Bridging the Gender Gap in Entrepreneurship and Empowering Women via Digital Technologies

Lin William Cong† Bo Liu§ Xiaohan Yang¶ Xiaobo Zhang‡

Undergoing internal approval; do not circulate publicly.
First draft: April 2022; this draft: September, 2022

Abstract

Female entrepreneurs are underrepresented in many developed and developing countries for various cultural, historical, and economic reasons. Using primarily collected online and offline enterprise surveys, universal business registration records, and transactions from a world leading e-commerce platform, we document a gender gap in entrepreneurship in China and investigate whether digitization reduces it. Specifically, we show that the expansion of e-commerce and digital marketplaces mitigate constraints faced by female entrepreneurs and business owners by enabling work flexibility and drastically amplifying the distributional channels of their companies. Consequently, female entrepreneurial entry and performance improve, both in absolute terms and relative to men. Moreover, against the backdrop of the COVID-19 pandemic, women are more likely to adopt e-commerce and other digital technologies, with implications for long-term business operations, performance, and resilience.

Keywords: COVID-19, Digital Platforms, Entrepreneurship, Gender

*We thank Lixing Li and Xuanli Xie for detailed feedback. We also thank conference and seminar participants at Peking University for helpful comments and discussions. This research was funded in part by China Natural Science Foundation (Project No. 71874008, 71441008, 71873121, and 72192844), Peking University, the Ewing Marion Kauffman Foundation, the Fintech Chair at Paris-Dauphine University-PSL, and the FinTech at Cornell Initiative. The contents of this article are solely the responsibility of the authors. We are grateful to the leadership at JD.com for providing us access to their desensitized data, and to Yuetong Meng and Tyler Parente for excellent research assistance.

†Cornell University SC Johnson College of Business (Johnson) and National Bureau of Economic Research (NBER). E-mail: will.cong@cornell.edu

§School of Management and Economics, University of Electronic Science and Technology of China. E-mail: liub@uestc.edu.cn

¶Peking University National School of Development. E-mail: yangxh@pku.edu.cn

‡Peking University Guanghua School of Management and International Food Policy Research Institute (IFPRI). E-mail: x.zhang@gsm.pku.edu.cn