‘Fantasy of fusion’ as a response to trauma:
European leaders and the origins of the eurozone crisis

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Abstract
In this paper I explore a new approach to the understanding of trauma. I call into question the widely held assumption that trauma tends to engender feelings of dejection, lethargy and helplessness. Instead, I argue that it can lead to a quite different, active and over-optimistic response that involves an attempt at fusion with those who have inflicted, or might yet inflict, trauma. Drawing on concepts from psychoanalysis, I introduce the term ‘fantasy of fusion’ to encapsulate this idea. This concept is illustrated by an examination of the role of European leaders in the crucial decision to launch the single currency, and an exploration of its ramifications in creating the conditions for the eurozone crisis. The contribution of this paper is threefold. First, calling into question the assumption that trauma leads to feelings of helplessness, this paper introduces and develops the novel idea of ‘fantasy of fusion’. Second, it sheds further light on the challenges of leadership. Third, it provides a new deep structure explanation for the origins of the eurozone crisis.

Keywords
Euro, eurozone, fantasy, fusion, psychoanalysis, Single European Currency, trauma
Introduction

Trauma has been widely understood to have a profound impact on the lives of those who suffer it. Whether the consequences of the murder of a colleague (Fischer, 2012), the loss of a child during pregnancy (Hazen, 2003), war (Knežević & Ovsenik, 2002; Cruz, 2014), losing one’s job (Gabriel, Gray, & Goregaokar, 2010), or bullying (Lutgen-Sandvik, 2008), trauma may be understood to be etched (Sklar, 2011, p. 2) in the minds of the recipients in an enduring and frequently highly problematic way. As well as being the source of considerable emotional pain, traumatic memories – especially because they are often hidden in the mind and ‘outside the compass of words’ (Garland, 1998, p. 26) – can have a profound impact on the thinking and decision-making of those who are traumatized (Hopper, 2003).

In this paper I question the widely held assumption that trauma is accompanied by feelings of weakness, dejection and paralysis. While a number of authors have written articulately about cases in which such helplessness is clearly present (Hazen, 2003; Lutgen-Sandvik, 2008), I argue that on other occasions the opposite reaction may occur. In such cases individuals deal with their trauma with an over-active and over-optimistic response by developing a fantasized solution in which they become united with those who have inflicted – or who may yet inflict – trauma on them. Drawing on psychoanalytic theory, I introduce the term ‘fantasy of fusion’ to depict this phenomenon.
I illustrate this conceptual innovation by examining the important events surrounding the European leaders who took the decision to launch the single currency. I argue that, in a deep and enduring way, these leaders had been traumatized by the Second World War, and go on to suggest that – sensitized to the possible repetition of the trauma – they subsequently became highly anxious following the uncertainty brought about by the fall of the Berlin Wall and the events after it. I argue that this led them to develop a ‘fantasy of fusion’, manifest in the idea of a shared currency, that implied the idea that such a currency would neutralize the problem. I go on to argue that the fantasy nature of this thinking led these leaders to ignore the clear, stark and widespread warnings of experts concerning the viability of the single currency project, and that there have been profound and highly problematic consequences for Europe. Indeed, this argument would suggest that the deep divisions and fracturing within the eurozone in the past few years are evidence of the illusory and flawed nature of this thinking. These divisions may thus be understood as a ‘return of the repressed’ (Freud, 1984, p. 154), the return of deeply embedded historical conflicts that the fantasy was intended to obliterate.

At the outset some justification needs to be made for focusing on the decision-making regarding the launch of the single currency. One key rationale has to do with the significance of the eurozone crisis that began just a decade after the currency’s creation. Beginning in late 2009, and followed by rapidly escalating problems leading to vast and unprecedented bailouts for a variety of European countries, the eurozone crisis has been of considerable magnitude that has threatened – and may yet continue to threaten – the entire European project, as well as the global economy. While the eurozone’s difficulties wax and wane, these problems have not gone away. This is
therefore a case of considerable moment, the origins of which are worthy of consideration.

Another key rationale concerns the focus on European leadership *per se* rather than on cultures and communities within Europe. While we must be wary of the ‘romance of leadership’ (Meindl, Ehrlich, & Dukerich, 1985), the exaggerating of the influence of leaders, there is considerable evidence to suggest that European leaders played a central role in influencing and shaping opinion concerning the launch of the single currency. The role of European leaders in this process is by now well documented: the citizens of Europe were often unenthusiastic about the idea of a single currency, and any interest they did develop was done so under the influence of their highly persuasive leaders.

Citizens, especially of both parts of the ‘Franco-German tandem’ (Tiersky, 2000, p. 190) or ‘Franco-German axis’ (Manolopoulos, 2011, p. 44) of European integration had serious reservations about the project. The 1992 French referendum on the Maastricht Treaty that spelt out the single currency programme almost ended in ‘disaster’ (Tiersky, 2000, p. 194) for the pro-integration camp: the resulting victory was a ‘tiny majority’ (Pinder & Usherwood, 2007, p. 31) of only around 1%. On the German side there was a ‘deep-seated domestic unease about the risks’ (Anderson, 2006, p. 264) of monetary union, with Germans ‘decidedly unenthusiastic’ (Pinder & Usherwood, 2007, p. 27) about currency union. The decision to join the single currency was never put to referendum in Germany, presumably because of the likelihood of the majority of Germans voting against it: even by 1995 – three years after the 1992 Maastricht Treaty that set the single currency in stone – considerably
more Germans were opposed to it than those in favour (Manolopoulos, 2011, p. 45). More widely, there is evidence of widespread skepticism within Europe (Manolopoulos, 2011, p. 44), especially prior to, and during, the Maastricht era.

It could thus be argued that it was ‘the persistent ideological crusade of an elite minority’ (Parsons, 2006, p. 107), ‘an elite-driven, top-down, politically insulated phenomenon’ (Heisenberg, 2006, p. 234), that put Europe on the path to the single currency and to supra-nationality. For these reasons, in this paper I examine the crucial role of European leaders in the decision to launch the single currency.

The sequence of my paper is as follows. I begin with a review of the literature on the response to trauma, and then establish the research focus that emerges from this, following which I move on to delineate the conceptual framework of this thesis. This is followed by an outline of the methodology I use to explore my thesis, after which is my examination of the case of European leaders and the decision to launch the single currency. The paper ends with a discussion, including an examination of the contribution made.

**Literature and research focus**

Borrowing from the Greek term *traumatikos* that refers to the idea of a wound or the piercing of the skin, trauma may be understood as a psychological injury that results from a highly distressing event (or events). Experiences that involve injuries or threats to one’s life – or the witnessing of others being hurt or losing their lives – are particularly likely to be traumatic. ‘To be traumatized’, writes Caruth, ‘is precisely to
be possessed by an … event’ (1995, pp. 4-5) or events, and such feelings of possession are highly stressful and worrisome, often lasting for a very long time, sometimes even for the lifetime of the person involved.

The literature on the response to trauma involves studies of a wide range of settings and types of trauma. These include studies of residents and staff of a therapeutic community who were ‘horrified … shocked …[and] overwhelmed’ (Fischer, 2012, p. 1163) by the murder of one of its former residents by another resident; those traumatized by workplace bullying, who experienced ‘anxiety and psychological pain…[as well as]…intensive fear and dread’ (Lutgen-Sandvik, 2008, p. 100); children who lived through the war in Bosnia-Herzegovina who were traumatized and left with an ‘inability to comprehend the events’ (Knežević & Ovsenik, 2002, p. 1141); and mothers whose children died during pregnancy or shortly after birth, who experienced ‘the extremities of helplessness and terror’ (Hazen, 2003, p. 150).

In spite of the broad range of settings in which trauma has been studied, and some diversity in the findings, a consistent thread emerges. Stolorow summarizes this overarching perspective by observing that a sense of ‘alienation and aloneness appears as a common theme in the trauma literature’ (2007, p. 14), while Hopper writes of trauma leading to ‘encapsulation …producing autistic islands of experience, characterized by all encompassing silence’ (2003, p. 59). This theme therefore suggests that the traumatic experience leaves their victims with feelings of dejection, foreboding and helplessness, making them feel isolated and paralyzed by fear.
While the literature clearly shows evidence of the theme outlined above, I call into question the implicit assumption that the response to trauma generally tends to work this way. Instead, in this paper I argue that a quite different – almost contrary – theme may be present in certain cases, and that this requires exploration. This constitutes the research focus of this paper. In this article therefore, drawing on ideas from psychoanalysis, I posit, in response to trauma, the idea of a highly active and over-optimistic attempt at fusion with previous or potential perpetrators of such trauma.

**Conceptual framework**

Informed by ideas from psychoanalysis, and specifically using psychoanalysis to expand ‘psychosocial inquiry to the study of affect and emotion’ (Fotaki, Long, & Schwartz, 2012, p. 1109), in this section I develop the conceptual framework of this paper. While some have argued that psychoanalytic accounts are not open to empirical validation (Gelner, 1985), and others have pointed to the risks of reification (Brown, 1997, p. 649), I follow Brown (1997) in arguing that, in spite of these criticisms, psychoanalytic ideas can be helpful in a variety of ways. In particular, psychoanalysis is useful because it deepens our understanding of the more subtle, less obvious aspects of human functioning, and for this reason this paper draws inspiration from this conceptual framework.

While a detailed account of the history of the psychoanalytic concept of trauma lies beyond the scope of this article, it is best to begin by outlining certain of the key elements of this idea. Like those who use other approaches, writers influenced by psychoanalysis regard trauma as involving a kind of injury or damage to the mind that
results from a highly distressing event or events (Garland, 1998, p. 9). Traumatic experiences may therefore be seen to be etched into the mind (Sklar, 2011, p. 2), with trauma victims being inclined to ‘relive the event …[but be] …unable to master the feelings it aroused’ (Kahn, 2003, p. 366).

Psychoanalytic writers identify varied circumstances from which such trauma may arise, of which war is one of the most extreme. ‘The terrible war which has just ended’ wrote Freud in 1920, ‘gave rise to a great number of [psychological] illnesses …war neuroses…and traumatic neuroses’ (1984, p. 281). So important was the significance of war in the canon of Freudian psychoanalysis that, as Garland (1998, p. 17) argues, it was on the basis of the devastation of the war – following his earlier abandonment of the focus on trauma – that Freud rekindled his interest in trauma and traumatic neurosis.

The most significant emotion felt by those who are traumatized is usually anxiety, especially annihilation anxiety (Hopper, 2003, p. 53). Such anxiety may well stay with traumatized people, in varying degrees, for the rest of their lives. Another central emotion is guilt, and in particular the ‘survivor guilt’ (Garland, 1998, p. 17) that one has pulled through while others have not. Especially problematic, survivor guilt may also involve, in certain (but by no means all) circumstances, the awareness that one may have been complicit in the traumatic events that have damaged or killed others. These emotions constitute the ‘unbearable affect’ (Stolorow, 2007, p. 9) that traumatized individuals are likely to struggle with.
The extent to which individuals are able to mitigate and diminish the power of their traumatic memories will depend in part on their capacity to mourn and deal with the feelings of loss and anxiety they provoke (Garland, 1998, p. 17). ‘Recognition of what has been lost’, argues Gabriel, ‘is a precondition for … mourning’ (2012, pp. 1149-1150). Mourning may include recognizing and coming to terms with the loss of others who have died in the traumatic events; the loss of a community or a way of life; or – even more fundamentally – the loss of parts of the self, facing the reality that one’s life will never be the same again.

While mourning may mitigate the effects of the trauma and diminish its impact, in some circumstances the magnitude of the trauma is so great that the effectiveness of such mourning is necessarily limited. When mourning is not adequate, problems are likely to occur, with memories being repressed and embedded in the unconscious mind, so that the traumatized person’s capacities for self-awareness and emotional intelligence are likely to be considerably impeded. Because they have not been fully mourned, such memories of traumatic experiences can be re-activated by current events, leading to the feeling of being flooded with anxiety (Garland, 1998, p. 17), sometimes many years after the initial problematic events. It is important to emphasize that this does not mean that there is no conscious awareness of these memories. Rather, this awareness may be partial and variable, with traumatized people being unable to recognize fully how these memories may be triggered by current events, and how they may influence and distort their thinking and decision making in relation to those events.
Further, the trauma may affect a wide range of people. In the case of war, it is not only combatants who are likely to be traumatized; others, including children or non-combatants during the war, or those born after the war, may also be affected. Indeed, the ‘trans-generational transmission of trauma’ (Fromm, 2012; Volkan, 2010, p. 51) can result in deeply painful and traumatic memories – or distorted versions of them – being vividly present in the minds of later generations, as if time itself had collapsed (Volkan, 2010, p. 54). At a broader, cultural level, this can generate a kind of miasma, ‘a contagious state of pollution – material, psychological and spiritual’ (Gabriel, 2012, p. 1137), whereby toxic emotions proliferate for a substantial period of time.

These memories and their associated feelings of anxiety and guilt are consigned to the unconscious by ‘defences’ (Freud, 1984; Menzies, 1960). Such defences function to repress these memories and feelings in order to protect against what are felt to be ‘traumatic …[breaches] …which are powerful enough to break through the protective shield’ (Freud, 1984, p. 301) in the mind. A variety of types of defence are possible. In this paper I borrow Turquet’s (1985) idea of the defence of ‘basic assumption oneness’ that operates at group level, and apply this concept at the level of individual leaders. Basic assumption oneness is the idea that anxieties – especially in relation to threats of annihilation, anarchy and mass-destruction – are defended against by becoming ‘at one’ with others, thereby involving joining in ‘a powerful union with an omnipotent force’ (Turquet, 1985, p. 76), including and especially with those who are felt to be the source of the threat. As this idea is borrowed from the psychoanalytic study of group relations (Turquet, 1985), and may be understood as a type of regression operating at group level (Diamond & Allcorn, 1987), I introduce a new term, ‘fantasy of fusion’, when applying this idea at the level of the individual. I
define fantasy of fusion as psychologically ‘binding’ or attaching oneself to others – including and especially those who have inflicted, or might yet inflict, trauma – in order to dissolve or dissipate a perceived threat, and provide a sense of union and apparent protection against possible further attack.

Fantasy of fusion in traumatized individuals operates at least in part at an unconscious level, because those who are influenced by it are not able to remain fully aware of the extent to which their traumatic experiences have shaped their thinking, bolstering an illusory view of the extent of their union and alikeness with others. In maintaining the apparent solidarity with others, like those who experience basic assumption oneness, one may get ‘lost in oceanic feelings of unity …[in which people become] …part of a salvationist inclusion’ (Turquet, 1985, p. 79), while aggressive and hostile feelings are relegated to the unconscious (Hopper, 2003, p. 74). Worryingly, this illusion of togetherness thus hinges on a refusal to notice ‘the extent of the deep divisions’ (Morgan-Jones, 2010, p. 88) between people, leading to a kind of ‘pseudo-solidarity’ (Morgan-Jones, 2010, p. 87) that may fragment and lead to renewed divisions between them. This reemergence of divisions and hostilities may be understood as the ‘return of the repressed’ (Freud, 1984, p. 154), whereby, having been consigned to the unconscious, that which has been repressed reappears in new and different ways at some later point.

**Methodology**

The exploration of the case of European leaders offered in this paper is located within the burgeoning tradition of text-based research that generates deeper understanding of
particular cases (Gephart, 1993; Weick, 1993). Within this tradition is a sub-set of work that draws on psychoanalysis to understand cases (Fotaki, 2010; Kenny, 2012; Stein, 2003), and this paper is specifically inspired by this body of scholarship.

The case examined in this paper draws on a wide variety of works. It involved the examination of a number of volumes and political biographies concerning specific European leaders (Bering, 1999; Cole, 1997; Drake, 2000; Duchêne, 1994; Short, 2013; Tiersky, 2000), as well as works on the cold war (Gaddis, 2007; McMahon, 2003), post-war Europe (Judt, 2010, 2011; Sinn, 1996), European integration (Dedman, 2010; Dinan, 2006; Pinder & Usherwood, 2007), and the euro and eurozone crisis (Brown, 2012; Hewitt, 2013; James, 2012; Manalopoulos, 2011; Marsh, 2009; van Overtveldt, 2011). A variety of academic papers, newspaper articles and website were also examined.

These works were read, re-read and annotated, with information being collected together and analyzed. A qualitative – rather than quantitative – analysis was used because, as Brown has argued, it allows for ‘the highlighting of nuances of meaning and sensitivity to language used’ (2003, p. 108). The qualitative approach is also consistent with research that draws on psychoanalytic ideas (Stein, 2003), and this approach therefore involved the formulation and development of psychoanalytically informed ‘working hypotheses’ (Stein, 2003, p. 525). Such working hypotheses were subject to several further rounds of examination and scrutiny, being reformulated, modified or discarded (Cresswell, 1994), with the aim of establishing a deep structure explanation (Weick, 1999) for the origins of the eurozone crisis.
This process involved the evaluation of competing hypotheses. For example, an alternative working hypothesis that focused on the trauma of European nations – ‘large-group trauma’ (Volkan, 2010) – rather than that of individual leaders was also formulated and scrutinized. While this alternative hypothesis has considerable interest, the hypothesis concerning European leaders was selected instead, both because of evidence that these leaders were themselves traumatized, and because of evidence that such leaders played a significant role in persuading European people to accept the single currency. That said, it is acknowledge, in their actions these leaders may well also have given voice to – and spoken on behalf of (Stein, 2015, p. 187) – those in their own communities, the peoples and nations of Europe.

Such hypotheses were also modified in an iterative way; once it was clear that the selected hypothesis should concern the trauma of leaders, rather than large-group trauma, the question remained as to how best to delineate the trauma of these leaders, and the hypothesis was accordingly successively modified. For example, an earlier hypothesis that the trauma of leaders related not only to the Second World War but also to their experience of fascism and totalitarianism in Mediterranean Europe was re-worked a number of times. Such a modification was undertaken – and the subsequent specific focus on the Second World War established – because of evidence of the central role of French and German leaders in the creation of the single currency, as well as the impact of the fall of the Berlin Wall, with all its associations to the war, in generating anxieties for European leaders.

While much time, care and attention was used in formulating this paper, it is clear that there are other plausible accounts of this same subject matter. Further, I recognize that
this study was undertaken within a specific scholarly discourse (Brown & Jones, 2000) and that it inevitably privileges some voices rather than others (Pentland, 1999). ‘Reflexivity’ (Gill & Johnson, 1991), that includes the awareness that there are other opposing but valid views of the same subject matter, is therefore an important aspect of the understanding that underlies the writing of this paper. However, I do very much hope that this study helps to shed new light and generate deeper understanding of these important matters.

**The dark cloud: The trauma of war**

In this section I turn to the empirical part of this paper, beginning with the personal histories of the key leaders involved in the euro launch decision. In a post-war European integration project powered by a ‘Franco-German motor’ (Tiersky, 2000, p.180) and driven by a succession of ‘pairs of French Presidents and German Chancellors’ (Marsh, 2009, p. 11), there can be little doubt that French and German leaders played the dominant role. Of these, two towering figures – François Mitterrand (France’s longest serving President, between 1981-1995) and Chancellor Helmut Kohl (Germany’s long-serving Chancellor between 1982-1998) – played the key roles, with the evidence suggesting that Mitterrand was ‘the pivotal figure’ (Marsh, 2009, p. 93), with Kohl following a close second. I thus begin with these two long-serving leaders, and also mention their wives, who played significant roles in their lives, followed by other French and German leaders, as well as key leaders of other European countries.
François Mitterrand fought and was wounded in the war, was then captured and became a German prisoner of war for 18 months. He escaped, was recaptured, and then escaped again, returning to France in 1941, where he worked both for the resistance and the Vichy government; at the conclusion to the war he was part of the delegation that liberated Dachau concentration camp (Tiersky, 2000, pp. 71-72). Mitterrand’s terrible wartime experiences led him to write in the Resistance newspaper that, in the wake of the German retreat, ‘[t]he people of France are waiting for [justice] to lift its sword….There are heads to be cut off. Let them be cut off!’ (quoted in Short, 2013, pp. 117-118). Deeply instilled with a sense of the tragedy of Franco-German history, he later acknowledged that as a young man he ‘could not pardon the damage of three occupations [by Germany] within a century …[occupations that] …seemed … a blasphemy’ (quoted in Marsh, 2009, p. 94).

Mitterrand’s, wife, Danielle, also experienced the terrors of war. Only 15 when war broke out, Danielle became a teenage member of the French Resistance and was witness to a number of tragic events during that time. Sharing a passion for freedom from oppression, Danielle and François, in ‘a marriage made in the resistance’ (Tiersky, 2000, p. 72), were wed in October 1944, just two months after the Liberation of Paris.

On the German side Chancellor Helmut Kohl too was not spared the horrors of war. Kohl was a child of nine when fighting broke out, started work in his local fire brigade at the age of twelve, and then enlisted in the military at the age of fourteen. His brother Walter was killed when an allied bomber crashed into the ground. According to US Ambassador Robert Kimmitt, some years after the war Kohl took
him into the garden of his home near his birthplace and with an emotion-filled voice, told him how ‘the blood of French and German soldiers had been spilled on all the land around’ (quoted in Marsh, 2009, p. 103).

Kohl’s wife Hannelore also endured deeply distressing wartime experiences, and was severely traumatized by them. Only six years old in 1939, as a primary school aged child she became a nurse’s helper, taking care of wounded soldiers coming out of the Eastern front (Bering, 1999, p. 78). Aged 12 at the end of the war, she was raped by Soviet soldiers, following which she was thrown out of a window by them (Hickley, 2011). She suffered a fractured vertebra, as well as intense life-long back pain as a result of her injuries, and took her own life in 2001 (Hickley, 2011).

Returning to the French, other key leaders involved in the euro launch decision included Roland Dumas, Mitterrand’s ‘confidant’ (Cole, 1997, p. 121) and ‘alter ego’ (Cole, 1997, p. 152) during his political years. Dumas suffered the tragedy of having a resistance-fighter father who was captured and executed by the Nazis. When Mitterrand came to power in 1981, Dumas announced that – because of the misfortune of his father’s early death – he felt unable to join the government and deal with the Germans. Mitterrand responded that, precisely because of his family’s history, he should take up a post and learn about the realities of modern Germany (Marsh, 2009, p. 106). Dumas went on to become France’s Foreign Minister (1988-1993) and has been described by German Foreign Minister and Vice Chancellor Hans-Dietrich Genscher as the ‘real power in the background’ (quoted in Marsh, 2009, p. 106) in relations between France and Germany during this period.
Another key French leader was Pierre Bérégovoy, Finance Minister (1984-1986) and Prime Minister during the Maastricht era (1992-1993). The son of a Ukrainian man who had fled Russia, Bérégovoy had fought with the Resistance during the war (Marsh, 2009, p. 108). Speaking as Prime Minister to the French National Assembly in May 1992, just two months after the signing of the Maastricht Treaty, Bérégovoy declared: ‘I belong to the generation that witnessed the Europe of blood and fire…It is time to hold up Europe and to unfurl as our banner, “Never, never again”’ (quoted in Marsh, 2009, p. 150). Just a year later, in 1993, he took his own life after a ‘black depression’ (Short, 2013, p. 531).

There were also other important French leaders involved in European integration and the single currency project. Robert Schuman, French Prime Minister and the first President of the European Parliamentary Assembly, was arrested by the Gestapo but saved from going to Dachau by the intervention of a German lawyer. Schuman later escaped and joined the French Resistance. Jean Monnet, although not a combatant, was a French politician and businessman who was selected by French President Édouard Daladier in 1938 to go in secret to the USA to acquire American warplanes for the French. Working on behalf of the French people and the French government in exile, Monnet spent the war years travelling between the USA, UK, France and north Africa, often very fearful, and at great risk to himself (Duchêne, 1994); he went on to become a founding father of European integration.

Frenchman Jacques Delors, European Commission President between 1985-1995, also played a central role. Although also not a combatant, Delors had a difficult, ‘unsettling and disruptive’ (Drake, 2000, p. 31) time during the war, with his family
moving from Paris to the *zone libre* in the Auvergne in 1940, and then back to Paris in 1942 following the German occupation of the *zone libre*. Then there was Georges Pompidou, French President between 1969 and 1974, who fought as an infantryman in the war and then worked in the resistance and as personal secretary to General Charles de Gaulle. Pompidou’s successor, Valery Giscard d’Estaing – who at the age of 16 had taken part in the liberation of Paris – was another such leader. Following a 1977 ceremony of reconciliation with his German counterpart Helmut Schmidt in the Alsace, Giscard admitted that he ‘could not forget the war, the battles, the cruelty’ (quoted in Marsh, 2009, p. 70), confessing that it was ‘as though we were in a stage setting that had been quickly set up to hide the ruins, the rubble, the corpses’ (quoted in Marsh, 2009, p. 70).

On the German side, other prominent leaders included Chancellor Helmut Schmidt (Kohl’s predecessor), who fought on the Eastern front, in the German Air Ministry and had been a prisoner of war in 1945. In 1987 Schmidt wrote that ‘[a]fter Hitler [and] Auschwitz …the German political class cannot be considered for leadership’ (quoted in Marsh, 2009, p. 70), and, as late as 2007, around the time of his 90th birthday, he exclaimed – when talking about the German banks – that ‘[t]he past is too present: the bloody past is too much present’ (quoted in Marsh, 2009, p. 70). Gerhard Schroeder, Kohl’s successor, was born during the war in 1944. Schroeder’s father was killed in action on the Romanian front just a few months after Gerhard’s birth, and this left his mother –who worked as an agricultural labourer – to raise her two sons alone.
Outside of France and Germany other leaders who played important roles in the euro launch decision were also deeply affected by the war. Jean-Luc Dehaene, Belgian Prime Minister (1992-1999), was born in 1940 in Montpellier, France when his parents were fleeing from the advancing German army. Then there was Guilio Andreotti, a young man of 20 living in Rome when war broke out. Although he did not fight in the war, he was highly influenced by it, committing himself to organizing Catholic intellectuals and politicians, later becoming Italian Prime Minister (1989-1992). Another important Italian was Tommaso Padoa-Schioppa, referred to as the ‘intellectual impetus…[and]… founding father’ (Rolnick, 2001) of the single currency, who was born in 1940 and did not meet his father until 1945.

Several key leaders involved in the euro launch decision were of Jewish extraction: all of these leaders lost family members in the Holocaust; all were profoundly aware of the terrible fate of the six million Jews who perished; and some were themselves incarcerated in concentration camps, narrowly escaping death. Leaders of Jewish origin included Laurent Fabius, French Budget Minister (1981-1983) and Prime Minister (1984-1986); Jean-Claude Trichet, President of the European Central Bank (2003-2011); Jacques Attali, adviser to Mitterrand and first President of the European Bank for Reconstruction and Development; and Max Konstamm, who was imprisoned by the Germans in a concentration camp whose inmates were regularly selected for execution in reprisal for the actions of the Dutch resistance, who went on to become a ‘founding father of the European project’ (BBC, 2005), including during the lead-up to the launch of the single currency.
In conclusion, the ‘rubble heap … chancel house …[and]… breeding ground for pestilence and hate’ (Churchill, quoted in McMahon, 2003, p. 2) that constituted Europe during and after the war took its toll on the continent and its leaders. The majority of these leaders were directly involved in the war; others were witness to it; while still others were born into families that had been directly affected. In sum, I would argue, Europe’s ‘unspeakable past’ (Judt, 2010, p. 3) and the horror of war was seared into the minds of its leaders, leaving them traumatized.

The fall of the Berlin Wall and the reigniting of the traumatic memory

Having referred to the impact of the war on European leaders, and argued that its effects were traumatic, I now turn to the post-war era during which, I suggest, the anxieties associated with this trauma were re-triggered by more recent events. In post-war Europe, anxiety about the repetition of the trauma of war was – in the minds of the continent’s leaders – focused both on Germany and the Soviet Union; France’s attention, in particular, was ‘fixed, indeed fixated, upon Germany’ (Judt, 2010, p. 114). In what has become known as the ‘double containment’ solution – ‘that is, containment of both Germany and the Soviet Union’ (Messenger, 2006, p. 39) – European leaders ‘came to see that ‘building Europe’ through an institutional architecture that tied West Germany into Western Europe was best for their own security’ (Messenger, 2006, p. 40). In building Europe, arguably therefore, ‘Western Europeans came to have a strong and growing interest in keeping Europe divided’ (Judt, 2011, pp. 42-43) because it allowed them to unite against a highly visible, identifiable and common enemy.
For the first few decades following the war, the integration movement in Western Europe yielded considerable benefits for its population. Worrying and difficult though the cold war era was, the settlement had the advantage that – by splitting both Germany and Europe into two separate parts – it maintained well defined boundaries that kept West Europeans (including West Germans) together and their clearly identifiable enemies at bay. It is ‘always possible to bind together a considerable number of people in love’, writes Judt about postwar Europe, ‘so long as there are other people left over to receive the manifestations of their aggressiveness’ (2011, p. 44).

However, all this changed during the latter part of the 1980s and the early 1990s. The fall of the Berlin Wall on 9 November 1989 ‘caught everyone by surprise’ (Gaddis, 2007, p. 238) and could not have been foreseen (Bering, 1999, p. 103). In essence, the fracturing of the Berlin Wall – as well as the subsequent collapse of the Eastern Bloc and the Soviet Union – constituted a ‘political earthquake’ (Short, 2013, p. 474) that changed Europe forever.

With enormous pressure from the German people to move quickly to re-unification, West German Chancellor Kohl issued a ‘Ten Point Plan to German Unity’ a mere three weeks after the collapse of the wall. Fearing that prior publicity could damage his efforts, he told no one in advance about the plan, dictating it in secret to his wife Hannelore (Bering, 1999, p. 107). However, by the time of the conclusion to the March 1990 elections in East Germany, the die was cast, as it had become abundantly clear that ‘Germans were massively in favour of unification’ (Cole, 1997, p. 155).
For many European leaders, the relative security provided by the post-war settlement melted away, and all the worries concerning Europe’s turbulent and bloody past resurfaced. Italian Prime Minister Giulio Andreotti – having exclaimed in 1988 ‘God save us from the eventuality of German unification’ (quoted in Bering, 1999, p. 128) – again made clear his fear of pan-Germanism. Soviet Prime Minister Gorbachev, also deeply concerned, pleaded with French President Mitterrand that they should stand together and oppose German unification, ‘otherwise’, as he put it, ‘I will be replaced by a soldier …[and] …you will be responsible for war’ (quoted in Marsh, 2009, p. 138).

President Mitterrand, who, we should recall, had felt as a young man that he could not pardon the Germans for their ‘blasphemy’ (Marsh, 2009, p. 94) of three occupations of France within a century, was also clearly perturbed that ‘the outcome of German unification would be war’ (Bering, 1999, p. 132). Just a month before the breaching of the Berlin Wall, Mitterrand had already emphatically stated that ‘[p]eople who talk about German reunification understand nothing’ (Bering, 1999, p. 131), speaking on another occasion of reunification as a ‘legal and political impossibility’ (Anderson, 2006, p. 263). In sum, the period following the fall of the Berlin Wall was a ‘time of peril’ (Short, 2013, p. 473) for Mitterrand, as it was for many Europeans, for whom the fear was that ‘Germany would return to its traditional role …with the usual disastrous consequences’ (Bering, 1999, p. 145). Further, while the subsequent collapses of the Soviet Union and the Eastern bloc were celebrated by many in Western Europe, they simultaneously increased these anxieties because of the uncertainties they led to.
The urgency and deep concerns expressed by European leaders therefore suggests a state of ‘hyperarousal [that] characterizes post-traumatic states’ (Taylor, 1998, p. 52) – the development of ‘exquisite sensibilities’ (Sklar, 2011, p. 16) – that alerts those who have been traumatized and keeps them in a state of high anxiety. The black cloud that had hung over Europe appears to have returned and darkened, warning people of the dangers ahead. It would seem that the tragedy of war was so great that no leaders could have mourned it fully, that events on this scale were beyond ordinary comprehension and beyond the capacity of any generation or any group of leaders to endure.

However, the tide was turning very rapidly towards the reunification of Germany. Once these European leaders began to realize that the ‘impossible’ German reunification was not only probable but unavoidable, they decided that Europe could allow it to happen with one, crucial, safeguard: reunification could only occur with the clear proviso that Germany join a monetary union that would restrict its power and bind it permanently with other European countries. The idea of a single currency therefore moved quickly to the centre of the political agenda.

**Warnings about the single currency**

The difficulty was that European leaders were faced by a broad swathe of expert opinion that warned that the single currency may do quite the opposite of what was intended. While the earlier phases of post-war European integration – the European Coal and Steel Community (ECS), European Economic Community (EEC), and the European Community (EC) – had been largely helpful for Europe, such expert
opinion held that a single currency was of an entirely different order: indeed, according to these experts, rather than simply being a further step along the road to such European integration, the single currency was a vast leap into unchartered waters that were fraught with uncertainty and danger.

One of these sources of opinion emerged from within the ranks of European central bankers, and especially the Bundesbank, the German central bank that has for many years played the key role in monetary policy formulation in Europe. As far back as the early 1960s, Bundesbank President Karl Blessing had argued that a single currency could not work in the absence of ‘a common trade policy, a common finance and budget policy, a common economic policy, a common social and wage policy – a common policy all around’ (quoted in van Overtveldt, 2011, p. 23); this warning was entirely ignored by those who went on to design the euro. Similar sentiments were expressed by Hans Tietmeyer, Bundesbank President during the important years of 1993-1999, who continued to voice the bank’s concerns (Marsh, 2009, p. 194). Similarly, Antonio Fazio, Governor of Italy’s central bank during the decisive years of 1993 to 2005, had long expressed deep opposition to the single currency: in 1998 he warned that, rather than expecting the paradise that was being promised to them, single currency members should anticipate purgatory involving years of pain and sacrifice (MacKenzie & Jones, 2012).

Experts in fields such as sociology and social policy also expressed serious concerns. Perhaps the most prominent was Lord Ralph Dahrendorf, the eminent German sociologist, Director of the London School of Economics, a member of the UK House of Lords and the German parliament. In 1998 Dahrendorf wrote that European
monetary union was ‘always a reckless project’ (1998, p. 32) and that the shortly to be launched euro would ‘divide Europe like nothing else since 1945’ (1998, p. 32).

Particularly perturbing was the wide range of eminent economists, many of whom were American, who warned starkly that the single currency was doomed to failure. Paul Krugman, who went on to win the Nobel Prize in economics, complained bitterly in 1998 about how criticisms of the plan for a single European currency had been ignored. ‘For seven long years since the signing of the Maastricht treaty’, he pointed out, ‘critics have warned that the plan was an invitation to disaster’ (Krugman, 1998). Milton Friedman, on the opposite side of the political spectrum, was another Nobel prize-winning US economist who doubted the euro’s viability (Jonung & Drea, 2010, p. 29), predicting that the currency would not survive its first financial crisis (Manolopoulos, 2011, p. 152; Brown, 2012, p. 61). Then there was the eminent Harvard Professor of economics and President of the National Bureau of Economic Research (NBER), Martin Feldstein, who went as far as to predict that European monetary union would lead to civil war (James, 2012, p. 16).

Worryingly, as van Overveldt notes, criticism of the single currency among US economists ‘came from all over the ideological spectrum’ (2011, pp. 51-52). So widespread were these concerns that – in a review of 170 publications about the single European currency during the period 1989-2002 – Jonung and Drea (2010) summed up the vast majority of US economists’ opinions with an article entitled: ‘It can’t happen, it’s a bad idea, it won’t last’.

**Fantasy of fusion, the euro launch decision, and the origins of the eurozone crisis**
In the face of the stark and direct warnings of these experts, European leaders chose to forge ahead with the single currency; given that European currency union was an unprecedented experiment of enormous magnitude, it striking that these leaders chose not to heed such warnings. While the idea of a single currency had been talked about in a serious way as early as the 1960s, it took the chaos and uncertainty that followed the collapse of the Berlin Wall to bring it forcefully and squarely onto the agenda.

Evidence from this time suggests that Mitterrand was prepared to use whatever tactics were available to him to achieve the trade-off between German re-unification, by then regarded as unavoidable, and the adoption of the single currency. In August 1988, he tried to persuade the European Council Ministers of the dangers of the Deutsche Mark by evoking the idea of it as Germany’s ‘nuclear force’ (Marsh, 2009, p. 93). In November 1989, he adopted a different tactic, confronting German Foreign Minister Hans-Dietrich Genscher, saying that German reunification coupled with the country’s reluctance to agree to the trade-off was ‘pushing us to a new Triple Alliance of France, Britain and Russia, exactly as in 1913…You will be encircled and it will end in war’ (quoted in Short, 2013, p. 475). Mitterrand’s strongly held view, as expressed in October 1990, was that European leaders had no alternative but to ‘dissolve Germany in a European political [and economic] union …[o]therwise German arrogance …will again threaten the peace of Europe’ (quoted in Bering, 1999, p. 132). Former French President Valery Giscard d’Estaing echoed this when he suggested that if monetary union did not go ahead, ‘a very dangerous situation for France ..[would emerge, leading to]…the transition to a preponderant influence by Germany’ (quoted in Marsh, 2009, p. 195), while French Prime Minister Pierre Bérégovoy said
that monetary union was essential in order to erase ‘centuries of fratricidal strife’ (quoted in Marsh, 2009, p. 150). In sum, these leaders believed that Europe was under threat and had entered an ‘extreme context’ (Hannah, Uhl-Bien, Avolio, & Cavarretta, 2009), where goals are not merely of high priority but are imperative for survival.

In the context of this highly volatile situation, German leaders were persuaded of the argument. ‘In the slipstream of the …unification of Germany’, argues van Overtveldt, ‘French President François Mitterrand convinced German Chancellor Helmut Kohl into acceptance of monetary union’ (2011, p. 4). This trade-off (Hewitt, 2013, p. 28; Bering, 1999, p. 159) has become an ‘open secret’ (Sinn, 1996, p. 1) in the canons of post-war history. The German leadership thus joined their counterparts in the rest of Western Europe for the push towards monetary union.

While it is clear that it took some persuading to get the German leaders to accept this trade-off, it is also clear that the trade-off fed into – and appeared to provide a ‘solution’ for – the war trauma that was so powerfully felt by them. This war trauma had engendered, for Germans and especially for Kohl, strong feelings of nervousness (Tiersky, 2000, p. 187) and anxiety, especially about their country’s own belligerent tendencies, as well as worries about possible retribution by former enemies; it also concerned feelings of guilt (Bering, 1999, p. 80) and even self-hatred (Bering, 1999, p. 81) about Germany’s role in the war. A solution that promised a powerful sense of fraternity with those whom they had most damaged – and that bound them together in a way that seemed to diminish the likelihood of conflict – was therefore felt to be a way out, particularly for Kohl, for whom Germany ‘[m]aterially and morally …. lay in ruins’ (Bering, 1999, p. 32) following the war. Concerned that ‘if Germany was
reunified in the wrong fashion, it could reawaken old demons’ (Marsh, 2009, p. 105), Kohl thus came round to the idea that the single currency would provide the best solution. In due course, and buoyed up by the fantasy of European togetherness, Kohl became a great adherent of the euro, making it clear that Europe would be in danger if the single currency did not come about (Marsh, 2009, p. 189), and telling a Belgian audience in 1996 that the euro and European unification were ‘a matter of war and peace’ (Marsh, 2009, p. 179).

In proposing the single currency, Mitterrand, Kohl and other European leaders thus built up a fantasy that Europe could become a benign and cohesive group of nations sharing a long-standing and profound sense of unity that made the return to conflict and war impossible. This fantasy of fusion left out any mention of the continent’s bloody and turbulent history that the currency was intended to obliterate. Especially around the ‘europhoric’ (van Overtveldt, 2011, p. 86) time of the 1992 signing of the Maastricht Treaty – the ‘highpoint in EU history’ (Heisenberg, 2006, p. 242) – these leaders spoke specifically of the ‘embedding’ (Tiersky, 2000, p. 187) of the reunited Germany within Europe via a single currency, a term that evokes the idea of fusion and connectedness.

While the strength of the fantasy only took hold more fully in Kohl’s mind at the start of the 1990s, it had emerged in Mitterrand’s mind long before. Specifically, omitting any reference to the German occupations of France that he had previously felt to be a ‘blasphemy’ (Marsh, 2009, p. 94), in 1983 Mitterrand had dramatically sketched the outlines of the fantasy by citing Victor Hugo’s statement that France and Germany shared the same bloodline (Marsh, 2009, p. 99), and by proclaiming further that the
‘union of France and Germany shall be the peace of the world’ (quoted in Marsh, 2009, p. 99). This theme was continued in his speech in Berlin in 1995 when he described French and German history being ‘indissolubly linked…[in a]… beautiful and powerful adventure’ (quoted in Short, 2013, p. 566), arguing on another occasion that the single currency would be ‘the strongest [currency] in the world, stronger than the dollar … and will allow Europe to reassert itself as the first economic power of the planet’ (quoted in Short, 2013, p. 519). As time went on, residual doubts diminished and the fantasy of fusion strengthened.

During the relatively few stable years immediately following the 1999 launch of the single currency, a period without the financial crises the critics were so concerned about, the fantasy around the euro strengthened further. In 2002, European Central Bank President Wim Duisenberg announced that the euro launch had been a ‘tremendous success… that …will appear in the history books …as the start of a new era in Europe’ (quoted in Manolopoulos, 2011, p. 58). As late as January 2008, German Finance Minister Peer Steinbrück reported that his ‘feeling about the euro’s success is close to euphoric’ (quoted in Marsh, 2009, p. 219).

The reality of the single currency, as we now know, was much different from this. ‘The trouble was that the dream, so enticing to a European elite, obscured flaws that were starkly obvious’ (Hewitt, 2013, p. 31) with ‘economic inconsistencies and even outright fallacies …[built into] …the architecture of the monetary union’ (van Overtfeldt, 2011, p. 30).
Thus, while the euro replaced currencies that had existed in various forms for many hundreds or even thousands of years, it was in a serious state of disorder little more than a decade after its creation. Beginning with the turbulence in Southern Europe that started in late 2009, and followed by rapidly escalating problems leading to vast and unprecedented bailouts for a variety of European countries, the ongoing eurozone crisis threatens the entire European project. In 2011/2012 Greece came perilously close to exiting the eurozone, and the splits, animosities and divisions within the single currency area reached a peak. At the time of writing this article, a number of major European economies have stagnated and have dangerously high levels of unemployment, with Greece once again teetering on the brink of a euro exit. While the eurozone crisis goes in and out of the media spotlight, it is clear that no solution has been – or is likely to be – found.

I thus argue that, as traumatized people who carry ‘an impossible history within them’ (Caruth, 1995, p. 5), European leaders operated in the absence of emotional intelligence (Salovey & Meyer, 1990) by searching for an idealized solution that would save them from their anxieties, and in some cases, their guilt. Guided by a fantasy of fusion, it was hoped that the traumatic memories of war – and, by implication, centuries of division and fratricide – would be ‘cured’ by unification and fraternity, especially if it involved the inclusion, and thereby neutralization, of Germany, the country most feared. As leaders, they may also have been ‘spokespeople … enacting underlying, unconscious ideas’ (Stein, 2015, p. 187) on behalf of their communities. A central difficulty here is that, hinging on flight from the traumatic memory of war, the solution veered to the opposite extreme, leading to an ill-advised currency union that was fraught with problems and ran counter to
known, rational considerations. This response therefore involved a powerful sense of denial because it encompasses the deluded idea – we can pacify our enemies by embracing them – that Europe could overcome its bloody history by a unification of formerly warring parties. This highlights the difficulty of learning, central to effective leadership (Day, 2011, p. 561).

The Maastricht Treaty may thus be seen as an example of what Fotaki (2010) describes as public policies that are the product of fantasy, while the euro can be seen as what psychoanalytically inspired finance scholars Tuckett and Taffler (2008) have referred to as a ‘phantastic object’ invested with ‘latent (unconscious) wishes’ (2008, p. 395). Put differently, the single currency was an attempt to exorcise a history stained with centuries of conflict and spilt blood, and prevent its repetition by creating a highly problematic single currency union, in defiance of clear and stark warnings about its viability. Thus, while a degree of economic and political integration was both important and helpful for post-war Europe, the flight from this traumatic memory inclined European leaders to engage in a highly dangerous degree of integration that has created many more problems than it solved.

The current animosities and divisions within the eurozone may thus be understood as the ‘return of the repressed’ (Freud, 1984, p. 154), whereby unresolved repressed memories and feelings – European leaders’ memories of war, and their problematic feelings towards each other – emerge later, with much intensity. The argument of this paper is that the magnitude of the trauma of European leaders, and the extent to which they spoke for their traumatized peoples, meant that such leaders were not in a
position to deal adequately with their histories, and that which has been repressed has therefore returned with considerable vigour.

**Discussion**

This paper makes three contributions to the literature. First, it calls into question a central assumption – that trauma leads to feelings of dejection, helplessness and lethargy – which underlies much of the work on in the area of trauma studies (Knežević & Ovsenik, 2002; Hazen, 2003; Lutgen-Sandvik, 2008), and also proposes the contrary notion of ‘fantasy of fusion’ as a response to trauma. While many of the cases examined in the literature show evidence of helplessness as a response to trauma, and while the above authors have insightfully elaborated on the nature of helplessness, in this paper I argue that in other circumstances the converse may be true. In such situations trauma may lead instead to a highly active and over-optimistic response, one that pivots on the fantasy that – if a union can be created with those who have inflicted or may yet inflict a trauma – a repetition of the damage will be forestalled. I argue that such a response constitutes a defence (Freud, 1984, p. 301; Menzies, 1960) that involves a fantasy of fusion into a powerful union that will protect against danger. Thus, intense fears of an enemy are replaced by the exaggerated embracing of it, in the absence of a more considered relation to it.

Second, this paper also contributes to the literature on leadership. One specific area is its contribution to the literature that focuses on the influence of leaders’ biographies or life-stories rather than their traits or behaviours, one that emphasizes the significance of their personal meaning systems and how these shape their identities
(Shamir, Dayan-Horesh, & Adler, 2005). McAdams, Diamond, de St. Aubin and Mansfield (1997) show that highly generative people tend to have a ‘commitment story’ that may involve the transformation of difficult experiences into good outcomes, and this is especially the case with leaders. Specifically, leaders tend to remember unusual, emotionally-laden and often adverse events (Ligon, Hunter, & Mumford, 2008) that engender early life-crises (Shamir, Dayan-Horesh, & Adler, 2005, p. 16), and these are central to their life-stories. Such adverse events may be understood as the ‘crucibles of leadership’ (Bennis, 2002), in which leaders are able to survive difficult and potentially traumatic experiences and come out at the other end with learning, wisdom and enthusiasm. This paper contributes to this literature by showing that – especially where trauma is severe and extreme – such crucible events may indeed have occurred, but that the situation is much more nuanced and potentially problematic than hitherto thought. On one level, memories can evoke painful, complex feelings, and may also be subject to repression; on another, any ‘learning’ from memories and ‘crucible events’ may be highly questionable, and the decision-making that results from them may thus be entirely flawed.

Another area of the leadership literature that this paper contributes to concerns that which focuses on leaders’ emotional intelligence. Emotional intelligence is understood as the ability to monitor one’s own and other’s emotions and to use this information to guide thinking and action (Salovey & Mayer, 1990; Day, 2011; Wong & Law, 2002), and is thus seen by many as central to effective leadership. Self-awareness – ‘having a deep understanding of one’s emotions’ (Goleman, 2004, p. 84) – is seen to play a fundamental role. More specifically, it is argued that emotional intelligence involves the ability to ‘act wisely’ (Wong & Law, 2002, p. 245) in
guiding thinking and action, and also to consider and initiate radical change (Huy, 1999). Studies of the kind offered in this paper suggest that trauma may make it highly difficult for leaders to deal with their ‘inner demons’ (Stein, 2005, p. 1410) as well as unwanted parts of themselves (Petriglieri & Stein, 2012; Vince & Mazen, 2014), and this therefore reduces the possibility that they will develop emotional intelligence and function effectively. Specifically, this study makes the contribution that, in constructing a fantasy of fusion as a defence that protects against the idea of the resurgence of war and conflict, European leaders found it difficult or even impossible to emerge with an intact capability for ‘self-awareness’, a key component of emotional intelligence, and this thereby prevented them from acting with wisdom.

Third, this paper also contributes a new deep structure understanding (Weick, 1999) of the origins of the eurozone crisis. While authors such as Marsh (2009), Van Overtfeldt (2011) and Manolopoulos (2011) have argued that the euro was created because there was an over-emphasis on political interests that concerned an attempt to curtail Germany, what is missing is a theoretical underpinning regarding why these political concerns were so strongly and profoundly felt. The theorization of the idea of trauma, especially focused around the notion of the fantasy of fusion, remedies this by contributing a new deep structure explanation for the creation of the single currency. This theorization suggests that the thinking of European leaders involved the deluded idea that the continent’s fractious and troubled history could be ‘cured’ by a fantasy of union, peacefulness and togetherness. Thus, having brought formerly warring parties into an inappropriate closeness, and hinging on repression of unresolved memories of war and the feelings associated with it, the single currency created more problems than it solved. As a consequence of the repression of these memories and
feelings, in the past few years we have therefore witnessed the ‘return of the repressed’ (Freud, 1984, p. 154) in Europe, with deep and highly worrying fissures and faction fighting re-emerging relatively soon after the single currency’s creation, and with considerable vigour, threatening the entire European project, and possibly the global economy. Indeed, I would argue, these divisions, along a multiple and ever-widening fault-lines, are direct evidence of the illusory and highly problematic nature of the ‘fantasy of fusion’ and the policies it led to.

The understanding provided in this paper also implies that those who believe that the eurozone’s current woes occurred as a result of the global financial crisis mistake the ‘triggering event’ (Shrivastava, 1992) for the underlying cause, because the real, underlying cause of the crisis long precedes the events of 2008. Similarly, those who see the root of the current problems as lying with the actions of individual countries such as Greece or Germany have, according to this reading, misunderstood the fundamental issues, because the underlying problems – involving a highly problematic and flawed attempt to solve Europe’s long-standing animosities – are considerably deeper and broader, and of much longer standing. Indeed, the view offered in this paper suggests that the ‘incubation period’ (Turner, 1976; Turner & Pidgeon, 1997) of the eurozone crisis goes back at minimum to the Second World War, if not much further, and it is only on the basis of an understanding of this that we can gain a perspective on the problem. In sum, in challenging both theoretical orthodoxies, as well as our understanding of how the eurozone crisis came about, it is hoped that this paper makes a new and valuable contribution.
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