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“A promise was made somewhere” - A Member of the Alþingi on how the Health Sector Database Act came to pass



Promising Genomics – Iceland and deCODE Genetics in a World of Speculation

Mike Fortun

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“Hereby we formally request an answer from the Independence Party and the Centrist Party regarding the truth of the claim that these parties have accepted a large sum of money, a contribution worth as much as half a million US dollars, from deCODE Genetics, the parent company of Íslensk erfðagreining, or from related parties.

It is alleged that the Independence Party accepted 20 million IS krónur and the Centrist Party 17.5 million to grease the company's momentum and especially to help the bill on the centralized health database clear the Alþingi. At the passing of the bill into law, the stocks of deCODE rose to thirty times their original price making the company worth a total of 40 billion krónur.

Icelandic voters deserve to have full disclosure of such bribery, granted the rumor has basis in reality, so that the nation may rise from its slumber and realize what sort of government holds the reins of power in Iceland. The nation must guard against the predator's claw, it must cease to sleep on the watch, it must show will and stop accommodating liars and cheaters.”

The above was written by Valdimar Jóhannesson in the conservative daily Morgunblaðið, in 1999. His question is yet to be answered. Perhaps Iceland's most glamorous pre-laps failure was the rise and decline of deCODE genetics. The company was – and remains – one man's alter-ego, Dr. Kári Stefánsson, who utilised his high-school friendships, not least his bonds with then prime-minister Davíð Oddsson,

not so much to get direct state-support for his company as to create a convincing aura of such support. As a law was passed to allow the creation of a supposedly unique database of medical history and genetic data, the company promised to transform the Icelandic population's supposed genetic homogeneity into hard cash. Ten years on, the concern-raising database is still to be established. Or not. In many ways it was a very different Iceland, one in which no active stock exchange had yet been established. Along with more financially capable individuals, thousands of ordinary people, pensioners, dayworkers and students bought company stock in a frenzy of financial faith. Many took loans to buy such stock. A personal friend of mine, 19 at the time, quit school, took a loan of 2 million ISK, which at the time was real money, bought stock, and got a daytime job as a floor-level assistant at the company. DeCode's stock was your plumber Joe's first chance to take part in the action of a supposedly upcoming economic miracle. Under the eternal sunshine of Oddsson's spotless optimism, and in the joyfully unregulated arena then known as the 'gray market', ministers, banks and local media all took part in pushing the sputnik company's stock – which sold at up to 65 dollars per share and amassed ISK billions – before registration at Nasdaq. After a steady decline since registration in 2000, the shares hit rock-bottom this winter, going as low as 33 cents per share. To this day they remain penny-stock.

For the original investors the whole process resembled a well orchestrated and glamorous robbery, inasmuch as they were parted from their money and left with little but magic dust in return. Company spokespeople, not least the firm's very much outspoken CEO Kári Stefánsson – the idolised prototype of the country's modern-day Viking executives – would simply reply that investors should have known better – and that of course no promises were made as no promises could be made in the stock market, a self-evidently risky business. Hannes Smáráson, the company's finance manager, carried his share into other investments, taking on a leading role among the once beloved sputnik-investors locally known as the 'outburst-Vikings'. Smáráson's story is a classic tale of capitalist catastrophe. CEO

Stefánsson still operates deCode. And he writes promising poetry.

Mike Fortun is the author of Promising Genomics, a book recently published by the University of California Press, that tries to come to terms with promises no-one made, medicine never developed, racisms never directly uttered, megalomania never fully analysed, and corruption that today seems to lie at the very foundations of this country but remains undisclosed under a veil of ignorance, partly provided by the legislators. As Fortun concludes in the passage quoted above: “Jóhannesson knew full well that campaign finance laws in Iceland provided total secrecy and that their demands were likely to go unanswered. Which they did.” Ten years on, the all too familiar rumours and accusations still pile up around this extraordinary enterprise: Þorgerður Katrín Gunnarsdóttir, member of the Independence party, and Education Minister until late last January, is said to have put, er, extracurricular pressure on the now state run bank Landsbanki to ease deCode's cash flow by some US\$ 11 million, just before her government was toppled in a popular uprising. The bank cashed in, but the role of peer pressure remains a rumour.

‘Volatile’ is an oft-repeated word through Fortun's narrative. The advances in genetic research made at deCode, published in peer-reviewed science magazines but interpreted at Nasdaq and Yahoo! finance, are convincingly described as volatile at best. The book's strength lies in portraying the shortcomings of language in a world where it is under so much constant pressure from financial interests and imagery. As if this feeble little country didn't have enough problems with its self-identity, putting it on Nasdaq certainly did not help the advocates of realism. Hype is another keyword in this story. As is promise. If you are looking for a thoroughly researched and enlightening glance past the self-glorifying, saga-mongering repertoire of local literary anaesthesia, and if you want to peak into the country's open wounds, you might certainly do worse than Fortun's Promising Genomics. And it's not just about Iceland. Fortun, a historian of science, utilises ten years of bizarre history as a case study to offer a subtle take on a capitalism that produces nothing as ferociously as it produces promises. ☘



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