

# The Development Choice of E-commerce Poverty Alleviation in Ethnic Poverty Regions in China

Yuxia Hu<sup>1, a</sup> and Haiying Ma<sup>1, b \*</sup>

<sup>1</sup>School of Economics, Northwest Minzu University, Lanzhou, Gansu, China

<sup>a</sup> Email: 2253801927@qq.com, <sup>\* b</sup> Email: lxmahaiying8888@163.com

\* corresponding author

**Keywords:** Targeted Poverty Alleviation; Ethnic Poverty Regions; E-commerce; Path Selection

**Abstract:** As one of the top ten targeted poverty alleviation projects in China, E-commerce poverty alleviation plays a significant role in winning the battle against poverty and achieving rural revitalization. By improving the infrastructure in the field of circulation, providing talent support, strengthening capital guarantee, respecting the role of the market, and giving full play to the demonstration effect. However, some regions still have some problems that need to be solved urgently, such as the imperfect logistics and distribution service system, the low acceptance of E-commerce marketing by the rural people, the lack of E-commerce professionals, and the weak industrial foundation. We can improve the E-commerce poverty alleviation policy, increase the investment of E-commerce poverty alleviation funds, strengthen the cultivation of rural E-commerce talents, continue to develop the brand of agricultural products, and promote the construction of industrial chain system

## 1. Introduction

Since the reform and opening up, China has been increasing investment in poverty control, mobilizing social forces, stimulating endogenous power, expanding poverty alleviation methods, and really doing it. Poverty alleviation in poor regions has achieved remarkable results. With the deepening of poverty alleviation work, the remaining poor rural regions are mainly concentrated in the deep poverty regions with poor natural conditions, backward infrastructure and hard living environment.

With the rapid development of E-commerce, its transaction features of convenience, transparency, low cost, high efficiency and short cycle make it an important channel and means for targeted poverty alleviation, targeted poverty alleviation and rural economic development, so that E-commerce poverty alleviation has entered the national targeted poverty alleviation strategy. E-commerce poverty alleviation refers to the integration of E-commerce into poverty alleviation. By using Internet technology and means, through market-oriented operation, intensive construction and rule of law management, it can realize the regional and cross industry agricultural transformation and upgrading in poverty-stricken regions, promote the Network Entrepreneurship and consumption of poverty-stricken people in poverty-stricken regions, drive and accurately reduce the sales cost and expand the sales field [1]. It is an information-based poverty alleviation model that enables farmers to increase profits and help them get rid of poverty and become rich. At the end of 2014, the Poverty Alleviation Office of the State Council put rural E-commerce in an important position as one of the top ten projects for targeted poverty alleviation. In November 2015, the decision of the CPC Central Committee and the State Council on winning the battle against poverty clearly pointed out that implement E-commerce poverty alleviation project and accelerate the development of rural E-commerce [2]. In 2018, the No.1 document of the Central Committee of the Communist Party of China, opinions of the State Council on the implementation of the Rural Revitalization Strategy, pointed out: vigorously build the rural E-commerce infrastructure, and implement the comprehensive demonstration of rural E-commerce [3]. As a new technology, E-commerce is an important attempt and performance to break the dual structure of urban and rural regions, an

important means to liberate productivity, develop productivity and change the mode of agricultural development, and a revolution in empowering, entrepreneurship and income growth of farmers, It is a feasible, stable, low-cost and efficient targeted poverty alleviation measure, which is conducive to promoting the effective connection between agricultural supply and demand in poor regions and the market, expanding the channels of rural commerce and trade, promoting consumption, expanding domestic demand, promoting agricultural upgrading, rural development, farmers' income increase, and urban-rural integration development, so as to ensure that the poverty-stricken population will be lifted out of poverty in 2020 We hope to build a moderately prosperous society in an all-round way[4].

Longnan City, which is located in the throat of Sichuan Province, and is affected by such factors as deep mountains and ditches, inconvenient transportation, closed mind and backward economic development. The eight counties and one district under its jurisdiction are all state-level concentrated and contiguous deep poverty regions in Qinba mountain area. At the end of 2011, there were 1.3 million poor people in the city, with a poverty incidence rate of 53%; in 2014, there were 1365 poverty villages with a poverty population of 643700; at the end of 2015, the poverty population was 503700, with a poverty incidence rate of 20.4%; at the end of 2016, the poverty population was 410000, with a poverty incidence rate of 16.5%. Wenxian County is one of the main battlefields for poverty alleviation in Gansu Province and even the whole country. Bikou town is subordinate to Wenxian County, Longnan City [5]. The poor people who set up files and establish cards are targeted for targeted support. Under the guidance of the central targeted poverty alleviation strategy, how to use E-commerce as a sword to promote the poverty alleviation and stability of the deep poverty-stricken regions with high quality, stimulate the internal vitality of industries in the deep poverty-stricken regions through E-commerce development to the greatest extent, focus on targeted measures, improve the efficiency of targeted poverty alleviation, and achieve the goal of increasing agricultural efficiency, increasing farmers' income and the poverty-stricken population It has become a new question and a new direction for the poverty alleviation work in deep poverty regions.

## **2. Analysis on E-commerce Alleviation in Poverty Regions**

It has become an important way for the development of "agriculture, rural regions and farmers", reducing poverty and developing economy in the new era. It has done solid work for the completion of the national E-commerce project in rural demonstration counties with high quality and high standard. As of May 2019, there are 12 new online stores in Bikou Town, and now there are 262 online stores, with online sales of 1.13 million RMB and offline sales of 1.25 million RMB [6]. Bikou town has also actively explored the practice of cross-border E-commerce poverty alleviation, and achieved remarkable results in rural poverty reduction and income increase, which has been affirmed and encouraged by the city and county. Bikou town has been rated as the advanced E-commerce poverty alleviation town of Longnan City in 2018. However, there are still some problems to be solved in Bikou Town, such as high logistics cost, low acceptance of E-commerce by rural people, lack of E-commerce professionals and weak industrial foundation.

### **2.1 Overall Situation of Poverty Alleviation and Development of E-commerce in Bikou**

#### **2.1.1 Implement E-commerce Support Policies**

In recent years, Longnan City, in accordance with the State Council's Opinions on the promotion of E-commerce and the cultivation of new economic power, some opinions on the implementation of new development concepts and the acceleration of agricultural modernization to achieve the goal of a well-off society in an all-round way, some opinions of the Central Committee of the Communist Party of China and the State Council on adhering to the priority development of agriculture and rural regions and doing a good job in the work of agriculture, rural regions and farmers, the implementation plan of targeted poverty alleviation E-commerce support plan formulated by Gansu Province, and the poverty relief plan of Gansu Province The measures for

implementing the responsibility system and some opinions on implementing the strategy of Rural Revitalization have successively issued the opinions on promoting the centralized breakthrough of E-commerce, the notice on strengthening the supervision of the quality of agricultural products online, and the construction of featured China Longnan Pavilion on taobao.com A series of guiding documents, such as the 13th five year plan for the development of E-commerce in Longnan City, have formed a policy system to support and promote the development of E-commerce. In combination with the policy documents issued by Longnan City, Wenxian County has issued such policy documents as the plan for the use of funds for the construction of rural E-commerce poverty alleviation service stations and the measures for the encouragement and support of Wenxian E-commerce [7]. Bikou town has promoted the development of E-commerce through administrative promotion, policy implementation, institutional improvement, fund guarantee, assessment and acceptance, demonstration and guidance, and enhanced incentives Poverty alleviation through business has developed rapidly.

### **2.1.2 Consolidate Basic Guarantees of E-commerce**

Bikou town government has formulated E-commerce development plan, increased government guidance and administrative promotion, and made solid guarantee work in five aspects of organization, talent, logistics, site service and broadband network to boost the development of E-commerce industry. First, strengthen organizational guarantee. A leading group for E-commerce has been set up, with the main leader as the group leader, the leader in charge as the Deputy group leader and full-time personnel. A five-year plan for E-commerce in Bikou town has been formulated. Bikou District E-commerce Association was set up with 32 members to provide a platform for E-commerce group development and resource sharing. The second is to strengthen the guarantee of talents. We have implemented the youth online entrepreneurship training project and the college student village official online entrepreneurship linkage project. We have provided training and technical guidance for all the people in the town who are willing to open online stores, and provided one-to-one online shop decoration and daily operation management assistance for the successful shopkeepers. Third, strengthen logistics guarantee. At present, the town has introduced 15 logistics express enterprises of various types, 27 logistics express delivery service points, 3 fresh and refrigerated warehouses and 1 large fresh vegetable processing plant under construction. Fourth, strengthen the site service guarantee [8]. According to the requirements of "town has center, village has service point", integrate resources, highlight convenience, build a town level E-commerce poverty alleviation service station and 7 village level E-commerce poverty alleviation service points. Fifth, we will strengthen the protection of broadband networks. The broadband network coverage rate of the whole town has reached 100%, 4G signals of all villages and villagers' groups have been fully covered, and free Wi-Fi hot spots have been opened in public regions.

### **2.1.3 Vigorously Promote the "Internet +" Model**

Bikou town creatively combines the development of E-commerce with characteristic industries, targeted poverty alleviation and leisure tourism, and vigorously promotes E-commerce to poor villages to increase farmers' income. One is to combine with characteristic industries. 262 online stores in the town mainly sell featured agricultural and side-line products. All agricultural products touch the shop on the net, and many E-commerce brands such as longshangchun tea, chaoluchun tea, Yongyu mushroom, xuweishanjian, Longnan herbal garden have been cultivated. Second, it should be combined with targeted poverty alleviation. The products he sells are sold through online stores, jitter, and fast hands. Third, it is combined with leisure tourism [9]. By deeply integrating tourism and E-commerce, we will build a demonstration and experience sales center for agricultural and special products with the largest scale, the most complete varieties and the most distinctive features in the county. Make full use of Baima people's popular culture tourism festival and other festivals, hold E-commerce product exhibition, and realize the perfect combination of tourism and Internet.

### **2.1.4 Platform to Promote E-commerce Entrepreneurship and Innovation**

Relying on the park of Wenxian Shifeng Agriculture Co., Ltd., aiming at promoting industrial

development and increasing incomes of the poor, Bikou E-commerce incubation center was established in May 2018. The incubation center has gathered 14 of the best E-commerce enterprises in Bikou district. It integrates online transaction, offline display, logistics service, E-commerce service, information service, business incubation, training and education and other functions. It hires all the principals of online stores as incubation mentors, and one-to-one helps publicly recruited entrepreneurs. Wenxian county will fully grasp the opportunity for poverty alleviation products to enter Yijie's Jizhen Gansu APP platform and national stores, so that more agricultural products and cultural and creative tourism products of Wenxian county will go out of Wenxian County, Longnan and the whole country [10].

## **2.2 Practical Problems in Poverty Alleviation**

### **2.2.1 Low Frequency of Farmers' Access to the Internet**

Most of the farmers in Bikou town have low cultural quality, backward ideas, lack of knowledge of computer network, and lack of trust in E-commerce. The skills of accepting online sales and mastering online sales need to be improved. Some of the agricultural enterprises lack of exploration on the ways and means of sales, pay less attention to the E-commerce platform, and hold a wait-and-see attitude. For a long time, the development of E-commerce in this area has been restricted by the high cost, slow speed, low Internet access and low penetration of intelligent devices.

### **2.2.2 The Cultural Quality and Awareness of Legal System of E-commerce**

Some E-commerce subjects lack the awareness of honest online marketing, and their short-sighted behaviours against honesty, good public order and good customs have a negative impact on the sales of agricultural products. In the process of packaging agricultural products, some E-commerce entities have the phenomenon of package sales of inferior products as high-quality products, which seriously damages the brand image of agricultural products, dampens the enthusiasm of consumers to buy agricultural products online, and then affects the long-term development of local E-commerce industry. Some E-commerce entities have weak legal awareness, and weak awareness of contract and rights protection in the production, processing, storage, transportation, sales and other links of agricultural products, which is easy to damage their own and other people's legitimate rights and interests, so that there are certain security risks in the agricultural products transaction in the virtual space of the network.

### **2.2.3 The Logistics Distribution Service System**

Logistics industry plays an important role in the development of E-commerce. Bikou town has a significant location disadvantage. Restricted by inconvenient transportation, blocked information, small and scattered agricultural products, most of the rural logistics enterprises cannot provide special transportation services, and many supporting services of logistics have not been fully expanded. Most of the logistics outlets only go to villages and towns, and there is no logistics fulcrum in remote rural regions. Most of the village's orders need to be self-picked up at the logistics points. Moreover, the logistics are relatively scattered, the quantity is less, the delivery is difficult, the distribution cost is high, the delivery and receipt cycle is long, and the local people cannot experience the convenience of logistics. In the transportation process of agricultural products, due to unreasonable vehicle scheduling, insufficient supervision means, confusion of performance statistics, unclear division of responsibilities and other reasons, it is easy to cause operational difficulties and difficult to provide standardized logistics services. The reasons why Bikou town's characteristic agricultural products and handicrafts are "buried" are that the supporting policies for entrepreneurship are not perfect, the amount of financial support funds is insufficient, and the coverage of logistics and express subsidies is limited.

### **2.2.4 The Standardization Construction**

The scale promotion of online marketing of agricultural products is inseparable from the brand effect. Although through the development of E-commerce, the recognition degree of characteristic

agricultural products brand in Bikou town has been improved to a certain extent, but there is no mature operation mode of agricultural products brand, which leads to the lack of brand effect of agricultural products. The key to building the brand effect of agricultural products is the quality and reputation of the products. With the increase of people's economic income, consumers' recognition of the brand is becoming stronger and stronger. A good brand is a good quality. The credibility of the products produced by the enterprises is relatively high. At present, Bikou town has not yet established a perfect quality standard system for agricultural products, the brand awareness of marketers is not strong, the awareness of brand cultivation is not high, and it is difficult to form a large-scale regional brand with a single production and operation mode. There are many kinds of agricultural products in this region, but the homogenization is serious, and there is lack of personalized characteristic products. Most of the agricultural products sold by E-commerce are primary agricultural products without safety testing and quality certification [10]. Wenxian green tea has been a national geographical indication, but the main tea products still have no unified brand, there is no overall planning and strategy for the brand building of this product, the quality of tea products is uneven, and the brand effect is not strong.

#### **2.2.5 Lack of Professional E-commerce Talents**

E-commerce of agricultural products is a comprehensive industry. The main reasons for the backward development of E-commerce in Bikou town are the low professional quality of E-commerce practitioners, the lack of high-level E-commerce talents, and the insufficient ability in marketing planning, trend analysis and judgment, physical distribution, E-payment and other aspects. Bikou Town, due to its backward economy, has little attraction for E-commerce talents. Most of the local E-commerce talents do not want to stay in the countryside, but go to the domestic big cities for development.

### **3. The Development Choice of E-commerce Poverty Alleviation**

#### **3.1 To Improve E-commerce Poverty Alleviation Policy**

Policy support is the system guarantee of E-commerce development. Only by continuously improving the E-commerce poverty alleviation policy and strengthening the policy support for rural E-commerce, can we standardize and guide the healthy development of rural E-commerce. One is to formulate a perfect E-commerce law and regulation system in combination with the specific situation of E-commerce development in China. Severe punishment shall be given to enterprises or individuals, who violate business integrity, restrict the operation behaviour of E-commerce enterprises, standardize market order, ensure that E-commerce operators operate in accordance with laws and regulations, and create a fair and just trading atmosphere. Second, establish the linkage and coordination mechanism of government functional departments. The government should actively guide market management, telecommunications, business, public security and other departments and the public to participate in social governance and market construction, and make use of the demonstration effect of the participants to achieve complementary advantages and "shared governance" with the development rhythm of points, lines and regions. Third, optimize the performance evaluation system and fully mobilize relevant departments at all levels to play an active role in the development of E-commerce poverty alleviation.

#### **3.2 To Increase Investment of E-commerce Poverty Alleviation Funds**

First, establish and improve the discount interest system of E-commerce poverty alleviation loans. By reducing the threshold of credit access, decentralizing the credit authority, simplifying the loan process and implementing the discount loan policy, all kinds of enterprises are guided to build an independent E-commerce application platform, and rural E-commerce enterprises with a certain scale are given special fund incentive subsidies and tax preferential policies during the cultivation period, so as to solve the problem of difficult and expensive loans for E-commerce enterprises in deep poverty regions. Second, further increase financial investment, according to the timely and

accurate E-commerce poverty alleviation project information provided by the grass-roots government, promote the construction of Internet broadband, mobile communication and the full coverage of supply and marketing e-home city and county rural network, and build a multi-level agricultural modern information network and logistics service pattern. We will accelerate the integration of farmers in deep poverty-stricken regions into the "digital rural construction", continue to give logistics enterprises preferential policies in finance, taxation, water and electricity, and let the dividend of Internet + benefit poor farmers.

### **3.3 To develop the brand of and quality standardization system of agricultural products**

First, the development of rural E-commerce and the brand building of agricultural enterprises Combine with agricultural products produced by farmers, encourage and guide scientific research institutes, key leading enterprises and E-commerce enterprises to increase investment in technological innovation according to the regional resource endowment, cultivate, build and maintain a batch of high-quality, cheap and characteristic agricultural product brands through modern management and technology, improve the identification of characteristic agricultural product brands, and compete in the fierce market We will play a strong brand effect and increase the sales volume and sales revenue of agricultural products. The second is to deeply explore the cultural factors and nutritional value of agricultural products, build a modern cultural and creative industry system, create higher value-added agricultural products and turn them into economic benefits. Thirdly, we should establish and improve the standardization system of agricultural products online goods quality, which can be used by farmers, recognized by the market and easily managed, and build a modern management mode of standardized production + network marketing + brand operation.

### **3.4 To Improve E-commerce Credit Awareness and Influence**

Strengthen the guiding publicity and guiding role of the government, increase the continuous publicity and promotion of E-commerce services through event marketing, excellent online store recognition, online marketing and other ways, and improve E-commerce credit awareness, safety awareness and influence. First, we will intensify the commendation of excellent E-commerce, organize the leaders of excellent E-commerce, leading enterprises and professional cooperatives to exchange experiences, and spread them to cities, counties and towns through electronic media such as TV, computers and mobile phones, so as to play a leading and exemplary role. Second, build E-commerce Culture Museum and pay attention to the search of the history of E-commerce culture development Collect and organize, display the whole picture of the development of local E-commerce in the form of words, graphics, photos, audio and video, physical objects, etc., guide the main body of E-commerce to establish the values of abiding by laws and regulations, honest operation, dedicated dedication, bold and aggressive, improve the E-commerce marketing awareness of local farmers, and motivate them to actively participate in the development of E-commerce platform.

### **3.5 To Promote the Construction of Industrial Chain System**

First, relying on the establishment of E-commerce demonstration counties and other activities, vigorously support and cultivate a number of Town Village E-commerce distribution service points with outstanding business performance. Second, actively guide the online goods supply center to optimize and integrate, and focus on cultivating and supporting more crown stores and large E-commerce households with annual sales of more than one million Yuan. Third, we will deepen the implementation of the express delivery to the countryside project, increase the support for logistics enterprises to enter villages and communities to build a convenient service center, reasonably plan and layout logistics service outlets, establish a logistics distribution network covering villages and communities, and improve the coverage of rural logistics outlets. Fourth, all counties and townships guide excellent online goods suppliers to actively meet the market and online store demand, promote the advanced concept and mature operation mode of E-commerce operation, and undertake or participate in the construction of high-standard and high-quality online goods supply platform in

the region.

## Conclusions

With the rapid development of E-commerce and the introduction of a series of policies to support and promote E-commerce poverty alleviation, the deep integration of industry and Internet technology in poor regions is in an unprecedented development opportunity, and the development of E-commerce provides a new way for targeted poverty alleviation and targeted poverty alleviation. Bikou Town, Wenxian County, followed the trend and carried out a beneficial exploration on the poverty alleviation and development of E-commerce. Therefore, in accordance with the favourable conditions and resource endowments of the region, we should actively explore the optimized path of E-commerce poverty alleviation in the deep poverty-stricken regions, so as to promote the E-commerce poverty alleviation in the deep poverty-stricken regions to enter the fast lane, and ensure that the poverty-stricken population in the deep poverty-stricken regions will get rid of poverty and become rich and all the poverty-stricken counties will be decapitated under the current standards of China in 2020.

## Acknowledgements

This work was supported by the Fundamental Research Funds for the Central Universities (Grant No: 31920200083) and by the Gansu Provincial Key Laboratory of E-commerce of Ethnic Information of Northwest Minzu University.

## References

- [1] Wang Zhengqi, Cui Dong (2017) Ten key words to interpret the five years since the 18th National Congress of the Communist Party of China. *Agricultural Network Information*, 1, 122-129.
- [2] Qiao Ping (2018) Opinions of the CPC Central Committee and the State Council on the implementation of the Rural Revitalization Strategy. *China Agricultural University*, 4, 121-134.
- [3] Qi Jianlin (2017) The Role of ICT in Governing Rural Development. *Agriculture and Technology*, 11, 161-169.
- [4] Wang Xiangdong, Zhang Caiming 2017 New ideas of poverty alleviation and poverty alleviation in rural regions in the Internet Era: Enlightenment from the ShaJi model. *Information Construction*, 2, 6-17.
- [5] Huang Haizhou. E-commerce poverty alleviation innovation and breakthrough. Hefei: China University of science and Technology Press, 2016
- [6] Wang Hefei (2018) Main problems and Countermeasures in poverty alleviation and development of rural E-commerce. *Economic Development*, 5, 108-112
- [7] Li Kunyang, Liu Ritan (2018) Comparative study on poverty alleviation model of rural E-commerce in China. *Rural Economy and Technology*, 1, 151-154
- [8] Wei Xiang (2019) Poverty alleviation products solve sales problems through e-commerce platform. *Economic Development*, 2, 07-18.
- [9] QingChun, Zhu Junhong (2017) Mode, challenge and upgrading path of rural E-commerce development in China. *E-commerce*, 8, 13-19.
- [10] Xiao pin (2017) Study on the construction of poverty alleviation model of rural E-commerce in Hunan Province. *E-commerce*, 05, 3-11.