

Practice and Model of Rural E-commerce on Poverty Alleviation in Gansu Province

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Abstract: Rural E-commerce poverty alleviation, as an innovative measure of the mainstream work system of rural poverty alleviation, plays an important guiding role in the critical period of poverty alleviation. In recent years, Gansu province has actively implemented the targeted poverty alleviation road of industrial poverty alleviation, and E-commerce poverty alleviation has become an effective way to achieve industrial poverty alleviation. Combined with the analysis of specific E-commerce poverty alleviation model, on the premise that the selection and application of E-commerce poverty alleviation model in poverty areas should be closely related to local reality, government policies, poverty alleviation objectives, poverty alleviation subjects and E-commerce platforms affect the selection of rural E-commerce poverty alleviation model.

1. Introduction

As a form of Internet + poverty alleviation, E-commerce poverty alleviation (hereinafter referred to as ECPA) was listed as one of the top targeted projects in early 2015. On November 9 of the same year, the General Office of the State Council issued the guiding opinions of the State Council on accelerating the development of rural E-commerce, focusing on promoting the deep integration of rural E-commerce and rural primary, secondary and tertiary industries, achieving remarkable results in promoting entrepreneurship and employment of farmers, opening up the rural consumer market, and promoting rural poverty alleviation and development. On November 23, 2016, The State Council in China issued the guiding opinions on promoting targeted poverty alleviation through E-commerce, and set up the general goal of triple full coverage of poverty-stricken areas with conditions: first, full coverage of comprehensive demonstration of E-commerce into rural areas for poverty-stricken counties with conditions; The second is to achieve the full coverage of ECPA for the poverty-stricken villages with conditions to develop E-commerce; the third party E-commerce platform to achieve the full coverage of ECPA for the poverty-stricken counties with conditions. By the end of 2017, the demonstrating counties in rural regions in China had covered 499 poor counties. According to relevant data released by the Ministry of Agriculture, by the end of 2017, rural internet users accounted for 27% of China's internet users, the number of rural Internet users reached 209 million, and the rural Internet penetration rate rose to 35.4%. According to the data published by the Ministry of Commerce, by the end of 2017, there were 9.856 million rural online stores, an increase of 1.693 million over 2016, a year-on-year increase of 20.7%, bringing more than 28 million jobs [1]. The rapid development of rural E-commerce in China, rural ECPA is the inevitable outcome of its mainstream development trend. All sectors of society are actively exploring and practicing the mode and path to make rural E-commerce better role in poverty alleviation, analysing the problems existing in the development of ECPA and putting forward countermeasures to solve the problems. Mu et al. pointed out that the poverty-stricken areas in Gansu should seize the rural E-commerce as an important targeted poverty alleviation carrier, and strive to realize the development mode of organic combination of physical stores and E-commerce, so that the real economy and the Internet have a superposition effect [2]. Qing et al. regarded the poverty alleviation model of E-commerce in Gansu province as an example, analysed the main

problems of poverty alleviation of E-commerce in poor areas, and explored and studied the new poverty alleviation model of rural E-commerce in Gansu [3].

Although the rural ECPA has achieved some fruits, there are still some deficiencies in theoretical research and practical operation level, among which the research content of rural ECPA model is still beyond from perfects. Through the discussion of the typical poverty alleviation model and the influencing factors, this paper expects to make up for the lack of theoretical research and guide the practice of ECPA.

2. The Current Situation of Rural E-commerce on Poverty Alleviation in Gansu Province

2.1 Poverty Alleviation of Rural E-commerce

2.1.1 Policy Support

In October 2015, Gansu officially produced rural e-commerce to help the poor from getting rid of poverty. On December 9 of the same year, the Gansu government issued the implementation planning for accelerating the development of rural E-commerce in Gansu Province, which requires relevant departments to vigorously develop the supporting resources of rural E-commerce and build and improve the operation system of rural E-commerce. In January 2017, the leading group office of promoting E-commerce development of Gansu issued the implementation plan of ECPA for poor villages in Gansu, which proposed to formulate local ECPA plan in combination with the requirements of the plan and local reality, forming a pattern of linkage, integration, coordination and promotion of ECPA in the whole regions [4]. By the end of 2017, Gansu has approved 40 units state-level E-commerce centres to enter the rural comprehensive demonstrating examples, established 56 county-level operational service centres, with 6949 village level E-commerce service stations, trained 275,000 rural E-commerce talents.

2.1.2 Development Platform

The State encourages major E-commerce platforms to actively participate in the poverty alleviation works and provide support in terms of policies and funds. In recent years, various E-commerce platforms have been competing for power in the rural market. Alibaba, Jingdong, Suning and other major E-commerce giants have made great strides in rural regions. Through rural TaoBao, Jingdong service help and other forms, they have driven the rapid development of rural E-commerce and achieved remarkable results in poverty alleviation.

Gansu cooperated with Alibaba group and signed the strategic cooperation agreement on rural E-commerce construction. Alibaba rural TaoBao built and operated county-level service centers and village service sites in Gansu Province, making Gansu the first province in China to achieve full coverage of village TaoBao business. In cooperation with Jingdong group, signed the Internet plus strategic cooperation framework agreement of the Gansu Provincial People's government Jingdong group, and built a local specialty Museum on the platform [5]. The special Chinese product Gansu poverty alleviation Pavilion became the first provincial poverty alleviation hall in China. Cooperate with Suning group, through the O2O marketing mode of Suning E-commerce online and offline, which is embodied in Internet platform + chain entity platform + logistics network, and do a good job of agricultural products upward. Gansu local E-commerce platforms, such as the network under Gansu E-commerce cloud and E-commerce cloud to village, actively responded to the requirements of the state and provincial government and carried out a series of ECPA work [6]. By the end of 2017, stinging on ECPA, Gansu had helped the provincial and foreign markets to achieve agricultural product sales of 15.3 billion Yuan.

2.2 Difficulties of Rural E-commerce on Poverty Alleviation

2.2.1 The Inefficiency of Government Operation

E-commerce platform construction and other aspects of innovation capacity is insufficient in Gansu. On the one hand, unscientific top-level design, unreasonable industrial planning and inadequate supervision and service are the important factors hindering the rural development of E-

commerce in the government's poverty alleviation system. At the township level, there are formalism problems, resulting in waste of various resources. The promotion of information technology is not enough, and the basic conditions for ECPA may-not be satisfied, which makes it difficult to carry out ECPA. On the other hand, the establishment of ECPA platform is the basis for the realization of targeted poverty alleviation. The number of E-commerce subjects in Gansu can not fits the needs of rural ECPA and development. In addition, there are also problems such as the lack of enterprise awareness, the sticking to tradition of most operators, the failure to carry out production and operation according to the modern commodity laws, the failure of online operation and offline industry to keep up.

2.2.2 Lack of Supporting for ECPA

The effective operation of rural ECPA cannot be separated from the hardware configuration such as logistics, finance and E-commerce services, but also from the soft conditions such as the standardization of talents and agricultural products. The satisfaction of these supporting conditions can enhance the confidence of the main body and promote the work of poverty alleviation. In the development process of rural ECPA in Gansu, problems such as high logistics cost, low distribution efficiency and financing difficulties of market subjects restrict the effectiveness of rural ECPA; professional and technical personnel and E-commerce entrepreneurs can enhance the vitality of rural E-commerce market, invigorate the rural E-commerce market economy, and the lack of E-commerce talents makes rural E-commerce unable to play a better role in poverty alleviation; The standardization of agricultural products is indispensable for the promotion of agricultural products. Brand is an effective way to guarantee the sustainable future movements of ECPA. The standardization and brand of agricultural products can greatly enhance the market competitiveness of agricultural products and win the attention and trust of consumers.

2.2.3 The Interests of Farmers without Guaranteed

Because many poor households are old-fashioned in thinking and low in education, lack of cultural knowledge and asymmetric market information, they have insufficient understanding of the development of rural E-commerce, there are difficulties in the decline of agricultural products, and even some enterprises sell fake and inferior products to rural poor areas. The enthusiasm of rural TaoBao partners who rely on online purchasing for farmers and earn commissions has also been greatly affected. Although the practice of rural ECPA in Gansu has achieved good results, the positioning of E-commerce enterprises still makes the income increase benefit of poor farmers not obvious, because the cost of transportation, packaging and promotion of E-commerce enterprises is high, and the profit space is low, so it is unable to purchase the agricultural products of poor farmers at a high price.

3. The Typical Model of Rural ECPA in Gansu Province

In recent years, rural E-commerce has become an important way to get rid of poverty. In the process of exploring and practicing the poverty alleviation model, all relevant departments should take measures according to local conditions and combine regional characteristics to seek development. This paper make specific analyses on the content of typical rural ECPA model in Gansu, and points out its advantages and disadvantages as well as provides theoretical reference for the continuous improvement of the model.

3.1 Government + Farmer + E-commerce Platform

Longnan County, relying on the unique resources of job tears industry and the opportunity of national E-commerce into the comprehensive demonstrating programs in rural regions, has gradually formed a Xingren mode of effective E-commerce to promote the upgrading of agricultural industry. The government actively guides poor farmers to develop job tears industry based on local resource endowment. Since 2015, in response to the call of Gansu provincial Party committee to help poverty alleviation, it has taken many measures to help Guizhou products out of the mountain".

Since August 2017, E-commerce cloud has planned to build the project of "ECPA county magistrate in action and Longnan County has actively participated in it. On August 28, 2017, the short video of the mayor of Longnan County endorsing job tears landed on the domestic well-known E-commerce platform, and the sales volume of job tears exceeded 10 tons in half a day. In October 2018, Longnan County was listed in the list of poverty-stricken counties released by the Poverty Alleviation Unit. The establishment of Xingren mode cannot be separated from the professional E-commerce operation platform [7]. Through the way of E-commerce + marketing + content, a new channel of industrial poverty alleviation sales will be opened up. In this model, the cooperation between the government and E-commerce platform has stimulated the poor farmers to participate in poverty alleviation, but there are some disadvantages, such as the lack of close contact between the government and farmers, low organization and so on.

3.2 Government + Cooperative + Farmer + E-commerce Platform

There are more than 60000 rural cooperatives of different levels in the province, which play an important role in organization and bridge. YanHe County Government strongly supports the development of all kinds of rural cooperative economic organizations. Most of the operators of the cooperatives are village cadres or people with ability to become rich. With the concept of "do for farmers, do with farmers, and help farmers earn, the cooperatives realize the interest connection, represent the interests of the majority of poor farmers, and gain the trust of farmers. After the cooperative reasonably plans the industrial poverty alleviation projects, the majority of farmers join the cooperative with land, labour and other capital, and increase their income in the form of dividends and wages. Through the cooperative, the deep processing of products can be further realized and the value of products can be improved. Then, with the help of the third-party E-commerce platform, the poverty alleviation market of the industry will be opened up. According to the actual investigation and understanding, in the process of implementing the model, YanHe County gives farmers the right to speak, grasps the latest market information, and improves the operation mechanism [8]. However, the ability of farmers to resist market risks under the guidance of cooperatives is insufficient.

3.3 Enterprise + Cooperative + Farmer + E-commerce Platform

PingBa District of AnShun City vigorously implements industrial poverty alleviation, seizes the opportunity of Internet + development, and launches all sectors of E-commerce in the whole district to bring poverty. Enterprise + cooperative + farmer are the main industrial poverty alleviation mode in PingBa District of AnShun City. The government plays an active role in guiding, attracting many leading enterprises to settle in and establishing industrial demonstration parks. Enterprises sign production contracts with town (Village) specialized cooperatives, and provide guidance on industrial planning and technology; farmers participate in cooperatives in the form of land and labour. At the same time, the mode of company + village collective + peasant household is adopted [9]. The industrial park takes part of the income as the village collective development fund, and the peasant household gets the share dividend and wage income. The large-scale industrial development opens up the market for poverty alleviation by means of platform: using the business model of Internet + agriculture, online sales can be realized by means of TaoBao, Jingdong, local E-commerce and other carriers, including Internet supermarket, agricultural products into the community and other forms of realization; The mode of Internet + tourism is used to promote the development of tourism industry through agricultural industry and increase income through various channels. In this model, PingBa district resources are fully utilized, the total cost and risk of industrial development are reduced; the purpose of the company is to pursue profits, cooperatives represent the majority of farmers, and they cannot grasp the market discourse right, and the interests of farmers cannot be fundamentally guaranteed.

3.4 Government E-commerce platform Cooperatives + Farmers Mode

In 2015, HuiShui county government launched the construction of bainiaohe Digital Town ChuangYuan, actively attracted E-commerce enterprises to settle down, and endowed E-commerce

enterprises with development capacity. HuiShui County has explored a set of rural ECPA model suitable for its own development. The county government actively promotes the cooperation with E-commerce enterprises to realize online sales and publicity of agricultural products, and at the same time, to open offline physical stores and bulk purchase to assist sales. The E-commerce platform represents the market, integrates the purchase and sale, and signs the purchase and sale contract with the professional cooperative, so that the farmers do not have to worry about the lack of market. In this model, the total cost of industrial poverty alleviation is greatly reduced, in which the cost of general enterprises' acquisition and price difference is exempted, the risk of farmers' marketing is shared and certain market discourse right is given; E-commerce enterprises realize the sustainable development of poverty alleviation industry through the marketing mode of Online plus entity. As a new direction, ECPA have some shortcomings. When E-commerce enterprises are included in the industrial chain, corresponding prevention mechanism should be well done.

4. Experiences of Poverty Alleviation of Rural E-commerce in Gansu

4.1 Rural ECPA and Series of Policies

The guidance of the government and the formulation of relevant policies are reliable ways to solve the problems of imperfect infrastructure construction and lack of talents. Different poverty-stricken areas have different policy orientations. The selection and construction model cannot be separated from policy support. There are differences in the development status and causes of poverty in different poverty areas of Gansu. Therefore, the formulation direction of relevant rural E-commerce movement policies is different. For example, in the above four typical ECPA models, the four regions are quite different in industrial planning, some of which are relatively single, some of which are multi-faceted industrial development, so different supporting infrastructure construction planning and financial support are needed, and this series of planning needs the guidance of government policies.

4.2 Far-away from Clear Strategic Objectives

In light of the shorts in the construction of rural ECPA model, first of all, it is necessary to settle the strategic objectives of rural ECPA and optimize the model around the poverty alleviation objectives, and solve the rural poverty problem [9]. The establishment of poverty alleviation target points out the direction for the whole poverty alleviation work, and is conducive to finding and solving problems in time. The selection and implementation of rural ECPA model should focus on poverty alleviation, and finally achieve the goal of helping poor farmers get rid of poverty and become rich. The basic purpose of developing rural E-commerce is to serve the farmers. Whether the farmers have the right to speak in the market is the basic standard to measure the success or failure of rural E-commerce. Therefore, under the guidance of policies and in accordance with local conditions, all poverty areas should formulate their own strategic objectives, refine the work of ECPA at all levels, and explore ways to achieve targeted poverty alleviation through E-commerce.

4.3 Rural Industry Poverty Alleviation and Rural E-commerce Platform

E-commerce platform actively participates in poverty alleviation and continuously injects new vitality into targeted poverty alleviation. Through the construction of rural ECPA ecosystem, with supporting the development of characteristic industries as the core, many subjects participated, coordinated and promoted the sustainable poverty alleviation in poor areas. As new business, E-commerce platform has a stronger ability to capture market information, which makes rural commodity trading break through the time and space constraints. In the process of constructing and practicing the ECPA model, local government has given the E-commerce platform an important position and given significant role to E-commerce platform, realized the successful marketing of Online + offline poverty alleviation industry, and realized industrial products down. All E-commerce platforms have actively invested in ECPA, such as Alibaba, Jingdong, etc., which have reached strategic cooperation; local E-commerce platforms have made great efforts to explore the

path.

4.4 Lacking of Regional Characteristics

The regional characteristics of rural ECPA model are prominent, which reflects its particularity. Any model should not be copied. The unsuitable model hinders the development resulting in waste of resources. At the macro-level, the rural ECPA model in Gansu encourages diversification, because: the selection of the model should be closely combined with the reality, industrial development, economic construction and other factors, and the selection of different regional models should be different. From the micro-point of view, under the guidance of strategic objectives, the poverty alleviation needs of industries and supporting infrastructure construction should be fully considered, and the model should be practiced according to local conditions.

Conclusions

Gansu rural ECPA model has the significance of promotion. The actual development conditions are more mature, and the overall development of relevant models is more comprehensive. From the analysis in this paper, we can see that the construction and application of the rural ECPA model must be connected with the actual situation, which cannot be generalized. Therefore, if other areas are in the selection and establishment period of rural ECPA mode, it is clear to measure whether the development of the region is consistent with the actual situation of the region to be used for reference. A single development model is easy to lead to insufficient development and innovation, and serious homogeneous competition. In the process of reference, we should learn to make full advantages of the reference model, combine multiple models for reference, and avoid the disadvantages of development.

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