

Conflicts and Solutions between Sharing Economy and Government Regulation

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Abstract—In recent years, the legal theory and practical challenges brought by the sharing of economy, or shared economy, have been paid more and more attention by the public. While the sharing economy covers almost all aspects of the market economy legal system. However, it does not specify the core legal connotation of "sharing economy", and the solution for the contradiction between the sharing economy and the government supervision remains as a topic to be discussed in the current economic environment.

Index Terms—Sharing economy, Government regulation, Yunji micro-stores, Conflict resolution

I. THE CONTENT OF SHARING ECONOMY

The academic world has yet to define a preliminary understanding for sharing economy at present. It is generally believed that the so-called sharing economy is a type of socio-economic pattern based on shared social relations, and this shared social relationship is established in Objects (merchandise, resources, etc.) with services, a way of social relationship between people. In a narrow sense, the sharing economy is also considered to be a broad term that is commonly used to describe the transactions of online business that are conducted over the Internet. Clearly, behind this hyper-generalization, it is actually a rough understanding of the basic categories, characteristics and constituent elements of the economic phenomenon that can be shared when people have participated in. Perhaps the next accurate definition of a sharing economy would be the task that economists should accomplish. However, from a general legal perspective, the narrow sense the reliance of modern sharing economy on information dissemination is obvious. Whether it is innovation or revolution, the narrow sense of the sharing economy has a close connection with the Internet, without the large-scale popularization of the internet, there is no so-called modern sharing economy. The internet plays a role as a super information disseminator. The so-called super, one refers to the internet to spread the scope of Information unlimitedly, the subtext is the potential for trading opportunities and the unlimited expansion of trading objects. Secondly the cost of information transmission is greatly reduced, which means that the multiples increments of trading opportunities. Once a life time opportunity is no longer a factor that may be taken into account by both parties, and it has been referred to as the normal way of trading over the Internet among multiple comparisons. It is called democratic market activities. Thirdly, the symmetric information

dissemination in contrast with asymmetric market information, the Internet information transmission can almost be regarded as the point to point information transmission with third-party modification to affect the original information content. Similar to the representation of the Agency, such as the legal system, in the Internet Information dissemination and online business mode, Strong challenges has come across unprecedentedly.

II. MAIN CONFLICTS BETWEEN THE SHARING ECONOMY AND GOVERNMENT REGULATION

A. *The impact of sharing economy and the necessity for government regulation*

There is no doubt that the sharing of the economy has brought unprecedented convenience to people's work and life, it greatly improved the consumption experience and the efficiency of the utilization of resources. However, while rejoicing, we should see both sides of the shared economic model. The rise of the sharing economy yielded what Schumpeter had said the "Creative destruction". Schumpeter emphasizes that the mutation and revolution within the creative destruction of the economy is the continuous destruction of old structures and the process of building new structures. In a word, the sharing economy has created a new business model, on the other hand, it has broken the original economic order, which causes destruction to certain extent. In the economic field, the dual role of the shared economic model is highlighted in three aspects, namely, industry pattern, market structure and labor relations.

In terms of industry patterns, every major innovation will eliminate the old technology and production system, building only a new production system. In the industry gradually penetrated by sharing economy, the internal old forces will fight against the new forces to form a fierce competition. The competition is essentially on new goods, technology, new sources of supply, new combinations of competition. The shared economic model is a new market for the suppliers, which brings more choices to the demand side and undoubtedly enhances the welfare of the whole society. At the same time, the sharing economy has deadly impacts, because it will further compress the profit space of many industries. Therefore, traditional enterprises are exposed to the transition pressure, the foundation to the survival of the enterprise is threatened. For example, in the second half of 2015, the land push model of Yunjin micro-store attracted the attention of the regulators. The regulatory authorities believe that some of the promotional

forms are in conflict with the prohibition of MLM Regulations, and that the punishment was only issued recently. With the help of the relevant departments and jurists, and the micro-stores has made rectification to part of its market activities in order to be recognized by government regulators. Now it has become a legal compliance social power platform. Also the network of cars in its gradual development and expansion of the process, is claimed to be squeezing the original taxi industry employment opportunities. In recent years, many taxi drivers have been triggered by the conflict, demonstrations and protest activities, are adversely affecting social stability.

In terms of market structure, a sharing economy is likely to create new monopolies. As mentioned earlier, the shared economic platform has the characteristics of economies of scale, and to form an effective platform attracting a large number of users always come first. Shared economic platform often need great capital investment to form a clustering effect, such as Didichuxing platform in its early development period, the annual subsidy went as high as 33.6 billion. It is clear that only the powerful big enterprises can afford such a huge investment. After the gathering of client information completed, the scale effect of the platform revealed. The market mechanism would help the winner eliminated the resistance, the whole market is finally shared among two to three large enterprises. They hold absolute control over the main body, resources, information, transactions, data and other. It is easy to use monopoly power to seize high profits. In August 2016, Didichuxing has acquired Uber China along with its brand name in China, business, data and other assets, which makes Didichuxingin possession of 90% of the domestic market share. What follows the acquisition is the increase in consumer payments and decrease in driver subsidies.

In terms of labor relations, the sharing economy is shaping a new type of labor relations, and the workers in the sharing economy are no longer employed by companies as in traditional sense. They do not have a stationary work place, organization and management is extremely loose, labor presents a lot of flexibility, individuals can choose their own tasks base on interests and skills, as well as time and length of work and the level of income. Correspondingly, because there is no traditional sense of employment and employment between the capital and the labor, the responsibility of both employers and employees no longer exists. In the field of transportation, sharing economic platform is not responsible for the driver's accident insurance, endowment insurance, unemployment insurance, medical insurance, paid leave, Vehicle maintenance and other expenses incurred in the course of service. For freelancers, the lack of benefits and social security can expose them to risk.

B. Government regulatory disputes and dilemmas under sharing economy

Legal basis is the core in realizing the restriction of government economic power and delimit boundary, it is also important to follow competitiveness, legality, the government adjusts moderately, the government adjusts

neutrally, the government adjusts the public and so on. It strengthens the related substantive law to the government economic power restraint. In the government economic power exercise must fully consider and defends the public interest and the related main body's interest. Prompt examination, correction and the relief to the government economic is a powerful guarantee to restrict the economic power of the government, to make a fair competition examination system in the context of deepening the reform and promoting the rule of law comprehensively, and to review and correct the economic power of the government. Therefore, this section of the paper intends to seek realistic resources and theoretical justification of the fair competition review system from different angles and levels, which provides more abundant material and support for the system and reduces the obstacle for the practice of the system.

How to determine the role of government in the new economic model determines the regulatory model. In the case of market failure, government intervention is necessary, but purely dependent on spontaneous order and sheer reliance on the government is as equally absurd. Government intervention must be evaluated and tested by law and economics. It is obvious that government intervention is not a low-cost option, so it is necessary to examine the performance of government intervention. The system of fair competition censorship is one of the effective tools to investigate the effect of government intervention. On one hand, if the government intervenes excessively, it is easy to have excessive supervision in the market of the car hire networks. It is not conducive to the development of the industry, but also opening doors to local protectionism. On the other hand, if the government is slow to react, it leads to lagging supervision. There is, for example, a serious lag in the shared bicycle market caused by passive and inefficient government regulation.

Therefore, the Government's regulation of the sharing economy should be conducted under a system of fair competition censorship, setting the government back to the regulatory neutral role. Fair treatment among market participants would promote fair competition, stimulate market vitality.

III. SOLUTIONS TO THE CONFLICT BETWEEN SHARING ECONOMY AND GOVERNMENT REGULATION

A Understand the content and grasp the develop trend of the sharing economy

It is important to grasp the development trend of the sharing economy in various industries and understand the new concept of sharing economy. Different industries will produce many specific problems, presenting different characteristics, such as the sharing economy in the field of financial and public travel. Their business models and scale of impacts have a profound industry branding.in-depth decomposition, research and sharing of the

economy in the new trigger changes and future trends, the characteristics of various industries make accurate classification and meticulous management. Situation and Innovation are promoted and encouraged systematically. In addition, at different stages of the developments, shared economic model reveals different characteristics. At the initial stage of exploration and innovation, the Government can establish and improve the infrastructure as soon as possible to establish a new economic model to adapt to the development of the basic regulatory system. After the development matures, enhance equality measurements to improve the relevant laws and regulations and market regulation.

B. To handle the relationship between innovation and regulation properly, and make it clear the bottom line of government supervision

One of the most important factors is to handle the relationship between innovation and regulation properly, and to clear the bottom line of government supervision. As mentioned above, the introduction of the shared complementary model has the effect of creative destruction. The problems caused by unemployment, monopoly, labor security and the inevitable short-term friction between the new and old economic model require the Government to do a basic supporting work, such as social security, law, taxation and order policies to mitigate the impact of the transformation, rather than banning innovation. Innovative business practice is always going ahead of legal and institutional process, if the traditional regulatory model is set to standardize innovation behavior, the new economic model will be unable to make progress. Government departments should take into account the innovative industrial characteristics of the shared economic platform, examine the rationality of the existing institutional framework, innovate the supervision mode, and create a relaxed institutional environment for the sharing of economic development. The negative list should be centered on the review of fair market competition (review criteria) and bottom line regulation. Openness and control are equally important to promote the development of innovative economic model. Once the shared economic platform endangers the public interest, action should be taken in time to control the legal risk brought by innovation.

C. To explore the mode of cooperative supervision.

Finally, to explore the mode of cooperative supervision. Big data is involving into the public-sector administration and public service in our country rapidly. It plays much more important role in improving our government's governance ability, promoting the national governance system and modernization. The sharing economy model is based on massive data processing. Taking Uber as an example, using the information gathered in economic activity, the travelling

behavior of people in cities and which communities in cities are more closely related to each other are studied. The favorite places people like to go during weekends, even the air quality, temperature, wind speed and pollution in real time can be all monitored through Uber. Uber works with the government in New York to provide the Government with comprehensive urban traffic research by disclosing the traffic information it collects. It may be an inevitable trend for public and private cooperation to explore the path of regulation by their collection and utilization.

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