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Psychonomic Newsletter, Feb 23, 2015

The Influence of the Greek Debt Crisis and the Ukrainian Crises on US stock markets

As a proponent of the **Psychogenic Theory of Llyod De Mause** I regard **political actors** as voters or politicians as consisting of 2 personality parts, namely a **dissociated personality** who I call “alter ego” and a reasonable personality. So Putin’s reasonable personality comes to the fore during serious peace talks. His dissociated personality part is behind his unadmitted acting as the leader in Russia’s covert war against the Ukraine. I regard his dissociated part to be **in the service of the dissociated personality parts of the Russian people** and their representatives in public institutions.

The aggressive mood in the Russian group towards the West-Ukraine and Western democracies is caused by too much reasonability in these countries where the law rules to a much higher degree than in Russia, the corruption is smaller and voting fraud relatively small as well. **Progressive developments towards more reasonability cause overwhelming traumatic feelings** of rage, anxiety, shame and guilt within the dissociated personality parts. These feelings then are projected on the West. So the **United States** as the leading nation of the democratic nations and with their reasonable Obama administration since 2009, is seen as **“the world's biggest terrorist... We believe we can rise up again if they leave us alone, but they are always trying to teach us how to live...”** (Feb 21 2015, YahooNews/AP: *Moscow protesters strike out against Ukraine and the West*).

So reasonable social change is difficult to achieve because it raises unconscious feelings of rage and anxiety, as can be seen from the following example:

“Italian Prime Minister Matteo Renzi made important progress with his reform agenda on Friday when his cabinet gave final approval to key parts of his overhaul of labour market rules, which will now take immediate effect. After a four hour meeting, cabinet approved the legislative decrees which ease firing restrictions for large private sector firms and aim to reduce the use of temporary contracts...

*Renzi's Jobs Act has been **fiercely contested by trade unions and the left wing of his own Democratic Party**, who say the easing of firing restrictions undermines basic workers' rights.”*

(Feb 20, YahooNews/Reuters: Italy approves key parts of Renzi's new labour rules”).

Although the above ruling will strengthen the legal position of the employers, it nevertheless has to be regarded as a win-win situation, since it will lead to economic growth and a rise of the number of employees as well as to a crucial improvement in regard of the reduction of “temporary contracts”. I think prospects of overcoming an old obstacle for economic growth as in Italy caused a **hardening of ideologically-fixated positions** among the alter egos of “trade unions and the left wing of (Renzi’s) Democratic Party.” But finally the reasonable personalities of these and other people were able to prevail. France, the second large member state of the Eurozone is in a similar position as Italy, although in a laggard position. If the dissociated personalities prevail in matters of reform of the labor law, that will impair the prospect of the future economic growth in the whole Eurozone. However currently the **Greek Debt Crisis** is of much more importance for the stability of the Eurozone than the reform processes in Italy and France.

Another threat for the European stability stems from the Ukraine/Russia Crisis. The shakier the **Ukraine cease fire accords** do appear, the more uncertainty about the future of reasonable European structures will arise. Therefore both, the Greek crisis as well as the Ukraine/Russia crisis, do impair the

European growth prospects to such a degree that the US economy also would suffer.



This shows up in the course of stock markets which were largely under the influence of these European worries during the last 2 months: **On Dec 26, 2014** the stock market index “Dow Jones Industrial Average” (Dow) **closed at record** (see chart above) and only on **Feb 20, 2015** the index was able to overcome this **limit again**. The stagnation in between was due to the two European Crises mentioned above: Both crises aggravated around the end of 2014. So on Dec 31, 2014 the Greek Crisis had reached an important juncture (*Dec 31, 2014, Yahoo News/AFP: Greece dissolves parliament for January ballot*). In the Russia/Ukraine Crisis the ceasefire deal, reached on Sep 5, 2014 in Minsk, started to falter at that time. And on *Jan 2, 2015* you could read “*Ukraine reports first military death of 2015*” (*YahooNews/Reuters*).

The Ukraine crisis calmed down somewhat after on *Feb 2, 2015* the French president Hollande and the German chancellor Merkel had announced a “fresh push” for Ukraine peace (*YahooNews/AFP, Hollande, Merkel in fresh push for Ukraine peace*) and already on *Feb 7* a new peace plan was drafted (*YahooNews/AFP, Russia, European powers agree to draft Ukraine peace plan*). But it took until Feb 20, when the Dow

was able to go beyond the high of *Dec 26*. This happened when it became clear, that a severe crisis of the Eurozone because of the Greek debt crisis was averted, at least for a couple of months (*YahooNews/Reuters, Greece, euro zone agree four-month loan extension, avert crunch*).