

# Research on the Promotion Mechanism of Rural e-Commerce Poverty Alleviation

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**Keywords:** Rural e-commerce poverty, Promotion mechanism, Harmony society

**Abstract:** With the continuous increase in Internet penetration rate and rapid development of e-commerce, more and more farmers have achieved poverty alleviation through e-commerce. Especially in recent years, various “Taobao villages” and “e-commerce villages” that have risen rapidly from bottom to top and have shown a full-blown trend have fully demonstrated the huge potential of poor and backward areas to achieve leapfrog development through e-commerce. It is precisely in view of the tremendous changes that e-commerce has brought to some rural areas that the State Council’s Poverty Alleviation Office officially incorporated “e-commerce poverty alleviation” into its poverty alleviation policy system in 2014, and implemented it as one of the “Ten Major Projects for Targeted Poverty Alleviation” in 2015. It has only been five short years since the concept of poverty alleviation by e-commerce was put forward in 2011, and it has been included in the national poverty alleviation policy system. It has been promoted from the government level for more than a year. Both related research and practical experience are still relatively lacking. For this reason, it is very necessary to conduct a more systematic study on e-commerce poverty alleviation to provide some theoretical references for the implementation of e-commerce poverty alleviation. At the same time, it also hopes to draw more scholars’ attention to e-commerce poverty alleviation and carry out more and more in-depth studies. Research to provide clearer theoretical guidance for the implementation of e-commerce poverty alleviation.

## 1. Introduction

With the continuous advancement of reform and opening up, my country's economic development has achieved world-renowned achievements, and people's living standards have also been greatly improved. On this basis, coupled with the attention and investment of the central and local governments at all levels of poverty alleviation, as well as the assistance of all sectors of society at home and abroad, my country's anti-poverty cause has made great achievements. According to the report of the State Council's Poverty Alleviation Office: According to my country's poverty alleviation standards, my country has reduced a total of 250 million poor people since the reform and opening up. According to international poverty alleviation standards, a total of 660 million poor people has been reduced. But even so, my country's anti-poverty cause is far from complete. According to the “China Anti-Poverty Development Report: Social Poverty Alleviation Topics”, my country has 14 contiguous extremely poor areas, 832 impoverished counties, district counties, 129,000 impoverished villages, and 82.49 million impoverished people. According to international standards, there are also Two billion. The report also pointed out that in the new era, my country's absolute poor population is mainly distributed in contiguous areas with extreme poverty, showing a trend of “large dispersion and small concentration”, and the structure of poverty is complex, and the causes of poverty are diverse, and they range from absolute poverty to relative poverty. New features from single-dimensional poverty to multi-dimensional poverty, static poverty to dynamic poverty, and short-term poverty to chronic poverty. Even the State Council's Poverty Alleviation Office and other government departments believe that my country's poverty alleviation has entered a stage of “hardening the bones”. Poverty reduction is more difficult than ever and requires the participation of the whole society.

## 2. The Realistic Basis of Rural e-Commerce Poverty Alleviation

When talking about rural e-commerce or poverty alleviation through e-commerce, many people may first think of “Taobao Village”. However, my country has already begun exploring and practicing the application of information technology in rural areas as early as the mid-1990s. At that time, Internet technology has gradually developed and become popular in cities. At the same time, my country's agriculture has gradually experienced problems such as large price fluctuations of agricultural products and “difficult selling” for farmers after years of development. For this reason, people began to think about whether Internet technology can be applied to rural areas to solve the problem of information asymmetry in agricultural production and sales of agricultural products. Based on this consideration, the government led and promoted various agricultural and rural information construction projects one after another. The most famous is the “Golden Agriculture Project” proposed and implemented in 1994, with the purpose of accelerating and promoting agriculture and the main task of rural informatization is to establish “agricultural comprehensive management and service information system.” One of the backbone projects in the “Golden Agriculture Project” is the China Agricultural Information Network established by the Ministry of Agriculture, which was launched in 1997. The website not only provides information such as agricultural news and agricultural technology, but also collects and publishes agricultural product market quotations, prices, supply and demand and other information through networking with local wholesale markets, so as to provide market forecasts and production guidance for agricultural enterprises and farmers. Although direct online transactions have not yet been realized, from the point of view that it provides agricultural producers and operators with information related to production and sales through the Internet, thereby helping them to improve production and operation efficiency, and even make agricultural products at a good price. Such information services should also belong to the broad scope of e-commerce.

First of all, unlike the “Golden Agriculture Project” analysed earlier, a large part of the villagers in these Taobao villages are directly involved and highly motivated. The reason is self-evident, that is, the villagers have gained or seen the benefits. Secondly, as many scholars believe, the countryside is a society of “acquaintances”. It is easier to communicate and learn from each other. Most of the villagers have no fixed jobs except for agricultural production. Therefore, the demonstration effect of the leader can easily play a role, even There is no need to consider the issue of copyright infringement. Therefore, in the initial stage of these Taobao villages, there is generally a fission expansion as shown in the figure below. As Professor Wang Xiangdong mentioned in his summary of the “Sand Collection Model”, “Internet marketing cell fission replication and expansion drives the development of manufacturing and other supporting industries. Various market elements continue to follow up and shape the company as the main body. A new business ecology where multiple species coexist and coexist”.

Agricultural materials are the abbreviation of agricultural materials, including seeds, pesticides, fertilizers, agricultural film and agricultural production, processing, and transportation machinery. Because the traditional offline agricultural material market has problems such as price confusion, mixed products and sales outlets, many fake and inferior products, and inadequate market supervision in remote areas, as early as the beginning of rural e-commerce, many agricultural material companies began to turn to e-commerce. However, because traditional offline channels are relatively stable, and people are still trying to explore the new thing of agricultural material e-commerce, the agricultural material e-commerce in the past few years can be said to be tepid. Until the past two years, with the cooperation of Yun Farm, Kingenta and JD.com, such platforms as Nongshang No.1, Taobao Agricultural Channel, Online Supply and Marketing Cooperative, Supply and Marketing e-home, Nongyi.com, and Diandou.com have been launched or released. Power, agricultural materials really opened the way to e-commerce. Judging from the rise of agricultural material e-commerce in the past two years, the application of e-commerce to the agricultural material market will undoubtedly help reduce the many intermediate links between agricultural material products from manufacturers to farmers, and help manufacturers to better obtain feedback from farmers and make improvements. Provide farmers with after-sale technical

services, prices and product quality are easier to control, and farmers will get more benefits accordingly. However, agricultural materials are different from agricultural products. Farmers not only need to obtain high-quality and low-cost agricultural products, but more importantly, they must obtain professional technical guidance and after-sales service. In particular, the use of certain agricultural products requires not only theoretical knowledge, but also Experience. In addition, due to the existence of existing offline channels, how to balance the interests of offline channel providers, and how to deal with the issue of credit sales in the agricultural material industry, etc., are issues that agricultural material e-commerce companies must consider and deal with at this stage.

### **3. Poverty Alleviation Promotion Mechanism for Rural e-Commerce Poverty Alleviation**

In terms of income increase-rural e-commerce's most direct and main way to reduce poverty is to promote the development of local industries and the economy through the development of e-commerce, which in turn encourages poor families to increase their income. Correspondingly, there will be three questions: one is how to promote the development of rural e-commerce in poverty-stricken areas; the second is how to ensure that the development of e-commerce drives the development of local industries and the economy; the third is how to ensure the full participation of poor families and increase their income. Share development results. In terms of cost savings-in addition to increasing the income of poor families, rural e-commerce has another important function to enrich and improve the consumer market in poor rural areas (including the market for means of production and the market for means of subsistence), so that residents in poor rural areas can enjoy Product selection is more diverse, the product quality is more guaranteed, and the product price is more favorable. This will also directly cause two problems: one is how to develop rural e-commerce to promote the improvement of the rural market; the other is how to ensure that rural residents can purchase more high-quality products and services at a lower price. Of course, there is also an important issue, that is, how to treat and deal with the online consumer market's impact on the offline market.

In terms of capacity improvement-of course, in addition to increasing income and reducing expenditures, the development of rural e-commerce should be more important to rural residents, especially poor families. Then, how to ensure that poor subjects can master and make good use of network technology to participate in e-commerce activities or related activities; how to ensure that their self-development capabilities are further improved in the process? This is also something that must be considered in rural e-commerce poverty alleviation problem.

With the continuous development of e-commerce, its role in promoting the development of regional industrial economy has become increasingly recognized, and the pressure of local economic transformation has increased. Under the active promotion of the central government, local governments at all levels have begun to pay attention and begin promote. Therefore, the development of rural e-commerce has gradually shifted from being market enterprise-driven to government-driven. At present, more and more local governments have begun to become the main driving force for the development of local rural e-commerce. As e-commerce poverty alleviation is incorporated into the government's poverty alleviation and development system, governments in poor rural areas hope to take this opportunity to promote the development of rural e-commerce, thereby promoting industrial economic development and accelerating the completion of poverty alleviation tasks. However, due to the impact of e-commerce on traditional offline companies, the outflow of some taxes, and the general lack of experience and understanding, many local governments are still waiting and watching, or feel powerless and unable to start. In addition, as analyzed above, in order to seize the rural market, e-commerce companies, logistics companies, and financial companies, including various e-commerce platforms, continue to accelerate their deployment in rural areas, even if there are many companies' rural e-commerce promotion plans It ended in failure, but more and more companies and capital have joined the competition in the rural market, and many companies have completed the initial exploration and began to expand rapidly. This shows that the above-mentioned enterprises will still be an important driving force for the development of rural e-commerce, and will play an increasing role. Although poor rural areas may

not have become the main targets of most enterprises due to relatively poor basic conditions, with the overall development of rural e-commerce and the active promotion of local governments, more and more enterprises will inevitably participate in poverty. In the competition for the rural market, it will eventually replace the government as the dominant force in local rural e-commerce. Therefore, local governments in poor areas should actively introduce the aforementioned enterprises to participate in the development of local e-commerce in order to accelerate the development of rural e-commerce. In addition to foreign companies, local companies and individual production operators also hope to develop online sales to expand their market space and achieve new development. Especially with the continuous improvement of the overall development level and speed of e-commerce, more and more successful cases, coupled with the pressure of economic transformation, there will inevitably be more and more local enterprises and individual production operators seeking through e-commerce Breakthrough opportunities. And often once an individual company or individual succeeds in “electric shock”, it is likely to cause other companies or individuals to follow suit, thereby driving the rapid development of e-commerce in the entire region, just like many Taobao villages.

#### **4. Conclusion**

The development of rural e-commerce, the development of rural industries, and the development of rural residents, including the poor, have mechanisms for mutual promotion, and this promotion mechanism will continue to be strengthened. Rural e-commerce poverty alleviation is conducive to promoting the development of industry and economy in rural areas, as well as poverty alleviation and capacity improvement of poor families. It has a significant effect on improving the performance of industrial poverty alleviation and development. Therefore, rural e-commerce poverty alleviation is worthy of pilot promotion and urgently needs more. Many scholars urgently need to carry out more in-depth research.

#### **Acknowledgment**

Scientific research outstanding youth project of Hunan Provincial Education Department in 2019: Intelligent New Retail Helps the Precise Poverty Alleviation Path of Rural E-commerce in Hunan Province (19B176).

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