GLOBAL VIEWS

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Modern rural economy booster

E-commerce is an important means to help eliminate poverty and improve the livelihoods of villagers

Since 2014, the ministries of commerce and finance and the State Council Leading Group Office of Poverty Alleviation and Development, among other departments, have implemented comprehensive pilot projects to bring e-commerce to rural areas in 1,231 county-level initiatives, covering all 832 counties with income levels below the national poverty line. The total online retail sales volume in the 832 counties reached 180.4 billion yuan ($25.9 billion) in 2018, a 49.3 percent increase from the previous year, and rural e-commerce has created more than 30 million jobs. Over 10 million people have benefited from these projects, of whom 3 million have seen their incomes increase. In Huanxian county of Gansu province, for instance, e-commerce has helped the average household income increase from 750 yuan in 2015, 1,100 yuan in 2016, 1,560 yuan in 2017, and 2,450 yuan in 2018.

Success in rural e-commerce comes from the strong support of large e-commerce companies. Over 800 "Taobao villages", clusters of rural online entrepreneurs who have opened shops on Taobao, Alibaba's e-commerce platform, have sprung up across different counties whose income levels fall below the provincial poverty line. For instance, 12 impoverished villages in Caoxian county, Shandong province, have eradicated poverty by creating Taobao villages. Over 20,000 people, or one out of every five who rose out of poverty in Caoxian county did so as a direct result of leveraging e-commerce. Pinduoduo, an e-commerce platform that allows users to participate in group-buying deals, has 140,000 online businesses started by people living in places with income levels below the national poverty line, generating annual sales of 16.2 billion yuan and creating over 300,000 local jobs. Also national industry associations have played a role in poverty reduction through e-commerce. In 2017, the Ministry of Commerce launched a platform to manage all information related to poverty reduction through e-commerce.

Despite rapid growth in recent years, rural e-commerce has barely transitioned out of its initial phase, and there is much room for growth.

First, rural e-commerce needs to be better focused and more effective. Some of the pilot projects bringing e-commerce to rural areas suffer from issues, such as the poor targeting of lower income families, suboptimal allocation of capital, and lack of focus in the measures undertaken. For example, rural e-commerce suffers from imbalanced development due to different natural conditions, levels of economic development and logistical costs in different places. Nevertheless, the pilot project special fund failed to fully consider these differences and opted for equal allocation of capital. Some of the county-level e-commerce regulatory authorities lacked overall project planning, were afraid to use the fund or lacked the skills required. As a result, funding disbursement was slower than expected.

Second, window-dressing and bureaucracy are still rampant. Some of the county-level e-commerce public service centers are hardly used except for showing off to authorities. A few of the warehouses in logistics distribution centers sit idle, and some are located too far from each other to take advantage of network effects. Some regions pursue a high coverage rate of village-level service centers single-mindedly, encouraging major e-commerce platforms to set up these centers only to end up with a demand shortfall.

Third, the talent shortage in rural e-commerce needs to be addressed. There are different degrees of scarcity of professionals with expertise in areas such as rural e-commerce marketing, operations and design, and in particular, highly-trained professionals. Most of the resident population in rural areas are retirees, and the young children they care for (whose parents have left to work in the cities), who are not keen on learning to use the internet. As e-commerce training takes away time that could be used on farming, some of the residents have been reluctant to participate. The participants are diverse groups of individuals with very different needs and learning styles, but the content and methodology of training represent a "one-size-fits-all" approach. The training courses are heavy on theory and offer few opportunities for hands-on learning. Some e-commerce training centers only teach basic platform operation skills such as setting up an online store, publishing notifications and accepting orders, but fail to provide comprehensive coaching on specialized skills such as product design, promotion, operation, graphic design, customer relationship management and warehouse management. As the course is of little relevance, students are uninterested in applying their knowledge to online entrepreneurship.

To facilitate rural revitalization and poverty reduction effectively, it is vital to foster industries with competitive advantage, find new ways to develop county-level e-business, and promote multi-channel rural e-commerce through various approaches. First, integrate online retail and wholesale platforms, including leading commodity business-to-business trading platforms operated by companies such as yimutian.com, zhongnong-wang.com and agr580.com, agricultural product wholesale platforms such as 1688.com and meicai.cn, verticals in perishable products such as benlai.com and yiguo.com, as well as other e-commerce platforms for agricultural products. Second, integrate rural e-commerce into the cross-border value chain so that the products can be sold abroad, generate a global market presence and provide off-season products in different parts of the world. This also provides an opportunity for differentiation, product upgrading and market transformation. Third, leverage social media, such as WeChat, Weibo, Toutiao, TikTok, and Kuaishou, to enable rural e-commerce. Some internet celebrities in rural areas have managed to generate traffic to their online stories. Creating channels for e-commerce platforms and underprivileged counties to work together is also important. For example, companies on e-commerce platforms can assist aspiring entrepreneurs in rural areas with product development, branding and training, through which the two can establish a long-term partnership.

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Security governance for peace

Security in the Middle East is a national, regional and global security governance issue

Logically, Middle East security refers to the security of the region, the nations and the people of the Middle East. However, Western powers believe that it affects their interests, and that their interests override the security concerns and interests of the local people and nations.

Western intervention in the region has undermined the security interests of many Middle East countries and even plunged some into war and chaos. History shows that Western intervention is always part of the problem, never part of the solution, and that it leads the Middle East security governance along the wrong path.

Since the "Arab Spring", the Middle East has seen many changes in its security situation, the biggest of which has been that traditional and non-traditional security threats coexist and worsen at the same time. Political upheavals have opened the floodgates to security risks of various forms. For instance, regime changes in Tunisia, Libya, Egypt, Yemen, Sudan and Algeria have complicated the security landscape of the Middle East. In this region, national security issues are manifested as those of food security, ecological security and public security threats. The spillover effect is one noteworthy aspect of the regional security threats. Terrorism, extremists and refugees from the Middle East have already become global risk factors.

Many deep-seated external and internal reasons have led to the fragility and the intricacy of Middle East security. But external intervention is the main cause.

On a regional level, conflicts between Middle East countries have exacerbated the security crisis. The Palestine-Israel confrontation has gone from bad to worse; both have reverted to the old path of "answering violence with violence". The Muslim world is divided into the Sunnis led by Saudi Arabia and the Shiites by Iran, and the hostility between the two jeopardizes regional security. As Middle East countries are at daggers with one other, the region is locked in dire security straits.

The domestic conflicts of Middle East nations and poor internal governance have spawned security issues and foreshadow imminent danger.

Some exclusive regional security alliances have just added insult to injury. For instance, the US-led Middle East Strategic Alliance, or the so-called Arab-NATO in the making, is a new body designed to counter Iran's influence in the region. It will increase the probability of major security risks and invite new troubles in the Arabian Gulf.

Enhancing independent development capacity and security policymaking is the solution. Many Middle East nations reliant on energy revenues are dependent on the US for security; some are dependent on foreign assistance for development. In fact, people's livelihoods are the biggest security issue. If people lose their livelihoods, they take to the streets to topple a government. Improving people's livelihoods is therefore a means to improve a nation's governance. From this perspective, only accelerated reform, better governance and sustainable independent development can fundamentally solve the Middle East security issues.

Major powers should work with regional powers to promote new security concepts and security mechanisms. The concepts should be based on common security and universal security, so that the region can enjoy reliable and everlasting security with some guarantee. "Absolute security" advocated by some nations is unrealistic in this region with many hotspot issues. Not a single Middle East country can be insulated from the turbulent regional environment.

At the first Middle East Security Forum held in Beijing last November, I witnessed a strong willingness from all parties to avoid war, full confrontation and escalated conflicts. They all stood ready to make peace with each other and resolve the thorny issues through political channels under certain conditions. China proposed a solution to promote Middle East security governance, which constitutes security governance on three levels.
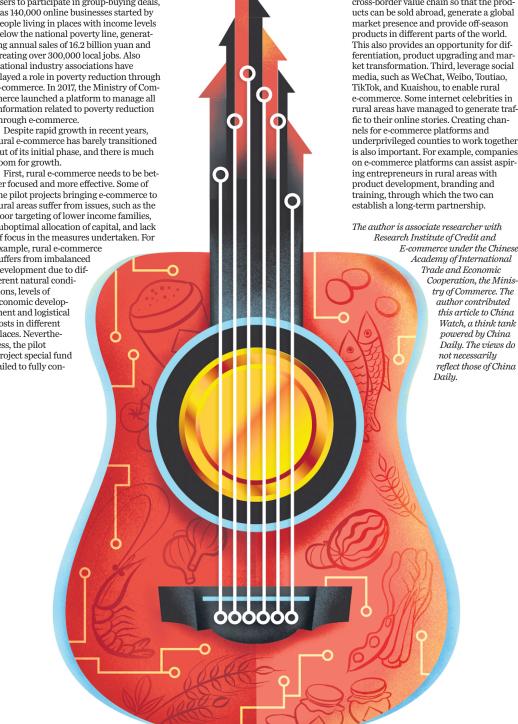
First, national-level governance, especially improved independent security capacity building, rebuilding the security order, and growth for security. Restoring the security of war-torn nations comes first, as these nations have descended into chaos and become big security threats.

Second, regional-level governance. It means a departure from the "zero-sum" mentality, ushering in cooperation for security. The key to this is to upgrade the level of cooperation and build a multi-layer security mechanism.

Third, international-level security governance, with a focus on security risks monitoring and management. Since they are all in the same boat, all countries have intertwined security interests. They should promote the establishment of a Middle East security mechanism and solve the security issues through political channels, for instance, turning to the United Nations for mediation.

All in all, three-level governance will promote common security and mitigate risks, safeguard the regional peace and usher in new security order in the Middle East.

The author is deputy general director of the Institute of West Asian and African Studies at the Chinese Academy of Social Sciences and vice-chairman of the Chinese Association of Middle East Studies. The author contributed this article to China Watch, a think tank powered by China Daily. The views do not necessarily reflect those of China Daily.

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