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The Growth Process of a Taobao Village Case Study of Village D in Shandong Province, China

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The Growth Process of a Taobao Village Case Study of Village D In Shandong Province, China

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Abstract

Developing rural e-commerce is seen as an effective measure to revitalize the economies of rural communities and is beginning to spread in several countries. However, conditions in rural communities are limited and lack the necessary elements for its promotion. Alibaba Group's Taobao Villages, a remarkable achievement of China's rural e-commerce development, has demonstrated strong vitality and is receiving increasing attention. Therefore, this research study into a Taobao Village, which has been developing in Shandong Province for more than a decade, conducts an in-depth analysis of its development history to provide a reference for rural e-commerce promotion. This paper proposes an 'internal innovation & external support' analytical framework for presenting the growth process of the rural community, which can explain how to sustain long-term operations and enhance e-commerce competitiveness. In addition, the paper confirms that the development of a Taobao Village is led by local-villager entrepreneurs, and this rural development strategy can encourage a diversity of entrepreneurs to participate in entrepreneurship and competition, all of which are worthy of further research and replication.

Keywords: E-commerce, rural revitalization, rural entrepreneurship, external support, growth process, Taobao Village, China

Le processus de croissance d'un Taobao Village : étude de cas du village D dans la province du Shandong, en Chine

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Résumé

Le développement du commerce électronique rural est considéré comme une mesure efficace pour revitaliser les économies des communautés rurales et commence à se répandre dans plusieurs pays. Cependant, les conditions dans les communautés rurales sont limitées et manquent d'éléments nécessaires à sa promotion. Les villages Taobao du groupe Alibaba, une réalisation remarquable du développement du commerce électronique rural en Chine, ont fait preuve d'une forte vitalité et font l'objet d'une attention croissante. Par conséquent, cette étude de recherche sur un village de Taobao, qui se développe dans la province du Shandong depuis plus d'une décennie, procède à une analyse approfondie de son histoire de développement afin de fournir une référence pour la promotion du commerce électronique rural. Cet article propose un cadre analytique « innovation interne et soutien externe » pour présenter le processus de croissance de la communauté rurale, qui peut expliquer comment soutenir les opérations à long terme et améliorer la compétitivité du commerce électronique. En outre, l'article confirme que le développement d'un village Taobao est dirigé par des entrepreneurs villageois locaux, et cette stratégie de développement rural peut encourager une diversité d'entrepreneurs à participer à l'entrepreneuriat et à la concurrence, qui méritent tous d'être davantage étudiés et reproduits.

Mots-clés : commerce électronique, revitalisation rurale, entrepreneuriat rural, soutien externe, processus de croissance, village de Taobao, Chine

1.0 Introduction

1.1 Rural E-commerce Development Meets Challenges

With the development of internet technology, e-commerce is playing an increasingly important role in rural areas (The World Bank and Alibaba Group, 2019; Karine, 2021). It has brought new business opportunities and economic dynamism to rural areas by breaking down the relatively closed market networks of rural communities through instant contact and wide coverage (Couture et al., 2020). E-commerce can make it easier for villagers to access urban products, meet their diverse needs and improve their quality of life; it can also bring products from rural areas to a wider market, increasing villagers' income levels and production efficiency (Li & Piachaud, 2019). Therefore, the development of rural e-commerce is seen as an effective measure to revitalize the economies of rural communities, and some countries, such as Egypt, India, Vietnam, and China, have already started to promote related projects (Organization for Economic Co-operation and Development [OECD], 2017; Kshetri, 2018; Couture et al., 2020; Karine, 2021).

It is important to note that there are a number of necessary elements (see Table 1) that need to be prepared for developing rural e-commerce (Lawrence & Tar, 2010). This is generally challenging for rural communities (The World Bank and Alibaba Group, 2019). In particular, for developing and poor rural areas that are geographically isolated, lacking development resources, and experiencing brain drain and ageing population issues (Chatterjee, 2019). For instance, consider the accessibility of internet facilities: As of 2021, approximately 2.9 billion individuals worldwide (representing 37% of the global population) lacked internet access, with a significant majority residing in rural areas (International Telecommunication Union, 2021). Similarly, logistics facilities, electronic payment systems, human resource cultivation systems and other related services and institutions are all inadequate in rural areas (Lawrence & Tar, 2010; OECD, 2017; Chatterjee, 2019). In addition, issues external to rural communities, such as 'influential e-commerce platforms mostly serving urban areas' and 'the lack of corresponding supportive government policies,' are also repeatedly mentioned challenges (The World Bank and Alibaba Group, 2019; Chatterjee, 2019).

1.2 China's Taobao Villages Can Provide Lessons

Compared to other countries, rural e-commerce grew faster in China (Chatterjee, 2019; Karine, 2021). Between 2016 and 2021, rural e-retailing grew from 894.5 billion Renminbi [RMB] to 2,050.0 billion, and rural internet coverage grew from 33% to 58% (China International Electronic Commerce Center [CIECC], 2022). Among them, the Taobao Village Project of the Alibaba Group is considered one of the landmark achievements of rural e-commerce in China (Li & Piachaud, 2019; Couture et al., 2020). In those villages, not only are the necessary elements for rural e-commerce being rapidly deployed but many local entrepreneurs and businesses are growing and becoming new pillars of local community development (The World Bank and Alibaba Group, 2019; Zhao et al., 2021).

Alibaba Group's Taobao was one of the first and most influential e-commerce platforms in China to adopt the Customer-to-Customer [C2C] model (CIECC, 2022). It offers a one-stop service for opening online shops for free, live chat, online ordering and payment, and assistance with delivery, and quickly attracted a large number of small and micro-entrepreneurs, expanding into rural areas in 2013 (AliResearch, 2020). Alibaba Group selects several rural villages each year based on statistical data and provides them with e-commerce services and

support (e.g., training, technical support, logistics, etc.) to help local farmers and businesses use Alibaba's e-commerce platform more smoothly (AliResearch, 2020; Yang et al., 2021). In particular, rural villages that meet the following three criteria are labelled as 'Taobao Villages' by the Alibaba Group and are the focus of cultivation: (1) located in rural areas, united by village; (2) annual sales of e-commerce businesses reach 10 million RMB; and (3) the number of active online shops reaches 100, or the number of active online shops reaches 10% of the number of local households (The World Bank and Alibaba Group, 2019). As a result, Taobao Villages are also often considered to be the areas with the most complete e-commerce entrepreneurial environment and the highest density of entrepreneurs among a large number of rural areas in China (Zeng et al., 2019; Karine, 2021; Zhou et al., 2021).

The number of Taobao villages has grown yearly from 20 in 2013 to 5,425 in 2020 (AliResearch, 2020). Their total e-commerce sales have also climbed year by year, exceeding RMB 700 billion in 2019 (AliResearch, 2020). Currently, the rural e-commerce development model represented by Taobao Villages has become one of the key strategies for rural revitalization in China and is being promoted nationwide (Ministry of Finance, Ministry of Commerce, and Poverty Alleviation Office of the State Council of China, 2019). In recent years, there has been a succession of international scholars who are equally interested; some Southeast Asian countries, also dominated by smallholder farmers, are attempting to replicate the Taobao Village experience (Chatterjee, 2019; Principe, 2022).

1.3 Research Objective

This study examines a Taobao Village in Shandong Province, which has maintained active e-commerce operations for more than a decade, focusing on the gradual implementation of necessary e-commerce elements throughout its development (Cui et al., 2017). The objective of this paper is to construct an analytical framework that elucidates the swift deployment of these Taobao village elements, thereby enabling the village to acquire market competitiveness and enhance the promotion of rural e-commerce (Zeng et al., 2019; Yang et al., 2021).

2.0 Data Collection and Methodology

2.1 Case Introduction

Village D, Cao County, Heze City, Shandong Province, China, is located in the southwest of Shandong Province, on the border with Henan Province. It is located in the lower reaches of the Yellow River, and most of the land is alluvial plains with a temperate monsoonal continental climate. It is suitable for a wide range of crops, apart from more disastrous weather conditions. It is 20 km from the centre of Cao County, 50 km from the two nearest railway junctions (Shangqiu National Railway Junction in Henan Province and Heze Railway Junction in Shandong Province) and 190 km from the nearest airport (Xinzheng International Airport in Zhengzhou City, Henan Province). Accordingly, D Village has poor transport links. There is no local presence of foreign businesses, and agriculture is the main source of income, making it one of the poorest rural areas in Shandong Province (Cao County Local Chronicles Compilation Committee, 2018).

However, the area is rich in traditional folk activities and is particularly famous for its 'Yangge'—a traditional form of Chinese folk dance, usually performed in group sequences and often associated with rural life (Ministry of Culture and Tourism of China, 2019). Many villagers not only dance the Yangge but also make dance costumes.

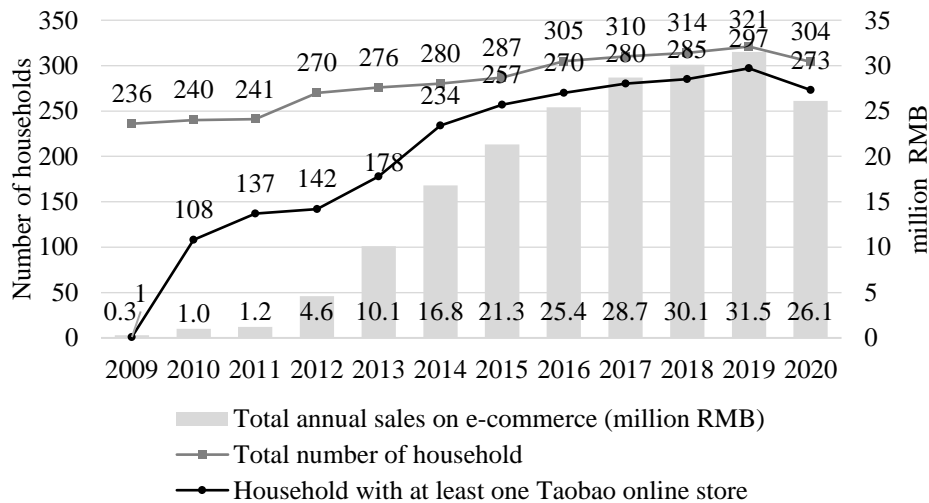
Table 1. *Necessary Elements for Rural E-commerce Development and Characteristics of Taobao Villages*

		Necessary elements for rural e-commerce development	In Taobao Village
Internal elements	Community	Farmers and rural enterprises are the main actors and key players in the development of rural e-commerce (Rahayu & Day, 2015; Principe, 2022). However, they have insufficient education and a limited ability to learn new technologies and need the help of external agencies to help them master e-commerce technologies (Lawrence & Tar, 2010; Chatterjee, 2019).	People in rural areas use e-commerce platforms to start small-scale businesses (Zhao et al., 2021; Zhou et al., 2021)—especially the returned migrant workers and college students from cities (Zeng et al., 2019; AliResearch, 2020; Wang et al., 2023).
	Characteristic resources	Regional characteristic resources refer to the special resources given to an area by specific geographical location, climatic conditions, soil environment, history and culture (The World Bank and Alibaba Group, 2019). It is necessary to explore and make use of regional characteristic resources and enhance the added value and popularity of products (Lawrence & Tar, 2010; Couture et al., 2020). This includes local products and enterprises; labour and land; traditional manufacturing methods, and natural tourism resources (OECD, 2017; Qiu & Qiao, 2021).	More commonly discussed resources with geographical characteristics include geographical location (proximity to urban centres) (AliResearch, 2020), relatively cheap labour and land (Li & Long, 2015), and handicrafts and cultural heritage with a historical legacy (AliResearch, 2020).
	Infrastructure	Infrastructure refers to the various facilities that provide the necessary physical conditions and technical support for e-commerce transactions, including internet facilities, logistics facilities, electronic payment systems, and human resource training (Kshetri, 2018; AliResearch, 2020; Couture et al., 2020). E-commerce is highly dependent on the above infrastructure (The World Bank and Alibaba Group, 2019).	Network infrastructure has developed rapidly in China (China Internet Network Information Center, 2021). The construction of logistics facilities has also been strengthened by both the government and e-commerce platforms (AliResearch, 2019).
External elements	E-commerce platforms	E-commerce companies promote the development of rural e-commerce through their own technological and market advantages, such as building e-commerce platforms and providing training and employment (Lawrence & Tar, 2010; The World Bank and Alibaba Group, 2019; Principe, 2022). In addition, due to its broad reach, it can attract (or partner with) logistics and financial service providers to form a better development environment (Rahayu & Day, 2015; Kshetri, 2018).	The influence of e-commerce platforms (especially Alibaba Group) is huge; C2C was the dominant model in the early stages of e-commerce development in China—in 2015, the B2C model overtook C2C (CIECC, 2022).
	Government	Governments can promote rural e-commerce by introducing relevant policies and providing financial support and technical guidance (The World Bank and Alibaba Group, 2019). Even in some cases, government agencies play the role of organizers who research and formulate policies to systematically develop rural communities (Chatterjee, 2019; Principe, 2022).	In addition to encouraging policies, the government also provides some financial support (mainly for internet and transportation) (China Internet Network Information Center, 2021; Lin et al., 2022; Wang et al., 2023).

Source: Authors. (based on Cui et al., 2017).

They earn extra income by working part-time as set photographers and costume makers for performances. As shown in Figure 1, the number of local Taobao shops and sales has increased yearly, with over 90% of households owning their own Taobao shops. According to the local Two Village Committees (TVC)¹, there are already 72 registered costume production enterprises, 32 home-based production workshops and 346 online shops in the area; about 200 young people (including more than 40 university graduates) have returned to their hometowns.

Figure 1: Number of households, number of Taobao shops and annual sales amount of Village D.



Source: Interview with the Two Village Committees of Village D.

2.2 Interview Based on Resource-Based Theory

Led by TVC, the authors completed field research in January 2020 and collected and validated information on geography and natural conditions, infrastructure construction (internet facilities and transportation), living conditions of villagers, and factory buildings of business owners. Afterwards, the authors used semi-structured interviews to collect primary data.

This paper required a large amount of data and information, requiring respondents to provide information from many years ago. The semi-structured interviews, framed by keywords, were able to provide more freedom of expression for the interviewees (Wang et al., 2023). This helped to increase the richness and completeness of the information provided by the interviewees. The keywords for the interviews were taken from the factors influencing the development of rural e-commerce and Taobao Villages shown in Table 1. As shown in Table 2, there were 16 interviewees from the Town government, TVC, and villagers' enterprises, and it is important to note that Mr. R started the first local Taobao shop and was subsequently elected as the local village party secretary and village head (2014-present). This study uses Mr. R as a representative of the villagers to demonstrate behaviour within the community.

¹ The TVC is not a state organ but a mass self-governing organization, which is based on the Organic Law of the Chinese Villagers' Committee. The former consists of Communist Party members, led by the party branch secretary (the most powerful person in the village). The latter consists of local villagers, who are partly not party members; the leader is the villagers' committee director (the second most powerful person in the village), the most powerful person in the village. The latter consists of local villagers, who are partly not party members; the leader is the villagers' committee director (the second most powerful person in the village), elected by local villagers.

Table 2. *Interviewees' Identity and Interview Questions*

Interviewees' identity		Interview questions
Town government	Mayor, Director of E-Commerce Office (2 people)	Motives, government measures, implementation roles, and risks assumed by grassroots governments to promote e-commerce development
TVC of Village D	Village secretary & village chief (Mr. R), village accountant (2 people)	The motivation, measures, and effects of village committees promoting the development of e-commerce
E-commerce enterprise	Owners (4 people)	Entrepreneur's identity characteristics, entrepreneurial process, difficulties experienced, and help received

Source: Authors.

3.0 The Growth Process of Village D

3.1 *Up Until 2009, a Traditional Agricultural Village & The First E-commerce Entrepreneur*

In 2009 and before, village D was dominated by agricultural production. The skills of dancing and hand-made garments were passed on from generation to generation by word of mouth (there were no standardized teaching materials, such as books). The women of the village were the main producers of costume-making. They use very simple tools such as needles, thread and scissors; families with higher incomes use foot-operated sewing machines. The costumes are mainly Yangge dance costumes, and a small number of costumes for babies and children are also made. Most of these costumes are used by the villagers themselves, with villagers from nearby villages buying them from time to time. The village sells up to 500 pieces a year, earning around 3,000 RMB.

In village D, at least 50% of the villagers have experience working in cities. Mr. R, for example, has worked as an electrician in many cities and earns roughly 3,000 RMB per month (8-10 hours of work per day at 100 RMB per day). His wife, who used to work in a textile factory in Cao County, lost her job in 2008 when the textile factory was closed down. In order to take care of his family, Mr. R. looked for opportunities to work back in his hometown. During his working life, Mr. R used Taobao to buy everyday items. After five months, he completed his first profitable order, selling 36 sets of costumes and generating a total sales amount of 1,000 RMB. Since then, he has realized the potential of an online shop and has put more effort into running it.

Table 3. *Taobao Business's Growth Process in Village D*

Time	Mr. R	Villagers	Alibaba Group	Government and Village D TVC
Before 2009	Graduated from high school in 1990. Farmer and a migrant worker.	Agriculture was the primary source of income.		Paid attention to building local infrastructure. At the beginning of 2010, the government of Daji Town built the first postal logistics center, which is located in the central area of Daji Town. In 2011, the electricity system of Village D was upgraded.
2009	Opened the first Taobao shop in Village D.	Hand-made costumes and sold to neighbouring villages.	C2C was Alibaba's main e-commerce business. Opening an online store only needed a few requirements.	
2010	Built 'family workshop' for producing customs.	Villagers copied Mr. R's entrepreneurial model. Electricity consumption in Village D surged.		
2011	Bought mechanized facilities to increase production efficiency.			Village D was identified as Taobao Village by AliResearch. The town government established the 'Rural E-commerce Development Work Leading Group'.
2013	Rented and rebuilt idle houses in Village D into production workshops and warehouses.			
2014	He was elected as the village party secretary and village head. Registered a brand for his company.	Idle land and houses were rebuilt into production workshops. Upstream and downstream industries emerged. Villagers compete with each other.		Daji Town government encouraged college students to return home and focus on building an environment for entrepreneurs.
2015	Attracted his relatives to return home and work for his company.		B2C took C2C's place. Alibaba initiated requirements to increase sellers' service and product quality.	
2017	Moved his company into the e-commerce park, which was built by the Daji Town government.	Several village entrepreneurs moved into the e-commerce park and were directly led by the government's e-commerce leading group. Started to pay attention to product quality.		The government of Daji Town used abandoned industrial land to build an e-commerce park to promote branding and industrial upgrading.
2019	Was elected as a representative of the Shandong Provincial People's Congress.			Cao County was included in the National Comprehensive Demonstration County of E-Commerce Entering the Rural Areas and received special subsidies from the central government.
2020	Started live webcasting and encouraged the villagers to produce a variety of clothing.			Cao County and Shandong Fashion Design Association jointly established the 'Cao County Hanfu Design Institute'.

Source: Author.

3.2 2010-2013, Villagers' Family Workshops & Village D Became Taobao Village

Mr. R's online shop was the first of its kind in D Village and has grown ever since. The clothing he sells is made by his wife, and the quality and style are according to traditional local specifications, which has received many positive comments from customers. As the number of orders gradually increased and his wife alone could not fulfil them, Mr. R contacted nearby villagers to buy their unused garments or hire women to participate in the production. Following this, news of his online shop spread from his neighbours and relatives to the entire village. Many villagers followed Mr. R's example, buying computers, registering online shops and selling the costumes made by their women. To meet their production needs, villagers converted their yards into simple workshops and warehouses and bought small production machines (such as electric sewing machines, baling machines, electric ironing machines, etc.). This led to a surge in electricity consumption and numerous power cuts and fires in the old electrical circuits in Village D. TVC applied to the town government for funds to upgrade the electrical facilities in Village D. It was only then that the town government of Daji gradually became concerned about the changes in the village.

In 2013, the town government set up the E-commerce Leadership Group to encourage Village D to share its experience with nearby villages; at the same time, the group applied for funding from the higher government to focus on upgrading electricity, internet, and other related infrastructure. The group is headed by two employees of the town government, while the other members are TVC leaders or villagers from the villages under the jurisdiction of the town (including Mr. B, the maximum number of the members has reached 20). The group generally meets once a month, and members are free to speak and make decisions by voting. By the end of 2013, 80% of the area of Village D was connected to the internet (in 2010, this value was less than 20%); the first village logistics station was built, making it easy for villagers to post parcels close to their homes (previously, they would have had to go to the town centre of Daji to do so.) In 2013, Village D met the criteria to be recognized as a Taobao village by the Alibaba Group.

3.3 2014-2016, Independent Workshop & Division of Labour and Competition Between Villagers

In 2014, 84% of households in Village D already had at least one online shop. The production capacity of different households varied considerably, and a division of labour emerged. The few households represented by Mr. R, with better sales and larger production scale, absorbed most of the labour and were mainly responsible for supply. Accordingly, the smaller families begin to withdraw from the production process and become middlemen—buying from the former and selling on their own online shops for a price difference. Traditional clothing styles became more fixed, and the choice of styles available to consumers was limited. Both supplying and buying families chose to sell their products at a lower price and higher volume. Gradually, the quality of D Village products and consumer ratings began to decline.

At this stage, their own yards were no longer sufficient for those families who produced on a large scale. They rented unused local houses and converted them into workshops dedicated to garment production, especially those near the road (because of the ease of transport). With the limited space available, some villagers illegally built workshops on land marked as "farmland," causing problems for the town council.

3.4 2017-2018, Modern Factory & County Government Regularisation

To address the problem, the town government developed a management system. (1) Establishing a list of Taobao shops inside Daji Town and monitoring the changes periodically; (2) making a list of their main products (especially costumes' templates and designs); and (3) monitoring and managing the two lists to make sure that villagers could not illegally copy from each other. The Alibaba Group also provides support to help large-scale companies move from C2C to B2C platforms by providing branding know-how and reduced fees when upgrading services.

In addition, the town government consolidated unused building sites and built an e-commerce industrial park to provide local villagers entrepreneurs with specialized production workshops at low rents. The E-Commerce Development Office has also applied for government tax breaks and subsidized funds for businesses to relocate and purchase new equipment.

3.5 2019-2020, Central Government's Project & Collaboration with Provincial Agencies

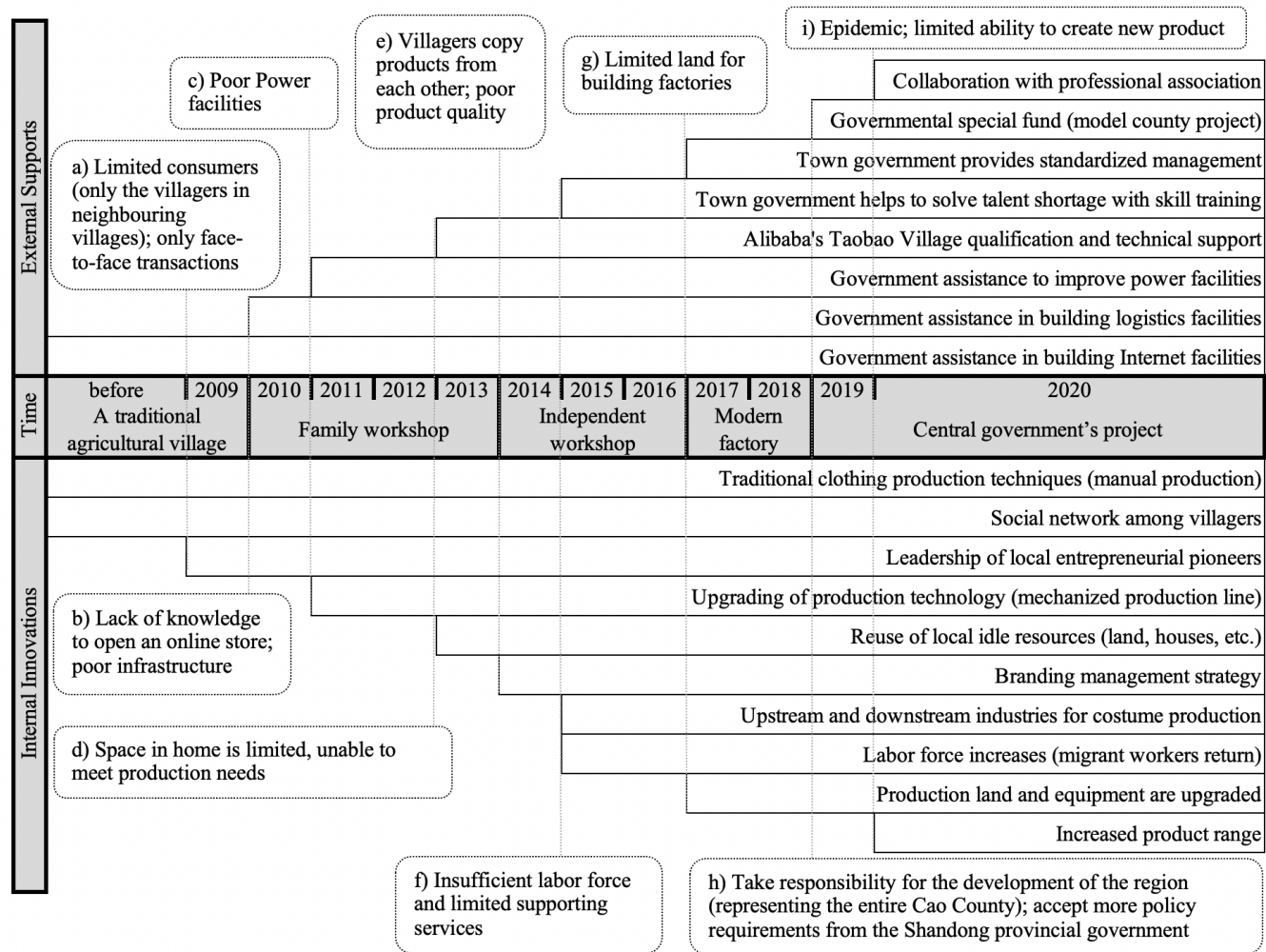
In 2019, Village D was included in China's national e-commerce demonstration project in rural areas, becoming one of the key rural e-commerce development models promoted by the central government, receiving direct leadership and funding from the Shandong Provincial Government (Ministry of Finance, Ministry of Commerce, & Poverty Alleviation Office of the State Council of China, 2019). This means that Village D will try more experimental policies and development strategies and experience new changes and challenges, such as absorbing young people returning to their hometowns and addressing the issues of children and the elderly left behind. The year 2020 saw a rapid decline in demand for performance clothing due to the epidemic; many villagers received a shock and closed their businesses and online shops. With the assistance of the government and Village D TVC, Village D received support from the Shandong Province Fashion Design Association to set up a "Hanfu Design Institute," complete with a new product line, and begin a new phase of development.

4.0 Discussion

As demonstrated in Figure 2, the evolution of Taobao Villages represents a process of overcoming various bottlenecks. Echoing previous literature, this study confirms that the relatively insular social networks of rural communities are insufficient to meet the financial and technological prerequisites for full deployment of e-commerce, thereby necessitating external resources, notably government infrastructure investments and technical assistance from e-commerce platforms (Lawrence & Tar, 2010; Chatterjee, 2019; Gkartzios & Lowe, 2019).

Previous research into the growth dynamics of Taobao villages has credited their formation and development to certain key elements, such as villagers' small and micro-entrepreneurship (Zeng et al., 2019; Zhao et al., 2021), the assimilation and utilization of e-commerce technologies (Yang et al., 2021; Zhou et al., 2021), government establishment (Yang et al., 2021; Lin et al., 2022), and regulatory system creation (Yang et al., 2021; Lin et al., 2022). These elements' status also underpins the classification of development stages. For instance, Zeng et al. (2019) divided the development of an agriculture-centric Taobao village into four stages: technology introduction, technology diffusion, quality crisis, and industrial agglomeration. However, this fails to clarify why some rural communities can foster e-commerce while others cannot (Lawrence & Tar, 2010; Chatterjee, 2019; AliResearch, 2020).

Figure 2: Internal innovations and external supports during the development



Source: Authors.

Contrastingly, this case study offers an 'internal innovation & external support' analytical framework (see Figure 3), which foregrounds changes in the productive capacity of rural entrepreneurs (Qiu & Qiao, 2021). The development stages are determined by the arrangement of these key elements, and distinct paths of development may manifest in different stages. The underlying concept is that, as innovation within the community and external support gradually accumulate, the productive capacity of the villagers' entrepreneurs is upgraded, product competitiveness is enhanced, and consumer trust and sales are earned (Zhou et al., 2021).

This study presents a model of rural e-commerce development spearheaded by village entrepreneurs (Gkartzios & Lowe, 2019; Zhao, 2021). Intra-community entrepreneurship and innovation were integral to the development of Taobao Villages, playing a pivotal role in e-commerce promotion. Concurrently, the participation of external actors, be it the e-commerce platform or higher-level government, primarily provided service-oriented support, rather than exploiting or depleting the villagers' assets (Li & Long, 2015; Gkartzios & Lowe, 2019). By leveraging and integrating internal resources and knowledge, entrepreneurial opportunities for diverse individuals are created, thereby promoting community diversification and sustainability (AliResearch, 2020; Zhao et al., 2021). This offers a viable strategy for rural communities under the potential threat of resource and technology-rich 'large farms and companies' exploiting rural communities through e-commerce development (OECD, 2017; Chatterjee, 2019; The World Bank and Alibaba Group, 2019).

The Alibaba Group's diverse e-commerce platform offers services for entrepreneurs of different sizes (in terms of technology, marketing, logistics, etc.) and is also relatively cost-effective (AliResearch, 2020). Such service availability significantly reduces the obstacles to entrepreneurship, thereby encouraging more rural villagers to engage in entrepreneurial activities. Consequently, villagers can share knowledge, integrate resources, and innovate independently, fostering overall community development. Through the amalgamation and support of external resources, Taobao villages expedite the utilization and expansion of internal resources (Gkartzios & Lowe, 2019). With the establishment of appropriate management mechanisms, diverse entrepreneurs are encouraged to participate in entrepreneurship and competition, which leads to the long-term development of the entire community.

5.0 Conclusion

Through an in-depth investigation of a single case study, this paper examines the entire growth process of a Taobao Village. Based on its eleven-year history and data, this paper proposes an analytical framework based on the perspective of 'internal innovation and external support collaboration in rural communities.' While visualizing the development process of Taobao Villages, the framework explains the reasons for their rapid development and continuous competitiveness upgrades. Finally, the paper confirms that Taobao Villages are a model of rural e-commerce development led by villagers who are entrepreneurs within the community. This model fosters entrepreneurial diversity, promotes intra- and inter-community collaboration and innovation, and holds significant potential for further exploration and replication.

Nevertheless, the present study has certain limitations. Given the extensive range and diversity of Taobao Villages in China, research funding and epidemiological restrictions have precluded the precise situating of the selected case within the broader context of all Taobao Villages. As such, the 'internal innovation-external support' analytical framework proposed herein requires further validation through more comprehensive case studies.

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