

ANNUAL OF EUROPEAN AND GLOBAL STUDIES

The Politics of Debt and Europe's Relations with the 'South'

Edited by Stefan Nygård



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The Two Faces of Debt

Stefan Nygård

GROWING LEVELS OF public and private borrowing have placed debt at the centre of scholarly and public debates in the twenty-first century. The concept, however, is notoriously ambivalent. Debt enables individuals and collectives to function and to expand their space of manoeuvre, but it also creates hierarchy and possibilities for domination. The negative aspects of our contemporary debt economy are well known: debt underpins wealth inequality, restricts the freedom of individuals, households, public institutions and struggling firms, stifles democracy and constrains the exercise of individual and collective self-responsibility.¹ Under such conditions, and as ever-growing segments of the global population are drawn into the debt system through policies of ‘financial inclusion’,² the creditor–debtor relation has become a key locus of social conflict. One of the characteristic features of this relation is that its inherent power asymmetries are reinforced by the way in which debt combines economic duty and moral blame.

Past and present resistance to oppressive debt relations includes the debtors’ movements that emerged in the context of the debt crisis of the 1970s and 1980s in the ‘Third World’, as it was called in Cold War parlance, and contemporary denunciations of unmanageable levels of personal debt, especially medical and student debt, in privatised welfare societies such as the United States.³ In both cases, scholars, activists and politicians have challenged the moral framing of debt by declaring that debts should not be paid if doing so leads to widespread human suffering. To support their argument they sometimes mobilise historical evidence of the relative sanctity of debt, invoking, for instance, the history of periodic debt cancellations in the ancient world and the biblical notion of debt forgiveness in the Jubilee year.⁴ With regard to international debts, the United Nations Commission on Human Rights established independent experts to assess the effects of foreign debt on

human rights at the turn of the twenty-first century.⁵ In this period, Third World debt also took on another meaning with respect to climate change and the ecological overshoot by which humans in the present incur debts that will be transmitted to future humans as debts to the past, the causes and consequences of which are unevenly distributed between the Global South and the Global North, as the Third and First worlds are increasingly called today.

These are only some trends that echo, in one way or another, the predominance of debt in our time and the need to reconsider its many meanings, which tend to gravitate towards oppressive or more socially beneficial understandings.

‘The demonic ambiguity of the word “*Schuld*”’

As the chapters in this book demonstrate, debt is a fundamentally dualistic concept that denotes both reciprocity and domination in social relations. Rabelais’ proudly reckless debtor Panurge in the sixteenth-century satire *Gargantua and Pantagruel* considered debt a condition for all social relations. According to Panurge, society simply cannot function without debt, because without it there ‘will be no mutual sharing of qualities [. . .] one will not think itself obliged to the other: it has lent nothing’.⁶ Anthropologists have elaborated this idea into an understanding of debt as a form of *delayed exchange* that, especially in face-to-face interaction, creates relationships and obligations in the time that passes between giving and reciprocating. This is less the case in market relations understood in terms of barter, a form of *immediate exchange* that does not create lasting relations of interdependence, although scholars have struggled to find evidence for the commonly encountered claim that barter characterised ‘archaic’ economies. Instead, these societies appear to have been based on debt and credit, to which we, according to the anthropologist David Graeber, drawing on Geoffrey Ingham, should also trace the origins of money, which would have evolved as a means of calculating and accounting for debts.⁷ To be sure, debt relations do not stand in direct opposition to barter, insofar as they are not detached from the logic of ‘self-interest’, but they are ambivalent and can evolve in different directions. As Jean François Bissonnette notes in his chapter in this volume, we can compare debts to gifts, and consider the dual references of ‘*gift*’ in Germanic languages to both gift and poison. In his 1968 book *Gifts and Nations: The Obligation to Give, Receive and Repay*, the anthropologist Wilton

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S. Dillon explored this double meaning in the context of international relations. Applying Marcel Mauss's concept of gift exchange to French responses to Marshall Plan aid, Dillon interpreted Marshall aid as a gift that 'turned bad' when the obligation felt by the receiver to make counter-gifts led to frustration over a generalised feeling of obligation without means of repayment.

The ambivalent nature of debt invites us to revisit perennial questions over the more or less oppressive ways in which modern societies are held together. How do increasingly autonomous individuals attach themselves to others and to society? In the liberal understanding of a society composed of free individuals, debt is ideal-typically seen as a voluntary contractual relation between two self-governing parties. A relational approach in turn asks to what extent debt relations are also determined by uneven geometries of power and interdependence in society. These relations may be benign, so to speak, rather than oppressive, but they are always asymmetrical. As Pericles notes in Thucydides' *History of the Peloponnesian War*:

In generosity we [the Athenians] are equally singular, acquiring our friends by conferring, not by receiving, favours. Yet, of course, the doer of the favour is the firmer friend of the two, in order by continued kindness to keep the recipient in his debt; while the debtor feels less keenly from the very consciousness that the return he makes will be a payment, not a free gift.⁸

Debt, then, suspends equality and implies the possibility of restoring balance through some form of repayment. But while debt has the capacity to sustain social relations, it also contains the risk of deteriorating into domination and bargaining. A tension between debt as hierarchy and as the glue of social bonds consequently runs through the history of debt relations. Debt entails a temporary disruption of a relationship of equality, which at least in principle can be restored by settling the debt. But sometimes paying off the debt may seem less appropriate and perhaps even undesirable, inasmuch as our obligations to society, parents, ancestors, life or God are often described in terms of debt. As many religious texts testify, this kind of ambiguity places debt at the intersection of the sacred and the profane. 'Primordial debt theorists' suggest that social obligations, administered either by priests or by governments, can indeed be seen as a form of tribute or 'interest payment' for existential debts that cannot be settled on earth. This interpretation

sheds light on the connection between debt, sin and guilt in Hindu and Judaeo-Christian thought, and the way in which debt is varyingly used in a literal and a metaphorical sense in these traditions.⁹

In *Debt: The First 5,000 Years* (2011), David Graeber relates the two faces of debt to the transformation from what he calls old-style credit – debt relations and moral obligations as a cornerstone of social life in small-scale societies – to an economy of interest, which is based on lending out at interest in return for property or labour pledged as collateral in large-scale societies with impersonal relations and banking industries. In explaining this shift, Graeber highlights the role of violence and the transformation to a commercial economy where humans no longer form unique relations with a society in which they are incorporated in ‘webs of mutual commitment’, but can instead be measured and traded, which in his analysis has much to do with the history of war and slavery.

Earlier anthropological studies had examined the formation of social bonds in tribal communities through the exchange of gifts that link families together. In these communities, gifts were not loans but building blocks in a broader system of reciprocity. Credit was not quantified and there were no formal rules for repayment. This changed with the introduction of modern money. Assessing the social consequences of impersonal money and debt in modern society, Karl Marx noted how money in nineteenth-century Europe had taken on a life of its own, beyond any neutral medium of exchange, and served to perpetuate domination between humans. Other philosophers of money, such as Georg Simmel, saw the impersonal nature of modern money more optimistically as a condition for equality and liberty. In this view, impersonal money freed from pre-capitalist moral and social restraints enabled the formation of more equal social relations, precisely by disconnecting transactions between people from social status and older moral-religious institutions (for economic and non-economic understandings of human relations, see the chapters in this volume by Nathalie Karagiannis and Peter Wagner and by Jean François Bissonnette). Like debt, then, money can serve as a means of both oppression and liberation. It can both improve the conditions for individuals to fulfil themselves and expose them to domination by others. Sociologists of money have also highlighted the social, symbolic and sacred significance of money, which contradicts the common understanding of monetary transactions as detached from the ‘non-market’ sphere.¹⁰ Indeed, market and non-market are more entangled than is often implied by analyses proceeding from the

assumption of an opposition between different lifeworlds and logics; an impersonal sphere of rational calculation and another sphere characterised by personal relations and interdependence. While it is clearly important to assess the dominance of one or the other pattern under different institutional and social arrangements, it is also true that not only the intimate social sphere but also economic transactions are heavily invested with cultural meaning. 'The economy', as a growing body of scholarship drawing on the work of Karl Polanyi stresses, is never really 'disembedded' from social relations.¹¹ As a recent example, we could mention the European budget deficit rules that in the post-2008 conditions of financial austerity have taken on a meaning of their own, exceeding any form of disinterested technical rationality (see the chapter by Bo Stråth).

Assuming that debt relations often deteriorate into domination and oppression, the question is one of establishing the conditions under which these relations can function positively as a productive social force based on reciprocity. Anthropologists have looked at debt as a form of obligation that points towards an understanding of human sociality in terms of exchange and reciprocity, beyond the economic logic of calculation and utility maximisation. Many of these studies have centred on the practice of gift giving in 'archaic' societies. In the terminology of Marshall Sahlins ('On the Sociology of Primitive Exchange', 1965) such exchange can be divided into generalised reciprocity (gift giving without the expectation of immediate return), balanced reciprocity (when there is an expectation of immediate return) and negative reciprocity (when there is an attempt to maximise gain, for example through theft or barter). Debts typically emerge from a situation of generalised reciprocity, where gift giving can be seen as a way of reinforcing social ties through an open expectation to return generosity at some future date.¹² Scholarly attention has also been devoted to exploring whether the kind of giving and reciprocity encountered in kinship-based debt relations can be scaled up to include relations between countries. In early twentieth-century France, Marcel Mauss seemed to think so when he described the international system as a web of duties and obligations relying not on the maximisation of individual gain, but on a larger sense of community, duty and interdependence, sustained by a common history and shared expectations for the future, with states honouring their debts by circulating gifts that are paid back at an unspecified point in time.¹³ Studying interdependence and fragmentation within and between societies, the issues that Mauss and his

circle of Durkheimian ‘solidarists’ committed themselves to are no less relevant for contemporary efforts to figure out the conditions under which an international system can be brought into being in which debts serve the purpose of creating and maintaining social bonds, bearing in mind the ambivalent human drives to associate with and dominate each other. It may be the case, however, that Mauss and others after him, because of methodological nationalism, have seen the state as too much of a unitary actor, overlooking the different interests of different actors within each state in, for instance, avoiding a debt default.¹⁴

In the post-First World War period when Mauss was exploring these questions, his German contemporary Walter Benjamin approached debt from a different, metaphysical and temporal perspective. At a time of acute awareness of moral guilt and economic debts, Benjamin outlined a theory of historical time that amounted to a form of ‘guilt history’. What if, Benjamin asked, moments in time were joined not mechanistically through cause and effect, but through the perpetual incursion of debt (the Greek word *aition* refers to cause and provenance, but also guilt and fault, and the adjective *aitios* to being responsible or culpable)? The past would then be connected to the present through debt and guilt, as forces that sustain community across time. Similarly, in her contribution to this volume Carlotta Cossutta sets contemporary interpretations of Greece’s debt crisis against the background of the archaic fault chain that forms the structure of classic Greek tragedy. The collapse of the Greek economy is often narrated as a tragic drama that derives from an original fault, and where the individual and collective actors find themselves pushed into blindness and hubris by the forces of history.

For Benjamin, debt and guilt were moral and economic categories at the same time, even more so than for Max Weber, who in *The Protestant Ethic and the Spirit of Capitalism* (1905) famously saw capitalism as conditioned by religion. By attaching itself to religion like a parasite – long before Calvinism – capitalism in Benjamin’s analysis turned into an all-encompassing cult that made use of a religious sense of guilt to sustain a ‘theology’ that capitalised on the ‘demonic ambiguity of the word “*Schuld*”’, the entanglement of moral guilt and economic debt.¹⁵

While Benjamin’s ‘guilt history’ represents a far-reaching interpretation of how non-economic meanings of debt spill over into the language of financial debt and reinforce the idea that paying back is a moral imperative, philosophers since at least Plato have critically examined the question ‘Should one always pay one’s debts?’ In Book

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I of the *Republic*, Socrates resists offering any unreflexively affirmative answer to this seemingly uncomplicated question by interrogating a straightforward formula for justice defended by the merchant and arms manufacturer Cephalus: 'Speak the truth and pay your debts!' Unconvinced, Socrates asks whether paying one's debt could, under some circumstances, be detrimental to the creditor and his or her environment. What if someone had borrowed a weapon from a friend, and the friend became violently insane before the loan was returned? Would it not be unjust to repay the debt, given the risk of violence that returning the loan would entail?¹⁶

The meaning of 'repayment' is no less ambiguous, as the word history of debt and related terms demonstrates. Take, for instance, the above-mentioned question, 'Should one always pay one's debts?' Here, we could underline three words that illustrate the multiple meanings of debt in different languages. First, the connection between debt, guilt and sin is well known, and the words are for example used interchangeably in different translations of the Lord's Prayer.¹⁷ As mentioned, the German word *Schuld* denotes both debt and guilt, as do corresponding terms in other Indo-European languages. Second, the English word 'should' is related to *Schuld*, or *skuld* in Swedish, *scyld* in Anglo-Saxon and *skulan* in ancient Gothic, underlining connections between debt, duty and obligation. The English word 'debt' derives from the Latin *debere*, meaning 'to be obliged', and 'due' and 'duty' have the same origins. Third, the word 'pay' derives from the Latin *pacare*, to pacify or appease, which in turn draws attention to different historical conceptualisations of 'payment'.¹⁸ Another example of debt as sin relates to the ancient German institution of *Wergeld*. This was a form of debt that literally refers to 'man-price' and denotes a money-token paid to the family or the ruler as compensation for homicide or injury, according to a price that was sometimes determined by the injured person's social standing. Debt and sin were two sides of the same coin and, crucially, debt was not something incurred, but acknowledgement of an offence. Moreover, payment was not equivalent to the injury but rather a way of avoiding vengeance by means of symbolic recognition.¹⁹ Such debts do not denote reimbursing a loan or giving back something borrowed or stolen. These debts could not be 'settled'; instead, they served the purpose of pacification and reparation for past misconduct or error.²⁰

In Benjamin's theory of historical time each present is indebted to a past that is 'guilty' of the deficiencies it passes on to the following generation, resulting in a never-ending struggle to fix inherited deficiencies

through reparation; the present is indebted to a past that it carries forward, adding something to it but also leaving something behind. Benjamin's generation of European intellectuals was obsessed with the questions of time, memory and uses of the past in the present. Henri Bergson, the French celebrity philosopher of the period, suggested that what human memory retrieves from the past and what it leaves behind is largely determined by what can be activated at a specific moment in time, which depends on what the pragmatically oriented intellect can make use of for acting in the present.²¹ The chapters by Gerard Rosich and Svjetlana Nedimović highlight the complexities involved when historians and public intellectuals retrieve or reject elements from such pasts as remembered in the present, and with specific expectations for the future, in relation to the Catalan question in Spain and the post-1989 memory of Eastern Europe respectively. In the first case, it is argued that historians today often work with an understanding of the present that no longer structures the world as in the past. The way in which history is actively mobilised and reinterpreted in a political conflict such as that surrounding the Catalan question is complicated by new regimes of justification emerging from changing modes of collective subjectivation – between sub- and supra-state levels – at the beginning of the twenty-first century. In the latter case, 'debts' to the past are rejected and historical reflection is dismissed as unhelpful for orientation in the present. The transition to the market economy in Eastern Europe, Nedimović argues, was accompanied by a political erasure of the democratic practices of socialism, which she discusses in relation to the Yugoslav experience. Acknowledging our debts to the past, then, also entails a critical engagement with roads not taken in the past.

Debts between North and South

The current pervasiveness of debt links the economies of the Global North with the series of debt crises that swept across the so-called Third World in the 1970s and 1980s. In that period, the debt crises ended what remains the most ambitious programme for restructuring North–South relations, the New International Economic Order (NIEO), adopted by the United Nations General Assembly in 1974. Continuing on the path that had been set by the G77 group of developing nations, organised at the United Nations Conference on Trade and Development in 1964, the NIEO was the culmination of anti-colonial efforts to 'settle

the debt' between North and South by a Southern expansion of the Northern welfare state. The 1974 declaration thus envisioned a new international economic order that 'shall correct inequalities and redress existing injustices' and work towards the 'removal of the disequilibrium' between units in an interdependent system of states.²² However, these moral and structural claims were soon buried under the growing burden of economic debt. The optimism of the NIEO gave way to despair and debtor-creditor conflicts, in which the moral idea that one must always pay one's debt stood against the Southern assertions that the debts could not be paid, or that doing so would require human sacrifices beyond any reasonable extent.

As before and after, demands for debt repayment were not confined to economic reasoning alone. The etymological links between debt, guilt and sin were as evident as ever, just as the relationship between the debtor countries of the Global South and the financial institutions of the Global North reflected the idea of pacification and sacrifice denoted by 'paying'.²³ Southern leaders struggled to reverse the moral economy in expressive speeches addressed to the international community. One of these was delivered at the Organisation of African Unity in Addis Ababa in 1987 by the prime minister of Burkina Faso, Thomas Sankara, who challenged the moral imperative of repayment and placed debt at the centre of the post-colonial world order. The problem, according to Sankara, was the following:

Debt cannot be repaid, first because if we don't repay, lenders will not die. That is for sure. But if we repay, we are going to die. That is also for sure. Those who led us to indebtedness gambled as if in a casino. As long as they had gains, there was no debate. But now that they suffer losses, they demand repayment. And we talk about crisis. No, Mister President, they played, they lost, that's the rule of the game, and life goes on.²⁴

While such statements certainly found an echo among audiences in the Global North as well, the series of debt crises effectively ended the more comprehensive plans of the 1970s for addressing historical injustices by redesigning the rules for international economic relations.²⁵ The debt crisis of the 1980s was also a major turning point for international creditor-debtor relations. Jerome Roos identifies the increasingly concentrated international credit markets, the effective integration of official sector intervention into the global financial architecture – and

the new role of the International Monetary Fund (IMF) as a lender of last resort, engaging in conditional crisis lending – as well as the overall growing dependence on private credit as factors contributing to the strengthening of the creditors' position in recent decades. In a revealing example, Roos compares the current situation to the period before the Second World War when sovereign defaults were less uncommon and when, in 1943, the president of the United States, Franklin D. Roosevelt, considered it appropriate to personally apologise to his Bolivian colleague for the reckless lending and 'supersalesmanship' of Wall Street in the lead-up to the crisis.²⁶

The Global North experienced the capacity of debt to transform economies and social relations after the financial crisis of 2007–8. In its European manifestation, the so-called eurozone crisis, a North–South division was transposed onto the still unsettled East–West divide and placed at the centre of European debates. The North–South divide combined horizontal debt relations with a temporal dimension by drawing on a longstanding narrative of European modernity. Past debts were invoked to support claims made in the present by anchoring them in an understanding of progress as a spatio-temporal movement from Mediterranean antiquity to North-Western modernity. In addition to the standard representations of the different moral qualities of what were depicted as economically disciplined Northerners and slack Southerners, such a framework of spatialised time provides the background for contrasting the Northern financial creditors of the present with the Southern civilisational creditors of the past.

The reactivated 'Southern question' in Europe served to consolidate allegedly opposite macro-regions and to introduce yet another definition of the 'South' (on the fluid character of this concept, see the chapter by Peter Wagner). Yet the eurozone crisis not only introduced a new division and confirmed Northern economic power, but also unified debtors across Europe in a common struggle, although creditor organisation no doubt proved more effective. Moreover, just as with the global financial crisis that it was part of, the North–South division prompted critical reflections on the contradictions between the moral imperative of repayment and the possibilities, in a financialised economy, of forming creditor–debtor relationships without the trust and faith that the word 'credit' (from the Latin *credere*, 'to believe or have faith') implies. In the intricate world of financial instruments, it is increasingly difficult to pin down the parties in a debt relationship or to make the case that debtors have a moral obligation to repay if such

relationships, when they are formed, are not underwritten by a mutual faith in the debtor's ability to reimburse.²⁷ This is one of many factors underpinning a general crisis of confidence and legitimacy between citizens and the financial sector.

On the level of regional and global macro-areas, the creditor–debtor relationship raises further questions about the relationship between individual and collective debts and what we mean when we speak about settling debts between North and South (for contemporary examples see the chapters by Peter Wagner and Gerard Rosich, and the contribution by Stefan Nygård for a historical study). In international politics, the connotations of debt as compensation and condemnation translate into demands for retribution (the Latin *retribuere* refers to that which is given in return for past good or evil) and judgement. This was the starting point for Patrice Lumumba, the leader of the Congolese National Movement, when he stated in 1958 that the country's independence should not be considered by Belgium as a gift but a right that had been lost,²⁸ or for Frantz Fanon, the French West Indian psychiatrist, philosopher and anti-colonial revolutionary who, in his 1961 manifesto *The Wretched of the Earth*, makes the claim, in opposition to the paradigm of development and aid, that the South had developed the North rather than vice versa. Europe was 'literally the creation of the Third World' and therefore its wealth also belonged to the underdeveloped nations. 'Indebted' to Northern discourses on rights, duties and self-determination, Fanon went on to state that the imperial powers had 'not settled their debt to us once they have withdrawn their police force from our territories'. Moreover, just as European countries receiving compensation from Germany after Nazism (which had made 'the whole of Europe into a colony') should not feel gratitude, Third World aid was not charity: 'Such aid must be considered the final stage of a dual consciousness – the consciousness of the colonised that *it is their due* and the consciousness of the capitalist powers that effectively *they must pay up*.'²⁹ But it was not only about 'paying up', and Fanon cautioned against going forward without comprehensively dealing with the debt in terms of repairing what Europe, and the United States as its continuation, had broken. The great challenge of his project for the formerly colonised world was to designate a new direction for history that did not sacrifice humans for profit and productivity, and that acknowledged both the progress and the misconduct of Europe.³⁰

Looking back from today, as the chapter by Bo Stråth demonstrates, we have to go all the way back to the German ex-chancellor Willy

Brandt's North–South commission in the late 1970s to find a truly future-oriented way of dealing with colonial debt, by seeking reconciliation through combining acknowledgement of past injustices with a global programme for social progress in the present. Asserting the need to rethink the rules of the global economy as part of the North's attempts to rectify past wrongs was a common stance in the post-war decades, when development economics was strongly influenced by dependency theory and core–periphery models. In the 1970s and 1980s, these claims were increasingly challenged by a (neo)liberal understanding of North–South relations. Peter Bauer, a development economist and member of the 'neoliberal thought collective' associated with the Mont Pelerin Society, was a prominent critic of development aid and of the idea of 'Western guilt' that legitimised aid. Not only did aid fail to promote growth in poor countries, but accusations of Western sin were equally unfounded since 'contact with the West has been the prime agent of material progress in the Third World', Bauer wrote in 1984. Since the 1950s, discussions on development within the Mont Pelerin Society had focused on rejecting the notion of Western guilt and shifting the burden of blame for Southern poverty from the shoulders of the Global North to the Third World countries themselves and their leaders.³¹ Understandings of colonial debt have thus been anything but stable across political and economic regimes. Today, as power has shifted from states to corporations, historical debt claims are increasingly made vis-à-vis Northern-based multinational corporations, notably the fossil fuel industry, pressed to face up to their climate debts to the hardest-hit countries in the Global South.³²

The North–South debates that culminated in the 1970s and the NIEO provide an essential but often absent background for understanding the more recent intra-European North–South conflicts over debt, economic and moral. The idea that 'real reparation' is not only economic but also narrative reappeared in the European 'debt crisis', and different forms of debt were invoked in the debate between Europe's North and South. On a more abstract level, solidarity with debt-ridden Greece was linked to Europe's historic debt to Hellenic civilisation. Previously such symbolic debts had been invoked for different purposes, sometimes by creating the illusion that this form of debt, which is essentially a debt of gratitude, could be 'paid back'. In her chapter, Simona Forti examines how this idea of repayment has been conceptualised and mobilised in twentieth-century European philosophy. Conversely, Greek intellectuals in the context of the euro crisis evoked relations of indebtedness

vis-à-vis the European project of modernisation and progress, which Greece had to prove itself worthy of (see the chapter by Aristotelis Agridopoulos). In the other direction, Greek politicians defended their demands to ease the burden of interest payments and conditional loans by reactivating claims on Germany for unsettled reparations from the Second World War, with Poland following suit,³³ or by stressing the role of debt relief in the German economic miracle after the Second World War. These debates continue the long and complex history of post-war retributive justice.³⁴ Furthermore, as Eugenia Siapera and Maria Rieder show in their contribution to this volume, debts have been reactivated in present Greek and German media debates on refugees in rather different ways, and through different understandings of who the creditors and debtors are. Obligations towards refugees today are sometimes defended by invoking a general debt to humanity or to ancestors who as refugees were treated well by ancestors of contemporary refugees. Others justify helping refugees mainly on the basis of legal obligations and without references to past debt.

Mirroring current discussions about historical debts and reparations in Europe, debates on the legacy of racial injustice in the United States demonstrate how one party tends to be more inclined to highlight the problems involved in defining debt and responsibility for offences committed over centuries, while the other argues that some assessment of damage ought to be made, albeit recognising that the costs of discrimination can hardly be exhaustively quantified.³⁵ Comprehensive reparation would require turning a logic of hierarchy based on superiority and inferiority into one of reciprocity, which in turn would require a change in the social and mental structures that continue to perpetuate racial injustice. Debates on reparation thus echo the understandings of debt as recompensing something borrowed or taken, and acknowledgement or appeasement for offence or injury. In the former instance, the debt can be settled and the relationship dissolved. In the latter, the relation is less restricted and more open, but appeasement is seen as a condition for going forward.

The structure of the book

Debates on reparations for racial or other historical injustices combine elements from different ways of understanding the debt relationship. In addition to compensation and recognition, they are about broadening our horizons towards the past and the future, aiming at finding

new ways of going forward by revisiting lost futures in the past that can be reactivated in the present. The history of debt provides us with a variety of paradigms of *acknowledging* or *settling* debts, what it means *to owe* something, and the complex relationship between sacred and profane understandings of debt and closely related terms such as duty, obligation, guilt and sin. Some of these past and present meanings are examined, conceptually and empirically, in what follows. The main purpose of the book is to explore social and cultural understandings of debt beyond and in connection with economic debt. In view of the centrality of the North–South divide today, in relation to both the surfacing of the term ‘Global South’ as a replacement for ‘Third World’ around the turn of the millennium, and the prominence of the regional North–South divide in Europe in the context of the eurozone crisis, most of the chapters aim at combining a discussion on debt along two axes: a socio-spatial one between North and South, and a temporal one between past, present and future. The book thus draws attention to the way in which historically incurred debts are mobilised for present purposes, with a particular emphasis on North–South divides.

The individual contributions to this volume have been prepared within the framework of a collaborative European research project, funded by the network Humanities in the European Research Area (HERA) and entitled ‘The Debt: Historicising Europe’s Relations with the “South”’. The centre of gravity in the four parts of the book shifts between the three main themes of the project: debt, North and South, and uses of the past. Debt is the main focus in Parts I and II, first in relation to social theory and the sociology of money, then with respect to Greek–German relations in the context of refugees, the euro crisis and philosophy. The third part centres on the North–South divide, its local, regional and global manifestations, and the way in which the distinction combines spatial, social and temporal elements. The two chapters in the final part take a closer look at the politics of history, with regard to Yugoslav history and the Catalan question.

Notes

1. See, for example, Adair Turner, *Between Debt and the Devil: Money, Credit, and Fixing Global Finance* (Princeton, NJ: Princeton University Press, 2015); Eileen Appelbaum and Rosemary Batt, *Private Equity at Work: When Wall Street Manages Main Street* (New York: Russell Sage Foundation, 2014); Michael Kumhof, Romain Rancière and Pablo Winant, ‘Inequality, Leverage, and Crises’, *American*

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- Economic Review*, 105(3), 2015, pp. 1217–45; Susanne Soederberg, *Debtfare States and the Poverty Industry: Money, Discipline and the Surplus Population* (London: Routledge, 2014); Maurizio Lazzarato, *La fabrique de l'homme endetté: essai sur la condition néolibérale* (Paris: Éditions Amsterdam, 2011).
2. Milford Bateman and Ha-Joon Chang, 'Microfinance and the Illusion of Development: From Hubris to Nemesis in Thirty Years', *World Economic Review*, 1, 2012, pp. 13–36.
 3. On contemporary debt resistance in the United States, see <<https://debtcollective.org/>> (last accessed 26 February 2020).
 4. Notably the Jubilee 2000 campaign for debt cancellation, the transnational Committee for the Abolition of Illegitimate Debt (CADTM), and in the US, the Strike Debt network, the Rolling Jubilee and The Debt Collective. For ancient practices of debt cancellation, see Michael Hudson, . . . *And Forgive Them Their Debts: Lending, Foreclosure and Redemption from Bronze Age Finance to the Jubilee Year* (Dresden: Islet, 2018).
 5. <<https://www.ohchr.org/EN/Issues/Development/IEDebt/Pages/Overview.aspx>> (last accessed 26 February 2020).
 6. Cited in David Graeber, *Debt: The First 5,000 Years* (New York: Melville House, 2011), p. 125.
 7. Graeber, *Debt*; Geoffrey Ingham, *The Nature of Money* (Cambridge, MA: Polity, 2004). On the historical origins of money, see also Jean François Bissonnette in this volume.
 8. Cited in Douglas E. Oakman, *Jesus, Debt, and the Lord's Prayer: First-Century Debt and Jesus' Intentions* (Cambridge: James Clarke, 2015), p. 19.
 9. Bruno Théret, 'Monnaie et dettes de vie', *L'Homme*, 190, 2009, pp. 153–79.
 10. Viviana Zelizer, *The Social Meaning of Money* (New York: Basic Books, 1994); Carlo Tognato, 'The Culture and the Economy', in Jeffrey Alexander, Ronald Jacobs and Philip Smith (eds), *The Oxford Handbook of Cultural Sociology* (Oxford: Oxford University Press, 2012), pp. 140–2; Gustav Peebles, *The Euro and Its Rivals: Currency and the Construction of a Transnational City* (Bloomington: Indiana University Press, 2011).
 11. Tognato, 'Culture and the Economy'.
 12. On the anthropology of debt and exchange, see Graeber, *Debt*, ch. 5, and Chris Hann, 'The Gift and Reciprocity: Perspectives from Economic Anthropology', in Serge-Christophe Kolm and Jean Mercier Ythie (eds), *Handbook of the Economics of Giving, Altruism and Reciprocity*, vol. 1 (Amsterdam: North-Holland, 2006).
 13. Gregoire Mallard, 'The Gift Revisited: Marcel Mauss on War, Debt and the Politics of Nations', Roberta Buffett Center for International and Comparative Studies Working Paper Series No. 10-004, December 2010. Available at SSRN: <<https://ssrn.com/abstract=1719318>> or <<http://dx.doi.org/10.2139/ssrn.1719318>> (both last accessed 26 February 2020), pp. 2, 11.
 14. On this point, see Jerome Roos, *Why Not Default? The Political Economy of Sovereign Debt* (Princeton, NJ: Princeton University Press, 2019), pp. 41–3.
 15. By the term 'cult', Benjamin was referring to a doctrine that did not promise

- atonement, only guilt, and work to compensate for it. Max Weber had also noted the connection between economic debt, moral duty and religious guilt. What is spent for personal aims is stolen from ‘the service of God’s glory’ and one becomes at the same time guilty and ‘in debt’ to God. See Michael Löwy, ‘Capitalism as Religion: Walter Benjamin and Max Weber’, *Historical Materialism*, 17, 2009, pp. 60–73; Werner Hamacher, ‘Guilt History: Benjamin’s Sketch “Capitalism as Religion”’, *Diacritics*, 32, 2002, 3–4, pp. 81–106.
16. Alexander X. Douglas, *The Philosophy of Debt* (New York: Routledge, 2016), pp. 5–6.
 17. English translations of the Lord’s Prayer in the gospels of Matthew and Luke (‘forgive us our debts, as we also have forgiven our debtors’), varying use the terms ‘debt’, ‘sin’ and ‘trespasses’.
 18. See Émile Benveniste, *Le vocabulaire des institutions indo-européennes*, vol. 1 (Paris: Minuit, 1969), pp. 181–97; Elettra Stimilli, *Debito e colpa* (Rome: Ediesse, 2015).
 19. Philippe Rospabé, *La dette de vie: aux origines de la monnaie* (Paris: La Découverte, 2010).
 20. *Schuld* is preceded by the Sanskrit term *skhal*, ‘to stumble or sin’, indicating deviation from the right path.
 21. Henri Bergson, *Matière et mémoire* (Paris: Alcan, 1896).
 22. On globalising welfare, see Samuel Moyn, *Not Enough: Human Rights in an Unequal World* (Cambridge, MA: Harvard University Press, 2018), ch. 4; the NIEO declaration: <<http://www.un-documents.net/s6r3201.htm>> (last accessed 14 November 2019).
 23. For a discussion on how this applies to recent debates on Greek debt, see Alexander Douglas, ‘Greece, Honour and the Ancient Ties of Wergeld’, 3 July 2015 <<https://theconversation.com/greece-honour-and-the-ancient-ties-of-wergeld-44104>> (last accessed 26 February 2020).
 24. Translation from French original; see <<https://www.newframe.com/from-the-arc-hive-a-united-front-against-debt/>> (last accessed 14 November 2019).
 25. On the NIEO, see Nils Gilman, ‘The New International Economic Order: A Reintroduction’, *Humanity: An International Journal of Human Rights, Humanitarianism, and Development*, 6(1), 19 March 2015.
 26. Roos, *Why Not Default?*, pp. 12–15, 112–13.
 27. Douglas, *Philosophy of Debt*, pp. 21–4. The lack of faith in the current crisis of global capitalism has been underlined by Wolfgang Streeck, who describes the generally increasing appetite for public and private borrowing, without faith in the ability to repay, as a form of ‘buying time’. Wolfgang Streeck, *Buying Time: The Delayed Crisis of Democratic Capitalism*, transl. Patrick Camiller (London: Verso, 2015).
 28. Jan Eckel, ‘Human Rights and Decolonization: New Perspectives and Open Questions’, *Humanity: An International Journal of Human Rights, Humanitarianism, and Development*, 1(1), 2010, p. 116.
 29. Frantz Fanon, *The Wretched of the Earth*, transl. Richard Philcox (New York:

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- Grove Press, [1963] 2004), pp. 57–9. Jason Hickel demonstrates how the South still today remains a net creditor to the North, if measured by the net outflows that the South loses in the form of interest payments on debt, tax evasion and illicit financial flows to the North, and so on. These losses exceed the amount of aid that goes in the other direction. If that is the case and the system of siphoning wealth from South to North is still in place, the word ‘reparation’, Hickel notes, is misleading as it suggests that the problem is in the past. Jason Hickel, *The Divide: A Brief Guide to Global Inequality and Its Solutions* (London: Heinemann, 2017).
30. In ‘facing Europe as a colossal mass whose project must be to try and solve the problems this Europe was incapable of finding the answers to’. Fanon, *Wretched of the Earth*, pp. 237–9.
 31. P. T. Bauer, *Reality and Rhetoric* (London: Weidenfeld and Nicolson, 1984), p. 57. Quoted in Jennifer Bair, ‘Taking Aim at the New International Economic Order’, in Philip Mirowski and Dieter Plehwe (eds), *The Road from Mont Pèlerin: The Making of the Neoliberal Thought Collective* (Cambridge, MA: Harvard University Press, 2009), p. 363; Jessica Whyte, *The Morals of the Market: Human Rights and the Rise of Neoliberalism* (London: Verso, 2019), ch. 5.
 32. Ben Ehrenreich, ‘It’s Time to Pay Our Climate Debt to Countries Like Mozambique’, *The Nation*, 22 April 2019 <<https://www.thenation.com/article/mozambique-idai-climate-debt/>> (last accessed 26 October 2019).
 33. Joanna Plucinska, ‘Germany Owes Poland over \$850 billion in WW2 Reparations’, *Reuters*, 26 April 2019 <<https://www.reuters.com/article/us-poland-germany-reparations/germany-owes-poland-over-850-billion-in-ww2-reparations-senior-lawmaker-idUSKCN1S215R>> (last accessed 26 February 2020); Renee Maltezou and George Georgiopoulos, ‘Greek Parliament Calls on Germany to pay WW2 Reparations’, *Reuters*, 17 April 2019 <<https://www.reuters.com/article/us-greece-germany-reparations/greek-parliament-calls-on-germany-to-pay-ww2-reparations-idUSKCN1RT1PL>> (last accessed 26 February 2020).
 34. István Deák, Jan T. Gross and Tony Judt (eds), *The Politics of Retribution in Europe: World War II and Its Aftermath* (Princeton, NJ: Princeton University Press, 2000).
 35. Katherine Franke, *Repair: Redeeming the Promise of Abolition* (Chicago: Haymarket Books, 2019).