

## **Presearch on the Innovative Development of Consumer Poverty Alleviation Business in Commercial Banks: Take Agricultural Bank of China as an Example**

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**Abstract:** Consumption refers to the government enterprises and institutions and individuals for poverty alleviation, such as the main body by buying from poor region characteristic agricultural products and services, helping the poor income poverty in a precise way of poverty alleviation, is to mobilize all social forces to participate in the crucial important way out of poverty, on the other hand, commercial Banks with their own connection of the massive amounts of customer information and resources between urban and rural areas, in the consumption of poverty alleviation can play an important role in trading main body and the medium of exchange at present each big commercial bank financial precision more concentrated in the industry for poverty alleviation loans and farmers microcredit level, such as participate in the consumption of anti-poverty practice is still in a small scale. In shallow level pilot, theoretical research results are relatively few. Based on jinping precise ideas for poverty alleviation leading to Marx's theory on the relations of production, consumption participatory development theory and social refinement management theory as the instruction, such as interpretation accurate financial accuracy and consumption for poverty alleviation poverty alleviation and other important connotation of the concept of consumption on the overall analysis our country commercial bank to participate in poverty alleviation to assume the role of the status and main forms, analyze the current consumption of commercial bank poverty alleviation and development present situation existing problems and disadvantages in consumption are one of the leading enterprises in banking business for poverty alleviation of the agricultural bank of China for example, to promote its poverty alleviation consumption in recent years of practical experience and has yet to be achieved in-depth exploration. In the end, it provides countermeasures and Suggestions for the further development of consumer poverty alleviation business in China's commercial Banks.

### **1. Introduction**

From the practical situation of precision for poverty alleviation in China in recent years, now take the main forms including industrial cultural tourism education for poverty alleviation relocation within consumption for poverty alleviation poverty alleviation poverty alleviation is to point to form industry relying on natural and labor resources such as poor areas led by leading enterprises in the development of characteristic industry promote employment and income increase poverty population out of poverty; Cultural tourism poverty alleviation is to utilize the characteristic historical culture and tourism resources of poor areas to promote employment and income growth to achieve poverty alleviation. In the short term, poverty alleviation through education is to improve the production skills of the poor population by increasing labor skills cultivation in poor areas, increase employment channels and income, and achieve poverty alleviation. In the long term is to increase education investment, poor areas to improve the level of education of the next generation's poor, to help them change their own destiny, and family economic conditions, to cut off the poverty of the intergenerational inheritance relocation within poverty alleviation is in view of the poor in natural conditions, with better condition of the unified planning by the government to move to

different ground, in order to improve their production and living conditions to implement rich consumer poverty alleviation is just emerging in recent years through the consumption characteristics of products and services help poor areas innovative precision form for poverty alleviation of poverty population out of poverty.

On financial accurately the connotation of poverty alleviation, there is no unified definition at home and abroad at the beginning of 2016 and the National Development and Reform Commission of the people's bank of the Ministry of Finance and other seven ministries jointly issued on the implementation of the financial boost the crucial poverty opinion (hereinafter referred to as "implementation opinion"), which first put forward the concept of financial precision for poverty alleviation, and of commercial Banks and other financial institutions involved in accurately put forward the following opinions and specific requirements for poverty alleviation, accurately grasp the financial boost poverty crucial general requirements;Accurately matching diversified financing needs for poverty alleviation;Vigorously promote the development of inclusive finance in poor areas;We should give full play to the main role of commercial Banks and other financial institutions in winning the battle against poverty.We will continue to improve financial support measures for targeted poverty alleviation.The release of the guidelines on the continuous improvement of the financial service working mechanism for poverty alleviation has provided a clear action guide for commercial Banks and other financial institutions to carry out targeted financial poverty alleviation.

## **2. Overview of Targeted Poverty Alleviation Business of China's Commercial Banks and the Problems They Face**

### **2.1 The Current Situation of Poverty Alleviation through Consumption in China**

#### **2.1.1 State Organs and State-Owned Enterprises and Institutions' Poverty Alleviation by Consumption**

In recent years, the state-owned enterprises to actively respond to a nation called on the government departments at various levels, active docking fixed-point poverty alleviation and a pair of helping poor areas, through the holiday welfare products procurement daily agricultural special products purchase form of purchasing agricultural products from poor areas and peasant households, greatly boosted agricultural production in poor areas, and sales, according to statistics, in 2018 alone, the government departments at all levels and state-owned units in production and marketing docking activities, from comprehensive demonstration of state-level counties into the Ministry of Commerce purchase of agricultural and sideline products has more than 10 billion yuan.

In the People's Bank of China, for example, in recent years in tongchuan city proper jun county counterpart aid and the work of ink pad area, the head office level direct procurement from the two counties (area) of agricultural special products of more than 700 ten thousand yuan, help sales of more than 800 ten thousand yuan, supporting the professional cooperatives cumulative purchase nine subordinate to the branches has witness areas produce nearly 40 million yuan, to help sales of agricultural special products of 180 million yuan.

#### **2.1.2 The Development of Poverty Alleviation through Consumption of Private Enterprises**

In poverty alleviation and activities in the state-owned units in precise enthusiastically at the same time, the private enterprises also actively respond to a nation called on performance of the social responsibility consciously in October 2015, the poverty alleviation and development office of the State Council jointly with the national association of industry and commerce and the China glorious will be launched thousands of companies to help wan village poverty alleviation action the initiative and encourage private enterprises to in poverty alleviation, on the premise of voluntary pairing, enterprise and industry with the village poverty alleviationConsumption of poverty alleviation and other forms of inputting the tent card is funding and poor for support, or help promote production skills of recipients and or direct consumption or help pin recipients of agricultural special products, to achieve the goal of quickly out of poverty than companies help wan village, glorious action since its beginning, namely by the positive response of the private

entrepreneurs, by the end of 2018, the involvement of the private enterprises have more than 60000 total home, helped more than 60000 funding out of poverty to get rich, over fulfilled action right from the beginning to develop in 3 to 5 years time attracted more than 1 m of the private enterprises to participate in the goal New hope group, for example, in recent years in precise poverty alleviation has more than 5 billion yuan investment of private enterprises to participate in all companies to help wan village poverty alleviation action, both fully demonstrated the superiority of the concentrate resources to accomplish large undertakings of the socialist system, strongly promote the non-public economic subject the fulfillment of social responsibility, good for poverty alleviation battle to build a well-off society in an all-round way due contribution to the force.

### **2.1.3 The Development of Poverty Alleviation through Consumption in Commercial Banks**

In the whole society to participate in the great project of the precision of poverty alleviation, People's Bank of China in recent years, successively promulgated the implementation of financial boost poverty crucial opinions on further promoting the implementation of the pratt & whitney notification of financial development and so on many financial boost poverty crucial policy documents, guide the financial resources to the poor areas and poor in May 2019 the People's Bank of China issued and implemented the about doing a 2019-2020 financial precision guidance on poverty alleviation work Opinion that the People's Bank of China branches at various levels shall actively guide financial institutions to increase credit funds for poverty alleviation, give full play to the guide of refinancing for poverty alleviation in policy actively guide support, the commercial bank's financial precision poverty alleviation work has achieved remarkable results by the end of March 2019, the country's financial institutions precision poverty alleviation loan balance of 712.6 billion yuan, benefiting the poor, 19.38 million; The balance of targeted poverty alleviation loans in the industry reached 1.17 trillion yuan, bringing 7.97 million people living in poverty.

## **2.2 Problems and Deficiencies of Commercial Banks' Participation in Consumer Poverty Alleviation**

### **2.2.1 There is a Conceptual Bias**

Compared with the mature commercial operation mechanism of credit poverty alleviation, the consumer poverty alleviation of commercial Banks is still in the exploratory stage. From the current commercial Banks to participate in consumer behavior for poverty alleviation can reflect the management to the staff members to understand consumer properties for poverty alleviation of deviation, one is the consumption of economic development in poor areas for poverty alleviation drive function understanding insufficiency, the poverty alleviation work emphasis on consumption is not enough, most of the resources and energy allocation to poverty alleviation in the credit business; Second, the vast majority of people equate consumption poverty alleviation with pure public welfare behavior, which is to show love and charity to poor areas and poor people. As a result, most commercial Banks remain engaged in simple purchasing and consumption in the poverty alleviation of consumption as ordinary consumers, without in-depth study of the more roles and more important roles they can play in the poverty alleviation of consumption, which leads to the superficial business of poverty alleviation of consumption. However, from the analysis of business nature, consumption poverty alleviation actually has the dual nature of market and public welfare, which is to realize the purpose of social welfare in the way of commercial operation.

### **2.2.2 Homogenization is More Serious Industry Advantages Play a Lack**

First, the forms of commercial Banks' participation in poverty alleviation through consumption are relatively unitary, with serious homogeneity among commercial Banks and insufficient innovation in their business models. At present, it mainly purchases or sells agricultural products in poor areas directly as consumers on the demand side, while other factors such as supply side, financial intermediaries and exchange media are not playing enough roles. it is failed to give full play to the commercial Banks information, technology, customer resource advantages, network and so on industry, failed to reflect as a financial intermediary of commercial Banks and other

institutions and enterprises consumption characteristic difference of poverty alleviation, failed to poverty alleviation in consumption within the whole life cycle of the whole industrial chain and horizontal and vertical mining business and financial innovation.

### **2.2.3 The Self-Built Consumer Poverty Alleviation e-Commerce Platform Still Needs to Be Improved**

Is one of the few large commercial Banks, such as industrial and commercial bank, construction bank, agricultural bank, etc.) set up specifically for consumption electric business platform for poverty alleviation, and some Banks open up consumption of poverty alleviation in original mobile phone APP agricultural zone, these different platform characteristic and advantage, but as most of the lack of horizontal collaboration with other institutions, business scope is limited to an area or a link, it is difficult to form resultant force between government departments, unable to realize scale economic benefit. On the other hand, the effect of these e-commerce platforms on promoting the upward growth of agricultural products or services in poor areas also needs to be improved. Many of the poor areas in western China are characterized by high quality agricultural products with scattered origin, variety, small output, lack of brands, and because they are far away from the huge demand in the eastern and central markets, sales problems always exist. In some commercial Banks, poverty alleviation through consumption is usually a one-off promotion and love purchase of unmarketable agricultural products, lacking a stable and long-term mechanism, which makes it difficult to give play to the continuous guiding role of market signals in production.

## **3. Suggestions on Promoting the Further Development of Consumer Poverty Alleviation Business in Commercial Banks**

### **3.1 Government Level**

We will strengthen policy formulation and publicity and guidance by public opinion, and deepen the detailed implementation rules for poverty alleviation through consumption on the basis of the Guidance on Deepening Consumption Poverty Alleviation and Assisting in Winning the Battle against Poverty, which was issued by the General Office of the State Council. COVID draw lessons from the beginning of 2020 outbreak after China central television to help sales in hubei province agricultural special products donated 500 million yuan of public service ads the generosity of the achievement and success, the future may be considered appropriate to increase agricultural special products in poverty-stricken areas in the central radio and television reception desk, local radio and television public advertising, and so on each big mainstream media consumption to the whole society practical significance and concrete measures for poverty alleviation, encourage all the social members to actively participate in poverty alleviation, to create a strong “everyone can be the person who is willing to do” the social atmosphere of charity, development of potential consumer groups.

To perfect the relevant tax law system, consumption of poverty alleviation, including large commercial Banks, the vast number of enterprises to participate in consumption, for poverty alleviation in each link must be the related costs, such as offline experience pavilion online platform development and maintenance costs, operating costs, and poor areas of agricultural enterprise docking, publicity launch costs, such as the current related law of such spending tax cuts is still blank. As both attributes of the public welfare and market consumption of poverty alleviation, if looking forward to achieve long-term sustainable development, in addition to the supply of agricultural products considering poor areas the production efficiency, product quality, product costs and prices and other factors, also should be considered as a supply and demand both sides trading intermediary or agent for sales of the commercial Banks to pay the additional cost. It is suggested that in the relevant tax laws and systems such as income tax, the scope of costs and expenses that can be deducted before tax in consumption poverty alleviation business should be clearly stipulated, and tax preferences should be given to activities engaged in public welfare and charity, so as to arouse the enthusiasm of all kinds of enterprises including commercial Banks to

participate in consumption poverty alleviation. At the same time, it is stipulated that commercial Banks should strictly distinguish between pure public charity expenditures (such as direct donations to poor areas) and cost expenditures in the process of poverty alleviation through consumption in their daily accounting, so as to achieve good results.

### **3.2 Commercial Bank Level**

We will intensify financial innovation for the whole life cycle and the whole industrial chain of poverty alleviation oriented toward consumption, At present, commercial Banks mainly play the role of consumers, distributors or sales platform providers of featured agricultural products. In both the supply side and the demand side of consumer poverty alleviation, potential can be deeply tapped to expand the radius of financial services and sink financial services.

In poverty alleviation and the supply side, the consumption of commercial Banks through in-depth field research, knowledge of enterprise for poverty alleviation in the poor areas and poor peasant households of the practical difficulties and realistic demand, deepening ties with enterprises and poor peasant households, through financial innovation to provide personalized financial products and services, to achieve the combination of consumption and financial precision for poverty alleviation poverty alleviation and seamless docking.

Poverty alleviation loans such as industry, commercial Banks can adjust measures to local conditions, expanding the scope of the mortgaged property, the pilot land management rights pledge loans, and other forms of loans, in the premise of risk control, increase credit support for poor region superiority characteristic industry development, exploration and development of supply chain finance, effectively reduce poverty alleviation poverty region the development of the enterprise financing difficulties, financing your difficulties, through the industry development drives the farmers' income, driven by poor areas diversification, solo “product” out of poverty to the large-scale, systematic “industry” anti-poverty mode transformation, promote characteristic agricultural production capacity, production efficiency. On the demand side of poverty alleviation through consumption, we can make use of our own resource advantages to deeply explore consumer groups and sources of customers and expand the consumption demand for featured agricultural products in poor areas.

Be a communicator of poverty alleviation knowledge of financial consumption. The root causes of poverty include remoteness, poor natural conditions, lack of resources and backward labor skills, as well as the lack of scientific financial knowledge and modern credit concepts. In order to help the poor, commercial Banks should give full play to their professional expertise, vigorously publicize and popularize financial knowledge and credit concepts, and improve the scientific and cultural knowledge and production and life skills of poor peasant households. In addition to financial support, it can not only help them get rid of poverty as soon as possible, but also prevent them from returning to poverty after getting rid of poverty. While poverty alleviation by means of consumption helps poor farmers to get rid of poverty accurately, the publicity and popularization of financial knowledge and scientific concepts of financial management and consumption can expand customer resources for commercial Banks and realize a win-win situation for Banks, enterprises and farmers.

Be a practitioner of public welfare and charity culture, Major commercial Banks should take the lead in following the example and actively practice and build corporate culture of public welfare, charity and social responsibility. Corporate culture is the permanent foundation, spiritual power and inexhaustible source of enterprise development. A good corporate cultural atmosphere can provide a strong boost to the development of commercial Banks, and is conducive to the establishment of a good corporate image and the improvement of social reputation of Banks. To this end, each big commercial bank should promote consumption of poverty alleviation through various form public welfare nature and significance of consciously cultivate and social responsibility of the enterprise culture of charity, on the action often institutionalized to carry out various forms of consumption of poverty alleviation activities, mobilize employees in public welfare undertakings, realizes the subjective initiative of the social responsibility, form a full practice social responsibility good atmosphere.

#### **4. Conclusion:**

With poverty alleviation entering the last year and the advent of the post-poverty alleviation era, the research on how to consolidate the existing poverty alleviation achievements through consumption poverty alleviation mode and prevent poverty alleviation from returning to poverty after poverty alleviation will be concerned by the academic and practical circles. In the future, there will be new research directions and trends in how commercial Banks' fintech advantages can be brought into play, how all parties involved in poverty alleviation through consumption can achieve win-win cooperation, and how commercial Banks' path for poverty alleviation through consumption can be combined with the concept and practice of green finance.

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