

Shareholder culture in Iceland

Shareholder culture is a term especially seen in connection with privatisation schemes in various countries, which are sometimes in part launched in order to nurture it. It covers the ramifications of active public participation in an equity market, such as increased public interest in and awareness of business mechanisms and understanding of the need for capital to generate a return. There is a positive relation between the maturity of an equity market and the degree of shareholder culture, and recently shareholder culture has been growing in Iceland. This is shown by the tens of thousands of participants in certain share offerings, widespread general share ownership, the prominence of the equity market in media and public discussion, and the large number of people who monitor and take part in the market, many of them via the Internet. Tax returns show that 52,700 households owned equities at the end of 1999, an increase of 17,500 in the space of only four years.