The Government’s Countermeasures to Promote the Development of Enterprises’ Electronic Commerce

Guozhang YAO     Danhua JIA
Management Department of Nanjing University of Posts & Telecommunications, Nanjing China

Abstract: Although enterprises are the main part of e-commerce development, it is the important duties of governments at all levels to advance the development of enterprises’ e-commerce. From the reality of e-commerce development of enterprises of China, we fully use the successful experiences of the developed countries for reference. And propose that the following countermeasure be taken by government to bring about an advance in e-commerce. (1) Make the government function clear, and give play to the macroscopically planning of government with the guidance function. (2) Make management system in order, and create the fine environment for the development of e-commerce. (3) Strengthen infrastructure construction, and offer technical support to the development of e-commerce. (4) Accelerate the informatization process of government, and bring about an advance in e-commerce with the electronic government affairs. (5) Purchase and offer demonstrating in order that the enterprise implements the e-commerce with the e-commerce of government. (6) Standardize the development of CA’s authentication and financial electronization. (7) Propagate and popularize the knowledge of e-commerce, and accelerate the personnel training of e-commerce. (8) Probe the policies and regulations of bringing about an advance in e-commerce of enterprise actively. (9) Support the implementation of e-commerce of small and medium-sized enterprises especially. (10) Construct the product supply system of e-commerce perfectly to bring about an advance in e-commerce.

Key Words: Enterprise; E-commerce; Government; Countermeasure

It is already known to more and more countries that e-commerce has far-reaching influence on national economy and social development. The government of every country in the world is actively probing the effective countermeasure for driving national e-commerce development and winning initiative of its development in network economy. Because the development of e-commerce of China is still in starting stage, the government is bearing extremely important function in advancing the development of e-commerce of enterprises, especially outstanding in the following ten aspects.

1. Make government function clear, Give play to the macroscopical planning and guidance function of government

Reviewing the practices of e-commerce development of countries in the world, governments are bearing extremely important function in advancing the development of e-commerce of enterprises. Without macroscopical planning and policy guidance of government and improve the application environment of e-commerce, It is unrealistic that the enterprises should succeed in developing the e-commerce. However, the government must
make one's own corresponding function clear, which must catch whereas which should not be in charge of at first. The e-commerce of U.S.A. was developed and holds a safe lead on the whole world; owing to the principle and policy taken with the federal government of U.S.A. for bring about an advance in e-commerce. U.S.A. government stipulates five basic principles on "global e-commerce policy frame":

(1) Private sectors must play a leading role. Internet development should be driven by market because such things as innovating, service expanding, extensively participating and price reducing could only be realized under the leading environment of market. Otherwise they are unable to realize in a kind of trade controlled, even if in some fields which need common behavior. The government should encourage industries to manage oneself to the best of one's ability and private sectors to take the lead.

(2) Government should prevent e-commerce from improper limit. In the courses of buying and selling products or the services and reaching the legal agreements through Internet, both parties are carrying on reducing the intervene or the participation of the government as less as possible. The government will strictly control to making the new and unnecessary regulation that Internet carries through the commercial activity, simplify the government procedures of handling affairs or avoid collecting new tax revenue and tariff.

(3) When the government must participate in, the goal of government should have been to support and create a legal environment suitable for commercial development, which must be predicted, least influenced, and continuously simple. In some field government interference will be needed, the government function should be lasting competition and implementation of contracts, protecting intellectual property right and privately owned right, preventing from imitations, strengthening transparency, promoting commercial trade, enhancing the settlement of disputes.

(4) The government must see clearly the characteristic of Internet. Should give the credit to its scattered essence to a certain extent in its advantages, its enormous success, and its management way from bottom to top. It may not be suitable for Internet that the standardized frames have been set up for telecommunications, radio and TV trade over the last 60 years. Some existing laws and regulations should be reviewed, revised or abrogated again, for they may hinder e-commerce development, and in order to satisfy the new demand of era of e-commerce.

(5) The e-commerce on Internet should be promoted within the range of the whole world. Nowadays Internet itself is a global market, so the legal frame of online trade must take unanimous management principles and break the demarcation line between areas, or countries in the world. It will only hinder free trade and global commerce from developing to carry on totally different and multiple management of Internet.

These five basic principles have already become the important basis that the government of every country in the world has instructed development policy of the e-commerce now. They also have very strong directive significance to governments at all levels of our country.

We think that in bringing about an advance in e-commerce of enterprise the governments at all levels of our country should insist on the principle to regard market as the direction, rely mainly on enterprise, guide with the
government, regard world as consult. At thinking of development "to unify planning, participate in, coordinate, move forward steadily". They will not only use foreign advanced experiences for reference and absorb effectively, but also fully consider the reality of China. In order to promote our country’s enterprise e-commerce developed in line with international standards and to make the outstanding contributions in economic development of our country.

2. Make management system in order; create the fine environment for the development of e-commerce

The development of e-commerce is a complicated system engineering, which involves the every aspects of each trade and society. It is especially important how to overcome such existed questions in the course of development as doing things in ones own way, dispersing build, and unordered managing ". There must be the powerful government administrative department to carry on the inter-trade, trans-departmental, trans-regional coordination. While the project "capital e-commerce project" started in Beijing, the "leading group of capital e-commerce project" was established. Many departments participated in it, such as the government of Beijing, People’s Bank of China, Ministry of Information Industry, Bureau of National Inner Trade, General Bureau of National Tax Tariff, General Bureau of Custom, Bank of China and Industrial and Commercial Bank of China. The group led and commanded the pilot work of project of e-commerce of the capital. This organization played an important role in coordinating the relationship between departments of the central state organs and Beijing government. But we should see that enterprises are the main part of participation in e-commerce, it is a key how to arouse the enthusiasm of enterprises. So the government departments concerned should consider establishing a special organization of e-commerce management and promotion to attract participation of representatives of trade associations and enterprises. It is the important task to coordinate the relationship between governments at all levels functional departments and between enterprise and departments, such as industry and commerce administrations, tax administrations, banks, customs, imports and exports management, administrations of justice, etc. Coordination is more important than technology to the development of e-commerce. Only to strengthen the relationship between trades, link up and talk each other between the government and enterprises, strengthen extensive and transparency policies, make sure that every department and every enterprise could cooperate each other, link up each other according to certain rule and order, make organizations unitized and operations coordinated under the developing macroscopic policy of e-commerce, overcome "each department acting on its own", prevent from "management under many leaders", and insist that " government, industry, university and institution" joint together, then the development of e-commerce could really be fulfilled and seen effects.

It is a great job that administrative departments at all levels of government must make an effort to catch to create the fine development environment of e-commerce. The development environments of e-commerce include following several piece respects:

(1) Market environment of fair competition. The e-commerce is as a brand-new commercial mode; there must be fair competition of market environments, which provides safeguard for it. For this reason, the departments
concerned of government should take management and service for it as own basic duty. Insist on the principle on
marketization, encourage the equals participating in, fair competition of enterprises of different ownership forms,
encourage private investment, set up the industry standard and rule containing by oneself nature, try one's best to
reduce the intervention of government, break of different forms monopoly and dispel various kinds of artificial
obstacle and protect convoy for enterprise e-commerce development.

(2) System environment with orderly standard. The e-commerce has overall, comprehensive, integrative and
complex characteristics of overall importance. The normal system as the guarantee must be the fully provided.
The government must set up and perfect the systems, such as the electronic payment system, intellectual property
protection, security of information and individual privacy, and technical standard of telecommunications, etc. For
this reason, make the e-commerce activities have regulations to abide by.

(3) Suitable policy legal environment. Popularizing for the popularization which promotes e-commerce
development, the government should take certain encouragement policies to impel implementation of enterprise
e-commerce, make the clear regulation, and promise that there are laws to abide by in question of asserting. The
regulation includes the laws about Internet transactions and finance, and the reaffirmance of electronic signature,
electronic document and electronic evidence.

(4) Good environment of social development. The development of e-commerce is a system engineering, which
concerns the whole society; there must be the good social development environment to support. The government
departments concerned should popularize the relevant knowledge of e-commerce through the various forms,
establish the model of applying e-commerce, and participate in the domestic and international formulation on
policy of e-commerce actively. Make the development of e-commerce of this area incorporate to the development
trend of globalized economy and strengthen the competitive energies of regional economy.

3. Strengthen infrastructure construction to offer technical support for the development of e-commerce

The foundation of e-commerce is the informatization of enterprises and government, electronization in trade
and finance networked, so there must be the good network infrastructures to support. However, no matter the
ordinary common people, or the enterprise organizes, while using Internet, feel that the respects, such as speed and
expenses of the network, etc. are also less than satisfactory. Compare with developed country, disparity is very
great. There still are big problems relatively in infrastructure. Much work will be done, such as building urban
broadband network and integrating of three nets, television network, telecommunications network and Internet. It
is a very important and extremely urgent task for the responsible institutions of government to strengthen
infrastructure and create the good environment of network application for the development of e-commerce.
Following problems should be solved emphatically.

(1) improving the Net condition and reduce the Net expenses

The development of e-commerce depends on the extension of network user's scale; especially the trade of B to
C electronic commerce totally depends on the enthusiasm of the Internet users participating in. It is the important
factors to improve the Net condition and reduces the Net expenses for accelerating the speed of e-commerce popularized and raising its appeal. In recent years the China Telecom reduced the Net tariff constantly but it is still in "leading level" in the world. The width cost is too high to bear for a lot of enterprises who renting the width of China Telecom and developing e-commerce. Most netizens have been influenced on their interest of surfing the Net and ding shopping on the Net because the expenses of surfing Internet are too high too. Since the telecommunications enterprises meet the challenge, "entry to WTO", to reduce the tariff of surfing Internet is a strategic choice. It is the effective action of bringing about an advance in e-commerce as well. There should be correct understanding to this in the responsible institutions of government. To improve the Net terms includes the following: (a) Strengthen the construction of urban broadband network, ISDN net, the intelligent network and communication network of the multimedia, in order to promote simultaneously the uses of the Net by enterprises, institutions of government and families together to move forward in step. (b) Accelerate the pace of construction, "integrating three nets", let citizens have more choices on line, promote the competition between network inserting companies through the diversification of access way of the Net, raise network insert quality, reduce the tariff level of the Net, and let common people get more benefits. (c) Expand Internet interface, convenient to interflow and interconnect. Because the interface is small between the Adduction and Science Network and the China Telecom’s Mass Network of our country, their users have been influenced on the interchanging information between Internets. So the width between different networks should be expanded to promote the interflow and interconnecting of them and contribute to the popularization of network application.

(2) take capable measures to ensure the security of online trade

An important factor of influencing B to C online trade is that the masses of netizen suspect of the security of online trade and so do the enterprise operators in B to B online trade. There is not only the factor of technology but also the factor of human in the problem about the security of online trade. The government should take the capable measure to ensure the security of online trade. From the angle of technology, the government should pay close attention to the progress of both domestic and international technology of hardware and software for safe precaution of network. And the government should actively cooperate with famous IT enterprise both at home and abroad together to improve the dependability of the online trade by the way of measures of encrypting and authorization with the essential legislation to ensure stopping crime on networks. The online trade safety problem that the human factor causes includes credit of trade companies, quality of product and after-sale service, etc. At these question, on one hand government should strengthen management, on the other hand it should regulate the operations of online trade through making essential laws and regulations to dispel the worry about online trade in common people. In the period that our country is being in transforming from planned economy into market economic system, the phenomenon such as swindling with trade behavior in economic activities often take place as some lawless persons see existing loophole in online trades. The administrative departments of government must prevent trouble before it happens, so that the behavior of swindling can't influence the development process
(3) encourage the exploiting and applying of e-commerce software with independent intellectual property

Software is "soul" of information-intensive society, which involves the security of national information, concerns every aspect of national economic development, and influences the key factor of e-commerce development too. Lacking suitable and easy use of e-commerce software already becomes an important reason that restricts the development of enterprise e-commerce. Industry of software itself is a very considerable market, which has the great meaning in e-commerce development. The responsible institutions of government must pay close attention to the development of industry of the software. They should encourage exploiting and applying the e-commerce software with independent intellectual property actively though measures of various forms such as adopting favorable tax polices, building software gardens, standardizing relevant technology and developing it together, government, industry, university, and research institution. Then they will promote the exploiting of application software of e-commerce and the growth of software industry.

4. Quicken the informatization process of government, bring about an advance in e-commerce with the e-affair of government

In January of 1999, the economic information center of State Economic and Trade Commission and China Telecom unite information responsible institutions of the People’s Congress of China, the Chinese People's Political Consultative Conference (CPPCC), the Supreme People's Court, the Supreme People's Procuratorate and offices of all ministries and commissions of the State Council together Initiate "project of government's surfing the net". It has raised the curtain for our government informatization. Over two years, this project has made the phased achievement under the supporting energetically and participating actively of them. The government informatization is closely linked with enterprise informatization, which plays an important role in spurring demand of investment and consumption of informatization and driving the informatization of overall national economy. However, the final purpose of government informatization is not that the government sets up corresponding website to carry on the information on the Net, but that the government function is online through the Net, which is more important. Namely through structuring "e-government" realizes the function of government on Internet. The main intention of "e-government" is to structure a virtual electronizing institution to break the organization demarcation lines between administrative organs of government with the technology of information and communication. It make people unable to last information and service government from different channel without the traditional way passing many offices and verified in writing. It will link up each other via various kinds of electronic channels between the government organs and between government and various circles of society and offer people all kinds of the choices of government services under whatever people want such as demands, convenient forms, time and place. Enterprises or individuals can visit the relevant websites of government to handle various kinds of affairs on Internet directly. "E-government" can retrench the officers of government, reduce the government departments, improve and handle affairs efficiency, reduce the administration
expenses, and promote the implementation of government informatization effectively. At present in primary stage of government informatization of our country, the number of our government organs whose function is really online with the Net is even quite little. So, it is a task of top priority to accelerate the informatization process of government.

According to practices of "e-government" constructions of developed countries, such as America, Great Britain in recent years, it is an effective way that the implementation of " e-affair " of government promotes the development of " e-commerce" of enterprise. It includes government "bidding and submitting a tender" online, procurement online, electronic paying welfare, electronic tax administration, dealing with electronic official document as well as electronic identity authentication, which has promoted the application of e-commerce of enterprise directly or indirectly. That series of projects of "gold" that our country has implemented in recent years is the effective exploration of our government " e-affair ". But it has had heavy disparity from intact and really government " e-affair " because of its limit application in different trades. The government organs of our country are carrying on the great reform, and the government function is turning to the type that serves management from the managing type. It is the trend of the times and is also the inevitable choice in line with international standards to strengthen the research of government " e-affair ", make the corresponding implementation tactics, and catch by opportunity to realize it. That "electronic government" and" e-commerce" is combined organically is the important guidance of the actions of developing e-commerce.

5. Government purchases on line in order to offer demonstrating for the implements of enterprises’ e-commerce

In recent years in order to strengthen the management of the government procurement of goods and material, raise the utilization benefit of public financial funds, and make trades public, some provinces and cities in China have already begun and implemented successively policy " government procurement". Government procurement is to embodying the purchase principle of "open, fair, just and benefit". It has important meanings of safeguarding social public interests, promoting and ensuring the national carrying out on laws, regulations and social economic policies. According to international practices, the 10%-15% of national GDP is on account of government procurement. The annual purchasing amount of our government will reach above thousand billion Yuan in several years of future. After implementing the policy of government procurement, it will certainly improve the transparency of purchasing links and prevent government officers from corruption. While traditional government procurement modes of bid are in the form of writing paper, concentrating on and make in public. Under this way if every amount of purchases cannot reach certain scale, the phenomenon often appears, such as repeat and waste. In addition, the traditional government procurement mode offer adopts the way that is once only during competitive bidding so that it can't guarantee that the government organs get the most low-priced products, services and projects. If government procurement utilizes the form of e-commerce to carry on progressively, it can improve the efficiency greatly and reduce the cost of purchase. Because government procurement belongs to the
government behavior and there are suitable engagement and legal status, it is rational effective guide to the
development and overall planning with measures of enterprise e-commerce. That the government as a trade
subject participates in the e-commerce activities is playing the extremely good exemplary role to the development
of enterprise e-commerce.

The Hong Kong Special District government has used the electronic purchases service system of government
e-commerce, electronic tender system (ETS), since April of 2000. In a half more year it dealt with already 429
bids, involved 5.78 hundred million Hong Kong dollars, Accounted for 79% general amount of money for Hong
Kong government purchase bids. ETS's system makes the suppliers get about the information of submitting a
tender and register through Internet in the global range. In addition, it can also make suppliers download relevant
documents, inquire about and submit a tender book and look over a tender result through Internet. Comparing
with the tradition way in purchase, the advantages of purchase with e-commerce are very obvious. It will become
the main way for government procurement to purchase with e-commerce in the future.

6. Standardize CA's authentication and develop financial electronization

E-commerce is a complicated social system engineering, so it cannot be finish independently by an enterprise,
a department, a trade, or an area. The most outstanding problem in the e-commerce development with health is the
security of trade and settlement online with the Net, which includes how to set up the belief between the subjects
how participate in shopping, trade, and settlement online with the Net. It plays a leading role in safety guarantee to
set up certificate authentication system (CA), which needs heavy investment and involves many aspects widely.
The basic task of the CA center is to grant the digital certificates to the users. The certificates can be divided into
four kinds, such as the personal user's certificate, enterprise user's certificate, certificate of server and code
certificate. Every user has the public key (CA root certificate) of CA center, verify the digital signature of a digital
certificate and determine if the certificate is legal and issued by CA center in order to define the opponent identity. 
CA's certificate likes the identity certificate used in our daily life and is used for defining the true identities of
individuals or organizations on the net. The CA center like the organization granting ID cards. Considering the
security problem, China government will seldom allow the foreign organization to carry on CA's authentication in
our country. The CA center must be constructed under the care of government departments.

There have already been the numerous CA authentication organizations in our country at present. They can be
divided into three systems such as banking, industry and local area. The banking system is bearing the
construction of the key frame of national AC system; its merit has enough authoritativeness, but lack real
application in concrete operations. The Ministry of Foreign Trade and Economic Cooperation and China Telecom
are building the CA systems of one's own trade. The local CA system constructed by a province or a city, such as
Guangdong province, has already come into operation. It is a very helpful work for e-commerce development that
the financial institutions, trade responsible institutions and local governments participate in building the CA center
actively. But we already see that there is certain confusion because one does things in one's own way at every
authentication organizations developing blindly. On technology, because of receiving the restriction of U.S.A., every CA center develops on one's own basically, the standard is not unified and the compatible phenomenon of technology is very obvious. On management, one’s activities are restricted to a designated area no matter any financial institution, any local government, or any industry. If an AC authentication involves inter-trade, trans-department or trans-region work, there would be a very great trouble. So to standardize CA's authentication is the important condition of promoting development of e-commerce.

The nationwide authoritative CA center of our country has just constructed now. There are cross and confused problems in the authentication of each bank. We think that in the construction of CA center of our country, on one hand, the actual need of e-commerce development should be considered, which offer the digital identity authentication service to enterprises and individuals of our country in faith. On the other hand, the capacity of market of CA’s authentication must be considered and there are no blind investment and repeated construction.

Financial electronization is the important part of e-commerce development. It is an important duty of government to accelerate the paces of financial electronization too. With the swift development of the technology of network, traditional financial transaction has already received the unprecedented challenge and also gotten the extremely rare development opportunity again. Developing financial transaction with Internet has incomparable advantages in reducing the commerce cost and raising commerce efficiency. The most banks in the places, such as U.S.A., Canada, Britain and Hong Kong of China, have already set up the commerce of Internet. Nearly 40 banks of the U.S.A. and the Europe not only offer the service of payment with network note to their customers, but also already handle the service of package online trade. To banking, the property, "prosperous person who obeys network and died person who against network ", seems more outstanding.

The construction of banking electronization of our country has started earlier and the development of banking commerce utilizing Internet has lagged behind comparatively. It is only three years as so far after China Merchants Bank put out " one network coherent" in 1997. And up till now, only China Merchants Bank, Bank of China, Chinese Construction Bank and Pudong Development Bank of our country have begun to set up online bank and deal with commerce with the Net. Besides China Merchants Bank, the online bank portfolios of other banks are also relatively small. It does not suit with the development of e-commerce. One reason that produces this kind of state is that the banking and most customers of our country have not changed the idea yet at present and the understanding to network banking is insufficient. The other is that still some technology and managerial problems exist. Firstly, the responsible institutions of government must fully realize that the banking faces the severe test of entry to WTO. And only holding the development opportunity that Internet brings firmly, and then they could really improve the competitiveness of banking. Secondly, they should take the capable measure and clear away various kinds of obstacles in order that the banking develops the online commerce with Internet. Moreover, they should accelerate the legislative paces and strengthen the supervision of the online bank.

7. Propagate and popularize e-commerce knowledge, Accelerate the personnel training of e-commerce
The human society’s deep changes that Internet brings about will appear out with Internet combining of all trades and professions gradually. Whatever the industry, circulating industry, the financial circles, agriculture, media traveling industry, or entertainment industry and whatever government, enterprise, or educational and scientific research institution, There is not one that will not be influenced by Internet directly or indirectly. But to a person without experience of surfing the Net, or a network users who only surfs the Net and chats and plays games, the understanding to Internet is very superficial. By the end of 2000 the number of people surfing the Net reached already 22,500,000. Though the number nearly rises with the speed doubling in half a year, we should see that the colony that surfs the Net concentrates on the young people about 18 —30 years old. Especially the proportion of the young people who are still at school or just graduation from university is relatively high. The vast common people seldom contact the Internet. Because most enterprise leaders are busy with the public affair day by day, their time to keep in touch with Internet is not much. They don’t know how many things Internet will be, and are not clear what relationship between their enterprises and Internet. To them, it is still a very remote thing to implement the e-commerce. The government departments should take the effective measure, propagate and popularize the knowledge of e-commerce actively, let the e-commerce come into common people's life, and make it really accepted by masses.

Responsible institutions of Government can propagate and popularize e-commerce from setting about the following aspects:

(1) Often to organize people coming from the different trades such as enterprises leader, the officers of government and the personages of education and scientific research institutions for exchanging information of the technology, management and application of e-commerce.

(2) To popularize and introduce the advanced experiences of e-commerce applications and propagate the vivid cases of e-commerce through the forms of on-the-spot meeting, publishing written materials, publishing, such as special newspapers and periodicals regularly.

(3) To organize various kinds of training with non-commercial purpose distinguish with so-called ”train free” at a lot of IT, and really pass one's knowledge to others for the enterprises.

(4) Build websites with non-commercial nature to introduce various kinds of e-commerce knowledge and offer the exchange, study and approach platforms of e-commerce knowledge to government functionary, enterprise managerial personnel, and ordinary masses.

To accelerate personnel training of e-commerce already becomes the top priority task of every country in the world. Until 2000, the e-commerce as a speciality has not listed in the catalogue of undergraduate courses yet in our country. That is, there have certainly been no graduates of the e-commerce speciality in China by 2005. But the demand of talents in e-commerce area is very unprecedented with a tremendous pace of e-commerce development. Though there are two (or-three)-year-term college students of the e-commerce speciality in a lot of universities running by the local people from 2000, but there is very great disparity to the demand of quantity and
quality for e-commerce talents in our society. To enterprises the shortage of talents supply could not be solved within short time, which must depend on the support and participation of government.

The cultivation of talents of e-commerce of the government should be carry on pointed according to of different trades, targets, and demands. Particularly there are following four respects:

1) Concentrate on training.

The training of the employees of IT enterprises is concentrating on the management knowledge of enterprises e-commerce such as commerce administration, network marketing, commerce process recombining, supply chain management, customer relationship management. While the training of the enterprise policymakers and government department leaders focuses on the study of the basic knowledge, the introduction of case using, and the technology of software and hardware of e-commerce. Concentrated training can reach the " short, adaptable and fast" result.

2) Long-range teaching of network.

It is an effective training way of some staff members responsible for the implement of enterprise e-commerce but having no time for concentrating on studying because of their relatively great mobility to utilize long-distance education. Training of e-commerce knowledge through the long-distance education can yet be regarded as a way with a little investment much efficiency. It can make students learn the knowledge of e-commerce whenever and wherever possible, discussing with expert, exchanging with other students, finishing homework, and even if having an examination on the Net. Government departments, institutions of higher education and IT enterprises can cooperate together to take on the implementation of long-distance education of e-commerce and offer the all-weather and clock-round teaching service of e-commerce to vast enterprises.

3) Jointly training a qualified personnel in a specific field with the institution of higher education

Through the form of united construction, government departments concerned can set up the colleges of e-commerce with the institutions of higher education together. They will foster the talents of high-level application of e-commerce, who are need especially, and ensure that there are the talents of e-commerce to the economic construction of our country.

4) Introducing the outstanding talents abroad actively

Because the talents fight in the field of e-commerce is very fierce, our country should take various kinds of favorable measures to attract the outstanding talents from foreign countries positively. We should create loose environment, offer fine conditions of life and work for them and promise " to ask people stay with emotion, treatment, and cause".

8. Probe the policies and regulations of bringing about an advance in enterprise e-commerce

As a brand-new way of economic activities, the legal problems involved in e-commerce are numerous and complicated. Every country in the world is carrying on positive exploration to this. The developed countries all define the legislative rules of e-commerce from strategic height, and aim at the development opportunity that the
e-commerce brings through issuing the policies and outlines of e-commerce, which are helpful to their national
development. " The Demonstration Laws of E-commerce " which the International Trade Committee of the
United Nations passed in 1996 have already become the legislative criterion that every country in the world
consults basically now. " The Work Scheme of E-commerce" passed by the General Council of the World Trade
Organization (WTO) in the September of 1998 has important value in unifying the e-commerce rules and
regulations of every country in the world. The American government published the white paper of" global frame
of e-commerce" in 1997, which proposed clearly that " it is necessary to revise and legislate and to construct
normal e-commerce legal system as soon as possible by the government ". The Supreme People's Court and the
Supreme People's Procuratorate of the U.S.A. passed the Internet's duty-free bill separately in 1998, and stipulated
that forbids collecting the visiting and serving taxes of new Internet in three years. The government of U.S.A.
announced the policy of protecting individual privacy on Internet in 1999. On the 13th of February of 2000, with
356 tickets agreed and 66 tickets opposed, the House of Representatives of US Congress passed a bill having
relatively great dispute. It allows digit sign replaces the position of handwritten sign in contracts. The European
Union issued “Europe E-commerce Initial Proposal “ in 1997s. It bring about that governments must provide a
good environment of the e-commerce development and plan to pass all legislation to e-commerce at the end of
2000. In recent years, the places, such as Japan, Singapore, China's Hong Kong, Koreas., all issued the policy
frame of the e-commerce development successively. And they will standardize and perfect the legislative matters
of e-commerce progressively. Chinese Government pays close attention to the legislative progress of e-commerce
too. Relevant legal frame and details are in course of making intensely. It is unrealistic to issue the perfect legal
rules of e-commerce within short time considering of that our country is in the development level of e-commerce
and there are the differences of international advanced standard and the disequilibrium of the domestic
development of e-commerce. So we can only follow the development principle of " developing, drawing lessons
from, and perfecting at the same time", and reach the standard and perfection progressively.

9. Support the implementation of e-commerce of small and middle enterprises

At present, in China the small and middle enterprises account for 99% of total amount of the registered
enterprises of the industry and commerce in our county. The number of them exceeds 10,000,000. The annual
value that the small and middle enterprise realized accounts for 60% of the total industrial output value of a year
separately. The profits tax they realized accounts for 40% of that the all enterprises create. They have also offered
about 75% of the urban employment opportunities. The small and middle enterprises have already become the
important economic increase point of national economic development, as the important channel of alleviating
pressure on employment, the fresh combatants promoting foreign trade, and the important strength of the
innovation of production, technology, service and management. Although their position is very outstanding in
national economic construction, they have had very great difficulties in a lot of respects, such as talents, funds,
technology, management, and market development. It is very difficult for them to meet the competition with big
enterprises getting more rich and mighty. After the Chinas entry to WTO, the trend will be more obvious that domestic market is internationalized and the international competition comes into home. The existence and development of small and medium-sized enterprises will face the extremely severe test.

The development of e-commerce will create the extremely rare developing opportunity, which help them to overcome one's own all sorts of deficiency and enhance the adaptive capacity of market and the competitive strength. The e-commerce can reduce the cost in economic activities and in information obtaining, and offered the new means to drive the innovation of products and markets, which help the small and medium-sized enterprises to improve the management environment and expand their own influence powers. The e-commerce can also make them stand with heavy enterprises and win the equal competitive chances. Implementing the e-commerce is the strategic choice of seeking for their surviving and developing space to them. But they especially need the support and guide of governments at all levels in the course of implementing the e-commerce.

It is an important task of the departments concerned of government to support the e-commerce implementation of small and middle enterprises. The following is concrete measures on it:

(1) Establishing " the promoting e-commerce committee of small and medium-sized enterprises ", it is the one that the departments concerned government should take the lead in and small and medium-sized enterprises of every profession and trade join up together. It will guarantee and guide the implementation and coordinate and solve the various kinds of contradictions in the course of e-commerce implementation to small and middle enterprises.

(2) Setting up the funds of the e-commerce development of small and medium-sized enterprises, it will encourage the small and medium-sized enterprise to utilize the favorable policy-related loan in the construction of e-commerce of the enterprises.

(3) Building " training center of talents of e-commerce of the small and medium-sized enterprises" together by government organs, institutions of higher education, and important IT enterprises, it offer the services of the training of e-commerce talents to small and medium-sized enterprises incessantly.

(4) Setting up the e-commerce websites of different trades, it helps the small and medium-sized enterprises to utilize the specialized e-commerce websites to realize e-purchase in concentration, and carry on the network marketing.

(5) Offering the corresponding services for the small and medium-sized enterprises to utilize e-commerce to open up the domestic and foreign markets.

**10. Construct the perfect material flow of e-commerce to bring about an advance in e-commerce**

An intact course of e-commerce trade includes three kinds of " flows" basically, the information flow, fund flow and material flow. The material flow means the physical flow, that is, the objects of material flow from suppliers to the demand persons, which includes a series of economic activities, the circulating processing such as transporting, storing, distributing, packing, loading and unloading, and the information processing material flow.
In the course of operation of e-commerce, the information flow and fund flow can be realized instantly through Internet, but the realization of material flow is limited very much through Internet. Besides the software products, music discs, the information products can be transmitted directly through Internet, other goods and services must all be transmitted through the physical way. Under the condition of e-commerce, because the marketing space of enterprise is expanded to the whole domestic market, even international market, the purchase way of intermediate traders and end users is mainly through Internet. To enterprise, it is an important index of market competitiveness and the primary condition of survival and development in the era of e-commerce how to transmit goods and service customers with the shortest time and minimum costs. But for any enterprise developing e-commerce, it is very difficult to structure the intact material flow by its own strength, and it is uneconomical and inadvisable too. The development of e-commerce can't leave the third party, the enterprises with the speciality of providing the service of material flow.

E-commerce material flows already become a new point of national economic growth and itself is a new industry with the potentiality of enormous appreciation. It has the very important meanings of widening channel of employment, driving the development of industries, such as communications and transportation, storage, promoting the transformation of traditional enterprises of goods and material wholesale. Government should pay close attention to the development of material flow industry of e-commerce, and take the capable measures to support it. The following is the concrete measures.

(1) Perfecting the infrastructure construction of the material flow and creating the good environment for the industrial development of e-commerce material flow. The departments concerned of government should strengthen the input in the infrastructures, such as airport, railway and expressway and in the construction of the information network of material flow, on one hand. On the other hand, they should change the independent situation of dealing with material flow in each department’s own way, such departments as railway, highway, commerce, supporting goods and materials, foreign trade at present, and make their coordinate operation and development in order under the government unified leadership.

(2) Promoting the transformation of traditional enterprises of goods and material wholesale, and making them become the new-type material flow enterprises providing and delivering with the e-commerce material flow.

(3) Combining existing various kinds of material flow resources fully, uniting existing of material flow abilities of the enterprises such as manufacturing, merchandising, storage and transporting through interest urging, and setting up new-type material flow bases, the material flow centers and distributing centers.

(4) Making great efforts to raise the level of socialization, organization, specialization, networkklization and informatization of the industry of e-commerce material flow. The government should encourage the advanced material flow enterprises to adopt the way of annexing, purchasing and uniting to accelerate the paces of material flow enterprise, and to overcome such drawbacks as small scope of the material flow enterprise existing, dispersed manage, organizing with low degree. Besides, it should pay close attention to the informatization construction of
material flow enterprises and make material flow and information flow highly merged.

(5) Developing the Sino-foreign joint venture and cooperation. The government should import foreign capital actively, strengthen the international cooperation in the field of material flow, introduce the advanced operation modes and management experiences of material flow abroad and enhance the technical equipment of material flow of our country to meet the needs of the national economic development better.

(6) Accelerating the personnel training of e-commerce material flow. The cultivation of qualified personnel of material flow has never caused our enough attention. And at present only a few of universities and colleges set up the speciality about the management of material flow in our country. Still a few of them offer the professional courses of e-commerce material flow, which disconnects with our social demand of qualified personnel of e-commerce material flow seriously. The government departments should strengthen the cooperation with universities and colleges to train the talents of e-commerce material flow for our society, through the forms, such as jointly training, on-the-job training, to bring about an advance in e-commerce.

The authors’ brief introductions:
Guozhang, YAO, male, born in 1968, the master of Economics, worked in big enterprise for six years as a marketing manager, having the qualifications of Economist, Accountant and Certificate assessor in China, the person in charge of E-commerce Research Study Group of Nanjing University of Posts and Telecommunications, presided over the research study of “The Research of the Strategy of Beijing’s Enterprises to Develop E-commerce” in 2000.
Danhua, JIA, female, born in 1949, the master of Economics, the associate professor of Nanjing University of Posts and Telecommunications, majoring in Network Economics.
Tel: 862534910611//13951982945
Website: www.yaogz.com
Email: ceo@yaogz.com // yaogz@njupt.edu.cn // b3300199@jlonline.com
Address: 275 mail box, No.38 Guangdong road, Nanjing, China
Post code:210003