

# ANALYSIS ON THE CURRENT SITUATION AND PROSPECT OF CHINA'S SHARING ECONOMY DEVELOPMENT\*

**Yang Ru Yi, Titanan Sun**

Department of Business Administration,  
Graduate School of Business, Siam University, Thailand  
Email: yang305@qq.com

\*\*\*\*\*

## Abstract

In modern society, various resources are abundant and scattered, and people's needs are diversified. In order to achieve rapid matching between supply and demand and make the best use of everything, a new economic model, the sharing economy, is rapidly emerging. With the continuous development of China's economy, the sharing economy has developed to a certain extent in China's business operations. Today, with the continuous popularisation of the Internet, exploring the development status and actual development prospects of the sharing economy under the "Internet +" model is an inevitable demand for the continuous development of China's economy. The sharing economy business model has driven the reuse of resources in the whole society. Still, any emerging business model will face many opportunities and challenges in the initial stage of development and in the process of development, and there will also be some problems, which need to be explored through continuous theoretical exploration and development. Practice improvements to optimise.

**Keywords:** Internet, sharing economy, development status, prospect, future trend

## Introduction

### Research background

The term “sharing economy” was first proposed by Professor Marcus Watson of Texas State University and Professor Joan Spencer of the University of Illinois in 1978, which refers to a third-party technology supported by Internet technology. The information technology platform connects the supply and demand sides of commodities and uses the temporary transfer of the right to use idle resources to achieve a new economic model for the purpose of obtaining benefits [1]. The specific implementation of the sharing economy is based on the Internet and information technology platforms. It mainly starts from the supplier and requester platform of related products or services, takes ownership, uses rights as products or provides services, and insists that the market determines the allocation of resources. A more efficient flow of resources is achieved. The normal operation of the sharing economy requires two most essential conditions - acquiring idle resources and establishing a free trade network. In an environment of overcapacity, many resources are idle and cannot be fully utilised. Using modern information technologies such as the Internet, the sharing economy can integrate large scattered resources to meet diverse needs and achieve rapid and accurate matching of supply and demand

---

\* Received: September 25, 2023; Revised: November 24, 2023; Accepted: 31, December 2023

[2]. The sharing economy first appeared in the automotive industry. With the development of Internet technology, new models have emerged—online car-hailing and time-sharing car-sharing. There are three main types of car sharing:

The first is the traditional car rental model. In this mode, customers go to the taxi company in person or through other means such as telephone to inform the taxi company of their car needs, confirm the model, lease period, rent and other relevant information with the taxi company, and then provide the corresponding valid documents, such as driving license. After checking the car, you can sign a contract with the company, pay the deposit and rent, and then you can use the vehicle.

The second is the new taxi-hailing model, the online car-hailing model represented by Didi and Uber. This type of model is an online taxi. The customer orders through the online car-hailing platform, and then the online-hailing driver takes the order. After arriving at the destination, the payment link is completed online. The online car-hailing platform plays the role of an "information intermediary", matching people who have travel needs with those who provide travel services, then completing the transaction and extracting a particular commission from it. In 2009, Uber was established in Silicon Valley of the United States, and the car-sharing product was launched the following year. The Uber taxi software (also known as Uber in Chinese) really brought the sharing service to the market. Similar products in China appeared three years later. In 2012, Xiaoju Technology was established in Beijing and launched the Didi Taxi APP. As a representative of China's car sharing, with its novel operation mode, the scale expanded rapidly when it was just launched. Acquired Uber's China business in August 2016. Due to the growing economic and traffic pressure in China, people's demand for Didi Taxi, an on-call mode of travel, is growing. Didi Taxi fully integrates the operating model of the sharing economy with the Internet, making travel. There is an effective connection between the driver, the driver and the operating system. The driver can quickly capture the actual vehicle time and location of the passenger through the Didi platform, providing passengers with more convenient and fast travel services. The development of Didi Taxi has eased the pressure of private car congestion in China's urban traffic, increased the actual utilisation rate of vehicles, promoted the continuous development of the related economy, and facilitated people's daily travel.

The third is the new car rental model. The emerging car rental business groups that have emerged in China in the past two years have finally begun to consider the development of the business itself in terms of subdivision scenarios. In the process of industry development, there are several companies that are constantly exploring the process of business development. For example, Shenzhou, while the self-driving car rental business is developing well, continuously optimises its own service system, deploys multiple travel scenarios, and continues to innovate. The spirit of self-play is worth learning from. Then, car2go has officially started operations in China. It has mature operating experience abroad. At the same time, many new domestic car rental companies have learned a lot of business ideas from car2go in terms of business. There are already 1duo car rentals that cut into urban commuting and continuously improve services, and the voices heard in the industry have praised its business development. There are also beacon car rentals that have entered the tourism market, allowing the industry to look at the car

rental business segment from a different perspective. Even car rental companies like Tuge, which are precisely positioned for urban user groups, are deeply cultivating segmented user scenarios in cities, and their business is also growing.

### **Research significance**

With the development of the Internet, shared services have emerged, and the popularization of shared services has changed people's living habits, improved the utilization rate of resources, and maximized the value of resources. Today, the practical application of the sharing economy by some Chinese enterprises has promoted the rational use of various resources of the enterprise and brought higher economic benefits to the enterprise. Take 58.com, a famous Chinese Internet company, as an example. By establishing connections with users in the city, 58.com fully analyzes the user's idle real estate, idle items, second-hand properties and other information and presents it to those in need, making it easier. More idle items play a greater economic value, transfer the actual use of idle items to needy consumer groups, stimulate consumption and strengthen the actual economic value of various idle items, which are widely welcomed by people from all walks of life. , making the sharing economy known to more people.

### **Research Objectives**

The study mainly aims to investigate the current situation and prospects of China's sharing economy development.

### **Overview of Related Theories**

#### **Sharing economy**

The concept of sharing economy emerged in the 1970s and was proposed by Flson and Spetch. It was called collaborative consumption at the time. Collaborative consumption is the consumption behavior of several people joining together to consume one or more products or services. There are many types of consumption behaviors, such as gathering people who need a product or service at the same time to buy together. , so as to obtain higher bargaining power, that is, group buying; several people use a product or service together and share the right to use a product or service, that is, sharing [3]. Belk defines the sharing economy in more detail. He believes that the essence of "sharing economy" is to temporarily rent out one's own private items to others or obtain the right to use an item from others . The real development of the sharing economy is in this century, because the model of the sharing economy is the product after the Internet has matured [5]. The reason why the sharing economy is said to appear when the Internet develops to a certain extent is because the information of shared resources needs a platform to display, and the development of the Internet connects all parts of the world, and people can easily and timely obtain various information from the Internet. information, regardless of time and place. Resource providers publish relevant information such as resource types, time, and prices on the platform. Resource users can immediately view the information on this platform. The platform records various resources to make the information more transparent, and people can choose according to their own needs. Moreover, the payment link

in the sharing economy has also been solved. When there is no Internet, people's payment is more troublesome. Now the online payment is particularly convenient, and people can complete the payment process completely on the Internet. The sharing economy makes people's transaction choices more choices, and can make better use of idle resources. The traditional transaction methods are the B2C model. Consumers need to buy products or services from merchants. The emergence of the sharing economy has led to the emergence of the C2C model, so that consumers no longer only obtain products or services from merchants. People take out temporarily unused resources for use by other consumers, which not only improves the utilization rate of these resources, but also obtains certain benefits and better explores the value of these resources.

### **The continuous development of the sharing economy in the Internet era**

With the continuous development of the Internet, the development of "Internet +" is an economic development model that is fully integrated with today's Internet technology in China, and the sharing economy can be better developed in the "Internet +" era. The sharing economy requires related systems to display the idle information of customers in front of consumers at the first time, and update the real-time information of various actual items in time, so that consumers can know the latest item information, so as to optimize the entire consumption process. Today, the "Xianyu" trading platform under Taobao, a famous online shopping platform in China, is a reasonable application of the sharing economy model under the economic background of "Internet +". Through the offline and online combination of the "Internet +" model, consumers can learn the actual information of idle items without leaving home, and display daily necessities and second-hand furniture on the e-commerce platform. Through online communication and offline transactions between users and customers, the original idle items can exert their maximum economic value, realize the sharing of resources, and promote the continuous development of the sharing economy in the "Internet +" era. The sharing economy is inseparable from the economic policy of the "Internet +" era. Only by fully combining advanced computer network technology with the sharing economy can China's economy fundamentally keep up with the trend of the times. The Chinese government has also promulgated the economic policy of "Internet +", which has laid the foundation for the development of the sharing economy. Taking the "Outline of Action for Promoting the Development of Big Data" issued by the State Council as an example, the state has issued policies to promote the continuous development of various Internet-related industries. Development, a policy to promote the continuous development of various enterprises in China. Through the continuous extension of "Internet +", the mode of sharing economy has been accepted by more enterprises, and thus more various Internet-based sharing economy business models that are convenient for people's daily life have been derived.

### **The Impact of Sharing Economy on Chinese Society**

With the continuous progress of our society, people's living standards continue to improve, and people's inventory of various items is also increasing: idle cars, idle clothes, etc. occupy a lot of space for residents. Most of these idle items are not due to quality problems, but mostly due to product renewal or excessive consumption. The idle items do not exert their real economic value. In addition, idle personnel is also a resource that can be used, and this

kind of personnel is mainly caused by the characteristics of certain occupations. For example, college students usually have fewer courses and more spare time, resulting in a lot of idle time that is nowhere to be used. In a country with a large population such as China, the rational use of various resources is directly related to the long-term development of the country. Therefore, the treatment of idle resources should be carried out through the macro-control of the state and the allocation of resources by the market. . The macro-control of the Chinese government on idle resources tends to focus on some areas with larger problems of idle resources, such as idle cars and idle real estate. For some other idle resources, such as idle furniture, clothing, accessories, etc., it is necessary to rely on the market to allocate resources reasonably. In the era of "Internet +", the emergence of the sharing economy has greatly solved the market's allocation of idle resources. The sharing economy collects actual idle resources and presents them to the departments in need. This basic method is greatly convenient. People's daily life allows consumers to enjoy cost-effective goods or services, solves the problem of overcapacity caused by different aspects, allows idle resources to truly exert their economic value, and continuously increases the corresponding income. , relieve people's pressure, but also liberate more space, and promote the sustainable development of social economy. In China, the development of "Internet +" technology has gradually taken the lead in the world, providing the right to use idle resources and a free trade network for the development of the sharing economy. Therefore, the development of the sharing economy is inseparable from the support of network technology and information sharing platforms. However, China's sharing economy is developing rapidly and has played an important role in economic development, innovation and entrepreneurship, and employment. At the same time, major changes have taken place in terms of competition strategy, development pattern, and national policy governance. The sharing economy has also encountered difficulties in the process of development. many problems.

### **The impact of the development of the sharing economy on China's traditional industries**

In the current era, the sharing economy has a huge impact on economic development. Facing the double impact of today's complex social and economic situation and the Internet, China's traditional industrial economy has prompted necessary changes in the traditional industrial market. In traditional Chinese business operations, it is mainly to meet the needs of popularization, and the products produced are also inclined to popularization. With the continuous development of China's economy and the continuous improvement of people's living standards, people are more in pursuit of advanced technology and demand for personalized products and high-quality products. Therefore, the impact of the sharing economy on China's traditional industries is a fundamental impact on the system, requiring traditional industries to pay more attention to the actual needs of consumers and advocate the concept of personalized commodity production. The concept of personalized production requires the traditional industrial market to change to satisfy the people's demand for high-quality and high-quality products, and to continuously transform the original mass market to the personal market. The continuous promotion of the sharing economy has made people's actual choices more diverse. In the actual product selection, more consideration can be given to the actual use

of individuals, and then people's living standards can be continuously optimized. On the other hand, the sharing economy makes traditional resource acquisition more convenient, reduces the investment of various funds in traditional resource acquisition, and more core resources have changed from the original monopoly of individual enterprises to the continuous integration of core resources. , the technology of various products has been effectively promoted, and the high sharing of resources has made enterprises see broad prospects for development and improved the enthusiasm of related economic enterprises. For example, the development of China's food delivery Internet platform "Meituan Waimai", which organizes the registered storefront information and displays it on the customer's mobile client, enables customers to understand the actual store meals and store type, location, environment, commodities, etc. The information has a comprehensive understanding, and this asset-light model can be used to increase the economic income of physical catering, and also provide convenience for people's lives.

### **The future of China's sharing economy**

The sharing economy has real efficiency implications for resource allocation. In the era of "Internet +", the sharing economy has realized the continuous improvement of the allocation efficiency of various resources in the market, and provided more convenient services for consumers. As an open system, the sharing economy is different from traditional business models. In the case of extensive shared economic development, making full use of idle resources can effectively reduce social surplus welfare, promote full employment, better realize the effective distribution of resources, and promote the increase of social income and profits. As an emerging economic model in recent years, the sharing economy has been well adapted to China's current economic environment and has developed rapidly, providing a lot of convenience for people's lives. In China, the development of "Internet +" technology has gradually taken the lead in the world, providing the right to use idle resources and a free trade network for the development of the sharing economy. Therefore, the development of the sharing economy is inseparable from the support of network technology and information sharing platforms. . This economic model has greatly mobilized idle resources in all aspects, allowing consumers to use more affordable idle resources by leasing, and promoting the economic income level of owners of idle items, so that people have greater The daily life space also provides greater convenience for the demanders of idle items. They do not need to purchase items for one-time or short-term use, which makes the value for money and brings out greater economic benefits. However, the sharing economy also has its drawbacks. At present, the technologies related to the sharing economy in the context of the "Internet +" era are still immature, and the sharing economy model still has certain security problems, which lead to the occurrence of new monopoly in the sharing economy industry, which is not conducive to the sustainable development of the economy. To achieve the sustainable development of the sharing economy, it is necessary to actively play the role of the sharing economy in promoting China's traditional economy, but also to continuously improve the problems existing in the sharing economy, and apply the perfect sharing economy model to the traditional economy.

### **The Development of China's Sharing Economy at the Present Stage**

Affected by the "epidemic", the growth rate of the sharing economy has slowed down, and the development potential is huge. In February 2021, the State Information Center of China released the "China Sharing Economy Development Report (2021)". In the report, due to the impact of the epidemic, the downward pressure on the international and domestic macroeconomics has increased, and the growth rate of the sharing economy market has slowed down. In 2019, China The turnover of the sharing economy market is about 3,282.8 billion yuan, an increase of 11.6% year-on-year; the transaction scale of China's sharing economy market in 2020 is about 3,377.3 billion yuan, a year-on-year increase of about 2.9%, a sharp slowdown compared to 2019. Although the growth rate of China's sharing economy has slowed down, it still maintains great resilience and development potential. With the recovery of China's macro economy, the growth rate of the sharing economy will pick up significantly.

### **The sharing economy segment is stable**

terms of market segments, in 2019, China made positive adjustments in seven major areas, including life services, shared office, shared accommodation, transportation, and production capacity. Among them, the market operation scale of life services is 1.73 billion yuan, accounting for 54.02% of the total transaction scale of the sharing economy, ranking first. The second is production capacity, with a turnover of 920.5 billion yuan, accounting for 27.99%. In 2020, the market operation scale of life services is 1.62 billion yuan, accounting for 47.89% of the total transaction scale of the sharing economy, ranking first, down 6.5% year-on-year. The second is production capacity, with a turnover of 1,084.8 billion yuan, accounting for 32.12% of the total transaction scale of the sharing economy, a year-on-year increase of 17.85%. In addition, judging from the development trend of shared services in 2020, the passenger volume of online car-hailing decreased slightly by 0.3 percentage points year-on-year; online takeaway revenue increased by 3.8 percentage points year-on-year, hitting a new high; shared accommodation revenue decreased slightly by 0.2 percentage points year-on-year. From the perspective of household consumption, the per capita online food delivery expenditure in 2020 will increase by 4.2 percentage points year-on-year; the per capita online car-hailing expenditure will be basically the same as last year; the per capita shared accommodation expenditure will decrease by 2.5 percentage points year-on-year .

### **The government is paying more and more attention to the sharing economy**

The innovative development of the sharing model and the increasing popularity and rapid development of the Internet have promoted the rapid development of the sharing economy. The Chinese government has paid more and more attention to the sharing economy, and has formulated relevant policies and standards to support the development of the sharing economy. Economic development provides great convenience and power support. In 2017, the State Council executive meeting formulated a series of plans to support the development of the sharing economy. The first is to correctly define the nature of different industries and sectors of the sharing economy, adhere to the principle of market-oriented development, strengthen classified guidance, and encourage qualified industries, regions, and enterprises to boldly explore and develop a new type of sharing economy. The second is to abolish the administrative

licensing system and industrial and commercial registration system that are not suitable for the development of the sharing economy to prevent abuse. Formulate tax protection policies suitable for the sharing economy, and implement employment and entrepreneurship policies that support flexible employment and sharing platforms in accordance with regulations. The third is to formulate the principle of "encouraging innovation, inclusiveness and prudence", prudently implement new market access and supervision policies, break down industry and regional barriers, and strengthen supervision and prevention. The development of the sharing economy has boosted China's employment rate.

Although China is suddenly hit by the epidemic in 2020, the employment situation is generally stable and better than expected. The sharing economy has provided a large number of jobs for the society. This effectively relieves the pressure of employment and increases the income of laborers, improves people's livelihood, and increases residents' sense of security and happiness. Calculations show that in 2020, the total number of participants in the sharing economy in China will be about 830 million, of which about 84 million are service providers, a year-on-year increase of about 7.7%; the number of platform employees is about 6.31 million, a year-on-year increase of about 1.3%.

#### **The development trend of China's sharing economy**

China's sharing economy will continue to grow. With the strong support of the state and the support of relevant opinions and documents on the development of the sharing economy in some regions of China, China's sharing economy has a huge space for future development. In the next five years, China's sharing economy will continue to grow at an average annual rate of about 10%, and the share of the sharing economy in China's GDP will increase significantly. More and more individual industrial and commercial households and enterprise groups will join the ranks of the sharing economy and become the beneficiaries of the sharing economy.

China's sharing economy has realized the integration of emerging and traditional economies, online and offline. With the application of "Internet +", more and more new products and emerging industries appear in the lives of the masses. It is also necessary and inevitable to eliminate backward production capacity and old industries that are not suitable for social development. It is expected that in the next few years, more and more industries will join the sharing economy, and the sharing economy will realize the integration of technology, products, and data with the traditional economy. Under the impact of the current epidemic, technologies such as 5G, artificial intelligence, and the Internet of Things have been widely used, promoting the accelerated integration of online and offline, and the accelerated development of shared services and new forms of consumption and new models, becoming an important force for improving economic resilience and vitality.

#### **Implement scientific and effective regulatory measures**

At present, scientific and effective anti-monopoly supervision of the platform economy has become the general trend. In the future, supervision will pay more attention to safeguarding the legitimate interests of all parties, focus on preventing and suppressing the behavior of large platforms that inhibit the vitality of market innovation, and strengthen the supervision of the coordinated behavior of platforms. The strengthening of anti-monopoly supervision will put



higher requirements on the compliance management of platform companies. In the future, the “money-burning” competition of large platforms will become more cautious, and there will be fewer and fewer hostile acquisitions to compete for market share.

### **The sharing economy will provide more job opportunities**

The rapid development of the sharing economy has broken China's traditional employment model, and more and more people are participating in this economic activity. A free, inclusive, open, and diverse sharing economy has changed the employment situation, greatly increased employment opportunities, and raised my country's employment rate. The sharing economy redefines employment, offering a diverse and flexible employment environment, including working from home, telecommuting and working in the cloud. With the development of the sharing economy, many people are no longer confined to a single company, providing opportunities for individual entrepreneurship and flexible employment. Since 2020, my country has encouraged new employment in the platform economy through multiple departments, multiple policies, and multiple channels: First, encourage self-employment, time-sharing employment, and multi-site practice, cancel policies and regulations that unreasonably restrict new employment, and provide new employment opportunities. Various policy support; second, strengthen the protection of workers' rights and interests, establish employment and social security systems that adapt to new employment patterns, and establish and improve the labor standard system for employment on Internet platforms; Fees, franchise management fees, support the establishment of a “shared employment” platform, and provide online and offline vocational training and other services.

### **Conclusion**

To sum up, the development of the sharing economy in the "Internet +" era is conducive to the continuous development of China's economy, but the sharing economy is both an opportunity and a challenge for China's traditional economy, and there are still some problems to be solved in the sharing economy. Only by optimising and reforming the sharing economy can we ensure its continuous development in the "Internet +" era. At the same time, the sharing economy has become an essential form of China's economic development and the direction of innovative ideas in all walks of life. In general, China's efforts to develop the sharing economy still have a lot of room for improvement. But at the same time, the government and society should also pay attention to supervision and regulation so as to ensure the healthy development of the national sharing economy, realise economic transformation, and contribute to economic construction.

### **References**

- Liang Hongyao, & Yao Ling (2017). The development status and countermeasures of the sharing economy in the era of "Internet +"——Taking shared bicycles as an example. *China Market*, 17(27): 312-331.
- Wang Mei, & Ma Yumei (2017). Thinking about the sharing economy under the Internet model——Taking shared bicycles as an example. *Journal of Jinzhong University*,

7(05): 67-82.

Zhang Zexian, Ma Yue, & Cui Wenxuan (2017). Analysis of the development status and prospects of the sharing economy in the era of "Internet +". Modern Business, 2(19): 19-28.