

Shame and Humiliation. IPA Panel Presentation, Prague, July, August, 2013

Drs. C. Guillermo Bigliani, Heidrun Jarass, Melvin Lansky, Leon Wurmser

Shame and Humiliation:

On Golfing, Finances and Drug Dealing

C. Guillermo Bigliani

Michael Lewis (2007), a brilliant writer and journalist (*Liar's Poker*, *The Blind Side*, *The Biggest Short*), describes a golf raid on Merrill Lynch's CEO Stan O'Neal when his firm was in the process of losing \$8.4 billion in its sub-prime mortgage portfolio, supposedly based on notes found in golf scorecards. I will take each commentary scribbled on the scorecards as if it were notes from sessions with O'Neal, who, according to Lewis, was "almost perfectly at peace with himself" and had "ice water running through his veins" while he played 20 rounds of golf as the economic debacle wore on. Nonetheless, O'Neal improved his handicap from 10.2 to 9.1.

But his Lord-of-the Greens and Wall-Street-Tycoon speech during his dromomaniac golfing spell was aimed at "curing" the narcissistic wound stemming from his feelings of shame that injured his self and threatened to transport him (psychologically, not financially!) 40 years back to his beginnings as an office gopher in the firm.

The last "sessions" are characterized by a nihilistic and cynical defense that anticipates imminent defeat in an attempt to transform his passive shame into an active one, pressing the Merrill Lynch board into feeling ashamed and defeated when paying him a \$160 million bonus which might have finally elicited some guilt (and happiness!) on Stan's part.

Aug. 12: Purchase Country Club.

ALL ALONE ON THE COURSE. NO ONE TO TALK TO, SO TALKED TO MYSELF. HAD A THOUGHT: NO ONE KNOWS WHERE I AM! REALLY! TURNED OFF CELL PHONE. FIVE HOURS LATER I WONDERED: WHERE DID THE TIME GO? A PERFECT DAY.

The day is perfect if time ticks by without notice, if five hours go maniacally by. The day would be imperfect if it was taken up by the feared time-still of depression, which could happen if he was not successful at disconnecting from the perception of disaster.

For now, this maniacal state will allow him to turn off his perceptive system as well as his cell phone, and continue disconnected.

Aug. 18: Purchase Country Club.

BIRDIE (a point over the average for that hole) ON 11 WAS A THING OF BEAUTY. IT WOULDN'T HAVE BEEN POSSIBLE IF I'D ALLOWED MYSELF TO BE DISTRACTED. DETAILS ARE THE ENEMY OF GOLFING EXCELLENCE. GAVE

ME ANOTHER THOUGHT: GOLF IS LIKE RUNNING MERRILL LYNCH! THE TRICK IS TO KEEP IT SIMPLE. BE A BIG-PICTURE PERSON. NOTE TO SELF: SMARTEST THING YOU EVER DID WAS TO TAKE FIRM AWAY FROM THE DAY-TO-DAY DRUDGERY AND MAKE JUST A FEW BIG BETS. FREES UP TIME.

To continue to be disconnected and feeling “greaty” (in a prior comment he stated after scoring 80 points for the course: “*eighty is greaty*”), he produces beauty on the road to maximum narcissistic distraction.

He manages to transform the main subject, “the big picture” (financial firm’s millions), into a “small picture,” a mere detail that becomes central by inverting the values. The trick is not to keep it simple, but to deny it. (Even though we do not know the extent of his denial since banks are complex structures where the flow of precise information towards the senior management may vary according to different communication processes). He congratulates himself for his intelligence at escaping the oppressive and potentially melancholic day-to-day grind that could make him have to face one of the dumbest things he ever did by making “just a few big bets,” in the company’s sub-prime mortgages portfolio (in which he is losing \$8.4 billion), for example. Many authors have described dissociative states of the mind. Among others Green (2006) reminds us that Freud, in his later works, wonders how a “... mind says at the same time “yes” and “no” about the same content.” David Tuckett (2011) describes divided states of mind in fund managers and Wurmser describes “momentaneous states of dissociation, a trance...” in Quixote (2004) and adds that these states reach “a point where reality is completely misapprehended and where Quixote engages in systematic reversals, like the re-declaration of defeat into triumph.”

Aug. 26: Vineyard Country Club.

FIVE BIRDIES AGAINST THREE BOGEYS. ALL THESE UPS AND DOWNS! MOOD SWINGS ARE TREMENDOUS AND EXHILARATING BUT CAN'T LET ANYONE AROUND ME KNOW WHAT I'M FEELING. NOT THAT THERE'S ANYONE AROUND ME -- BUT YOU NEVER KNOW WHO'S ON THE NEXT TEE GOLF IS SO MUCH LIKE RUNNING MERRILL LYNCH! WHEN I PLAY, I FEEL I MIGHT AS WELL BE AT MERRILL LYNCH. IN A WAY, I AM.

He tries to convince himself that things are better rather than worse (birdies means to win by a point and bogey means to lose by just one point).

The avoided reality tends to emerge under the guise of a feared mood swing (swing also refers to golf and market movements) that he does not want to acknowledge.

The “other ones,” who must be kept from knowing, are also his own projection.

Denial and shame at their best: he is not playing golf, he is working in the firm and with the best results.

Lewis tells us that at this stage of events, panic had taken hold of Wall Street and our CEO felt compelled to appear at the office to report that there was no risk of contagion in the markets and thereafter return to the golf course; this time scoring a couple of measly 90s.

Stan has performed a reverse perspective at this point: if there is something which he is accountable for, it is not his defeat as chief financial officer, but his low scores on the golf course. But due to his inconvenient day job on Wall Street he will most likely be absolved.

Aug. 26: Vineyard Country Club.

FREAKING MARKETS! CELL PHONE RANG WHILE CHIPPING OUT OF A BUNKER. PEOPLE SAYING SUBPRIME MEANS SUBPAR. NOTE TO PEOPLE: SUBPAR IS GOOD! TOOK A MULLIGAN, WHICH IS ONLY FAIR. (CHECK WITH COMPLIANCE?) WALL STREET A HARD PLACE TO ACHIEVE GOLFING EXCELLENCE. MEMO TO USGA: HANDICAPS SHOULD TAKE DAY JOB INTO ACCOUNT.

When entering the sand bunker with a ball, he tries to convince himself that betting on sub primes (when ML is losing \$100 million per day) equals a subpar (winning in the golf course). And here the thought takes a quasi-delirious turn—the comment about the cell phone ringing resembles the recounting of a hallucinatory experience. The “voice” (of his alter ego?) tells him that he has made a mistake (bought stock which is below its original price: sub par) and he quarrels with it, redefining the accusations in terms of golfing where being sub par is very good.

In order to perpetuate his denial, he needs to think that he will not be judged by the market but by the U.S. Golf Association: that will be his ultimate judge. And one that will be lenient enough to take into account the limiting effects of his day job when adjudicating his handicap.

Aug. 31: Vineyard Country Club.

PUTTING ON THE 12TH WHEN A MERRILL CUSTOMER CAME OUT OF THE WOODS AND WHISTLED. MISSED THE PUTT! HE WASN'T EVEN A MEMBER. SAID HE SAW A BLACK GUY DRIVING IN AND FIGURED IT WAS EITHER ME OR VERNON JORDAN. HE WANTED TO DISCUSS HIS PORTFOLIO. SOME PEOPLE TOLD HIM THAT INVESTING WAS LIKE GOLF. THAT CONFUSED HIM LONG ENOUGH FOR ME TO GET TO THE CART AND HIT THE GAS. HOW DID HE FIND ME? WILL OTHERS?

Reality seeps in, invading his bucolic golfing retreat, affecting his game. And it seeps in through a client of his, who must be immediately disqualified (“he wasn’t even a member”).

His worry that his client “saw a black guy driving in” might express the threat of thoughts drifting into his conscience of years of humiliations and disqualifications suffered transgenerationally due to poverty or racial circumstances by our ex office gopher raised in a racist society.¹

¹ Sergio Telles (2013), discussing Phillip Roth’s *The Human Stain* reminds us that during WWII 150,000 African-American soldiers classified themselves as white soldiers in order to gain some benefits. The black

But he quickly reassesses himself by resuming his maniacal like defense, the role of one of the chosen few: “and figured it was either me or Vernon Jordan.”

As in a funnel, all of reality converges into his game of golf. When word of disaster threatens to draw closer, he wants to “go to the cart and hit the gas,” “killing” the bearer of bad news.

But fear reappears: For how long can he be successful at avoiding “the others”?

Sept. 2: Purchase Country Club.

PLAYING ALONE AGAIN. CAN'T FIND ANYONE WHO CAN GET AWAY FROM THE DESK— EVEN JIMMY CAYNE NOW SAYS HE'S TOO BUSY. QUITTER; I TOLD HIM THAT THE BEAR WILL DO WHAT THE BEAR WILL DO. HIS HANDICAP WON'T. WALKING DOWN 16TH FAIRWAY I FELT VERY ALONE. THEN I REALIZED: I AM ALONE. HAD ANOTHER THOUGHT: ALONE IS HOW LEADERS ARE SUPPOSED TO FEEL IN MOMENTS OF CRISIS. CHURCHILL FELT ALONE, TOO. DID HE GOLF?

Knowledge of reality is acquired through projection. It is an initial paranoid knowledge of reality.

Stan recognizes that there is a “quitter,” but thinks it is Jimmy Cayne, not him, and what is being quit is golf!

Once again everybody seems to realize the disaster. Always through the eyes of others. Therefore it is necessary to reinforce the denial and excuse oneself from responsibility again (“the bear will do...”), and identify oneself with messianic and powerful images: Churchill, a man who won a war, not like himself who is on the verge of losing one!

Sept. 22: FREAKING WATER HAZARD! FREAKING, FREAKING, FREAKING WATER HAZARD!!! REMEMBER: BIGGER BETS AT ML MEANS LESS TIME HAVING TO THINK ABOUT THE FIRM, AND LESS TIME IN OFFICE MEANS MORE TIME TO SWIM FOR BALLS. LOSING BALLS IS A SIGN OF WEAKNESS, EVEN WHEN NO ONE SEES YOU DO IT. BEST CASE SCENARIO: FIND BALL. WORST CASE SCENARIO: \$160 MILLION PAYOUT.

Once again it is all about the dangers in golf; that is the only important matter. If one cannot be successful, at least there will be a compensation in the form of a fine to be paid by ML: On the one hand for being responsible for his low score at golf and on the other for being identical to golf (the unconscious has the ability to view different things as being identical).

Enacting his \$160 million revenge is probably facilitated by the paradoxical win-win situation that protects the management of these institutions (with a potentially huge downside for customers) in which CEOs are encouraged to “bet” the company they

soldiers suffered from apartheid-like conditions, sleeping in different barracks from their fellow white soldiers even the day before D-Day.

manage. They make a lot of money for themselves in bonuses if the bet is successful, or they make a lot of money for themselves in severance packages if the bet fails.

For Stan, hits and misses in golf are equivalent to hits and misses in ML. With a solid psychological grasp Lewis comments:

“trouble on the links clearly unsettled the CEO's mind and dragged it, reluctantly, back to troubles at the office (wherever that was).”

What shows up here is the resentment, subtly shown by Lewis, towards the object that offends his narcissism and that will have to pay dearly for daring to humiliate his narcissism, for showing him his defeat, his incompetence, his bad marks.

Sept. 29: OFFICE CALLED MIDSWING! ON A SATURDAY! WHY EVEN BOTHER TO PLAY ALONE????? 5.1 BILLION REASONS TO BLAME FOR THIS ONE. I THINK.

Sept. 30: MAKE THAT 8.4 BILLION REASONS TO BLAME.

Acknowledgement of the avoided reality appears on Sunday after feeling of offence for having been bothered on a Saturday by a phone call in which he was probably informed of the first assessments of the loss. After a first insistence of arrogant denial we see the swift emergence of his feared and avoided guilt.

Sigmund Freud showed how the antisocial nature of neuroses finds its origin in its main purpose, which is a flight from an unsatisfactory reality towards a world of pleasant fantasy.

These regressive flights might reach narcissistic levels that can involve the whole personality as seen in very grave non-neurotic pathologies or less intense, neurotic ones as we have seen in the above case, (a shameful flight with manic defenses). Here the grandiose behavior seems to be defensive in the face of the shameful professional defeat which activates regressively demeaned traits of our patient's self. Nevertheless, when dealing with shame, humiliation, guilt and the impossibility of forgiveness, it is sufficient to remember the proximity of the narcissistic origins of these affects, noting that they intertwine and prevent us from dealing with “pure” lab situations. Aside from **Escape and Reclusion**, some other outcomes for shameful situations may be seen in the following figure (Bigliani et al., 2013):

perpetrator(s). Moguillansky (in Bigliani et al., 2013) maintains that unlike shame, humiliation drives the victim to situations that are beyond the pleasure principle. The subject is usually caught in a no-way-out situation like the one we attempted to caricature in the example above but that may be pictured in less dramatic environments ranging from family to all types of bullying situations (school, corporate, cyber).

We may find these unsolvable situations in psychopathological disorders: Freud (1917) used the term self-humiliation to describe the activity of self-torturing aimed at vilifying the lost object introjected in the melancholic self. In this situation the self is its own perpetrator.

Unsolvable situations may also be found in torturous experiences of real abuse—the FBM example above or Sigmund and Ana Freud’s suicidal wishes when the Nazi troops invaded Vienna during the Anschluss and a 500 percent increase of the suicidal rate was verified .

In one of his last, more atrocious and criticized statements, Kohut held that the Nazis were not particularly sadistic or cruel. Lewis Aron (2007), when trying to explain the “delirious” phrase, quotes Kohut as saying that what was typical of the Nazis was “an absolute disregard for the humanity of their victims,” and that the deepest “horror a man can feel is to be exposed to circumstances in which he is no longer seen as a human being by others.”

In humiliation the horror of being transformed by others into a thing, objectification (reification) might lead to one’s own death (suicide) or to indiscriminate killing of those deemed to be perpetrators of that objectness. We might relate this situation to the effects of Green’s (see Meadow and Green, 2006) “dead mother” in killing the mental life of the child: “The dead mother is a mother who is present. She continues to take care of the child, but she has lost the impulse of love.” She might produce out of her melancholic parenting habits effects similar to those produced by Kohout’s SS (or FBM’s acolytes) from their psychopathic acts on their victims: destruction or objectness of the mental life. As for the after-effects of humiliation it’s worth noting that: 1) large numbers of victims of the humiliation of torture in Latin American countries committed suicide , 2) more Argentine soldiers that suffered the humiliating conditions of the Malvinas-Falklands War sponsored also by a “dead mother terrorist state” died by suicide upon returning from the islands than during the war.³

³ Lindner that contributed to stress the importance of humiliation as a princeps determinant both in the Rwanda genocide in 1994 (which she studied thoroughly) and IIWW elaborates consistently on issues like honor wars and honor killings, highlighting the importance of “humiliation entrepreneurs” (leaders that manipulate followers into becoming willing perpetrators) believes that humiliation can represent the *Nuclear Bombs of the Emotions and defines humiliation as :* “the enforced lowering of a person or group, a process of subjugation that damages or strips away their pride, honor or dignity. To be humiliated is to be placed, against your will (or in some cases with your consent as in cases of religious self-humiliation or in sado-masochism) and often in a deeply hurtful way, in a situation that is greatly inferior to what you feel you should expect. Humiliation entails demeaning treatment that transgresses established expectations. It may involve acts of force, including violent force. At its heart is the idea of pinning down, putting down, or holding to the ground. Indeed, one of the defining characteristics of humiliation as a process is that the victim is forced into passivity, acted upon, and made helpless.(ibid.)

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