

# Digital Economy Influence Living Standards Based on Mediating Effects

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**ABSTRACT:** Digital economy has gradually become a new engine for global economic development, and people have realized the huge development potential of digital economy. The development of the digital economy has further improved people's living standards, not only improving the quality of life of residents, but also increasing their happiness of life. In the context of common prosperity, rapid progress in information technology represented by big data, cloud computing and the Internet has brought about subversive changes in the mode of social production, and a new era of digital economy has arrived.

**Key words:** Common prosperity; Digital economy; Living standards; Increased happiness

## I. THE STATUS QUO INTRODUCTION

In the context of common prosperity, the development of the digital economy has penetrated into the daily lives of residents, and there are great advantages, such as:

1. Facilitating the digital economy to enhance the happiness of urban residents. The popularization and wide application of the digital economy in clothing, food, housing and transportation, employment, education, health care and elderly care has facilitated people's consumption, social interaction, travel and entertainment.

2. The digital economy is contributing to rural revitalization. Digital technologies, such as 5G and big data, are increasingly empowering various fields in agriculture and rural areas, enabling rural areas to achieve a modern industrial level similar to urban areas, and promoting the integrated development of urban and rural areas.

3. The digital economy has spawned many new business forms and created more jobs. The digital economy has enabled the emergence of new forms of business, such as online shopping, bicycle sharing, car-hailing, food delivery and online education. Various new forms and models have emerged in large

numbers, and online and offline integration has deepened, becoming a platform for providing employment.

However, disadvantages often coexist with advantages. In the context of common prosperity, the development of the digital economy still faces difficulties and challenges, such as:

(I) The "digital divide" among the elderly. With the progress of digitization and intelligent technology, different people's differences in information tools, technical technologies, application degree and innovation ability are gradually widening.

(II) The development of urban and rural areas is unbalanced and there are gaps. In the context of common prosperity, the government has vigorously advocated the "rich before the rich" to narrow the gap between urban and rural areas, but with the popularization of the digital economy, there is still a dilemma of unbalanced development between urban and rural areas.

(III) Structural unemployment of the low-skilled population. People with a low degree of digitalization cannot adapt to the development trend of the digital economy, and low-skilled ordinary labor force is replaced by intelligent technology.

In summary, through the investigation and research of Zhejiang Province, a comprehensive analysis of relevant issues reflecting the impact of digital economy on living standards under the background of common prosperity is given to the government and relevant departments for better policy adjustment suggestions, so that residents can have a more comprehensive understanding of the impact of digital economy under the background of common prosperity policy.

## II. LITERATURE REVIEW

Common prosperity is the greatest advantage of socialism (Deng, 1993)<sup>[1]</sup>. The essential requirement of socialism is common prosperity, which is also an important feature of Chinese-style

modernization(Xi, 2021)<sup>[2]</sup>. To promote economic and social development, the ultimate goal is to achieve common prosperity for all people(Xi, 2020)<sup>[3]</sup>. In terms of time, China's efforts to enter the era of common prosperity coincide with the period of rapid development of the digital economy, and the promotion of common prosperity needs to be embedded in and supported by the development of the digital economy. In terms of goals, the development of the digital economy is highly compatible with the goal of common prosperity. To achieve common prosperity, we need to solve the problem of general growth and unbalanced and inadequate development. The high-tech and sharing characteristics of the digital economy not only provide the driving force for economic growth, but also provide a sharing mechanism for balanced development, and promote common prosperity through high-quality development.

Since the beginning of the 21st century, information technology represented by big data, cloud computing and the Internet has made rapid progress, which has brought about subversive changes in the mode of social production. In the context of common prosperity, a new era of digital economy has arrived. Li and Zhang (2021)<sup>[4]</sup> point out that the digital economy includes many fields such as digital technology services, Internet application services and digital equipment manufacturing, including high-tech manufacturing and high-tech service industries.

### III. EMPIRICAL ANALYSIS RESULT

The intermediary effect should be realized by the corresponding research method (hierarchical regression) in the specific research; The specific analysis structure is shown in Figure 1 below:

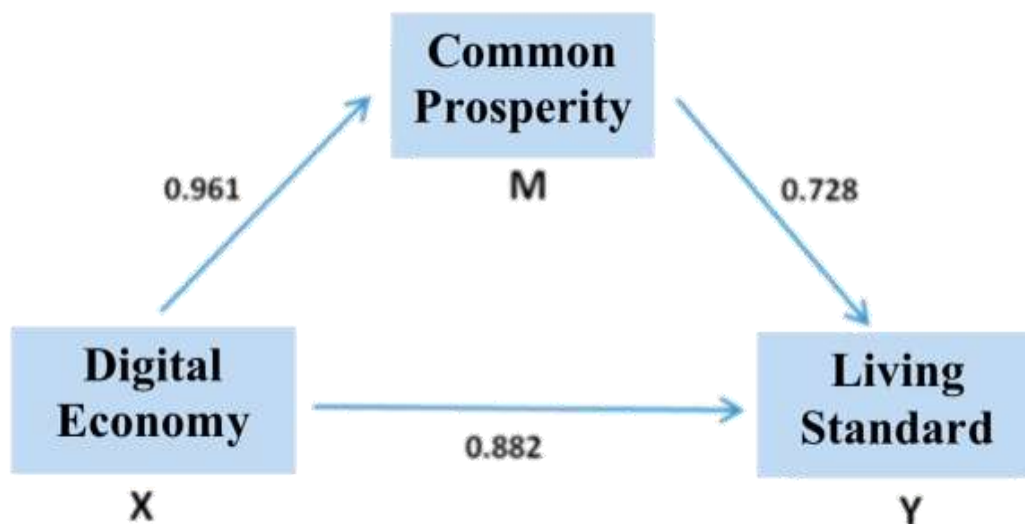


FIG. 1 Structure diagram of mediation effect

The data analysis of the relationship between common prosperity, digital economy and living standard is shown in Table 1 and Table 2 below :

Table 1 Regression analysis of digital economy and common prosperity

Coefficient					
Models	Nonstandardized coefficient		Standard coefficient	t	Sig.
	B	Standarderror	The trial version		

1	(Constant)	0.078	0.087	0.000	0.892	0.373
	Digital economy	0.961	0.020	0.885	47.079	0.000
a. Dependent variable: common prosperity						

Table 2 Regression analysis of digital economy and common prosperity on living standards

Coefficient						
Models		Nonstandardized coefficient		Standard coefficient	t	Sig.
		B	Standard error			
1	(Constant)	0.510	0.068	0.000	7.531	0.000
	Digital economy	0.882	0.016	0.913	55.552	0.000
2	(Constant)	0.506	0.068	0.000	7.481	0.000
	Digital economy	0.839	0.034	0.869	24.640	0.000
	Common prosperity	0.728	0.021	0.819	35.370	0.000
a. Dependent variable: standard of living						

It can be seen from Table 1 above that the non-standardized coefficient of digital economy on common prosperity is 0.961,  $P \leq 0.05$ , which is significant. Table 1 Regression analysis of digital economy and common prosperity. The development of digital economy is conducive to promoting the improvement of common prosperity. The development of digital economy is highly consistent with the goal of common prosperity. To achieve common prosperity, we need to solve the problem of unbalanced and inadequate general growth and development. We will promote common prosperity through high-quality development. The development of the digital economy will help relatively backward places catch up with developed regions and better drive the development of backward areas, thus promoting balanced development among regions,

narrowing regional disparities and promoting common prosperity. Therefore, the digital economy has a significant impact on common prosperity.

As shown in Table 2 above, the standardization coefficient of common prosperity on living standards is 0.728, which is significant. Table 2 Regression analysis of digital economy and common prosperity on living standards. Common affluence has a significant effect on living standards, indicating that the development of common affluence is conducive to the improvement of living standards. Common prosperity is mainly reflected in the prosperity of all the people, and the prosperity of both material and spiritual life of the people. Common prosperity means that all the people, through hard work and mutual help, achieve a standard of living with adequate food and clothing. Therefore, common prosperity has a

significant impact on the standard of living.

It can be seen from Table 2 above that the coefficient of standardization between digital economy and living standard is 0.839,  $P \leq 0.05$ , which is significant. Table 2 Regression analysis of digital economy and common prosperity on living standards. It shows that the development of digital economy is conducive to the improvement of living standards, which is mainly reflected in the facilitation of digital economy, which can improve the happiness of urban residents, and the digital economy can help rural revitalization. In the era of digital economy, rural tourism with green water and mountains is more acceptable, becoming an important source of income and promoting the integrated development of urban and rural areas. The digital economy has spawned many new forms of business and increased employment. Therefore, the digital economy has a significant effect on living standards, indicating that the intermediate value of common prosperity is partly mediating, as shown in Figure 1.

#### IV. CONCLUSION

According to the survey results, the urban and rural development of Hangzhou, Ningbo, Wenzhou, Shaoxing, Huzhou, Jiaxing, Jinhua, Quzhou, Taizhou and Lishui are relatively balanced. Various favorable factors, such as the rapid development of digital economy, the government's overall economic and social development of urban and rural areas, and the rapid promotion of urban-rural integration, have contributed to the narrowing of the income gap between urban and rural residents in Zhejiang Province. In recent years, the income of rural residents in China has grown rapidly, and the income gap between urban and rural residents has continued to narrow. In 2020, the income ratio of urban and rural residents in Zhejiang has dropped to 1.96, ranking among the top in the country. Through data analysis, it can be seen that digital economy, common prosperity and living standards are highly correlated. The development of digital economy promotes the realization of common prosperity. Meanwhile, with the popularization of common prosperity policy, people's living standards are improving day by day. Digital economy facilitation has enhanced the happiness of urban residents. The popularization and wide application of the digital economy in public services such as clothing, food, housing and transportation, employment, education, medical and health care, elderly care, etc., has made people's consumption, social interaction, travel and entertainment more convenient and efficient. Along with the development of the digital economy, it has improved people's living standards, reduced the income of urban and rural residents, and increased

their happiness of life.

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