

Analysis on the Challenges and Countermeasures of China's Sharing Economy

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Abstract: The sharing economy has attracted much attention in China in recent years. The sharing economy has significant development significance and good development prospects for China's overall economic development. On the other hand, there are still many problems in the domestic sharing economy system, and continuous efforts should be made to promote the orderly and healthy development of the sharing economy. However, it cannot be ignored that China has perfected the existing defects of the sharing economy and promoted its use. It will surely inject great optimism into China's economic development. The research theme of this article is to discover the challenges facing the development of China's sharing economy and find strategies to deal with them. The research method of this paper is literature analysis, and the research conclusion of this paper is that the challenges faced by the domestic sharing economy are, respectively, an imperfect social system, a great conflict with the traditional economy, and a regulation of the sharing economy that needs to be improved. The corresponding strategies are: first, to improve China's per capita quality level; second, to improve the social credit information system; and third, to improve the supervision system of the sharing economy.

Keywords: Sharing Economy, China's social credit system, China's traditional economy, today's China's per capital level

1. Introduction

Since the last period, with the rapid development of the internet, people's clothing, food housing and transportation are gradually linked to the sharing economy and the connection is increasingly close, it can be said that the world has entered the era of sharing economy. But it cannot be ignored that the birth of a new thing until it is perfect always has to go through a tortuous process. There are also many platforms based on the concept of sharing economy in China, such as salted fish, Chuang and so on. At the same time, the sharing economy around consumers such as the shared bicycles and shared gyms is also increasing. At present, the sharing. Therefore, the research questions of this paper are as follows, First, what is the current development status of the sharing economy in China? Second, what are the challenges facing the sharing economy in China? Third, what measures should be taken to address these challenges? This study uses the method of literature reading and analysis to carry on the indepth discussion. The research results of this paper recommend the orderly and healthy development of the sharing economy in China. At the same time, this paper also provides a reference for promoting the vigorous development of China's economy.

2. Introduction to sharing economy and its development status

The concept of a sharing economy was first introduced in 1978 by American scholar Marcus Musk. It is proposed by Felson in Group Society Structure and Cooperative Consumption. The concept stems from human ecologist Ames Holly's idea that symbiotic cooperation is essential to meeting everyday needs and building relationships with others. This economic phenomenon was called cooperative consumption at the time, and the economic motel did not develop. In 2010, British scholar Rachel Boozman published *Mine is Yours The Rise of Cooperative Consumption* and pointed out that cooperative consumption will revolutionize people's consumption patterns, and the economic motel has only taken shape. Now China's Sharing Economy Development Report 2016 gives a clear understanding that the sharing economy is a new economic model that uses modern technologies such as the Internet to integrate, share massive idle resources, and meet the diversified needs of economic activities [1].

Although the concept of the sharing economy is not the same among scholars, it is generally very different. From the above documents, we can draw the following basic characteristics of the sharing economy: First, the internet is the main basis and medium. Second, the focus of product ownership is changed to the right to use. Third, the economic model is open, and everyone can participate in the exchange [1].

Next, this chapter also describes the current situation of the sharing economy in China. First of all, from the perspective of China's population problems, as early as 1879, the British scholar Malthus pointed out in his *Theory of Population* that the current population problem in major cities in the world generally leads to a shortage of public service facilities, and now this problem is becoming more serious [2]. The problems are particularly acute in China, the world's most populous country. It's not difficult to see that the sharing economy is a necessary product for the current social development of our country. With the further resource shortage caused by environmental deterioration in China, the sharing economy, a new environmental economic modality, will become increasingly popular in China.

From the perspective of Chinese government policies, the sharing economy has been highly respected since the emergence of the latest economic model. Since 2016, the Chinese government has introduced a large number of policies to encourage the sharing economy, which has provided an open and inclusive environment for the rapid development of the sharing economy in China. At the Fifth Plenary Session of the 18th CPC Central Committee, the Chinese government put forward five economic development concepts, namely innovation, coordination, green, opening up, and sharing, in order to adhere to the development of the sharing economy. In March 2016, the sharing economy was first written into the government work report, which pointed out that the development of the sharing economy should improve the utilization of resources, so that more people can participate and become rich. At the same time, it is proposed to promote the analysis of economic development through institutional innovation. After that, in March and July 2017, two documents on guiding green consumption and national information development strategies were launched, and the keyword sharing economy appeared in both documents. The first document is intended to emphasize the concept that developing the sharing economy and establishing a networked collaborative innovation system are important parts of the national information technology development strategy. The second document addresses the lack of comprehensive market regulation in the sharing economy [1]. With these two points, it is not difficult to see that the development of a domestic sharing economy is a necessary trend.

3. Analysis of the challenges faced by the development of sharing economy

First of all, the social credit system is not perfect. In recent years, although the government has been improving the social credit system. The implementation of a series of policies, such as the blacklist of dishonest people, has greatly reduced social behavior, but most scholars believe that in terms of China's current economic system, the social credit information system is still relatively backward. Some scholars point out that the imperfection of personal information hinders the establishment of relevant punishment mechanisms, and thus fails to form a strong legal deterrent against dishonesty. So even today, the problem of broken trust still exists [1]. The sharing economy is closely related to the level of social credit, and dishonesty will directly affect the transaction cost of the sharing economy. The lower the level of social integrity, the higher the transaction cost of the sharing economy, and the transaction price will rise accordingly [4]. This will inevitably affect the promotion of the sharing economy, and the core meaning of the convenience of the enterprise sharing economy will also be lost.

The second is the great conflict between the sharing economy and the traditional economy. Peng Wensheng, an economist, argued in 2015 that the sharing economy would subvert the traditional economy. Today, as the sharing economy gradually penetrates various industries, the conflict between traditional enterprises and new industries is becoming increasingly difficult to reconcile. Although it is undeniable that this competition not only broadens the market for the supply side, but also provides more channels for the demand side. But at the same time, it has greatly compressed the living space of some small traditional enterprises, making them face the choice of transformation or bankruptcy. The profits of those large traditional enterprises have also shrunk dramatically, and the size of the enterprise has also decreased [1]. Therefore, it will be difficult to preserve the welfare and even the jobs of most employees in traditional enterprises, which will lead to a series of social problems such as poverty and unemployment that will undoubtedly impact the current stable economic and social environment.

Finally, the supervision of the sharing economy needs to be improved. Today, China has not yet issued a special law to regulate the supervision of sharing economy transactions, so there are a small number of criminals who exploit legal loopholes. This not only increases the risk of trading on some trading platforms but also brings hidden dangers to the personal and property safety of traders [5]. For example, sharing bicycles is convenient, but there are often hallways in the community filled with a variety of disorderly shared bicycles, causing blockage of the fire channel and inconvenience to pedestrians. Since the operation of shared bicycles, the problem of illegal use has been continuous, and the phenomenon of disorderly parking has become increasingly serious [5]. In addition, a small number of people often destroy shared bikes or take them for themselves. Therefore, some scholars point out that items involved in sharing economy transactions should be specially controlled and protected. Otherwise, the sharing economy will not only bring convenience to people's lives but also affect their normal lives [4].

4. Analysis of strategies to address challenges

Firstly, it is necessary to improve the social credit reporting system. Due to the short period of development and policy formation of China's credit reporting system, the social credit reporting system is relatively rudimentary compared to most developed countries. Premier Li Keqiang proposed to improve the social credit reporting system at the 12th National People's Congress in 2016, and improving the quality of credit data and improving credit ratings can quickly achieve this. On the one hand, the improvement of personal data has enabled the establishment of a mechanism for punishing dishonesty, thereby forming a strong legal deterrent. On the other hand, due to the fact that the establishment of credit ratings is no longer simply classified as dishonest or

honest, the classification of groups will be more refined. In the short term, if there are continuous dishonest behavior ratings, they will change, and people will be more constrained in their daily behavior.

Second, we need to improve China's per capita quality. No matter how perfect a system is, if someone deliberately seeks loopholes, they can still succeed. Mr. He Dongchang, a famous educator, believes that improving the quality level of the people is the top priority, taking quality education as a compulsory course in primary and secondary schools and improving the quality level of the new generation of Chinese, which can greatly reduce the occurrence of this evil behavior from the root [6].

Finally, it is necessary to improve the supervision system of the sharing economy. Or to take the example of shared bicycles, in some cities, each brand of shared bicycle has set up a designated use and return area. The city of shared bicycles blocks roads, and the number of shared bicycles destroyed gradually reduces, which is a successful supervision. Of course, this is not enough. Scholar Zhang Minxia proposed in 2016 that the government should also strengthen the regulation of market players through legislative means to complete a series of laws related to the sharing economy [1].

5. Conclusion

The research topic of this paper is the challenges and countermeasures of developing the sharing economy in China. After the above analysis, the following conclusions are drawn: First of all, the challenges in China's development of the sharing economy include: the first is the imperfect social credit information system; the second is the huge conflict between the sharing economy and the traditional economy; and the third is the incomplete supervision of the sharing economy. Secondly, the strategies to deal with the challenges are: first, improve the social credit information system; second, strengthen the quality education of the people; and third, improve the supervision system of the sharing economy. As the research method is mainly literature analysis, the views expressed in the article may lack practical feasibility. Please refer to it with caution. And finally, the sharing economy will gradually embark on the road of standardization, industrialization, and legalization in the future. Through the formulation of good policies to optimize the business environment of the sharing economy and promote its healthy development, the sharing economy will surely become a major boost to China's economic development [7].

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