

How Does Social Media Affect the Economy?

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It is commonly accepted that social media reduces the productivity of an organization. However, due to the shape of social media changing over time and assisting to evolve new businesses, several studies state that social media is no more an economic killer. The aim of this study is to identify the effects of social media on economic growth. For this purpose, we have conducted a systematic literature review after identifying appropriate keywords, it examined five research databases and extracted related articles. The selected articles were summarised considering the article's description of social media and economic relations. Apart from that, it explored the social media usage and inflation statistics of economically default countries to visualise the relationship between the usage of social media over inflation. According to the findings of the literature review, social media positively impacts on macroeconomic and small business activities. However, there is a negative impact on social media and national economic growth. Proving the literature outcome, the inflation statistics analysis illustrated a positive relation between social media usage and inflation increase. Thus, it can be stated that social media affect economic growth adversely but assist to start economic activities.

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