

## **E-Commerce as Rural Development Strategy in China — Contours of a Public-Private Partnership**

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This report reflects on the research project I carried out in the summer of 2025, supported by the India China Institute. The project consisted of interviews with scholars and experts, field visits, and research on scholarship and policy documents. While not serving as an official culminating research paper, I hope this will give some sense of the outlines of the project and how they contributed to my intellectual journey and my research moving forward.

I first became interested in this topic when reading about the phenomenon of “Taobao Villages” in China. Named after the online shopping platform owned by Alibaba, these are areas whose economic activity have come to center around selling products through e-commerce platforms. The Chinese government, through a partnership with Alibaba, has directly supported the development of Taobao Villages, which were touted as drivers of market access, employment, and economic growth that would provide a path to poverty alleviation and broader prosperity for rural communities. In looking further into the topic, I found scholarship that was more critical of this development strategy, both for its inequitable effects on rural economies, and for how it empowers an expansion of e-commerce conglomerates that lack regulation and social protections. There is the critique of Taobao Villages as an example of the inequality-inducing neoliberal strands of development in post-reform China, highlighting their reliance on information technology to drive a rural marketization process.

In embarking on this research project, I was primarily seeking to understand how to make sense of this as a rural development strategy — whether the sort of government involvement in or regulation of this e-commerce expansion constitute a genuine developmental project, or,

alternatively, whether this model can be described as an outsourcing of the task of rural development to digital platforms. Alternatively, does the government exert a comparable level of control as in other sectors of the economy? What are the roles of specific government institutions and officials involved in these projects? Additionally, I wanted to better understand the challenges the model faced in the past, and how might these challenges persist or change in the future? And to what extent can this be thought of as a model with a potential to be replicated in other developmental contexts outside of China? These were some of the core questions I had as I began my research trip to China.

And as the title of my project suggests, I wanted to approach these questions — both about how the developmental model functions as well as what it might represent — through the concept of the public private partnership. In this case, between Alibaba and the national government. From reviewing the literature, as well as my interviews throughout the summer, I gathered both concrete information about what this PPP consists of, as well as various frameworks for understanding it. What emerges is not a clear-cut division of responsibilities. In this instance, the PPP is less a single contract and more an intertwined ecosystem of market provision, local policy support, capacity building, and mutual legitimation: platforms deliver markets and tech; while governments deliver infrastructure, political will, and social organization. Furthermore, there were significant variations in how the PPP manifested in various parts of the country, further blurring its contours.

Several scholars who I read and interviewed emphasized how this strategy of rural development can also be seen as part of larger socioeconomic changes in China. Firstly, as part of efforts of rebalancing away from export led industrial growth towards a stronger domestic market. Secondly, and relatedly, this initiative has been swept up in government rhetoric of ‘rural revitalization, of rebalancing the stark and enduring developmental inequalities between urban and rural. Alternatively, there is a scholarly perspective which discounts the value of the rural e-commerce initiative as actually part of a significant or broad developmental vision — rather, that it is an instance of institutional outsourcing of the project of marketization. Each of these perspectives offered extensive and rich pools of scholarly literature with which to frame this phenomenon.

However, these all could be considered top-down frameworks of understanding rural digital development. I also encountered many perspectives that challenged the idea of a national

policy or national PPP which largely structures how rural e-commerce is developed. Instead, there are many ways of understanding it as a bottom-up process. In my interviews, there were scholars whose analysis and contextualization started all the way at the bottom, emphasizing how this should be seen as an entrepreneur-led process. In this account, rural residents are the ones to take advantage of e-commerce, and once this is recognized by county level governments as a viable means of raising incomes, they provide support, and eventually this then filters up to national policy. This framing inherently changes how I interpreted public-private partnerships between the national government and digital platforms.

This bottom-up orientation towards the issue was bolstered by my visits to Northern Jiangsu province, where I was able to carry out some field interviews with rural entrepreneurs. Thinking back to my initial research questions mentioned above, I sought out these interviews with rural entrepreneurs more to elucidate how their experience was shaped by developmental policy, and what state support looked like on the local level. While I did get some insight into those questions, I also gained a lot from hearing people's specific and varied experiences with e-commerce platforms, and in running an e-commerce business. Notably, many emphasized how their involvement in e-commerce stretches back before any national policy, or even any more local form of state support. In further stressing their own initiative, as opposed to the role of state support, some interviewees offered the perspective of the national government pursuing a political project of gaining the support of an emerging prosperous class in rural areas, rather than offering tangible support.

These perspectives, among many others gathered through interviews and field visits, greatly influenced the direction of my research, and significantly altered the questions I pursued, even concerning the nature of the state-platform relationship. A picture emerged which contradicted my preconception of what PPPs are as a subject of analysis. Rather than a dynamic occurring between the national government (party-state) and large digital platforms vying for influence over the rural digitalization or marketization process, it soon became clear that digital platforms were hemmed in on all sides by state power and dependence — for regulatory freedom, infrastructure, funding, political approval— at both national and local levels. I think this is an important lesson for studying Chinese political economy more generally — the analytical limits of terms like PPP, or even market-socialism, mixed-economy or state-capitalism. Ultimately, my research in many ways challenged my preconception of this public-

private-partnership as a top-down imposition of technological development from the national government.

Relatedly, I was continually confronted with concrete and theoretical questions about the urban in its relation to digital development and began to pursue these questions as an alternative framework for understanding this phenomenon of rural e-commerce as a developmental model. Despite offering the potential to partially transcend or close spatial gaps, rural digital development in China has shown to be constrained by preexisting arrangements of production, as well as distance to global cities or large centers of production and consumption — by distance or by connection with transportation infrastructure. The material infrastructural base, itself formed over decades of policy and planning, is in large part a necessary precondition for rural e-commerce policy. Furthermore, independent of any public private partnership, Chinese e-commerce platforms depend heavily on extensive public infrastructure that extends impressively to many rural areas.

This seemed to be a key point in any comparison with other developmental contexts outside of China — beyond any differences in governance or state planning or intervention, the commitment to public infrastructure, both physical and digital, in many ways, makes all this possible. This is a point that reflects previous interviews I've done, under a separate project, with experts on the Latin American e-commerce landscape, who emphasized how the Chinese case is distinguished by this broad-spectrum public investment. Operating in the context of public investment in rural infrastructure (both physical and digital) is a crucial factor in the capital-light investment model of Chinese e-commerce platforms in contrast with a company like Amazon, which invests heavily in controlling delivery and cloud infrastructure, including in its expansions abroad.

In sum, my research this summer challenged my perspective on this topic in several ways and opened my eyes not just to various perspectives and frameworks of understanding for this topic, but to how to approach research generally. I was amazed at how my research questions and preconceptions of the issue shifted once I encountered new perspectives and approaches. However, that would not be possible without the flexibility and the ethos of exploration that the ICI student fellowship allowed for. I am very grateful for ICI for providing the resources and support for me and other students to design a project with this sort of flexibility in mind. I was

able to not only engage deeply with my original research questions, but also to engage with new questions and frameworks of understanding, which I hope to carry forward into future research.

I want to again extend my sincerest gratitude to the India China Institute, and to everyone else who supported me in this process.