

XI Disciples of Milton Friedman

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It is written somewhere that all cats are grey in the dark, but here in Iceland, official reports are all black, no matter how bright it is outside. Alþingi's Investigative Commission's Report is black. The Central Bank's Report on the status of household debt is black. And the government and International Monetary Fund's Memorandum of Economic and Financial Policies is also black, dark as a coal mine, and sure enough, it was drafted in April, the cruellest month. It is a reminder of the misery that the IMF has presided over in countries all over the world, and directly refutes the notion that the IMF plans to apply different methods than those it has adhered to until now.

In Greece, the public has risen up against the Fund's plans, but here the labour movement and employers get into bed with it and are almost more devout than the Pope in getting investors to come here with their baggage of offshore profits and dummy corporations. In one district, where neo-liberals have sold everything and there is nothing left to mortgage except the harbour, efforts are being made to set a precedent by selling natural resources through a shelf company just so politicians can save face after having handed over the entire district to their associates and relatives on a silver platter.

What should the poets write about? Will the IMF supply the country with a literary writing programme? No, I do not think it has any interest in literature. Thank goodness for that. They just have graphs and bar charts, economists, advisers, and—if the confessions of former employees of the Fund are taken seriously—so called 'economic hit men,' who see to keeping politicians quiet, paying them off, or even ousting them. I do not trust myself to make more of this matter, except to say that automatons from Washington have been sent here, men who know all about the state deficit and nothing about our history and culture. They go on about "economic growth" but do not want to know anything about the public's welfare; they are indifferent to whether nations are literate or illiterate. They are only interested in whether it is possible to squeeze money and proceeds out of the state in the interest of investors and big industry. Here is one big lemon. We will squeeze a whole tub of lemon juice out of it. Here are natural resources. Money can be squeezed out of them to pay hedge funds that have bought the debts of banks and financial corporations at bargain rates.

The economist Michael Hudson has described the IMF as a sort of henchman for international creditors, collecting property and industry revenues on their behalf. But what is more incredible, he remarks, is that nations around the world are sacrificing their economic and monetary independence without resistance.

The first mission chief the IMF sent here was Mark Flanagan. He was succeeded by a woman, Julie Kozak. They were both assisted by a man named Franek Rozwadowski; and all of them were assisted by a woman who headed Landsbanki's research group and almost everything they once reported turned out to be false. In any case, the Icelandic public had to listen to the bubble economy wisdom of the research group when Landsbanki was supposedly in its prime. Those from other research groups were no better but I call her out in particular because she is an employee of the IMF, which is in command of this country. It may be leaving now, but it will only truly be felt after it departs, having tightly bound everything according to its plans. It is really quite remarkable that most of the Social Democrat cabinet ministers collect their assistants and advisers among the ruins of the banking system. The IMF mission chief gives more orders than the President and the government, regardless of the mission chief's gender. The mission chief can tell the Minister of Finance to stand on his hands, and the Minister of Finance will stand on his hands. But whoever gives orders to the mission chief is another story.

I once met Mark Flanagan. It was at a meeting in The Central Bank requested by a group of people who opposed the IMF's economic plans for different reasons and on various grounds. I had a copy of Naomi Klein's book 'The Shock Doctrine' with me, a beautifully bound book with a yellow cover. I asked Mark Flanagan whether he had read this book and whether he wanted to discuss its contents. He looked down at me from above his table and replied that the author of this book was not an economist. Then he turned to his bar charts on trade deficit, which he supposed should level off in the very short-term. It was obvious from Mark Flanagan's arguments that he was a disciple of Milton Friedman, the man at the centre of 'The Shock Doctrine,' the man who laid the groundwork for the period of neoliberalism as an ideologist and prophet, and has left his fingerprints on historical events, from the military coup in Chile to the privatisation of Icelandic banks.

The most prominent disciple of Milton Friedman in Iceland was Hannes Hólmsteinn Gissurarson [...]. Milton and Hannes were friends and were members of the same club, which shaped the most recent era of history. In the middle of the seventies, Hannes Hólmsteinn sat in the Student Council of the University of Iceland and I also sat there for a time, as a stand-in if I recall correctly. He was the only one among those on the right who took part in debates with those of us who were furthest to the left. Others on the right had little interest in global issues and generally knew little about politics and history. In light of history, Hannes Hólmsteinn Gissurarson is probably the most influential politician to have sat on the Student Council. But we did not take him seriously, and rather regarded him as an ultra right-wing individual who probably did not mean half of what he said. We thought he was joking. But we were wrong there. We were satisfied with dreaming, discussing and being in the right. But Hannes Hólmsteinn was the messenger of an ideology that was pushed into practice. I fancy that he gets the shivers when he thinks about the consequences of these theories. He talked about bringing dead capital back into circulation, that is to say, placing natural resources and public goods in the hands of private individuals. As such Hannes Hólmsteinn Gissurarson had no power but a lot of influence.

There were other famous right-wing personalities present, in addition to Ingibjörg Sólrún Gísladóttir and Össur Skarphéðinsson. Ingibjörg Sólrún was president of the Student Council and Össur Skarphéðinsson, the current Minister of Foreign Affairs, was vicepresident. He had been president before her, exactly as it transpired later in The Social Democratic Alliance (Samfylkingin). It could be said that this Student Council was like a miniature picture of the nation's failure. It was a little picture of the future, of the people who were to take charge and govern. Several Student Councils have since come and gone but it is always the same story. For many, the Student Council works as a springboard to the seat of power. When I sat there, it did not occur to me that I was surrounded by future heads of state, Members of Parliament, municipal mayors and some three cabinet ministers.

The left was in the majority and I supported the majority, but I was in a minority within the majority. Those of us who were to the extreme left and identified with revolutionary change and socialism did not adopt all the views of the majority and did not expect the majority to assume responsibility for

our views. We had our own particular discourse on, for instance, overthrowing the social order, stopping wars and freeing political prisoners; views we thought should be heard but which did not explicitly fall within the jurisdiction of the Student Council. The Student Council was like any other special interest group, and it had student struggle on its agenda, just as recovering alcoholics join together to stay sober and stamp collectors to collect stamps. Or unions consolidate to protect the rights of their members. The struggle of the Student Council dealt with pressing interests such as student loans, student services and so forth. This is not to say that we did not regard the world revolution as a pressing interest but the majority on the left was not of the same opinion.

And so the winter went by. During this time, creative writing was taking hold of me and I was not always tuned into the political scene. Yet I wanted to participate in the discussion even though the discussion was not always objective. I was not particularly objective either. Sometimes I grew bored at these meetings, twisted things around and tried to be funny, causing trouble in a flippant sort of way. Sometimes I would let slip a remark that the opposition would put in the books and which would often amuse the Council. One time, for example, the right took up the issue of facilities for student associations, undoubtedly a necessary discussion. Among other things, it had to do with providing facilities for the respective associations affiliated with the left and right. While this discussion took place, I turned to the person sitting next to me and said to him: "Do those right-wingers need anything more than a wardrobe for their old Nazi uniforms?" We laughed at this sardonic joke. Meanwhile heated discussions were taking place over the issue itself, so that nobody heard what I said except one girl from the right-wing faction. This was of course merely crude humour, perhaps not particularly funny considering how sensitive Nazism is as a topic, especially for people on the right. But the girl insisted upon my words being recorded. I requested that she repeat my comment, and when she did, the room exploded with laughter as if she had been hearing voices. I still fail to understand what end was served in recording such a comment.

This girl was surely a fine individual but most of the others said little at these meetings and let the men present the arguments. Then they raised their hands and voted as they were supposed to. They contributed little to the discussions and did not keep up with world affairs. Nobody on the right kept up with world affairs except perhaps Hannes Hólmsteinn Gissurarson, the disciple of Milton Friedman. Today everyone agrees that this compliance and conformity, this subordinate way of thinking, is one of the causes of the collapse. I was myself turning away from political orthodoxy, which always toed the same line, and within a few years, I had completely turned my attention to story-telling and poetry. I found myself giving way to the facts and my view of society was expanding and becoming more variegated. Even so, the radical left continued to provide essential provisions for my journey in this world. It is also fair to point out that I would later meet many of those who sat with me on the Student Council as upright citizens who attended to their jobs with knowledge and solicitude, and it did not make a difference whether they had been on the right or left side of the spectrum.

Translation by Alda Kravec

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