

## Some Thoughts on the Dilemma and Solution of E-commerce Poverty Relief

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**Abstract:** Rural e-commerce has made remarkable achievements in driving the poor areas to change the mode of economic development, optimize the industrial structure, help the poor farmers to find jobs and start businesses, and achieve income increase, which has become a new engine for poverty relief in the current poor areas. This paper summarizes the poverty reduction effect of rural e-commerce, analyzes the current factors restricting the poverty-relief work of the e-commerce, and on this basis, puts forward some countermeasures and suggestions on how to solve these difficulties.

**Keywords:** E-commerce; poverty relief; dilemma; solution

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Wang Xiangdong, director of the information center of the Chinese Academy of Science, first proposed the concept of e-commerce poverty relief. He believed that "e-commerce poverty relief, that is, e-commerce poverty alleviation and development, was the concept and practice of bringing the increasingly mainstream e-commerce in the Internet age into the poverty alleviation and development work system, acting on the poor in need, innovating the way of poverty alleviation and development, and improving the

performance evaluation of poverty alleviation and development".<sup>1</sup> He believed that in the poor central and western regions, the e-commerce could effectively promote poverty alleviation and development, and suggested that the state should integrate e-commerce into the corresponding policies and work systems. This appeal had been responded to at the national level. In 2014, e-commerce poverty alleviation was officially incorporated into the national poverty-relief policy system and became one of the "top ten targeted poverty alleviation projects". In November 2015, <Decision of the Central Committee of CPC and the State Council on Winning the Crucial Battle of Poverty Relief> clearly proposed to "implement e-commerce poverty-relief project", after which the state successively issued a series of implementation policies. Under the promotion of national policies, various poverty-stricken areas actively explored the implementation path of e-commerce poverty alleviation, vigorously carried out e-commerce poverty-relief actions, realized the entrepreneurship and income increase of farmers in poverty-stricken areas, and promoted the local economic development. On the basis of summarizing the effect of rural e-commerce poverty alleviation, this paper analyzes the main problems existing in the implementation of the current e-commerce poverty alleviation work, and puts forward some countermeasures and suggestions on how to solve the current difficulties.

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1 Wang Xiangdong. Four questions on poverty alleviation through e-commerce [J]. Gansu Agriculture, 2015 (13)

## 1 Poverty relief effect of rural e-commerce

At the theoretical level, Wang Xiangdong and Zhang Caiming (2011) first discussed the role of e-commerce in helping targeted poverty alleviation. They conducted a field survey on the development of rural e-commerce in Shaji Town, Suining County, Jiangsu Province, and found that farmers in Shaji, by using e-commerce to get rich, not only got rid of poverty economically, but also were not easy to return to poverty. At the same time, they had improved their ability. In this way, not only the due dignity was gained, but also the satisfaction and happiness were brought by the realization of the value of life. Sun Xin et al. (2015) summarized the basic contents of e-commerce poverty alleviation as: online sales of products; purchase of means of production and living; independent employment and Entrepreneurship of farmers; sharing of network information resources; social service guarantee. Since 2016, the academic research on e-commerce for targeted poverty alleviation has increased rapidly, and the poverty reduction effect of e-commerce has been comprehensively demonstrated. For example, Li Xiangyang (2017) summed up five important points of e-commerce poverty alleviation: first, to adapt to the era of big data and solve the information imbalance of all parties; second, to integrate all kinds of resources with the aid of e-commerce poverty alleviation; third, to highlight individual customization and seamless docking of all parties; fourth, to extend the industrial chain and expand the profit space; fifth, to improve the ability to get rid of poverty. Tian Yong and Yin Jun (2019), based on the micro data of 2016 China's household dynamic tracking survey, empirically tested the impact of Internet access on farmers' poverty alleviation and its occurrence mechanism, and concluded that: Internet access provides convenience for farmers' family entrepreneurship in terms of production, sales and third-party services; the Internet promotes employment in rural areas, improves the value of agricultural products, and facilitates the increase of farmers' income, so as to push forward rural residents out of poverty.

In practice, e-commerce plays an important role in helping targeted poverty alleviation and rural revitalization. Taking Guangxi poor areas as an example, by the end of June 2017, the service stations of e-commerce in rural areas of Guangxi

had covered 377 poverty-stricken villages with filing archives and cards, served more than 60000 poor households with the above requisites, helped such poor households to sell about 37 million yuan, trained about 43000 poor households, and promoted about 27000 entrepreneurship and employment of such poor households. <sup>2</sup> Guangxi also makes full use of the platform channels and business models of e-commerce to help the products in poor areas open up the market. Since 2016, Guangxi has held four consecutive "Zhuang March 3" e-commerce festivals. During the activity, the total online retail sales of Guangxi specialty products exceeded 4.5 billion yuan, which has become a famous festival brand in the national e-commerce industry. A large number of Guangxi characteristic agricultural products such as Beiliu passion fruit, Lingshan litchi, Baise mango, Momordica grosvenori and Hengxian Jasmine have gradually formed a new mode of "e-commerce + industry" development by virtue of the convenience of e-commerce to "go out" of the mountain, resulting in pushing forward local poor residents to get rid of poverty and become rich.

## 2 Outstanding problems existing in poverty alleviation through e-commerce

Although e-commerce poverty alleviation has played an important role in poverty alleviation, its mode and path need to be further explored due to the late start of e-commerce poverty-relief tools. At present, in the process of implementing e-commerce poverty alleviation, some objective conditions restrict the smooth development of poverty alleviation. There are some outstanding problems in the process of promoting e-commerce poverty alleviation, mainly in the following aspects:

### 2.1 Imperfect network infrastructure

At present, rural e-commerce still faces the constraints of imperfect infrastructure construction and supply chain system. Although the primary processing and circulation facilities of agricultural products in many poverty-stricken areas have been greatly improved, the infrastructure of agricultural products processing, warehousing and logistics is still the biggest bottleneck restricting agricultural products from leaving the village. Consumers' demand for new, strange, special

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2 China business news. E-commerce ignites a new engine for Guangxi's economic acceleration [EB/OL].(2017-09-06). <http://epaper.comnews.cn/news.php?newsid=1175122>.

and excellent agricultural products is growing, but at present, many poor villages' agricultural products are not well organized in production, centralized in marketing time and insufficient in processing capacity, which can't meet the characteristics of online consumption. In addition, although the three-level e-commerce service systems of counties (cities), townships and villages in most poor areas have been basically established, the content of upstream e-commerce services for agricultural products is still less, and the problems such as high threshold for agricultural products to access the Internet, high operating costs, and difficult marketing and promotion are still prominent, affecting the sales of agricultural products.

## **2.2 Low level of quality standardization for agricultural products**

Due to the scattered distribution of farmers in poor areas, and in remote areas with poor natural conditions, poor villages lack a unified industrial poverty-relief plan, and the level of industrial development is low. In addition, the phenomenon of small-scale and family production in poverty-stricken areas leads to intermittent contact among farmers, e-commerce enterprises and customers, and the transaction of agricultural products is not continuous, which can't develop into a long-term agricultural product supplier. Without a strong background of agricultural products materials as the support, the development of characteristic industries is impossible to grow stronger, so the agricultural products produced by the individual business model show a low degree of standardization. At present, there are few agricultural products enterprises with QS certification in the market. The vast majority of farmers rely on their own sales of original low-end primary agricultural products. Their added value is not high, the core competitiveness of their products is not strong, and it is difficult to form a long-term poverty alleviation mechanism.

## **2.3 Lack of rural e-commerce talents**

The promotion of rural e-commerce poverty alleviation needs a large number of e-commerce application talents, and the talent problem has become an important problem to be solved in the process of e-commerce poverty alleviation. Due to the poor cultural foundation of the majority of poor farmers, there are such existing facts like the slow reflection of new technology and information, the lack of sufficient understanding of

e-commerce, and the lack of confidence in learning the product planning, quality standard setting, brand packaging, publicity and promotion and other aspects during e-commerce business. However, few talents who know e-commerce are willing to serve in rural areas, and the lack of talents in rural e-commerce seriously affects the development of rural e-commerce and the sale of rural agricultural products. Therefore, it is the core of the development of rural e-commerce to cultivate a group of talents who are rooted in the local area and truly understand the operation and management of the e-commerce.

## **3 Countermeasures and suggestions to solve the poverty-relief dilemma of e-commerce**

### **3.1 Improve rural e-commerce infrastructure**

Rural e-commerce operation has certain requirements for information communication, transportation and other infrastructure. To make full use of the role of e-commerce in poverty alleviation, governments in poor areas need to vigorously improve e-commerce infrastructure and further increase investment in Internet infrastructure construction. The government needs to accelerate the construction of e-commerce platform, actively build e-commerce service network at county (city), township and village levels, take advantage of the Internet, set up e-commerce sales platform, guide e-commerce enterprises to sign contracts with poor villages for selling agricultural products; the government needs to explore and solve the last-kilometer problem of rural logistics and distribution, actively strive for cooperation with Suning, Jingdong and other e-commerce platforms, further achieve substantive progress, and utilize their strong logistics ability to provide guarantee for online trading of agricultural products.

### **3.2 Promote the brand effects of agricultural products**

Based on the advantages of local resources, the governments of poverty-stricken areas should vigorously support the development of characteristic and advantageous industries in poverty-stricken villages, expand the development scale of advantageous industries, develop a number of advantageous industrial bases, and move forward towards specialization, refinement and standardization. At the same time, the government should focus on improving the competitiveness of agricultural products, constantly

promote regional brand industries such as "geographical indication products", and strengthen the construction of online goods research and development, brand building, packaging design, customer experience and traceability system. The governments of poor areas actively guide farmers to cultivate and develop the local products that consumers are keen on, such as natural local honey, pure native chicken, native eggs, etc. In fact, many "native" goods are ordinary industries that most rural people can develop. If these things are developed to form a scale, the supply of e-commerce goods will be guaranteed, and e-commerce will support the promotion of agricultural income.

### 3.3 Training e-commerce business leaders

In recent years, a large number of young people have returned from cities to start businesses, providing talent resources for the development of local e-commerce. Poverty-relief offices in poverty-stricken areas should set up training classes for e-commerce talents in local areas, and can also vigorously introduce e-commerce enterprises, e-commerce talents, management agencies and intermediary organizations. In this way, e-commerce industry service organizations can be developed systematically and on a large scale to provide free e-commerce vocational skills training and entrepreneurship training for returned migrant peasant-workers, village officials with college certificates, rich leaders for rural youth and unemployed youth with economic difficulties. So they can understand and master the store-opening process of Taobao and the micro store platform, master the application technology of key links such as logistics, procurement, payment, store operation, after-sales processing and mobile phone use, help them to open online stores to generate income, and play a demonstration role for other poor households to get rid of poverty.

### 3.4 Expand the field of e-commerce development

Local poverty-relief offices should make full use of

the advantages of modern information technology and actively promote the deep integration of rural ecological leisure, tourism and agricultural-product traceability. In poverty-stricken areas where conditions permit, planting and breeding areas and processing areas can be combined with rural tourism, so that tourists can experience the attraction of "original ecological agricultural products" while experiencing "rural tourism". With the mode of "Internet + e-commerce + tourism", we will promote the transformation and upgrading of rural tourism, happy farmhouse, beautiful countryside, county scenic spots, etc., so as to create more business opportunities for the majority of poor farmers. At the same time, we build various communities around the rural-kinship, relative-kinship and blood-kinship. Let "who doesn't say my hometown is good!" become an effective breakthrough for more migrant peasant-workers and college students to innovate and start businesses, and lead more rural youth to actively participate in mobile Internet entrepreneurship.

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