

Abstract

This paper investigates the impact of the digital economy on the gender wage gap among young and middle-aged workers in China. Using data from the China Family Panel Studies (CFPS) from 2012 to 2022, I find that the development of the digital economy significantly reduces the wage gap between men and women. This finding remains robust to a range of robustness and endogeneity checks.

Mechanism analysis reveals a key finding: the narrowing of the wage gap is not because women work longer hours. In fact, the digital economy tends to increase men's working hours more. Instead, the digital economy helps women improve their work efficiency relative to men's. It is the higher efficiency, rather than longer working hours, that allows women to increase their wage and catch up with men.

Furthermore, heterogeneity analysis shows that this positive effect is significant in Eastern and Central China, but not in Western China. The study also finds that the digital economy benefits rural women more than urban women, showing its inclusiveness. This study suggests that the digital economy is an effective tool for promoting gender equality by empowering women to work more efficiently.

Keywords: Digital Economy; Gender wage Gap; Work Efficiency; Young Labor Force; China