

Iceland

The European Liberal Democrat and Reform Party, convening in Barcelona, Catalonia on 19th and 20th November 2009:

Recalls:

- The Icelandic economic downturn in 2008, which brought its financial system to the brink of collapse. Since then Iceland's economy has contracted sharply, shaken by inflation, a large jump in unemployment and a steep devaluation of Iceland's currency. It has been rendered almost useless for international trade, and it has made it hard for most Icelanders to pay back currency loans.

Observes that:

- The crisis has taken a heavy toll on the welfare of most Icelanders, seeing life savings disappear and facing grim economic prospects for the years to come. Thus, many well educated and dynamic Icelanders are leaving the country, draining it of a crucial resource.

Notes that:

- Iceland in part is a victim of the international crisis;
- The Icelandic parliament has formally approved a plan to reimburse savers in Britain and the Netherlands for the deposits they lost when Iceland's banks imploded last year;
- The said plan puts a heavy financial burden on average Icelanders, who were not to blame for the reckless dispositions of the large, and at that stage privately owned Icelandic banks.

And:

- Welcomes that the Icelandic Parliament has decided to initiate negotiations with the EU about possible Icelandic membership of the EU;
- Notes that the European Council has asked the Commission to put forward a roadmap to Icelandic membership of the EU;
- Criticises the use of anti-terrorist legislation against Iceland and labelling a whole nation and its people as terrorists.

Calls upon all ELDR member parties to:

- Display their solidarity with Iceland;

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- Help the Icelandic Liberal Party stay closely linked to liberal parties throughout Europe during the crisis and its aftermath. This is of particular importance in relation to the forthcoming negotiations with the EU on Icelandic membership;
- Urge their respective governments to exercise fairness towards Iceland. There are many to blame for the lack of international financial regulations and oversight by virtue of which the Icelandic banks and many others grew out of control;
- Encourage governments and people throughout Europe to strengthen and deepen their relations with Iceland in terms of e.g. trade, investment, tourism and cultural exchanges.

Acknowledges that the financial crisis at large, and the Icelandic experience in particular, should be used to discuss how the international community can improve economic and financial regulations on an international level, and how to respond to dramatic economic downturns in a more effective and consistent way.

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