

TERM PAPER
ON
**SOCIAL MEDIA IMPLICATIONS ON ECONOMIC DEVELOPMENT:
COMPARISON BETWEEN POLICIES IMPLEMENTATION BEFORE
AND AFTER THE INTRODUCTION OF SOCIAL MEDIA**

By
Group 4

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Course Code: ECON F313
Course Title: ISSUES IN ECONOMIC DEVELOPMENT



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(19th November 2023)

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ABSTRACT

This term paper delves into the impact of social media on economic development by comparing policy implementation before and after the widespread adoption of social media. The study explores how social media has transformed the dynamic relationship between policy making and economic governance, with a focus on the evolution of communication channels. It takes a comparative approach, examining nations that have undergone significant economic development, particularly emphasizing the democratization of information and the influence of public opinion.

In terms of methodology, the study integrates qualitative analysis, considering factors such as public opinion and policy changes. Anticipated results aim to shed light on trends, obstacles, and potential outcomes arising from the symbiotic relationship between social media and economic policy. This interdisciplinary research contributes to our comprehension of the intricate connections among governments, citizens, and businesses in the digital age. Such insights will be valuable for shaping future policy decisions, given the increasing importance of digital connectivity in influencing economic growth.

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1. INTRODUCTION

In civil strife or political turmoil, any government's first move is to disable the internet connection in the sensitive area, thereby disabling access to social media, perhaps because they understand the power that social media wields.

Social media is an immensely powerful tool whose absolute power has not been explored yet. Its high dimensionality allows its users to increase its prowess multifold. Social media networks are a primary source for many, facilitating the rapid flow of information, from significant international events to local news. As technology has evolved and communication methods have progressed, social media has played a crucial role in fostering activism and social movements. It offers a forum for advocacy on social issues and a venue to organize protests and raise awareness on specific issues. One of the relatively unexplored powers of social media is its use to determine the effectiveness of specific policies and design more efficient future policies.

Policymakers can use social media to ascertain public opinion. They can monitor conversations, patterns, and comments to gauge public sentiment. Platforms like Twitter and Instagram promote transparency in public policies. The public regularly scrutinizes officials, allowing citizens to hold politicians responsible for their actions. Social media provides an expedient means of disseminating information when implementing new policies. It makes information available quickly, making it possible for a larger audience to comprehend, discuss, and respond to the policy changes.

While social media presents excellent potential for public participation and transparency in the application of policies, it is crucial to carefully consider and double-check the material provided on these platforms since misinformation and information manipulation can skew public conversation. Furthermore, the quick-paced and frequently intense nature of social media discussions can occasionally make it difficult to grasp complicated policy topics in a nuanced way.

In many recent events, such as that of the Israel/Gaza conflict, platforms such as Twitter and Instagram have played an essential role in educating people. In certain situations, apps like TikTok have allowed people stuck in remote areas to get help from authorities.

In this report, we aim to study the impact social media has had so far on implementing policies in various countries which will ultimately affect economic development.

2. LITERATURE REVIEW

People generate a lot of data by buying and selling items, searching for information, browsing the web, and sharing their daily lives on social media. Using this data for insights is developing rapidly. It helps private companies make better decisions, understand customers, boost efficiency, and find new markets. (Jason Leavey, 2013) The increasing adoption of social media platforms by individuals, coupled with apprehensions regarding security vulnerabilities and the possibility of unforeseen strategic occurrences, has compelled governments to develop varied strategies and utilize diverse technological tools for the purpose of online surveillance. (Victor Bekkers and Arthur Edwards, 2017). The viewpoints, evaluations, and endorsements expressed by individuals on social media possess the potential to exert a substantial influence on consumers' evaluations and reactions towards a certain product or service, so forming their associated perceptions and attitudes. (Abu Muna Almaududi Ausat, 2023)

Recent research indicates that social media platforms have expanded the ability of various actors to influence the policy agenda within their respective nations. Previous studies have utilized the examination of tweets, comments, trends, and hashtags to accurately predict the topics of interest for both individuals and groups within a specific timeframe (Gilardi, Gessler, Kubli & Muller, 2020). Before social media, marketers had to work harder to spread information about their businesses because long-distance business was difficult. Social networking has streamlined business transactions. Rural farmers use social media to spread information about their products, raising urban awareness. Improvements to rural economies and facilities will be undertaken. (Zheyu Cui, 2021)

Governments could embrace the use of big data in policy making with regards to education, healthcare and security, yet this has not always been the case. (Khoi Minh Nguyen, 2021) More polarization could be good for society if it leads to more people getting involved in politics and better understanding of the different election choices. (Emily Kubin & Christian von Sikorski, 2021) The media can potentially have influence throughout subsequent phases by providing voters with information regarding the level of responsiveness exhibited by policy-making processes. The direction of the effect is significantly influenced by factors such as the priming and framing of issues, the specific policies at hand, and the political actors involved in advocating for or opposing these policies. (Grossman, 2022)

3. DISCUSSION AND ANALYSIS

Social media has become one of the most important aspects of modern society's everyday existence in the middle of the digital age's relentless expansion. Within this ever-expanding framework, major social media sites like Facebook, X (Formerly Twitter), Instagram, and TikTok have effectively established a worldwide forum for people and communities to communicate, exchange knowledge, and express their opinions. Beyond merely altering our communication habits, this phenomenon has taken on a more profound and important function in influencing public opinion and, to a larger degree, may even have an influence on the direction of economic choices. Looking at things more broadly, social media has altered more than just communication and connection. Additionally, they have succeeded in creating new channels through which to influence public opinion, establish the course of trends, and alter consumer behavior. Social media has transformed the landscape of political discourse and policy implementation, wielding a substantial influence on economic development. Before its advent, policy dissemination was primarily through traditional channels. However, the post-social media era witnessed a paradigm shift, with real-time communication, grassroots movements, and public sentiment shaping policies.

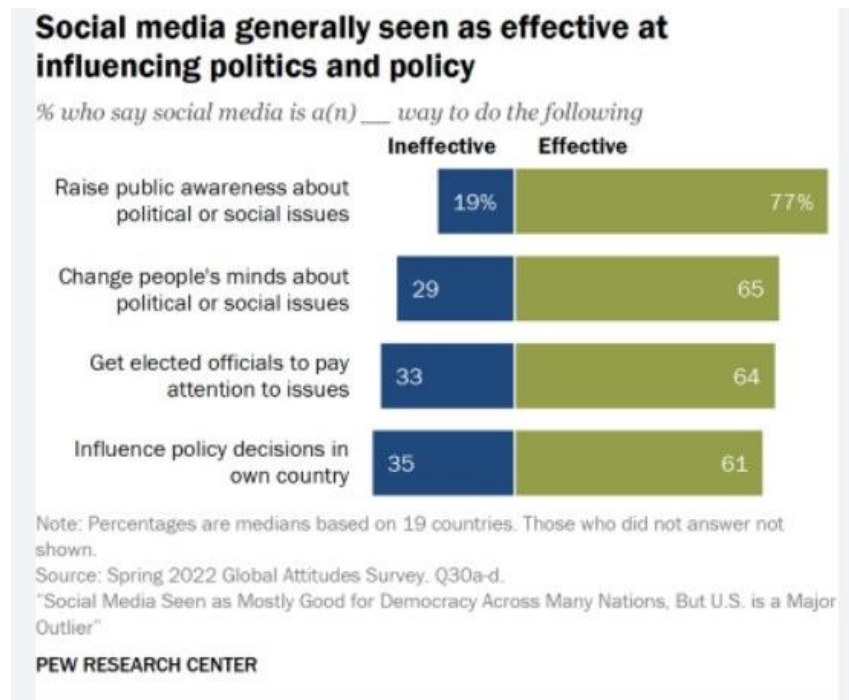


Fig-3.1

As Fig-3.1 illustrates, approximately 77% of respondents believe social media is valuable for increasing public awareness of political and social issues. What's interesting to note is that 65% of respondents say that social media influences their opinions and views on these issues. This, in turn, prompts elected officials to take notice of these issues; this is consistent with the common sense that the more conscious a person is of both their own needs and the needs of the larger public, the more likely it is that they will actively engage in public discourse as opposed to only taking part in it passively or leaving it entirely moot. This ultimately results in social media influencing policy decisions in the country. However, we can look at it more nuanced by treating social media as a two-way street, where both the public and government try to influence the

other party into accepting a particular opinion that generally works in their favor without much regard for the good of the greater public. Also, we'll have to carefully check how much of this influence of social media on a particular policy implementation is due to direct and indirect methods.

Now that we have established that social media does have a role in influencing policy implementation, we'll have to check and see what has changed from previous years; why are we suddenly talking about social media implications on policy implementation, as social media platforms like Facebook and X, formerly Twitter, have been there since 2004 and 2006, respectively.

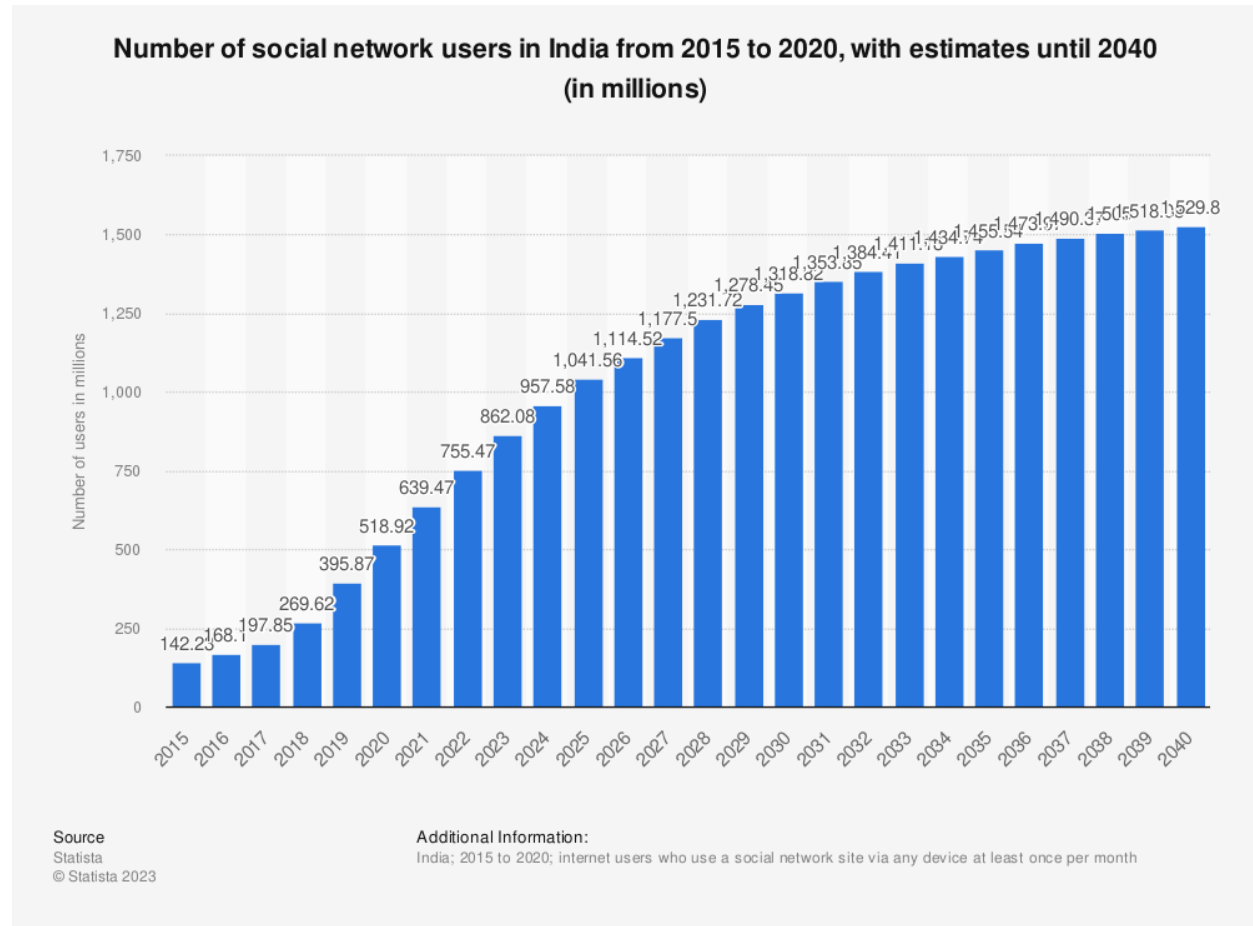


Fig-3.2

Fig-3.2 shows that there will be a staggering 506.12% increase in social network users in India between 2015 and 2023. With every year that goes by, this has impacted policy implementation in India more and more, for better or worse. It is better because it has raised public awareness of national issues, such as the 2020 EIA draft notification and the recently introduced three farm laws. It is worse because of social media's increasing ability to polarize public opinions, as shown by Kubin and Sikorski (2021). Although these issues are not the latest ones in the country, they show how social media manipulates public discourse, mainly due to its algorithms, affecting sentiments and prompting the government to take the required action, ultimately affecting policy implementation.

Given the level of political, social, and economic activity occurring on social media, policy design and assessment can benefit greatly from the information provided by these platforms. Though this hasn't always been the case, social media gives the government a chance to improve its procedures and increase its comprehension of the populace and how policies affect society as a whole (Leavey, 2013). According to experts, using social media in the creation of public policy will also save costs and increase accuracy while enabling more responsive public service delivery and early warning of potential failures in the fields of transportation, security, healthcare, law enforcement, and social care (Leavey, 2013).

In the study “The Role of Social Media in Policy Formation Improvement in California” by Khoi Minh Nguyen of San Jose State University, emphasized on the role of social media to collect public opinion and research into public sentiments could reduce time and cost in formulating public policy. The following are the findings:

Opinion on Social media	Percentage of Respondents
Social media can be useful in reducing cost and time	61%
Social media cannot work	26%
Others	13%

Fig-3.3 - Opinion of Social Media use in Formulating Public Policy

The study also focused on the speed at which opinions could be gathered and the vast number of people that could be potentially reached if social media was used. Although the results indicate that most respondents support the idea that social media is useful in reducing cost and time, the main concern here is that the information we are getting out of social media platforms may not be accurate. In actuality, this is also what occurs in real life. In particular, when we apply this discussion to India, where there is even less information filtering than in developed nations, we may be confronted with a flood of false information that could significantly skew our perception of what is right and wrong. It is up for debate whether this occurs tacitly or overtly, but it undoubtedly changes public perceptions of a particular fiscal and monetary policies of the government.

A more negative consequence of the rise of social media and the decline of gatekeeping is the “democratization of truth”. When individuals within the system start manipulating facts and viewers have more and more power to select what they want to hear, it's clear that the barbarians have infiltrated the gates. As a result, truth is liberated from official oversight and gatekeeping and becomes more democratic (Bennett, 2017).

The following case study gives an instance of how social media through its high reach can push the implementation of certain public policies:

Case study: Insurance coverage for front-line workers during COVID-19

During the COVID-19 pandemic, frontline workers worked tirelessly to help those in need. Some of them posted dance videos on social media to keep themselves cheerful. The videos gained widespread attention

and led to public concern for the safety of these workers. As a result, Insurance Coverage for Frontline Workers was implemented to support them and their families in case of any misfortune.

To protect the frontline workers there is a scheme called "Pradhan Mantri Garib Kalyan Package (PMGKP) Insurance Scheme for Health Workers Fighting COVID-19" that gives all healthcare workers hired by the government to care for COVID-19 patients, a Rs. 50 lakh personal accident insurance. This scheme is for all healthcare workers who are fighting COVID-19. It began on March 30, 2020, and was only available for 90 days at first. This scheme is handled by the New India Insurance Scheme and has been extended twice.(PIB Delhi, 2021)

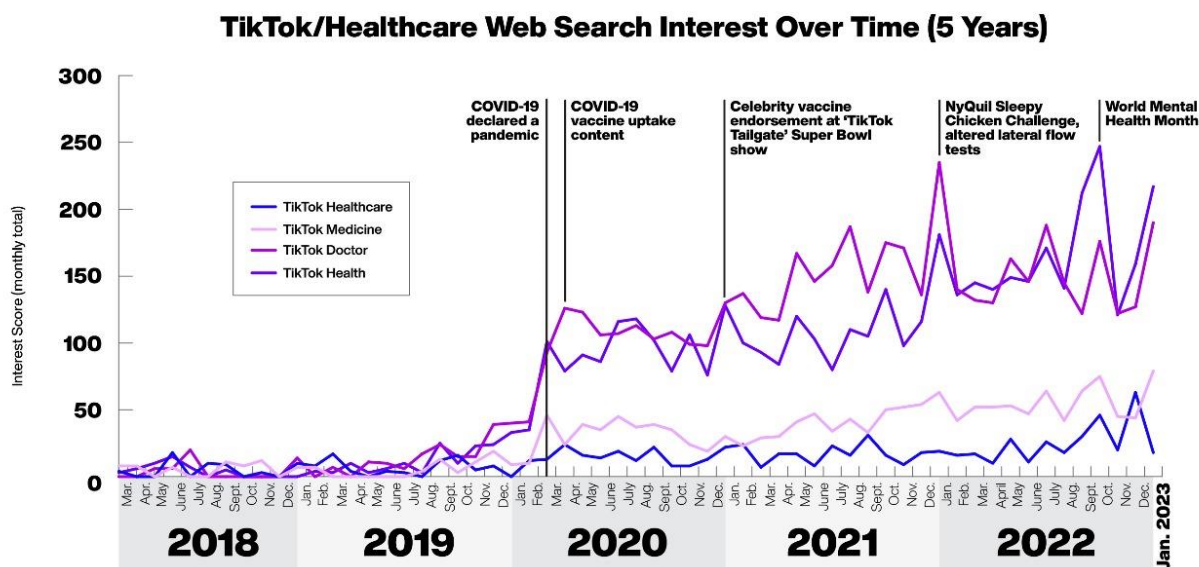


Fig 3.4

The graph above depicts a significant increase in healthcare-related content on TikTok over the past five years. The sudden rise in 2020 can be attributed to the COVID-19 pandemic, which brought attention to frontline workers and their efforts. This surge in healthcare content on social media helped raise awareness and lead to better policy implementation.

4. APPLICATION OF ECONOMIC MODELS

4.1 The Big Push Model

The Big Push model, by economist Paul Rosenstein-Rodan, suggests that good technology may be available in the economy but people are not adopting it or are unable to, due to a lack of resources. This is where organized and synchronous efforts of the government can lead to economic development by surmounting various obstacles.

Social media has various Big Push aspects. Social media leads to better communication about opinions and wants between the government and citizens, that was the case with “Insurance Protection for front-line employees” which was discussed earlier. In this instance, the issue affecting the doctors and other front-line workers would not have come to light and, consequently, would not have been resolved, had the government not implemented the policy. This demonstrates the necessity of government intervention in the economy.

Social Media has also helped in the economic development of many countries:

- China’s development in the tech sector is due to the synchronized efforts in multiple sectors which lead to rapid and sustained growth. Apps like WeChat and Alibaba accelerated a big push in the digital economy (online retail industry, e-commerce, and digital entrepreneurship).
- The widespread use of mobile internet and social media has led to a major transformation in India’s economic landscape. The big push in digital connectivity was facilitated by apps like Facebook, WhatsApp, and other social media platforms leading to a more digital and connected economy, hence more developed.
- Nigeria, with a focus on the tech industry and experienced economic growth. Platforms like WhatsApp and Instagram contributed to a big push in the digital and business realm.

4.2 Patterns of Development

Patterns of Development by economist Hollis Chenery, suggests that as an economy develops, it moves from agricultural sector to industrial sector and further to service sector. This model states that change in economic structure is needed for economic development which can be shown as:

- Digital Agriculture: The use of social media can be seen as a mechanism that allows these farmers to engage with the modern, urbanized sector, creating a bridge between the two.
- Labour Transition: Farmers use their products to engage the urban economy and diversify their economy. This shift towards more contemporary and technologically driven economic activity is reflected in the way these farmers use technology to reach a wider market.
- Economic Transformation: Farmers’ usage of social media represents a type of economic change in the agriculture industry. It facilitated the integration of traditional agricultural activities into the

larger, contemporary economy by enabling the use of contemporary marketing and communication strategies.

4.3 The False Paradigm Model

The False Paradigm Model by economist Mahbub ul-Haq, suggests that underdevelopment is due to irrelevant models, faulty training, and biased policies. Here, the damage to the developing countries is done unintentionally. The relevance of this model in the context of policy implementation due to social media can be seen as:

- Social media policies must be context-specific, taking into account things like cultural norms, technology accessibility, and established communication channels.
- As social media is constantly changing, policymakers must adapt. This could entail developing regulations that strike a balance between the advantages of connection and precautions against any unfavorable effects. It promotes a flexible and dynamic regulatory strategy.

It pushes policymakers to think about the various effects of social media on social, cultural, and economic growth rather than adopting one-size-fits-all strategies.

5. CONCLUSION

As we can see from the above discussion, the advent of social media has had an impact on the implementation of policies, as it has allowed governments to effectively gauge public sentiment towards any proposed action at a lesser cost. It has allowed for information to be passed more swiftly and also made the public more aware even as an audience. In the case of the pandemic, it allowed for positive policy changes for the benefit of social workers. However, it has most extensively been used only in the field of politics while its uses in other aspects of policy making remain relatively unexplored. Social media also has a dark side, filled with misinformation and the ability to polarize large groups of people and if not used cautiously it can be seriously detrimental to the democratic health of a country.

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