

## Problems and Suggestions of Shared Economy Development under the Background of Internet

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**Abstract:** Shared economy, also known as shared economy and cooperative consumption, mainly promotes the sharing of social resources such as goods, services and data among different subjects through the construction and application of Internet platform. The specific application of shared economy is to separate the ownership and right of use of products with the support of information technology. The owner of resources and the demander of resources share the right of use of applied social resources by means of transaction. It can be seen that everyone is a producer and a consumer under the mode of shared economy, which emphasizes the value of use of products. The development of Internet technology is changing with each passing day, and the scope of the sharing economy model is becoming more and more extensive, which has a long-term impact on the traditional business model. However, in the actual development process, there are still many problems in the sharing economy. Only by continuously solving these real problems can we promote the sustainable development of the sharing economy. The article mainly analyzes the problems existing in the development of shared economy under the background of the Internet, and proposes specific solutions.

### 1. The Connotation of Shared Economy

Shared economy refers to the transformation of surplus, unused and scarce resources from individuals or organizations such as private enterprises and institutions into public goods and social resources available to other people in society. Consumers share these goods and resources in a fair and paid way. Consumers do not need to embrace the ownership of goods and resources, but only pay a certain cost in different ways [1]. That is to say, we can enjoy the dividends brought by social resources together. The sharing economy emphasizes the use value of products. The application of Internet technology enhances the symmetry of information between the two sides of the shared economic transaction and enhances the trust between the two parties. It is a new type of business philosophy, which reflects the diversification of financing methods compared with the traditional economic model [2]. The characteristics of faster transmission and greater market demand. It can be said that under the background of regional economic integration and the structural reform of China's economic system, the sharing economy has become an important economic model that affects people's lives [3].

The specific reasons for the rise of the sharing economy include the following: First, the rapid development of Internet technology. It can be said that Internet technology makes the sharing economy a reality. The application of third-party payment functions, global positioning systems and other technologies not only improves the convenience of the sharing economy, but also reduces transaction costs, and the use of the Internet platform to establish a trust mechanism also ensures maximum guarantee. The fairness of both parties to the transaction. Second, overcapacity and excessive idle resources [4-5]. Insufficient effective demand will lead to overcapacity, a large number of idle resources reduce the utilization rate of goods, and the shared economy uses network technology to integrate the excess idle resources and convert them into products and services that can be traded, resulting in the rapid development of the shared economy. Finally, the number of participants in shared economic services is large. With the development of economy, people's consumption concept has been greatly improved, and their awareness of environmental protection has become stronger and stronger. People are more and more aware of the significance of resource

sharing for environmental protection [6]. Many labor factors in traditional industries have also entered the field of shared economy, so the number of participants in shared economic services is increasing, and resources are becoming more and more abundant.

## **2. Main Forms of Shared Economy**

At present, the main forms of China's sharing economy include sharing transportation, sharing houses, sharing catering, and sharing finance. Among them, shared transportation is the pioneering industry of the sharing economy. Its main forms include shared car rental, shared car ride, shared bicycle, etc. It not only develops fast, but also covers a wide range. It can be said that shared traffic improves the utilization rate of idle traffic resources [7]. In the field of network car, the type of network car business has evolved from the initial taxi to the current car rental, driving, etc.; and shared bicycles are constantly emerging in major cities, and continue to expand market size in the third and fourth-tier cities, capital. The addition of the party enables the shared bicycles to achieve regional monopoly advantages in different levels of the market. There are three types of sharing in the catering field. One is a private kitchen + delivery model similar to O2O take-out, and the other is a kitchen + dining mode. The initiator first publishes a food invitation on the platform, inviting a sense of food [8]. Interested users are enrolled in the group, and the other is a gourmet recipe community that is not yet widely seen in China. However, the development of shared economy in catering industry is related to food safety, so the future market development still has a long way to go. Shared housing is the product of China's tourism development. The demand for accommodation in tourist destinations has expanded the short-term rental housing market. The main modes of sharing housing include the C2C open platform for renters to contact the landlord directly through contact software, the third platform for unified renovation and management by the third party, the property right sharing + exchange sharing mode for housing maintenance tour by reducing the cost of housing through sharing property rights. With the development of tourism industry, the trading scale of tourism sharing accommodation market is also increasing, and the profit model of the platform is becoming more and more diversified. Shared finance mainly includes crowd sourcing and P2P network lending. With the development of mobile intelligent terminal technology, the scale of shared financial participants is getting larger and larger [9]. In addition to the above forms of shared transportation, shared housing, shared catering and shared finance, the shared economy has also developed greatly in the fields of logistics and life services, which reduces the production and operation costs of enterprises and improves the convenience of people's lives.

## **3. Problems in the Development of Shared Economy under the Background of Internet**

Although the sharing economy has achieved rapid and vigorous development, as an emerging economic model, it has increasingly exposed many problems in the development process, as follows:

### **3.1. Lack of Sound Legal and Regulatory System Support**

Although Internet+ has become an important guiding concept and model in China's economic development, the relevant laws and regulations still need to be improved. At present, China's laws are relatively restrictive to the Internet, especially the sharing economy has strong cross-border. Attributes are even more constrained by specific laws and regulations. Old laws and regulations will affect the vitality of the market and hinder the innovation and development of enterprises; And the supervision of sharing platform has become a prominent problem. A large number of enterprises will use legal loopholes to infringe consumers' rights and interests, such as the deposit refund of sharing bicycles [10]. Once the sharing bicycle enterprises encounter operational problems, the deposit of users is difficult to return. Regulators can not effectively protect the legitimate rights and interests of consumers, and the existing legal provisions also divide the responsibilities of all parties after the event, unable to prevent in advance. Therefore, as a new thing, the shared economic market urgently needs to introduce relevant laws and regulations to regulate it, in order to ensure its normal

operation.

### **3.2. China's Credit System is not Perfect**

Under the Internet + environment, the perfect credit guarantee system is the core element of the shared economy, and it will also play a decisive role in its operation and development. However, compared with the perfect credit system of developed countries abroad, the credit system construction of our country still needs to be improved. The whole social environment lacks a strong credit atmosphere, and the public also lacks the necessary credit consciousness and contract spirit. At present, there are few cases of establishing credit supervision and regulation for citizens and enterprises. The whole society has not formed a unified set of credit standards. As a result, unfair competition in the market is very common, and the legitimate rights and interests of citizens are infringed, which greatly hinders unified credit. The establishment and improvement of the system.

### **3.3. There Are Some Contradictions Between Shared Economy and Traditional Economy**

As the sharing economy is in the initial stage of its development, local governments and regulatory authorities will have to introduce relevant regulatory policies in the future, leading to a barbaric growth of the sharing economy. In order to reduce the operating costs of enterprises, some sharing economic enterprises use regulatory loopholes to evade taxation and social security responsibilities. For traditional enterprises, such unfair competition will have a huge impact on their management; and the sharing economy in the Internet environment also leads to the occurrence of many social problems, such as the impact of special cars on the taxi market, requires rethinking the development of the sharing economy. In addition, the share economy industries such as special vehicle platforms and shared bicycles still rely on the power of capital for explosive growth. The parent company continuously injects capital and then lists market financing to promote the market and occupy market share through continuous capital investment. However, this short-term "money-burning" behavior cannot guarantee the sustainable development of enterprises. Once subsidies are stopped, the profits of the economy will be shared. It has become an important issue.

## **4. Strategic Suggestions on Sharing Economic Development under Internet Environment**

In view of the many problems in the development of China's shared economy, it is recommended to improve and improve from the following aspects to achieve sustainable development of the shared economy:

First, establish a sound personal credit system. It is necessary to establish a sound credit system rules and regulations, and establish a perfect system of dishonesty punishment for untrustworthy behaviors. For those who have acts of dishonesty, they must be severely punished, so that such punishments are law-abiding and law-abiding. Improve the cost of social untrustworthy behavior, make full use of the social disciplinary mechanism; provide a good development space for professional credit rating agencies and credit reporting agencies, create an excellent market environment for them, give them more policy support, etc., apply various methods And multiple channels to improve the demand for credit products by individuals and enterprises. Second, improve relevant laws and regulations and innovate a new regulatory model. In order to realize the long-term development of the sharing economy in the Internet+ environment, relevant legislative departments must provide them with a dynamic and innovative market environment, give full play to the regulatory role of government departments, and supplement with the supervision of industry associations; government departments can Some regions have carried out legislative trials as pilots, in-depth investigation of the development of the sharing economy after legislation, timely adjustment of deficiencies, continuous improvement of relevant laws and regulations, and finally the formation of a complete regulatory system with national promotion value. For the regulatory authorities, it is necessary to establish the corresponding regulatory system and accountability mechanism to improve the effectiveness of illegal treatment; encourage the establishment of self-regulatory organizations such as trade associations, improve the threshold of entry of the industry and clarify the division of responsibilities; in addition, it is necessary to implement the

compulsory insurance system, in the event of major problems, the relevant departments can effectively obtain relevant compensation to maximize the protection of all parties. Interests. Finally, improve the information security management effect of the sharing platform. The development of shared economy cannot be separated from the support of information technology, and the data security of information technology will have an important impact on the development of shared economy. Therefore, government departments should improve the security of network information, establish a reliable and stable network security supervision system, strengthen the propaganda and education of network security, and go deep into schools, communities and other grass-roots areas to publicize the network to the general public. Safety knowledge, enhance their awareness of network risk prevention. In addition, we need to improve the laws and regulations of network information security in our country, and establish the Network Information Security Industry Association for self-discipline management, in order to meet the market demand.

## 5. Conclusions

In short, the development of shared economy in the Internet era is a new economic model, which not only promotes the rapid development of non-public economy, promotes the economic upgrading of second-and third-tier cities, but also gradually becomes the main endogenous driving force of China's economic development. However, there are still many problems in China's shared economy model. For example, the lack of a sound legal and regulatory system support, China's credit system is still not perfect, and there are certain contradictions with the traditional economy. In the actual development process, effective solutions should be taken to address the above problems, establish a sound personal credit system, and improve relevant laws and regulations. Improve the information security management effect of the shared platform to promote the sustainable development of the sharing economy.

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