

Interim Report by the collaborative group monitoring welfare in the Suðurnes region



June 2011



Velferðarráðuneyti: Interim Report by the collaborative group monitoring welfare in the Suðurnes region (Original title: Áfangaskýrsla samstarfshóps á Suðurnesjum)
June 2011

Published by: Ministry of Welfare (Velferðarráðuneyti)
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Layout and text processing: Ministry of Welfare

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ISBN 978-9979-799-42-9

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Principal conclusions

- The proportion of unemployed people is highest in the Suðurnes region: 14.5% compared with the national average of 8.6%.
- Of those who are actively seeking work in the Suðurnes region, 69% have not completed more other education after compulsory schooling; nationwide, the figure is 52%. In the Suðurnes region, 90% of primary school leavers enrol in senior school; nationwide, the proportion is 97%.
- The proportion of disabled people (recipients of disability benefit) is higher in the Suðurnes region: 8.8%, compared with 6.9% nationwide.
- The proportion of children in the Suðurnes region who have parents on the unemployment register stands at 21.8%; nationwide, the proportion is 14%.
- So far during 2011, 13% of those who have registered with the Debtors' Ombudsman for debt mitigation live in the Suðurnes region; the region accounts for only 6.6% of the national population.
- In 2010, 8.6% of all company bankruptcies in Iceland took place in the Suðurnes region.
- 25% of the real-estate assets owned by the Housing Financing Fund are in the Suðurnes region.
- Demand on the local authorities' social services has increased considerably, and more people are receiving long-term financial assistance.

Principal measures taken by the state

- There is a range of educational and vocational training programmes run by the Directorate of Labour and aimed at stimulating job-seekers. In autumn 2011, job-seekers will have the option of taking a semester's course of study without any reduction of their unemployment benefit entitlement. This remedy will be available throughout the country, but will be of particular value in the Suðurnes region in the light of the high unemployment rate there and how young most job-seekers are.
- The period during which it is possible to receive unemployment benefit has been extended, on a temporary basis, from three years to four.
- An educational and vocational counsellor has been engaged temporarily by the Directorate of Labour's branch in the Suðurnes region.
- A business development corporation has been set up to encourage commercial development in the region.
- The Ministry of Education, Culture and Science has launched an educational programme for the Suðurnes region with the aim of stimulating education and educational solutions in the region; two project managers have been engaged.
- The Debtors' Ombudsman has opened a branch in the Suðurnes region.
- Formal collaboration in the field of welfare has been established between the local authorities in the Suðurnes region and a project manager has been engaged.
- The regional association of local authorities in the Suðurnes region is preparing a campaign plan for 2012 in collaboration with the government. Between 5 and 7 projects will be ranked in order of priority in the region when budgets are drawn up. These projects will be compatible with the priorities in the programme 'Iceland 2020'.

The strengths of the Suðurnes region

The Suðurnes region has many strengths which it is important to draw on and support, not least while it is undergoing difficulties with unemployment.

Most of the local authorities in the Suðurnes region work according to policy declarations they have made regarding the family, preventive measures against alcohol and drug abuse, multiculturalism, education and gender equality.

Solid educational institutions – The Suðurnes region has a number of solid educational institutions, including the Suðurnes Comprehensive School (Fjölbrautaskóli Suðurnesja), the Icelandic College of Fisheries (Fisktækniskólinn), the Centre for Lifelong Learning in Suðurnes (Miðstöð símenntunar á Suðurnesjum) and the vocational rehabilitation centre Samvinna starfsendurhæfing. At Ásbrú, in what used to be the defence force area, a vigorous third-level educational community has been developed, including Keilir, a centre for science, education and commercial development.

Activity and vocational rehabilitation remedies – A varied range of remedies is available in the Suðurnes region for those who are not on the labour market, e.g. because of illness, accidents, social difficulties, etc. These include Samvinna, Björgin, Virkjun and Fjölsmiðjan. Most of these programmes are now run in collaboration with the Centre for Lifelong Learning in the Suðurnes region.

Sports and leisure – The Suðurnes region is known for its good results in sports, and it has strong sporting programmes for children and teenagers. Last winter, for example, the Keflavík girls' basketball team carried off all the Icelandic championship titles, which is a unique achievement. Not long ago, the school Holtaskóli, in Reykjanesbær, was the winner in a school fitness competition held in Finland. All the local government areas in the Suðurnes region, with the exception of Vogar, have music schools. There are also strong youth organisations such as the Scouts, the YMCA and YWCA and the National Church's youth movement.

Cultural activities and entertainment – The Suðurnes region has a range of cultural activities and entertainment including events in music and the arts, museums, exhibitions and the theatre. The region has a high level of musical activity, and many prominent musicians and bands have originated there. Annual local festivals, such as Ljósanótt in Reykjanesbær, Sjóarinn síkátí in Grindavík, Sólstöðuhátíð in Garður and Sandgerðisdagar attract large numbers of people and stand out in the lives of their communities. There is also a range of entertainment in the region for children. Reykjanesbær holds an annual children's festival and it is also in Suðurnes that there is a zoo of domestic animals preserving the traits of the original stocks brought by the Viking settlers, Skessuhellir, the Fræðasetrið centre in Sandgerði, the saltfish museum Saltfisksetrið in Grindavík, etc.

Tourism – The last few years have seen an increase in tourism in the Suðurnes region. All the municipal areas in the region have something to attract the visitor: Fræðasetrið in Sandgerði, the lighthouse Garðskagaviti with the rugged landscape and teeming bird life in the area around it, Duus hús and Víkingaheimar, the geothermal power museum and cultural centre Kvikan in Grindavík and, last but not least, the Blue Lagoon. There has been an expansion in health-related tourism in the area, enabling people from Iceland and abroad to combine medical treatment with a holiday trip. Work is also in progress on the development of a health-related centre at Ásbrú, where there is more than adequate housing available for a range of activities. The proximity of the international airport at Keflavík has proved an advantage for tourism in the region.

Business enterprises and other activities – Business operations connected with Keflavík Airport, the power utility HS (Hitaveitu Suðurnesja) and the industrial port of Helguvík are among the region's great strengths, and will continue to grow in importance in the years ahead. A large number of companies have established themselves at Ásbrú, the old defence force area; these include both companies of long standing and start-ups. There is plenty of opportunity for further growth, as there is plenty of housing and business accommodation available. The Keflavík Development Corporation, Kadeco, is in charge of putting the real-estate assets in the area to good use, and is working on attracting more enterprises to settle in the area.

Foreword

This interim report describes the situation in the Suðurnes region three years after the economic collapse of the autumn of 2008. It was prepared by a collaborative group monitoring welfare issues in the Suðurnes region on behalf of the Welfare Watch; the group's main task is to enhance collaboration between the local authorities in the region in the field of welfare.

The report reveals that the Suðurnes differs significantly from other parts of the country, particularly as regards unemployment, finances and the level of education. It has the highest level of unemployment in the country: 14.5% against the national average of 8.6%. Many people in the region are in financial difficulty. The Debtors' Ombudsman has opened a branch there, allocations for financial assistance by the local authorities have increased and people there are receiving financial assistance for longer periods than they used to. Demand on the local authorities' social services has increased, and the same can be said of the Reykjanesbær Education Office (Fræðsluskrifstofa Reykjanesbæjar). Some of the residents of Ásbrú (which used to be the US Iceland Defence Force base) are also in financial difficulties and the proportion of junior school children in Ásbrú who need special assistance is higher than in other schools in the region. The level of education among job-seekers in the region is lower than the national average: 69% of those seeking employment in the Suðurnes region have not completed any formal education above compulsory schooling; the figure for the country as a whole is 52%.

In the light of the difficult conditions in the Suðurnes region, a varied programme of involvement and vocational training measures can be seen as being of great importance for the local community. The aim of these measures is, first and foremost, to have people develop a more positive self-image by keeping them active and involved, and to encourage them to undergo further educational training in order to prevent the situation from deteriorating further.

Central government has also been working at various measures in the fields of employment, education and welfare which are aimed at supporting the region. These include the foundation of a business development corporation, educational projects aimed at raising the educational level and making more study options available in the region and the establishment of formal collaboration between all the local authorities in the Suðurnes region in the field of welfare. This report has been prepared in a collaborative effort under the auspices of the Welfare Watch.

1 Suðurnes

There are five local government areas in the Suðurnes region: the municipality of Vogar, the town of Grindavíkurbær, the town of Reykjanesbær, the municipality of Garður and the town of Sandgerðisbær. The total population is 21,088, including approximately 1,500 who live in the educational centre at Ásbrú, which comes under Reykjanesbær. Table 1 below shows the breakdown by place of residence, age and gender. According to figures from Statistics Iceland, the population of the region fell by 271 in 2010. The Suðurnes region accounts for 6.6% of the total population of the country.

Local govt. area	Pop.	Male	Fem.	0–17 yrs	18–24 yrs	25–29 yrs	30–39 yrs	40–49 yrs	50–59 yrs	60+
Reykjanesbær	13,971	7,134	6,837	3,434	1,486	1,125	2,031	1,880	1,644	1,965
Svfél. Garður	1,452	761	691	401	148	120	197	190	193	203
Sandgerðisbær	1,683	882	801	485	187	153	239	197	220	202
Svfél. Vogar	1,161	617	544	360	104	66	175	154	148	155
Grindavíkurbær	2,821	1,456	1,365	828	290	186	403	434	314	366
Total	21,088	10,850	10,238	5,508	2,215	1,650	3,045	2,855	2,519	2,891

Table 1. Population of the Suðurnes region, by place of residence, age and gender. Statistics Iceland, March 2011.

For decades, the Suðurnes region was known mainly for its fishing industry and the long-lasting presence of the US Iceland Defence Force at Keflavík Airport. Both of these provided a great deal of work for the local population, but both fishing and fish processing in the region have declined in recent years, resulting in the beginning of the current labour recession, and this was exacerbated by the closure of the military base in 2006. In comparison with other parts of the country, the region was very badly affected by the economic collapse of autumn 2008. Unemployment in the region is high: in March 2011 it was 14.5%, against 9.2% in the metropolitan area and a national average of 8.6%. Of the 1,667 people without employment in the region, 754 are women and 913 are men. Nationwide, 7.8% of women are registered as unemployed; in Suðurnes, the figure is 14.6%; for men, the corresponding figures are 9.2% and 14.4%.

The educational level is not high: 82% of unemployed people under the age of 30 have only completed compulsory schooling. The corresponding figure for the whole country is 66%. This low level of education can be attributed in part to the fact that it used to be easy to find work immediately after leaving school, e.g. with the US Iceland Defence Force, where people would in fact often receive training in various specialised fields, but without any formal qualification by examination. The proportion of disabled people in this region is also one of the highest in Iceland: according to information from the Social Security Administration in 2010, 6.9% of people aged 16-66 nationwide receive disability pensions, while in the Suðurnes region the figure is 8.8%, which is significantly higher. These facts indicate clearly that the region had certain unique features even before the economic collapse.

2 Employment

Statistics show that unemployment is not declining in the Suðurnes region. Recorded unemployment in the region in March 2011, based on the number of persons entitled to unemployment benefit from the Directorate of Labour, stood at 14.5%, which is considerable higher than elsewhere in Iceland: the next highest figure is 9.2%, for the metropolitan area, while the national average is 8.6%. Within the region itself, the highest unemployment rate is in Sandgerði and the lowest in Grindavík. As has been stated above, unemployment struck the Suðurnes region earlier than other parts of the country, as there had been a considerable contraction in the fishing industry, followed by the departure of the US Iceland Defence Force from Keflavík Airport in 2006 (see Fig. 1).

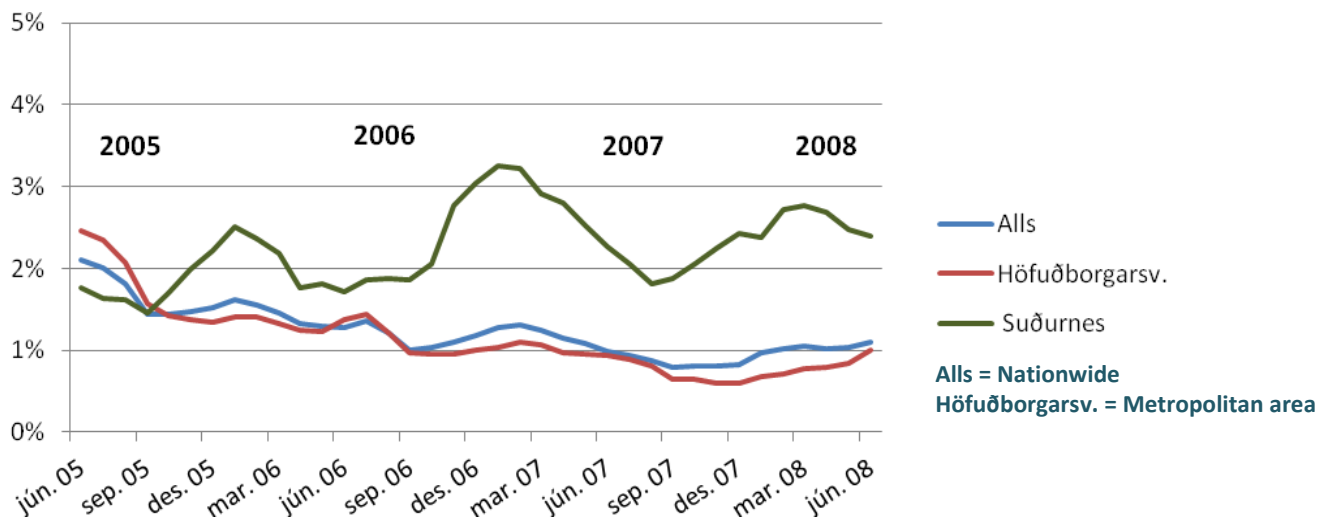


Fig. 1. Unemployment in the Suðurnes region, the metropolitan area and Iceland as a whole in the last three years before the economic collapse. Directorate of Labour, May 2011.

Figures from the social service departments of the local authorities show that the proportion of those who have exercised their three-year entitlement to benefit payments from the Directorate of Labour and have turned to the social services for financial assistance is by far the highest in the Suðurnes region; 20 individuals had done this in Suðurnes in 2010, while the next highest number (8) was in Reykjavík. The period allowed for drawing unemployment benefit has now been extended from three years to four.

As can be seen from Fig. 2, those in the age range 16-29 constitute about 40% of people registered as unemployed, and the majority are men. Unemployment in the 16-25 age range gives great cause for concern, and it is vital to try to keep these people active through educational and vocational training. The 16-24 age group includes 2,215 individuals in the Suðurnes region, and of these, 335 (15.1%) are registered as unemployed. In the 25-29 age range there are 1,650 individuals, including 328 (20%) registered as unemployed. The Directorate of Labour has offered various remedies, such as ÞOR (*þekking og reynsla*; 'knowledge and experience'), UFTA (*ungt fólk til athafna*; 'spurring the young to action') and *nám er vinnandi vegur* ('study is a way that works') which enables unemployed people to pursue courses of study for one semester without losing any of their unemployment benefit entitlements. This last remedy takes effect in autumn 2011, and it is hoped that in future, young people will be able to go on studying for more semesters without forfeiting unemployment benefit. The collaborative group regards it as important that more specially-designed educational remedies, divided into discrete units, should be made available, or that

more options should be opened up regarding concurrent studies and employment. An educational/vocational training group has been formed in the Suðurnes region which works on proposals of this type, amongst other things. The idea has been proposed of trying to obtain temporary exemptions for the Suðurnes region from the Directorate of Labour's rules, e.g. in the form of an experimental project, while unemployment remains a problem on its present scale. It could be of great advantage if persons registered with the Directorate of Labour in the Suðurnes region as unemployed had the option of pursuing more varied educational options than are permitted under the present rules without their unemployment benefit payments being reduced. The Directorate of Labour has enjoyed close collaboration with the Suðurnes Comprehensive School, the Fish-Processing School in Grindavík and the Centre for Lifelong Learning in the Suðurnes region on educational remedies.

About 71% of those who are registered as unemployed in the Suðurnes region have no educational qualifications higher than compulsory schooling; according to figures from the Directorate of Labour, the figure for Iceland as a whole is 52%. More attention must also be given to remedies for unemployed people in the 50+ age group; they have a tendency to become isolated, particularly those who live alone. A further cause for concern is the plight of children in cases where both parents are registered as unemployed. No new data is available, but according to information from the Directorate of Labour as of May 2010, 21.8% of children in the Suðurnes region were in families where one or both parents were registered as unemployed; the corresponding figure for the country as a whole was 14%. The municipality of Garður had the highest proportion of children with unemployed parents: 27%, followed by Sandgerðisbær (24.5%), Reykjanesbær (23%) and Vogar (19.4); next came Árborg (19%). The collaborative group considers it desirable to reach out to all these children and offer them support of some sort.

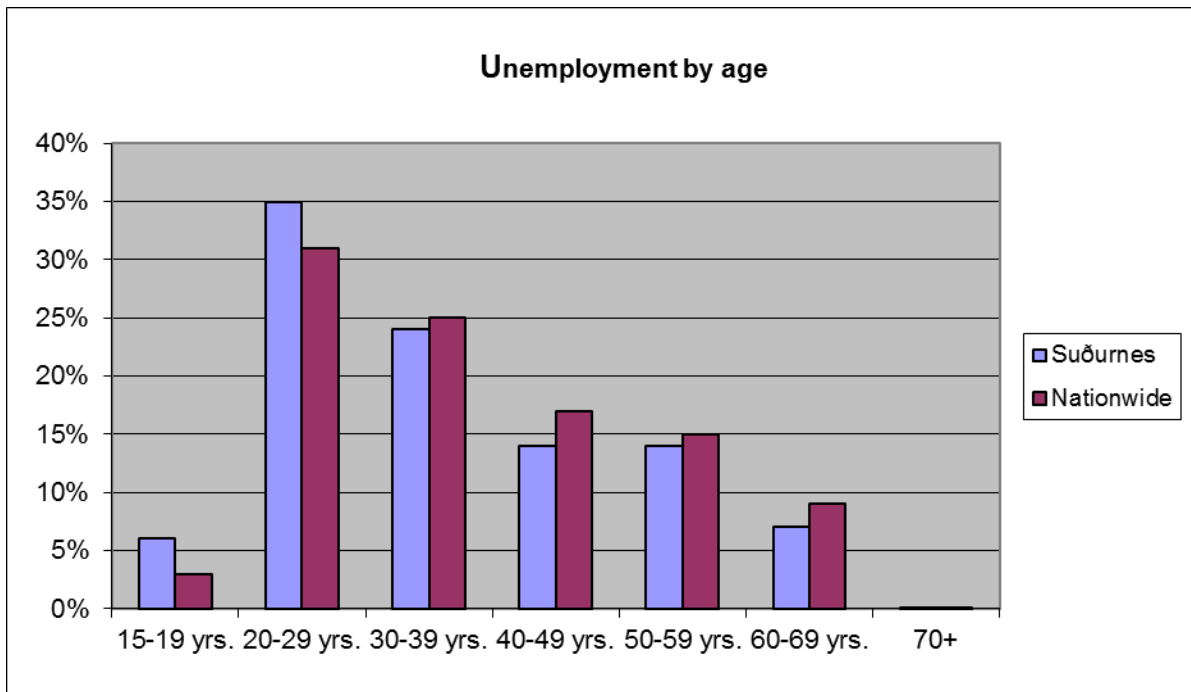


Fig. 2. Unemployment, by age, in the Suðurnes region, compared with Iceland as a whole. Directorate of Labour, February 2011.

3 Household finances

3.1 The local authorities' social services

According to information from the directors of social affairs in the Suðurnes region, allocations for financial assistance have risen in recent years, reflecting the increase in the numbers of recipients. The number of recipients in Reykjanesbær has trebled since 2008. As is shown in Fig. 3, the majority of those who received financial assistance in 2010 were aged under 30. Also, the number of those who rely on financial support from the local authorities as their means of long-term support has increased (see Fig. 4); in 2010 this number stood at 419. This figure included 43 who had been receiving financial assistance for 12 months or more. Suðurnes, together with Reykjavík, stands out from other local government areas in this respect, which gives cause for serious concern. One quarter of those who received financial assistance in 2010 only needed it for one month. Women accounted for 57.4% of recipients, men for 42.6%. The social service department in Reykjanesbær has launched a project aimed at activating those who have been receiving financial assistance the longest. Similar projects are in preparation in Sandgerði, Garður and Vogar. The strain on the staff of the child welfare departments has increased: even though the number of cases has not risen significantly, they have become more serious and time-consuming. Furthermore, the proportion of staff working in this field has also been temporarily reduced, resulting in an inevitable increase in the workload of those remaining and reducing the scope for working at developmental and preventive projects.

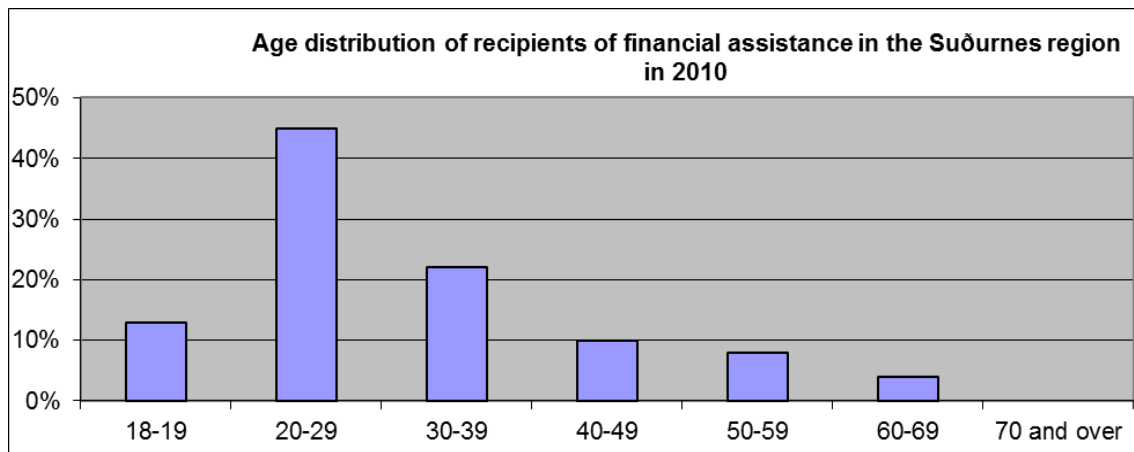


Fig. 3. Age distribution of recipients of financial assistance in the Suðurnes region in 2010.

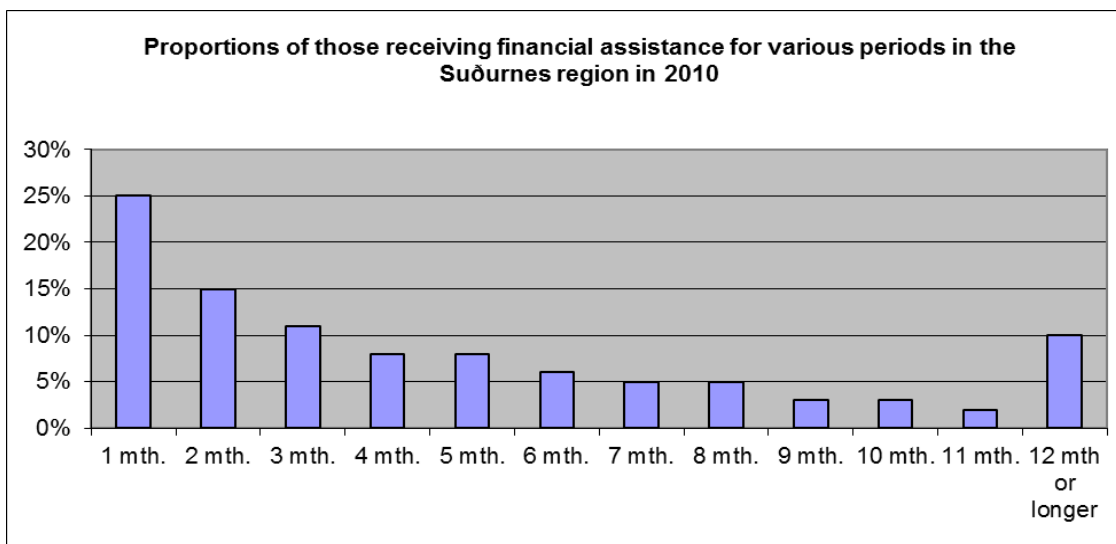


Fig. 4. Proportions of those receiving financial assistance for various periods in the Suðurnes region in 2010.

3.2 The Debtors' Ombudsman

The Debtors' Ombudsman opened a branch in the Suðurnes region in December 2010 in response to the increased workload from the region; it is the only such regional branch outside the metropolitan area and is to continue in operation as long as the need remains. According to information from the Debtors' Ombudsman, it is striking how many people in the Suðurnes region go directly into debt mitigation programmes instead of first seeking counselling, and this reflects how many households in the region are in serious financial difficulty (see Table 2). It is not clear what pattern operations at the Suðurnes branch will take during the year 2011, but in 2010, 283 people either received counselling or went into debt mitigation programmes. So far in 2011, 173 people have either received counselling or gone into debt mitigation programmes. This represents 13% of all those who have received these services nationwide during this period, yet Suðurnes accounts for only 6.6% of the national population. The proportional spread of recipients of the service between local government areas within the region was fairly even. Employees of the Debtors' Ombudsman are working closely with the Keflavík District Commissioner on reaching out to those who are in difficulty and offering them assistance, and this collaboration has produced good results.

January–April 2011	Suðurnes	All of Iceland	Proportion
Debt mitigation	144	1,098	13%
Counselling	29	197	15%
Temporary remedies in cases involving two properties	8	33	24%

Table 2. Recipients of services of the Debtors' Ombudsman, and types of service, Jan.-Apr. 2011.

3.3 Information from the Keflavík District Commissioner and Statistics Iceland

One hundred and fifty-three new sales in execution were registered in the Suðurnes region in the first four months of 2011. About 120-150 addition cases had been received but not yet registered. By way of comparison, a total of 591 cases were registered in the whole of 2010 and 479 in 2009. The figures for 2011 indicate that the numbers of requests for sales in execution are not falling; if anything they are increasing, as compared with 2010. So far in 2011, 175 properties have been sold in sales in execution; 52 of these have not been completed with a deed of transfer, which means that the eight-week period allowed for acceptance of the bid is not yet past. Of these 175 properties, 88 are flats owned by legal entities; most are rental flats owned by property companies, and the Housing Financing Fund (the state mortgage fund) was the highest bidder in most cases. Seventy-six privately-owned flats were sold, and 11 properties were commercial premises.

A study has been begun at the office of the Keflavík District Commissioner of the reasons behind the sales in execution in the Suðurnes region. This is a collaborative study involving the office and the Welfare Watch, and it is hoped that it will reveal valuable information that could be applied, e.g. in preventive work.

According to information from Statistics Iceland, 982 enterprises went bankrupt in Iceland in 2010, most of them (680) in the metropolitan area, followed by the Suðurnes region (84); the figure for 2009 there was 41. More than a third of these companies were active in the construction industry. In January, February and the first half of March 2011, 23 companies went bankrupt in the Suðurnes region, representing 7% of the total corporate insolvencies in the country.

3.4 The Housing Financing Fund

According to information from the Housing Financing Fund, it owned 309 properties in the Suðurnes region in April 2011. The fund owns 1,244 properties throughout the country; thus, a quarter are in the Suðurnes region. Of these 309 properties, about 126 are empty and 114 are let out. About 60% of the properties that are let out are rented by their former renters and 40% by their former owners.

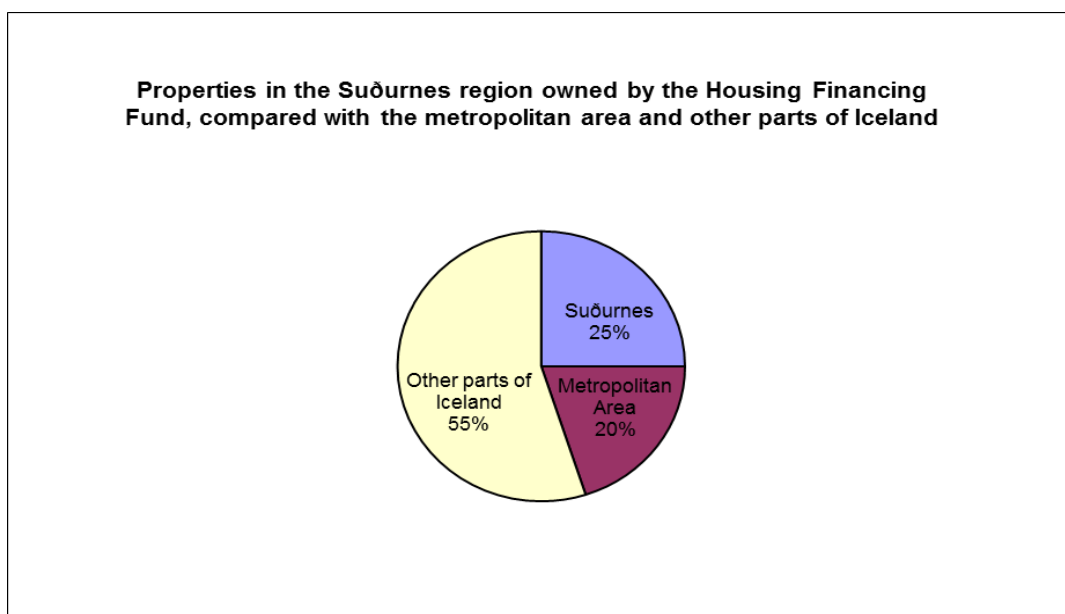


Fig. 5. Properties in the Suðurnes region owned by the Housing Financing Fund, compared with the metropolitan area and other parts of Iceland.

4 Post-primary education

One of the greatest problems faced by the management of the Suðurnes Comprehensive School is how difficult it has proved to increase the number of places at the school. Some increase was made recently, but it has not been sufficient to meet the rise in demand or keep pace with the increase in the population of the region. Last autumn, about 170 applicants for places at the school had to be turned away. In response to this situation, the school has accepted more pupils than it receives funding for, and this has already begun to mean a deterioration in quality. The situation is serious, particularly in view of the fact that whereas for the country as a whole, 97% of pupils who complete compulsory education register in senior school, the proportion in the Suðurnes region is only 90%; there is also a dropout rate of 8-9% each semester, where boys are in the majority. The school considers it important to try to develop a more positive attitude towards education, both among parents and pupils; it has frequently come to light that many pupils have no interest in taking school seriously. Also, greater support could be given to pupils with special requirements, so preventing their dropping out of school. Teachers at the school have become aware of adversity and hopelessness among their pupils, though only a relatively small group are affected in this way. Assistance (e.g. sessions with a psychologist) is available for those who are in real difficulty. As we stated above, a new educational remedy programme (*nám er vinnandi vegur* ('study is a way that works')) is being started; this is designed to ensure all individuals under the age of 25 a place in school. Unemployed people aged 25 and older can also enter educational programmes for one semester without losing any of their unemployment benefit entitlement. Reykjanesbær has already changed its rules on financial assistance, with the result that recipients of financial assistance from the local authority are able to pursue studies without any reduction of their unemployment benefit payments. Sandgerðisbær, Garður and Vogar have approved amendments to their rules on financial assistance and in these areas it is now possible, as a 'treatment measure', to provide financial assistance to people even though the studies they are pursuing (for example, in senior school) do not qualify for student loans. The Ministry of Education, Culture and Science is currently launching an educational programme for the Suðurnes region, the main aim of which is to boost education in the region and upgrade the educational remedies available. It is estimated that this campaign will last two years.

5 Junior (compulsory level) school and kindergarten (pre-school)

The Reykjanesbær Education Office handles administration, management and services in connection with education in the Reykjanesbær area, and also specialist services for junior schools (age: 6-16) and kindergartens (pre-schools) in Reykjanesbær and the adjacent areas of Sandgerði, Garður and Vogar.

According to information from the office, there has not been any increase in the number of cases, but they have become more difficult to deal with; this is the same pattern as has been reported by the child welfare authorities. Serious behavioural problems have become more conspicuous among junior school pupils, and the need for specialist assistance has increased. The regional education office does not classify cases according to their degree of

seriousness, but as in the case of the social services, it reports that the burden on staff has grown.

Although discipline problems in junior schools in the region have become more serious, a recent study has shown an increase in positive communication between pupils and teachers in three junior schools in Reykjanesbær following the introduction of a PBS (Positive Behaviour Support) system, with a reduction of undesirable behaviour. This is the first study of its type in Iceland, and it indicates that the PBS system produces immediate results in terms of positive interest on the part of staff, rewards for good behaviour and active monitoring of pupils at all the age levels within the junior school. The local authorities in Garður and Vogar are now introducing the PBS system in their junior schools.

6 The Suðurnes Health Care Centre (Heilbrigðisstofnun Suðurnesja)

Following the economic collapse, the Suðurnes Health Care Centre (Heilbrigðisstofnun Suðurnesja, HSS) was made to save in both 2009 and 2010, resulting in the merger of wards and the closure of the operating ward. Emphasis has been placed on building up the centre's primary health-care functions; this can be seen, for example, in larger funding allocations for home nursing and psycho-social assistance. The GOSA (psychiatric and psycho-social assistance) team has been run at the centre since 2005. It has concentrated on the 0-18 age group, and their families, with the main emphasis on preventive measures and treatment for young children and families with children. The first step towards developing additional services for people aged 18 and over was taken in February 2011, the main aim being to enhance collaboration between the HSS and other service-providers who deal with people with psychiatric problems. There has been a constant rise in the number of people referred for care since the team was established. In 2009-2010, nearly 200 people were referred to the team for treatment, and there are indications that this figure is likely to rise considerably in 2011; in January alone, 35 referrals were made to the team. There has been a large increase in the numbers of teenagers aged 15-18 who have been referred. A large proportion of these teenagers are affected by multiple problems, involving dropping out of school, and this group must be served better by means of a specialised plan of action and remedies. The cases referred to the team also seem to be more complex and serious than before; there is a greater need for comprehensive family treatment, since the children's problems are often related to serious difficulties in the family, including financial problems, unemployment and illness. In the view of the HSS, there is a need to make health-care services more effective and improve people's access to medical services. Family services need to be made more effective, since the problems lie in communication, frames of reference and values within the family. With special remedies it would be possible to meet the needs of these families, since the problem *within* the family is treated, and not merely parts of it that appear in individuals within the family. In this context, it is important that all those involved in any way with helping families in the Suðurnes region should work closely together, not least the health services and the social services.

7 Ásbrú / Keilir

About 1,500 people and families live at Ásbrú, which is part of Reykjanesbær. Ásbrú has been built up as a community for entrepreneurs, know-how and economic activity in Reykjanesbær, using the infrastructure made available by the departure of the US Iceland

Defence Force from the area. The educational centre Keilir is operated there; this offers courses at senior-school and university level. It has been in operation for four years now, and demand has risen steadily. Students at Keilir come from all sorts of backgrounds and for all sorts of reasons; many go there because the cost of renting is far lower than elsewhere, others because they are attracted by a new and interesting educational opportunity. Demand for places at Keilir has not declined since the economic collapse, though there was a slight drop in numbers at the beginning of 2009. There has not been any increase in the rate of defaulting on payments, but those who are in arrears seem now to be in even more serious financial difficulties. There has been an increase in applications from low-income individuals, people on disability benefit and single mothers. Part of the inhabitants of Ásbrú have considerable financial or social problems; the low rental charges have attracted poorer people, many of whom (proportionally speaking) have had to apply to the Reykjanesbær Social Services. There are nearly 100 pupils in the school Háaleitisskóli at Ásbrú, which provides teaching for Grades 1-7. There is a considerable incidence of social difficulties among the pupils, a large proportion of whom (compared with other junior schools in the region) need specialist assistance. There is a high level of turnover of pupils, both in the kindergarten and junior school sections, which may partly explain the large numbers who need assistance. The composition of the residents at Ásbrú calls for kindergarten and junior school facilities in the area, and for other services of a more general nature in the residential areas. Most of the Ásbrú residents qualify for rent benefit. Thus, as there are large numbers of low-income people, the expenses borne by Reykjanesbær in operating Ásbrú are higher than the municipal taxes it recovers from the residents. Capital raised by the sale of assets in the area is not put into development at Ásbrú.

8 Trade unions

Trade unions in the Suðurnes region have not been untouched by the difficulties that their members have encountered. There have been a lot of applications to the sick-pay fund of the Suðurnes Commercial Workers' Union; these have risen by 30-40% over the past two years, and the fund is now not in a solid financial position. Both the mental and physical condition of the union members has deteriorated as a result of long-term unemployment, and applications for assistance from the fund for medical treatment have increased. There has also been a high level of demand on the fund for occupational therapy treatment, and a great amount of demand for assistance from the vocational training fund, which is in fact a good thing since this keeps people active and involved and reduces the likelihood of isolation. The situation at the Keflavík Seamen's and General Workers' Union is similar: 22% of its members are unemployed. Reserves in the union's sick-pay fund have been depleted considerably as a result of the financial assistance given to members to help them face difficulties of various types. As at the Suðurnes Commercial Workers' Union, there has been an increase in applications for grants to cover vocational training. Most of the unions in the Suðurnes region belong to Virk, which offers their members a wide range of vocational training remedies. Great emphasis is placed on urging recipients of unemployment benefit to keep on paying into the unions so as to maintain their entitlements.

9 Activity and vocational training remedies

The Suðurnes region offers a variety of activity and vocational training remedies for people who have dropped out of the labour market, e.g. due to illness, accidents or social difficulties. The aim of these remedies is, first and foremost, to build up and support these individuals in tackling the challenges of day-to-day life and re-entering employment.

- **Samvinna** – This programme is intended for people aged 18–55 who are not working due to illness, accidents or social difficulties. Most of them are recipients of disability benefit or rehabilitation pensions, or of benefit payments from trade union funds, or receive financial support from the local authority, and in more cases than not, they have little formal education or working experience. Since the Samvinna programme started in 2008, 40 people have completed the vocational rehabilitation training and some have begun studies in senior school. Others, on the other hand, face serious difficulties and have not been able to make use of this remedy as it was intended, and stop vocational rehabilitation. It is a matter of urgency to find special remedies for them. The Samvinna programme is supported by the local authorities in the Suðurnes region, the main trade unions in the region, the Comprehensive College and the Continuing Education Centre, the Suðurnes Health Care Centre, the Festa Pension Fund and the Directorate of Labour for the Suðurnes region. Operation of the programme is based on a contract with the Ministry of Welfare.
- **Virkjun** – Virkjun is for all those who are unemployed, or are disabled, and senior citizens. It offers a selection of courses, educational events, ‘happenings’ and other activities, most of which are provided by volunteers. The emphasis is on activating the individuals and harnessing their strengths. The programme is supported by the local authorities in the Suðurnes region, most of the region’s trade unions, the Directorate of Labour, Kadeco and the Suðurnes Continuing Education Centre.
- **Björgin** – This is a refuge for people with mental disabilities, the main objective being to break their social isolation. It is attended by a broad group of people with problems of various types (e.g. depression, psychiatric disorders or chronic illness). Björgin also operates an educational programme, Geðræktarskólinn, which is aimed at building up and supporting these individuals and preparing them to re-enter employment. Björgin is run by the local authorities in the region.
- **Fjölsmiðjan** – This is an employment-related remedy for young people (aged 16–24) who are at a crossroads in life, having dropped out of educational programmes or employment. Fjölsmiðjan is a workplace, its operations consisting mainly of manufacture of goods, professional practical training and services of various types. The young people are helped to find a path in life and build themselves up for the future. Fjölsmiðjan is a collaborative project involving the Ministry of Education, Science and Culture, the Directorate of Labour, the Red Cross, Reykjanesbær Municipality and trade unions in the Suðurnes region.
- **Virk** – This vocational rehabilitation fund is intended primarily to assist members of trade unions in the Suðurnes region who are in need of activity and vocational training remedies. It is important to involve those who take sick leave from their employment in rehabilitation programmes immediately; this maximises the likelihood that they will return to work. Employers pay 0.13% of wages to the fund. The pension funds will probably start paying contributions to this fund soon, which will mean that disabled people will be qualified to receive its assistance. Virk is a joint project supported by employers’ and workers’ unions, the City of Reykjavík, the Union of Local Authorities and the Ministry of Finance.
- **Centre for Lifelong Learning in Suðurnes (MSS)** – The centre works closely with those who offer activity and vocational training remedies and undertakes various educational programmes and courses. It also offers individually-tailored courses, employment-related courses, educational and vocational counselling, services to enterprises, etc., the aim in all cases being to build up the level of retraining and continuing education available to the people of the Suðurnes region and increasing their educational level and living standards. It is supported by the local authorities in the Suðurnes region, trade unions, employers and Suðurnes Comprehensive School.

10 The National Church

Employees of the church in the Suðurnes region are aware of the difficulties accompanying long-term unemployment in the region. The number of people seeking food assistance from the church has risen considerably this year as compared with the same time last year. The church in Keflavík received 35 applications for food assistance in February 2010; in February 2011 the number was 65. A review of allocation rules is currently in progress, the intention being to establish clearer methods of priority ranking. Interviews with those applying for help reveal that large numbers have drawn on much of their savings and that they find it difficult to cope with unforeseen expenses.

11 The Red Cross

The Suðurnes department of the Red Cross is involved in various projects aimed at re-activating unemployed people. These include UFTA (*ungt fólk til athafna*; 'spurring the young to action') and ÞOR (*þekking og reynsla*; 'knowledge and experience'); these are run by the Directorate of Labour, but one Red Cross employee is engaged on them full time. The department has also launched a project this year entitled *félagsvinir* ('companions'), the aim of which is to activate and support job-seekers through various new methods where the emphasis is on peer-education. Last April, the Fjölsmiðja project went into operation in the Suðurnes region. This is a joint venture of the Directorate of Labour, the municipality of Reykjanesbær, trade unions in the region and the Icelandic Red Cross. In the past few years, the Red Cross has provided help and support at Christmas for individuals and families who are in financial difficulty. This takes the form of credit vouchers. More individuals received allocations before last Christmas than in the previous years.

12 Statistical data about the Suðurnes region

A study made by the Social Science Institute of the University of Iceland for the Ministry of Welfare showed that Suðurnes stands out from the rest of the country in terms of the rate of acts of violence against women; this is the case both in the figures on women who have suffered violence at some time in their lives and those who have done so in the past 12 months. Of those women in the region who took part in the study, 4% had suffered violence in some form during the past 12 months; for comparison, the figure for Northern Iceland (Eastern Region) was 2% and that for the metropolitan area just under 1%. Various other statistical measurements showed that there was a need to expand welfare services in the region. In the report by the Minister of Welfare on the Government's campaign against violence committed by men on women in intimate relationships, it was proposed that the Ministry of Welfare open negotiations with the local authorities in the Suðurnes region to set up a joint early-alert and action campaign.

According to figures from the Suðurnes Commissioner of Police for 2008 and 2009, and provisional figures for 2010, crime increased in 2009 but fell again according to the provisional figures for 2010. Violations of the General Penal Code dropped from 1,027 to 927, and violations against statutes in individual fields of criminal law fell from 679 to 419. Violations of the Traffic Act fell from 4,743 to 2,384. There were 180 unlawful enrichment offences in the Suðurnes region in 2008 and 217 in 2009; the rate is higher in both Selfoss and the metropolitan area. Statistics are not available for 2010.

13 Measures taken by the Government in the spheres of employment, education and welfare

The Government held meetings with the local authorities in the Suðurnes region in November 2010 to unveil the measures it proposed to take in order to stimulate employment, education and welfare in the region. After this, a consultative mechanism was established between the Government, the local authorities and interested parties in the region, which has worked on the following projects.

1. A business development corporation, a collaborative venture involving the Regional Development Agency and the Association of Local Authorities in the Suðurnes region, has been set up to stimulate employment and business development in the area.
2. Finance has been provided for the establishment of a Military Base Museum in the Suðurnes region.
3. The maximum period during which unemployment benefit may be drawn has been extended from three to four years.
4. Formal collaboration between the local authorities in the field of welfare has been established, and a project manager has been engaged.
5. The Debtors' Ombudsman has opened a branch in the Suðurnes region.
6. The Ministry of Education, Culture and Science has engaged two project managers to stimulate education in the Suðurnes region over the next two years.
7. An educational and vocational counsellor has been engaged temporarily by the Directorate of Labour in the Suðurnes region.

Other projects on which work has been done include the transfer of the Coast Guard to Suðurnes, the development of a data centre, cluster projects involving companies active in biofuels and a publicity and marketing campaign in connection with the real-estate properties at Ásbrú.

Further information about the government's measures may be found on the website of the Prime Minister's office: (<http://www.forsaetisraduneyti.is/frettir/nr/6768>).

14 Projects ahead for the collaborative group

1. Activity and vocational training remedies.

The activity and vocational training remedies available and needed in the area are to be analysed, after which consideration will be given to the possibility of greater collaboration between all involved and how the collaborative group could enhance this work. Parties involved include the Suðurnes Continuing Education Centre, Virk, Virkjun, Samvinnu and Björgin.

2. Educational and vocational training programmes for the unemployed and recipients of financial assistance from the local authorities.

An educational and vocational training group has been set up by the collaborative group to produce proposals on long-term educational and vocational training programmes for unemployed people and those who receive financial assistance from the local authorities. The group will also seek to have recipients of unemployment benefit and financial assistance receive temporary exemption from the rules so that they can attend training courses

without a reduction of their benefit payments. It is also planned to carry out a survey among the unemployed.

3. **Friendship families.**

This project is designed to support immigrant families of foreign origin, and will be carried out in collaboration with the schools and parents' associations.

4. **A conference** sponsored by the group, to which will be invited most of the employees of the institutions and organizations represented in the collaborative group. The aim will be to publicise the work done by the various bodies and how they are involved in helping families in the region, to close up gaps and to stimulate and support workers in the field and ensure that information is passed between them and that they obtain a better overview of what is on offer.
5. **Publication of a booklet** about the welfare remedies and services available in the region.

Appendix

Representatives on the collaborative group monitoring welfare in the Suðurnes region:

1. Ingibjörg Broddadóttir, for the Welfare Watch and the Ministry of Welfare; Chairman
2. Ásdís Leifsdóttir, for the Debtors' Ombudsman
3. Berglind Kristinsdóttir, for the Association of Local Authorities in the Suðurnes region
4. Egill Heiðar Gíslason, for the Housing Financing Fund
5. Einar Jón Ólafsson, for the Ministry of Welfare
6. Guðbrandur Einarsson, for the Suðurnes Commercial Workers' Union
7. Guðjónína Sæmundsdóttir, for the Suðurnes Continuing Education Centre
8. Gylfi Jón Gylfason, for the Reykjanesbær Education Office
9. Hjördís Árnadóttir, for Reykjanesbær
10. Jóna Holm, for the Suðurnes Department of the Icelandic Red Cross
11. Kristín Þyri Þorsteinsdóttir, for Sandgerðisbær, Sveitarfélagið Garður and Sveitarfélagið Vogar
12. Kristján Ásmundsson, for the Suðurnes Comprehensive School
13. Linda Ásgrímsdóttir, For the Directorate of Labour, Suðurnes
14. Lovísa Lilliendahl, for the Ministry of Welfare
15. Nökkvi Már Jónsson, for Grindavíkurbær
16. Sara Dögg Gylfadóttir, for the Suðurnes Health Care Centre
17. Sigurður Grétar Sigurðsson, for the parish of Útskálar.
18. Þórólfur Halldórsson, for the Keflavík District Commissioner
19. Lára Sturludóttir, for the Keflavík District Commissioner