



Finance Vikings, Masculinities, and the Economic Collapse in Iceland

The Richard and Margaret Beck Lectures

University of Victoria

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The Special Investigation Commission

- Act No. 142/2008 on SIC
 - Published April 2010
 - 2400 pages (+ appendixes)
- December 2009 ad hoc Parliamentary Review Committee (PRC) to follow up the SIC Report
 - July 2010: A gender review of the SIC Report commissioned by the PRC





PRC Report, Appendix II: Gender Review by Einarsdóttir & Pétursdóttir (2010)

Fylgiskjal II.

*Þorgerður Einarsdóttir:
Gyða Margrét Pétursdóttir:*



**Greining á skýrslu rannsóknarnefndar Alþingis
frá kynjafræðilegu sjónarhorni.
(Ágúst 2010.)**

Samantekt

Markmiðið með þessu verkefni er að greina skýrslu rannsóknarnefndar Alþingis (RNA) út frá kynjafræðilegu sjónarhorni. Rýnt er í skýrsluna með kynjafræðilegum hugtökum og aðferðum og teknir til skoðunar atburðir sem áttu þátt í falli bankanna, aðdragandi þeirra og þemu sem hafa kynjafræðilega skírskotun. Markmiðið er að gera lesendur skýrslunnar og íslenskt samfélag betur í stakk búið til að skilja þann þátt sem kyn átti í þessari atburðarás. Í skýrslunni kemur fram að samfélagslegar og menningarbundnar hugmyndir og orðræða um kyn léku stórt hlutverk í umræddum atburðum. Langflestir aðalleikendur í bankahrununu voru karlkyns, en einnig höfðu menningarbundnar hugmyndir um kyn, þ.e. kyngervi, mikil áhrif.

Hagstjórn síðustu ára, sem að mati RNA átti þátt í að ýkja hið efnahagslega ójafnvægi sem leiddi til hrunsins, hefur beina og óbeina kynjavidd. Stóriðjuverkefni, skattalækkunarir og





Iceland



- 103,000 km²
- Population 320.000
- Gender relations
 - Female president 1980-1996
 - Women in parliament 43%
 - Women 50% of government
 - Highest ranking gender gap
 - WEF (2012) Global Gender Gap Report
- *After the collapse!*





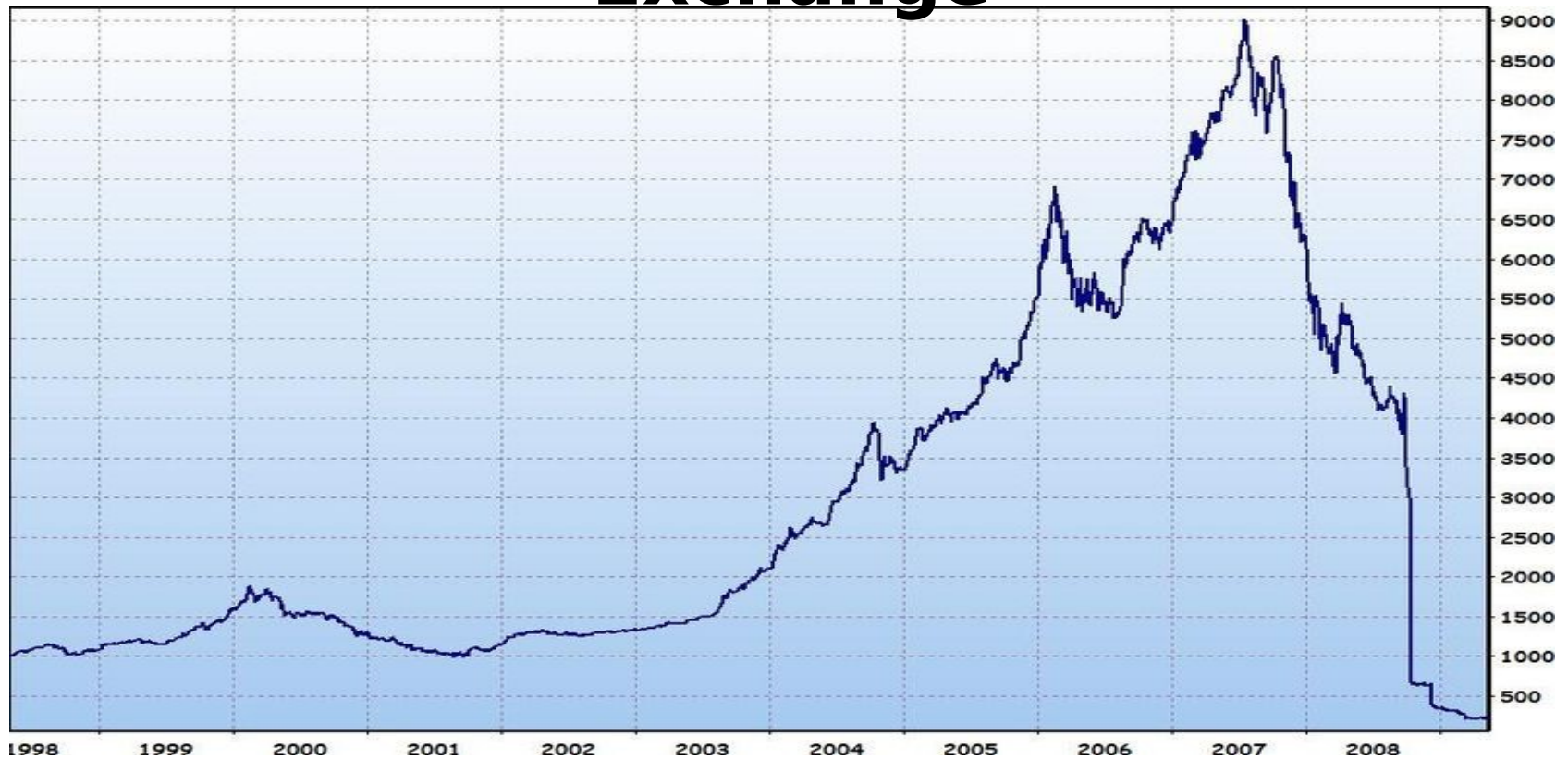
SIC: Wider social context and ideology

- Privatisation of the banks
 - Grew 20-fold in size in seven years
- The economic policy from 2004 contributed to the imbalance in the economy
- Deregulation, financial liberalization
- Employment policy
 - Banking and finances
 - Heavy industry
- Lowering of taxes
- Housing financing policy
- Political ideology, mindset





Share Index, Icelandic Stock Exchange





(How) does gender matter?

- Men / women
 - Sex / gender
- Gendered values
- Masculine discourse
- Nationalist ideology
- Nationalist ideas of masculinity fuelled the ideology behind the events leading to the breakdown of the Icelandic financial sector in 2008





Critical masculinity studies

- Hegemonic masculinity (Connell 1995, 2005)
 - Transnational business masculinity
 - Complicit masculinity
 - In the Icelandic context: “Finance Vikings”
- “Gender is a primary way of signifying power” (Scott 1996)





In the eyes of Icelanders



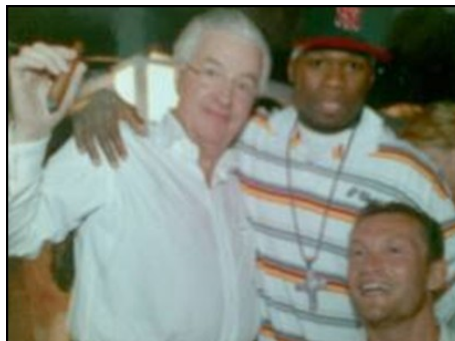
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Icelandic business tycoons

Praised by...

- The media, politicians, the bankers, the president...



The Media: Man of the Year

- 1997-2008 all major Finance Vikings chosen as „Man of the year“ by the magazine *Frjáls verslun* (e. *Free Trade*) and other magazines



Glorified by politicians

- “...the audacity, the power and the initiative ingrained in Icelandic entrepreneurs. But also the conditions that have been created... which have allowed the Icelandic economy to flourish and prosper...”
 - Halldór Ásgrímsson, Minister of Foreign Affairs, at a meeting of the Central Bank, March 2005 (SIC Report 1:212).



- “The strength, daring and the sound knowledge of the Icelandic business Vikings has generated success at a faster pace in investment abroad than could be foreseen and the Viking has received global attention.”
 - Björgvin G. Sigurðsson, Minister of Business Affairs (The Business Newspaper 21/12 2007) (SIC Report 8:192)





The President

- Icelanders are imbued with a bold and adventurous spirit...
 - competence and know-how... greater importance than size and strength... small entities... quickness and agility that are no less effective than the might of a giant...
- Icelanders focus on the result rather than the decision-making process... go straight to the task and do the job in the shortest possible time...
 - ...find it easy to take risks, to dare where others hesitate... creativity and a delight in invention in various forms have always been one of the strengths of the Icelandic character...

» The President of Iceland
January 10, 2006 lecture for
the Icelandic Historian Society



The President of Iceland, Ólafur Ragnar Grímsson with Jón Ásgeir Jóhannesson, a leading business man





• The Viking heritage

- the overseas expansion... stands as a striking achievement and a promise of a more powerful period of growth and development than we have seen to date...
- Elements in our culture and history have played a part ...qualities we have inherited from our ancestors give us an advantage in the international arena
- The Age of Settlement was the beginning ... our common heritage... those who venture out into unknown territory deserve our honour ... admiration and respect...a tradition that goes all the way back to the time of the first pioneer settlers in Iceland.
- The leader himself stands in the front line, like the skipper of a ship at the wheel...
- common national consciousness... initiatives... originality... great achievers... managed to beat others... etc...



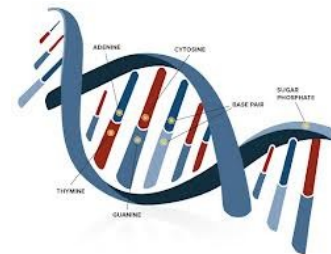
» The President of Iceland January 10, 2006 lecture
for the Icelandic Historian Society

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Complacency

- “A toast for the genes, money and the future!”
 - One of Björgólfur Thor Björgólfsson’s collaborators made a toast with Icelandic women in a party in London 2006 (SIC Report 8:86)





The most free country...

- Iceland should strive to be the most free country in the world by 2015
 - “Chamber of Commerce recommends that Iceland stops comparing itself to the other Nordic countries since Iceland already is way ahead of them anyway” (p. 22) (SIC Report 8:187)
 - » *Iceland 2015* (2008) Iceland Chamber of Commerce
- Mindset (Kaupthink bank)
 - <http://www.youtube.com/watch?v=Rkz-hjpch38>





After the collapse

- “I think there are, like, some lessons to be learnt from this, that one should maybe just have been in more direct contact with these top managers. They were maybe like, I won’t say they were like holy cows, they were like somewhat, a little distant and we, as board members, were maybe not calling for some direct contact with them.

- Former chair of the Financial Supervisory Authority, Lárus Finnbogason (SIC Report 5:169)





In the eyes of others



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Hybris

- "As seen from the outside my understanding is that what had developed here in Iceland was a kind of national hybris. When we met Icelandic bankers they seemed to hold the view that they had invented something new, that they had superior competence and a better understanding of risks and profit possibilities as compared to more traditional and conservative bankers, and that, in their view, the sky was the only limit."
 - » A Norwegian bank specialist after the collapse (SIC Report 8:90-91)





“...infantile and nouveau rich“

- “Young companies with young management.” “Something infantile and nouveau-riche about this expansion”
 - The Trade Council’s report on foreigners’ views on Icelandic firms in Scandinavia (2006) (SIC Report 8:89)
- “highest bidders in the euro system” (SIC 2:53)





(Old) boy's network

- Friendship, family ties (SIC report)
- Our gender review: (Old) boy's network





Privatization of the banks

The government awarded *as* “Man of the Year” in 1998 by the *Business Newspaper* for the privatization of the banks.

The sale of the banks is “indicative of a clear understanding of the importance of state withdrawal from financial markets. This is a significant step towards increased competition and efficiency in local markets.”

In reality the two state banks were split between the ruling parties in a cronyist manner (SIC Report 8:30).



Halldór Ásgrímsson Minister of Foreign Affairs and Davíð Oddsson Prime Minister





Classmates in college

- “Generally speaking, **David** didn’t call me. This is the way the system worked: **David** spoke to **Halldór**, **Sturla** spoke to **Jón Thorsteinn** or to me. Me and **Stulli** are friends, we sat side by side in college, that’s the way it is in Iceland, therefore we know each other pretty well, even if we are not friends today but we know each other, historically speaking, and we can therefore talk to each other, independently of work. Therefore, we sometimes talk to each other, but generally speaking **Jón Thorsteinn** communicated with him.”

» Sigurjón Þ. Arnason, CEO of Landsbanki (SIC 6:279).

- Starring
 - David [Oddsson, Prime Minister]
 - Halldór [J. Kristjánsson, bank director, Arnason’s colleague]
 - Sturla [Pálsson head of Central Bank’s International and Market Department]
 - Jón Þorsteinn [Oddleifsson, manager in Landsbanki]





Subjective assessment of bonuses

- Bonuses were to a large extent based on the subjective assessment of the top managers, the bank director of Landsbanki who was responsible for human resources and the director of relevant division.

» SIC Report 3:70





Neighbours

- “Sigurjón Þ. Árnason CEO of Landsbanki is my neighbour... and I got him to walk over to my place three times in the month of March, both to discuss the Icesave accounts, which by that time I was already having great concerns about ... but also generally about this position and the position in relation to the Central Bank of Europe, which by then is becoming a problem. Sigurjón who is a great mathematician, drew up some boxes for me, I didn't understand half of it, how, with some arrows and darts, money could be obtained from the Central Bank of Europe. It all involved making some instruments, some kind of papers which the bank would accept as collateral for Euros”
 - Prime Minister Geir Haarde (SIC Report, 8:147)





„Game Over“



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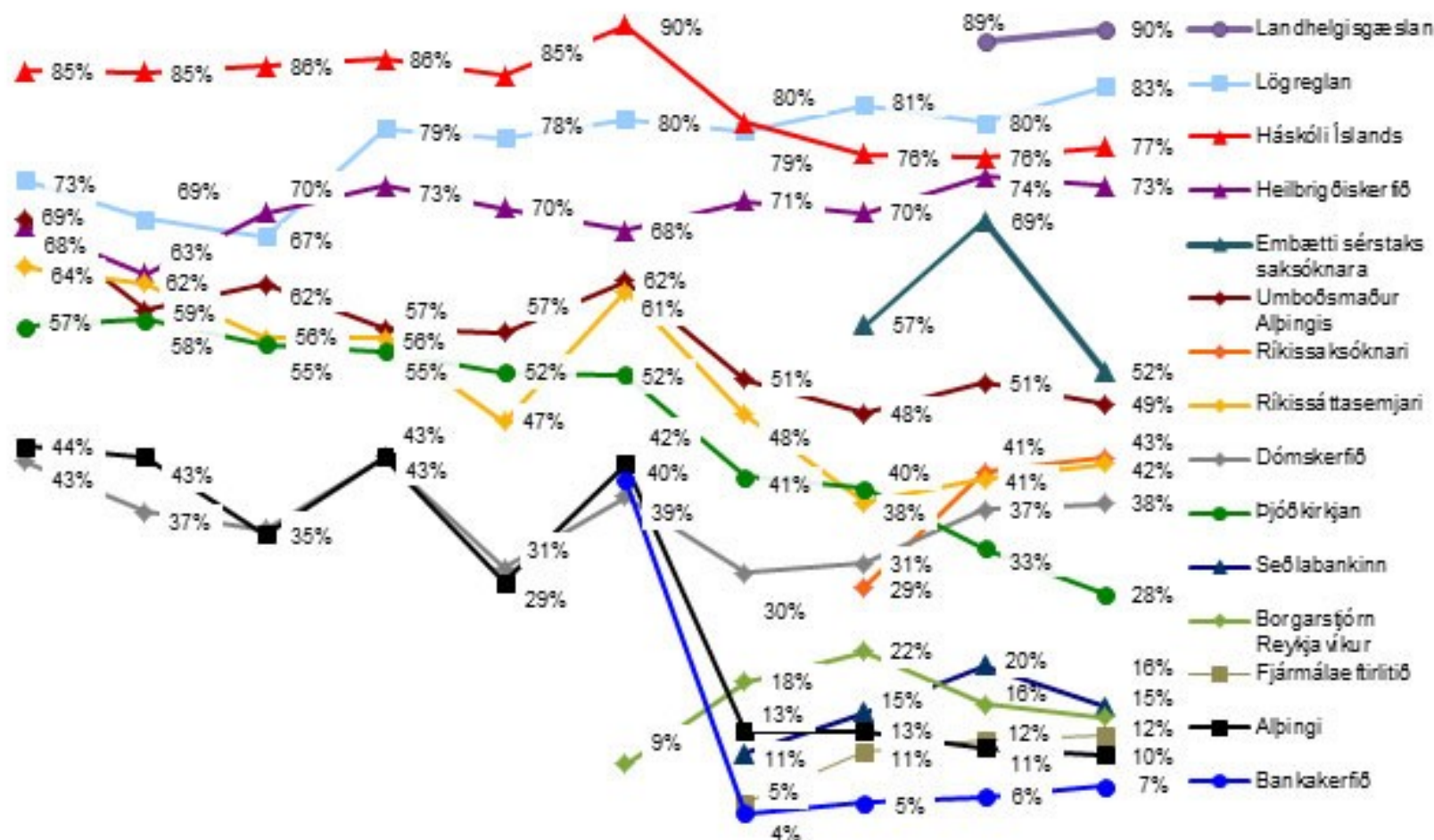
Women's turn?

- *After the crash, Iceland's women lead the rescue*
 - *“Iceland's spectacular meltdown was caused by a banking and business culture that was buccaneering, reckless - and overwhelmingly male. Business editor Ruth Sunderland travelled to Reykjavik to meet the women now running the country, and heard how they are determined to reinvent business and society by injecting values of openness, fairness and social responsibility.”*
 - » The Observer February 22, 2009
- *Viking Women Aim to End to the Age of Testosterone*
 - » PBS April 24, 2009
- *The Most Feminist Place in the World*
 - » The Nation February 21, 2011
- *Den isländska krisen blev ett genombrott för kvinnorna*
 - » Arbetsliv i Norden March 7, 2011

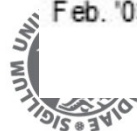




Hlutfall þeirra sem bera mikið traust til stofnana



Feb. '03 Mars '04 Feb. '05 Feb. '06 Feb. '07 Feb. '08 Feb. '09 Feb. '10 Feb. '11 Feb. '12





Woman

When all has been said
when the problems of the world
have been weighed gauged and settled
when eyes have met
and hands been pressed
in the sobriety of the moment
- some woman always comes
to clear the table
sweep the floor and open the windows
to let out the cigar smoke.

It never fails.

Ingibjörg Haraldsdóttir (1983)





Recommendations

- Strengthen the role of the Center for gender equality to monitor the labour market.
- Monitor the new act on quotas on the boards of companies Act nr. 18/2010.
- Monitor big and important companies to avoid concentration of power to small homogenous groups of people. Increase transparency within firms.
- Address gender pay gap, strengthen clause on wage transparency in the law.
- Gender mainstreaming in tax policy and gender budgeting in state budget.
- Gender mainstreaming in the state administration, access to information and decision making.
- A clear definition of competence (to be followed in large construction projects, privatization and hiring of powerful positions). Avoid that these will be based on male values.
- Gender mainstreaming in employment policy and challenging gender stereotypes in labour market.
- Gender mainstreaming in rural policy, challenging gender stereotypes in employment structure in the rural areas.
- Initiate and support critical debate on nationalism and the challenging of stereotypes on women, men and nationality. Support this in the school system.
- Government support the presentation of CEDAW
- Women were more or less absent in the financial leapfrog, but in the midst of the chaos it remained unclear what exactly those coveted “feminine values” were.

