“Gambling Debt: Iceland’s Rise and Fall in the Global Economy”
E. Paul Durrenberger and Gísli Pálsson

Timothy Heffernan
PhD Candidate
University of New South Wales

A decade after the collapse of Iceland’s commercial banking system, Gambling Debt: Iceland’s Rise and Fall in the Global Economy gives pause for thought on the indelible effects of economic recklessness on everyday life. In this book, Editors E. Paul Durrenberger and Gísli Pálsson treat the Icelandic political and business elite as responsible for the 2008 banking collapse. They make plain the behavior of Iceland’s “cheerleaders of neoliberalism” (Durrenberger and Pálsson xxi) and censure those involved in one of the largest commercial bankruptcies of the Global Financial Crisis. Yet, to further understand everyday Icelanders’ role in the collapse, this book also unpacks the nationalistic discourse used to encourage Icelanders’ to support the neoliberal promise of wealth-creation and market fundamentalism in the early 2000s. This is brought to bear through the Editors’ thesis that the collapse is an example of the banality of financial evil, whereby “people act consistently with a set of coherent cultural assumptions that inexorably lead to evil actions” (Durrenberger and Pálsson xxviii). In this case, rampant consumption and dominant narratives of Iceland’s economic superiority obscured the public’s awareness of widespread corruption among the elite and aided financiers in market manipulation.

Comprised of twenty chapters over six sections, the authors featured use ethnography, surveys and historical research to explore the antecedents and aftermath of the collapse. Beginning with an examination of nationalism in the years leading to 2008, Kristín Loftsdóttir (Chapter 1) shows how Icelanders’ national identity has been firmly based on the distinctiveness of their language, literature and history. Loftsdóttir astutely articulates how the elite co-opted these attributes in the early 2000s to highlight the exceptionalism of an emerging group of male entrepreneurs – known colloquially as ‘Business Vikings’ – who had greatly expanded their business operations abroad. She then makes the case that a kind of “individualistic nationalism” emerged (Durrenberger and Pálsson 9) whereby the qualities used to frame the success of individual businessmen were also said to reflect the essence of the whole nation. In one of the most poignant moments of the book, Loftsdóttir reflects on how this greatly shifted after the collapse: “As if we were in the fairytale by Hans Christian Andersen in which a child suddenly declares, ‘The emperor has no clothes’, the aftermath of the crash caused some Icelanders to suggest that the Business Vikings who had been so celebrated before the crash now could be guilty of treason” (Durrenberger and Pálsson 4).

In the middle chapters, Gambling Debt further considers the role of the elite in the antecedents of the collapse by exploring Iceland’s uptake of neoliberalism beginning in the late 1980s. Contributors recount how collaborations between the market, science, and the arts produced new industries that created value from the country’s natural and cultural resources. Evelyn Pinkerton (Chapter 9) explores this through her discussion on the establishment of individual transferrable quotas (ITQ) over Iceland’s fisheries. Through a review of ITQ policies, she shows...
how ITQ permits all but guaranteed an annual fishing catch for permit holders. James Maguire’s ethnography (Chapter 10) then demonstrates how the predictability of annual catches was used as collateral to raise capital and power sections of the economy. The promised economic development enticed the public to accept such ventures. However, once the global community’s appetite for risk began to deplete in 2008, Maguire shows how these investments failed, causing those who had taken up loans financed by speculative capital to fall deeper into debt. Contributors to this section thus illustrate the actions that led to the collapse, and the ways the public became implicated in the elite’s risk-taking behavior.

James Carrier’s summary chapter signals the importance of Gambling Debt for the discipline of anthropology by arguing that our ethnographic endeavors must keep the tension alive between the processes that shape human experience and the disruptions that throw this experience into doubt. This is achieved in the book through a strong commitment to reflexivity and is exemplified when contributors such as Loftsdóttir draw on personal experience to convey the atmosphere of the post-collapse period. Others, like Már Mixa (Chapter 4), rely on observations from working in the banking sector to highlight the unbridled power enjoyed by the business community prior to the crash. Still others reflect on the failure of academics to heed signs of the looming collapse. This is seen most clearly when Guðni Th. Jóhannesson (Chapter 3) highlights the shortcomings of historians in voicing their objection of the exploitation of Iceland’s history by the elite. Jóhannesson also warns that if academics neglect their position in shaping public discourse, others will do so on their behalf — and potentially toward sinister ends.

Given the authors’ commitment to reflexivity, it cannot be overlooked that examination of community identity in the years following the collapse remains limited. Over the last decade, social and political life in Iceland has been punctuated by a lack of trust in the government and anger over the country’s economic position. While this is reflected in discussions of mass protests in response to the collapse (Jón Gunnar Bernburg in Chapter 6) and a yearning for political change (Hulda Proppé in Chapter 7), a sustained framing of the deterioration of national identity would no doubt extend commentary on Icelanders’ attitude towards increased migration (Unnur Dís Skaptadóttir in Chapter 14). Such a framing would further highlight the crucial role that Icelandic language schools (Pamela Innes in Chapter 15) and charities (James Rice in Chapter 16) play in facilitating social cohesion in post-collapse Iceland. In spite of this, Gambling Debt contributes to an ongoing critique of the axiom of equality in Iceland that the Editors commenced in two earlier works (Pálsson and Durrenberger 1996; Durrenberger and Pálsson 1989). Through its engaged reading of the human experience of social upheaval, Gambling Debt provides a cautionary tale of economic collapse that will no doubt find appeal with students of social and economic anthropology.

References
