

THE “TAOBAO VILLAGES” INITIATIVE

China is a country which has been rapidly urbanizing and developing industrially in the last few decades and that has resulted in the robust economic growth. Now it is home to millions of people, some of them live in remote rural areas below the poverty line. The phenomenon of rural settlements has arisen among such Chinese villages whose economy is entirely dependent on the production of goods sold by the largest Chinese online stores. This phenomenon was dubbed “Taobao villages”. The purpose of our study is to determine how “Taobao villages” project has effected the rural economic development in China.

The “Taobao villages” project involved the creation of multifunctional service centers that would offer rural residents a variety of services, including education, medicine, tourism, as well as online trading training programs. For these purposes, the management of Alibaba Group entered into strategic cooperation agreements with government bodies at various levels. These agreements provide not only the development of rural online trading, but also participation in government programs to reduce rural poverty. Moreover, the Communist Youth League of China with the assistance of Alibaba is also engaged in training professional volunteers for online trading and providing qualified assistance in organizing business activities in “Taobao villages” [1].

Dangji is an example of a place which has been positively affected by this phenomenon. Before the implementation of such a project, there was no industrial production in the village of Dangji in Shandong Province, one of China’s poorest regions. In other words, Dangji is a village that does not at all resemble a place known as an Internet hub of China. However, it is, in fact, one of the main places for the production of acting and dance costumes which are made by half of the 45,000 inhabitants of the village who used to live on very low incomes [2]. Up to the date, private investment and the implementation of special state policy helped the region to experience the industrial growth and rising prosperity.

The costumes are sold through the largest online store Taobao, owned by Alibaba. According to the company's research, 6,300 people in Danji have been lifted out of poverty in less than four years due to online shopping. The project has proven to be effective, contributing to an increase in well-being. Furthermore, Danji's experience was replicated by other villages in the county, and within a year, the county’s sales volume had reached \$78 million a year. Alibaba says that, nationwide, 18 villages once considered to be in poverty by the national government are now “Taobao villages”, selling more than 10 million yuan (\$1.45 million) worth of goods online per year [3].

“Taobao villages” are defined by Alibaba as those in which businesses are located in a rural area, the village's annual e-commerce revenue exceeds 10 million yuan, and the village has more than 100 active online stores or active online stores account for more

than 10% of village households. By now, the number of such villages has already reached 1,400 [4].

As was previously stated, initiated by Alibaba as part of its corporate social responsibility, the project has helped form the conceptual framework for China's national policy of poverty eradication. The growth of e-commerce in the country has improved rural livelihoods, created new development opportunities for China's poor areas, and fostered entrepreneurship. According to Alibaba, there are about 3 million Taobao shops in Chinese villages, establishing more than 8.28 million jobs [2].

To sum up, we can make the conclusion that the "Taobao villages" project has significantly transformed the rural development in China by leveraging e-commerce as a tool for poverty alleviation. The initiative has not only facilitated the establishment of online trading hubs but has also integrated various services that provide the overall well-being of rural communities. Ultimately, the "Taobao villages" project serves as a paradigm for integrating technology into rural economies, illustrating how innovative approaches can uplift communities and create pathways out of poverty while promoting entrepreneurship and self-sufficiency.

REFERENCES:

1. Гордон, А. В. 2018.03.020. Ли ЭГФ Торговля в Интернете и деревни Таобао. Перспектива для сельского развития Китая? Li ANF e-commerce and Taobao villages. A promise for China's rural development? // China perspectives. – Hong Kong, 2017. – № 3. – Р. 57–62 / А. В. Гордон // Социальные и гуманитарные науки. Отечественная и зарубежная литература. Сер. 9, Востоковедение и африканистика: Реферативный журнал. – 2018. – № 3. – С. 118–123.
2. Феномен "деревень Таобао" [Электронный ресурс] // Хабр. – 2017. – Режим доступа: <https://habr.com/ru/companies/parallels/articles/325114/>. – Дата доступа: 24.03.2025.
3. Once poverty-stricken, China's "Taobao villages" have found a lifeline making trinkets for the internet [Электронный ресурс] // Quartz. – 2017. – Режим доступа: <https://qz.com/899922/once-poverty-stricken-chinas-taobao-villages-have-found-a-lifeline-making-trinkets-for-the-internet/>. – Дата доступа: 26.03.2025.
4. Билич, А. О. Феномен деревни Таобао: насколько этот опыт интересен для России? / А. О. Билич, Я. С. Матковская // Весенние дни науки : сборник докладов Международной конференции студентов и молодых ученых, Екатеринбург, 20–22 апреля 2023 г. / Издательство Издательский Дом «Ажур». – Екатеринбург, 2023. – С. 247–249.