

DEBT, GUILT AND THE EUROCRISIS

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VERSION 4 (Transcript with some addition of Gerald's joint ms with Stuart Holland's help)
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Why is the double meaning of a single word the key to an understanding of what makes the current European crisis so difficult to solve?

We can see that at the source of the greatest European crisis (with likely desperate results) is a consideration of one German word *Schuld* that means equally both guilt and debt.

The German word *Schuld* is extremely important in its two different German meanings and I am getting more sure that this poses a problem not only for Germany itself, but because the other countries have rarely noticed this dual meaning, therefore have not asked themselves or their Germans counterparts about their importance and its different interpretations.

As I write many are feeling that unless some breakthrough in the Eurozone can occur a gathering vicious circle can only make life intolerable for many in Europe, but will cause terrible knock on effects in the USA, in China and other of the BRICS to say nothing of the struggling poorer countries like Africa.

There is a stark financial contrast between those countries used to running a surplus which includes Germany, Austria and Holland compared with many countries running a deficit, including Great Britain, but also particularly the derisory designation of the victims as PIGS (Portugal, Ireland and Italy, Greece and Spain) whose financial uncertainties are not tolerated by the free market. In my recent experience it has struck me that German-speakers I have asked frequently tell me that they know from the context which meaning of *Schuld* they are dealing with but I maintain whether spoken or written there are other contextual words and their meanings in play and they then can show surprise when I speak to them of how powerful are the different associations of each of the two meanings of the word. Some philosophers like Nietzsche have pointed to the implicit significance of this fact, but the more I consider it the more I think there are important relevant issues which have been escaped and avoided by both sides.

With both meanings, it's necessary not only to turn to philosophy, but also to tease out by lateral thinking with both meanings which can lead us to consider the contribution of different levels of depth psychology into guilt and debt from the point of view of the questioning clinical psychoanalyst. Not only because of the power of denial as one of the most common and all-embracing of defence mechanisms in general, particularly referring to things and attributes not wished for where both meanings, guilt and debt always play their part in a competitive yet shared negativity and whichever is the chosen meaning may consciously

cut out the other because of different unconscious levels that may be brought into play.

I wish to include in this the often lost aspects of the particular history concerning both words and their meanings and indeed their mixed interactions over the last hundred years which play their part individually and collectively across all the languages concerned.

In pointing out therefore the individual difficult complexity of meaning covered over the last 100 years of by the one word Schuld in Germany and Holland which in the English speaking world is divided into two distinct words we come across situations which carry such a different history as debt and guilt. Guilt for all sufferers particularly is a complex affect with much individual and indeed collective variation. An example is its distinction from shame for instance which is usually regarded as letting down the self rather than guilt which is to do with letting down others. Thus, many people cannot easily own their guilt with the consequence of denying the feeling from consciousness which is often accompanied by maintaining mostly unconsciously a splitting and projective identification procedure onto involved others like a sibling or spouse or their equivalents.

Thus guilt is not only complex with many mind-body connections and complex emotional strands that go back to the early days of each individual's and indeed country's development and past history. These situations in addition would tend to have more far flung right brain connections. By contrast, debt would of itself be more definite and quantitative and thus be more left hemisphere connected. It also carries emotional connections which in Germany particularly would tend to have historically exaggerated negative feelings attached and this is exemplified in present day Germany where before this continued European crisis around the Euro crisis some three years ago, Germany quietly wrote into its constitution a strict limitation of its capacity to take on debt.

It now appears that Germany has now seen to it that with Holland - which in Dutch has the same dual meaning of Schuld - a great punishment has to be meted out on Cyprus with wide consequences to all concerned with a Cypriot bank stuffed with dubious Russian currency. This provokes a shocking reminder in reverse of Germany in the Twenties. It is understandable that Germany's experience of the Weimar Republic at that time together with the post WW1 crippling Versailles Treaty played their part in their notorious post World War 1 terrible hyperinflation which to this day overwhelmingly frightens Germany of inflationary debt. Not so well remembered is Brüning's chancellorship of intolerable austerity leading up to Hitler taking over in 1933, because now it is not Germany itself but Hungary and Greece and others in Europe who are having devastating unemployment leading to a build up of right wing fascism, corresponding now to the then early thirties in Germany.

It seems clear to me from my experiences working with families that within the euro family, the deficit countries are still receiving the full force of a splitting and projective identification from the surplus countries, centred on Germany. This is not just of guilt pushed into the deficit countries, most of all Greece which also includes Greek Cyprus, but also converted as is so often the case to a powerful and increasing experience of punishment projected. This reminds one clinically of the denying alcoholic father beating and punishing the poor defenceless wife. This does not exclude a parallel and perhaps more beneficent interpretation of it being the start of Merkel and Hollande's offensive against tax havens a campaign

which to be effective might lead on to the Netherlands and Luxemburg in Europe and particularly Great Britain with its satellites which often have multiple far flung links with the USA.

Going back in time somewhat, when seeing a modern production of Antigone at the NT the week before I first wrote this piece Creon was definitely Germany (Merkel in her soundings particularly in different places that week) and the intolerably punished Antigone was Greece (represented as I then wrote by the physical state of its then physically damaged Prime Minister and its Finance Minister.) The situation in Rome which followed at the end of the next week with Monti then representing Italy (his position now as then endangered by Berlusconi again) and also Rajoy from Spain with Merkel and then Sarkozy who was together with her at the then time of writing.

No historian had then then got very far in connecting Merkel and France then with reverse reminders to us of those early 1930s when France was full of money but was not any help to the other countries of Europe including Germany. All of this shows up the very different histories of Debt and Guilt over the past 100 years deep in Germany's and indeed France's collective unconscious, such as gaining agreement to reparations against Germany for war guilt at the Versailles conference.

Until the unification of all Germany and the foundation of the Euro currency most of the rest of the world would have felt that Germany has done a lot of hard work around conscious guilt for its past, much more so than Austria or Japan for example. This was true in West Germany but in no way was this situation represented in the same way in the DDR. Thus there has been a difficult extra dimension in the parallels between these two parts of Germany before these past 20 years and in another way since both in the area of both guilt and debt. In the long period of time before WW2 these same dualities had been much exacerbated by much deeper long ago resonances of the different Catholic backgrounds of Bavaria in the South and the Lutheran side of a more northern Protestantism and we should also add as well moving on in history despite its much older roots, to the increasing background of anti-Semitism particularly in Europe's centre, where the reality of projection around money onto Jews was then so strong and single-minded.

My own feelings of rage went up a gear at the end of 2011 when I found that not only had Merkel not read Keynes, but nor had any of her principal economic advisors, while Keynes also was not read or taught in the DDR, rather than Marx.

In my own recent efforts to catch up on not only economics but also the surprisingly sketchy history of the subject of economics, I realised that economics teaching as a whole recently had concentrated so much on neoliberal orthodoxy over the past 30 years to the massive detriment of all other previous historical knowledge. In consequence a recent good example is our present coalition of this ilk in this country which has put all its priority resources and energy wrongly on reducing our deficit debt in contradistinction to past economic times of Keynes and the post war era of the Marshall Plan that allowed for the USA to help some recovery in post-war Europe and also Japan in general and very particularly West Germany (not East). which thus had been able to concentrate on growth in such a strikingly contrasting way to many other countries in Europe.

As compared to post-war USA then, very few people realise that the Eurozone itself as compared with the huge debt of many sovereign countries, has very minimal debt now.

Thus Great Britain but not alone, is also making the same mistakes now as Bruning in the

early 30's in Germany did then as our present situation shows. I am convinced that the above references to the very special extra problems that Germany posed by its very own economic success as the doleful effects of austerity spread across Europe can only be appreciated now in looking by contrast to the Far East and to some extent parts of the American continent.

Around a year ago I was struck by a French economist Jean-Paul Fitoussi who stated that growth never resulted from austerity. It suddenly struck me that Germany had then seen herself as the one exception because of Kohl's well advertised self imposed sacrificial austerity programme which West Germany has successively kept up to the present to allow for the effects of joining up with East Germany.

Over the whole Eurozone there is now a thorough going paucity not only of money through austerity economics but also in a longer term loss the historical importance of Europe bringing itself together as a whole, as well as preserving the individuality of each of the countries that make up the constituent parts as Europe itself increases in size but not yet in weight. Some of those of us who lived through WW2 and been interested subsequently in why there was so little prior working through of its roots of WW1 by our own parents and grandparents find ourselves in addition now realising in our own turn that there is an increasing displacement away of the importance of the earlier ideas lying behind the coming together of this European family of nations in our lifetime that has left us all the richer and this might at least be partially expressed by our interests in our membership of EATGA

As I struggle away to put some sense into these complex themes I have so far mentioned I have been struck as I have been writing by the choice of the first Jesuit Pope for a Franciscan name to stand up for the poor following in the same week of his enthronement by that of the new Anglican Archbishop of Canterbury's with his own business background now lead a call away from the amorality when not immorality of banks and finance that has been such a powerful feature of these recent years so much so that the free market has become gradually the most important fundamentalism of our time

Could it be an ironic reminder we may now be going much farther back into our Judeo-Christian heritage to help provide a lost belated good contribution to this theme but also in turn how it will also help to triangulate carefully with the delicate and potentially dangerous needs of the third Abrahamic religion that poses an even greater problem to us in Syria than what we are considering in Europe while at least in this country some of us ponder 10 years later our debacle in Iraq which in turn date back to the results 100 years later of our Anglo-French division of the Ottoman Empire around the end of WW1.