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IN THE WORLD:  
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# NOT NECESSARILY THE BEST IN THE WORLD: THE BOOM AND CRISIS IN ICELAND\*

KIRSTÍN LOFTSDÓTTIR

## Abstract:

Crisis has become an important scholarly topic with Europe's recent economic crisis lingering in the present. This paper looks at how global transformations appear from the position of severe economic crisis, and the importance of the past in understanding these transformations. Icelandic subjectivity during the boom period and crisis engaged strongly with Iceland's past as a Danish dependency until 1944. Nationalistic rhetoric mobilised what Arjun Appadurai has called a 'warehouse of cultural scenarios,' stressing during the boom period both the iconic figure of the Viking and Iceland having finally gained the status it deserved as being on par with the rest of Europe. The economic crash, however, engendered strong criticism of the boom period discourses as well as reflections on similar anxieties of belonging. The repeated references to 'us' and 'them' can be seen as attempting to create a coherent and clearly defined Icelandic subject amidst wider global transformations.

## 1. Introduction

I recently met an old friend while walking with my kids in downtown Reykjavík, who used to work at one of the banks that went bankrupt during the economic crash in Iceland in October 2008. During this memorable month, a nation of 300 thousand people became the site where three of history's main default cases took place in banks that had been privatised only five years earlier.<sup>1</sup> Iceland's three major commercial banks became technically bankrupt within a week, marking the beginning of an extensive financial crisis that would last for years to come. In retrospect, my friend proclaimed: "How was this possible within a small nation like Iceland? How could a bank like my own collect so much debt?" His questions reflect well the absurdity of it all with the combined credit losses of these three banks estimated at 52 billion USD according to Moody's. In comparison, it can be pointed out that the highest default ever in history is that of Lehman Brothers with credit losses estimated at 120 billion USD. The infamous collapse of Enron, in contrast, caused 'only' 14 billion USD in credit losses.

My discussion focuses on the dynamics of the boom and crash, emphasising that these events engaged both with Iceland's present as a modern European subject and its past as a former Danish colony. During the boom period, Iceland saw itself as finally managing to break away from its colonial heritage, claiming its status as belonging among more powerful European nations. This created a strong sense of intimacy within the Icelandic nation as one whole, at a time when there were growing economic disparities and an increase in the number of immigrants from less than 2% prior to the mid 1990s to 9% in 2009 (Social Statistic 2013: 2). The repeated references to 'us' and 'them,' which characterised the discourse at this time, referred and attempted to create a coherent and a clearly defined Icelandic subject amidst wider global transformations. After the economic crash, pre-crash essentialising discourse of 'the' Icelander was both strongly criticised

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\* The present contribution is the written version of a keynote presentation held in the framework of the Institute for Social Anthropology's summer retreat, May 2015.

<sup>1</sup> <https://www.moody.com/sites/products/DefaultResearch/2007400000578875.pdf> pages 7 & 19.

and simultaneously reinstated through various social discourses concerning Iceland's position as a nation among nations.

The discussion of this article is based on material collected in relation to the project *Icelandic Identity in Crisis*, which was funded by the Icelandic Centre for Research from 2013 to 2015,<sup>2</sup> and a previous project funded by the University of Iceland from 2009 to 2012. As an Icelandic anthropologist living in Iceland during the time of the economic boom and collapse, my involvement in these events was intimate, being both a researcher and a participant whose personal environment was affected by the crash. The data collected partly consists of interviews with individuals working within the Icelandic banking system at the time of the crash. These interviews attempt to capture their perspectives on events and position not only as bank employees but also as Icelandic subjects. The formal interviews that I use for the analysis here were undertaken with 11 Icelandic men and 20 Icelandic women, the majority of whom were in their 30s and 40s. Most of them worked in middle management or as investors, even though at the time they were interviewed a few had lost their employment in the wake of the economic crash. The project also involves extensive media collection, especially on particular events relating to the economic collapse, such as the Icesave dispute and the closing of the McDonald's fast-food company in Iceland. Additionally, it examines pre-crash discourses by analysing two Icelandic business newspapers, *Markaðurinn* and *Viðskiptablaðið*. Their analysis focuses primarily on characterisation of Iceland's relationships with the outside world during 2006 and 2007.

I start the discussion with a brief contextualisation of theoretical perspectives on 'crisis' and continue by situating it within the recent interest in an improved understanding of the entanglement of the Nordic countries in the imperialism and colonialism of the 19th and 20th centuries and its effects on the present. I then focus on Iceland's position in history globally and how that played out during the boom period and crisis.

## **2. Theoretical influences**

The concept of 'crisis' features predominantly in both popular and academic discourse with some such as Nikolas Kosmatopoulos even describing it as becoming an important "buzzword" in anthropology (2014: 22). The concept is not only used to address economic predicament, but also is important to capture different processes in the present (Jensen and Loftsdóttir 2014). The salience of discourses of environmental crisis and the presumed crisis of multiculturalism testify to how important the concept has come to address transformations in different sectors of society (Jensen and Loftsdóttir 2014). This, in turn, raises the question of why 'crisis' has received such salience in contemporary discourses. In the early 1990s, Mary Douglas talked about the concept of 'risk' as allowing "for [the] new articulation of ideas" (Douglas 2003 [1992]: 14). Perhaps it can be said that 'crisis' has in some ways replaced the emphasis on risk because like the concept of 'risk', crisis is flexible enough to be used by different political interests, capturing different aspects of reality and mobilising people in particular ways. By this I am not claiming that 'crisis' is just an imagination or abstract notion, but stressing that the term 'crisis' has to be approached critically and the idea of 'crisis' must be recognised for its utility for various social and political processes. Crisis mobilises people in particular ways and can be used to lead individuals towards accepting actions or changes that otherwise would be unacceptable. Within anthropology, scholarly

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<sup>2</sup> Grant number 130426-051.

frameworks have recognised how crisis can also be part of reproducing society itself, as discussed by classical anthropologists such as Max Gluckman. He points out that rebellions do not necessarily draw attention to the oppressive structures of the system itself, but only to particular distributions of power, thus allowing for renewal of the ‘unity of the system’ (Gluckman 1954: 3). As Naomi Klein (2007) has shown in her writing, existing power structures can, through crisis, reproduce and enforce themselves. Economic crisis, thus, not only involves losses but also opportunities for multinational corporations, companies, and institutions.

In my theoretical conceptualisation, I have stressed how global involvements look different through the lens of ‘crisis;’ crisis can bring a shift in how individuals imagine something we call the ‘global’ and their own role within it (Loftsdóttir 2014a). Here it is important to keep in mind, as anthropologists have pointed out, that the ‘global’ is an important part of most people’s imagined worlds – a realm that they engage with and act on (Moore 2004: 74). As phrased by Arjun Appadurai in his much-cited volume on globalisation, imagination becomes a ‘social fact in current interconnected reality,’ leading to diverse kinds of mobilisations (Appadurai 1996: 5–7). Such insights on imagination draw attention to the importance of crisis narratives in imagining and engaging with the future. Perhaps here we are at the core of what makes ‘crisis’ so meaningful in capturing people’s experiences today within these different social processes earlier mentioned; crisis signals a loss of envisioning a predictable future coupled with a growing experience of precariousness.

My perspective is also shaped by the rising interest in understanding post-colonialism in European countries where it has often been seen as irrelevant. Some works, such as the edited volume *Scandinavian Colonialism and the Rise of Modernity* (Naum and Nordin 2013), importantly map out the forgotten histories of the Nordic countries’ multiple entanglements within imperialism and colonialism. Other similar works also stress the interlinking of this past with the present, such as *Complying with Colonialism* (Keskinen et al. 2009) and my edited volume with Lars Jensen, *Whiteness and Postcolonialism in the Nordic Region* (2013). Postcolonialism, as Salli Tuori reminds us, forces us to understand how legacies of the past shape the present and how the nation is understood when we acknowledge its involvement in colonialism (Tuori 2009: 63). Building upon postcolonial and anthropological traditions that see European identities as deeply shaped by the colonial and imperialistic project (Dirks 1992; Gilroy 1993), I am particularly interested in how the construction of the Icelandic subject during the boom and crisis took place in a global geopolitical perspective where Iceland’s colonial past was made relevant.

### **3. Colonial past**

Seeing an interpretation of the past as essential in understanding the public’s mobilisation during the boom period and crisis, I briefly contextualise Iceland’s peculiar historical position within Europe. Iceland is a part of a more affluent Northern Europe, but was for centuries a Danish colony and one of Europe’s poorest countries. Icelanders had for centuries been described as backward and primitive by European writers, much to the dismay of Icelandic intellectuals at various times (Loftsdóttir 2012). In the 18th and 19th centuries, Iceland was an important destination for European scholars and scientists who wrote about their experiences and impression of the Icelandic population (Oslund 2011: 31, 35). Iceland was at that time one of the poorest countries in Europe with a population of only 78,000 people in the late 19th century. Richard Burton, for example, was among those who travelled to Iceland, and in his account of the travels during the

summer of 1872 he remarked that art as such did not exist in Iceland and that it probably always has been ‘primitive’ like in ‘central Africa’ (Ólafsdóttir 1994: 22). His suggestion that it would be a question whether “civilised men” would choose death over listening to the playing of piano music in Iceland (Ólafsdóttir 1994: 22) emphasises the remoteness of Icelanders to European high culture and their status as belonging with uncivilised subjects.

When Iceland sought independence from Denmark in mid 19th and early 20th centuries, it became particularly acute to situate Iceland more firmly with the part of the world that was seen as modernising and civilised (Loftsdóttir 2008; Rastrick 2013). One of the key ideas in mobilising different intellectuals was establishing Iceland as a part of Europe’s ancient culture (Rastrick 2013); thus, being part of a distinct ancient culture, Iceland “naturally” deserved to become a sovereign nation. Icelandic intellectuals benefitted from the growing interest in Germanic and Celtic history that accompanied the rising nationalism in Europe (Ísleifsson 1996: 84–5). Iceland was also often seen in Denmark as a part of an old Danish culture which glorified Icelandic cultural properties while simultaneously situating it as pre-modern (Karlsson 1995: 45). Rastrick’s (2013) analysis of cultural policy by the Icelandic government during early 20th century clearly shows the importance placed on Icelandic ‘culture’ by the Icelandic state and how these projects and officials often referred to Iceland’s lost glory as an independent and leading cultural entity. As Rastrick points out, the historical pillars of European culture itself were seen by Icelandic intellectuals to be found in the ancient history and language of both Iceland and Greece (Rastrick 2013: 7). These voices were in a sense strangely out of tune with Iceland’s position at the time but reflect probably a regained confidence after 1918, when Iceland became a sovereign state in a personal union with Denmark.

Icelandic texts from the late 19th and early 20th centuries vividly reflect attempts to distinguish Icelanders from other subjugated or colonised people through the use of various racist imageries and an uncritical view of colonialism even though some exceptions also exist. Late 19th and early 20th century schoolbooks, for example, situate Iceland within the collective ‘we,’ meaning civilised, white, and masculine Europeans. These textual discussions thus primarily focused on men and their presumed intrinsic characteristics, associating them with civilisation and progress (Loftsdóttir 2009). Matthías Jochumsson’s (1893) account of his visit to an exhibition in the Crystal Palace is a particularly interesting example because of his standing as a respected Icelandic poet and author of the Icelandic national anthem. In one of his memoirs, he describes a performance by group West-African women from Dahomey who, according to Jochumsson, were a part of the “black” king’s bodyguard. He emphasises their beast-like character, stating that they were “surprisingly ugly” and “ape-like,” with a “cruel expression,” and that their ancestors must have been very isolated if all of humanity has the same origin (Jochumsson 1893: 103). His account primarily seems to discuss these women in order to underline the savagery of “others” while also implicitly distancing Iceland from savagery.

Icelandic intellectuals in the early 20th century thus tried to separate themselves from other colonised populations, both by participating in European racist discourses during the period and emphasising their ‘true’ status as belonging with European populations. Receiving full independence in 1944 and massive development assistance, Iceland was able to build its economy while remaining inward looking, with the Icelandic government hardly participating in international collaboration and organisations. The nation was subjected to foreign capital controls and a politicised banking system for a few decades, regardless of which political parties held power. Immigration to the



country was also relatively low compared to other European countries with most people born by Icelandic-born parents. In 1996, for example, 95% people with Icelandic nationality had both parents of Icelandic origin (Statistics Iceland 2009: 5).

#### **4. The economic boom**

During the mid-1990s Iceland underwent a global integration and processes of neo-liberalisation. I have marked these changes toward increased global integration with the opening of the first McDonald's in Iceland in 1993 (Loftsdóttir 2014b). The event was featured in all the major newspapers, and the Prime Minister welcomed the fast food place by following in the footsteps of Margaret Thatcher who opened an enlarged McDonald's in the UK in 1989. The image of the Prime Minister's big bite in the first Icelandic McDonald's hamburger was published in Icelandic newspapers and can be seen as an iconic marking of a new era in Iceland, characterised by increased global engagement. The opening of McDonald's in Iceland should be seen as important due to the status of the corporation as a multiple signifier. Even though McDonald's is often seen as symbolising uniformity or technical rationalisation, multinational brands are often seen as carrying a certain prestige in former colonised countries (Izberg-Bilgin 2008). I have suggested that the big bite of the Prime Minister can be seen as the triumph exclamation of a society that has finally gained its ultimate sign of belonging in the world of modernity. These global engagements that further symbolised Iceland's fast entry into the 'modern' world included Iceland joining the European Economic Area (EEA) in 1994 and the Schengen Area in 2001. Furthermore, Iceland's cross-country capital flows were liberalised in 1995, leading to the process of privatisation of the three largest Icelandic banks beginning in 1997 and reaching completion in 2003 (Sigurjónsson and Mixa 2011).

From 2000, the growth of the Icelandic banks was extraordinary, and Icelandic businessmen – so-called business Vikings – seemed to be buying up companies all over the world. This economic prosperity can be seen as intertwined with the thought that the turn of the century would represent the starting point of a new era for Iceland led by Icelandic investors, as is captured by the phrase 'Manic Millennium Years' for this period in Iceland (Mixa 2009). Capitalism in the new millennium thus carried an aura of salvation, as phrased by John and Jean Comaroff (2000), with a strong Icelandic krona and thus cheap foreign currency (Matthíasson 2008: 5). The Icelandic economic boom was regularly discussed and phrased in the international media. The positive coverage of Iceland was then dutifully reported in the Icelandic media. Interestingly, Iceland's past status as a Danish dependency continued to be evoked regularly in Iceland, often revolving around the presumed envy of Danes seeing their former colonised subjects succeeding internationally. This was coupled by a strong reification of Icelandic culture which engaged with this past in many ways. The global integration of Iceland was thus in fact framed within the familiar image of the Icelandic settler that had been heavily emphasised by the nationalists seeking Iceland's independence. This particular memory was consequently mobilised in a fashion that Arjun Appadurai (1996: 6) has called a 'warehouse of cultural scenarios'. The iconic image of the Icelandic settler – or Viking as it was referred to – seemed to be an ideal fit, especially when emphasising his adventurous nature and boldness. The kind of reification of culture visible in Iceland at this time has been an important component of neoliberalism, symbolised in ideas of 'nation branding' where the nation becomes a brand in a similar fashion as a company trademark (Lavie and Swedenberg 1996: 6). As argued by John and Jean Comaroff (2009), ethnicity in neoliberal times has thus become more

commoditised, which often involves self-parody but also reanimation of subjectivity (Comaroff 2009: 26–27). During the boom years, the branding of the Icelandic nation was strongly directed at Icelanders themselves. While the banking system was becoming more globally integrated and thus transformed in coherence with standard regulations elsewhere, the banks as social institutions were increasingly interpreted and presented in nationalistic terms (Loftsdóttir and Mixa 2014). Promotional material from the banks shifted after 1996 from emphasising the level of service toward stressing some sort of Icelandic nature or nationalistic symbols, as well as a more generic promise of money without effort. In the most extreme cases this material does not really carry information about the banks as such, but focuses mostly on Icelandic intrinsic characteristics (Loftsdóttir and Mixa, 2014). The promotional materials from the banks engaged with larger discourses by key politicians, Icelandic celebrities, and the media – along with everyday conversation in Iceland – about the international successes of Icelandic businessmen and bankers. Media discussion focused not only on their success internationally as businessmen, but also their extensive consumption and international celebrity status which was unknown in Iceland prior to that time. Iceland has historically emphasised equality as an important value (Durrenberger 1996).

The focus on Icelandic intrinsic characteristics revolved around discussions of the Icelandic Business Vikings which forged ideological links with Iceland’s first settlers – the Vikings – and their presumed independent and bold spirit. The success of these businessmen was thus perceived to be due to their intrinsic characteristics as Icelanders, that is, as the descendants of the most independent Norwegians more than 1000 years ago which were then shaped for centuries by the rough characteristics of the Icelandic nature. The main visible representations of the Icelandic subject during the boom period were thus male bodies and masculine characteristics, as is found in narratives about ‘civilised white men’ produced in early twentieth century (Loftsdóttir 2010). Globally, the figure of a banker, as claimed by feminist scholar Hannah Appel, – usually male and white – has been able to lend “imaginative cohesion” to a diverse set of practices (2014: 53), thus indicating how the image of the banker can bring together confusing discourses about local transformations in a global world. The conceptualisation of the Business Viking was articulated within diverse spheres of society. This was evident in speeches made by the president of Iceland in which he would address the independent spirit of the first Icelanders as explaining the present economic success (e.g., Grímsson 2006). The businessmen themselves encouraged such connections by surrounding themselves with ‘Viking’ symbols. Jón Ásgeir, one of Iceland’s leading international businessmen, named his yacht Viking, and he also displayed a 3-metre-high statue of Iceland’s earliest known settler and national icon, Leifur Eiríksson, in the lobby of his London headquarters (Elíasson 2009).

The idea of “the Icelander” echoed importantly back and forth between the Business Vikings and a vision of Icelanders in general, clearly illustrating the intrinsic, natural characteristics of Icelanders. When asked among others important CEOs to give reflections on the passing year and the future at the end of 2007, one of the few women present in the business adventures said:

”[...] at last but not least, here [in Iceland] live great entrepreneurs, people that have shown both persistence and originality and found ways to create much affluence here despite in many ways dealing with harsh conditions. Maybe it is this character of Icelanders that is our most valuable asset. Some even consider us being a slightly crazy nation, since we decide to engage in activities that others consider being impossible, whether it is to sail out in the open



sea and rough ocean for fishing, utilise water power from waterfalls, or buying business jewels from Danes (Ísland, best í heimi 2007: 16).<sup>3</sup>

The key issue here is that the economic adventure was seen as a joint project of Icelanders, reflecting the national Icelandic character as such, rather than the success of a few individuals. While these notions of the Icelandic subject were primarily fuelled by economic success of the so-called Business Vikings, their power in constructing the Icelandic subject as such was also reflected in discussions about other global involvements of Icelanders, such as the sudden popularity of Icelandic literature in other countries. Part of the same processes were, however, growing economic disparities, as well as increased immigration to Iceland, where individuals from Eastern Europe in particular took advantage of the economic boom by taking jobs that were no longer desired by native born Icelanders. Immigrants were almost invisible in larger Icelandic discourses and not spoken about as contributing to the on-going economic prosperity (Skaptadóttir 2007). Racism was also not seen as relevant to Iceland, similar to what Marianne Gullestad has shown in relation to Norway (2006), often justified on the basis that Iceland had never been a colonial power. The imagining of the Business Vikings as embodying every Icelander meant, furthermore, that criticism of the Business Vikings or the Icelandic business practices by foreigners was simultaneously a criticism on Iceland as a whole. This was clearly demonstrated in the media in 2006 and 2007 when foreign analysts begin expressing concerns over the extensive growth of the Icelandic banking system. Criticism posed in 2006 on Icelandic banks and the economic expansion coming from the Danish Danske Bank was thus easily dismissed as merely envy and an inability to accept their former colony's success.

## 5. The economic crash

When the Prime Minister announced the setting of emergency laws in October 2008 it constituted a great shock to the majority of people in Iceland. The investment bank Lehman Brothers went under in September 2008 with the consequences that global credit markets and most world-wide lending froze (Harvey 2010: 2). Even though these events were closely followed in Iceland, it was been difficult to imagine that the consequences would be so disastrous. The whole national economy seemed to disintegrate with the state taking receivership over the three main banks that had been privatised only few years earlier. The consequences were enormous. With the local currency in a free fall, loans taken in foreign currency doubled in value causing many households to see their mortgage loans become much higher than the value of their underlying real estate, and the purchasing power of the Icelandic krona dramatically fell from about 90 euro at the beginning of 2008 to 190 euros in November of the same year (Wade 2009: 12). Non-financial firms also had difficulties, and it has been estimated that 33-60% of them became technically bankrupt (Danielson and Zoega, 2009: 16). For a majority of Iceland's population, including even those working within the banks, there was no prior realisation that things would end so badly until the announcement of the Prime Minister. After setting emergency laws, the Icelandic government tried to secure loans to save the banks, which proved difficult due to dispute between Iceland and the U.K. in regard to Icesave, a failed Icelandic bank in the U.K. The atmosphere in Iceland was tense, and in the

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<sup>3</sup> In Icelandic: "Síðast en ekki síst búa hér miklir frumkvöðlar, fólk sem hefur sýnt af sér bæði seiglu og útsjónarsemi og skapað hér mikla velsæld þrátt fyrir um margt erfiðar aðstæður. Kannski er það þessi karakter Íslendinga sem er okkar dýrmætast a eign. Sumir telja okkur jafn- vel vera „léttgeggjaða“ þjóð, því við látum okkur detta í hug að framkvæma það sem aðrir telja ómögulegt, hvort sem um ræðir að sigla út á opið og úfið haf til fisk- veiða, virkjun vatnsfalla eða uppkaup á viðskiptagersemum Dana".

media there was a constant discussion about where Iceland could borrow money. In October 2008, the Icelandic government even announced a pending loan from Russia which never materialised (Danielson and Zoega 2009: 16). There were also failed expectations that other Nordic countries would provide a loan to Iceland. As a mostly perceived symbolic gesture of friendship, however, the Faroe Islands offered Iceland a loan in the amount of 56 million USD which materialised in December 2008. In November 2008, Iceland was accepted for a 2.1 billion USD assistance package from the International Monetary Fund (IMF). The Icelandic government resigned in January 2009 due to mass protests and riots of the general public usually referred to as the Pot-and-Pan protest (Ragnarsdóttir, Bernburg and Ólafsdóttir 2013: 6). The voices protesting echoed wider sentiments within Iceland that the collapse could be seen as an outcome of corruption in the interconnected financial and political sector (Ragnarsdóttir, Bernburg and Ólafsdóttir 2012: 3; Bernburg 2015). The protestors not only demanded reforms, but also called for radical changes in the whole political discourse and practices (Ólafsson 2014: 9).

Right after the crash some people claimed that the Icelandic entrepreneurs were guilty of treason against the country and should be persecuted (Jóhannesson 2009). These demands capture the sudden change in atmosphere since those were the same individuals who had been celebrated so shortly before but now were suddenly objects of mistrust and anger. In December 2008, the Special Investigation Commission (SIC) was established by the Icelandic Parliament to investigate the processes that had led to the collapse of Iceland's three main banks. Delivered to Alþingi on April 12 in 2010, their report showed quite clearly that the Icelandic government and their institutions failed at regulating the economic adventure (SIC 2010a). Even though they were pushed over the edge by the global economic crisis, the collapse of the three largest banks in Iceland was primarily due to their rapid expansion and overgrown size (SIC 2010b: 1; Flannery 2009: 171). The report also



Fig. 1. Protest in front of the Landsbankinn in 2010.

showed that the largest shareholders of the banks were the banks' largest debtors, and that the banks had invested a huge amount of their funds in their own shares (ibid. p. 4).

In spite of a very critical discussion of the mentality of the boom period, the discourse in Iceland still continued to be based on similar anxieties in regard to Iceland's belonging in communities of nations that we see in the early 20th century. The anxieties regarding what this massive crash would mean for the

international image of Iceland can be exemplified by the fact that when McDonald's closed down operations one year after the crash, it was seen by some to symbolise the downfall of Iceland, or as phrased by one of the men I interviewed: "This was symbolic; we are not a nation among nations. We don't even have a McDonald's here anymore. That is how it is." The phrase 'nation among nations' is worthy of particular attention due to its ability to capture that this loss is a loss of the nation, not the mismanagement of the owner of the company. It thus captures how meaningful the

nation is during a period of crisis, recreating in a sense the same intimacy as in the boom period of shared destiny and role in an international community.

This sentiment that possibly Iceland was no longer a “nation among nations” was also intensified by a feeling of smallness and vulnerability within the global international community, which was strikingly different from how the global community was perceived before the crash. Globalisation was for the most part visualised as favorable to Iceland before the crash. It was a space that Icelanders should somehow be able to reach out to select what was beneficial for the country and its inhabitants (Loftsdóttir 2014c). After the crash, however, in the context of an international dispute between Iceland and the U.K. in relation to Icesave, one person that I interviewed, Aðalsteinn, said that Iceland’s smallness was instrumental to the U.K.’s strong demands that Iceland should be responsible for the losses: “This was determined by [the fact] that this [Iceland] being a small country and he [Gordon Brown] could pretend to be tough”. He even furthermore elaborated that the U.K. “could use force,” presumably in a political way. Another man I interviewed, Baldur, addressed his sense of vulnerability that was shared by many after the crash in terms of the anger that Icelanders felt they experienced from the international community due to Icesave: “you felt that we were extremely weak. Of course you felt it... Iceland is... you felt the smallness of the country.” Similarly, one woman interviewed said that she was afraid of global influences: “We are just so few. We are so small and vulnerable”. After a short pause, she added: “This is what makes you afraid”. These voices demonstrate a sense of helplessness, while entangled with the fear of the loss of its status as a sovereign independent nation that had been able to disassociate itself from its colonial status.

Iceland did, however, also receive some positive international media coverage, focusing on various political initiatives in Iceland which revolved around democracy and justice after the crash. These seemed to capture vividly the imagination of people elsewhere in the world, in addition to somewhat hopeful aspirations in Iceland that they would signal a ‘new’ Iceland, signifying a sharp break between the old and the future. The positive discourse of the democratic reforms can be seen as important in Iceland to craft out a new sense of Iceland’s role in the world, then ironically one of a moral guide or example for the rest of the world. As I have pointed out elsewhere this could be seen as reflected in the Icesave dispute where the international media’s interest in Iceland’s democratic reforms was followed with much interest in Iceland itself (Loftsdóttir 2014a).

It is tempting to ask how much of the ‘rebellion’ that so strongly emphasised building a new more democratic society turns out in the end to be a reproduction, as Gluckman’s (1954) points out in his analysis of rebellions. In this case, it may turn out to be a reproduction of intensified neoliberalisation with, to some extent, the same actors and agenda. The demand for a new ‘Iceland’ or new ways of doing politics – characterised strongly by the demand for a revolution in Iceland – has not only failed to lead to many changes in Icelandic politics (Ólafsson 2004: 10), but there is also a growing sentiment that things are going back to the same tracks as they were prior to the crash. The current government in Iceland, composed of the same parties that were in power for most of the boom years (the Progressive Party and the Independence Party), strongly emphasises the continuation of neoliberal reforms, including privatisation of health care and natural resources. An opinion poll in May 2015 regarding the next parliamentary elections showed strong support for a new political party (the Pirate Party), indicating that they would receive 33% of the total votes (Júlíusson 2015). Such strong support for new parties is highly unusual in Iceland and points to not only the discontent with the current state of affairs but also a possible changing political scene in

the future. A comic-strip by the artist Halldór Baldursson vividly captures some of the on-going discussions that reflect the anxiety and sentiment of massive failure in post-crash Iceland. It depicts a man dressed in a business suit walking out of a bathroom. We only see his back, but the bathroom is covered in filth. On the towel-stand next to the sink it says: “Remember to wash your hands from the responsibility of the economic crash.” The text bluntly reflects the current perception that those in power now “wash” their hands from the responsibility of the crash, continuing the same game. The friend I referred to in the beginning – the former bank employee – said when we departed: “The scariest part is probably that now we feel that things are moving back to where they were before the crash.”

## 6. Final discussion

The economic adventure was made meaningful through a reference to past colonial relationships and Iceland’s ‘true’ place alongside masculinised, aggressive European nations. These notions stayed to some extent secure even after the economic crash, where there was still concern for Iceland’s belonging to the right group of European nations. Discourses in Iceland after the crash also reflect an impending sense of insecurity, precariousness, and a loss of fate toward the future. The economic crash initiated a sense of “collective shared national disaster” (Bernburg 2014: 74), as manifested in how often in every day speech people often refer to “before’ and “after” the crash as measurement of time. When I interviewed Natalía, who worked in a prominent position in one of Iceland’s main banks, she reflected back on the crash when the Prime Minister announced the setting of the emergency laws. As others I had spoken to, Natalía tells me that everyone on her floor had stopped what they were doing and just watched the television screen silently. Some people around her started crying.

You know; the *interiors* were rotten. ... I think people were not crying because of the money.

Trusting someone; that was just gone (Natalía, interview with author).

Historically Icelandic discourses have very strongly focused on ‘us’ Icelanders versus ‘them’ foreigners. After the crash, it was a shocking realisation to many the ones who had led the country to destruction were Icelandic individuals. Natalía’s words vividly reflect how economic crises are not simply about money or financial losses (Schwegler 2009), but also are well endowed with meaning in a much deeper sense. Economic crises are often entangled with a loss of vision of the future and a reinterpretation of the past – as well as raise questions in regard to who we are and who we were.

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