himself in a sort of double-bind<sup>21</sup> between wanting jobs and growth in the industry sector, and well knowing that further exploitation of nature could

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<sup>21</sup> A term coined by Gregory Bateson to explain a situation where one is confronted with a dilemma where any decision is unsatisfactory (Bateson, 1972, Eriksen, 2016, p. 5).

be critical. Steini on the other hand, had moved to town because he needed a change and he had close family ties to the fjord, even though he had lived his adolescent life in the south. He worked at the fish factory and was seemingly filled with a degree of rage towards the government and the opportunities he as a young man was promised indirectly through the false hope created by the government, prior to the financial crisis. In Steini's opinion, this place is dead in the sense that nothing is changing, and as he put it;

*I believe that in a sense we are dying, because we are told that things will happen but nothing happens. They say things will change, but nothing is changing. I do not think that they care about this place. We have lost our soul to politics and corporations.*

It seems like Steini feels displaced from his own town in the way that he feels like he has lost some sort of control. When he is talking about "them", meaning the government, it gives a feeling of having to rely on someone who is not there, does not care about this peripheral place, and gives uncertain promises for the future. Steini himself sees great value in Orkuvík as an industrial region, but he has a feeling of disbelief and distrust in the government due to distance between himself, the decision-makers and actual action. If we consider the two opposing stories told by Jón Ásgeir and Steini, two of the localities that one could say Orkuvík inhabits is on the one side; a town with great potential to grow even more, and that has flourishing industrial businesses that contribute to both the local and the national economy of Iceland, and not only growth on a local level. Even though there has been put emphasis on the concerning usage of the nature and the environment. On the other side, Orkuvík is a town where people have lost control over what will happen in town, and if things will happen so be it, they will not hold their breath waiting because they do not have a say in the decision-making anyway.

By comparison, Lína offers yet another voice to Orkuvík, and provides another locality. For Lína, the ideas about further industrialization makes her uncertain about what the future will bring when it comes to how the town will change. She was against the startup of the aluminum industry, based on environmental damages made to the protected highland area. When it comes to the new plans concerning the oil industry, she is not

expecting anything to happen. She shares the general opinion that it will probably not become a reality. However, she is more concerned on how this will affect the town if it becomes a reality and how the town will possibly go through yet another change. In her opinion, it would be a change for the worse, because there are not so many places left in Iceland that inhabits the same traits as Orkuvík. The week that I left Orkuvík, she shared some thoughts with me regarding the matter. “We are really special here. We have the nature, the fjord, and the whales that come in every year to announce that summer has arrived. What if they never come back after we increase boat traffic here? Who knows if I will still be living here when you come back to visit us. Maybe it will not even be worth visiting”.

These three representations of Orkuvík reveal an interesting tension between the three voices and localities given to the place. On the one end of the continuum are the voice of Lína, and what Orkuvík represents for her; nature, tranquility and a slow-paced life. From her point of view, she has something to lose by further industrialization and exploitation of natural resources. In the middle of the continuum is Jón Ásgeir who sees pros and cons with the industrialization that has happened, and he is open for changes. Steini feels like he has already lost and his voice is no longer heard by the government. It is clear that someone will lose and someone will gain something if Orkuvík goes through another process of reinvention, but it is difficult to anticipate any long-term implication of change.

## **A Change of Attitudes Over Time**

Based on the findings in the research of Benediktsson and Suopajarvi from 2006, one could assume that the attitudes towards the aluminum smelter was similar to hope, excitement, happiness about growth and ideas about how their town finally would become a place with meaning. As explained by one of the informants, “I feel like it is no longer an irrelevant extremity (in the eyes of other Icelanders). It has become a place.” (Benediktsson & Suopajarvi, 2008, p. 34). If one looks at the research this thesis is based on, there seems to be a shift towards a more ambivalent understanding of place and the time that they live in. The multivocality I discovered in Orkuvík reveals stories and narratives concerning distrust, uncertainty, caution and excitement. Even though the

opening of the aluminum smelter was a success in the way that it created growth, and kept the town flourishing during the financial crisis, the marginality of place has not changed and there is a tendency to feel like you are left without control over your own life or place. The people remain vulnerable due to the reliance on negotiations and decision-making done elsewhere.

Based on the ideas presented by the informants of Benediktsson and Suopajarvi (2008), one could argue that the thought of Orkuvík being an important place nationally, fell through, and it is still thought about as in the periphery with no clear position in the national economical discourse. The reinvention that occurred when Orkuvík got their aluminum industry made way for a belief that they would become of importance to society and be “put on the map” so to speak. This did not become a reality. This realization about living in a marginal place in a world where everything seems to get even more and more interconnected, and at the same time have more connectedness with foreign companies and foreign investment than their own government, causes a form of disillusionment, loss of control and lack of acknowledgement. This exemplifies one of the paradoxes of globalization: How the process can work simultaneously as shrinking and expanding at the same time. On the one side it shrinks the world in means of creating interconnectedness, and on the other side, expands the world by acknowledging differences between people and places (Eriksen, 2010, p. 200).

## **End of Chapter Remarks**

People who live in the same place will have different experiences and attitudes towards their place. There is no such thing as a local view, because everyone will have different voices and be positioned differently than other people in the same place. When plans are being made about an endeavor that will possibly lead to changes in a place, one cannot expect to find one single attitude or opinion from all the people from that given place. In this chapter there has been offered three separate voices which has formed different localities of Orkuvík as a place, thus it is both multivocal and multilocal. At the same time, the issues of being dependent on investment and interests from the outside insinuate a level of vulnerability, and a “clash of scales”.

Jón Ásgeir, Steini and Lína put different meaning in Orkuvík as place, and they all have different losses and gains connected to the changes that have been proposed. The oil industry is relatively high-tech and will probably not employ that many people, but is still considered a lucrative business. However, none of them has really shown any real interest in oil as an industry or as a business in their town. Even though they have unequal approaches to represent their place, they share one important factor. They have all voiced their opinion on the Icelandic government and lack of trust and interest in connection to the oil endeavor, especially after the financial crisis and the discourse that followed. This is especially significant due to the revival of place that occurred to Orkuvík during and after the crash, compared to the downturn in the rest of the country. I will take the discussion concerning the relationship between distrust, vulnerability and marginality further in chapter 5.

# Chapter 5:

## Distrust and Marginality: A Twofold Explanation

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I believe one must discuss disillusionment, and its counterpart, hope, in order to get a better grip on how neoliberal policies and socioeconomic processes have manifested themselves locally in my informants' worldview. In the research conducted by Benediktsson and Suopajarvi (2008), Orkuvík is displayed as a town where the people have hope for the future, belief in that something will change for the better and make their place more meaningful. Meaningful not just for themselves, but also give it some national validation and recognition. After going through my field notes, I did not find any specific incidents or any patterns of people talking about or expressing hope for the future. Trust and hope are related to accurate understandings of previous experiences, and they are implying a move towards the future that is depending on the imaginary anticipation of the imminent (Liisberg Pedersen, 2015, p. 1). However, the counterpart, disillusionment, surfaced and appeared in many everyday lives situations and conversations, and created a pattern. This discovery of data made me inclined to get a hold of how a society could and had changed from expressing hopefulness to become disillusioned during a period of eight years.

Disillusionment, even though it is the counterpart to hope, must not be understood as hopelessness. As written earlier in this thesis, I understand the state of disillusionment that surfaced after the financial crisis as a feeling of disappointment that occurred when people realized that something was not as good as they were told or how they believed it to be. This state of mind was easily transformed into an idea of distrust against the people or the institution that offered or put forward the false representation to start with. In the case of Iceland, the imagery of Iceland as a wealthy and growing nation<sup>22</sup>, cracked at the end of 2008 with the financial crisis. As a result, my informants now

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<sup>22</sup> In terms of economic growth and in relation to the welfare state.

inhabit a feeling of distrust towards the government and the state system. As we have seen (cf. Chapter 4), this distrust and the traces of the feeling of being fooled or disillusioned have lasted for over eight years. Could it be that the financial crisis obtained so much power and had such an effective impact that it left a small town in the eastern fjords feeling disillusioned as long as eight years after the financial crash? The financial meltdown, as we have seen, started relatively large protests outside of the Icelandic parliament (cf. Chapter 2). People were angry and some possibly confused about how this could have happened. The financial meltdown has been used to explain for an awakening of the Icelandic people, and the aftermath has been made into a success story by international media in the way Iceland “rose from the ashes” in a relatively short time, compared to other countries affected by the European financial crisis. Nevertheless, I believe that the financial crisis only served as a catalyst that revealed other issues for the people of Orkuvík, and that the meltdown was only a symptom for a more severe condition. As I will discuss in this chapter, the crisis is not over, it has evolved in to a sociopolitical crisis, rather than an economic one. As we will see, the feeling of disillusionment has a twofold explanation, one based on a nationwide awakening due the financial meltdown and the other one based on a local resistance ignited due to the realization of them being unrecognized by the larger Icelandic community. To get a hold of the current situation, I will proceed with giving a clearer understanding of the term *crisis*.

## **Crisis and Chronicity: Can One Crisis Evolve Into Another?**

The majority of articles and research concerning *crisis* in social anthropology entail research areas that include severe personal suffering in volatile surroundings. These surroundings can include people in war zones, people who are starving or people who live in areas which are largely affected by climate change. However, I still find this approach fitting to describe the situation that unfolded during my fieldwork, even though there was a lack of volatile surroundings. People, in general, consider a crisis as something that uproots their ideas of a normal life, which rocks the society they live in. For people in affluent societies, this is seen as an anomaly, that is temporal, and that the state of the society will eventually turn back to “normal”, or how it was before the crisis occurred. I would like to stress the fact that the analytical term *crisis* is used relatively in

my thesis, and that I do not wish to propose that Orkuvík is suffering in the same regard as, for example, people in war zones. Nevertheless, I find the analytical framework helpful in terms of capturing social and societal processes in Orkuvík.

I would like to draw on Henrik Vigh's understanding and description of the term *crisis*. In his research from Guinea-Bissau, he connects the disrupted livelihood of the people in the capital with the idea of a normal life. Crisis has traditionally been perceived as an isolated period of time in which our lives are shattered and is experienced as a rupture (Vigh, 2008, p. 8). It has been understood as a moment of chaos, where the social and societal processes collapse, and where they will not stabilize until the crisis is settled, there is a loss of balance and an inability to control the exterior forces influencing your possibilities and choices (Koselleck, 2002, p. 8, 16) (Vigh, 2008, p. 5). Vigh challenges this perception of crisis, and rather suggests looking upon crisis, as a chronic state that people live their lives in. The *normal* life, based on the western conception of peace and comfort, is not the reality for a large portion of the world's inhabitants, thus crisis is not a rupture in everyday life, it is life itself. The Nordic countries, including Iceland, are often considered as a safe zone with little to no sign of crisis and its effects (Jensen & Loftsdóttir, 2014, p. 2). However, after the financial collapse in 2008, one could argue that Iceland entered a crisis of an economical sort. Vigh stresses the fact that one must not look upon crisis as something singular and monofactual, and one must rather consider that crisis, as a rupture, is the result of "slow processes of deterioration, erosion and negative change- of multiple traumas and friction" (Vigh, 2008, p. 9). Thus, the problems leading up to and resulting in the crisis are underlying processes, and will not cease to exist when the crisis is "over". In the case of Iceland, the crisis first became internationally overt when there was a financial meltdown, however, the social and societal processes had deteriorated long before, and have still not recovered. Thus, the *crisis* is not a short-term situation, but a condition, which holds various symptoms. In Iceland, even though the finances somewhat stabilized after the financial meltdown, the crisis that became overt after the meltdown has rather evolved into something that looks different, than it initially was. Thus, the crisis is not something that belongs to the past, but the symptoms of the crisis have changed from being financially related, to being more concerned with social and societal processes. In Orkuvík, these processes

have manifested themselves and become displayed through disillusionment, distrust and a feeling of being marginal.

As a crisis can last over several years, it can begin to get manifested in everyday lives and decisions. Once the crisis has reached a level of *normality*, or has prevailed long enough for the current state and situation to become routinized, one can consider it to be *chronic*. When one talks about *chronicity*, one refers to a situation that has been implemented and is now constant, and takes away the temporal aspect of the crisis, and is now better understood as a prevailing state of ordered disorder (Estroff, 1993: Taussig, 1992).

When referring to the crisis as normality and as a routine, I do not wish to propose that crisis makes way for how things should be or that this normalization of crisis makes people indifferent to the current situation (Vigh, 2008, p. 11). The chronicity of crisis does not necessarily lead to passivity and indifference; It can rather open up for a new realm of possibility of acting in one's own society which has now, in some aspects, changed its context (Vigh, 2008, p. 10). In the same manner, normality can give ideas about how something "should be", and therefore the context of crisis brings with it a dimension of comparison, in the way that one can imagine how things ought to be, and compare it to the reality of other places. One can relate one's own normality against other places and societies, or its own place in a different time. For example Iceland before the financial meltdown and how things were seemingly better in the past (Vigh, 2008, p. 11). In understanding the crisis in Orkuvík as chronic, and looking at crisis as context where people live their everyday lives, one can discover a functioning social condition shaped by instability and disorder. However, even though a crisis is chronic, it still can change its patterns. A crisis is hardly ever one-sided, and what seemed to be a financial crisis, quickly penetrated into other spheres of society and opened up for the understanding that there is a state of disillusionment that has evolved into a feeling of distrust towards the Icelandic government and government officials.

There have been discussions contemplating the fact that Iceland, contrary to other countries that are considered to be in an era of crisis, is not in a societal crisis. I believe that the feeling of crisis is highly relative and is experienced in different ways based on

previous experience and ideas of *normality*. As Vigh illustrates “for many people around the world- the chronically ill, the structurally violated, socially marginalized and the poor- the world is not characterized by peace, prosperity and order but by the presence and possibility of conflict, poverty and disorder”(2008, p. 7). Thus the crisis is not experienced as something temporal, it is experienced as chronic. It is a part of everyday life and struggle, and for the societally and spatially marginalized people in Orkuvík, the crisis is very much real.

## **Twofold Explanation: The Link Between Distrust and Marginality**

As discussed previously in this thesis, the people I met and lived with in Orkuvík did not feel the affects of the financial meltdown in the same way as people in Reykjavík and the larger capital area did. Being an “out-of-the-way-place” in Iceland, with two strong cornerstone industries, they were able to stand strong and continue growing during the financial meltdown. With the aluminum industry and the fishing industry, Orkuvík experienced continuous growth in the industry sector, and few people lost their jobs in total. The financial crisis marks the starting point of the state of disillusionment, but it was not the only reason for why the state of disillusionment and distrust sustained in Orkuvík.

A significant dilemma when it comes to understanding and dealing with the issues of the state of disillusionment, trust and distrust, is that it is part of a cognitive assessment of the trustworthiness of an other party, and may therefore be wrong or mistaken (Hardin, 2004, p. 9). It is usually based on an experience which make you believe that the other part is either highly trustworthy, or on the other side, lack trustworthiness.

Nevertheless, the idea if someone or something being trustworthy is individual and subjective, and the feeling of not being able to trust something or someone is still valid, even though one might be wrong. When my informants expressed a kind of distrust in the Icelandic state system and in the decision-making done in Iceland before and after the financial crisis, this was still valid and significant, even though one could argue that there was no reason to have these feelings, as Orkuvík did significantly well during this period, compared to the capital area. As discussed in chapter 1 of this thesis, the term

marginality can be used in analysis in different ways. One could argue that marginality is something that is used to describe and comprehend socio-cultural, economic and political spheres, where one group of people are struggling to gain or obtain access to fields of power, knowledge or resources (Tsing, 1993, p. xi). These groups of people are therefore often in situations where they are ignored, neglected or excluded from decision-making and thus, vulnerable to change. One factor that can lead to marginalization or the feeling of being marginalized is that of spatial confinement. Spatial marginalization can occur when the place or area in question is located too far from the center of where decision-making is conducted, or at the core of the society. One is located in an isolated place, without connectivity to any economic centers or is located at the edge of a system. However, spatial dimensions of marginality are always relative, and will appear differently in relation to the scale that is put to use, from local places to national and global level. Therefore, one might find marginalized places on all levels, because it depends on what units one choose to use as comparison. But, in most instances, it is a place without close proximity to economical and political centers (Gurung & Kollmair, 2005, p. 13). In this case, Orkuvík is located in the periphery, and in some ways at the edge of the system. Another aspect of spatial marginalization is that when one is located in the peripheral sphere of a society, one is most likely also, in some ways, cut off from widespread public decision-making, including the decisions regarding ones own place or livelihood.

Lína, Jón Ásgeir and Steini all shared concerns and thoughts about their future in Orkuvík, as well as the future of Orkuvík itself. They were all agreeing that the financial crisis had manifested itself locally; not only in terms of financial downturn, but also because of the feeling of having your country undergoing a meltdown. As peripheral as it may be, it is still part of the larger Icelandic society, and would of course be affected by the devastation of other countrymen, even though they did not experience the same severity. The feeling that surrounded the national crisis was not the only reason for the state of disillusionment. There was a feeling of awakening and understanding that the way the country had been run was not sustainable, but the financial meltdown served as a catalyst for other revelations. The feeling of not being taken seriously, a feeling of losing control and the feeling of being marginal and disconnected from the capital, where political decisions affecting them were made. Jón Ásgeir explained to me that they

felt like if it were not for the fishing industry and the aluminum smelter in Orkuvík, the whole country would have suffered more during the crisis. But even though they provided two growing industries during hard times, they were not met with the acknowledgement that they had expected. This revelation is also connected with the hope that was related to the start up of the aluminum industry. As shown by Benediktsson and Suopajarvi (2008), there was a state of hopefulness in Orkuvík, and the thought that the new heavy industry would finally make their town into a “real place”, a place with meaning and advantages that would serve the entire nation. When there was no change in how Orkuvík was perceived after the financial meltdown, this accelerated the feeling of being marginal and insignificant in the large-scale picture.

As Lína explained to me, while we were driving to Reykjavík one weekend; “ I don’t like to use the word “respect”, but I do not know what other word to use. I do not feel like we get the respect we deserve. They only think of us as a *sveitamaður*<sup>23</sup>, who are not contributing, compared to the people who live in the south”. According to Paul E. Durrenberger, a *sveitamaður* was someone who lived in the countryside, and that got state subsidies to keep the farm alive and to keep up production. They were at the bottom of the “hierarchy” so to speak, in terms of where one lived in Iceland. People in the coastal communities, such as Orkuvík, were considered to be contributors to society and the economy, and were also the people who kept the fishing tradition alive (Durrenberger, 1996, p. 183). When Durrenberger analyzed this division of the Icelandic people, it was based on research conducted before the new millennia, and I find it interesting that there has now been a shift, where also the people from the coastal communities go under the terminology of *sveitamaður*. At least according to how Lína feels that she has been put into that category.

There is a linkage between how the people of Orkuvík consider their own place in the world, and how they seem to be, or at least how they think that they are perceived, by the national authorities and Icelanders from the larger metropolitan area. A shared sentiment by my informants is the idea of being important contributor to the national

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<sup>23</sup> *Sveitamaður* is usually used about someone who is clumsy, ignorant and backwards. The translation would be “country-person” or a “simple person from the countryside” (Durrenberger, 1996, p. 183).

economy, especially considering that the aluminum industry with its foreign capital, and the exportation of fish served as important industries in the aftermath of the financial crash. As pointed out by Hans, Orkuvík and its industry stand for about 80 per cent of the export income. Fish and aluminum are the biggest export commodities in Iceland, and Orkuvík has both the largest fish company and the largest aluminum smelter in Iceland. These industries did not suffer during the crisis, but they rather accelerated. However, even though this is the feeling of my informants in Orkuvík, they are not considered a contributor to the national economy. The real Iceland is still considered to be in the capital area, and the isolated towns in the margins lack acknowledgement. This feeling of not being given acknowledgement for how their industry served the country after the crisis, together with the feeling of not trusting the government after the faulty decision-making, resulted in a feeling of distrust and produced an idea of autonomy and individuality among my informants.

### **When People Start “Voting With Their Feet”**

There were a few active responses that occurred when the Orkuvíkians increased their understanding of their own place in a larger system. A place, which is connected to larger global networks and thus has an increased *social scale*, can go unnoticed by the inhabitants if the *cultural scale*, in which they orient themselves, is not increased (Eriksen, 2016, p. 3). However, my informants are aware that they are still part of a larger system, even though they are relative marginal and isolated. The inhabitants in Orkuvík live their lives in a relative small-scale society, but they are heavily incorporated in systems and network that are global. For example, through foreign industry, tourism and investments made in the Arctic region. In some instances, it may seem like they are more oriented towards the connections they have on a global scale, rather than they are to the national scale; the state. This affects the way they orient themselves, and on what basis they make their choices. This exemplifies how the boundary that exists between the large and the small scale collapses in a globalized economy with wireless communication. As already discussed, there seems to be a tendency to skip the national scale level, and orient more towards the global scale level directly, through tourism. Instead of staying dependent and vulnerable due to the distance from decision-making made in the capital area, that affects them, they choose to

approach the global market themselves. Thus, taking the risk into their own hands and being more in control of decision-making that will have repercussions for them. At least in the way that they, unlike the Orkuvíkians portrayed by Benediktsson and Suopajarvi (2008), are actively seeking out for options, rather than simply waiting for more industry to arrive in Orkuvík. There are however other ways they orient themselves towards the global scale and increase basis of opportunity; by relocating and moving away.

Being a Norwegian seemed to make me an interesting conversation partner for most of my informants. I often got questions like; “How is it to live in Norway?” “Is it expensive to buy a house or to get a loan?” “Do you think we should move there?” Families with young children, families without children, even young single people in their early twenties wanted to talk about the idea of getting an opportunity to make their life better, outside of Iceland. After the financial crisis there was an increase of Icelandic citizens in Norway. According to *Statistics Norway* there were 3824 Icelanders in Norway in 2006. The numbers for 2016 shows that 9573 Icelanders are living in Norway, and the number is probably higher due to the fact that Icelanders are not obliged to change their residency when moving within the Nordic countries (*Statistics Norway, 2016*). The numbers show that there has been an increase of Icelanders in Norway, 150 per cent to be exact, after the financial crisis.

The first time I was asked a question about how it is to live in Norway, was in the beginning of my fieldwork in Orkuvík. Lína asked me if I had heard about *Fylkisflokkurinn*<sup>24</sup>, a small political party. I had actually heard the name while preparing for my fieldwork, but their political standing point had slipped my mind. “They want to become the 20<sup>th</sup> county of Norway”, she said with a grin on her face. *Fylkisflokkurinn* is a political party who wants to aim for the re-unification of Norway and Iceland, and in the end become the 20<sup>th</sup> country of Norway (*Fylkisflokkurinn, 2016*). The leader of the party, Gunnar Smári Egilsson, has also voiced, “Iceland is too small to raise talented politicians”, and “It is also too small to raise and nurture properly talented people” (*Fontaine, 2014*). According to Lína, the party started as a practical joke in the beginning, but as it turned out, it grew popular and gained recognition over time. With

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<sup>24</sup> Translates to “the County Party”.

over 8,000 members on their *Facebook* page, and 1,300 official member in the middle of July 2014, one can argue that this is still a low number, but nevertheless a reality. In 2010 there was another political party that was seen as a “joke” or as something that was not to be taken seriously. *Besti Flokkurinn*, The Best Party, was founded by comedian Jón Gnarr in 2009. In example, the party stated that all political parties are corrupt, and they promised to be as openly corrupt as possible. However, what started out as a joke, turned serious when Jón Gnarr was elected mayor of Reykjavík in 2010. This is just a short example to show that similar stunts and joke-parties have actually ended up with a seat at the Icelandic parliament.

This political party is a physical manifestation of the idea and action of “voting with ones feet”. Icelanders have moved away from the island to other places, typically to the other Nordic countries. During my fieldwork, two families with children moved from Orkuvík to different locations in Norway, and one of my informants decided to move to Norway a month after my fieldwork ended. I believe that these two examples of agency in a time of crisis, moving away or taking control of ones own place, shows that crisis does not lead to passivity in Orkuvík. Even though there is passivity connected to the start of the oil industry, there is still agency in the community, in the way that they are seeing solutions and not only despair. The passivity connected to the oil industry is rather a way of not spending time on something that seems insignificant, and rather spending their energy on what seems significant. Namely making their lives better.

## **“We Need to Take Back the Control”**

“It's a useful habit never to believe more than half of what people tell you, and not to concern yourself with the rest. Rather keep your mind free and your path your own.” (Laxness, (2007)[1934]) The famous Icelandic author, Halldór Laxness, phrased this sentence in his Nobel Prize winning book, *The Independent People* from 1934. I have found it very fitting to how I interpret the people I met during my fieldwork. One should never generalize a whole set of people and give them special traits. But still there is something special about the people in Orkuvík and in Iceland that Laxness also picked up on. The idea of the Icelander as an autonomous individualistic figure is described in several anthropological texts about Iceland. For instance, Pálsson & Durrenberger who

refer to the characterization of Icelanders in the Sagas, that portray powerful men with will power and who will fight to get what they want (2015a, p. xv). Because of Iceland's abundance of and access to rich history, such as the Sagas, an insight to the real "Icelanders" has been manifested in local consciousness. They have an unique opportunity to connect their ancestors history directly to national history due to the small scale. As discussed by Kirsten Hastrup (1998), the Icelanders did not have any real "others" to compare themselves to, so they ended up comparing themselves to other Icelanders depicted in the past (p. 179). The Icelanders take great pride in the fact that they have managed, in their own view, to adapt to the international scene without losing touch with their Icelandic identity and with their traditions (Einarsson, 1996, p. 231). So, there is a connection between the making of history and the thinking about history. One looks to the past to create history in the present, and thus is in contact with the portrayed Icelanders throughout history, especially in the Sagas (Hastrup, 1998, p. 177). In these Sagas, the period of Iceland before being colonized by Denmark in 1262 is being celebrated. The period, know as The Free State, was depicted as a time where there Icelandic dream was being recreated and traditional images of *Icelandicness* was being celebrated (Hastrup, 1998, p. 178). Traits like freedom and taking care of ones land were celebrated, and are still thought of as traits of original Icelandicness (Hastrup, 1998, p. 178). These ideas and interpretation of how one should act in situations of despair were common during my fieldwork. Even though Lína, Jón Ásgeir and Steini all had different views of what had been going on in Orkuvík the last ten years, they all came to the same conclusion on how they want to make their future better. Where Lína contemplated the fact that Orkuvík needed to protects its purity and authenticity, Jón Ásgeir was positive towards industrial development based on job security, but less eager to accept the other changes that he could not control, due to lack of influence in decision-making. Where Jón Ásgeir feels like he is not being heard, Steini expresses his feeling of not even having a voice to speak his mind. The marginalization of Orkuvík is therefore in one-way twofold; it is both marginal in location and therefore also marginal in being too far away from center of decision-making.

One night, close to the end of my time in Orkuvík, Lína asked me if I wanted to go with her to the lighthouse at the end of town. Even though it was in the middle of the summer, it was not very warm outside. The air was crisp, but it helped that it was still

bright outside due to the midnight sun, so we had no issues finding the small path leading down to the lighthouse. We sat down on the ground with our backs leaning against the concrete wall of the lighthouse. I asked her “How do you think your life will be ten years from now, do you think you will be living here in Orkuvík or somewhere else?” It took her some time to find the words to answer me, and she said, “I think I will stay here as long as I feel like this place is what I want it to be. So maybe in ten years I will live here, or maybe I will move somewhere else pretty soon. It all depends”. I tried to grasp what she was trying to tell me, and asked, “Depends on what?” Where she answered, “We need to take back the control of this place”.

Lína’s words resonated with me in the way that she contemplated that, in her mind, she had lost control of Orkuvík. When telling me that she needed to take the control back, to get Orkuvík “back on track”, I interpreted her in the way that it was something she needed to get back, that she had lost. Lína was the only one who used these exact words, but other informants shared the same view of things, such as Steini who feels like he is not heard anymore. This attitude, which I have chosen to call “fend for themselves” attitude, was made overt to me in two ways, based one the case of the oil industry; through passivity and activity. One the one side, there was a passive response and lack of interest concerning the oil industry that might become the reality in Orkuvík. There is simply no need to dwell on it because it is out of their control. One the other side, there was an idea or an attitude to actively run this place or take control over themselves, without being dependent on either the Icelandic government, or on international businesses. There was not an opposition towards these actors, but rather an idea of not wanting to be vulnerable anymore, and that they would not, like Orkuvíkians in the past, “sit down and wait for a new aluminum smelter” (cf. Chapter 4).

One example of the “active” attitudes, or responses, towards this vulnerability and marginality is the creation of economic spheres, beyond the corner stone industries. Hans, who runs one of the hotels located in Orkuvík, is trying to make Orkuvík more tourist-friendly. He offers fishing trips, boat rides in the fjord, whale watching, horse back-rides, guided nature walks, high end hotel apartments and a restaurant with local cuisine. Most of the meat used in the restaurant comes directly from a local farm, and berries are collected from the mountainside. Hans is trying to play on the authenticity of

the fjord, and is trying to show tourists that the “real Iceland exists outside of The Golden Circle”.<sup>25</sup> This also proves the different strategies from different people and highlights the various vocalities in Orkuvík. For Lína and Steini, who are concerned with changes made to Orkuvík, tourism is not the most desirable option when it comes to protecting the qualities of the fjord and its authenticity, but at the same time it shows an active response to taking charge of one's own place. One could argue that the tourism industry is also vulnerable, and this is where the paradox becomes apparent. The tourism industry is still dependent on interest from the outside and needs to keep itself “interesting” for plausible visitors, but the move from “sitting and waiting for an aluminum smelter”, to creating a place suitable for tourism shows a different type of attitude. There is still vulnerability linked to tourism, there is still dependency on people from the outside, but it is on their own terms and they are taking control of their own place. They are approaching the global market, not waiting for it to approach them.

## **End of Chapter Remarks**

There was a paradox in Orkuvík that unfolded during my fieldwork. The paradox between passivity and agency, that became apparent in ways of entrepreneurship in tourism, in deciding to live their lives somewhere else, and in deciding that the oil business is not something that is important for them at this moment in time. What I thought to be a question of indifference, rather unfolded to be a sign that I was looking at the wrong things. People were not indifferent in all aspects of their lives, they had rather shifted attitude from being the people described by Benediktsson and Suopajarvi (2008), that waited for an aluminum smelter and salvation from the state, to an attitude of “fend for ourselves” and to find solutions that works for them.

There seems to be a common denominator when it comes to Lína, Steini and Jón Ásgeirs responses to further industrialization and the idea of how their future will look like. Marginality is closely related to the vulnerability of both people and environment as “it victimizes location and communities that are characterized by one or more factors of vulnerability” (Sommers et al., 1999, p. 13). As argued, Orkuvík is both spatially and

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<sup>25</sup> “The Golden Circle” is a popular tourist area in southern Iceland, which includes Gullfoss waterfall, Geysir and Þingvellir National Park.

politically marginalized. When my informants realized that they did not suffer as much as the capital area during the financial meltdown, and actually helped Iceland “get back on its feet”, due to growing industries, they reached a point of asking for acknowledgement. When the aluminum smelter was build Orkuvík, there was a hope of finally becoming a place. A place that was not only connected to fisheries and countryside, but that it would become acknowledged as a vital part of Iceland, and not just as a peripheral town. As this failed to happen, especially considering the lack of acknowledgement during the ongoing crisis, my informants developed new coping mechanisms and strategies.

## Chapter 6: Concluding Remarks

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The feeling of distrust is apparent in Orkuvík. Eight years after the financial meltdown occurred in Iceland, the seemingly peripheral and isolated small-scale community of Orkuvík is still in a state of disillusionment. My informants have shared stories, opinions and worldviews with me throughout my fieldwork, where they have expressed that they are still affected by previous events and that they inhabit a feeling of distrust towards the government and decision-making done in the capital area. Based on this distrust, they have expressed indifference towards the planned startup of an oil industry in the eastern fjords.

In chapter 3, I give an overview of the industrial history and development of Orkuvík. The community has both experience with old traditional industries, and new, foreign contested ones. Through the examples of the Fiskur fishing company and Fjardaál aluminum smelter, I have suggested that there are no reasons, when it comes to experiences with industry, that the Orkuvíkians should not show interest in the startup of the oil industry. As my discussion shows, these two industries are contrasting when it comes to their characteristics. Seen comparatively, the analysis opened up for an understanding of the discrepancy between these two corner-stone factories. As it turned out, Orkuvík was not unfamiliar with industry, and since they have experience with two contrasting ones, it was even more peculiar that they had a passive response towards the oil industry.

As expressed in chapter 4, there has been a shift in how Orkuvíkians perceive their industry, and how they are reacting towards a new development. By comparing my fieldwork to the research of Benediktsson and Suopajarvi (2008), it was apparent that the hopes and excitement expressed towards the startup of the aluminum smelter had now been eclipsed by distrust and indifference towards the oil industry. As discussed, the financial crisis of 2008 was an important factor to the changes of attitudes in Orkuvík, and it revealed that the crisis that occurred in 2008, had developed into a chronic state, and thus, the symptoms of distrust and disillusionment were still evident

in the community. However, the financial crisis was not the sole reason for the change in mindset that had occurred between 2006 and 2015.

As suggested in chapter 5, there is a twofold explanation to this change of mindset. For one, there is still an existing distrust and state of disillusionment towards the government and governmental decisions after the crisis. Secondly, the feeling of marginality, being isolated and too far away from decision-making concerning your place or region created an awareness of disconnect. This twofold explanation provides an understanding of the relativity of small and large scale processes. Iceland, as a small-scale nation-state has regions that experience the same disconnect and marginality, as say, large-scale nations states. This is connected to the cognitive scale, because they see themselves not only in relation to Reykjavík, but also connected to large-scale global processes.

However, by exemplifying the mindset of distrust and the awareness of being marginal, I do not wish to suggest that there was a lack of agency or even apathy to make changes. I did not experience any resistance towards the startup of the oil industry. The mindset was framed around the thought that the outcome of the situation was not up to them, and outside of their control. There was an interception between my informants' thoughts about the industry and the actual decision-making. However, there were other active responses, not concerning oil and the national scale, but rather connected to global scale processes.

There is a connection between the risk-taking Business Viking portrayed in chapter 2, and the rugged individualism explained in chapter 5. They share the same core values of risk-taking and individualism. My informants share views of having the need of taking back control of their community. In the same manner as the Business Vikings, they see an opportunity for change, and act in a way that is similar to the idea of taking ownership of their futures. The feeling of losing control, being marginal and disconnected became apparent through some active responses. The paradox, however, as I have explained it in chapter 5, is when my informants are trying to move away from the dependency created by outside intervention, from the national and global scale

processes. The active responses for handling this dependency are to seek new endeavors, such as tourism, or move away from the community.

I have portrayed three different narratives based on my informants in Orkuvík. Lína, Steina and Jón Ásgeir all have different voices, which created an aspect of multivocality. However, they all shared the same feeling of distrust and marginality. Since the narratives of Steini and Jón Ásgeir's were more contrasting, than say, the narratives of Steini and Lína, one could question if this was due to age differences. However, Jón Ásgeir's sentiments concerning job security and that industry was needed to keep the community viable, was expressed to me from both men and female, and from all age groups.

The material in this thesis creates an understanding of this field site as *overheated*. There is friction, not just between the small-scale community of Orkuvík and global processes, but also between the narratives expressed to me during the time of this fieldwork. The cynicism expressed toward the oil industry was not only due to the unwillingness to except further industrialization. The reasons for the distrust and indifference was more connected to a belief of not having a voice connected to the national scale, the state, and this rather evolved into a clash of scale, where my informants looked for an alternative way out. They did not want to remain in a position of being distrusting and dependent, and thus, like the risk-taking Business Vikings before them, searched for other opportunities.

After my fieldwork ended there were a few revelations regarding the Icelandic government. The Panama Papers revealed that the sitting Prime Minister, Sigmundur Davið Gunnlaugsson, had close ties to an offshore account, and was therefore accused of hiding away millions of króna. He was forced to step down. In the upcoming presidential election in June 2016, the former Prime Minister, that is mentioned in this thesis, Davið Oddsson, is running for President. I do not propose that I ever experienced my informant's distrust as not legitimate, but that now, after the Panama Papers exposé, it has become more understandable. As the recent events has shown, my informants were, in fact, right.

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