

American Politics in the Age of Social Media: Influence, Challenges, and Economic Effects

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Abstract: The swift advancement of social media technologies has profoundly reshaped the political and economic landscape of the United States, with platforms such as Twitter and Facebook exerting substantial influence. Social media have not only transformed traditional modes of political communication, but have also restructured the structure of the economy through the monetization of advertising revenue and the commercialization of user data. However, this transformation has also introduced new challenges, such as the proliferation of disinformation and political polarization, both of which undermine the quality of political decision-making and negatively impact the stability of the economy. In this context, this paper examines the transformative role of social media in reshaping the dynamics of U.S. politics and economics, focusing on the shift from traditional one-way communication to multidirectional interaction. Through historical analysis and case studies, this study examines how social media affects political decision-making, election outcomes, and the structure of the economy. The results indicate that social media have democratized the dissemination of information, but they have also intensified challenges such as political polarization and the spread of disinformation, which undermine governance and economic stability. Furthermore, social media platforms have emerged as powerful economic entities, reshaping traditional business models via data commercialization and targeted advertising.

Keywords: Social Media, Political Polarization, Disinformation, Economic Impact.

1. Introduction

The media, an integral part of political activity in the United States, can be used to disseminate political information, mobilize people, and conduct campaigns. The emergence of the Internet and the ensuing proliferation of social media platforms have led to a diversification of the media impact on the U.S. political ecology. The advances of social media has precipitated a paradigm shift in U.S. political communication from traditional “one-way communication” to “multiple communication”, which is manifested in the changes in information disseminators, the platforms on which the public obtains information, and the ways in which politicians publicize their messages. Nevertheless, the impact of social media on U.S. politics has yet to be fully recognized, which has been a major factor in the development of U.S. politics. The impact of social media on U.S. politics poses challenges. For example, the dissemination of false information may affect election results, and the algorithms of social media platforms may lead to the phenomenon of “political polarization” by cocooning

information and depriving people of the comprehensiveness and objectivity of their political views. In order to explore the extent of social media's influence on the political and economic life of the United States, the transformation of its mode of influence, and the political phenomenon it triggered, this paper adopts the research methods of content analysis and case study, and takes specific cases as the vein to attempts to expose the complex role played by social media in American politics and economics.

2. Historical Evolution of the Relations between Politics and the Media in the United States

2.1. Traditional Media Phase

In the early 1900s, newspapers constituted the principal source of media information, influencing the public's perception of political events through editorials and news reports. During the 1920s and 1930s, radio emerged as an important media outlet in the U.S., providing political information to the American public through real-time coverage of political events such as speeches and debates, with President Franklin Delano Roosevelt's "fireside chats" being a representative example of how the radio medium disseminated political information to the public during this period. President Roosevelt's "Fireside Chat" is a representative example of the broadcast media's ability to disseminate political information to the public. In the 1950s and 1960s, television became the main channel of political information dissemination, and televised debates and news coverage had a significant impact on voters' voting behavior. In the phase of traditional media, the spread of social media in the U.S. has been characterized by increasing speed and scope. However, in terms of the form of dissemination, it is unidirectional, that is, the media disseminate political information to the public in a one-way manner.

2.2. Emerging Internet Phase

The rise of the Internet from the mid-1990s through the early 2000s transformed the way people accessed news and participated in politics. New communication technologies, including e-mail and BBS (Bulletin Board System), provided citizens with more sources of information and new ways to participate in politics. BBSs, in the nascent stages of the Internet, were systems that allowed users to leave comments and share information. In terms of political participation, BBSs can be used to discuss political issues and share information about candidates, and it provides a new platform for the public to participate in political discussions and obtain political information [1]. E-mail, on the other hand, provided a fast and concise means of communication that allows political groups to quickly disseminate political information and mobilize support from the public. At this stage, the public gradually ceased to be merely a one-way passive recipient of political information and played a more active role in shaping political agendas and behaviors.

2.3. Social Media Phase

In the 21st century, social media quickly became popular among the general public due to its fast and direct access to information with low cost, and became the main medium for the public to obtain political information. During this period, emerging media platforms represented by Twitter and Facebook challenged traditional media and became the main political communication tools in the United States. In the phase of social media, the media not only plays the role of canvassing and publicity, but also becomes an important tool for politicians to build momentum and export values, in order to achieve the purpose of competing with campaign rivals and shaping diplomatic image. Among them, the social media image shaping during Obama's administration and the "Twitter communication" during Trump's administration are typical cases [2]. In addition, the advent of the

social media era has led to a “bottom-up” model of political communication in American political culture. During the 2010 United States congressional elections, a randomized controlled trial of 61 million Facebook users showed that the online mobilization through social media was effective in promoting public political self-expression, information gathering, and voting behavior [3].

3. The Reshaping of Information Dissemination Models by Social Media.

The changes and reshaping of information dissemination patterns by social media are reflected in the changes in communication paths brought about by the qualities of the platforms themselves and the economic impact of disinformation caused by social media. In terms of information acquisition, a bottom-up communication model has been formed. In terms of the quality of information, it has created an information cocoon effect, which further affects the economy.

3.1. Changes in Access to Information

The pervasive use of social media has indubitably changed the way in which political information is disseminated, as evidenced by the proliferation of alternative platforms through which individuals access information. From traditional sources like newspapers, television and radio to the numerous media outlets, official accounts, personal platforms of political figures, and various information push notifications, people can easily access thousands of relevant pieces of information in an instant by simply opening their cell phones or computers and entering keywords. The diversification and convenience acquisition have become a widely accepted consensus. Due to the “retweet” and “push” functions of social media like Twitter, the speed and scope of information dissemination have been greatly expanded. Even though most of the political information dissemination events are shallow in the process, the information still spreads to a wide range of audiences within a very short period of time. Furthermore, the advent of social media has expanded the scope of information sources beyond the traditional confines of authoritative governments and official newspapers. Individuals can now express their political views and engage in discourse on the Internet at any given moment and from any location. Moreover, they can create their own public accounts to disseminate political values, which often employs a “one-to-many” communication mode [4].

3.2. Economic Impact of the Dissemination of Disinformation

The speed and convenience of information dissemination come with a significant drawback: a lack of authenticity. Due to the lack of effective verification mechanisms and the entertainment-driven nature of online media, social media information is often subjective and emotional, which dilutes its authenticity. Social media platforms facilitate the viral spread of misinformation through algorithms, robo-accounts, and the echo chamber effect [5]. As a result, disinformation floods the Internet, with consequences that extend beyond the political realm, impacting the economy as well. Policymaking based on misinformation, for governments, may lead to misallocation of resources, hence affecting economic efficiency and social welfare. Furthermore, to combat disinformation, governments may implement new regulatory measure, which can increase government expenditure. For the public, the information cocoon created by social media algorithms may lead to homogenization of consumption by considering only limited sources of information when making consumption decisions, reducing the possibility of exploring multiple products and markets [6].

4. Impact of Social Media on Political Participation and Economic Structure in the U.S.

The political and economic impact of social media is not limited to individual users or specific group. For the general public, the ease of political participation brought about by social media has

strengthened their sense of political engagement. For the two-party political system in the U.S., it has strengthened the phenomenon of political polarization. In addition, traditional political authority have experienced substantial impacts as a result of these changes. Economically, social media has altered the traditional economic landscape through its large user base and the launch of advertising.

4.1. Enhanced Sense of Political Participation

In the past, the lack of transparency and the inefficiency of the dissemination of information have resulted in significant costs and thresholds being required for the public to participate in political life. Traditional media are usually influenced by the government or interest groups, thus resulting in the public being guided in the dissemination of political information. For example, there is a close interest between the New York Times and the Rockefeller Federation in the U.S. [7]. This situation makes it difficult for general public to obtain comprehensive and unbiased information, affecting their willingness and ability to participate in politics. However, the emergence of social media has greatly lowered the threshold of public participation in political behavior, enabling more people to easily access information, express their opinions and participate in discussions. And the adoption of social media as a platform for real-time interaction allows the public to respond rapidly to political developments. During the 2016 U.S. presidential election, social media platforms emerged as a pivotal channel for voters to access information and discuss candidates and policies. Prior research showed that social media users vote at significantly higher rates than non-users on Election Day, demonstrating the direct impact of social media in increasing public engagement and information dissemination. This reflects the potential of social media to promote democratic participation by making information more transparent and incentivizing voters to participate more actively in the electoral process. Besides, it facilitates the mobilization of political organizations. Through online platforms, political organizations are able to quickly disseminate information and call on supporters to participate in rallies, protests, and voting. Social media also provides a platform for a variety of voices to share their views and needs, providing opportunities for marginalized groups to have their voices heard. For example, the #BlackLivesMatter movement has sparked widespread discussion about racial inequality and police brutality through social media, contributing to policy change and the formation of social movements.

4.2. Increased Political Polarization and Its Economic Consequences

Political polarization refers to the trend of political views towards extremes, a phenomenon that is particularly evident in two-party politics in the U.S. [8]. The mechanisms of information bubbles and echo chamber effects lead to the presentation of content on social media that aligns with users' existing views and reinforces their political identities. And this has the effect of intensifying the polarization of political views and making disagreements between them more pronounced [9]. In two-party politics in the U.S., the Democrats and Republicans often disagree with each other, and the different groups that support the two parties have polarized views on many political issues. For example, the famous 'Capitol Hill Incident', in which supporters of Donald Trump came to the U.S. Capitol in an attempt to disrupt the certification of electoral votes for the 2020 presidential election, confirms the phenomenon of political polarisation in the United States. However, the consequences of this political polarization may go beyond the polarization of the views of different groups; the impact of this phenomenon on the economy is becoming increasingly evident. Related studies have found a significant correlation between political polarization and income inequality [10]. Political polarization may lead to policy instability and uncertainty, thus affecting economic decisions. For example, when legislatures are deeply divided on important policy issues, it often leads to policy

delays that affect business investment and economic growth [11]. Political polarization may also lead to a decrease in social trust, further affecting the efficiency of economic cooperation and transactions.

4.3. Challenges to Traditional Political Authority and the Impact of Economic Structures

The rapid development of social media poses a significant challenge to traditional political authority, changing the way information is disseminated and the dynamics of public discussion. In the past, the dissemination of political information relied heavily on traditional media, which were often limited by the influence of governments and interest groups, creating a relatively centralized and unidirectional pattern of information flow. However, the rise of social media has allowed politicians and the public to bypass traditional media and communicate directly one-on-one, breaking down the barriers of information control. This ability to communicate directly allows citizens to have a voice in political discussions and influence policy making. For example, the Black Lives Matter (BLM) movement mobilized mass protests through social media, revealing the critical role of social media in fostering social movements. Through platforms such as Twitter and Facebook, organizers were able to quickly disseminate information, mobilize supporters, and draw public attention to issues of racial inequality and police brutality. This phenomenon suggests that social media is not only a tool for political mobilization, but also an important force for policy change, forcing governments to reexamine their law enforcement policies and social justice issues [12].

On the economic level, the rise of social media has changed the traditional economic structure and promoted the combination of online and offline economic models. Social media platforms have become important economic players through their large user bases and advertising capabilities. For example, companies acquire user data through social media to pinpoint consumer needs in order to develop more effective marketing strategies. Therefore, this data-driven marketing approach has the dual benefit of enhancing the competitiveness of companies and changing the purchasing behaviour of consumers. And it prompts consumers to make choices among diverse goods and services [13]. However, this economic transformation has also brought about privacy protection and data security concerns. The commercialized use of user data by social media platforms has raised public concerns about the misuse of personal information, further driving calls for stricter regulatory policies. In this context, the challenge for policymakers is to balance the economic role of social media with the need to protect citizens' privacy.

5. Conclusion

The ascendance and proliferation of social media have had a profound impact on the political and economic landscape of the U.S. As an emerging channel of information dissemination, social media breaks the one-way communication mode of traditional media and realizes the democratization and decentralization of information acquisition and sharing. This change has provided a new platform for the public to express political views and participate in political activities, as well as a powerful tool for political mobilization and the organization of social movements. However, the influence of social media has not been universally beneficial. Challenges such as political polarization and the proliferation of disinformation have arisen, which affect the quality of political decision-making and social stability and economic health. Social media platforms, as emerging economic entities, have had a significant impact on traditional economic structures through advertising revenues and commercialized use of user data. They have altered corporate marketing strategies and consumer behavior, while also raising widespread concerns about privacy protection and data security. The impact of social media on the U.S. political economy is complex and multidimensional, creating both new opportunities for political participation and information sharing, as well as challenges of political polarization and the spread of disinformation. To address these challenges, policymakers, social

platforms, users, and the community need to work together to find a balance to ensure that social media can promote political participation and economic development while reducing its potential negative impacts. Future research should further investigate how social media can be effectively managed and regulated to realize its positive role in society while protecting the interests of users and the well-being of society as a whole.

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