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# Chinese rurality 2.0. Taobao Village 2.0

The unicorn as a model!

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# Chinese rurality 2.0. Taobao Village 2.0 The unicorn as a model!

#### Beyond AI. Rural AI

Artificial intelligence is not only where we expect it to be. It invests our lives and more largely our territories far beyond the realm of research laboratories. It is not commonly associated with the development of rural areas, except in China, where it is part of a new dynamic of rural digitalization.

In 2022, China is investing a lot in the researching and development of sensitive matters such as facial recognition, but it is also trying to fill the gaps in its territorial development through digital technology. To achieve this goal, the government has joined forces with the private sector.

This mixed policy combining public and private governance is not new in the Middle Kingdom. It has already been used to develop the Chinese urban dream, a guarantee of international recognition for the authorities in the middle of the 20th century. In 1978, when Deng Xiaoping called for individual self-enrichment, the urban population was only around 20%<sup>1</sup>. Forty years later, in 2018, it had tripled, approaching 60%.

To build what has commonly been referred-to as China's urban boom over the past few decades, the government has commissioned newly established developers and given them the responsibility of building actual city blocks of more than 500m on each side. These neighborhoods each include a dozen or so residential towers of more than thirty floors, including all the necessary commercial and public amenities such as educational facilities.

China reached its objective in 2011, when its urban population became the majority, but the gap between the urban population, which reflects an expanding middle class, and the rural population, which is still on the margins, is only widening.

In 2018, the average income of the rural population was less than 40% that of the urban population²; 14,617 yuan or €2,308 for rural inhabitants compared to 39,251 yuan or €5,473 for urban inhabitants in January 2022.

Nevertheless, given this experience of shared governance, it is not very surprising that, at the dawn of the 21st century, Chinese political authorities are calling on digital giant Alibaba to revitalize the Chinese countryside. The issue seems intriguing, especially when taking into account an overt public disengagement and a recognition of successful entrepreneurship.

The main point of interest is to understand how the investment of this digital giant, whose emblematic figure disappeared from the screens for several months in 2020, could predict a new rural paradigm, and to foresee to what extent this digital countryside could affect territorial issues.

<sup>&</sup>lt;sup>1</sup> All data are from the China Statistical Yearbook, the most recent of which was published online in 2019 <a href="http://www.stats.gov.cn/tjsj/ndsj/2019/indexeh.htm">http://www.stats.gov.cn/tjsj/ndsj/2019/indexeh.htm</a> consulted on 10 February 2022

<sup>&</sup>lt;sup>2</sup> Note. Annual per capita income in the PRC is 28,228 yuan, or €3,936 by 2022. Online report, The World Bank, report sheet for 22 November 2019. "China: E-commerce boosts employment, growth, entrepreneurship and income in rural areas"

<sup>&</sup>lt;a href="https://www.banquemondiale.org/fr/results/2019/11/22/stimulating-jobs-growth-entrepreneurship-income-in-rural-china-through-e-commerce">https://www.banquemondiale.org/fr/results/2019/11/22/stimulating-jobs-growth-entrepreneurship-income-in-rural-china-through-e-commerce</a> consulted on 10 February 2022

## China's rural e-commerce: an unprecedented challenge

Through the unprecedented development of rural e-commerce, the People's Republic of China hopes to contribute to both the reduction of rural poverty and the economic development of villages<sup>3</sup>. In China, agriculture is still mainly manual, and tough living conditions have encouraged a large-scale rural exodus.

To understand this process, it is important to note that every Chinese citizen has a Hukou, a certificate of residence that restricts him or her to a certain territory without the right to move, except in very specific cases. In 2022, nearly 286 million people<sup>4</sup>, considered as floating people, have broken the law and defied the government by changing their place of residence without authorization, in search of better living conditions. Of the 1,395,380,000 Chinese citizens, this makes up 20% of the population. In a way, this mass migration is an indication of the failure of the Chinese government's policy of rural-urban harmonization<sup>5</sup> in the early 2000s.

In this context, a new and unprecedented plan of action was set up in 2009, which included both the intentions of the Chinese government and the financial manna of the largest Chinese digital giant, Alibaba.

#### The unicorn. The R&D toolbox

This mixed public-private digital policy drew attention because it resonated with the fact that China is giving increased importance to R&D. Research and Development. In 2020, the budget allocated to this sector is similar to the United States and the OECD, around 2 to 3%<sup>6</sup>. It is however growing at a much faster rate: +15% each year for the last thirty years while Western countries have stagnated over the same period.

A sign that times are changing, most start-ups with a capital of more than a billion dollars, referred to as unicorns, have for several years been located in China, even though the concept was created in North American.

In 2020, there were fifty unicorns in the United States' Silicon Valley and more than eighty in its Chinese counterpart, the Beijing area.

However, while the names of the biggest American unicorns are known by most, such as Uber, Airbnb, Pinterest and Elon Musk's SpaceX, the Chinese ones are not household names in theW est. Ant Financial, the number one electronic payment company in China with the Alipay platform, Didi Chuxing, which organizes the booking of vehicles with drivers, ByteDance, which hosts the popular video-sharing application TikTok, and Meituan-Dianping are some of the better-known companiestheir points of focus concern us all: online sales, mobility, security, home technology, facial recognition. In France, the largest unicorns are Contentsquare, a

<sup>&</sup>lt;sup>3</sup> Xi Jinping's speech 'Making Solid Progress Toward Common Prosperity' reported in the CCP online journal. English Edition of Qiushi Journal Updated: 2022-01-18 <a href="http://en.qstheory.cn/2022-01/18/c">http://en.qstheory.cn/2022-01/18/c</a> 699346.htm> consulted on 10 February 2022

<sup>&</sup>lt;sup>4</sup> Information from the 2019 China Statistical Yearbook

<sup>&</sup>lt;a href="http://www.stats.gov.cn/tjsj/ndsj/2019/indexeh.htm">http://www.stats.gov.cn/tjsj/ndsj/2019/indexeh.htm</a> consulted on 10 February 2022

<sup>&</sup>lt;sup>5</sup> About the current mutations of Chinese rurality, read Marlène Leroux's book, Terres chinoises; mutations et défis urbains en milieu rural published by Metispresses in 2019, 192 pages. Presentation on the publisher's website: <a href="https://www.metispresses.ch/en/terres-chinoises">https://www.metispresses.ch/en/terres-chinoises</a>>

<sup>&</sup>lt;sup>6</sup> Online data, The World Bank, Research and development spending (% of GDP) - China, France, OECD members, source United Nations Educational, Scientific and Cultural Organization (UNESCO) Institute for Statistics. <a href="https://donnees.banquemondiale.org/indicateur/GB.XPD.RSDV.GD.ZS?locations=CN-FR-OE&name\_desc=false">https://donnees.banquemondiale.org/indicateur/GB.XPD.RSDV.GD.ZS?locations=CN-FR-OE&name\_desc=false</a> consulted on 10 February 2022

specialist in the analysis of internet users' habits, Alan in health insurance, as well as popular names such as Blablacar, Doctolib, Deezer, etc.

Beyond the unicorns, there are heavyweights known as 'senior unicorns', commonly referred-to as GAFA in the Western world. Google. Apple. Facebook. Amazon. By banning them from China, the government has encouraged both the control of user data and the expansion of their Chinese equivalents through the name BATX. Baidu. Alibaba. Tencent. Xiaomi. Many statistics show the exponential growth of the BATXs. Five years ago in 2018, Alibaba, Tencent and Xiaomi grew by 50% in net revenues over the last two fiscal years, something none of the GAFAs have been able to achieve over the same period<sup>7</sup>.

While Amazon has not (yet?) invested in rural areas, its Chinese counterpart, Alibaba, has been doing so since 2009 through its Hangzhou-based subsidiary Taobao, the hometown of Jack Ma, founder of the empire.

## Taobao, a new process

The Taobao online shopping platform can be translated to a network of choice, a treasure hunt and is, most importantly, the 7th most visited website in the world in 2021<sup>8</sup>.

The concept of Taobao is that anyone can open an online shop. The site is mainly directed towards consumers in Chinese-speaking territories such as mainland China, Hong Kong, Macao and Taiwan.

The website has gone through several important changes. It was launched in 2003 by the mother company Alibaba to challenge another Chinese website, Eachnet, which was then bought by eBay and was competing directly with the Chinese online e-commerce market.

To fight the rise of eBay in China, Taobao offers new services such as free announcements for sellers, instant messaging to facilitate exchanges between sellers and buyers and includes Alipay. This online payment tool, by which payment is only given to the seller when the buyer has received the goods in a satisfactory condition, has transformed the market. In two years, Taobao has become the market leader in mainland China. Its market value increased from 8% to 59% between 2003 and 2005, while eBay China decreased from 79% to 36% eBay closed its Chinese site in 2006.

In 2011, boosted by its success, Taobao divided itself into three entities and clarified its market offer. Taobao Marketplace remains the online trading platform for non-professional sellers, C2C (Consumer Consumer), while Tmall, which was created in 2009, is dedicated exclusively to sales by professionals, what experts call B2C (Business To Consumer). At the same time, the eTao site appears as a search tool for price comparison.

Contrary to what it may seem, Taobao and Tmall are not in competition with each other, but rather complement each other, as they do not deal with the same products, with Tmall being

<sup>&</sup>lt;sup>7</sup> Online article 'BATX make GAFA tremble' by Tristan Gaudiaut published on 12 December 2018 <a href="https://fr.statista.com/infographie/13449/comparaison-valeur-boursiere-et-croissance-annuelle-des-batx-et-gafa/">https://fr.statista.com/infographie/13449/comparaison-valeur-boursiere-et-croissance-annuelle-des-batx-et-gafa/</a> consulted on 10 February 2022

<sup>&</sup>lt;sup>8</sup> In ascending list order the top ten most visited sites in February 2022 include: Google.com, Youtube.com, Baidu.com, Facebook.com, Zhihu.com, Qq.com, Taobao.com, Amazon.com, Tmall.com, Yahoo.com according to the Alexa site which provides statistics on global web traffic, site managed by Amazon <a href="https://www.alexa.com/topsites">https://www.alexa.com/topsites</a> consulted on 10 February 2022

<sup>&</sup>lt;sup>9</sup> Online article "China's pied piper". The Economist. September 21, 2006.

<sup>&</sup>lt;a href="https://www.economist.com/business/2006/09/21/chinas-pied-piper?story\_id=7942225">https://www.economist.com/business/2006/09/21/chinas-pied-piper?story\_id=7942225</a> consulted on 10 February 2022

regarded as higher quality. All the major Western brands have implemented their own stores in physical shopping centres.

The dynamics of the Alibaba Group do not stop there. The group itself has a department dedicated to R&D<sup>10</sup> and over the years, different additional services have been offered to the public. Aliwangwang, for example, is an instant micro-messaging service that facilitates exchanges between sellers and their clients.

Alipay ensures the safety of all transactions and has been trusted by the main Chinese and Western banks. This is a rather sensitive topic, as debit and credit cards have never been popular in China because another banking system has been developed through online shopping and apps associated with the use of a smartphone. There are better alternatives to Paying by credit card, which implies an additionnal 3% charge.

The target audience for both the Taobao and Tmall websites is Chinese, as the sites are not available in any language other than Chinese. Online intermediaries have been created, who advise the use of instant translation applications and who themselves take care of shipping the packages from China to the rest of the world. However, the Chinese market itself is already quite large. All age groups have a smartphone and are used to scanning a QR code to pay for any transaction, be it online or in their daily physical life. In 2016, there were 1.696 billion mobile phone subscriptions in China<sup>11</sup>. In relative terms, the number is 117 subscriptions per 100 inhabitants in China and 111 inFrance.

#### Public-private interactions 2.0

Ultra-connectivity is at the heart of the e-commerce issue. China has invested directly in its mobile phone network, jumping the stage of fixed telephone lines. For its digital development, the world's second largest economy is about to cross a very symbolic fence. Nearly 1 million 5Gs antennas (961,000 to be exact, as of 2019) have been activated by the country's three telecom operators, China Mobile, China Telecom and China Unicom.

Although the network is not deployed with the same efficiency in urban areas compared to rural areas, the government is already promoting the merits of 5G agriculture, from drone irrigation to driver-less tractors<sup>12</sup>. A 2019-2025 plan is being developed to encourage digital agriculture and rural development, which echoes the initiatives of digital giant Alibaba, although it is unclear how the public and private sectors really interact.

#### The Taobao village, a new process

At the peak of its success, Alibaba initiated an unprecedented type of exchange by creating an e-commerce sub-platform called the 'Taobao village'.

The official definition of a Taobao village is pragmatic.

<sup>&</sup>lt;sup>10</sup> A website is dedicated to research within the Alibaba group, it is AliResearch <a href="http://www.aliresearch.com/cn/index">http://www.aliresearch.com/cn/index</a>

<sup>&</sup>lt;sup>11</sup> Online data, The World Bank, Mobile phone subscriptions tab (per 100 inhabitants) - China, France, sources International Telecommunication Union, World Telecommunication/ICT Development Report and Database

<sup>&</sup>lt;a href="https://donnees.banquemondiale.org/indicator/IT.CEL.SETS.P2?locations=CN-FR&name\_desc=false-consulted">consulted on 10 February 2022</a>

<sup>&</sup>lt;sup>12</sup> Online article from the CCP newspaper in English 'Embracing technology: How Internet transforms rural economy in China' de Wu Chaolan. Source: People's Daily Online Updated: 2021-01-22 <a href="http://en.qstheory.cn/2021-01/22/c\_584598.htm">http://en.qstheory.cn/2021-01/22/c\_584598.htm</a> consulted on 10 February 2022

The village can only be labelled as such if it is a rural community where at least 10% of the families use Taobao to sell their products or where 100 online shops have been opened by villagers and the transaction volume is at least 10 million yuan per year, or nearly 14 million Euro, as of February 2022.

When this brand was created in 2009, there were only three Taobao villages in China. Today, there are 7023, with an increase of 30% in the past year alone.

Even though the initiative was initially driven locally by village committees, it was quickly orchestrated by central authorities, who considered this dynamic as an addition to their plan against urban-rural disparities.

The central government brings financial resources to local governments to support their e-commerce activity. This money is used on several levels, from entrepreneurial training courses managed in conjunction with the digital giant, to the construction of new road and rail infrastructure on a larger scale.

#### The benefits of Local rural

Against all expectations, rural e-commerce raises the question of localness. Indeed, the villagers first identify the area's potential through a territorial analysis, in order to identify the type of goods to be marketed, the delivery facilities and the available population.

This explains why initial research shows that the majority of Taobao villages are located in the coastal regions of eastern China, provinces that are already prosperous, such as Zhejiang and Fujian. They benefit from an ease of access to distribution networks and their proximity to urban areas and industrial centers for manufactured products. There are fewer Taobao villages in Central and Western China, as these regions are more focused on agriculture.

#### A societal impact

While rural exodus is the most prominent issue of the Chinese countryside, the economic boom made possible by e-commerce has opened up new opportunities, mainly for people who are not familiar with this area of expertise.

An Aliresearch article<sup>13</sup> notes that the ratio of female to male entrepreneurs in e-commerce is equivalent, compared to a ratio of one to three in traditional businesses. The median age of women entrepreneurs in conventional businesses is 47.6 years, while their online equivalents tend to be younger, 25-29 year olds making up 30% and 18-24 year olds nearly 30% on the Taobao platform. The median age of online female entrepreneurs is 31.4 years.

This brings much needed change to rural areas, where women were typically in charge of household work.

In 2014, the village of Wantou in the Boxing district of Shandong, a coastal province some 500 kilometres south of Beijing, gained traction quite rapidly. Located in a prosperous region, it would have been easy for the villagers to develop a business in relation to nearby industries. However, and this may be the reason why this village has received so much media attention, the villagers decided to develop a traditional and local craft linked to willow basketry.

<sup>&</sup>lt;sup>13</sup> Aliresearch online article 'E-commerce for poverty alleviation in rural China: from grassroots development to public-private partnerships' written by Luo Xubei and published on 19 March 2020 <a href="http://www.aliresearch.com/en/Opinions/Opinionsdetails?articleCode=21763">http://www.aliresearch.com/en/Opinions/Opinionsdetails?articleCode=21763</a>> consulted on 10 February 2022

One woman reported that she knew how to weave at the age of nine and that this kept her from going to school, adding that this skill was essential to find a husband<sup>14</sup>.

Times have changed, and women are now actively involved in e-commerce! And even more amazingly, all the inhabitants have started crafting willow straw benches to supply their e-commerce shops, proving that it is possible to combine traditional knowledge with modern marketing.

The risk taken by this village has been successful. The article<sup>15</sup> mentions that one merchant doubled his monthly salary in one year with e-commerce, reaching \$1600 or €1400 in 2022, more than the rural median income.

While local inhabitants talk openly about an increase in their income compared to their former farming activity, they are also incredibly grateful to the founder of the Alibaba empire. One merchant<sup>16</sup> thanks Jack Ma, saying that he has not only changed his life but that of his entire village. He is 'a man who takes risks and does things, he has created a new era, an era of e-commerce'.

#### A spatial impact

In urban areas, all the conditions are in place to benefit from a good flow of products and a good service for deliveries, making cities even more attractive than they already were. Nevertheless, e-commerce has amplified the precariousness and unhealthiness of living conditions.

Lirendong is a typical Taobao village on the south-eastern coast of the country, located in the metropolitan area of Canton. It is a so-called urban village, because it withinthe urban center yet still has the administrative status of a village. In China, territorial laws assign urban land to the state and rural land to the villagers' committees. When the city expands, it absorbs the rural territories which disappear under its jurisdiction, however, some villagers' committees manage to retain control.

In common use, the villagers' committees first sell their agricultural land and then their housing land, but in the case of these so-called urban villages, the committees keep their housing land on which they demolish the existing houses in order to build five- or seven-story buildings. These places become shelters for migrant populations coming from the surrounding countryside, or even from farther away. These villages operate as pressure valves for the Chinese urban dream, because although the city needs this workforce, there is no plan to provide them with decent housing.

These urban villages, which are based on Chinese law, are legal but cast light on the failings of the system because these villagers end up becoming rentiers, a long way from the activities that their peasant status aimposes on them. These atypical cases exist mainly in the south of the country, far from Beijing's power.

Inherited from the Mao era, the urban fabric is regulated only by the villagers' committees who are both administrators and responsible for their territory. However, they operate as

<sup>&</sup>lt;sup>14</sup> USA today online article 'Alibaba works magic for China's Taobao 'treasure hunters' written by Calum Macleod and published on 24 April 2014

<sup>&</sup>lt;a href="https://eu.usatoday.com/story/news/world/2014/04/24/alibaba-china/8102033/">https://eu.usatoday.com/story/news/world/2014/04/24/alibaba-china/8102033/</a> consulted on 10 February 2022

<sup>15</sup> Ibid.

<sup>16</sup> Ibid.

frenetic developers. These places are known for their ultra-density<sup>17</sup>. The secondary grid is composed of alleys sometimes less than one meter wide A common expression refers to the fact that both sides of the alley are at arms length from one another. In addition, these de facto unhealthy areas are fire hazards.

E-commerce has only made these places more attractive. Apart from the main roads where restaurants and food shops are located, most of the lower levels are occupied by poorly-lit workshops and places dedicated to e-commerce, while the inhabitants live in the upper levels, dormitories for migrants, top floor for the owners<sup>18</sup>.

It is probably in order not to encourage these legal no-go areas that the state policy of Taobao villages does not explicitly promote the already prosperous territories of the coast, but rather the provinces further inland, a ways off from the economic development of cities.

#### Handcrafting challenged by mobility

The village of Xinhuacun<sup>19</sup> is interesting in this context because it is located in a valley in the Hequing district of the mountainous and predominantly rural province of Yunnan in southwest China. It also has a long local history, linked to the Bai people, and on a larger scale as a stop on the ancient Tea and Horses Route connecting Yunnan to the East.

The villagers also maintain a tradition of handcrafted tin products, mined in the mountains, extracted in abundance since the industrial revolution. This tin is mainly used make teapots. It is the oldest and most dynamic industry in the region.

In 2013, the village decided to join the digital revolution of Taobao villages, which alloeds the 6,000 inhabitants of Xinhuacun to benefit directly from the local economy.

The advantage of this village is, as is often the case, its convenient location. Xinhuacun is close to Lijiang, a major Chinese tourist hotspot classified on the Unesco World Heritage list. It is 20km from Lijiang airport and 10km from its railway station. Its position is all the more strategic as this village is in western China where the transportation network is not very developed. Due to its altitude, there are no high-speed rail lines serving the province, even though the country has been gradually equipping its entire territory since 2011.

The village also benefits from Lijiang's tourist attractivity as Xinhuacun receives more than three million tourists every year. Visitors come to see and learn about the tin production sites and visit a museum dedicated to this traditional art.

Far away from the manufactured products of the world's factory, local e-commerce focuses on meticulously crafted products. To obtain workable tin, the villagers begin by melting an old teapot, itself made of tin or tinplate, with a burner. Once the metal has been fused, it is then worked into a shape that forms a piece of tin lingot. From this cubic piece of tin, the craftsmen work it to thin it, then cut it into a circular shape.

Once the regular circle is obtained, it is now time to bend it by tapping it from the center of the circle with a hammer to stretch the material towards the outer edges. The only thing left to do

<sup>&</sup>lt;sup>17</sup> On the subject, read Quan Le Huang's PhD thesis 'Une urbanisation hybride, métamorphose spatiale et sociale de Shipaï, village urbain de Canton en Chine, 1978/2008' defended in 2010 and supervised by Pierre Clément at the University of Paris VIII.

<sup>&</sup>lt;sup>18</sup> On the subject of Lirendong, read Xu Lunian's undergraduate report 'The study of a new urban-rural typology. The Taobao village of Lirendong, Guanzhou' defended in 2020 at ENSAPVS.

<sup>&</sup>lt;sup>19</sup> The village of Xinhuacun was the subject of research by the students of the master 1 Chinese villages seminar supervised by Stéphanie Boufflet at ENSAPVS in autumn 2021 <a href="https://villagechinois.wixsite.com/ensapvs/about-3-1">https://villagechinois.wixsite.com/ensapvs/about-3-1</a>

is to file down the visible roughness by using a round stamp hammer to soften the corners. Chinese craftsmen who work with tin often add steel flakes once the tin has been fused. The resulting tin plate is not only harder, but also more resistant to breaking and corrosion and can be recycled repeatedly without losing its properties. In addition, this combination prevents the loss of flavor and allows the consumer to enjoy high-quality tea.

This craft requires very precise dexterity and attention and yet the manufacturing workshops are set up in old courtyard houses. They occupy the entire living space on the ground floor, while storage areas were added in the backyards.

The profits made from the sale of these teapots help the villagers improve their living conditions. A report by a French news channel<sup>20</sup> shows the development of a young teapot entrepreneur. While his parents worked in the fields, he was able to buy a flat in the prefectural city of Kunming and thus helped his family and all the inhabitants of his village who followed him in the production of teapots.

The Taobao-craze has generated a rise in living standards, reduced the rural exodus phenomenon as well as increased the value of the crafting industry. Luxury craftsmanship, since these teapots are sold for an average of €2,000 at 2021 prices all over the country and even in Europe. This underlines the importance of local cultures in territorial development and proves that digital technology can be a stimulus to this development.

#### The Party wants in, Taobao red!

These various examples show us a certain reality of Taobao villages in their daily implementation. However, despite a significant increase, it is a moderate success as it only affects 7,000 villages in China in 2021.

Nevertheless, the government wants to remain at the forefront. Some local authorities are displaying slogans in honor of this policy of shared governance: 'It is not worth rushing far away from home, from east to west, when one can do Taobao at home'<sup>21</sup>.

The Chinese Communist Party has also given itself a presence in e-commerce by launching the "Red Taobao" initiative. It has become an active organizer of e-commerce through the creation of a local branch of the Party dedicated to this activity.

It functions as a quality label called "Red Taobao", red referring to the Chinese state. It aims to motivate its executives to invest in e-commerce businesses and to increase sales fidelity. The products labelled Red Taobao would be a guarantee of seriousness for the consumer and would help him navigate his way through the variety of available products.

By doing so, the Chinese government is taking advantage of e-commerce both to reduce rural poverty and to ensure the enrichment of its executives, but the issue is much broader. By understanding the financial manna generated by the dynamics of the BATX, the Chinese government now understands that it can ensure a form of independence from American influence. It is therefore in its interest to encourage their expansion while at the same time controlling them, because their financial masses have outstripped those of the State.

While the Chinese government has supported its BATX in their economic development, it seems increasingly clear that it is now forcing them under its authority because their force of action has outstripped what the state can control. In October 2020, popular and iconic Alibaba

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<sup>&</sup>lt;sup>20</sup> China: villages 2.0. ARTE. Report broadcast on 13/12/2018. duration 23 minutes.

<sup>&</sup>lt;China: villages 2.0 | ARTE Report> consulted on 10 February 2022

<sup>&</sup>lt;sup>21</sup> Op.cit. 2014

CEO Jack Ma disappeared for several months after criticizing financial regulations for blocking innovation in China. The group then suffered several negative blows directly linked to Beijing's wrath.

At the end of 2021, a speech by the Chinese president about digital technology<sup>22</sup> promoted the way between regulation and promotion in order to prevent "monopolies and the disorderly expansion of capital". Laws were announced regarding personal information protection and data security but also concerning the regulation of money transferring outside Chinese borders.

This sends a clear message to digital giants. It is a matter of cooperation between the public and private sectors, of finding a 2.0 interaction.

Nevertheless, problems arise in this digital development under the realm of public-private governance but that does not seem to disturb either party involved.

#### Spirit of place 2.0?

The Taobao village promotes the opposite of what constitutes the essence of the village, namely the spirit of place.

If the territorial aspect is considered in the beginning, it is primarily with the goal of developing an economic market with a focus on profit and efficiency. In the end, the villages that are the promoters of the Taobao project are promoting ultra-consumption driven by ultra-mobility and reinforcing the ultra-densification of territories that are subject to excessive land pressure in relation to resources, with the urban village being the most exacerbated example.

In China as in other territories, urban people are becoming increasingly worried about their quality of life and do not hesitate to leave the city for a weekend or more to revitalize themselves in a natural space.

There is a matter of reconnecting with the traditional culture of Chinese nature which considered man as an integral part of the living world. The scholars of ancient times constantly dreamed of mountains and water<sup>23</sup>, a fundamental cycle reflecting the harmony of a natural cycle. These scholars have left us testimonies of their emotions through paintings, calligraphies and poems<sup>24</sup>.

In the 21st century, there are places in China which explore a new interaction between city and countryside in which the state is also present.

On the edge of the Songyang Valley, in the prosperous southeastern province of Zhejiang, the head of the local government has set in motion a new local dynamic. He has invested in the construction of cooperatives that combine tourism and local businesses, promoting tofu, tea oil, etc. A bamboo theater was also built. To construct the buildings in this valley a few kilometers long, he called upon Xu Tiantan, a famous architect in China who has been able to

<sup>&</sup>lt;sup>22</sup> Online article from the Hong Kong newspaper South China Morning Post 'Xi calls for smarter regulation of digital economy and highlights its key role in future national development' written by Xinmei Shen and published 20 Oct, 2021 <a href="https://www.scmp.com/tech/policy/article/3153030/xi-calls-smarter-regulation-digital-economy-and-highlights-its-key-role?module=inline&pgtype=article>consulted on 10 February 2022</a>

<sup>&</sup>lt;sup>23</sup> Read the work of François Cheng, and in particular Empty and full, the Chinese pictorial language published by Le Point in 1991.

<sup>&</sup>lt;sup>24</sup> For an illustration of this culture of traditional Chinese nature, refer to the book by François Cheng, The space of dreams. A Thousand Years of Chinese Painting, Phébus Edition, 1991, 248 pages.

link traditional culture and contemporary rural issues by breathing new life into the culture of place<sup>25</sup>.

The project reveals an architectural acupuncture as a socio-economic model, as beyond these tourist-agricultural punctuations, it has generated the rehabilitation of villages, therefore attracting urban people and even French architecture students<sup>26</sup>. This indicates that it is possible to offer the architecture of an awakened tourism as another possible local rural revitalization. It does not in fact prevent ultra-mobility, ultra-connection, but it perhaps tempers the excesses of a consumer society whose effect on nature has been devastating. There is now a challenge of creating a new deal between the urban and rural worlds that respects the spirit of the place.

The challenge of China. Rural 2.0. Architecture 2.0.



<sup>&</sup>lt;sup>25</sup> The challenges of the development of this area and the architect's projects are presented in the book: Architectural Acupuncture as Driver for Socio-Economic Progress in Rural China, Projects by Xu Tiantian, DnA\_Beijing. Hans-Jürgen Commerell, Kirsten Feireiss with the contribution of Xu Tiantian, Park books edition, 2020.

<sup>&</sup>lt;sup>26</sup> In the autumn of 2019, the ENSAPVS project workshop Aux confins de la Chine travelled to China with twenty students, supervised by Stéphanie Boufflet and Pierre Vincent, teachers.

This article was written following research conducted as part of the Chinese villages seminar tutored by Stéphanie Boufflet at ENSAPVS in autumn 2021 <a href="https://villagechinois.wixsite.com/ensapvs">https://villagechinois.wixsite.com/ensapvs</a>

The first hypothesis was presented during the 2nd Architecture & Intelligence Meeting (EVCAU 2021) in December 2021 <a href="https://www.youtube.com/watch?v=Q40H4ZePYC4">https://www.youtube.com/watch?v=Q40H4ZePYC4</a>

The article was written in French and then translated into English with the help of the application DeepL. It was reviewed by Nicolas Brazeau, native English speaker.

List of students in the seminar: Dahlia Bachotet-Kaoukdji, Yossri Bouhdoum, Nicolas Brazeau, Pauline Broquet, Annelore Celante, Florian Demoz, Thomas Gendrot, Marc Nigro, Karim Laghzizal, Andrea Polenta, Camille Restoy, Maëlle Rouzic, Lunian Xu, Hailin Zhang

Illustrations. Archigram Cities Series Drawings. Illustrations by Drawing Architecture Studio, a platform founded by Li Han, architect and Hu Yan, designer illustrating the subject of Taobao villages freely inspired by Archigram's work. Commissioned by M+ Museum, Hong Kong Museum of Visual Arts in 2020.

< https://stories.mplus.org.hk/en/blog/walking-plugging-and-floating-archigram-cities-in-asia/> and < http://www.d-a-s.cn/en/drawing.php>

