



# **The Icelandic Economic Collapse through the Prism of Gender**

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HÁSKÓLI ÍSLANDS



## Shining figures – so what's the problem?

- Smallest 'gender gap' in the world
- Women's suffrage in 1920
- Democratically elected female president in 1980
- Women's employment rates very high
- Female political representation around 40% in municipalities and Parliament





# The Special Investigation Commission

- Act No. 142/2008 on SIC
- Published April 2010
- 2400 pages (+ annexes)
- December 2009 ad hoc parliamentary committee; recommendations base on the SIC Report
  - July 2010: A gender review commissioned
  - Einarsdóttir & Pétursdóttir (2010)





## Based on

- Johnson, Einarsdóttir and Pétursdóttir (2013). A Feminist Theory of Corruption: Lessons from Iceland. *Politics & Gender*, 9: 174-206.
- Einarsdóttir and Pétursdóttir (forthcoming). Political and Transnational Business Masculinities in flux and strain: Lessons from the Icelandic Financial Collapse 2008. *Men and Masculinities* (under review).





# The SIC Report contains

- Background, wider social context, mindset and political 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 that lead to the collapse
  - Deregulation, financial liberalization
  - Employment policy
    - Banking and finances
    - Heavy industry
  - Lowering of taxes
  - Housing policy





# The Dual State Surfaces

- The Constitutional State
  - Power shifts *from*
- The Prerogative Regime
  - Power shifts *to*





# Political power shifts

- Mayor of Reykjavík 1982-1991
- Leader of the Independence Party 1991-2005
- Prime Minister 1991-2004
- Minister of Foreign Affairs 2004-2005
- Head of the Central Bank of Iceland 2005-2009
- Political aim: Make politicians dispensable





## **Decisions made outside of democratic institutions and procedures**

- I am 99.9% sure that [Davíð Oddsson and Halldór Ásgrímsson] took this decision, to sell both banks at the same time, to start negotiating with the S-group on the purchase of Búnadarbanki and the Samson-group on the purchase of Landsbanki.

Steingrímur Ari Arason, representative of the Ministry of Finance in the Executive Committee on Privatization (SIC 1:267)







# Power tranferred to the Tycoons

- Sigurjón Þ. Árnason bank director is my neighbor... I got him to come over to my house three times in March [2008], both to talk about the Icesave accounts which I had begun to worry about... and the situation with the European Central Bank which was becoming a problem. Sigurjón is a great mathematician and he drew some boxes with arrows to illustrate how to draw money from the European Central Bank, I didn't understand more than maybe half of it. It revolved around making some instruments, some bonds the bank would accept as collateral to get Euros out of the bank.

Geir H. Haarde, former Prime Minister (SIC 8:147)





# Tycoons in charge in the Prerogative Regime

- This is the way he [Árni Mathiesen, Minister of Finance] asked us: “Just think about it, I would rather not have to rule on this”, etc. Yes, of course we had the best of intentions, as always, to please the authorities and we went home and thought it over. Three weeks later we were summoned to a meeting where he begged us in no few words to retract this. And we granted that request.

Sigurður Einarsson, former director of Kaupthing Bank (SIC 6:91)





# Sacred Cows

- 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 sacred cows, they were like somewhat, a little distant and we, as board members, were maybe not calling for some direct contact with them.

Lárus Finnbogason, former chair of the Financial Supervisory Authority (SIC 5:169)





# Gender and corruption: GRECO can make a difference

- Nuanced analysis
  - Numbers can be deceiving
- Broaden the scope of the analysis
  - Acknowledging the dual state and the prerogative regime within it
    - Where is the power *and* where are the women?

