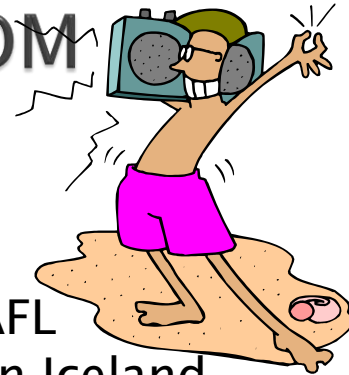




Eastern Iceland

after

the BOOM



In search of the “X-factor”

Sverrir Albertsson – gen. manager of AFL
Starfsgreinafélag – the Union of Eastern Iceland



How I'll use my 20 minutes

- Background on AFL and our area of operations
- I'm going to talk a little about Eastern Iceland and give a crash course in history
- I'll present some stats about a "typical fishing village".
- The building ALCOA's smelter in Reyðarfjörður has influenced the area much – I'll look at the project.
- I'll present stats about Reyðarfjörður *and* surrounding villages
- I'll show you an interesting graph of mean total salaries of AFL's members last 12 months.

AFL's area of operations



AFL Starfsgreinafélag

- AFL - the Union of General and Special Workers in East Iceland - is currently Iceland's third largest trade union, after Efling Trade Union and the VR Workers' Union of Reykjavík. Although located in the rather sparsely populated region of East Iceland, AFL has achieved its great size through extensive unification of the region's trade unions during recent years, together with a boom in regional economic activity.
- I copied that from our homepage –
- I'm the general manager as well as a member of the board, I'm a member of the central committee of the Federation of Labor Unions in Iceland as well as two other federations in the labor movement. Also I'm the cofounder and chairman of The Eastern Iceland occupational rehabilitation program – and I'm active in international cooperation of the Icelandic labor movement.

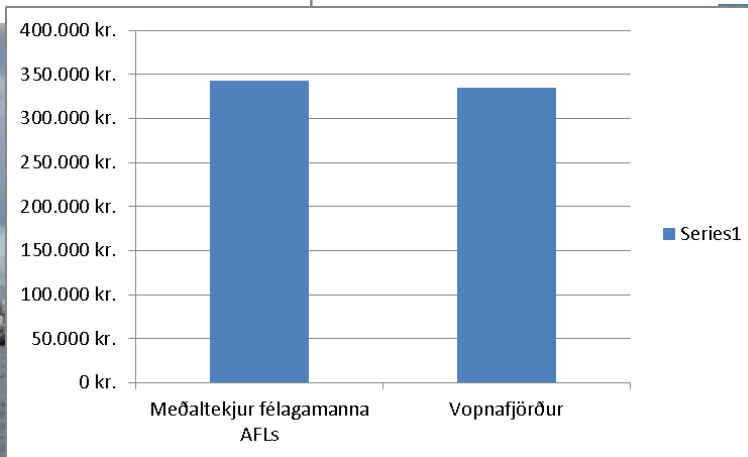
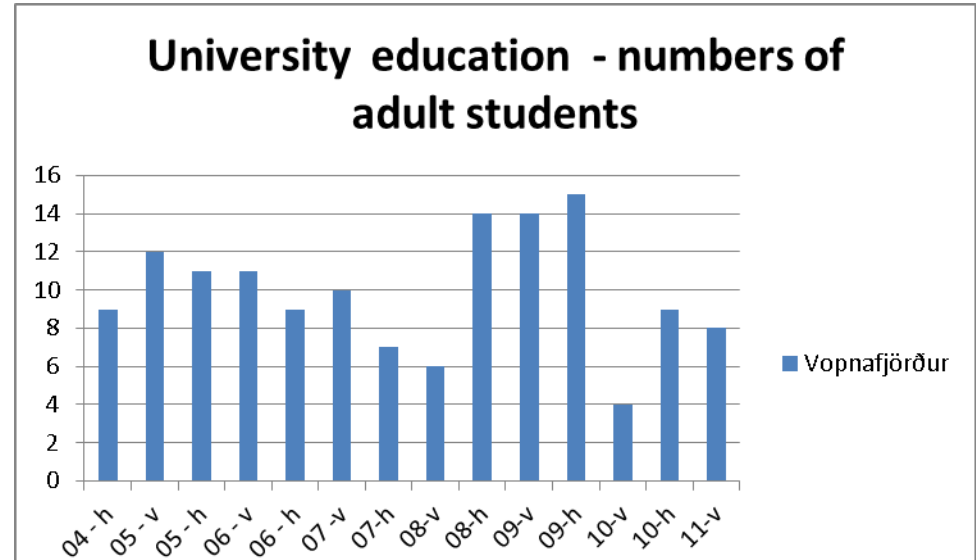
Eastern Iceland



- Was for centuries the “poor part of Iceland”
 - Not much farmland
- With the “motorization” of our shipping boats it changed – the towns began to prosper.
- With the „trawler-age“ and the herring fishing some villages really took off and prospered.



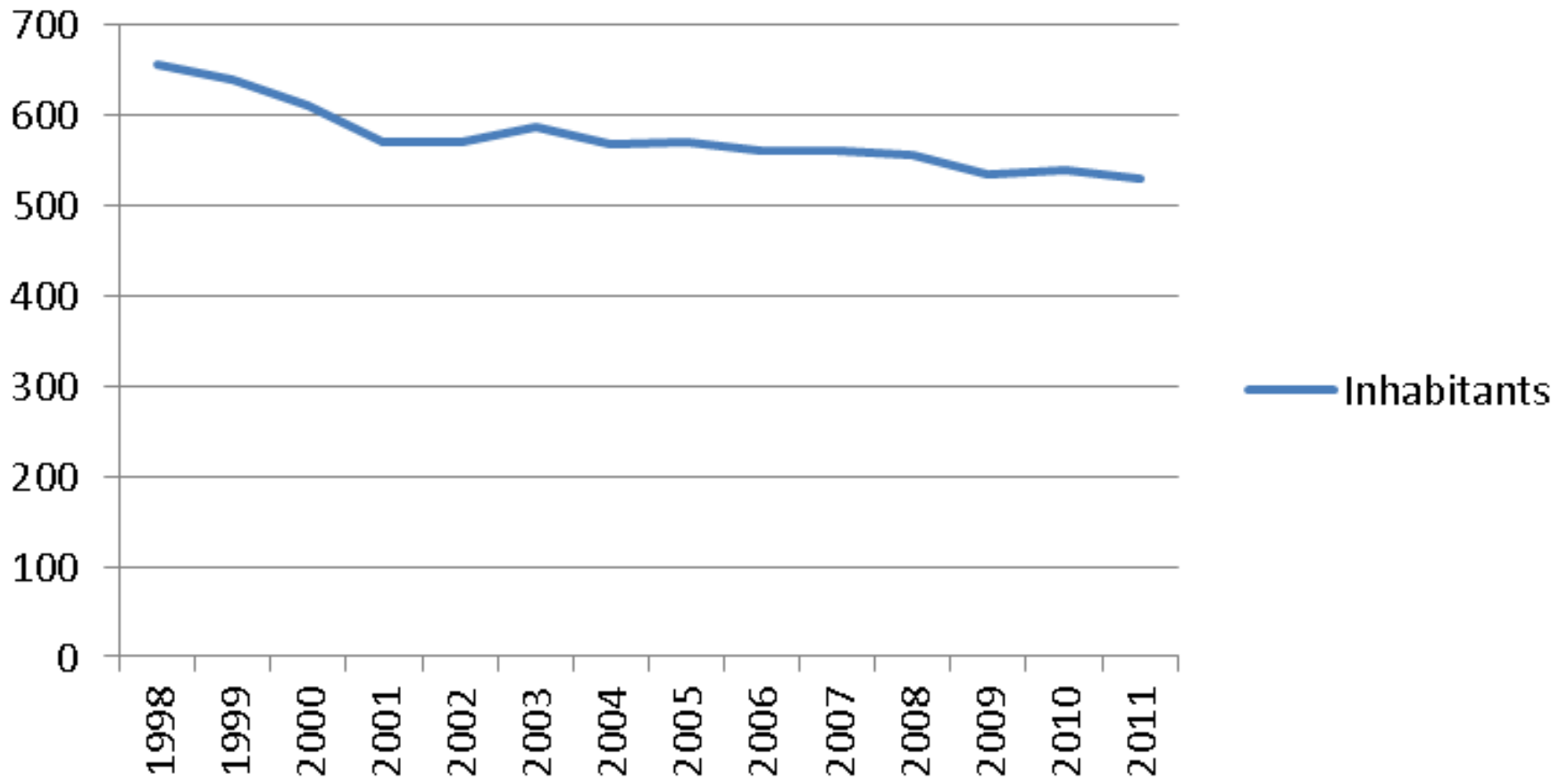
Vopnafjörður – your typical fishing village – 600 +/- inhabitants



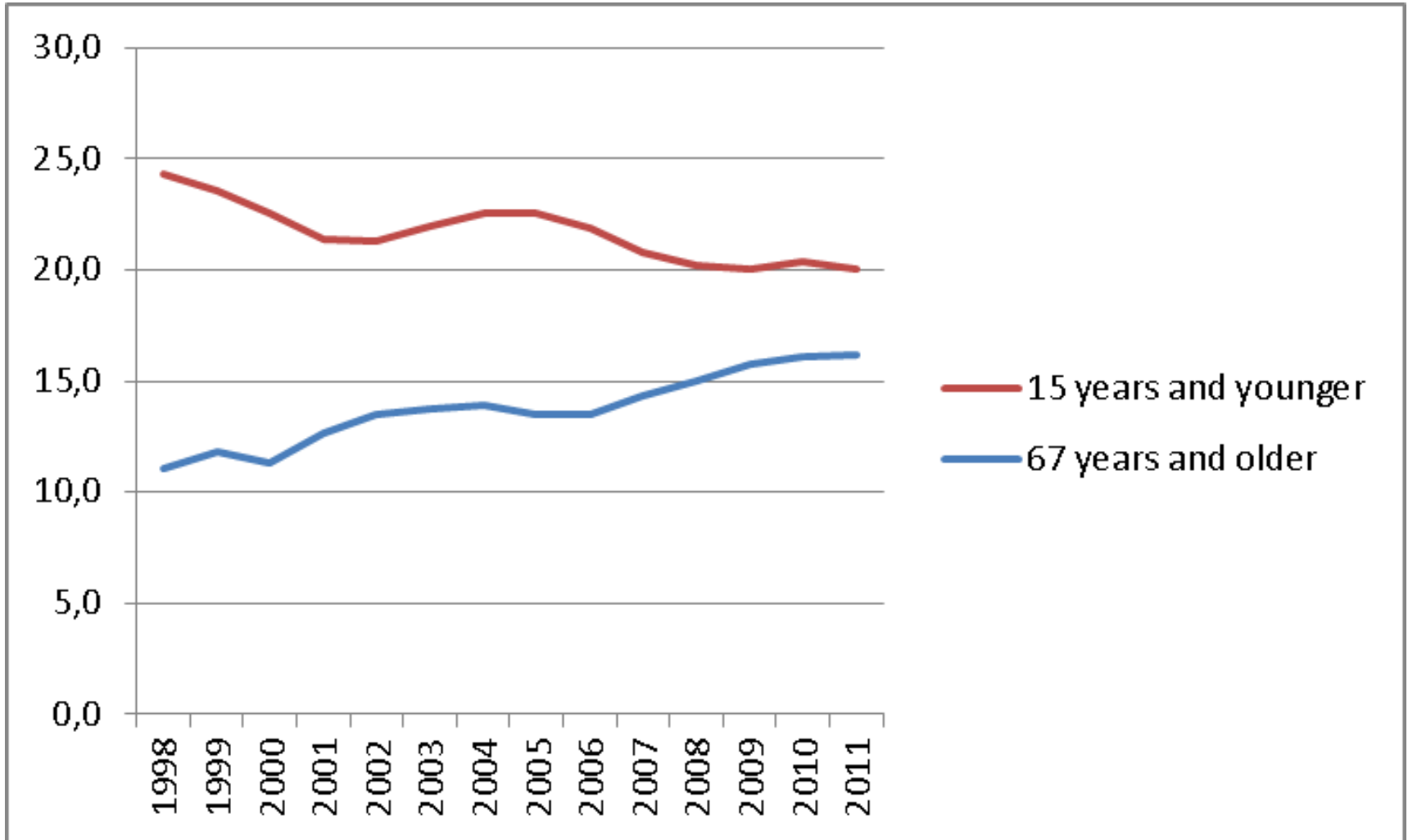
17.10.2011

Salb/demographics following industrial buildup

Vopnafjörður



Vopnafjörður % of population



Vopnafjörður

- Avr. wages not far from AFL's avr.
- Educational level is up – and the availability of adult education is acceptable.
- There has been economical buildup – the Grandi company has invested in new facilities.
- There are jobs on offer?
- The village is getting older.

The party

In the midst of the economic „BOOM“ a major project was under way in Eastern Iceland



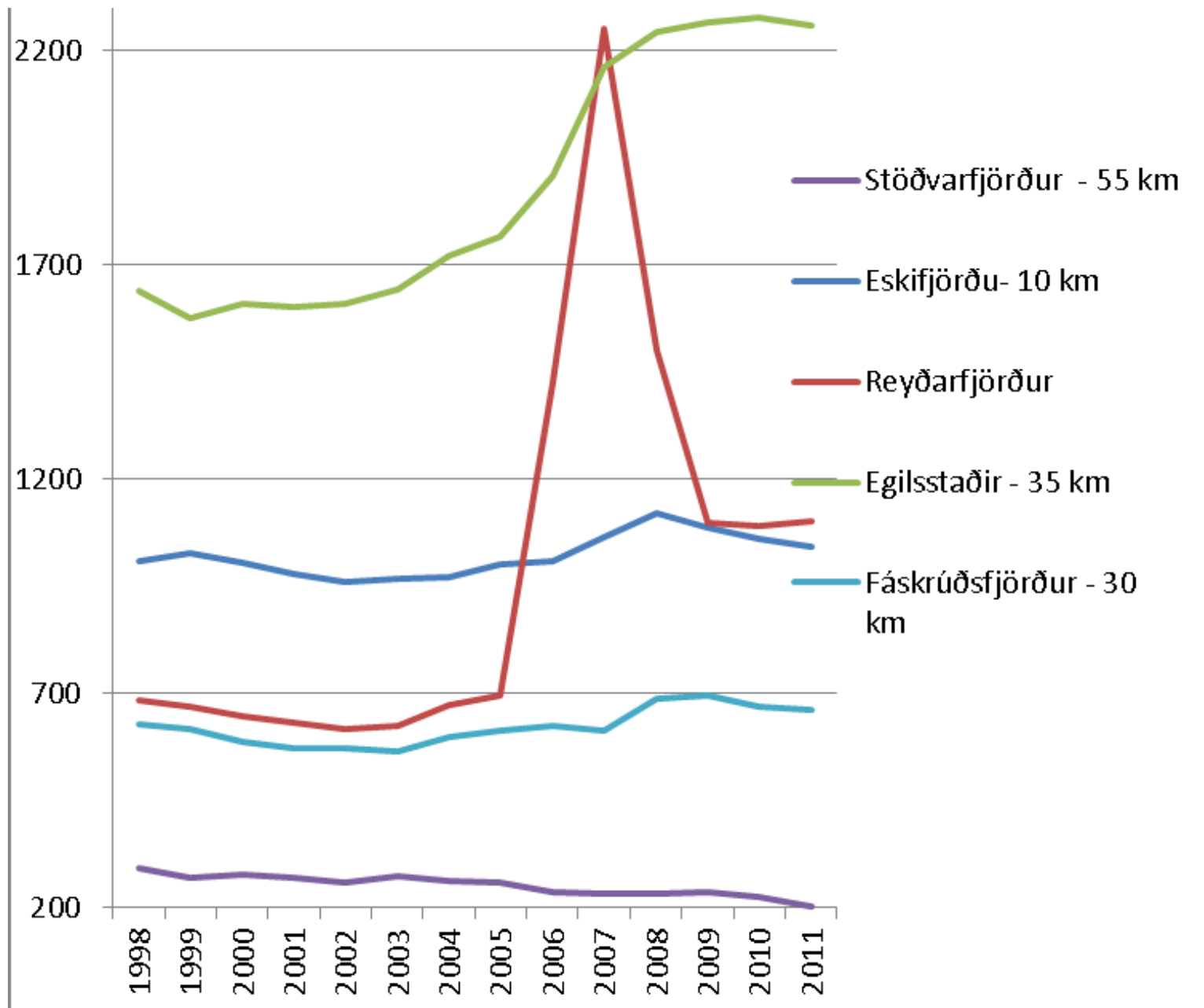


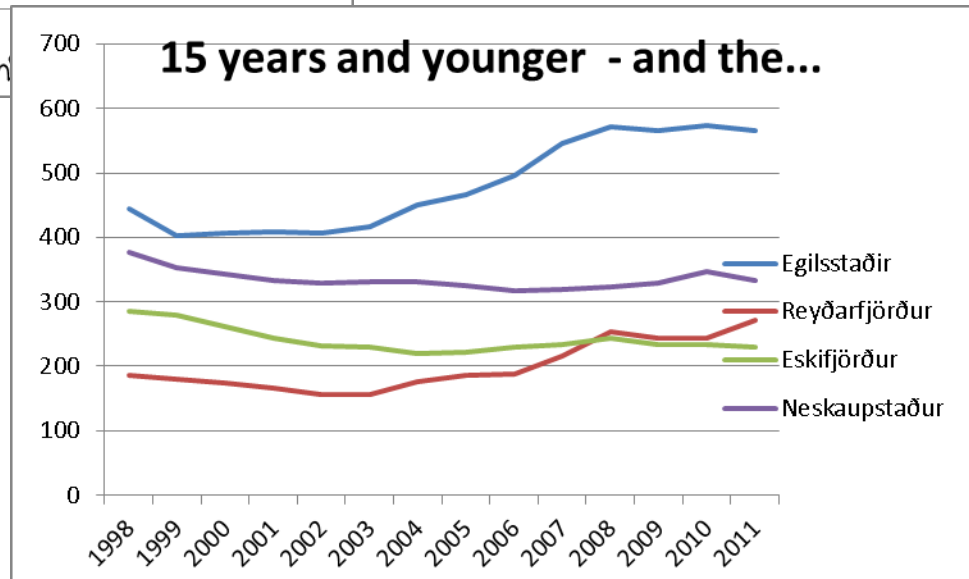
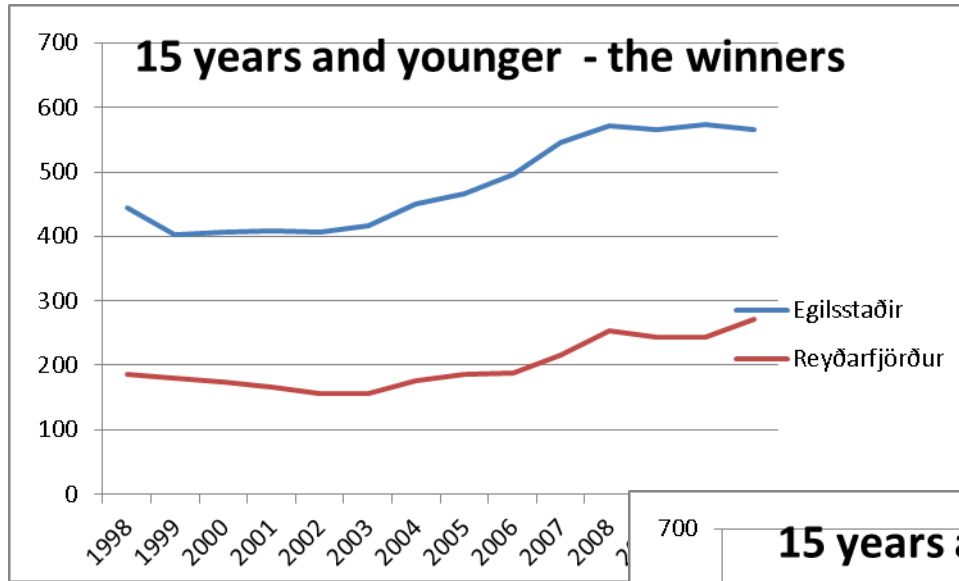
The project



The numbers

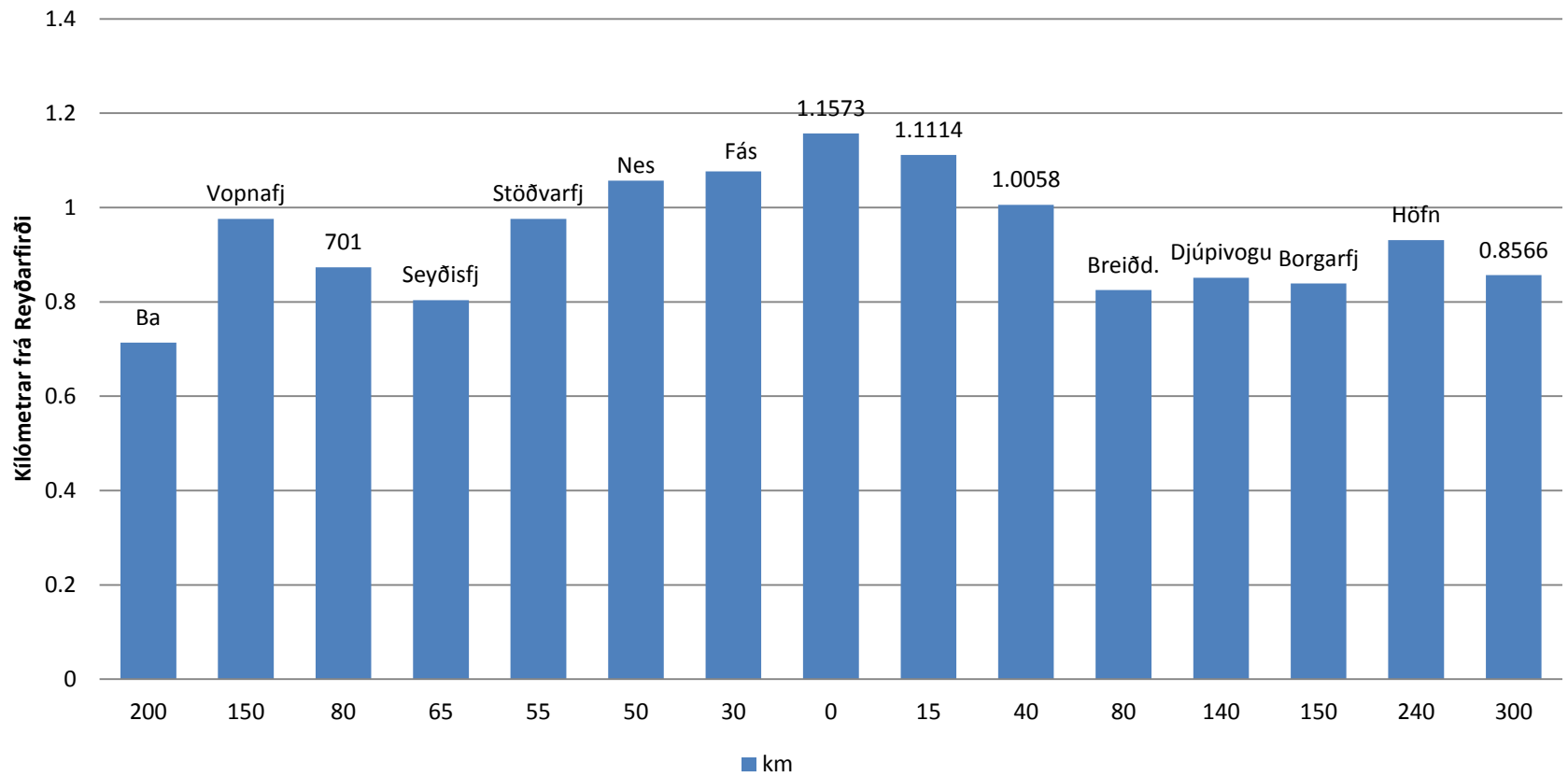
- Investment 1,5 – 2 billion \$
- Took 5 years and over 4.000 people to build
- Produces over 1.000 tn quality aluminum a day
- Employs 400 + in factory
- Est. 400 in connected jobs
- Pays above avr. salary





Effects of industrial buildup on salaries on unskilled and skilled workers!

Km from industrial center / average total salaries



I´m almost done!

- Why doesn´t people move to where there is work?
- Quality of life?
 - What does it involve?
- Different answers – different people.
- Challenging work – educational – athletic facilities
- Culture – communication – society of peers
- Transportation – chances for improvement

At last.....

- Delicate questions:
 - Who move away?
 - Who stay behind?
 - How are „new people“ welcomed?
 - Are „new“ things welcome?