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The Rise of Reykjavik: A Study in Historico-Economic Geography

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GEOGRAPHY

The Rise of Reykjavik:
A Study in Historico-Economic Geography¹

Through nine centuries of Iceland's thousand year history no single center arose to dominate her national life. During that time her domestic political affairs were administered by the Althing, a parliamentary body which assembled on the plain of Thingvellir for a few weeks each summer. Her religious life was directed from two bishoprics—each of which had its seat on an inland estate, one in the south at Skálholt and the other in the north at Hólar. What

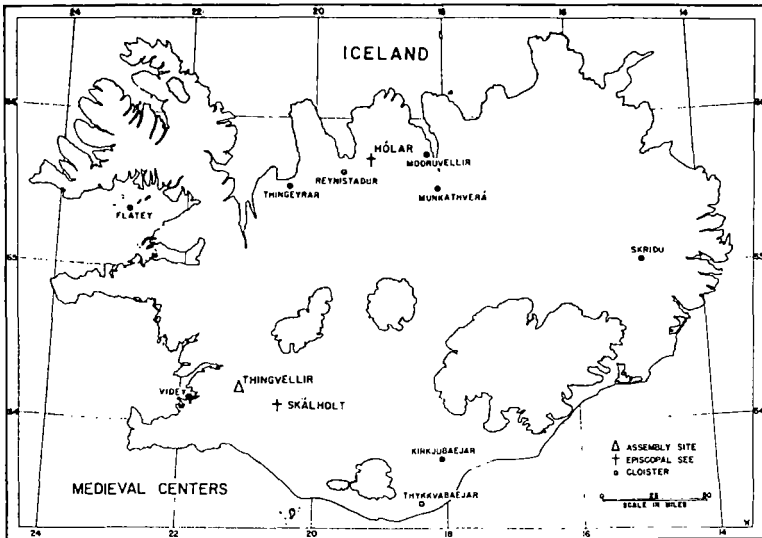


Fig. 1.

¹This paper is one of a series of studies carried out by the author during the summer of 1956 as a recipient of a Foreign Area Field Research grant sponsored by the National Academy of Sciences-National Research Council and Office of Naval Research.

little commerce moved between the island the outside world passed through tiny lightering harbors which scarcely could be called either ports or settlements (See Fig. 1).

Early in the seventeenth century the trade of Iceland was made a monopoly of the Danish crown. At first the rights of commerce were collectively assigned to the merchants of three towns, Copenhagen, Helsingör, and Malmö, but the king soon found it more profitable to sell the privilege to one company at a time. Later, in an effort to check the illegal commerce which such restraints provoked, the island was divided into four trading districts, each with its own designated port through which all imports and exports were obliged to pass. However, none of these attempts to divert Iceland's trade into artificial channels succeeded in producing a commercial center of any importance on the island.

During the eighteenth century the hated Danish trade monopoly became yet more oppressive, with import prices constantly being raised and export prices continually being reduced. The country suffered from repeated failures of the hay harvest and disease and famine took heavy tolls of both people and livestock. The climax of Iceland's tragic century came in 1783-84 when the poisonous fall-out from the Laki eruption killed half of the island's cattle, three-fourths of its horses and sheep, and ultimately resulted in the death of one-fifth of the country's human habitants. Hardly had the dust of this eruption settled when a forceful earthquake devastated the Southern Lowlands, completely levelling the ancient religious center at Skálholt.

If these disasters can be said to have had any beneficial consequence it was that they served to mark a turning-point in Danish-Icelandic relations. In an act of unprecedented compassion for their fellow subjects, the Danes undertook an extensive campaign of public relief and for a time serious consideration was given to a proposal that all survivors be removed to the Heath of Jutland. This change of attitude on the part of the Danes, coupled with the necessity of rebuilding Iceland's mother church, set the stage for the founding of the town that has since become the country's capital and largest city.

In the year 1785 it was decided to transfer the see of the bishop of southern Iceland to Reykjavík, then a tiny collection of houses numbering two hundred inhabitants. In the following year the Danish king granted Reykjavík and five other coastal settlements the right of self-government;² thus it is from the year 1786 that the Icelandic capital traces its charter as a "town". In 1787 the royal monopoly on Iceland's trade was revoked and commerce with the island was thrown open to any and all merchants of Denmark and Norway. Of Iceland's six "towns", it was Reykjavík that came to benefit most from the newly won freedom of trade.

About the beginning of the nineteenth century the importance of Reykjavík was further enhanced by two other events. In 1798 the Althing was abolished by royal decree and in its stead a court meeting in Reykjavík was established. Thereafter, Iceland's political affairs were administered from the young coastal town rather than from the ancient meeting place at Thingvellir. In 1801 the Hólar bishopric was dissolved and henceforth all ecclesiastic authority in Iceland was vested in the bishop of Reykjavík.

The Situation of Reykjavík. Though the importance of Reykjavík as a religious and political center cannot be minimized, it has been the town's strategic commercial situation that has accounted for most of its subsequent growth. Reykjavík is situated at the inner end of Faxa Flói, the southernmost of the two great bays that indent Iceland's west coast. Apart from the small grass-covered peninsula on which it stands, Reykjavík is largely surrounded by barren lava flows. It is not, therefore, from its immediate umland that the Icelandic capital derives its importance, but rather from its more distant hinterland (See Fig. 2).

No other Icelandic town commands so extensive and so prosperous a hinterland as Reykjavík. Because virtually the entire south coast of the country is rendered inaccessible from the sea by sand bars, it has fallen Reykjavík's lot to serve as the region's principal port of entry and exit. The town is linked to its hinterland by the Sudhurland highway, the first road in Iceland to be improved for

²Grundarfjörður in the west, Isafjörður in the northwest, Eyjafjörður in the north, Eskifjörður in the east, and Vestmannaeyjar in the south.

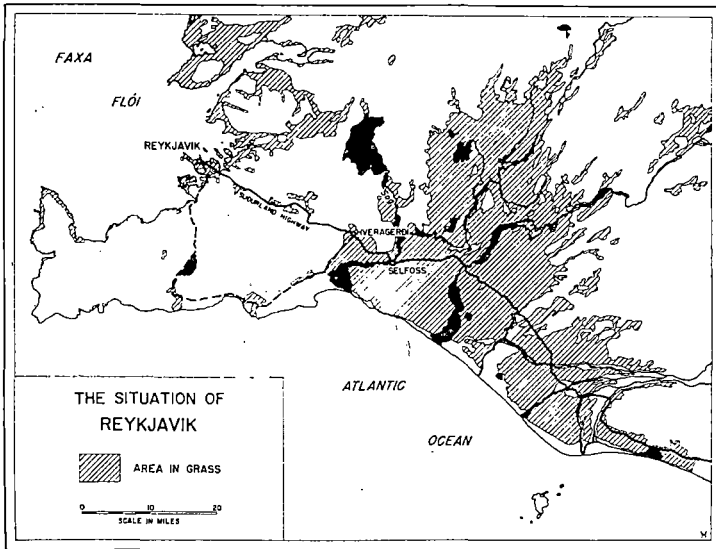


Fig. 2.

vehicular traffic (1880). The Sudhurland highway crosses twenty-five miles of jagged volcanic terrain and windswept heaths and reaches an elevation in excess of 1000 feet before it drops abruptly over an ancient sea-scarp into the lowlands. In times past, long trains of pack horses plodded over this route carrying the imported bread-grains, salt, timber, and iron goods that made life possible for the one-quarter of Iceland's population residing in the southern provinces. On their return trip to the coast, the pack horses carried the hides and skins, the butter and dried meat that were the region's principal exports. Today the pack horse has been supplanted by the motor truck and the list of imports has grown considerably in length. Most of the goods which now move from the lowlands to the coast no longer go into export but stop in Reykjavik itself, for the city has become a leading market for agricultural produce in her own right. Reykjavik derives the bulk of its milk supply from the dairy at Selfoss and much of its meat comes from the slaughterhouse in the same settlement. Virtually all of the city's fresh garden produce and cut flowers come from the spring-heated greenhouses of

Hveragerdhi. It may even be said that Reykjavík's emergence as an industrial center is due in large measure to the fact that she has been able to tap the vast hydroelectric resources of the River Sog, a stream which cascades into the Southern Lowlands a few miles north of Selfoss.

The growing interdependence of Reykjavík and its hinterland will no longer permit of even the temporary interruptions in traffic that occasionally have occurred in the past due to the blockage of the Sudhurland route by snow. To enable unbroken contact to be maintained between the city and the lowlands an alternate low altitude detour has recently been completed by way of the south coast for use in just such an emergency.

The Site of Reykjavík. It is a matter of historic interest that the city of Reykjavík occupies the site of the country's first farm, laid out in the year 874 by Ingólfur Arnarsson. The rural character of Reykjavík changed little until the middle of the eighteenth century when the then treasurer of Iceland, Skúli Magnusson, established

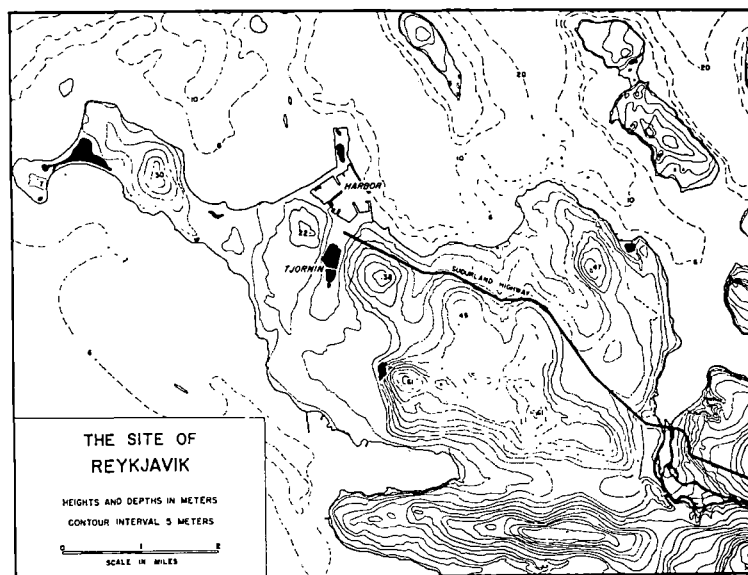


Fig. 3.

a small woolen mill on the site. About the same time several warehouses were built on Orfirisey, the low island which lies north of the harbor (See Fig. 3).

The original agglomeration of houses arose between the harbor and the pond called Tjörninn, flanked on either side by low hills—those on the west rising to just over twenty meters and those to the east reaching not quite forty meters. This site afforded a combination of level land and dependable water supply in close proximity to a relatively sheltered, deep-water anchorage.

The lack of timber in Iceland meant that in Reykjavík, as elsewhere on the island, the only locally available building material was sod. It was not until 1842 that imports of lumber became dependable enough to permit the authorities to forbid the further construction of sod houses in the town (Fristrup, 1948:53), and from that time to the turn of the century wood remained the principal building material. Beginning about 1900 many of the frame dwellings were sheathed in corrugated iron in order to reduce the fire hazard which the closely-built wooden buildings presented. In the last half century, however, concrete has gradually replaced wood and today all new construction is being carried out with this material. In present-day Reykjavík wooden dwellings account for scarcely one-fifth of the total.

The Growth of Reykjavík. In the census of 1801, Reykjavík is recorded as having 307 inhabitants—a mere six-tenths of one per cent of the entire Icelandic population. Though Reykjavík was already the largest settlement on the island, less than forty persons separated her from the second-ranking town of Ísafjörðhur in the northwest.

During the nineteenth century, Reykjavík expanded both west and east along the harbor and up the slopes of the hills (See Fig. 4). At first the population grew slowly, increasing at an average rate of 15 persons per year through 1840. During the next two decades the rate of increase averaged nearly 30 per year and from 1860 to 1880 it climbed to about 60 per year. Reykjavík's good harbor gave the town a decided advantage when large-scale commercial fishing got underway in the 1880s and during that decade the average population increase ran to more than 130 per year. Each year during the 1890s

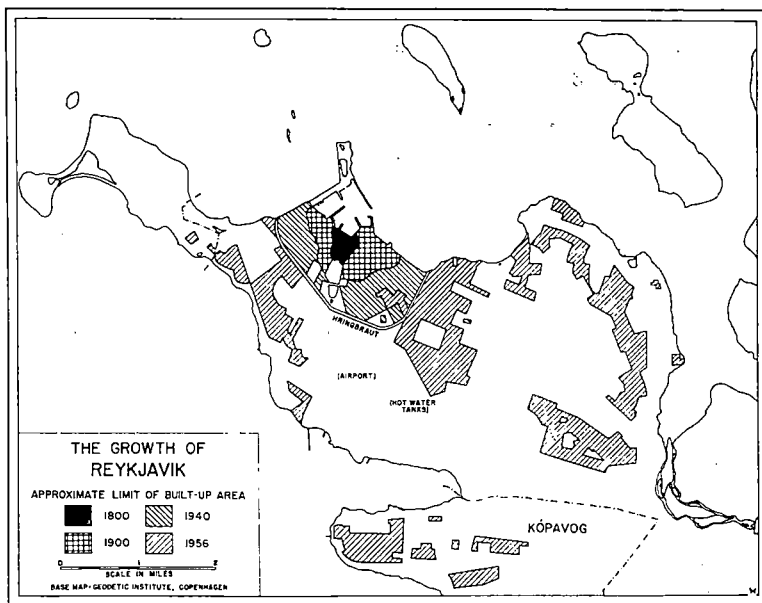


Fig. 4.

the population swelled by an average of 280 more persons and by 1900 Reykjavik had nearly 6,700 inhabitants, or 8½ per cent of the entire Icelandic population.

Since 1900 most of Reykjavik's expansion has been toward the east. The town's growing importance as a fishing and commercial port led to the construction of its harbor installations during the years 1913-17. The first three decades of the twentieth century saw a steadily accelerating rate of population growth, with the average increase rising to more than 1000 per year in the 1920s. Only the 1930's witnessed a slight levelling off in the growth rate of the Icelandic capital, but even during that decade of world depression the city continued to grow by almost 980 persons per year. By 1940 the limit of Reykjavik's built-up area was largely coterminous with the Hringbraut, or Ring Road.

The most dynamic expansion of Reykjavik—both in terms of area and population—has taken place in the years following 1940,

due chiefly to the financial impetus given by first the British and later the American military occupation of the country. Shortly after their arrival in 1940, the British constructed a large airport on the southern outskirts of the town. In 1943 another important advance was made when a central heating system for the city was completed, utilizing natural hot spring water from wells eleven miles to the northeast. Piped through more than forty miles of city mains, this 180° F. water heats the homes and offices of more than 35,000 Reykjavík residents and has reduced Iceland's dependence on imported coal by more than 75,000 tons a year.

In 1944, the same year that Iceland declared her independence from Denmark, a separate planning office was created for the city of Reykjavík. Since that time the town's continuing expansion toward the east and south has been under the systematic guidance of this office. By 1955 the dormitory development at Kópavog southeast of the city had reached such proportions that the district was given the right of self-government, becoming in the process Reykjavík's first suburb or satellite town. At the beginning of 1956 the inhabitants of Reykjavík and its suburb numbered over 67,000; a figure which represents more than a ten-fold increase since 1900. Today the Icelandic capital contains some forty-two per cent of the total population of the country and its average rate of increase has climbed to nearly 2300 per year.

To be sure, Reykjavík's rapid growth reflects in part the virtual explosion of population which has been going on in Iceland since the 1880's, thanks largely to improved conditions of health and sanitation. The birth rate has remained high while the death rate has fallen to one-third of what it was eighty years ago. (In just one postwar decade the rate of infant mortality has been cut to two-thirds its 1936-1940 average.) Reykjavík, with the largest proportion of persons in the marriageable age groups and likewise the best medical facilities, records the greatest annual net increase of any reporting district in the country.

Functional Areas. The city of Reykjavík lends itself to division into three functional areas, namely the commercial core, the industrial waterfront, and the encircling residential district (See Fig. 5). The

modern commercial core is centered near the original heart of the city, between the harbor on the north and the pond on the south. If any one point may be called the cross-roads of the city it is the square known as Laekjartorg. It is there that the Sudhurland highway—or more accurately, its urban equivalent—intersects the principal through-street leading inland from the harbor. To the west of Laekjartorg, within a radius of roughly 300 yards, lie most of the city's major banks, office buildings, and hotels, as well as her leading shops and department stores. Indeed, the city's most important commercial thoroughfare is Austurstraeti, the three-block westward extension and terminus of the Sudhurland highway.

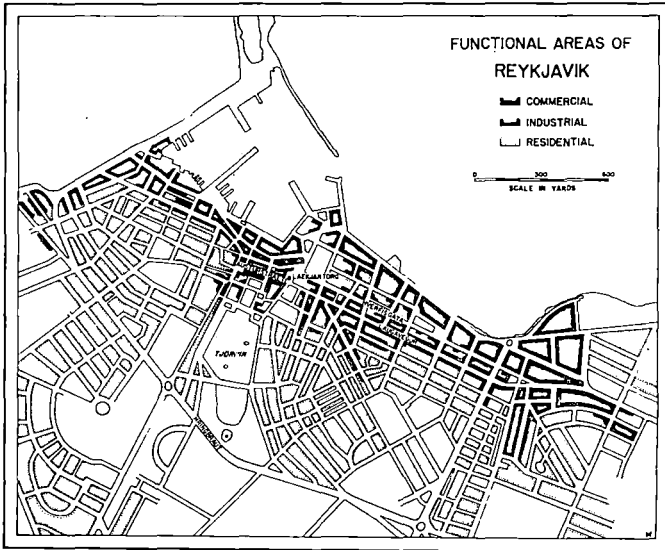


Fig. 5.

The only important protrusion of the business district from this otherwise well defined nucleus is the one-mile attenuation that has developed along the eastern approach road. Commercial establishments occupy the ground floor of nearly every structure lining Laugavegur and Bankastraeti, the names by which the last dozen blocks of the Sudhurland highway are known. This may largely be explained by the fact that for ten of these blocks Laugavegur and

Bankastraeti are regulated for traffic moving one-way into the city. One shop after another has arisen to "waylay" the incoming customer before he reaches the larger stores of the commercial core proper. There has, however, been no appreciable extension of the business district along Hverfisgata, the street next nearest the harbor which carries the one-way outbound flow of traffic. Indeed, the merchants situated in Hverfisgata before the present traffic pattern was instituted have experienced a serious loss of patronage. Since there is no prospect that this pattern will be materially altered in the future, a group of these hard pressed merchants, with the sanction and assistance of the city planning office, are pooling their resources to erect an arcade shopping center having access to Laugavegur and its inbound traffic.

The localization of Reykjavík's industrial enterprises has occurred principally in a narrow zone extending along the harborfront. One reason for this is that many of her industries are marine-oriented, such as shipbuilding, fish processing, and net, tackle, and barrel making. Proximity to the harbor is likewise advantageous for those enterprises which are dependent on imported raw materials and fuel. Thus, most of the machine shops, foundries, and chemical works are located in this waterfront zone as well. Many of the enterprises located on the eastern edge of the city are firms engaged in automotive repairs and the building trades—both branches of industry which have flourished in the post-war period.

Those districts of Reykjavík which are exclusively residential in character lie inland from both the industrial and commercial zones. To be sure, many older residences are found interspersed in each of the other areas; indeed, in many instances a small store or workshop occupies the ground floor while the upper floor or floors serve as living quarters. In the zoned sections of the city—essentially those which have been developed within the last quarter century—a variety of residential types are found, ranging from one-family dwellings, the least common, through two- and four-family villas, the most widespread, to large blocks of multiple apartments, erected principally after the war in response to the great influx which has taken place. The housing shortage in the Icelandic capital is still

acute, however, and not an inconsiderable percentage of the town's residents must content themselves with living in reconditioned barracks or Quonset huts left behind by the occupying military forces.

CONCLUSION

Within the relatively short space of 170 years, Reykjavík has grown from an insignificant hamlet to a bustling city which completely dominates the economic, cultural, and political life of the country. It is perhaps safe to say that the national life of no other nation in the world is so closely bound up with a single city as Iceland's is with Reykjavík; in this respect Reykjavík affords a unique example of a truly national center. In virtually all branches of the country's economy Reykjavík occupies the premier position. Even in such an unlikely field as agriculture Reykjavík is a leading producer, growing more than one-third of Iceland's potatoes and nearly one-half of her turnips. Reykjavík is the country's largest fishing port, normally receiving about one-fourth of the total annual catch. The Icelandic capital is the home port for one-third of the tonnage of the entire fishing fleet and two-fifths of the trawler tonnage. Over half of all Icelandic industrial establishments are located in Reykjavík and the value of their production is equal to that of all the other towns and rural districts combined. Reykjavík is the transport and communications hub of the nation, with fully one-half of all motor vehicles being registered there. All scheduled air flights emanate from Reykjavík and five-eighths of all coastwise freight and two-thirds of all coastwise passenger traffic moves in and out of its port. Five-eighths of all commercial enterprises are situated in the capital and more than nine-tenths of all wholesale firms have their headquarters there. In foreign trade, Reykjavík handles no less than seven-eighths of the country's imports and two-thirds of her exports.

The phenomenal growth of the Icelandic capital, particularly during the last decade and a half, shows no sign of slowing. The magnetic attraction that this city holds for an island people which is just now undergoing transformation from a pastoral to an industrial society remains undiminished. Its centralizing influences tend to

offset the increasing subsidization which the Icelandic government finds it necessary to pour into the country's basic occupations of farming and fishing; indeed, early in 1958 a special tax was levied on the residents of Reykjavík to enable the government to maintain its subsidy payments to the fishing industry. That the enactment of such a law should have been either necessary or possible points up to the growing disparity in wealth between the city of Reykjavík and the rural areas of the country, as well as the woeful underrepresentation of the Icelandic capital in the Althing. One can only speculate as to what the future of this country's already insecure economy will be, when, within perhaps another decade, half of the entire population will be living in a single city. Must the rise of Reykjavík spell economic decline for the remainder of Iceland? Time alone will provide the answer.

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