

Foreign Experts in iceland

Iceland Chamber of Commerce

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Introduction

Icelanders generally think of themselves as well travelled and highly educated people. Many Icelanders have years of experience living abroad and have been educated in some of the world's finest schools. As a result, Icelandic society has become increasingly globalized. Our companies are entering new markets abroad, expanding, and diversifying at lightening speed. Naturally, management wants to attract the very best of the best expertise from all over the world. There are many foreign experts already working in Iceland, but we will without doubt see their numbers increase in the next few years. Is Icelandic society ready to accommodate these visitors in a satisfactory manner? The standard of living is very high in Iceland. Does it translate itself to working visitors?

The Expert

The foreign expert is someone highly educated in a specialized field. He is here because an enterprise needs his expertise, i.e. he is here for the job, and he is willing to relocate to Iceland for a few years of interesting work. He is of diverse family background with diverse needs. This individual is not aspiring to become a permanent member of Icelandic society, although he may enjoy and appreciate this country's culture and traditions while living here. Certain criteria must be met in order to attract expertise from abroad, in order for Icelandic business to successfully compete internationally. If children are involved for example, the access to a local education is sure to be high on the priority list. It is thus in society's benefit that an agreeable environment can be provided for such visitors as described above. A globalized economy demands it and surely benefits from it.

Objective

The discussion so far on foreigners in Iceland has focused almost exclusively on immigrants of various nationalities. While we welcome these people and recognize the unique and positive diversity they bring to our society and culture, this group is not the focus of this study. Rather, the main objective is to explore and understand how we can make the foreign

expert and his family welcome and comfortable living in our society for a few years. For this reason, the Iceland Chamber of Commerce has formed an informal study group of foreign experts currently working in Iceland as well as other interested parties willing to participate. The group primarily focused on the large issues in questions, such as housing, banking, health insurance, and education. Any conclusions that the group reaches might be used in future studies conducted by the Iceland Chamber of Commerce.

Participants

Adam Baker, Ph.D., Head of Genomics and Molecular Technologies Division, deCode genetics

Ari Skúlason, Managing Director, Aflvaki/Reykjavik Resources

Barbara Sigurbjörnsson, Principal, American Embassy School, Reykjavik

Eberhard Wieland, Managing Director, Wurth in Iceland

Ingvar Kristinsson, Managing Director, Landsteinar Iceland

Simon Minshull, Deputy Head of Mission, British Embassy, Reykjavik

Lára Sólnes, International Division, Iceland Chamber of Commerce

Housing

Finding agreeable housing is of course of paramount importance for those relocating to work in other countries. In most cases that means finding a rental at a decent price for an extended period. The rental market in Iceland is still young, small, and unreliable. Because there are no common standards in Iceland for rentals, a set of guidelines on renting would be extremely helpful. Housing for rent is by and large owned by private parties. It is easy for the property owner to reclaim his property from the renter. Generally, it takes 6 months to evict. The reason for eviction can be as simple as the owner wishing to sell his property. Rental properties are typically listed for sale on the real estate market. In radical cases, the professional, having been evicted and possibly having experienced this situation more than once, feels forced to leave both company and country,

as his sense of security of living and working in Iceland has vanished after such an ordeal.

The expert finds renting in Iceland quite expensive. It is fair to say that rent has indeed increased in the past few years. This is partially due to the fact that a few local companies have been gobbling up a large share of the rental market in order to be able to secure long-term housing for its own visiting experts. It should also be noted that it appears there is a double standard being practiced within the rental system. Apparently, there is rent for the locals and then the inflated rent for the foreign expert.

Banking

Access to easy banking is of primary importance to everyone. The Icelandic system of a signature guarantee, however, will never apply to the foreigner. An alternative system needs to be in place that is based on credit ratings and banking history. The expert should make sure to bring a detailed credit history with him in order to accelerate acceptance into the Icelandic banking system. This pertains to financial areas, such as personal banking, car insurance, and short-term loans. As it can take years to establish credit in a new country, the banking system needs especially to be flexible towards the foreign expert. This person is in all probability a high earning professional at a reputable company and contributing valuable knowledge to the business community.

Health Insurance

There is a waiting period of six months after transferring legal residency to Iceland before an expert can gain admittance to the country's health care system. This rule applies to all nationalities except those living within the European Economic Area, *EEA*. However, *EEA* members must bring a valid standard E104 form in order to register into the Icelandic health care system. They should get this form from the insurance company where they last enjoyed coverage for six continuous months. Hence, it is important that Icelandic companies wishing to attract foreign expertise be aware of

these facts so they can relay this information to the expert before he makes the move. That way there is no confusion as to how the system works.

Education

The first educational institution you encounter in Iceland is the public playschool system. It is common for children in Iceland to be registered at birth into this system. Figuring out how the system works can be intimidating for the outsider. The quality of the individual schools, for example, is not rated as is commonly done in other countries, and the city bureau will not recommend one school over the other. How does an expert figure out where to best place his child and how to make the system work for him?

School attendance in Iceland is compulsory from the age of 6 to 16. Furthermore, it is the official policy of the Icelandic education system to integrate all students into the system regardless of cultural and ethnic background. In fact, all students in that age bracket are expected to attend Icelandic schools which are all taught in the Icelandic language. An international stream could at least teach in two languages, thus allowing for faster integration into Icelandic society as well as a continuity of formal training in English. It should be noted that the American Embassy School, sponsored by the American Embassy and originally founded for the children of embassy personnel, has operated in Reykjavik for quite some time.

The Embassy school is a private pre-school/primary school and keeps a low profile. The school does not advertise and there are not many aware of its existence. However, its doors have always been open to Icelandic students as well as the children of the international business community in Iceland, willing to pay the yearly tuition. The school has been shrinking in size these past few years and its student body is very small now. The future of the school is uncertain, due to various factors, which will not be further elaborated on in this paper.

Currently, there is no primary school that classifies as a bona fide international school in Iceland. Surprisingly, word of mouth has it that the need for such a school is substantial. Society has become increasingly family oriented. As the foreign expert relocates, he wants the reasonable choice of being able to bring his family with him. If children are of school age, an international school in which the curriculum is taught in English is an added incentive to move the family to Iceland.

Such a school could be of tremendous benefit to the Icelandic business community. The curriculum would of course have to comply with the standards of other international schools. In the future, this might be one of the primary selling points for domestic companies trying to attract foreign experts to the country. Such a school could possibly be private but sponsored by local authorities as are other primary schools in the system.

Information in English

Iceland is a highly ethnocentric society. Fortunately, however, most Icelanders are proficient and eloquent in the English language. Getting around town for foreigners is not a problem! It is important, however, that as much information in our new internationalized environment be available in English as possible. Naturally, not all areas can be covered completely. In fact, Iceland is quite advanced in this area. There are many sources of important information in English available in this country, especially on the Internet. Many Icelandic websites post their information in both Icelandic and English. Any expansion of these English sites can only benefit the international awareness of Iceland and what it has to offer. Ultimately, there is a growing need for further information in English, which needs to be met by Icelandic business and government.

The group recommends the following:

I The group recommends that the Iceland Chamber of Commerce initiate the drafting of a model for an International School in Reykjavik and find partners to evaluate the need for such a school for the Icelandic business community.

II The group recommends that the membership firms of the Iceland Chamber of Commerce be instrumental in further developing and creating a private rental market. The group also recommends that all rental contracts as well as other legal papers pertaining to renting be available in English.

III The group recommends that financial institutions find ways to accommodate the foreign expert in the banking system.

IV The group recommends that as much practical information be available in English, such as news, the yellow pages, websites, answering machines of public and private companies and institutions, etc.