

ALDA SIGMUNDSDÓTTIR

LIVING INSIDE
THE
MELTDOWN

Ten people share
their experience of the
Icelandic economic collapse



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MELTDOWN**



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INTRODUCTION



In early 2010 I was commissioned to write an article about the effects of the meltdown on normal Icelanders. It turned out to be a tricky assignment. The thing about the meltdown is that there was no one, across-the-board impact on “ordinary people.” It affected each and every person differently, depending on their circumstances. Granted, there were some broad strokes, such as the loans indexed to foreign currencies that thousands of ordinary citizens had taken during the boom years. When the Icelandic króna plummeted in value, those loans doubled, tripled, or even quadrupled, and the payments became completely unmanageable for many individuals, who nevertheless struggled to meet their obligations. At the same time, thou-

sands of people were suddenly out of work when certain sectors, like the building sector, collapsed. Those who did manage to keep their jobs almost inevitably had to accept pay cuts, as companies struggled to stay afloat.

Iceland's economic collapse probably attracted more media attention than any other event in the country's history, save for perhaps the [volcanic eruption in Eyjafjallajökull](#) in April 2010. Much of that attention focused on the big picture – the systemic failure, the culprits, the banks, the political crisis, the currency fiasco, the disputes over the [Icesave](#) banking accounts. But normal people suddenly thrust into the greatest man-made catastrophe Iceland has ever experienced have received very little press.

Fear and uncertainty permeated Icelandic society during those strange days in autumn 2008, extending to every nook and cranny of daily life. People worried whether or not they would have a job the next day, whether there would be food in the shops the following week, whether their children's playschools would stay open, whether Iceland would retain its sovereignty, and everything else in between. Nothing was certain, and from one day to the next everything that had seemed hands-down solid seemed fleeting and unpredictable.

No one was exempt. In a small nation such as Iceland it is impossible not to feel the impact of such a monumental event on your own skin. Each and every person had to