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The late twentieth century is widely heralded as the time that proved the inadequacies of communism and socialism and the triumph of the free market. Free trade interlinking an increasingly globalized economy would make war among nations unthinkable. Resources that previously supported governments were freed for private use. The liberated and self-regulating market would insure efficiencies unknown to centralized planners, remove the need for most regulations, and usher in an age of unknown plenty and prosperity for all. The foundation of the successful free market would be the unfettered individual. This ideology, known as "neoliberalism," would have tragic consequences for millions as its proponents such as the Chicago School economists and their political allies implemented its tenets around the world (Klein 2007; Mirowski 2014).

Iceland was not immune. Icelandic economists, ideologues, and politicians enacted their own version of neoliberalism centered on the instantaneous creation of wealth through the privatization of the resources of the sea—fish (Bergmann 2014). As it had done around the world, neoliberalism eventually concentrated wealth in a few hands. Although most of the world is accustomed to skewed distributions of wealth to aristocrats or successful capitalists, Iceland was not.

Since its independence from Denmark in 1944, Iceland had been positioned along with the other Scandinavian countries toward the egalitarian extreme of the scale, with everyone more or less in the same boat, as they say. As neoliberals won political victories in the United States, its Gini coefficient—economists' measure of wealth distribution—moved quickly toward a concentration of income and wealth in fewer hands and increasing levels of poverty for many. This was a pattern shared around the world even as proponents insisted that a rising tide lifts all boats.

For all of the ideological talk that neoliberalism promotes political democracy, there has been no evidence of such an association. On the contrary, persuasive evidence suggests that neoliberalism can only be held in place by undemocratic means. Iceland is by many measures a democratic land. Therefore, when neoliberal policies resulted in a meltdown of the national economy, which at best instantly doubled daily expenses and levels of debt for cars and houses, Icelanders took to the streets. The protests resembled those in Egypt or Libya rather than Scandinavia. But the government did not respond with violence. Rather, it changed.

The chapters in this book tell the story of how that meltdown happened, how it affected ordinary Icelanders, and what happened in its wake. Iceland was the canary in the global coal mine, a warning of danger. One of the side effects of the ideology of individualism and markets was the liberalization of gambling policies in the United States, where many states now have their own lotteries or licensed casino gambling. While these do raise revenues for the states, some have criticized it as a tax on the poor, because those least able to bear the cost fall deeply into debt when they compulsively gamble their earnings. Critics and apologists alike agree that the one sure thing about gambling is that, in the end, the house wins. But in the meantime, individuals entertain the fantasy that they can beat the odds with one more play, based on the illusion that they are somehow special, that the laws of chance do not apply to them. So we adopt the metaphor to describe what happened in Iceland when a few individuals came to see themselves as special, exempt from the rules of international finance, and thrust the whole country deeply into debt. Hence our title, *Gambling Debt*. The title is descriptive in another sense because these "Business Vikings" used the debts of their fellow Icelanders as collateral for their international gambling spree until the rest of the world called in the debt and the fantasies collapsed into a vision of a grim new reality.

Our story starts with a hapless Icelandic anthropologist on the way home from France on October 9, 2008.

"WELCOME TO THE BANK RUINS!"

While Gisli was in transit at Copenhagen's Kastrup Airport, it became evident that something spectacular was brewing. The TV screens throughout the terminal were running almost continuous live news about Icelandic banks and the national economy on the international networks, mainly CNN and Sky. One after another, the big banks of Iceland whose scale and profits had grown exponentially in just a few years were collapsing.

A couple of Icelandic businessmen were waiting with Gisli. Visibly drunk and disturbed by the news flashing on the TV screens, one was speaking loudly into several cell phones. He appeared to be one of the "Business Vikings" (*Útrásarvíkingar*, "outvading" Vikings) in the rhetoric of the time—a modern media version of the fabled medieval Vikings who heroically pillaged distant lands. The Icelandic term connotes the violence of an invasion (*innrás*), but in the opposite direction (*útrás*) (see Jóhannesson, this volume). Gisli was not on duty as an anthropologist. This was life itself, demanding, complicated, and messy, not the detached ethnographic observation of anthropological fieldwork. But the memory of the event would stay. There was panic in the air, and the atmosphere during the flight on Icelandair was gloomy.

Often, when Icelandic planes touch down on the airstrip at Keflavík, a stewardess warmly addresses passengers with "Velkomin heim!" ("Welcome home!") over the plane's loudspeakers, and people clap enthusiastically at the conclusion of another safe flight. This time, a man's voice came over the system and, in a deep cynical tone, said: "Velkomin í bankarústirnar!" ("Welcome to the bank ruins!"). There was a strange, hesitant, and somewhat neurotic applause.

The aim of this book is to discuss the meltdown rather broadly, emphasizing both a comparative perspective and propinquity to the relevant events, through a series of descriptions of the complex developments that led to the meltdown and their larger social and cultural implications and consequences. These chapters benefit from a certain distance in time—away from most of the heat that the meltdown generated—with a sense of hindsight.

THE MELTDOWN

"Life is saltfish" goes an old Icelandic saying. Fishing has been central to the Icelandic economy since the settlement when it provided food from one year to the next. At the beginning of the twentieth century, fishing became mechanized when fishermen put motors on their boats. With overfishing, the government of Iceland began various systems of quotas to manage the fisheries (Durrenberger and Pálsson 1989). That government action culminated in the Individual Transferrable Quota (ITQ). Market fundamentalists championed ITQs because they privatized access to the resources of the sea that had been an "open access" resource available to anyone who could retrieve and make use of it.

Now each boat received a quota based on its history of catches. Those who received quotas could buy, sell, or lease them (see Pinkerton, this volume). Quotas were a new form of property. Now anyone with a quota could use it as collateral for a loan. In spite of empirical evidence that the system was having deleterious effects, free market proponents defended it. Even as Iceland teetered on the brink of collapse, economist Ragnar Árnason (2008) wrote about the system in glowing terms because it created new wealth. He compared fish stocks to oil. The chief difference, he argued, was that fish stocks are renewable and oil is not. Thus profits from the exploitation of fisheries must also be sustainable. He blamed open access for all the ills of fisheries. There could be no profit in a system that a government subsidizes just to supply food or to keep people employed. The solution was privatization; free markets and their priests, the economists, could solve all problems. Furthermore, he argued, quotas themselves come to have value when people can buy, sell, and trade them. The right to fish is a commodity akin to an oil lease.

The value of quotas depends on how much profit people expect them to produce. The total value of the Icelandic fishery, thus computed, increased as each new species came under this system (Helgason and Pálsson 1997). By 2002, the ITQ values came to equal more than 40 percent of the annual GDP of Iceland. Financial firms and banks began to build on the ITQs, and their value increased.

People sold their quotas and moved their winnings into the financial—or virtual—sector of the economy. Meanwhile, Iceland's consecutive neoliberal governments were reducing taxes, dropping regulations on banks, and privatizing the telephone system, the energy system, and, in 2000, the banks. Until that time, Iceland's government defined rights such as full employment, housing, health care, education, and retirement. Now corruption was endemic, and bending the rules became the order of the day as political parties handed out entire institutions, notably the banks, to powerful supporters while relaxing regulations on everything, including the banks and the environment. The situation spun out of control.

Níels Einarsson (this volume) discusses how the Icelandic ITQ policy allocated collective wealth unfairly to individuals and violated basic principles of human rights. Evelyn Pinkerton (this volume) sets those ITQs in comparative perspective, pointing out the significance of fisheries for economic modeling and differences in ITQ systems. James Maguire (this volume) indicates how ITQs moved fish from the smelly reality of real wealth into the equally malodorous virtual realms of finance.

Politicians lifted regulations so their banker friends could borrow heavily from foreign lenders and depositors. Soon Icelanders had spent up to 213 percent of their income per household (Holmes and McArdle 2008). The average paper wealth—stocks and other financial instruments—of households grew by about half.

Without regulation, banks kept only small cash reserves and borrowed heavily to finance the purchase of stocks across Europe. From 2001 to 2007 the value of the Icelandic stock market rose an average of 44 percent per year in what became a bubble that simply had to burst. As interest rates on the Icelandic currency, the krona, increased, Icelanders borrowed foreign currencies—euros, dollars, and francs—from foreign banks with lower interest rates. Meanwhile, Icelanders' salaries were paid in kronur, and Icelanders had to use kronur to repay foreign loans.

The 2008 financial crisis in the United States alerted foreigners that banks in Iceland were deeply in debt, that they had no cash reserves to repay the money they had borrowed, and that their debts were so big relative to the whole Icelandic economy that there was no chance of a government bailout. The three largest banks owed as much as all of Iceland could produce in ten years. Lenders stopped lending to Icelandic banks, and investors began to bet against the Icelandic economy. Beginning in 2008, the krona crashed and by October had fallen 43 percent relative to the dollar, which was also crashing against other currencies. In 2005 a dollar would buy about 60 kronur; by the end of 2008 it would buy about 125 kronur, and in 2009 it bought 148. The money Icelanders were being paid in wages had lost more than half of its value on international markets.

The price of virtually all products, including gasoline, doubled overnight because most consumer products, except for dairy, fish, and lamb, are imported. Icelanders had to pay off foreign currency debts with their greatly devalued Icelandic currency, so the price of debt multiplied as well. People who were in debt for twice their annual income were now facing repayments of four times their annual income.

To Icelanders who had usually felt relatively secure in the social contract with their government, this was a major dislocation. No longer was their economy secure, and it was certainly not in the hands of the super-smart supermen of the media stories. Instead, it had just collapsed and those noble Vikings were beginning to look like criminals. The collapse of US banks rewarded their financiers with great fortunes instead of jail time. Taking a leaf from that book, Icelandic bandit-financiers were jetting from one pied-à-terre to another and lording it over the whole world, annoying their egalitarian-minded Icelandic compatriots all the more.

While developments in Icelandic fisheries provided the superhighway into neoliberalism and collapse, marine science played an important role as well. Motivated by "sustainability" and "carrying capacity," marine science established a ceiling in catches through a political process characterized by the formation of a regulatory alliance of big capital (boat owners) and biology. This regulatory alliance, or capture, and the dispossession it involved (Harvey 2007) removed small-scale players from the game and set the financial machine in motion.

Also, there were other roads beside fisheries that took the country in the same direction. One of them was a new fusion of biomedicine, banking, politics, and international commerce through the activities of deCODE genetics. The early projects of deCODE, its patient studies, and its plan for the Icelandic Health Sector Database were launched to advance medicine by assembling and linking medical records, genetic characteristics, family histories, and other datasets pertaining to the Icelandic population (Pálsson 2007). Investors welcomed this plan to hunt genes among the genetically unique Icelanders, living descendants of Vikings. Although deCODE later went bankrupt, in the process Iceland was further immersed in the world of financial hype.

During the financial boom, the rhetoric of the genetically superior Viking became increasingly common. Thus, the so-called Business Vikings were likened to figures of the saga age. Implicit was the assumption that the financial boom was the result of the peculiar nature of (male) Icelanders, shaped by a combination of the "noble" origins of Icelanders and their engagement with Icelandic nature over the centuries—in sum, of "Icelandic genes" (ibid.).

IN THE EYE OF THE STORM

In late 2008 the Icelandic government shut down the stock market and nationalized the banks. The United Kingdom invoked anti-terrorism laws to freeze Iceland's assets in British banks because so many British citizens and agencies had deposited money in Icelandic banks (the notorious high-interest IceSave accounts of Landsbanki) to get high rates of interest. The Icelandic government began to search for a large loan and finally had to accept $2 billion from the International Monetary Fund. This put Iceland in the same situation as Third World countries and Greece, countries facing structural readjustment and the abolishment of the social contract and therefore any security for citizens. This heightened the sense of insecurity of Icelanders, who were familiar with the negative impact of the IMF on other countries.

On October 6, 2008, three days before our hapless anthropologist boarded his plane full of nervous businessmen, Prime Minister Geir H. Haarde addressed the nation on television. Having outlined the apparently insurmountable problems of Icelandic banks and the rough road ahead, he concluded with a sentence that has become iconic for surrender and meltdown: "God bless Iceland!" ("*Guð blessi Ísland!*").

No Icelandic political leader had ever invoked God in such a way. For Icelanders this signified complete loss and total abandonment, a deep sense of the country being out of touch with all reality and beyond any reason or governance. This benediction seemed to abandon all possibilities to some unknowable higher power. To ever-pragmatic Icelanders it was like a skipper navigating a ship by praying to find his location instead of using his instruments.

If the prime minister himself had been reduced to a prophet and a clown, there was no hope in sight. Anarchy seemed to prevail, and the so-called Pots and Pans Revolution that followed was a logical response. This protest movement reached its unprecedented apex at the beginning of 2009 as downtown Reykjavík became a battleground of antigovernment demonstrations. The protestors enjoyed such high levels of public support that the entire government resigned in six days. Jón Gunnar Bernburg's (this volume) survey data indicate that the shared experience of economic loss coupled with outrage over political corruption, growing neoliberalism, and the necessity for reform fueled the protests. Hulda Proppé (this volume) discusses another form of public protest highlighting public disillusion with the resilient four-party structure of Icelandic politics. It takes the form of the Best Party, with its surreal politics and carnival playfulness (see Boyer 2013).

The traditional four-party system of Icelandic electoral politics entails a complicit mixing of business and governance, the dangerous conflation of public and private interests, and the tendency to allocate public offices more on the grounds of nepotism than on merit. The position of the director of the Central Bank, a key player in the advent of the meltdown, is a case in point (Johnsen 2014). Party allegiance and membership not only superseded any skill or training such a position might require, but the close affiliation of the director with the ruling party at the time undermined the independence of the institution and the public trust associated with it.

In October of 2008 the conservative Independence Party held twenty-five of the sixty-three seats in the Icelandic Parliament (Alþingi) and formed a coalition with the Social Democrats. But the rest of the Parliament and the public demonstrations forced the neoliberal prime minister to call a new election in May 2009 and then resign. The president then called on the head of the Social Democrats to form a coalition with the Left-Green movement until the election. She, in turn, appointed the ministers of the government.

As a new class, the superwealthy came into existence in Iceland, and the middle class was reduced to paupers. In the words of Einar Már Guðmundsson (2009, n.p.), "All sense of values was thrown out of kilter. Ordinary vocations, like that of teaching, were considered déclassé. No one took the bus anymore. Everyone jumped into a new car, even cars people didn't own but bought on installment, from the tires up." Guðmundsson blames the development of the bubble on postmodern relativity, which renders politics, reality, and history irrelevant, echoing James Carrier's argument (this volume) that postmodernism in anthropology is itself a variant of neoliberalism, focused on a narrow understanding of individual freedom and autonomy. Thus, neoliberals can have free rein in politics and commerce as well as the media, where they put on airs. Guðmundsson (ibid.) observed: "As a consequence we are not only dealing with a financial depression which is rattling the homes of this country and all the foundations of society, but a profound spiritual depression which makes it even more difficult to face the financial one."

VIRTUAL ECONOMIES

For some analysts, "virtualism" represented a new political economy that brought together the domains of economy, society, and the community of economists modeling the market: "Perceiving a virtual reality becomes virtualism when people take this virtual reality to be not just a parsimonious description of what is really happening, but prescriptive of what the world ought to be: when, that is, they seek to make the world conform to their virtual vision" (Carrier 1998, 2). For Polanyi ([1944] 1968), true commodities are those produced through labor for exchange and use, while fictitious commodities—such as "financial instruments"—are not produced but bought and sold *as if* they were real. Because so much of the global economy is virtual, it is important for anthropologists and others to develop theoretical understandings of the transformation of capitalism to virtualism and the global and local implications of this transformation for culture and society.

Some anthropologists offered early warnings, based on their ethnographic work. Gillian Tett (2009), whose studies in central Asia sensitized her to the power of ethnography when she joined the *Financial Times* as journalist, played the role of the canary in her warnings. She not only predicted the crisis, but offered a sketch map of the financial world rhetoric, which was not represented in the media. Karen Ho's (2009) ethnography of bankers was also prophetic.

In 2007 Paul Durrenberger and Suzan Erem published an introductory anthropology textbook subtitled *A Field Guide to the 21st Century.* In their discussion of global economic processes, they asked, "How could a bunch of highly educated economists with Ph.D.s screw up the world's economy? By looking after the interests of corporations and the ruling class instead of the people of the planet" (Durrenberger and Erem 2007, 228). They suggested that money was akin to magic and the financiers were akin to shamans, and pointed out that their mistakes, far from being punished by the invisible hand of the market, are well rewarded. Finally, they showed that the corporate world supports a vast propaganda machine to make these ideas seem not only feasible but natural and inevitable.

No one who had thoughtfully analyzed the major components of the global system was surprised by the meltdown in the United States or in Iceland or subsequent events. In the second edition of the book, Durrenberger and Erem (2010) were able to show just how the Icelandic meltdown was part of this global pattern and why it was not a surprise.

NEOLIBERALISM AND ITS CHEERLEADERS

Often seen as one of the chief architects of neoliberal politics in Iceland, in 2001 political scientist Hannes Hólmsteinn Gissurarson published a book that emphasized the opportunities of neoliberalism in Iceland, speculating that by advancing privatization on every front, Iceland could become the richest country in the world. In an article published three years later, entitled "Miracle on Iceland" (Gissurarson 2004, n.p.), he argued, "Now, after a radical and comprehensive course of liberalization that mirrors similar reforms in Thatcher's Britain, New Zealand and Chile, Iceland has emerged as one of the world's most prosperous countries." Gissurarson (ibid.) wonders why Iceland turned in this direction: "The international trend toward economic liberalization played a role. Free-market economists like Friedrich von Hayek, Milton Friedman and James M. Buchanan all visited the country in the 1980s, influencing not only [Prime Minister] Mr. Oddsson but many of his generation. In the battle of ideas here, the right won." This was the beginning of what Einar Már Guðmundsson (2009) calls a web of deceit.

Thus, leading economists in Iceland who theorized the value of "rights-based" solutions in fisheries and systems of ITQs—such as Ragnar Árnason, at the University of Iceland—were closely affiliated with the Boat Owners' Association, busily advancing the cause of the political forces on the right who benefited more than anyone else from privatization in fisheries. Tryggvi Thor Herbertsson, then director of the Economics Institute of the University of Iceland, collaborated with Frederic Mishkin, professor of economics at Columbia University, to produce a report (Mishkin and Herbertsson 2006) for the Iceland Chamber of Commerce on the state of the banks in 2006, at a critical moment in the inflation of the bubble. They concluded that the banks were solid, on track, and that severe criticism from foreign institutions, including Danske Bank, was unfounded and misplaced. Mishkin was paid US$135,000 for his work, while Herbertsson, who later became a member of Parliament for the conservative Independence Party, received ISK 3 million (Árnason, Nordal, and Ástgeirsson 2010, 214n949, and this volume).

Another report, also commissioned by the Chamber of Commerce in 2006, written by Friðrik Már Baldursson, professor of economics at the semiprivate Reykjavík University, and Richard Portes, professor at London Business School, similarly drew a rosy picture of Icelandic banks, concluding a couple of years before complete meltdown that there were no serious problems ahead (Portes and Baldursson 2007). Again, the authors were generously paid for their work (Árnason, Nordal, and Ástgeirsson. 2010, 215n953). Overall, the two universities in the capital city operated as vanguards of the neoliberal turn, privileging the role of the market and silencing critique (Gíslason 2014). Both the media and the Office of the President docilely followed, giving voice to the cheerleaders and ignoring opposition. There was negligible space for canaries in this coal mine. All of this is documented in volume 8 of the parliamentary report on the meltdown (Árnason, Nordal, and Ástgeirsdóttir 2010).

Staff members at the two universities in Reykjavík also engaged in intensive ideological work that highlighted the uniqueness of the Business Vikings of Iceland. Thus, Svafa Grönfeldt, rector of Reykjavík University, suggested that the historic "battle with the forces of nature, weather, storms, volcanic eruptions, and isolation had fashioned individuals determined to survive whatever occurred"; this was reflected, she argued, "in the life of Icelanders through difficult times as well as now lately in the outvading turn of Icelandic companies . . ." (Grönfeldt 2007, 8). "We are just about beginning," she added.

Specific research projects at the University of Iceland were designed to explore, draw upon, and advance the unique characteristics of the Business Vikings, of *Homo oeconomicus islandicus*. In the fall of 2006, Snjólfur Ólafsson and colleagues in the Business Department launched a project "to explain the excellent success achieved by the outvading companies of Iceland" (Ólafsson 2007, 2), focusing on the personal characteristics of the business people and their organizational culture. The Business Vikings worked fast, took big risks, and operated within a strong organizational, entrepreneurial culture, leading the researchers to conclude that "the times ahead are exciting, both for the outvading companies and those studying them, as the outvasion [*útrásin*] seems on full course" (Ólafsson, Aðalsteinsson, and Guðlaugsson 2007, 9). "Everything indicates," Ólafsson and colleagues emphasized that "the outvading of Icelandic businesses will remain strong in the coming years, presenting an occasion for various kinds of research and the publishing of results both domestically and abroad" (ibid., 4). The project was supported financially by some of the banks and companies heavily implicated in the meltdown, including Actavis, Eyri Invest, Glitnir, Kaupthing, and Landsbanki. While the evangelical faith of the researchers and their close financial ties to the bankers drew some critique both from within and outside the universities, opposing voices were either weak or without a platform. The media paid no attention.

The financiers of Iceland were brash newcomers on the global financial scene. Even as they brandished large sums of money they had accessed via unsecured loans they knew they were outsiders, a kind of nouveau riche breaking down the doors of the European good ol' boys' sanctum. They developed and worked with the Icelandic media to promote the image of the genetically superior Scandinavian celebrated in Icelandic medieval literature. They disregarded the fact that while this image was celebrated by nineteenth and early twentieth century European nationalist ideologies, it had been largely discredited after the fall of the German version during World War II.

Media attention to the sagas was very selective. Not only did the imagery neglect the points of views of most of the women of the period, as well as of all the victims of Viking raids, those peasants who worked to produce the goods the Vikings pillaged and who considered them the scourge of a wrathful god, but also the Icelandic slaves, concubines, and bondsmen whose labor produced the wherewithal for the raiders' daily lives. They also neglected the archetypical biography of the saga hero. Part and parcel of that biography is to die young in glorious combat. Those young warriors who lived to be old are treated as tragic because they had been denied that necessary warrior's end.

Intoxicated by their financial greed, their economic creed, their easy access to money via their political connections to make new rules, and the creation of new forms of wealth from nothing, these were more akin to the medieval model of the berserker. These new berserkers set out to conquer the financial world, much like the earlier ones, inebriated by their "berserk" mushrooms—and with predictable consequences.

Media echoed public relations efforts of the financial sector to portray the seemingly miraculous creation of wealth from nothing as the result not of some bankers' Midas touch but of their ruthlessness and cunning individuality rooted in Iceland's Viking past. Guðni Th. Jóhannesson (this volume) explores the genesis and history of the notion of "Viking spirit" and its relation to the earlier hype associated with the golden age of saga times (Pálsson and Guðbjörnsson 2011). The bankers became the new Vikings. As Kristín Loftsdóttir (this volume) shows, this ideology quickly overwhelmed popular images and stories, emphasizing the importance of individualism.

Schools perpetuated these nationalist images in textbooks and classes. Such ingrained ideas of Viking individualism fit the neoliberal mode and allowed little room for critique from inside or outside.

Neoliberal apologists in government and elsewhere were quick to try to co-opt artists with the logic that they, like the new Business Vikings, were also profoundly predisposed to novelty, risk, and untrammeled individuality (Grétarsdóttir, Ásmundsson, and Lárusson, this volume).

In the production discourse of the peasant era roughly between the end of the Commonwealth and independence from Denmark, the chief hero was the independent peasant, a character scrutinized and satirized in Nobel Prize–winning Halldór Laxness's novel *Independent People* (Laxness 1946). Later on, with competitive industrial fishing, the skipper (*skipstjóri*) replaced the fishing foreman (*formaður*) of earlier centuries to become the central character of production discourse (Pálsson and Durrenberger 1983). Following ITQs in fisheries and the financial bubble, fishing skippers became relegated to the sidelines as well. The Business Vikings now took their place.

Örn D. Jónsson and Rögnvaldur J. Sæmundsson (this volume) examine developments that generated the phenomenon of these new characters at the center of Iceland's latest mythology of Business Vikings, seeking to explain how a small group of entrepreneurs with limited capital and even less training managed to overthrow the national economy. As a former young banker himself, Már Wolfgang Mixa (this volume) explains how more conservative, older bankers were disregarded and even how younger bankers were disregarded when they suggested more attention to basics.

Always a perceptive observer, Laxness made acute and cynical remarks on the excessive bravery of fishing skippers. His descriptions seem to capture the new berserkers just as well. Drawing attention to frequent accidents at sea, he pointed out that they were caused not only by storms and high seas but also by irresponsible behavior: "An investigation . . . should be carried out to establish which skippers are seaworthy. At the same time, some ethical concept associated with seafaring might be re-evaluated, including the concept of the hero of the sea . . ." (Laxness [1944] 1985, 39). Discussing the case of a skipper who allegedly lost several crew members during unnecessary drama, Laxness continued: "What a primeval hero! What a Viking!" While, occasionally a reckless skipper might risk his crew, financial berserkers were risking the entire fabric of the community and economy. What Vikings!

If we had to seek a modern analog for the medieval Vikings, it would come close to the negative stereotypes of the murderous, violent, psychopathic motorcycle gang. McCloskey famously characterized neoclassical economists as "a motorcycle gang among economists, strutting about the camp with clattering matrices and rigorously fixed points, sheathed in leather, repelling affection" (McCloskey 1993, 76). The metaphor of the motorcycle gang usefully drew attention to the gender issue of neoclassical economics in somewhat humorous terms, pointing out the failure of neoclassical economics—and other schools in economics, for that matter—to meaningfully address the issue of solidarity, except within the patriarchal family and the corporation: "No wonder. *Vir economicus* sporting around the marketplace is stereotypically male: rule driven, simplemindedly selfish, uninterested in building relations for their own sake. A cross between Rambo and an investment banker, our *vir economicus* has certain boyish charms, but a feminine solidarity is not one of them" (ibid., 79).

After the Enron scandal, the financial meltdowns of 2008 and associated events, the metaphor of the motorcycle gang seems impotent and obsolete. In particular, it misses much of the hype involved, the fierceness in "going berserk," a condition echoed in Emily Martin's (2009) take on the "bipolar expeditions" of American culture. Perhaps an allusion to monster-truck or bulldozer gangs would be more appropriate, but even these seem weak and small-scale.

ANTHROPOLOGIES OF TROUBLE

Neoliberal politicians and policy makers drew upon professional economists who emphasized the "laws" of the market and the "natural" being of

Homo economicus (McCloskey 1998). As Margaret Schabas points out in her analysis of the conceptual roots of economic thought, social as well as natural scientists "have implicitly agreed to divide the world into two parts. When physicists today think of the world they investigate, it is one with all the social institutions stripped away. . . . Economists, in parallel fashion, have come to adopt a domain of discourse that is similarly segregated" (Schabas 2005, 12). Yet, ironically, economists, business experts, and political scientists were often thoroughly imbedded in the social world upon which they were reflecting.

Neoliberalism remains a contested comparative term, witnessed by a recent lively discussion in anthropology (see, e.g., Gudeman 2009; Hart 2012; Kalb 2012). While it has been difficult to pin down and recent definitions vary depending on their emphases (see, e.g., Collier 2012), it seems to be a term sufficiently robust to address recent events in the global economy and community. Undoubtedly, the political forces we associate with neoliberalism are partly responsible for massive financial turmoil of recent years, along with several other developments, including the virtual economy, Internet technology, and globalization. But it is also true that the language of equilibria emphasized in the past needs to be tempered by respect for chaos, becoming, and contingency.

The meltdown resulted in immense social unrest, unemployment on an unprecedented scale, a threat to the contract between government and people, and massive loss of property—problems that still remain largely unresolved. There has been massive and costly research by the Parliament and state prosecutors on what exactly happened before and during the meltdown, personal responsibility, wrongdoings, and legal violations.

The coalition of the Social Democrats and the Left-Green Party that was established after the financial crash had an ambitious agenda—to revise the constitution in order to avoid similar crashes in the future and to make legal, social, and financial amendments for dealing with the immediate problems of families and companies. While it was successful in many respects, it failed in others. As events showed, the policies of ITQs were not easily reversed. Even the left-leaning government, less enthralled by neoliberal ideology than the earlier one, did not overturn the very quota system upon which the financial bubble was based. Many people feel that the process of getting back on track and bringing the relevant politicians, bankers, and Business Vikings to justice was painfully slow and inefficient (see, e.g., Higgins 2013) and that too much effort has been spent on attending to the demands of the IMF and the needs of banks and companies. The superrich are surviving, if not thriving, while the public is enmeshed in debt and collapses.

This partly explains the somewhat surprising return to power in 2013 of the parties that primarily were responsible for the neoliberal turn and the financial crash, the Independence Party and the Progressive Party. The success of their election campaigns and the formation of their coalition government testifies to the continued seductive appeal of neoliberal politics. The failures of the past were presented as the result of foreign developments independent of Icelandic politics and momentary problems unrelated to neoliberalism itself. Overnight, it scrapped the measures taken by the previous government to ensure greater returns to the community from the fisheries in order to provide necessary social services. The distracted market, it argued, would bring things back on course once it reverted to "normal" mode.

While bribery may not be widespread in Iceland, the massive contributions of financial firms to politicians amount to one form of corruption of democratic processes. Another form of corruption is the translation of political power into private and corporate wealth through privatization, as seen in the case of banks in Iceland in the advent of meltdown. Cris Shore and Dieter Haller argue (Shore and Haller 2005) that the financial scandals and crises of recent years pose a comparative challenge for anthropology to explore both the *meaning* of corruption from the "native" point of view and the different forms and implications in different contexts. This means moving beyond the rigid Western-biased Transparency International's (TI) Corruption Perceptions Index to "interrogate the *idea* of corruption as a category of thought and organizing principle, and to examine its political and cultural implications" (ibid., 2). Interestingly, while before the crash Iceland ranked low in corruption comparison, the parliamentary investigations that followed demonstrated extensive corruption.

While the grassroots movement that overthrew the government after the crash remains disillusioned and disappointed, its impact should not be underestimated. One important development in its wake, and an important emerging theme for further research, is a series of experiments with direct democracy and social media. Soon after the crash, a crowd-sourcing company drew upon social media to prepare for a National Meeting (*Þjóðfundur*) of 1,000 participants for outlining a new constitution. While the end result of this work remains unclear, and much depends on the formal, indirect democracy of the Parliament, it seems safe to say that the public has been sensitized to new avenues for democracy and alerted to potential signs of corruption.

The National Meeting emphasized that the key "values" of the past needed to be replaced by new ones (including morality, human rights, justice, well-being, and equality) upon which a new constitution had to be based. The language of old and new values may violate modern social theory, which has rejected norms and values as explanatory variables, insisting on flows and process, but perhaps sudden crises necessitate a social theory of value replacement. William Connolly outlines some of the challenges involved when "a surprising turn occurs, that is, when a period of intense disequilibrium issues in a new plateau that scrambles the old sense of progress and regress in this or that way" (Connolly 2011, 150).

The chapters in this volume paint a portrait of the meltdown from many points of view—from bankers to schoolchildren, from fishers in coastal villages to the urban poor and immigrants, from artists to philosophers and other intellectuals. Unnur Dís Skaptadóttir (this volume) discusses the impact of the meltdown on immigration and immigrants from Asia and Eastern Europe who had come to Iceland for its favorable wages, which they could use to support families at home. In the wake of the meltdown, social services for immigrants decreased as unemployment increased. Pamela Joan Innes (this volume) shows this trend in increased sensitivity to the issue of foreigners, in particular in the context of courses to teach the Icelandic language for foreigners, in terms of lack of funding.

Neoliberalism relies on private charities to take up the slack between need and government programs, as in George H. W. Bush's "Thousand Points of Light." James G. Rice (this volume) discusses his experience with one of Iceland's major charities and how it functions not to redress poverty but to reinforce the system that creates the problems. The meltdown has also affected rural and urban communities differently. Guðný S. Guðbjörnsdóttir and Sigurlína Davíðsdóttir (this volume) emphasize differences among the consequences for different school districts and communities. Margaret Willson and Birna Gunnlaugsdóttir (this volume) explore the implications of the meltdown for a rural fishing community.

Vilhjálmur Árnason is an Icelandic philosopher who was requested by the Parliament to join others in investigating the reasons for the financial crisis. He suggests (this volume) that one of the main reasons is an orientation at the heart of neoclassical economics and its political manifestation in neoliberalism—methodological individualism, the assumption that collective consequences flow from individual decisions.

Hannah Arendt suggested that Adolf Eichmann's participation in the Third Reich was an example of a wider phenomenon she called the banality of evil, that when people act consistently with a set of coherent cultural assumptions that inexorably lead to evil actions, the actions seem normal and acceptable because they are culturally consistent and validated (Arendt 1963). Several famous psychological experiments in the United States (Milgram 1974; Zimbardo 2007) came to similar conclusions. Yet Eichmann and his likes were not just following orders; they passionately believed in the cause and the system for which they worked. Neoliberalism is just as banal. We argue that the ideology of neoliberalism, with its powerful cultural revolution that started in the United States (Doukas 2003) and culminated in the Shock Doctrine (Klein 2007), its intense and incessant propaganda machine (Durrenberger and Erem 2010), and the ascent of the Chicago School economists and the formulation of neoliberalism as a coherent doctrine, is a historical parallel: It seems normal, no one seems responsible, and everyone is simply obeying orders. Neoliberalism has the justification of the "science" of economics; yet it has resulted in untold violence and misery around the planet. From the victims' point of view, this is indeed analogous to the Viking pillagers. The enactment of this ideology and the widespread acceptance of it, whether on the small scale or large, is a prime example of the banality of evil.

In Iceland the mine has exploded and the canaries are dead. Iceland was the first to fall. The most dramatic. The warning to others. The people have survived to learn that neoliberal meltdowns have nothing to do with genetics and everything to do with neoliberal economics and the political cronies who promote corruption, engineer multinational corporate cooptation of governments, and orchestrate massive propaganda assaults on news, on literature, and, most insidiously, on common sense. It is up to the rest of the world hear Iceland's story, to see the dying canaries in their own countries, and respond.