

DEBT RESTRUCTURING AND CONSTITUTIONAL ASSEMBLY IN ICELAND

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The debt restructuring is the foremost issue in Iceland, with the so-called Icesave issue on the top of the agenda right now. The government has made a deal with Great Britain and Holland, called Icesave III, in which Icelandic taxpayers are supposed to pay for the irresponsible behavior of the international financial oligarchy regarding the Icesave accounts. This is a very unpopular deal and a national referendum is being called for. We hope the president answer the loud calls for this, but the parliament has already passed the deal.

A new constitution was a key demand of the protests that toppled the right wing government in Iceland that was politically responsible for the collapse. See this site (This is in Icelandic, unfortunately little material is available on this issue in English or French, but try the Google translation). This led the new „left wing“ government which took power in February 2009 to organize a Constitutional Assembly, which was elected last November. 25 people were elected for the Assembly in November, but the turnout for elections was very low and the interest for the project was also rather low. The discussions before the elections were dominated by a very narrow, formalistic agenda where crucial issues on the state of human political, cultural, and economic rights and environmental issues were left largely untouched. The anti-capitalist left was unable to do anything about this or set the agenda, which shows how weak it is.

The Assembly then was disqualified on very feeble grounds by the Icelandic High Court. The reason given was disorder at the elections, but nothing disorderly has come to light. The conservative elements of the Icelandic ruling class do not like the idea of a Constitutional Assembly and are fighting it tooth and nail. This is one of the few concrete demands of the January movement that toppled the old government in January 2009, that really has been met. The new Constitutional Assembly promises to be able to create a more democratic and modern Constitution than the old one is, but it will hardly mark a milestone in any anti-capitalistic fight. The discussions before were badly organized and they lack any focus on the real problems of the influence of the Washington Consensus etc. which is the nightmare of the world today.

As regards the possibilities of Iceland as a bastion of anti-capitalism, this is unfortunately rather limited.

There is really no anti-capitalistic revolution. But there are perhaps some elements of a revolutionary situation. This was created by a complete collapse of the hegemony of the ruling class, all its strategies and tactics, in October 2008. ??The reaction to this was a popular movement that brought down the government in January 2009 and demanded and got parliamentary elections in April 2009. This popular movement and the elections resulted in a left government of social democrats and green socialists, the first pure left wing government in the history of Iceland. This government has not left the road of the Washington Consensus and is working with the IMF in restoring the hegemony of the financial capitalists in Iceland. It aims to do so by amongst other things joining the European Union, primarily as an attempt to convince the international community (read the international financial community) that Iceland has again become a „responsible“ country, meaning that it allows financial capital free reign. However, the socialist/green party is split, and the left of it has the support of the most radical parts of the popular movement. As this is an active and large element the left is not without influence. ??This has resulted in several victories for the anti-capitalist or more precisely anti-neoliberal left, most notably the referendum on Icesave in March 2010. Also the activities of Eva Joly and her staff in doing research and dragging the financial offenders to court has brought results, and the good work of the research committee of the parliament which was published in May 2010 has deepened the hegemonic crisis of the capitalist class with its revelations of complete immorality, democratic unaccountability and anarchy in the banks and the state apparatus in the period before the collapse. ??The capitalists have experienced some difficulties in recreating the hegemony because of this. The new hegemonic project of tying the tiny Icelandic

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capitalism to EU, with the aid of the IMF, is being led by the social democrats in the government. This project is without any widespread or firm support in the population and it is causing deep rifts in the government coalition. ??The left wing of the green socialists does not support the pro-cyclical policies dictated by the IMF. So the government has experienced some difficulties, and also because of determined fight by the population against cuts in health service, education etc. Also the all the old political parties are afraid of going to elections because of the Besti flokkurinn effect. In spring 2010 a joke party with this name, which means the Best Party, won the municipal elections in the capital, Reykjavík, with about 35% of votes. It was able to catch much of the left wing vote, but unfortunately it is not much of a left wing or anti-capitalist party.

One reaction to the crisis has been an enormous disillusionment with the kind of politics practiced in late-capitalistic democracies. This led to the massive victory of the Best Party. This can be seen as a clear manifestation of the hegemonic crisis of the system, but it has so far proved largely futile, as the Best Party allied with the social democrats in governing the Reykjavík community council and are thus effectively supporting the government policies of pro-cyclical cuts etc. ??The Best Party seems in its program only to be half joking. It is tentatively seeking some restoration of the Scandinavian welfare system model/hegemony associated with the post-war period. However, as already mentioned it is not actively working against the policies of the IMF in Iceland and does not seem to have a policy on the matter, which of course means that the IMF is given a free hand.

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