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"Internet +" for Targeted Poverty Alleviation by Listed Companies - A Case Study of Alibaba Group

Yong Liu¹, Chuanchen Bi²

College of Graduate Study in Management, Khon Kaen University

chuabi@kku.ac.th

Abstract. Based on the "Internet +" concept in 2012 and the "Targeted Poverty Alleviation" strategy in 2013, many companies have found new ways to alleviate poverty through the "Internet +", which has injected new vitality into impoverished area, and also helped enterprises to promote their development in the course of poverty alleviation. This paper aims to promote the development of enterprises in the process of poverty alleviation through literature analysis and case studies. This paper intends to help more companies understand the role of "Internet +" in poverty alleviation through literature analysis and case studies, as well as how to consolidate the results of poverty alleviation and prevent the return of poverty with effective poverty alleviation methods, so as to achieve the simultaneous development of poverty alleviation and company business.

Keywords. targeted poverty alleviation, Internet +, enterprise performance

1. Introduction

After more than 30 years of painstaking practice in in the mid-1980s, China has seen initial results of dealing with poverty issues. However, China has long suffered from a large number of problems such as indefinite poverty reduction targets, indefinite target orientation, unclear money flow, etc. After the 18th National Congress of the Communist Party of China (CPC), the central government put forward the goal of "eradicating poverty by 2020, lifting all impoverished villages out of poverty, and achieving moderate prosperity". Due to the time constraint and heavy workload, it is necessary to lift more than 12 million poverty population out of poverty every year to accomplish the goal by 2020. In this situation, General Secretary Xi Jinping made a research trip to the western Hunan region in November 2013 and proposed the concept of "targeted poverty alleviation". In 2014, the central government issued policy documents on targeted poverty alleviation, and in 2015, it explicitly demanded that poverty be eradicated by 2020, and issued the relevant decision of the State Council. In 2017, the 19th National Congress of the CPC once again emphasized the need to resolutely achieve a comprehensive victory in the fight against poverty. Therefore, targeted poverty alleviation has become a major poverty alleviation policy in China.

As China's targeted poverty alleviation continues to advance, there is still potential for the return to poverty, although all the goals have been largely accomplished by 2020. Therefore, it is of great practical significance to make the "Internet +" deepen and accurately promote the

poverty alleviation work of enterprises at a time when information technology such as cloud and big data are evolving rapidly.

From the above, we firstly conducted a literature review on the "Internet +", and analyzed the situation and characteristics of target poverty alleviation by Chinese enterprises with the example of A-share listed companies in China from 2016 to 2020. Next, with Alibaba's targeted poverty alleviation as an example, we analyzed the motivation for its involvement in poverty alleviation, and discussed its implementation methods and specific ways. Finally, we conducted an empirical analysis on the current situation, aiming to provide valuable reference for relevant empirical studies in China and also for targeted poverty alleviation by companies.

2. Literature Review

Poverty is a global concern today, and a hot issue in international academic circles is how to achieve poverty alleviation and promote development. Experts at home and abroad are also exploring its causes and ways. Karl Gunnar Myrdal (1986) (Sweden) and Karl Heinrich Marx (1867) (Germany) analyzed the causes of poverty from the perspective of political science. Thomas Robert Malthus (1789) (UK) and other scholars analyzed the causes of "industrial poverty". Theodore W. Schultz (1960) (US) and others analyzed the causes of poverty from an economic perspective. In addition, many scholars in China analyzed and summarized the causes of poverty, the history of poverty governance, and experiences from the founding of new China to the present, especially since the founding of the People's Republic of China. Chen Gan (2022) explored the effect on poverty alleviation from the perspective of economics. Nie Zhuming and Shi Yuhua (2022) studied the main influencing factors of poverty. In the past hundred years, the CPC has gained a profound understanding of poverty governance at all levels, including political, economic, social, and cultural.

2.1 Issues in poverty alleviation

According to Zhan Chunqing and Li Jia (2021), "targeted poverty alleviation" is a major decision made by the Chinese government to alleviate poverty and also a key initiative to solve the problem of poverty. According to Sun Xiaomei (2021) and Zhang Jinwen and Yao Shihao (2021), "targeted alleviation" is an exploration and innovation of poverty in China, and is a breakthrough from the traditional "extensive" and "difficult and pending problems" from the perspective of poverty. According to Xu Yafei, and Li Gongping (2021), the essence of "poverty alleviation" is to precisely allocate poverty alleviation funds and resources to target groups based on the understanding of regional differences, so that the target groups can be lifted out of poverty and improve their quality of life in a stable and sustainable manner, and achieve "reaching those who truly need it and delivering genuine outcomes".

2.2 "Internet +" poverty alleviation and poverty problems

Zhang Yan (2021) suggested that the organic integration of Internet technology and poverty alleviation can enable all sectors of society to understand the poverty situation more clearly through online big data, thus encouraging more social forces to get involved in poverty alleviation events and ensuring the enthusiasm and continuity of poverty alleviation. According to Liu Hui and Zhang Lizhong (2021), "Internet +" plays an important role in targeted poverty alleviation, as it distinguishes information sharing from traditional poverty alleviation methods, to ensure maximum benefits for farmers; effectively provides rural farmers with immediate market information, avoids potential dangers, and ensures their sustainable development. Cheng

Zi and Yan Leping (2021) suggested that "Internet +" can promote the development of new industries and multinational enterprises.

2.3 Literature reviews

We drew a lot of references from the literature related to "targeted poverty alleviation" and "Internet +", and conducted an in-depth discussion on this basis. "Targeted" is a unique "poverty alleviation policy" in China, and most of the studies on this subject are based on domestic literature. We discussed the differences with traditional extensive poverty alleviation in terms of methods, mechanisms and effectiveness of poverty alleviation, as well as the motivation and implementation effects of poverty alleviation. With the advent of the Internet era, "targeted poverty alleviation" has become a new mode of social governance.

3. Concept Definition

3.1 Internet +

Given the advancement of technology, the Internet has penetrated into all fields of society and gradually evolved into a new social and economic form of "Internet +" driven by the "Knowledge Society Change 2.0" in the 2.0 era. "Internet +" refers to the mobile Internet, cloud computing, big data and other technologies based on cloud computing and big data, in which advanced information technology is applied to social and economic development, thus achieving an optimal distribution of social resources. The term simply means "Internet + traditional industries. The core concept of "Internet +" is cross-border integration and interconnection, ranging from traditional industries to new innovative media. To accelerate the implementation of the new model, the comprehensive implementation of "Internet +" is happening in various fields such as industry, finance, communication, transportation, people's livelihood, tourism, medical care, education, agriculture, and government affairs. The "Internet +" has been elevated to a national strategic level, with the government taking the lead in launching nationwide action. At present, although "Internet +" is still in its initial stage, all parties are actively exploring and verifying this new development method to realize its own value and social significance.

3.2 Targeted poverty alleviation

Poverty alleviation occupies a pivotal position in the process of national economic development. As of 2013, there are still more than 80 million impoverished people in China. Now, China has entered a critical and toughest stage. In the past, the extensive positioning of impoverished areas and people prevented the real poverty eradication of villages, households and people. In order to tide over the toughest stage in the fight against poverty, it is necessary to reform and improve the existing poverty reduction system, making poverty alleviation more proactive and targeted. Accordingly, "targeted poverty alleviation" creates the opposite of "extensive". The so-called "targeted poverty alleviation" is a contrast to the traditional, extensive poverty alleviation. It is innovative and targeted, and adopts "targeted" poverty alleviation measures based on the actual local situation and different conditions. Xi Jinping first proposed the concept of "targeted poverty alleviation" in November 2013 during his research visit to western Hunan. Due to the implementation of targeted poverty alleviation policies, the connotation of targeted poverty alleviation has been expanded and deepened. One is to highly value the accurate location; and the other is to effectively achieve the six accurate. In pushing forward the work, it is important to ensure accurate identification, dynamic management, reaching villages and households, adjustment of policies for different households, timely

delivery of poverty alleviation funds to households, and cadre assistance, while ensuring accurate management of farm household information, poverty alleviation powers and sunshine governance.

3.3 "Internet +" targeted poverty alleviation

The "Internet +" targeted poverty alleviation relies on the cross-domain, interoperability, remote, sharing, fast speed and other features of the Internet platform, combines the Internet with industry, agriculture, commerce, finance, education, medical care, ecology and other industries, helps the government, enterprises and impoverished objects to passively or actively participate in poverty alleviation, so that the resources in impoverished areas are adequately allocated via the Internet, thus realizing targeted poverty alleviation. With "targeted poverty alleviation" as the ultimate goal and "Internet +" as the main method, the implementation of "targeted poverty alleviation" in 2013 and the "Internet +" in 2015 have been elevated to the level of national strategy, and the two are integrated as an effective way to guide all people to become better off. For one thing, impoverished areas are provided with targeted governance and assistance with the help of the network big data platform; for another the rapid development of the network has prompted the consumption demand of rural residents, thus causing a shift from traditional assistance to inner development. The "Internet +" targeted poverty alleviation provides new opportunities for local economic development and the development of network companies. Moreover, the leaping digital economy has brought new vitality to poor mountainous areas, and leading network companies have joined in the poverty alleviation work, sharing the results of targeted poverty alleviation in the Internet era.

3.4 Enterprise performance

The operating performance reflects the company's conditions and operating income in a period of time. Its operating efficiency is measured by important indicators, including profitability, operating capacity, solvency, and development capacity. And manager performance refers to the contribution and results achieved by the company's operation, growth and development. The operating performance of a company can be measured by operating profit margin, capital turnover ratio, liquidity ratio, quick ratio, capital maintenance and appreciation, and growth rate of main business. In addition, EVA (Economic Value Added) is a new performance evaluation method that can provide an objective and realistic assessment of operating performance such as accounting earnings, asset operation, and asset maintenance and appreciation for a specific operating period.

4. Methodology

We selected lots of documents on "Internet +" targeted poverty alleviation, role of targeted poverty alleviation on enterprise performance and other subjects, and found their innovations through reorganization and summary. Based on case study, we also analyzed and summarized the operating performance of listed companies in China involved in "Internet +" targeted poverty alleviation, and proposed relevant countermeasures.

1) Literature analysis. We analyzed the literature of experts at home and abroad to understand their research status and find out the problems to be solved, thus laying the theoretical basis for the implementation of targeted poverty alleviation by the listed companies based on "Internet +".

2) Case study. We explored the model and development trend of Alibaba's targeted poverty alleviation as a typical case, and conducted an empirical analysis of the performance of its subordinates under "Internet +" with a view to supplementing the relevant empirical research.

5. Path of "Internet +" Targeted Poverty Alleviation

5.1 Establishing an information service system for targeted poverty alleviation

Targeted poverty alleviation information services are a complex task, in which the relevant working standards and regulations are very important, because they are the guidelines and bases for common compliance in the working field. Therefore, the *Specifications for Targeted Poverty Alleviation Information Services* should fully adapt to social development, make full use of the new technology brought by "Internet +", expand the field of targeted poverty alleviation information services, promote its informatization and standardization, and further meet people's needs in order to acclimate the times. It also needs to be continuously improved and supplemented. First, we should improve the management-based standards and specifications, require relevant government authorities to establish their own information sharing channels and working cooperation mechanisms using "Internet +" technology, while fully considering the relevant characteristics of targeted poverty alleviation information services, so as to break the "barriers" between different authorities. This can further shape and improve the overall coordination and unity of supervision of targeted poverty alleviation information services, and improve their effectiveness. Second, we should realize the further standardization of relevant standards. Specifically, this includes the unification and standardization of information data standards, as well as the unification of poverty alleviation information management software and other related contents.

5.2 Organizing comprehensive targeted poverty alleviation information services

At present, the new concept, new technology and new market brought by "Internet +" are driving the development of targeted poverty alleviation events, providing a broader information service network platform for targeted poverty alleviation information service mode, and creating a more comprehensive network-based service system for targeted poverty alleviation information. The interconnection of administrative authorities at all levels, from the country to villages and towns, can promote the perfect management of the whole targeted poverty alleviation information service. The establishment of a centralized poverty alleviation service alliance is a powerful support for the smooth promotion of targeted poverty alleviation information services, which strengthens the cross-border integration of targeted poverty alleviation information services, and the communication and cooperation among various departments and offices involved in poverty alleviation, and promotes the active communication and coordination in business. This will provide strong support for the smooth promotion of targeted poverty alleviation information services.

5.3 Achieving targeted poverty alleviation with adequate allocation of information resources

After years of national informatization construction, most areas have been covered by information infrastructure, and the task of "accessibility to villages and rural households" has been completed. Now that we are in the new information era of "Internet +", it is necessary to improve information dissemination channels and achieve targeted poverty alleviation with the help of the existing information infrastructure. First, we should ensure the flow of information from higher levels to the grass roots among government service providers at all levels,

especially at the grassroots level, so that the provision of information can be quantitative and characteristic. Next, there should be dedicated personnel to adequately maintain and update the stability and security of information dissemination channels, and to manage their system in real time. Poverty alleviation information should be disseminated through formal and informal, traditional and modern channels, which is more in line with the new intellectual products brought by "Internet +" and ensures the effective promotion of targeted poverty alleviation events.

6. Conclusions

Based on the "Internet +" concept in 2012 and the "Targeted Poverty Alleviation" strategy in 2013, the new model of "Internet +" targeted poverty alleviation was created, which endows new vitality to targeted poverty alleviation, and also helps enterprises to take into account their development while participating in targeted poverty alleviation events. We further explored the problems of enterprise performance in the "Internet +" targeted poverty alleviation with the example of Alibaba Group, using the main research methods of case study and factor analysis. It was found that the targeted participation of enterprises in poverty alleviation through the "Internet +" model has a positive effect on enterprise performance. In combination with non-financial indicators, targeted poverty alleviation maximizes corporate social responsibility for a favorable social benefit, and enables Alibaba to achieve good market reputation and brand effect, resulting in "win-win" situation of corporate development and social responsibility.

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