

Economic Decisions and Cultural Trauma: A Sociological Exploration of Macro-level Policies and Societal Perceptions

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Abstract: The article delves into the intricate relationship between macroeconomic policies and cultural trauma. It argues that economic decisions, typically confined to corporate and legislative realms, significantly impact communities by shaping collective memories, identities, and psychological distress. The study highlights historical events like The Great Depression and the COVID-19 pandemic, underscoring their transformative impacts on societal consciousness and cultural narratives. The article emphasizes the role of macroeconomic choices, such as fiscal policies and trade agreements, in creating collective experiences that transcend economic outcomes. Using examples like trade liberalization in Brazil, it demonstrates how economic policies can lead to diverse societal perceptions and narratives. The article also examines the role of media, public discourse, and societal leaders in shaping public perceptions of these decisions. Central to the study are the contributions of cultural sociologists like Jeffrey C. Alexander, who propose that cultural trauma arises more from societal narratives around an event rather than the event itself. The study stresses the need for a comprehensive approach that integrates economic analysis with sociological insights, highlighting the importance of understanding economic decisions beyond their immediate financial implications. Conclusively, the article posits that macroeconomic decisions have profound and lasting impacts on societies, influencing collective identities and memories. It advocates for policies and scholarly approaches that acknowledge the broader societal ramifications of these decisions.

Keywords: Macroeconomic Policies, Cultural Trauma, Sociology

1. Introduction

Globalised society's macroeconomic decisions affect financial outcomes and community social and psychological fabric. Corporate and political practices affect collective memories, identities, and traumas. This study examines how national and international policies shape society views and narratives through the complicated link between economic choices and cultural trauma. World crises like the Great Depression and government-induced famines changed cultural narratives and identities. Economic events became generational, cultural tragedies. The recent COVID-19 pandemic has further highlighted the links between globalization, health, economic stability, environmental justice, and collective trauma, particularly impacting marginalized groups and people of colour [1].

Studies on economic decisions and cultural trauma are scarce despite their importance. This paper analyses macroeconomic strategies and social frameworks to close this gap. It uses cultural sociology,

interactionism, and economic theories to explain how economic policy affects cultural trauma. This knowledge is essential in our fast-changing economy, from academia to society.

The notion of cultural trauma explores the profound impact on the collective psyche of communities, encompassing their common emotional and psychological reactions to momentous societal occurrences [2]. War, recession, and social unrest are not temporary phenomena in history. Alternatively, these imprints last and shape communal identities. Establishing narratives, ideas, and values shapes how groups see themselves and their cultural place. National or global macroeconomic decisions shape these collective experiences. Economic growth and stability are the goals of fiscal policy, trade agreements, and monetary interventions. They often have non-economic effects. Specific industries may lose jobs due to trade liberalisation. In contrast, Brazil's 1988–1995 trade liberalisation reduced pay discrepancy. Instead of reducing employment in some sectors, trade liberalisation in Brazil changed employment across industries and formal classifications [3]. Surprisingly, this move reduced social unhappiness, showing the complex effects of macroeconomic policy. Economic policy results and how societies perceive and narrate them matter. While policies enacted in diverse cultures may result in public dissatisfaction or cultural trauma, perception and narration are equally essential. To attain economic stability, austerity may unintentionally cause social unrest. How the people experience and incorporates economic effects into the societal narrative is just as necessary. Over time, these policies' tangible effects and collective feelings of betrayal, deprivation, and disappointment may change. Societal changes, public discourse, and policy changes can cause this phylogeny. Acknowledging this dynamic interplay is essential in sympathy for the undefined relationship between macroeconomic decisions and their impact on social group structures and perceptions.

In addition, the media, public discourse, and societal leaders all significantly influence the public's perception and interpretation of these economic decisions. While potentially exacerbating the emotional distress linked to trauma, these experiences may also provide valuable perspectives that contribute to mitigating the negative repercussions. For instance, the media's depiction of human rights violations can impact decisions regarding foreign policy, including the imposition of economic sanctions. According to a study by Dursun Peksen, public pressure on leaders to intervene against abusive regimes increases the threat and imposition of sanctions in response to press coverage of human rights violations [4]. This underscores the critical significance of the media in influencing public opinion and subsequent policy reactions.

The interplay between cultural trauma and macroeconomic decisions encompasses more than mere occurrences and actions. This discourse pertains to the various interpretations, collective experiences, and enduring impacts that shape the very essence of communal identities. Comprehending this correlation holds significant importance for politicians, sociologists, and broader communities, as it provides valuable insights into the diverse consequences of economic choices on the overall welfare of society.

Scholars have studied cultural trauma's causes, expressions, and long-term impacts. Jeffrey C. Alexander posits that the designation of an event as an appreciation trauma hinges on its capacity to take exception or disrupt the undefined values of a society [5]. Disruptions can cause collective identity re-evaluation and social change. This perspective emphasizes the transforming potential of tales from care conflicts and economic downturns. This job relies on 'carrying groups' including philosophers, politicians, artists, and media specialists. These organisations create and spread event narratives. For example, academics may examine and interpret the event to contextualise its impact on society. Politicians may utilise the event to influence public opinion or policy changing. Artists and media professionals can boost the emotional and symbolic aspects of the event, ingraining it in the communal psyche. Since they impact how society sees, internalises, and remembers disruptions,

these carrier groups are crucial to identifying cultural traumas. This summary emphasises the moral force of these groups in societal events and collective personal identity modifications.

Meanwhile, economic theory illuminates macro-level decisions' socioeconomic effects. Classical perspectives emphasise market efficiency and the invisible hand in economic growth. However, modern perspectives emphasise these decisions' societal effects. Amartya Sen, an economist, favours a broader assessment paradigm that prioritises social well-being over economic growth [6]. Sen's capability approach holds that economic acts should be valued for their prospects, not only their riches.

2. Mechanisms of Influence

Currently, the media plays a significant role in influencing public opinions, particularly in the aftermath of significant economic determinations. The public's attitudes and collective comprehension can be significantly influenced by the media's representation of many events, including recessions, policy shifts, and trade agreements. During the period of the 2008 financial crisis, media sources across the globe were inundated with visual depictions that portrayed the state of collapsing institutions, unemployed individuals, and protesting masses. These representations served as illustrative portrayals of the prevailing situations during that time. The detailed depictions of the ongoing crisis not only served to educate the general population, but also intensified feelings of uncertainty, unease, and collective distress. However, it is important to note that the role of the media goes beyond mere reportage of everyday events. The media could amplify the perceived severity of an economic recession or adopt a more balanced perspective that emphasises recovery and resilience through their editorial choices, framing, and emphasis. According to a study conducted by Soroka et al., negative news has a greater impact on public sentiments than positive news [7]. This finding suggests that the media's focus has the potential to influence public perceptions and emotions significantly.

Simultaneously, the way society reacts to economic decisions is powerfully shaped by public discourse, encompassing scholarly forums, town hall discussions, debates, and informal talks. The painful experiences associated with these decisions can be either intensified or alleviated using counter-narratives that engage in public discourse by offering criticism, support, or analysis of these actions. During the Brexit vote, the economic consequences of the United Kingdom's departure from the European Union were the central focus of public discourse in the country [8]. Town hall gatherings, television discussions, and social media platforms have evolved as outlets for expressing concerns, goals, and critiques. Several news reports contributed to increased public concern by highlighting the potential occurrence of an economic crisis, job downsizing, and disruptions in commerce. In contrast, a contrasting perspective aimed at alleviating concerns presented a potential scenario of achieving financial independence and prosperity outside of the European Union. The outcome of the Brexit referendum was significantly wrought by the shared sentience and beliefs of the British population, rising from the conflicting narratives bestowed in public discussions. This event exemplifies how economic decisions and their societal implications turn into the subject of intense deliberate and public discourse. In the context of Brexit, various narratives competed for dominance inside the UK. On one side, some argued that leaving the European Union would lead to worldly turmoil, job losses, and trade disruptions. This view was supported by a throng of worldly analyses and forecasts that painted a somewhat cutting picture of the post-Brexit economic landscape.

Conversely, a contrasting narrative emerged, focusing on the potency of economic independence, self-determination, and reclaiming control over national policies. This perspective was championed by politicians and groups advocating for Brexit, who presented it as an opportunity for the UK to forge its economic path free from EU regulations. The public discourse around Brexit was a debate over economic policies and a struggle over national identity, sovereignty, and the UK's role in the world arena. The referendum's outcome, therefore, was not merely a reflectivity of economic

considerations but also of deeper societal and taste undercurrents within the British populace. This example underscores the complex interplay between worldly decision-making, world perception, and cultural narratives in shaping substantial societal events.

3. Case Studies

The Asian Financial Crisis that occurred from 1997 to 1998 serves as a poignant illustration of the complex interplay between macroeconomic choices and their broader social consequences [9]. The crisis began in Thailand due to the government's decision to introduce a floating exchange rate for the Thai baht. It then spread fast to neighbouring East and Southeast Asian countries, threatening their fundamental structures. The "Asian Tigers," a group of nations that experienced economic growth before the crisis, were lauded as development models. However, structural weaknesses remained beneath the surface. A drop in investor confidence highlighted vulnerabilities such as high short-term debt, overreliance on foreign capital, and real estate and stock market bubbles. The impact of Indonesia makes it an intriguing topic for analysis. Corporations who borrowed heavily in US dollars struggled to pay their financial obligations due to the rupiah's depreciation. The recession caused widespread unemployment and rising commodity prices. However, the crisis affected many aspects of Indonesian society, not only the economy. Nationwide protests ousted President Suharto, who had ruled for over 30 years. Many regions saw communal violence due to economic turmoil, which deepened ethnic and religious differences. Cultural trauma during and after the crisis is immense. After the "Asian Miracle" was discredited, disillusionment spread. National and international institutions are losing public trust. The International Monetary Fund (IMF), which provided funding, had strict restrictions.

Implementing austerity measures during the Asian business enterprise crisis, which was characterized by significant reductions in world expenditures, induced widespread disapproval and was perceived as an infringement on the subjects' sovereignty and this period marked a pivotal moment for contrived nations, suggesting a deep self-examination and re-evaluation of their economic and governance models.

For instance, the crisis led to profound political and economic reforms in Indonesia. According to a study by Thomas Pepinsky in the 'World Development Journal, the crisis played a critical role in Indonesia's passage from a dictatorship to a democracy [10]. The study highlights how the economic collapse undermined the Suharto regime's legitimacy, leading to its eventual downfall and the establishment of more transparent and accountable governance structures.

Similarly, in South Korea, the undefined spurred substantial financial and corporate sector reforms. A 2003 International Monetary Fund (IMF) report noted that South Korea's post-crisis reforms focused on enhancing corporate governance, financial sphere transparency, and accountability. These changes were driven by societal demands for more equitable and sustainable global practices, as evidenced by widespread public protests and the emergence of civil society groups advocating for reform.

There was a notable move towards more timid financial liberalization and a re-emphasis on the role of the state in the global direction in some Asian countries. This shift was a direct response to the vulnerabilities exposed by the crisis, leading to a broader social and professional discourse on sustainable global growth and financial stability.

The Asian Financial undefined not only highlighted the substantial socioeconomic and discernment consequences of macroeconomic decisions but also acted as a catalyst for profound changes in governance, fiscal regulation, and economic policies across affected nations. This transformation was marked by a redoubled emphasis on transparency, accountability, and sustainability, driven by societal demands and empirical proof of the need for a more balanced economic management. This statement stands as evidence that the consequences of these decisions

extend well beyond financial markets and currency transactions, influencing the construction of narratives, formation of identities, and fundamental nature of communities.

4. Counterarguments

The relationship between socioeconomic decisions and cultural trauma is multifaceted, with various scholars offering insights that enrich our understanding of this complex dynamic. The perspectives of sociologists like Bokkos Eyerman and Neil J. Smelser provide valuable layers of understanding without necessarily contradicting the bearing upon economic decisions on cultural trauma.

Ron Eyerman's work, for instance, emphasizes the role of historical retention in forming cultural trauma [11]. He posits that how society remembers and organizes its past is integral to sympathy for how cultural trauma develops. This position does not negate the influence of economic decisions; instead, it adds a layer of depth by suggesting that societies' undefined memories and the narratives they undefined also play a substantial role in experiencing trauma. This idea complements the sympathy that economic downturns or decisions can become part of these collective memories and narratives, contributing to taste trauma.

Similarly, Neil J. Smelser's research into collective behavior underscores the importance of ambiguity and social connections in shaping societal responses to various events [12]. His emphasis on the undefined interplay of factors like pre-existing tensions, interpersonal relationships, and the implicit uncertainty surrounding events adds nuance to the discussion. This vantage point supports the idea that the societal impact of worldly decisions involves more than straightforward cause-and-effect relationships. Instead, it interacts with a web of societal factors and pre-existing conditions, further forming the collective experience of trauma.

Incorporating these perspectives into the analysis acknowledges the broad spectrum of factors contributing to cultural trauma. It demonstrates that while worldly decisions are influential, they operate within a significant context of historical memory, undefined narratives, and social dynamics. This comprehensive approach underlines the necessity of considering both the place impact of economic decisions and the more subtle, nuanced factors that influence how societies experience and recount these events.

5. Implications

In analyzing the impact of economic decisions, it is imperative to follow the approach of cultural sociologists, such as Jeffrey C. Alexander the Great and others, and focus on how the consequences of these decisions are perceived, experienced, represented, and narrated within societies. Rather than merely assessing the immediate monetary system outcomes or the implications for GDP growth, the emphasis should be on understanding the narration and experiential aspects of these decisions.

Policymakers, while guiding the economy, must recognize that their choices are echoed in financial prosody but also the stories and experiences of the people. Economic strategies, while appearing beneficial in fiscal terms, *Crataegus laevigata* weave complex narratives that influence societal perceptions and experiences over time. For instance, policies that inadvertently contribute to global inequality can become part of a societal narrative that underscores atomization and discord, affecting the undefined soul and sociable cohesion.

Similarly, sociologists respect examining how economic decisions organically fit into the framework of societal narratives and collective memories. This requires a knowledge-based approach, where the rigor of economic psychoanalysis is combined with the depth of sociological understanding to explore the nuances of how worldly policies are experienced and represented in public discourse.

Moreover, the role of individuals in society extends beyond mere observers of these economic changes. People actively interpret and narrate these experiences, contributing to the collective

understanding of economic phenomena. Individuals informed about trade agreements, fiscal policies, and monetary interventions play a material role in shaping how these decisions are sensed and discussed in the public domain. This collective narration and rendering ensure that economic decisions are evaluated for their commercial enterprise outcomes and their broader effect on social narratives and identities.

6. Conclusion

The relationship between economic decision-making and cultural trauma is intricate and profoundly influential in shaping societal structures and perceptions. Economic decisions, typically aimed at fostering undefined stability, often have ripple effects that transcend specified financial metrics, affecting the social fabric and undefined consciousness. According to Alexander, it is not just the economic events that matter but how they are interpreted, narrated, and integrated into the undefined memory that ultimately defines their traumatic impact.

This tale-twisting and integration work is complex and involves various stakeholders and influencers. The media plays a critical role here, as it reports on economic decisions and their outcomes and frames these events in a way that can either amplify or mitigate their perceived impact. How the media symbolizes economic downturns, policy changes, or financial crises can significantly influence public perception, either exacerbating uncertainty and anxiety or fostering a sense of resilience and hope.

Public deliberation and discourse, facilitated by social leaders, intellectuals, and undefined voices, further contribute to shaping these narratives. Discussions in public forums, social media, and academic circles can dissect, challenge, or subscribe to the narratives presented by the media, adding layers of interpretation and meaning. These debates can foreground the human element of worldly decisions, bringing to the forefront stories of individual and community impacts that macroeconomic analyses would otherwise overshadow.

Moreover, social leaders, including politicians, activists, and thought leaders, play a crucial role in shaping societal responses to economic decisions. Their viewpoints and reactions can reinforce the dominant narratives or introduce alternative perspectives, thereby influencing the collective sympathy and response to these economic events.

Understanding this interplay is crucial in the academic context and for making informed social decisions. Recognizing the power of narratives in forming societal responses to economic decisions enables policymakers and leaders to appreciate the broader implications of their actions. It also empowers individuals and communities to engage critically with these narratives, fostering a more nuanced and comprehensive sympathy for the impact of economic policies.

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