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**PSYCHOECONOMICS:  
Globalization, Markets, Crisis**

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The proposed methodology of psychoeconomic analysis permits a deeper understanding of the causes of mankind's current crisis. Knowing the patterns of the cyclical alternation of psychotypes, it is possible to make a more exact prognosis for the development of the world's countries. The dependency of people's emotional state on the Earth's magnetic sphere permits a more precise prognosis of the increase in protesting by various population groups, and even the change in capital markets on the scale of decades, years, months, days, and minutes.

This book is intended for politicians, economists, psychologists, market traders, practicing managers, and students.

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**Introduction**

This book is a continuation of some reflections on the causes of the world's economic crisis (see: N.I. Koniukhov, O.N. Arkhipova, O.N. Koniukhova. *Psychoeconomics*. 2012)

The essence of this concept is that the periodicity of socioeconomic development is related to the cyclical nature of the change in the psychotypes of people, and the cyclical nature of solar activity. The coincidence of a period of domination by the third-generation elite with an increase in the hysteroid traits of an economically active population gives rise to psychoeconomic crises of particular depth. The world lived through such a period between 1929 and 1939, and we are living through another one now (2008- ). Recovering from such a crisis was previously possible through war, revolution, hunger, etc., which forcibly changed people. The scale of such upheavals can be reduced by understanding the psychoeconomic bases of similar crises.

## **Chapter 1. Psychotypological changes in the elite, the economically active population as an influential factor in socioeconomic processes in the world.**

Society develops erratically. At more critical and stressful points of development, people's psyches stretch and are overstretched. And it happens that those in the middle of such stress exert the greatest effect on the environment at critical times of social development. This usually means people with accentuation characteristics. Most of the Russian tsars, according to the psychiatrist A. Kovalevsky, were people with traits that deviated from the norm. Most of successful prominent managers in Russia, according to the research of S. Epifantsev, have traits of accentuation. Cesare Lombroso's opinion about talented people likewise concerns the fact that they are, to a great degree, accentuated, and frequently with psychological deviations. People have various personality traits, in some languages the number of them is in the tens of thousands. But what is amazing, regardless of the historical period in a state of stress or over-stress, is that people arrive at the same deviations from the norm. These deviations and the typology of people with psychological deviations are studied by psychiatrists. In our research, the analysis does not concern psychotypes with psychological deviations, but rather the variable personality traits and their typology. But these variable personality traits are often grouped in clusters that are close to psychological deviations. These are often accentuated people.

### 1.1. Basic psychological terms.

Terms and their meanings are the language of science. Without a precise language it is impossible to communicate ideas precisely and clearly.

Considering the inclusion of English-speaking scholars in the discussion, an English translation of the definitions of terms is presented.

**Hysteroid accentuation** – a type of accentuation where the personality at the level of dynamic stereotypes is increasingly emotional, impressionable, “high strung”, and loves the attention of people and cannot be without it. In the process of practical work, he may attract attention to himself by committing acts that others will not commit (such as to pitch some idea, then unexpectedly

swear at someone, then compliment them, then not agree to something, then complain to an older supervisor in front of everyone, etc.). And these actions are dictated less by the substance of the problem than by an unconscious wish to attract attention. The hysteroid type of accentuations or the demonstrative type strive for attention and acknowledgement by those around him by any means available.

**Paranoiac accentuation** – the psychotype of a person for whom it is characteristic to strive toward a goal, at times to the detriment of those around him. The main characteristics of such people are their difficulties in controlling the strong emotional reactions that occur, and stability, perseverance, single-mindedness, and the presence of persistent orientation to attaining goals (at times without any good reason), right up to formation of predominant ideas or relationships. Most successful business leaders are accentuated paranoiacally. Their predominant idea is to start the ball rolling, get to work. The paranoiac or “trapped” type of accentuations are stuck on something under the influence of a “predominant idea”.

**Resonant psychotype** – one of the basic psychotypes of the gainfully employed population, which ensures the success of the society and of the people in a given historical epoch, in given types of activity or in a given specific circumstance... Usually these are domain experts, frequently with traces of paranoia.

**Postresonant psychotype** – a type of person who imitates the resonant psychotypes and learns from them. Usually these are social motivators, often with traces of obsessiveness.

**Post-postresonant psychotype** – a psychotype which psychologically and logically comes to replace the postresonant psychotype. Most often these are social motivators, often with traces of hysteria.

**“Domain expert” metaprogram** – a psychotype and simultaneously a strategy for satisfying a human need, conditioned by the presence of corresponding systems of dynamic stereotypes, through analyzing and managing technological processes, owing to personal work in an activity whose purpose is domain specific (image, object, process etc.).

**“Social motivator” metaprogram** – a psychotype and at the same time a strategy for satisfying human needs, conditioned by the presence of corresponding systems of dynamic stereotypes, through analyzing and managing other people, and through personal work or activity in a system of interpersonal relations, whose aim is related to forming needed motivation or behavior of other people.

People change under the influence of social and natural factors, including solar activity. At certain peaks of solar activity, people can become highly agitated and particularly emotional. They become increasingly hysteroid and psychopathic.

All of the Russian revolutions (1905, 1917, 1991) coincided with solar peaks that were the largest in a decade.

Revolution	Comparative Wolf number for the year	There had not been such a peak before the revolution since	There had not been such a peak after the revolution	The most intensive solar radiation for
1905	63.5	1895	Pre-1916	22 years
1917	104	1871 (The Paris Commune)	Before 1937 (Mass repressions in Russia)	66 years
1991	1991 – 145.7 1990 – 142.6 1989 – 157,6 Three years in a row	1979 (drawn into the Afghan war)	No data yet	At this point more than 30 years

In years of solar tranquility, the average annual number of such sunspots is small — 10 - 20.

Peaks of solar activity are also peaks of social protest and revolution. Social roles that had previously been accepted (stable social dynamic stereotypes) – were swept away. Society was ready to accept new roles, to begin to live according to new customs, traditions, and laws. In the language of the physiology of higher nervous function, the apparatus for closing and opening nerve impulse circuits has succumbed to change to a much greater degree than usual.

People are capable of behaving and changing their dynamic stereotypes to a much greater degree than usual. The influence of hysteroids and psychopathic personalities automatically becomes stronger and more relevant. They have higher sociometric ratings and exert a more effective influence on those around them than usual. Revolution, for the hysteroids that take part in it, frequently becomes the moment of their fullest emotional satisfaction – on the

barricades, at the center of attention, all in one emotional outburst... Even actors don't get such an emotional outburst on the stage.

One might counter that not all peaks of solar activity end up in revolutions. True enough. Several peaks of solar activity have not ended up in revolution in Russia.

There are two exceptions: 1991 (the incursion of troops into Afghanistan) and 1957–1958. The entry into Afghanistan turned the agitation of people and their heightened psychopathy into an emotion about “fulfilling international obligation”. Nevertheless the decision itself was in large measure impulsive.

But the period from 1957 to 1958 deserves a separate analysis. The atypical behavior of the Soviet people must be explained by the fact that after the war everyone got used to being compliant, and firm dynamic stereotypes were engineered to obey orders and meet the demands of the powerful agencies, while at the same time (!) the functioning of the apparatus opening and closing conditioned reflexes became more active. This suffices to minimize the effect of the Sun for up to 20 years. That is on the one hand.

On the other hand, the influence of the country's authorities on the people was emotionalized. The people were emotionalized. The accumulated psychopathic energy poured out into emotions because of the denouncing of Stalin's personality cult, the launch of the first sputnik, the World Youth Festival, the construction of new housing – “khrushchevki” and so on and so forth. Steam was let off with the help of these and other events.

Rates of economic development (N. Kondratiev curve) are linked to solar activity.

Of the 12 peaks of solar activity since 1870, in 8 cases economic development slowed after peak solar activity passed, and at each stage of growth of the Kondratiev cycle, a peak of solar activity preceded maximization.

An economically active population first becomes increasingly emotional, then returns to a normal state. In the normal state, the economic laws discovered by science are active. In a psychopathic state of the population and the subjects of economic activity, they are deformed depending on the degree of psychopathization of both the economically active population as well as the elite.

## **1.2. Causes of the crisis today: analogies in the past**

*The wavelike change in people's psychotypes and the economically active population is superimposed on the wavelike change in the quality of the elite. In countries that are developing under the influence of endogenous factors, that is,*

that depend on the influence of neighboring countries and external factors to a lesser degree than others, the quality of the elite changes radically in the span of three generations. Studies by F. Braudel and other scholars show that it has happened like this for millennia.

The psychotypes of the elite and economically active population are multifaceted. Let's take just one facet: the relationship between "domain experts" and "social motivators". People think with metaprograms.

The "social motivator" is oriented toward the opinion of other people, while the "domain expert", when making a decision, is oriented toward technological processes, which he tries to manage.

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The role and significance of domain experts and social motivators has fluctuated throughout history.

In this respect there is the study by Y.A. Van Houtte, which finds a pendular movement of industry between cities, towns and villages throughout the Netherlands from the Middle Ages to the eighteenth century. Initially, industry in the Netherlands was scattered through the villages. In the thirteenth and fourteenth centuries, industry began to migrate to the cities. After the long depression of 1350–1450, villages were again deluged with tradesmen. Guilds no longer satisfied them, and labor costs became more expensive in the city. But in the workshops it was primarily the "social motivators" who occupied the leading position in their management – people who were able to unify others and force them to make cooperative sacrifices for common goals.

In the sixteenth century, according to Van Houtte, cities again became attractive for Dutch tradesmen, while in the seventeenth century, the village again attracted the tradesmen. Van Houtte explains this migration in terms of the level of taxation. –But taxes are more often imposed by "social motivators" and not by "domain experts".

This is generally true for any unorganized backgrounds and associations of people. Real democracy is replaced in time by the management by "social motivators". Eventually this management leads to oppression of "domain experts", and then, to conflict with them. Without a certain number of "domain experts," the "social motivators" have nothing to do, no one to exploit, and thus they need to create the conditions that would attract "domain experts" to them again.

On the whole, this oscillating interaction of "social motivators" and "domain experts" has enabled a more tempestuous development of society. This



much is clear: this is how compromising conditions of coexistence, an optimal social and economic structure of society, are more quickly worked out between “domain experts” and “social motivators”. In the Netherlands, this oscillating movement of the tradesmen generally enabled growth of labor productivity and the development of industrial relations. This correlates with Holland’s intensive development in those years.

The relationship between “domain experts” and “social motivators”, their oscillating rotation, is likewise the basis of the rotation of the main centers of economic development. Thus, in the Middle Ages there was a competition for primacy in the system of economic relations between Genoa and Venice. Loss of the leadership positions by these city-states was frequently associated with one of the groups of “social motivators” coming into power. As a rule, social motivators come to power under the guise of democracy. This period of exceptional activity of the “social motivators” is a period of intensive development of democracy. But then the “social motivators” have to either lose power under the pressure of the masses, or cede it to the “domain experts”.

The first-generation elite is substantive, objective. The second generation of the elite is filled with social motivators. Without the difficulties that temper it, without the struggle for domination, without reinvention, the third-generation elite becomes emotionalized, hysteroid, and loses the ability to manage society effectively.

This logic of elite formation is valid when the development of society proceeds more or less without conflict. At the same time, internal and external conflicts and problems can introduce large nuances into this development, up to the point of creating the necessary conditions for rapid renovation of the elite, moving intelligent competent people into the elite to renew it, or rapid changes toward creating the necessary abilities in the existing elite.

The coupling of the type of elite and the type of economically active population in a country determines the basic socio-economic processes. Rates of economic development and the nature of relations between various social groups, political processes etc. depend on this. When the combination is detrimental, that is, when the third generation elite and the condition of the population when it mimics emotionalized, psychopathic people, a psychoeconomic crisis occurs.

History shows that this three-generational phenomenon has time limits. It may take up to a hundred years or more, and it may be shorter than 50 years. This does not depend just on the average lifespan (all else being equal, when lifespan increases, the time of three generations also increases on average). It also depends on social factors, on solar activity, on management deci-

sions, on the personality shaping decisions on socioeconomic processes and on the decisions of the government and legislative agencies of the leading countries, and on a system of exogenous factors. The U.S. is a country where the degree of influence of external factors on development is much lower than in most other countries. And here this time interval is more indicative.

The strongest socioeconomic upheaval in the history of the U.S. (which coincided with a solar activity peak) was the Civil War of 1861-1865. The first-generation elite was formed as a result.

Prior to this, the first-generation elite was created during George Washington's administration (1789-1797). From the beginning of George Washington's presidency to the beginning of the US Civil War, 72 years passed.

The first-generation elite was formed anew as a result of the Civil War.

This elite grew out of the struggle, out of a violent civil war. At the top of the social hierarchy moved those who were more capable, but not more astute or successful in the system of interpersonal relationships. From the moment the U.S. Civil War began to the moment of the conclusion of the country's second most powerful socioeconomic conflict (the Great Depression of 1929-1933), 72 years passed. If we add that time to the year of the end of the Civil War in the U.S., we get 1937. This was just as critical a year for the U.S in the opinion of modern economists. Now if we add 72 years to 1937, we get 2009. Although it is generally accepted that a world crisis began in 2008, nevertheless the coincidence of the numbers has a sacred character.

During wars, the succession of the elite psychotypes, the economically active population, and the development of the country obey slightly different laws.

The new first-generation elite in the U.S. likewise grew out of the flames of war. Let us add 72 years to 1945 (or perhaps to 1944, the Bretton Woods Conference). 2017 (plus or minus 3 years) is a time when by analogy with the past, sufficiently compelling reasons may arise to replace the existing elite of the US with a new cohort of people. But much depends on the development of the crisis that has begun and on the managerial decisions being made.

One can argue with these calculations. One can include the depression and crisis of 1873-1896. For this reason one can object that different countries have their endogenous cycles of psychoeconomic crises and that this depression is an example of the influence of Germany's development (which was in another cycle) on the US and other countries. This is an academic argument. For our purposes, it is important that countries that depend less than others in their de-

velopment on the influence of neighboring countries have a more stable cycle in their development – three generations of elite and two to three generations of an economically active population. This affected all former world economic centers (Genoa, Antwerp, Amsterdam etc.). This affected the development of countries like the U.S. and U.S.S.R., that is, countries that depended on external factors less than others.

It is possible to insist that one must count from the conclusion of an event that serves as a sign of transition of government from one type of elite to another. We can and must maintain that wars deform the process. All this is true. In support of what has been claimed, it is interesting to note that since 1917, when the Bolsheviks came into power in Russia, until 1991, when the now-ruling political powers, the elite, came into power, 74 years passed. One may also object by insisting on 1989, when the CPSS in power fell. Then we likewise obtain 72 years. We may talk about what the events are that our consciousness connects to the arrival of the new elite, the loss of power of one elite and its interception by another. But real changes occur more under the influence of cumulative causes, that is, a large aggregation of microreasons. In the historical process, much is accidental, which carries its own corrections to the effects of cumulative causes. However, the peaks of solar activity arise quite consistently at a 12-year interval (plus or minus 1-3 years).

On average the power of the third-generation elite passes to the first-generation elite under the influence of endogenous factors in 72 years. Wars, revolutions, and exogenous factors may deform these processes. Then the new cycle “becomes attached” to the regular cycle of solar activity, but the 72-year period amazingly stably proves itself in the cyclical development of history.

On the basis of this, two peaks of solar activity fall on the first-generation elite, two on the second-generation elite, and two on the third-generation elite. Seventy-two years are gone. Regarding the replacement of social motivators by domain experts (in our concept, not just domain experts, but special types, resonators), this coincides with a 24-year cycle. But the domination in business by people with traces of hysteroidism may simply not occur. They commonly are swept up by a violent competitive struggle, especially if a large, developing country is nearby. Enterprises under the management of psychopathic, hysteroidal people due to these unfavorable exogenous factors simply go bankrupt. This explains why Kondratiev cycles are somewhat different from a 72-year cycle. But by any interpretation, this is not less than 48 years.

The moment of increased solar activity does not usually mean a change-over of psychotypes’ authority. It is an idiosyncratic indicator of the transition of influence of cumulative forces from supporting one psychotype to blocking

its development. But by themselves these changes occur gradually, slowly, cumulatively. Suddenly they all begin to recognize that something in the system of socioeconomic relationships was not working out as required. The recognized contradictions begin to grow, authority built on certain psychological bases begins to crumble, and another authority arises.

With regard to resonators, they exist in any period of socioeconomic development. But here there arises a succession of them to become leaders in the new spiral of socioeconomic development. They increasingly begin to be aware of themselves and to feel the strength to dash into their activity (if they can catch the influence of cumulative causes). And after their peak of solar activity, this process speeds up. The psychophysiological causes are clear. In a period of solar activity, the mechanism of closing and opening conditioned reflexes, of changing the stereotypes of our thinking, works better. And by themselves the resonators, and importantly, those surrounding them, begin to understand capabilities of different population groups and their own capabilities, and to understand whom it is best to rely on. This benefits everyone.

But along comes a new peak of solar activity. Again the stereotypes of thinking begin to actively change. And gradually, cumulatively, people come together who understand that the efforts of the resonators may be improved by activation of external contacts, and not by searching for a new example, but by reproducing examples that are known to work well. This process accelerates at the next peak of solar activity. This is the first peak of solar activity for postresonators. At the second peak of solar activity, the feeling arises that everything is not going as wished.

Just as postresonators come to power, they are analogously replaced by post-postresonators. Or the economy of a given country is seized by the economically active subjects of other countries, and is ruined through competing with them. Sometimes this competition is blocked, such as by passing laws (e.g. 1933 in the U.S.) that introduce duties on imported goods. Sometimes it is simply blocked physically (e.g. the "Boston Tea Party" etc.) This tends to happen in countries that are leaders in military-political relationships.

Sometimes the elite in one or another government seems to have been appointed by the administration of another, more powerful government. The cycle will likewise be other than 72 years.

But on the whole, if we are talking about the effect of endogenous factors, altogether 72 years pass, and again a first-generation elite comes forth into the historical arena. But the moment of transition of power from the third-generation elite to the first-generation elite is usually hysterical, and often as not colored by bloodshed, especially if this occurs during special activity of the

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post-postresonators. The hysterical nature of the manifestation of the post-postresonators is polymorphous. One of these manifestations is the active inclusion of defensive reactions. Rational arguments are rejected with passion, vehemence, and they are hidden behind the denunciation of others...

But have there been more psychoeconomic crises like this? There is reason to suppose that the depression was one such, while in the opinion of some authors, the years 1873-1896 were also a crisis. U.S. economists have a somewhat different view of the boundaries of that depression, namely 1873-1879. But this is a more endogenous factor for Germany. For the U.S. it already possessed signs of being exogenous. Here, similar psychoeconomical dependencies appeared as with the crisis of 1929-1933. Leading to the market panic in 1873, bubbles in the real estate and property markets were inflated and there was a precipitous drop in share prices, etc. But the main evidence that the psychotypes of the economically active population had eventually changed in the direction of the appearance of an ever larger number of resonators is the change in the rates of development of the country. Germany leads in industrial growth. The average annual growth of industrial production in 1891-1913 in England was 2.1%, in the U.S., 4.12%, while in Germany, it was 4.2%. That is, cycles of economic development rooted in endogenous factors may be different in different countries and may not coincide.

It is amazing that the cycles described coincide with the period of cycles of development of humanity presented in the Book of Veles (Vedic religion).

In the Vedic calendar there are sacred numbers, including 144. In the Vedic periodization, a cycle occurs called the Circle of Life. This lasts 144 years. If we start from this premise, then 72 years is half the Circle of Life. It is not impossible that systemic changes in people's psychology are at the bottom and in a 144-year cycle, which is likewise connected with cycles of solar activity.

We notice that according to the Maya calendar (December 21) and the Vedic calendar, a new epoch begins in 2012 – the Age of Aquarius, which replaces the Piscean Age. With the change of epochs, new patterns in the interrelationships of psychotypes will appear. If we subtract 144 years from 2012, we get 1868. We can tentatively take this for the beginning cycle of social changes in the U.S. Typing in the combination “1868” and “USA” into the Internet, we get the answer.

The presidential elections in the U.S. in 1868 were the first after the Civil War, in which General Grant won in a landslide, with extension of the right to vote to former slaves. In that year an amendment to the Constitution of

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the United States was passed, which guarantees United States citizenship to all people born on its territory. There is something to reflect on, knowing the place of birth of U.S. President Obama and the polemics on this topic.

But we need these calculations more for the psychological, intuitive, sacred prompting of a very important year in the turning point of the crisis of 1929-1933: 1940 arrives.

To confirm the reasonableness of a similar conclusion, let us examine the chart of change in these years of unemployment in the U.S. –

[http://upload.wikimedia.org/wikipedia/commons/5/58/US\\_Unemployment\\_1910-1960.gif](http://upload.wikimedia.org/wikipedia/commons/5/58/US_Unemployment_1910-1960.gif)

The total number of unemployed in 1933 reached 17 million people, which was a quarter of the country's entire workforce. So how can this year be considered the year the crisis ended?

But in 1939, qualitative reforms began in the U.S. economy and the pre-crisis level of industrial production was reached. However, American economists themselves are better able to speak about this. "Government policy adopted after the Great Depression gave birth to a new economic order... During the war, government expenses reached an unprecedented level. The country utilized all of its production capacity and hired practically all working-age Americans. And although most of its energy was directed at satisfying military needs, the total level of production met the requirements of the society. By the end of the war most Americans who had lived through it found themselves in a more lucrative condition than before the war, and the Great Depression, undoubtedly, was over." (see: [1], pp. 28-29).

A profound meaning is to be found in these words. What is full employment of the population, a full workload of industry? This is a time when resonators and domain experts are at the center of attention and everyone depends on them. Previously much, if not all, depended on "knocking out" orders, and on the system of selling the manufactured product (social motivators sell), on the preferences on the part of the government (the social motivators likewise tackle those), etc. During the war, in a period of full occupation and a guarantee of almost automatic sale of what was produced, the professional skills of those who can produce, namely the professionals and domain experts, come to the foreground.

A similar periodization of the Great Depression coincides with the opinion of many leading contemporary American economists: 1929-1939. This is important, since in acknowledging the analogy between the Great Depression

and contemporary processes in the economy, it is psychologically easier and more scientifically precise to approach designating the date of end of the recession (?) that began in 2008.

Thus, the crisis, which it is common to designate as the crisis of 1929-1933, in fact stretched to the beginning of World War II. For the U.S. this was a crisis in the system of socioeconomic relationships, which usually precedes the accession to power of the resonators.

It is similar to the crisis in Rome during the reign of Nero, and to the crisis in the U.S.S.R. at the beginning of the 1990s, and to hundreds of similar crises which have passed, are passing, and will pass into history with the appearance of the third-generation elite in combination with strengthening the hysteroidal personality traits in workers and the economically active population, and when it is not possible for this elite to manage the system of socioeconomic contradictions by understanding the essence of what is taking place and adopting preemptive decisions. The defensive reactions of the elite or those who imitate them become an impediment on the path of responsible reforms. This is further exacerbated by the fact that upon departing from the historical stage, the third-generation elite is not in a condition to change its psychotype in the immediate situation and capture the leadership from the resonators or simply from sensibly thinking people.

This is one of the reasons that the successful elite should know how to change its psychotype to its opposite, in a pendular way. This is necessary for following oscillatory changes of the population's psychotype and successfully managing them also through psychological mechanisms and through personal example, and not simply through reasoning or military strength. Since, when the psychotype of the elite does not "click" with the psychotype of the basic mass of the populace, the elite is simply dethroned. Naturally this process is preceded by that of the elite losing their usefulness for the people and their control over surplus production and financial flows.

In crises of this type the role of the hysteroid personality increases sharply. This manifests itself in multiple facets.

First, in changing the motivational base of making decisions from the main subjects of economic activity (excluding resonators). The motives of economic behavior become more short-term. The role and significance of the emotional component grows. The irrational component in motivation grows.

Second, the growth of defensive reactions when making decisions. People to a smaller degree than usual begin to go along with the arguments not of dispassionate contemplation, but emotional impulses, the impulses of the unconscious.

Third, as a rise in contradictions between the conscious and unconscious, which makes people's behavior illogical and complicates managing them by means that usually provide a good effect in a relaxed atmosphere. In this way it is a stressful situation – it is not clear what specific people's reactions will be. Hence, beyond the framework of a given crisis, the assessment of the measures taken from today's point of view may radically depart from that offered by participants of the given process.

Fourth, managing people typically requires emotional intervention, psychotherapeutic methods on the government scale. In this regard, the management decisions and behavior of Franklin Roosevelt during the crisis do not seem illogical at all. He would have needed to manage hysterical people with appropriate methods.

Roosevelt found himself in a situation in which exiting the crisis would have been without the support of the soundly thinking elite. This is a fact that Franklin Roosevelt himself acknowledges, speaking directly to the nation and blaming the Washington advisers for their incompetence. But this his adversaries would also admit in describing the atmosphere that had formed in government institutions and Roosevelt's retinue. Could anything really have been done with the hysterical elite? And Roosevelt did about as much as he could. He prevented the bloodshed that had previously accompanied the shift of the third-generation elite. But he could not stop the elite from making sometimes unthinking decisions. Thus, the destruction of food products at a time when people were hungry was clearly an illogical step, aimed at average Americans, while protecting the interests of merchant princes and the banks that gave them credit. And Roosevelt talks about this frankly.

The elite did everything the way the third-generation elite had done for centuries before this. It did not change its psychotype, it did not increase production efficiency, but rather increased the degree to which it exploited its subjects. And the elite made a decision to eliminate food products. This decision came to fruition not during Roosevelt's rise to power, but under Herbert Hoover. Roosevelt could not do anything about this. But he did the main thing – he did not allow bloodshed and created the conditions for a new elite to transition to power gradually. Ultimately, here the war "helped". Authority at the beginning of the crisis of 1929-1933 was with the elite, the Federal Reserve, the bankers and the wholesale merchants. This power remained with them after the crisis, but more realistic people came into power. And some knew how to become more moderate after what had happened. A certain part of the elite was able to change its psychotype. In the period after World War II, the U.S. was already being managed by the first-generation elite.



Thus, the events of 1929-1939 can function as a source of our knowledge about the behavior of people during a crisis. Roosevelt's decisions at that moment had not only an economic nature, but also a psychological and even psychiatric character. The crisis itself, the Depression, if we rely upon objective indicators, continued in the U.S. from 1929 through 1939.

In the history of humanity, psychoeconomic crises have arisen and been subdued spontaneously, due to exogenous factors, and this has always been related to stress factors.

Currently there are necessary scientific prerequisites for a more conscious role of regulators in surmounting psychoeconomic crises. The psychotypes of the elite, of the economically and politically active population change cyclically. The psychotypes in the elite and the economically and politically active population that have changed introduce not only other character traits into the system of socioeconomic relationships, they also introduce another system of motivation, value, other needs, another culture. Precisely those behavioral motives that have changed direct the activity of the main participants of the socioeconomic process, the main subjects of economic activity, to attain other values than they would have previously. In a period when the values of the hysteroid type dominate in society, they direct their efforts toward self-affirmation through ownership of new, large and prestigious homes, flashy cars, and trendy things... They savor their prestigious position, the availability of private airplanes, yachts, expensive watches, tennis courts etc. The list is endless. And here's the important thing. Ownership of stock, playing the market, and bank accounts in unlimited quantities – the more accounts, the more prestigious – now end up on this endless list of the actualized needs of the hysteroids and post-postresonators. Other people somehow pale into insignificance relative to these values. This is a peculiarity of people with hysteroid traits, their need to display their Ego is more pronounced, the “by myself” metaprogram is more manifest. These values combine with less marked organizational capabilities. The need to control an endless list of objects of prestige, but more importantly, the symbols of prestige, owning shares of large companies that are completely unscrupulous about emotionally changing their costs – so that there is plenty to talk about in the ritziest salons – all this forms an endless need for money. And as always in history, this psychotype and all its imitators begin not to gain this money through hard administrative work, but by taking a cut from everyone who will consent. “Clipping” is easier for those who are toward the bottom of the ladder of prestige, of their professional or social position. It is precisely these whose profits are reduced during a period when the post-postresonators are dominant. Social separation grows in the society. And even if the govern-

ment and regulators, seeing a pre-revolutionary situation, find the means to keep the people from losing their shirts, the money accumulates again by various means, sometimes subtly and shiftily, in the circulation of the values that are dominating in the society. Therefore the degree of social stratification in the society cyclically changes with the rotation of the psychotypes in the elite.

The laws of economics in a society where values of the hysteroid type reign supreme become different from what they were decades ago. The economic laws discovered at some point of social development metamorphose, transform along with the change in people.

There is reason to believe that knowing why psychoeconomic crises arise can improve the possibility of managing this process to a greater degree than before. In our set of measures for overcoming a crisis we should include those about the change of psychotypes of the economically active population and elite.

### **Conclusion**

The economic and historical development of mankind is not only an accumulation of material assets, but also a change in people's culture. One of the most important moments of these changes is the change in the system of dynamic stereotypes, the psychotypes of a population, in the economically active population, the elites. These changes are regular, and related to the degree of psychological and social compatibility of the different psychotypes in the course of life of several generations. The most unfavorable outcome, post-postresonators in the elite and the economically active population, leads to psychoeconomic crises of special depth. The majority of the world's countries are now living through this crisis.

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## **Chapter 2. Globalization as a process of synchronizing the psychoeconomic changes in the world**

It is important to evaluate the measures any country takes to optimize economic and social development against the processes on which the effectiveness of those measures depends. This above all means understanding the place of a given country in the international division of labor and the effect of globalization on the country's development.

Globalization is a fact of life in the modern world, and involves the synchronization of many economic, social, psychological, technological and other factors. This introduces qualitative changes in the development of the contemporary world, including psychoeconomic events.

### **2.1 Synchronization of psychoeconomic phenomena in the contemporary world and its reflection in economic indicators**

Carl Jung expressed an unusual idea for his time, namely that the psychotype, or drives that oppose conscious drives, forms within the unconscious. But over time, the unconscious and the conscious exchange places. Subsequent research has shown that this idea needs some restatement, namely, that drives form in the unconscious that are opposed to conscious drives, especially if the conscious drives are not reliable. Yes, that's how we're arranged.

Our unconscious senses the incorrectness, the imprecision, the one-sidedness of the conclusions reached by consciousness, and it builds up a need to make these conclusions precise, including by denying their opposite. In its own way, this mechanism is rational, and at times it is astonishing in its precision, prognostic ability, and accuracy. The fact is, our consciousness is single-plane and factorial. By and large the determinants of socioeconomic development have a heterogeneous, multifactorial, and cumulative nature. Some micro-factors have a tendency to escalate into factorial, leading causes, so it is periodically necessary to change opinions, outlooks, and mindsets. This change is cyclical and tied closely to solar activity. The mechanism that opens and closes nerve cells works better precisely at times of increased solar activity, and this is valid for everyone. Therefore, during periods of economic globalization we also get harmonic curves of change across very different economic indicators.

In a period of increased solar activity, human thought and the thoughts of market players change more often. At times, this takes the form of projection in regard to understanding the factors of economic development, while at oth-

ers, it takes the form of a sharp shift in management decisions, namely those that can affect the condition of the market.

Therefore it is not accidental that *the rate of change in the value* of a market basket of consumer goods rises and falls or that the price of housing relative to the price of gold grows then declines, etc. At some point, it becomes clear that the value of the market basket is such that you have to produce more goods from this basket and to obtain higher than average profit in market terms. But as time passes, it turns out that the normal profit for production of goods from the basket of consumer goods has dropped below a psychologically justified level. Once more the opinion forms that it is better to obtain a profit in the financial sphere, in the stock market, in the area of trade etc. All of this is established based on economic calculations... However, before the beginning of high solar activity, less attention is at times paid to this, in view of the rigidity of reasoning and inadequately active functioning of the open-close mechanism of nervous impulses.

There are other periods of pendulous swings of opinion among the agents of economic activity. These periods are smaller than the period between the peaks of solar radiation. Large, global periods of change in opinion co-exist with the oscillating change of opinion for minimal time intervals – months, weeks, days, hours, minutes... The more indefinite the condition of the market, the smaller the time intervals in which changing occurs from one type of decision to the opposite one.

What do we make of this? This is indeed what actually happens on the world market, in the stock market, in the world economy. Our economic drives are realized in hundreds or thousands or even millions of buying and selling transactions. So as a result these economic decisions of the mass of individuals and companies become sinusoidal, cyclical... First one factor (or a group of factors of the same type) becomes absolute when decisions are made, then another one does.

And this is not only in the economy. Fashion, science, and art function the same way. At points of high solar activity we become more inclined to change our position and our opinions. And we change them toward the relative opposites. Everything is according to the laws of the relationship of the conscious and unconscious, according to Jung. That's how we're built. This is a deeply reinforcing device that compels us to understand the truth even in spite of our will, by directing our consciousness toward one factor, then to its opposite.

Gradually, after we have sorted out these factors, we obtain a more comprehensive picture of the market's development, of socioeconomic processes, and of the world as a whole, getting closer and closer to the truth with each new historical stage of development. It is as though we are being compelled to

acknowledge the truth, the necessary psychological prerequisites for this are being created.

Regarding the processes of economic globalization, in connection with the formation of a single market, these processes become more and more coordinated on a global scale.

Cyclically repeating economic dependencies reflect the intentions of the people making decisions. Thus, the relationship of the price of gold to securities reflects the relationship of the intentions of the domain experts and social motivators in deciding whether to buy stock or gold. At the same time, this is a relationship of the intentions of kinesthetic and auditory types, of people with a developed “total” or “partial” metaprogram, of those inclined toward metamodeling or Milton modeling, people with hysteroid traits (peak share price) versus paranoid traits (who tend to choose gold a little more often), etc. Moreover, each psychotype, each metaprogram that is present to one degree or another in the agents of economic activity, oscillates somewhat, but in the aggregate these micro changes, these “somewhat” give the effect of reconsideration of the decisions of market participants, which are flex points of price changes. These “negligible” oscillations by many over a certain time interval in their majority predetermine the market’s “U-turn”.

A hardly perceptible, and at times simply imperceptible change of the agents of economic activity in terms of all the metaprograms, accentuations, and psychotypes that have been examined before goes unnoticed by its participants. But in the aggregate, according to the degree of growth of these cumulative causes, we see the result, namely a change in the trendline. And only after this change has occurred does consciousness look around for the causes of this phenomenon.

And before it can reach extreme values, some psychological indicator (value, accentuation, personality trait, metaprogram, etc.) passes through an oscillatory correction, and sometimes a real change, in a specific person or in a group of people. That is, the swings exist within the cycles designated on the graph. They are universal. Behind these swings stands an oscillating change of consciousness and even the culture of the subject of economic activity in the widest sense of this word. That’s how people are constructed.

Previously, these swings differed between countries. Today, thanks to the globalization of our world, these swings are becoming increasingly synchronized.

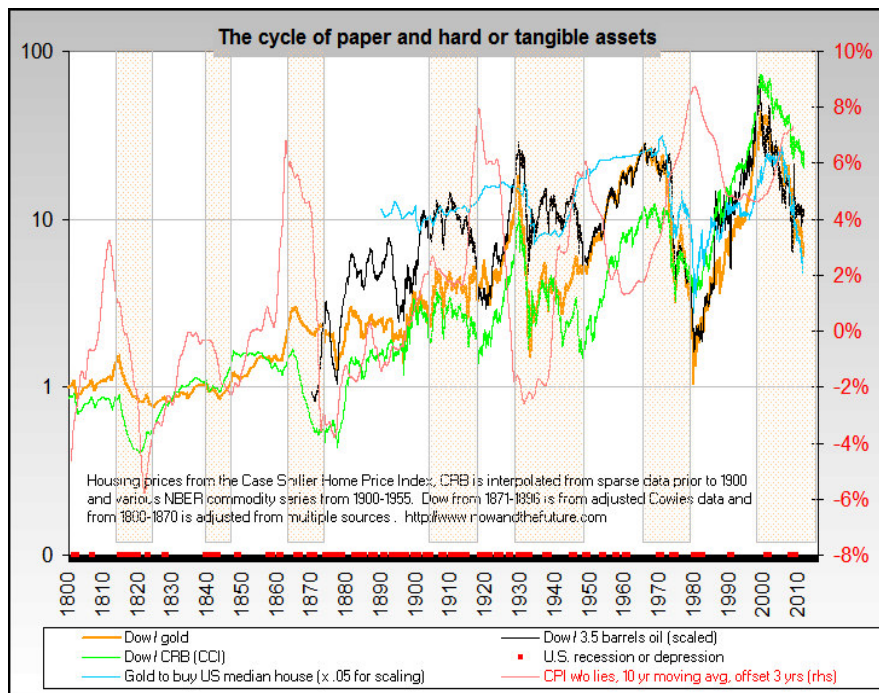
The presence of a high proportion of speculative capital has led to a situation where different market fragments may oscillate with different amplitudes; more importantly, some elements of the market begin to have amplitudes that oppose each other. This often affects the stock and commodities markets. This is understandable, as a speculator has no time to wait when the market is fall-

ing. He needs constantly growing markets. This is absolutely necessary when profit in the financial sphere is continually higher than profit in the manufacturing sphere, while everyone's debts cannot be repaid through profits in production. In a period of growth of the hysteroid type, of emotional people, in the period of dominance of the post-postresonators all social and personal expenditures are bound to increasing financial profit. Otherwise social protests and psychological crises arise.

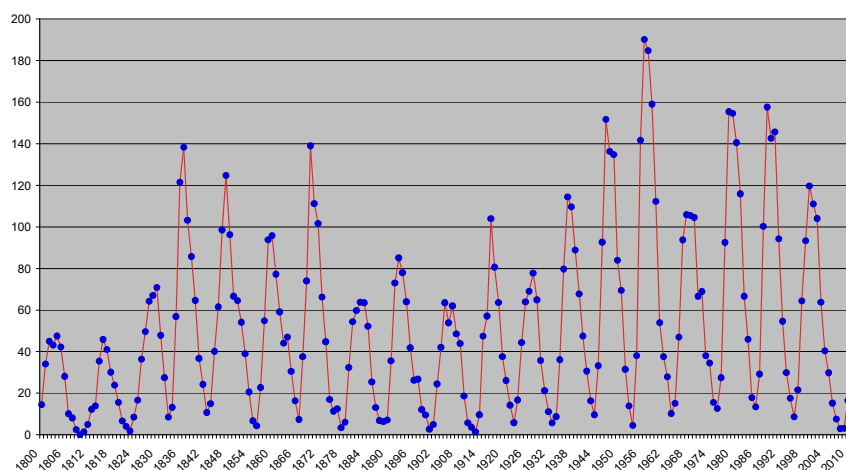
Therefore, the agents of economic and financial activity are forced to quit investing their resources in a market that is beginning to settle down, and they begin transferring their assets to a growing market. These decisions of capital speculators led to an antiphase swing of the stock and commodities markets, and likewise to antiphase growth of some financial "bubbles".

How then do psychoeconomic cycles change? This can be seen by juxtaposing the graphs of the cyclicity of the appearance of various economic indicators and the cycles of solar activity. Foreign economic statistics present various statistical data and charts. One of them is special. It is known as the "One Chart to Rule Them All". It is presented in the graph below.

[http://nowandfutures.com/key\\_stats.html](http://nowandfutures.com/key_stats.html)



Среднегодовое число Вольфа 1800-2011



Dow – Dow-Jones Index

CRB (CCI) — Commodity Research Bureau (Continuous Commodity Index). An index of commodity prices. This indicator is based on statistical concepts.

CPI — Consumer Price Index, an index of consumer prices, also an index of inflation — a type of index of prices designed to gauge the average level of prices for certain goods and services (a consumer basket) for a certain period in the economy. The consumer price index determines the change in the level of various prices for a “fixed basket” of goods and services. Prices of imported goods and services are included in the calculation of the index. The consumer price index is the main indicator of a country’s level of inflation.

We first turn our attention to the change in the CPI. To interpret it, we need to refer to the conclusion we reached previously — hundreds of years ago, a few years of the sun heating up people’s psyches were required for hysteroid reactions to begin to actively appear in social processes. Currently the effect of the sun on people has become more indirect. This is due to a number of causes: the fact that the sun shone more intensively in the previous cycle, and that we became more emotional in this cycle of development, and that people more often began to work at professional types of activity that were more related to the development of the mechanism for opening and closing the circuits of nervous impulses. It was also related to other factors. We can similarly notice that the effect of the sun on people will also depend on the leading psychotype of the elite, of the population. In a period when resonators are dominant, the effect of

the sun on their psyches will be smaller, since the mentality of such people is less emotionalized.

In a period when the values and culture of the hysteroids dominate, the influence of the sun will be more direct and stronger.

Peak prices of the consumer basket occurred in 1812, 1862, 1917, and 1979. This occurred worldwide. But we know that the development of the world economy in these years was by and large the development of the US economy.

So, there are peak values of the consumer basket, there are peaks of solar activity, and there are transient increases in the Wolf number of sunspots. We summarize these data in the table.

For a base we will take the well-known tables of solar activity (see L.V. Konstantinovskaya. <http://www.astronom2000.info>).

**Table**  
**of correspondence of annual peaks of solar activity (number of Wolf spots)**  
**and annual peaks of prices for a global consumer basket**

Years of peak CPI <b>Bold</b> – highest values	Value of change in CPI at these points (in percent)	Number of Wolf spots	Number of years before maximum <i>previous</i> peak in the number of sunspots
<b>1812</b>	<b>3.00%</b>	<b>5</b>	1804 – 8 years, 47 spots
<i>1835-1838</i>	0%	85	1837 – coincidence, 114.
<b>1862</b>	<b>7.00%</b>	<b>59</b>	1860 – 2 years, 96 spots.
<i>1908</i>	2%	49	1905 – 3 years, 63 spots.
<b>1917</b>	<b>8.00%</b>	<b>104</b>	1917 – coincidence
<i>1950</i>	6%	84	1947 – 3 years, 151 spots
<b>1981</b>	<b>9.00%</b>	<b>140</b>	1979 – 2 years, 155 spots.
<i>2011</i>	7%	56	2011 – coincidence, 56 spots
<b>Average for all peaks from 1800</b>	<b>5.25%</b>	<b>73</b>	<b>1.9 years</b>
<b>Average for most important peaks in</b>	<b>6.75%</b>	<b>77</b>	<b>2.8 years</b>



<b>CPI since 1800</b>			
<b>Average of most important peaks of CPI since 1900</b>	<b>6.4%</b>	<b>87</b>	<b>• 1.6 years</b>

The rank correlation coefficient between the amount of change in CPI at maxima and the number of Wolf spots equals 0.56. The corresponding coefficient of determination is 0.31. This suggests that the increase in the price of the consumer basket at points of change in the trendline of its value before the beginning of a price decline of less than a third is statistically related to, or simply coincides with the activity of the sun.

**Table  
of correspondence of solar activity (number of Wolf spots) and minimal annual values of the world price for a consumer basket**

Year of minimal CPI values	Value of change in CPI at these points (in percent)	Number of Wolf spots	Number of years before maximum previous peak in the number of sunspots
1800	-5%	14	1787, 132 spots, 13 years
1821	-6%	7	1816, 46 spots, 5 years
1844	-2%	15	1837, 138 spots, 7 years
1873	-4%	66	• 1870, 139 spots, 3 years
1890	-1,5%	7	• 1893, 85 spots, 4 years
1913	2%	1	1905, 63 spots, 8 years
1933	-2%	6	1928, 77 spots, 5 years
1960	1.5%	112	1957, 190 spots, 3 years
1990	4.5%	143	1989, 158 spots, 1 year
<b>Average since 1800</b>	<b>-1.3%</b>	<b>57.1</b>	<b>5.4 years</b>
<b>Average since 1900</b>	<b>1.2%</b>	<b>65.5</b>	<b>9.7 years</b>

The range correlation coefficient between the amount of change in the CPI at minima and the number of Wolf sunspots is -0.43. That is, a flex point in the

trendline of change in the CPI at the minimum occurred more often at the same time as the maximum solar activity. But this correlation is not as close as with maximum values of the CPI. The value of the determination coefficient confirms that solar activity is only 20% correlated to, or statistically coincides with the fall in the cost of the consumer basket at turning points.

However, in both the first and second cases, this is not a random relationship.

With a random correlation of these factors at minima of values of the CPI, the average number of sunspots was the mean over all these years. This number varies depending on the century and decade. In the nineteenth century, on average there were 42 Wolf spots per year, while in the twentieth century, there were 61. For two centuries on average this was a little more than 50 spots. But the average time that peaks of solar activity preceded the peak values of the CPI index over the two centuries was around 5.5 years.

Of course, here there is much that is misleading. All these calculations have been done technically, as though they were beyond qualitative analysis. Thus, in 1908, the peak CPI value was right behind that of 1907, when the number of sun spots was 62. But for 1905 we calculated a maximum of 63.5 sunspots. However this “deception” is not in support of evidence of a connection of solar activity with psychoeconomic processes on earth, but conversely. This is a purely statistical calculation. Nevertheless, it is clear that in some cases the connection between the sun’s magnetic radiation and people’s behavior on earth can begin, and actually does begin, before the onset of a peak of solar activity, and is influenced by the ascending trendline of prior years. But even with this calculation it is possible to confirm that the most important peaks of CPI values are related to peaks of solar activity. Minimal values have a weaker connection. Only in the twentieth century did the cycles of minimal CPI values start to approximate cycles of solar activity.

Maximum CPI values are directly related to peaks of solar activity. And this holds even if you calculate it over two centuries.

*If we then begin calculations from the point of active development of capitalism, throwing out the values prior to 1860, then this relationship is very immediate and direct. Is this randomness or not? This is regular.*

The highest inflation is seen more often during a period of dominance by the third generation elite. Mass protests begin at peaks of growth of the price of consumer baskets. Protests are emotionalized and usually driven by hysteroids. In 1812 were the wars in Europe, the beginning of the Russian Patriotic War. 1862 saw protest demonstrations worldwide, the beginning of the US Civil War, processes related to the change in serfdom in Russia etc. In 1917 there was revolution in Russia, and the beginning of mass revolutionary demonstrations worldwide. In 1981 there was a buildup of discontent among the people, and in

response, the beginning of active debt financing of the middle class households in the US, the beginning of the policy of Reaganomics. While in 1980 the GDP in the US contracted by 0.3%, in 1988 it had risen by more than 4%. The effect of the policy of Reaganomics is clear. But this policy gradually led to propping up those households that were not sufficiently viable, that is, unavoidably the post-postresonators made a gradual appearance in the economy. The very continuation of this process alongside the appearance of the third-generation elite quickly brought the US and other countries in the same cycle of development to the current psychoeconomic crisis.

Hysteroids increase their activity at a peak of the sun's activity, the greatest emotional reactions of this psychotype appear when social discontent has come to a head. Often this happens alongside growth in the value of the consumer basket.

An increasing span of time often occurs between the highest peaks in the CPI. This occurs at 50 - 55 - 64 years, with an average is 56 years. But why not 72 years? 72 years is the period of the existence of the three successive generations of political elites in countries with endogenous causes of development. The cost of the consumer basket is determined, first of all, by the economically active population. Post-postresonators in the economy often just go under (if they don't have political cover). Resonators then come into their place, and the consumer basket begins to drop in value. But post-postresonators more and more often find their support among the elite, especially the third generation.

With each century or decade, the decline of the post-postresonators tends to occur later and later. This is due to many factors, but one has not been mentioned: the growth of the activity of the social motivators, the policy of the government, whereby the more the government supports households, the longer the post-postresonators avoid ruin. Through the policy of Reaganomics since 1981 the US government began to actively support households by means of cheaper and cheaper credit.

Solar activity exerts a more direct effect on people of higher emotionality, the hysteroids. This is precisely the initial point of influence of cyclicity of solar activity on the progression and cyclicity of change in the basic psychotypes on Earth. At the same time, the increase in labor productivity is driven by the resonators, whose psychotype is opposite that of hysteroids. These are people who usually have paranoiac traits. The cycle of economic development under their influence is less related to the activity of the sun than is the cycle of development under the influence of the activity of hysteroids.

This approach by and large explains why the Kondratiev cycle has become a little skewed, it now differs from what it was in past centuries. And the more the US inflates the assets of the household and support their market, the more the period of activity of the post-postresonators in the economy is dragged out.

This affects not only the US, but also other countries in the same development cycle.

In regard to what has been said, it is clear why the peak of CPI is anti-phasic to the values of the material asset indexes. Hysteroids begin to increase their influence along with the growth of the consumer basket. They impart tone to economic processes. But hysteroids are more oriented by their type of intellect toward non-material values. At one point, Karl Marx called them “aesthetes” (see *Das Kapital*, v. 1, chapter 3). This point in the work of Marx is of such interest that it is worth quoting his thinking:

“In order that gold may be held as money, and made to form a hoard, it must be prevented from circulating, or from transforming itself into a means of enjoyment. The hoarder, therefore, makes a sacrifice of the lusts of the flesh to his gold fetish. He acts in earnest up to the Gospel of abstention. On the other hand, he can withdraw from circulation no more than what he has thrown into it in the shape of commodities. The more he produces, the more he is able to sell. Hard work, saving and avarice, are, therefore, his three cardinal virtues, and to sell much and buy little the sum of his political economy.

“To increase a possibly greater number of sellers of all commodities, or to reduce a possibly larger number of consumers – such is the main question which all measures of the political economy come down to.” (Verri.).

“By the side of the gross form of a hoard, we find also its æsthetic form in the possession of gold and silver articles. This grows with the wealth of civil society. ‘*Soyons riches ou paraissions riches.*’ (Diderot). In this way there is created, on the one hand, a constantly extending market for gold and silver, unconnected with their functions as money, and, on the other hand, a latent source of supply, to which recourse is had principally in times of crisis and social disturbance.”

In essence, Karl Marx reaches a conclusion about the oscillating changes of economic values – from material to esthetic, psychological, depending on the cycle of economic development. Let us now turn our attention to the fact that we are speaking here of the rise of the psychological function of wealth in proportion to its growth. We are also speaking of the psychological peculiarities of people who are occupied with accumulation and so forth.

Values oscillate between the real and fictitious economy. The price of shares is more suited for the imagination of hysteroids, for the fantasy of auditory types. For kinesthetic types, or domain experts, the variation in the prices of gold, oil or raw materials is more familiar... With the change in the balance of psychotypes of the economically active population, or more precisely with the change in the fundamental metaprograms of these psychotypes, the monetary balance of these assets also changes. Naturally this change is not total, but occurs at the level of cumulative causes: one metaprogram has barely changed

in one market participant, in another, in a third etc. And that's how the market unfolds... We must bear in mind that in each person there are both a kinetic and auidal beginning. Most commonly this is a transformation, a correction in the psychotype of specific individuals. The first one changes a little, then the second does, then the third... the accumulation of these changes constitutes another movement in the market... Naturally, indoctrination, mimesis, conformity and other processes are active here that regulate the transmission of information from one person to another, and regulate socio-psychological processes. These swings have become cyclical, while thanks to globalization they penetrate the economically active population, the economy of the majority of countries.

But where does the opinion of economists themselves come down on this topic? By analyzing the appended chart of cyclical interrelationship of the price of material and immaterial assets, they have reached the conclusion that between stock prices and the price of non-monetary assets there are 16 annual cycles. This is so whether we count from the minima or maxima. But is it accidental that in our case for each psychotype, two maximum peaks of solar radiation occur and that three times 16 exactly gives 48? This is the minimal value of the Kondratiev cycle, and the two psychotypes that provide intensive development are resonators and postresonators.

When analyzing Kondratiev cycles and their dependence on solar activity earlier, we concluded that for each psychotype of the economically active population two peaks of solar activity elapse. At one peak this psychotype comes to dominate the economy, and at the other occurs the preparation for his departure from making primary economic decisions. At a third peak, the next psychotype comes into dominance. And so forth. We should not forget that this applies to countries with endogenous developmental factors.

More time is needed for "warming up" resonators than for the emotional "jerking up" of the post-postresonators. Solar activity itself changes from century to century. Historical conditions of development change. The most important of these is the development of workforce productivity, the intensification of the social division of labor. Hence the variability of cycles is a regular psychoeconomic phenomenon.

When power belongs to the hysteroids, in countries that were centers of economic development, that is, those that developed under the influence of more endogenous factors than exogenous, social stratification grows, and an elite with hysteroid traces exploit the people in various ways. This may include raising prices of the consumer basket.

The US was already such a country in the nineteenth century. In previously enumerated accounts, 1868 was a *base* year for resonators coming to power in the US, for their most vigorous activity (1870 saw a peak in the number of Wolf sunspots, 139!). These were the first elections after then end of the Civil War.

Twenty-four years pass for the years of resonator dominance. Starting in 1868, the price of the world consumer basket gradually fell, by almost 10%. The minimal value of the CPI occurred in 1878. Given the dominance of the resonators, the next peak of solar activity in 1883 was not so tightly bound to the rise of the cost of the consumer basket. Nevertheless the trend for a decline in the value of the CPI was disturbed. The resonators had already begun to lose their power, their influence on the society and economy.

The peak of solar activity that is connected with the ascension to power of the postresonators occurred in 1892-1895. In 1893, there were 85 Wolf sunspots. In the period of dominance of the postresonators, the price of the consumer basket swings slowly toward growth. In 1905, the price of the consumer basket again races ahead (a peak of solar activity), but then again falls. The years 1905-1907 were peaks of solar activity that removed the postresonators from the historical arena. But with the arrival of the time and culture of the post-postresonators, the price of the consumer basket grew vigorously. In their period, there occur the tempestuous Twenties of the twentieth century in the USA, the bulging of the financial market, and so on. That is, everything that led to the crisis of 1928-1939. 1917 brought increased solar activity (104 spots) to the benefit of the postpostresonators. But in 1928-1930, with a new cycle of solar activity (in 1928 there were 77 spots), "no" was said to a culture of psychoeconomic behavior of people with increased emotionality.

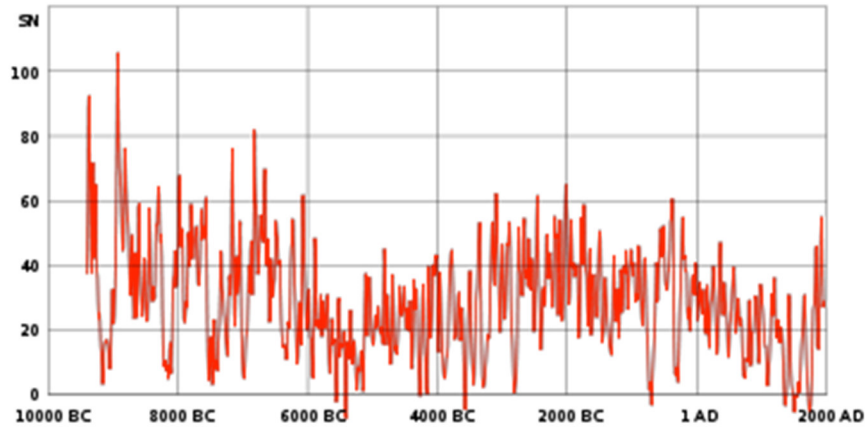
The cycles oscillate regularly with the change not only of centuries, but also of millennia. See the Wikipedia data on the cycles of solar activity over the course of millennia.

Cycles of solar activity lasted in the twentieth century a little more than 11 years, but cycles do occur that last from 9 to 14 years. The last cycle, which ended in 2008, lasted 12.5 years

(see: <http://www.gao.spb.ru/russian/cosm/astr/index.html>).

The form of the cycle is not consistent. In the opinion of the Swiss astronomer Max Waldmeier, the transition from a minimum to maximum of solar activity occurs faster when there is a greater maximum number of sunspots recorded in the cycle.

### **Cycles of solar activity over the course of centuries**



Economic development in the world, the cycles of economic changes, increasingly aligns with the cycles of solar activity. For the 210 years, as reflected in the charts presented, the consumer basket in the world attained 9 maximum peaks and 9 minimal CPI values. On average, the time from maximum to minimum was 23.5 years.

There were 19 cycles of solar radiation over this time, which is about 11-12 years between peaks of solar activity. To wit, for each turning point in the curve of the price of the consumer basket, there were two peak values of solar radiation.

The influence of solar activity on people's decisions occurs through activation of the mechanism of opening and closing the circuits of conditioned reflexes. Conditioned reflexes, which are responsible for actions, will change more slowly than those that are responsible for making decisions, such as whether to buy more gold or valuable paper, shares of stock. Therefore, decisions about the overbought of one asset in relation to another are made more quickly, more vigorously, than about whether to install new technology and grow workforce productivity... Emerging social changes, such as war and so on, also affect the cycles. This likewise somewhat transforms the effect of solar activity on people's economic behavior.

Differences in the decision-making of kinesthetic (and the psychotypes corresponding to them) and auditory types remain fundamental. The kinesthetic types more respect things that are weighty, substantial, that can be felt, touched, that you can buy... The auditory types more esteem that which can be beautifully described to others. They especially come to life when it is difficult to find criteria for cross-checking their narrative, when it is difficult to verify it.

This is generally found around the world. But after all, before the point at which globalization began, the cycles of change in the price of the consumer basket in many developed countries did not completely agree by any means. Only starting in the 1970s did these cycles begin to resonate with each other. There are many examples of temporary variations in the cyclicity of the same type of psychoeconomic changes both in the past and now. But on average a picture gradually emerges of agreement of all fundamental financial and economic decisions, that is, all psychoeconomic cycles.

The degree to which these decisions agree grows during periods of crisis, at the point when the post-postresonators are dominant. This is evident in a chart of the interval from the 20s to the 30s and the interval from the 1990s to the beginning of this century. Here the degree of agreement of change in the main indexes discussed is very high. The CPI only occurs in antiphase. And this is understandable. In a period of strengthening hysteroid personality traits, there is a sharp increase in the decision-making of external reference, that is, decisions begin to agree amongst themselves, automatically, without prodding or external enforcement, but according to the essence of its psychotype. Social motivators remain social motivators. Agreement of opinion for them is vitally important. There is even an excuse for poor decisions – *everyone* made a mistake... Such logic is a trait, but in the absence of the ability to think objectively and analyze, it is also the salvation of the social motivators.

The resonant alignment of many indicators of economic development in the world has many psychological and social consequences. Thus, it is not by accident that in the crisis period of 1928-1939 and since 2008 this concordance grew sharply. But what does this uniformity of the change in the price of the consumer basket mean, this ratio of the price of material and non-material assets, gold and shares, etc.?

First, this is uniformity of making decisions on these questions by the main agents of economic activity. But these decisions are related to a change in the relationship between the conscious and unconscious. These are also the basis of the change in character traits, although at a slower rate than the change in decision-making. It is not for nothing that they say “Temptations are like tramps - let one in and he returns with his friends.” The decision is the temptation. Frequent, synchronic decisions are the sign of the formation of common character traits, a single system of metaprograms for decision making.

Second, the distribution to the entire world of the conditions of economic development of the center of world economy is the distribution of a unified economic attitude and more. Precisely these conditions necessitate making decisions of a single type. In time this forms or gives birth to intellects of the same type, while it sometimes simply promotes to the forefront people with a certain type of intellect. It is exactly what the elites have, the economically ac-



tive population of the leading country of the world, that best predicts the behavior of the market in complicated conditions, and corresponds to it. This conclusion sort of flows from the first point. For each psychotype has a corresponding type of intellect. Therefore in some historical periods people with hysteroid traits of intellectual activity succeed at the helm of finance, while at others, it is the relative opposite.

Thirdly, this signifies the **beginning** of the formation of a unified system of dynamic stereotypes in the agents of economic activity, among the elites around the world, that is, the beginning of the formation of a unified psychotype of the economically active population, the elite of the whole world. In the first place, the psychotype that is mimicked is the one that receives a greater return, and that return is defined in the GDP of the leading country of the world. But we now know that these are the financiers and people obtaining the best returns from financial operations. Usually these are the post-postresonators. In the second place, profit-wise, are the representatives of commerce.

This requires some explanation. If a person makes decisions on the basis of cumulative and factorial causes, then the uniformity of the action of cumulative and factorial causes should lead (under condition of uniformity of the agents of economic activity themselves and external conditions of their activity) to unified decisions. On the other hand, unified decisions are the result of the activity of similar causes. Social and economic conditions of the activities of daily living are increasingly leveling under globalization. The regulations of the WTO are also enabling this. These rules have been accepted by a large percentage of the nations of the world. Members of the WTO are realizing a larger and larger part of GDP through foreign trade. The greatest profit is obtained by enterprises and governments that actively participate in the international division of labor, in foreign trade, and in financial operations. The financial market brings the greatest revenue to those countries that set it up. Financing supplies production and commerce. The acceptance of international trade regulations is nothing other than the acceptance of unified conditions of commercial operations, a single lingua franca, common concepts, and so on. Without analyzing the factors that define success of foreign trade operations, it is impossible to depend on the success of many branches of production in a specific country, regardless of its socioeconomic structure. In that case, then specialists who ensure the success of foreign trade operations and provide financing with occupy an increasingly important niche within the economic elite of the society. And such people become an object of emulation. Largely they are emulated in places where they obtain education and where their children receive education, in the style of thinking, in the theories that they have mastered, in their external attributes, in their culture in the widest sense of the word... At the same time, each social, professional or economic group is a vehicle of specific dynamic

stereotypes, of a specific psychotype. This process is objective and is not affected by the process of globalization. The differences between professional groups remain. Essential national differences are also maintained. But that's just it: currently, the *groups of people* who make crucial decisions in finance and economics are in the process of forming a unified psychotype. For the time being this psychotype possesses the traits of elitism. Common dynamic stereotypes of economic and other behavior of the world elite are formed. By no means can just any representatives of a specific country join this group. Usually it is only those who obtain a large portion of the profit in finance and emulate the financial elite of the world.

One, two or three generations will be required to form unified dynamic stereotypes in the world's elite. But this process today is very active.

So throughout the world they begin to wear suits rather than their national dress (although in some places both national and general European traditions are maintained simultaneously), they begin to watch the same films, to like the same writers, etc. And that is how the psychological basis for forming a unified culture is created. Of course, these processes are very complex. The dynamic stereotypes and cultural peculiarities of the poor are different from those of the elite; culture in India is different from that in the US. And these differences are leveled very slowly. While some will remain an extremely long time, let us say, the differences that are caused by the level of people's income. All of this is true. But here the question is about the agents of economic activity, about successful businessmen, business leaders. This cohort of people is under the influence of both its own people (without them an effective national business cannot be organized), as well as the economic elite of the leaders of world governments (without whom it is difficult to become an effective merchant, or to be included in the international division of labor).

But it has always been this way. These processes have simply become more intensive, more synchronized. Culture, traditions, and customs of a country that is more developed economically are passed first of all to the elite, the economically active population of other countries. Russia is a classic example. In the past we have adopted wigs, knickers, knowledge of the major European languages, dance, music, literature, the details of architecture, the technology for creating ships, etc. from countries with a more developed economy and a different culture. Even earlier, merchants adopted each other's customs, trade regulations, and rules for interacting. And so on the surface the merchants from different countries were similar to each other. Pantaloon came to Russia from Europe in the tracks of merchants, teachers, scholars, diplomats... The world has always been this way. The culture of the leading economic country of the world has been gradually transmitted, through the people that provide the connection between the economies of different countries, to other citizens. Culture

was transmitted, as were dynamic stereotypes. And these changed initially in the merchants, then among the elites, the economically active population involved in trade and the international division of labor, and then in the whole nation.

Therefore, in the conditions of globalization, of uniformity of economic laws, norms, rules of foreign trade (and this uniformity is oriented toward the laws and norms of the leading economic country of the world), in conditions of open markets, the unified psychotype of the elite, the economically active population, begins to form. And it now is formed around the world financial elite. And the more the economic success of the country is tied to the international division of labor and foreign trade, the more intensively this process flows.

Here they are now buying expensive cars, yachts, mansions not only in old-fashioned capitalist countries, but also in a country consistently moving along the socialist path – China. Of course, for now in China this is only allowed for certain individuals as opposed to the entire population. But these individuals are emulated not by thousands or even millions, but rather by a billion people.

But the question of which psychotype the elite is closer to remains fundamental: to the psychotype of the world elite or to the psychotype of one's own nation? The people may simply renounce those that do not appreciate their culture. The people may make a stand against these events, if their interests are affected. Finally, a revolution against the dominance of their elites may begin...

And if copying the psychotype of the elite of the leading country (group of countries) doesn't make sense or is uninformed, then it will also be so over time. For we know that eventually the elite of the third generation, the elite with hysteroid traits, comes into power. This has also happened in the leading country of the world. If we follow its culture, differentiation in the society will increase, the rich will get richer, while the poor will become poorer... Such social systems are swept away from the historical arena by an angered populace. It has always been this way.

So what will the elite of different countries do when they understand or simply sense the growing protest of people: be transformed more under the influence of its nation or under the influence of the elite of the leading country of the world? Or think with their heads?

High-profile decision making (and this is underscored by the data in the chart) leads to the formation of a unified psychotype in the elite of various countries, but with time also to a unified ideology of the elite. A unified ideology and even its rudiments reassure the elite, since it creates the sensation (but sometimes merely the illusion) that everything is going in the same direction. For people with an external reference this is one of the most important arguments that everything is going right. And this sensation is in line with the feel-

ing that the right decision has been made (but sometimes it merely substitutes a feeling of confidence in tomorrow). Countries that for now are not affected by this process, such as Iran or North Korea, provoke an ambiguous attitude toward themselves by the “global community.” These are also defensive reactions. The elite of various countries close ranks by introducing uniform rules of the game. And whoever does not subscribe to the accepted values is more or less thrown out of this environment.

So, for the elites, the economically active population of the earth, a single psychotype, a single culture, singular values begin to form on the basis of unified psychoeconomic processes... The process of creating a unified elite of the world will be completed by the formation of a uniform ideology.

One effect that appears with astonishing regularity is that the leading economies of the world themselves begin to be occupied with promoting their culture to other countries once the postresonators, the elite of the second generation, that is, the social motivators, come into power. The resonators, the elite of the first generation, are all wrapped up in work, they have no time for external self-praising contacts, for distribution of their culture, the culture of labor, or of their experience among different peoples. But here the elite of the second, and particularly the third generation have a stake in this. The requirements of maniacal, hysteroid personalities correspond to this. Furthermore, this appears as a unique defensive reaction for the elites, who begin to understand that they are losing the global leadership.

Therefore the creation of different organizations that are occupied with promoting the culture of the leading country of the world among other nations, regularly begins with the coming to power of the second-generation elite, but attains the effect of producing negative emotions from such enlightenment in other nations when the post-postresonators, the elites of the third generation, come into power.

Before the time of globalization of the economy, the place of the leading world government was taken by another government. But what will happen in the globalization period with a government that did not bear the burden of world leader?

Here several tendencies or possibilities overlap.

The first tendency. In the leading country of the world, the elite of the second generation and then the third generation come to replace the first-generation elite. The loss of power by the resonators, the emotionalization of the economically active population, leads sooner or later to the loss of this country's leading position in the world. The elite of the peripheral countries that surround this country-leader will begin to form around the culture of the elite of that country that grabs the leadership. In the final analysis, reason and the resonators may prevail.

The second tendency. In a period of globalization, at the point when the third-generation elite, the post-postresonators, come into power, the processes in the leading country of the world, from technological innovations to the culture at large, will shift to peripheral countries. Hence, there is increasing stratification of the population, an increased role and significance of the objects of material prestige, emotionalization of social processes, etc. That is, the culture of the leading country of the world begins to form not only among the elites, but for everyone, as this culture does not correspond to the interests of the rapid, progressive development that is stratifying the society. In the entire world population, especially that population with an external reference, traits of the post-postresonators will increase among the extroverts. Introverts, schizoids, countries with marked introverted cultures such as India, China, Japan, and Russia, will be inoculated against such culturological changes ...

Therefore it is not impossible to divide the world's countries into those that hold on to the culture and values of the US and those that are oriented to the values and culture of China and similar countries. That is, countries or nations choose in favor of an extroverted or an introverted culture.

In any case, a new system of contradictions becomes intensified: between the elite and the people of their country (when accepting the culture of the leading country, the US) or between different countries (when they accept the culture of a new, rapidly developing world economic center). Of course, these are processes that affect decades, the understanding of which causes protest and defensive reactions in people who think in smaller slices of time.

But if we think in decades, then the probable socio-political conclusions that derive from the acknowledging the tendencies described are unavoidable.

The quality of the population in the US and in the majority of European countries is becoming increasingly worse through successive peaks of solar activity. This thesis became more evident after the issuance of Thilo Sarrazin's book *Germany Is Doing Away With Itself*.

If by the time of a definitive decline in the quality of the population it has been possible to create an effective economy that manufactures nutrition products and articles of daily necessity, the population of the prosperous countries of the West will be divided into two social aggregates. Some produce and thus have higher standards of consumption, while others just consume. But since they consume dependently, then they will be forced to comply with lower standards of consumption. With each passing year, those who consume will be penetrated by a dependent psychology. Their strength of character will fall, expectations of what the powers-that-be should do for them will grow. Classical democracy (the power of the majority) in this case leads this sort of country to decay, or else one way or another power will transfer not to the strong, but to the weak; not to the producers, but to the consumers ...

Such a division is also possible by country or groups of countries. There will be some countries that are capable of effective production, and there will be others whose capacity is weakened. Incidentally, this division is already evident on the map of contemporary Europe.

Social conflicts will grow. Under pressure of the expectation of the majority, no power, whether on the right or left, will be able to reform the national economy. The power structure will totally cease to meet the objective need for firm control of the country given the updated demand for orientation toward the obtainment of distant goals (involving several periods of presidential rule) to avoid the catastrophic consequences of the development of socio-economic processes. This is the sociopsychological and political basis for a possible contraction in the domain of the development of democracy and the transition to another structure of state management, to other regimes.

Periodical uprisings, insurgencies and even forcible provisional seizure of power may become permanent in some European countries, as they now appear to be in some African countries. However, each successive power will not be able to fulfill the obligations taken on, and will be swept away by the subsequent outrage of frustrated citizens. In such a situation objectively a significant portion of the population will be more interested not in democracy and the freedom of the individual, but in order. There are generally more than enough people who agree to undertake such unconstitutional functions. The law enforcement agencies can also undertake these functions. Management according to the example of Pinochet in Chile may seem in new conditions acceptable for the majority.

The availability of the example of successful social development in China sharply strengthens the position of the movements and parties on the left.

The elite of all countries will be found under the influence of cyclically repeating psychoeconomic and social-psychological changes. What has been described belongs to the more unwelcome combination of a type of elite and the economically active population.

But while this has not yet happened (and this may not happen with appropriate preemptive decisions), the psychoeconomic changes in the US that were characteristic for various stages of development of that country, under globalization will now appear in many countries of the world.

Currently there are significant differences in the rates and phases of psychoeconomic changes in the developed countries and the BRICS countries. And for now the psychoeconomic changes in the US and China are in relative anti-phase. Nevertheless, the general tendency of globalization is related to synchronization of psychotypological and psychoeconomic changes in the world. In any case, change in the opinion of participants in the market when buying stock or material and non-material assets is becoming synchronized. The change of

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the psychotypes of the economically active population is also gradually being synchronized.

This synchronization most of all concerns those who buy stock or material assets. If the profit from such purchases becomes an important source of the existence of the entire country, then the culture, the entire country will move toward the culture of the financial establishment, toward hysteroid values.

If material production brings the main profit for now, then in a given country two cultures will form and co-exist. One among those people whose profit is derived primarily in the world financial market. This will be a circle of people oriented toward the culture of the world financial establishment. But at the same time there will exist in this country some portion of the elite, the economically active population, that is oriented toward the culture of the resonators, the organizers of actual production, to the culture of working people.

Meanwhile, the two cultures will co-exist in the leading countries of the world. One is oriented to the culture of the leading country (countries) of the world. It is accepted to call its representatives in national business the “comprador bourgeoisie.” Meanwhile it is common to call members of the business elite who are oriented toward the internal economy the “national bourgeoisie.” They form a distinct culture.

And this is not just values and behavior, this is culture in the broadest sense of the word – culture of production and trade, material and spiritual culture.

But if this is so, then the psychoeconomic processes that were observed in the US in relation to the occurrence of the psychoeconomic crisis should be reflected in the statistical data on the development of the world economy, both of individual countries and of the world as a whole, if it is on the path of copying the culture of the leading country.

This is true. Debt is increasing in most of the world’s countries that copy the economic relations of the US. The growth of debt for most countries in relation to the entire GDP and the psychoeconomic principles that derive from it are of the same type.

The similarity of the trend of many of the economic processes in the US, with world psychoeconomic processes merely suggests that they have a common determinant. We daresay that it is generally related to the psychotype of the economically active population and the agents of economic activity. Informed by the passions of the social motivators with hysteroid traits, they think about maximizing their profits with a tactical plan, that is, obtaining income here and now, with little foresight into strategic consequences.

Thus, extremely high prices for housing caused homeowner debt to grow, and the demand for housing dwindled for many years. Extreme prices for supplied goods led to the debt of governments and corporations and this began to

disrupt the world economic order...The same people who made decisions on a massive scale about the growth of prices of delivered goods, raw materials, and services, they “hiked up” prices so that to purchase such goods became unprofitable or unjustifiably expensive... And this leads to the growth of debt of countries, corporations, households, to their destruction, to the fall in the profit of those corporations that purchase more through international trade than they sell. Thus, Japan, distinguished by the diligence and high level of professionalism of its workers, suddenly became a large international debtor at the beginning of the second decade of the twenty-first century.

Many of the charts that reflect various economic processes, but which have a psychological constituent, seem to agree.

This also affects the growth of debt. The economic bases of Reaganomics – the growth of debt while curtailing the cost of credit – began to show up in all countries that copied the culture of the leading country of economic development.

Thus, globalization led to synchronization of many economic and psychoeconomic processes and phenomena, to the leveling in the price of raw materials, goods and services throughout the world. This found not only a factual, but also a legal implementation. The requirements of the WTO are the same for its members and boil down to establishing world prices for raw materials worldwide. But this leads to strengthening the influence on the effectiveness of national economies of those factors that can't be measured, weighed or made an object of negotiation. One of these most important factors is professionalism, the psychophysiological mechanisms of people in behaving and triggering nervous impulses. People's psychophysiological, psychological, and intellectual patterns exert a significant influence on the growth of workforce productivity and on the social division of labor.

But on the whole, globalization creates the conditions for leveling of prices for basic goods and services, for forming a uniform culture, both material and spiritual. From the rules of the financial market to the latest fashion trends.

With relatively uniform prices for raw materials and services, the quality of the workforce, its main value, becomes an increasingly decisive factor in the higher rates of development. Countries where historically there were the advantages in the quality of the workforce make breakthroughs in economic development more and more frequently. But this quality oscillates, the psychotypes change cyclically. This cyclicity serves as one of the primary causes of the cyclicity in the change of the role and significance of countries in the world economic development. And these cycles are related to cycles of solar activity.

The tendency of synchronization of psychoeconomic phenomena to a crucial degree depends on the growth of the social division of labor.



Thus, globalization has not so far led to uniform changes of the psychotypes of the population of various countries. But here such a unified psychotype began to form in the agents of economic activity who are preoccupied with financial operations.

By virtue of this, in the future, depending on the specified factors, countries will co-exist whose elite is mainly oriented toward the culture of the elite of the country or group of countries that are the leaders of financial operations. This is the economic basis for the increase in these countries in the number of people who are supporters of the compradore bourgeoisie. And here the population of some countries will follow their own path and unify around the national bourgeoisie.

Hence, in these countries the battle between the part of the elite that is oriented toward the compradore bourgeoisie and that part that is oriented toward the national bourgeoisie will grow. And we know from history that the beginning of the fight within the elite leads to the growth of a social struggle, to protest actions of the populace. And in the conditions of globalization, such a struggle will increase the growth of the social division of labor.