

Unpredictable Sharing Economy: Barbaric Growth, Deceptive Representation and Divergent Regulation

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Abstract: In the context of globalization and informatization, some traditionally low-tech and labor-intensive sectors have developed mobile Internet-based platforms and formed a new business format: the sharing economy. In the beginning, such a new business format lowered the threshold of participation, cut dealing costs, and enjoyed the relative advantage of being free from regulatory institutions. Therefore, it easily attracted investments and witnessed rapid development. Early-stage of the sharing economy features were “being shared, collaborative and on-demand.” For a variety of reasons, the development of the sharing economy has already been accepted and recognized by current society. It is expected to become a new growth point and has the chance to replace the established business format of our industrial society and subsequently trigger many more “pain points.” Regarding the regulation and governance of the sharing economy, there are divergences in its legality, platform nature, industrial impact and employment relationships. Identifying and resolving such regulatory divergences to the maximum degree is a prerequisite for the governance of the sharing economy and also a key to its smooth development.

Keywords: sharing behavior; sharing economy; regulation; governance

The sharing economy is a new business format which has developed based on the integration of the traditional economy with information technology in the context of globalization. At present, the sharing economy is at an early stage of development. Benefiting from people’s huge tolerance and expectation of new

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things, the sharing economy is well received by the market, with numerous Internet-based businesses from various sectors swarming in for more opportunities. However, emerging concepts such as “sharing” and “sharing economy” are still quite new to the public, for which their application faces many challenges. Thus, it is difficult to distinguish “real sharing economy” from a “pseudo-one.” The significant impact delivered by the sharing economy on our traditional economy challenges the Chinese government’s corresponding governance in many ways. This paper attempts to fulfill three tasks, namely, summarizing the latest development of the sharing economy both in China and abroad, analyzing the behavior of sharing and its research process and examining the divergences in the government’s governance of the sharing economy.

1. Barbarically growing sharing economy in the context of globalization

Great importance has been attached to the sharing economy by many think tanks. In May 2016, the Pew Research Center (a US-based non-partisan think tank and research institute) released a report entitled *New Digital Economy: Shared, Collaborative and On-demand*. This report examines three rapidly developing new services in the US market, i.e. car-hailing, home sharing and crowd-funding platforms, and presents insightful and enlightening views regarding these services. First, the sharing economy is an online service category and its characteristics are all closely related to the extension of online services. The extension of the Internet enables the traditional economy to reshape its modes of production, sales and service. Second, the sharing economy has already covered a wide scope, ranging from work, eating, living, sleeping, traveling, shopping and vacations to fund-raising.

This indicates that the wide-reaching Internet has been well integrated with the traditional economy, thus giving rise to a diversity of market services. Third, the sharing economy is enabled by mouse clicking or mobile apps, and it relies heavily on the Internet environment and technology. This report identifies the sharing economy as a type of digital economy featuring “being shared, collaborative and on-demand.”

According to the report, the sharing economy is very popular in the US markets; 72% of Americans have tried at least 11 types of sharing products or online services; and online services mainly target densely populated areas (Smith, 2016). Given that, this report holds that the sharing economy has begun to challenge the essence of established sectors and jobs of the industrial era and is reshaping the Americans’ way of life. It has an all-round effect on Americans’ ordinary life, work and behavior patterns. Due to the sharing economy’s huge impact on people’s lives and work, it has become an important business format which is transforming our business and social lives. Thus, it inevitably triggers heated debates concerning politics, policy and culture.

In addition to think tanks, many individual foreign scholars are also paying close attention to this new business format. For example, Kristofer Erickson analyzed the sharing economy’s development in recent years and its impact on the traditional economy, and argued that over the past few years or decades, the Internet and mobile technology-based new business formats were extensively adopted and they quickly covered a wide range of social and economic realms, bringing subversive changes to a series of traditional businesses and sectors, such as leasing, lodging, taxi hailing, telecommuting and express deliveries. He also predicted the sharing economy’s development prospects, holding that the total revenue for the EU of the sharing economy in

2015 (Euro 28 billion) would double that in 2014 and that by 2025 this figure is expected to reach USD 335 billion. According to Erickson(2016), one third of Europeans have already received sharing platform services; while in North America, this figure is 72%. It can be concluded from his view that the sharing economy has a bright prospect, that it will further engage in peoples' daily lives and that it will continue to bring much disruption, as well as much convenience, to us all.

In the context of globalization, economic development features homoplasmy. Under such circumstances, the sharing economy has played an important role in China's economic sphere. China's large population and accelerated urbanization have facilitated population aggregation in large cities, relatively extensive application of Internet technology, and rapid development of the sharing economy. Since the Chinese government's introduction of the five development concepts of "innovation, coordination, green development, opening up and sharing" and the "Internet Plus" development model, the sharing economy in China has been given a better political environment for development and supported promptly with more favorable policies and now enjoys a promising development prospect. So far, related policies introduced by the Chinese government have created a more favorable platform for the development of the sharing economy.

The sharing economy has made a huge impact on the national economy and the society of China. It covers a range of sectors, shaping the whole society in a profound sense. Based on the "development panorama of the Chinese sharing economy,"^① this paper includes its development realms, categories and characteristics, as well as its product forms.

The sharing economy has covered a wide range of services from transport, leasing, bike sharing, lodging, catering, telecommuting, knowledge sharing, logistics, translation and data to wifi access (see Table 1). While it is yet to deliver any significant impact on the Chinese high-tech sector, it is reshaping our daily life in an all-round way. In the foreseeable future, the popularization of knowledge sharing will play a decisive role in many other areas like technology, economy and society.

Research institutes in China also attach great importance to the sharing economy. In 2016, the research group of the State Information Center released their Report on the Development of the Sharing Economy in China: Status Quo, Problems & Challenges, and Development Trend. This report also covers development trends of the sharing economy both in China and abroad. According to the report, the sharing economy, benefiting from the outbreak of the global economic crisis, has experienced rapid development and has expanded from Europe and North America to over one hundred countries across Asia-Pacific, Africa and many other regions. For example, as of 2015 Airbnb had carried out business in over 34,000 cities across 190 countries and regions worldwide, had more than 2 million rental properties available, benefited a total of over 60 million tenants, and increased its market valuation to USD 25.5 billion. Apart from that, there has been an explosive increase in venture capital invested in the sharing economy. This paves the way for rapid, continuing development, facilitating relevant startups to grow vigorously. The report also connects this new business format to China's five development concepts, supply side reform, and competitive edges. At present, the market size of the Chinese sharing economy is estimated to be

① <http://b2b.toocle.com/detail--6354495.html>.

Table 1 Development Realms, Categories, Characteristics and Main Products of the Chinese Sharing Economy

Realm	Category	Characteristics	Main products
Traffic	Car-sharing	Integrates available car resources and adopts a C2C model to connect passengers and drivers	UCAR Inc., Yongche Inc., Uber (China), DidiChuxing, DidaPinche, Ttyongche, 51yongche
	Car-sharing	To lease available private cars via online platforms	UU, iCarsclub/START, eHi Car Services, Reocar
	Bus-sharing	Use available buses from sharing travel agencies to provide customized bus tours	Pick Me!, Pig 84, D1-bus, DidiChuxing, Dada Bus
	Parking space-sharing	Rent available parking hours in advance	Pparking, Popo, DDTC
Lodge-sharing	Short-term rental	Airbnb model (short-term)	Xiaozhu, Muniao, Mayi, Tujia
	Long-term rental	One-time supply, decoration, one-time rental	YOU+, ZKroom, Mogoroom, Mofang, etc.
Catering sharing	Door-to-door chef services	Door-to-door star hotel services	Idachu, Good Chef
	Private dinner	Prepare a dinner at home to entertain guests	Youfan, Eat with China, Fancy
	Home kitchen-sharing	Reuse available home kitchens	Mishi, Go Home to Eat
Officing	Office-sharing	Offer co-working spaces to people from all walks of life	Nashwork, Mydream+, Woo Space, Urwork, Tech Temple, DAYDAYUP, Tencent's Makerspace
Knowledge & skills	Knowledge sharing	Meet with experts from various areas for suggestions	Shangkezhuan+, Zaih, Linglu, Youzide, Call Me
	Skill-trading	Share comprehensive services and skills	58 Daojia, Teenker, Renwutu, ZBJ.com, Kongge
Logistics-crowdsourcing	Intra-city express	Hire amateur deliveryman to complete the last 3km delivery	Dada, RPKD
	Inter-city express	Use available space on high-speed train and airplane to carry packages and mobilize available labor force for delivery	Spacepar
	Intra-city freight transport	Collect and integrate information of available trucks	Yunniao, Loji, 1HHD
Other areas	Toy-sharing	Share available toys among kids	Tinynoble, Toysuperman, Toyhome
	Translation-sharing	Crowdsource foreign language translation	Xing Cloud, Yeeyan, FIBERead, 365fanyi
	Data-sharing	Share business data, develop government data	91Credit, Datatang
	WIFI-sharing	Rent available wifi out and help users connect to cheap or free wifi hotspot nearby	WiFi Master Key, Deer WiFi

RMB 1,956 billion. The sector offers 50 million jobs, which account for 5.5% of the total working population. Moreover, in the following five years, the Chinese sharing economy is expected to maintain an annual growth of some 40%; its economic size

will contribute over 10% of the GDP by 2020. These statistics indicate that the sharing economy has delivered a significant impact on the USA and many other Western countries, and more importantly, it is now of particular significance to China's economic



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reform and social development.

It can be concluded from relevant studies both in China and abroad that the sharing economy has a huge economic strength, right from its emergence, and that it will continue to play its role and may perhaps bring about a subversive change in the traditional economy. This of course deserves high attention from the traditional economy. However, its sphere of influence is far beyond that. Due to its subversive effects on traditional sectors (the real economy in particular), the sharing economy inevitably delivers a huge impact on the existing legal and policy system worldwide, which subsequently shakes the existing international order. Of course, the sharing economy will influence global social structures and cultures, although such an influence is yet to be fully demonstrated.

It is fair to say that the sharing economy in the post-industrial era is changing the social structure, economic development model and lifestyle of the industrial society, and may reshape its established cultures, concepts and behavior patterns. This explains why the sharing economy has become

a major concern of governments, society, as well as academic circles. The sharing economy elicits both social excitement and anxiety. With only a decade-long history, it is still in an early stage of development. Besides, such a business format cannot yet end its dependence on the traditional economy. This process of transformation makes it difficult to develop a profound understanding of concepts like information society and Internet society, let alone the nature of the sharing economy. Therefore, in an era seemingly characterized by the sharing economy, it is still imperative to differentiate the real sharing economy from the pseudo-one. This requires in-depth reflection and exploration of human concepts and behaviors in sharing.

2. The sharing economy's development and deceptive representation

The behavior of sharing is nothing new for the post-industrial society or the Internet age. Throughout the history of social development, the behavior of

“sharing” has accompanied human communication and trading. In other words, the practice of “sharing” is closely connected with the development of human society. In the early stages of human history, primitive humans already performed information and secrets exchange, as well as food/product sharing. Thus, it can be concluded that “sharing” is a basic instinct of human society. It is a rational choice based on the bright side of human nature (compassion, mercy, etc.) and was adaptive to the living environment of primitive humans. Given that, some researchers hold that “sharing” is among humans’ most common economic behaviors and that it can be seen in all cultures across the world (Price,1975). Obviously, primitive humans’ behavior of sharing was for survival, rather than economic purposes.

Although the behavior of sharing has been truly common since the era of early human practice, it was not until the 20th century that serious academic studies were initiated in this regard. Prior to that, only biological studies had noticed the sharing of outstanding functions among organisms. Darwin’s theory of evolution did not explicitly touch upon the issue of sharing but it somehow concluded “survival of the fittest,” a principle shared by all living things in nature. Given the excessive reproduction tendency of all creatures and the limited food and living space in nature, all creatures must fight for survival. In this sense Darwin held, “There is a struggle for existence leading to the preservation of profitable deviations of structure or instinct—and, lastly, that gradations in the state of perfection of each organism may have existed, each good of its kind” (Darwin,1995, p528); therefore, species that better adapt to the environment can survive and reproduce. This indicates that those species’ survival in nature should perhaps be attributed to their “shared” adaptivity to the environment, as well as their variability.

In 1922, Malinowski, founder of anthropology and social anthropology, began to study the

phenomenon and law of human gift exchange, which marked the beginning of humanistic studies on the behavior of sharing. Later, French anthropologist Marcel Mauss studied the symbolic significance of gifts and discovered that gift exchange is not just an altruistic behavior, but also a reciprocal model capable of consolidating social cohesion. Thus, exchange theory became a focus of anthropology and sociology. Following this, many scholars offered their explanations concerning the social functions and value of gift giving. According to their research, a key feature of “gift-giving” studies from anthropological and sociological perspectives lies in the fact that gift-giving is regarded as an act performed within a family and a small group or between friends, rather than a collective activity between strangers.

The phenomenon of sharing in early human history has also gained attention from scholars of organizational behavior. Nigel Nicholson(1998), a professor of organizational behavior at the London Business School, pointed out that during the Stone Age, individuals could not withstand the harsh natural environment and that they wisely formed alliances for tribal prosperity and development. During this process, they chose to share food with tribes which could repay them when necessary. Moreover, they could promptly identify those dishonest individuals and considered it unwise, or even stupid to do business with them. This research also indicates that the origin of the “sharing” concept and behavior can be traced back to a very early period in human history and that “integrity” is the core of the “sharing” concept and a key to the extension of “sharing” behavior.

The advancement of the industrial society was accompanied with gradually increased human exchanges, accelerated human flows, an extended scope of gift-giving and an improved level of organization. A thorough analysis of gift-

giving behavior's organized development reveals that the overall organized development process of human sharing concept starts from individual gift-giving, through family philanthropy, to non-profit organizations' charitable causes. It can be inferred that during the transition from an agricultural society to an industrial society, the scale and scope of gift-giving were significantly enlarged. Its scale development changed its form of organization. Organized gift-giving is a prominent feature of the industrial society.

It is true that profound analyses of human "behavior of sharing" (including mutual help and gift-giving) have been made in the studies of anthropology, sociology and organizational behavior. However, these studies mainly focus on its social and organizational functions and do not regard it as an economic behavior or economic mechanism. There are few studies seeking its economic value. From the perspective of behavioral patterns, gift-giving behaviors in agricultural societies and philanthropy in industrial societies are in nature cooperative behaviors conducted at different stages of human history. More specifically, the gift-giving behavior in agricultural societies mainly reflects mutual support between people. By contrast, philanthropy in industrial societies, although to a large extent being an altruistic behavior of a particular group, is highly relevant to taxation and many other social institutions. Charitable organizations in industrial societies are committed to charitable causes and at the same time strive to build a good social reputation and turn it into social capital.

In this sense, human behaviors of "sharing" (gift-giving, charity, causes for the public good, etc.) embody team spirit, as well as other lofty qualities like benevolence, mercy and dedication. Such behaviors have certain connections with today's sharing economy, but cannot be deemed a manifestation of the sharing economy. Furthermore,

human behaviors of gift-giving and charity are often accompanied with economic activities, but are essentially different from the latter. The former stresses material sharing, while the latter stresses economic based and value-oriented. The term "sharing economy" was created by economist Martin Lawrence Weitzman in 1986. He noticed that the increase in the shared profits of market players can accordingly create more social benefits for all. In his book *The Share Economy*, Weitzman (1984) proposes that a main cause of stagflation is paying workers a fixed wage regardless of how the company is performing. He introduces an alternate labor payment system as a way of combating stagflation. He regards the sharing economy as a means to tackle economic stagflation and increase social benefits to enable workers to share capital-generated profits. This can to some extent alleviate the conflicts between the two classes and social contradictions. From such a perspective, he attaches great importance to the governance value of the sharing economy and does not expect this new business pattern to replace the traditional economy.

Following Weitzman's proposition there have been numerous debates over the definition of the sharing economy. Over the past decade, sharing economy-related concepts have been emerging. According to some researchers, the sharing economy refers to a diversity of exchanges via the Internet among individuals, groups and organizations. It covers a wide range of sectors, including loan, rental, resource exchange, gift-giving, barter and resource-sharing. Moreover, based on an online platform, the sharing economy also promotes offline exchanges, interactions and experiences (Phipps, 2015). Evidently, such a description only covers the manifestation and functions of the sharing economy, but fails to highlight the diversified purposes of sharing platform utilization during people's exchanges, interactions and experiences. These

purposes include dealing with surplus products and overcapacity, distributing items to people who need them, promoting people-to-people connections via the Internet based on the general reciprocity principle, and above all, making profits via the online platform. There are also researchers who believe it is necessary to differentiate the sharing economy with its related business formats like “point-to-point” and collaborative production. It is of great significance to integrate the sharing economy’s social and economic logic, highlight its network-based aggregation capacity, and follow its core characteristics i.e., platform-enabled commodity and service supply and creative expressions (Erickson, 2016). This indicates that gathering producers and consumers, and matching supply with demand via an Internet platform is a defining feature of the sharing economy.

The diversified purposes of the sharing economy contribute to its complexity. As Russell Belk (2014) concludes, the sharing economy has a variety of names, including “collaborative consumption,” “the mesh,” “commercial sharing system,” “product-service system,” and “access-based consumption.” With this maze-like terminology, it is difficult to identify the boundary between “sharing” and “commerce.” It is equally difficult to make an essential distinction between the sharing economy and the Internet-supported traditional economy. N. A. John analyzed the spontaneous sharing on Web 2.0 social media (sharing links, pictures, updates, etc.), the sharing of products, consumptions and services, as well as the sharing of intimate relationships, and concluded that not all sharing behaviors have a sharing implication but sharing behaviors in the three categories are invariably characterized by equality, reciprocity, honesty, openness, empathy and ethical care. Those behaviors of sharing challenge the sense of boundary between public and private (Nicholas, 2013, pp.113-131).

Yet at the same time, one must never overlook the fact that some self-proclaimed sharing economies are in fact not and are more likely to be pseudo-sharing economies. For example, some people consider bike sharing to be a bitter joke, holding that placing a bike in the urban area is very much like placing a mobile deposit-collecting machine, only to facilitate a bike-sharing company’s transformation into a financial leasing company (Wu, 2017). Rational observations like that remind us to pay attention to the fact that the sharing economy’s “sharing function” is only an external layer or “coat” and that in nature, the sharing economy remains a business format. Like all business formats, it aims to provide products and services and ultimately make profits. At present, profitability is a primary target for many sharing businesses, which regard “sharing” to be a means to serve their own purposes. The emergence of the “sharing” economy in an era of informatization may awaken reminiscence of familiar family ties or kinships. Still, in today’s “strangers’ society,” the popularity of sharing requires a profound investigation although a “virtual society” will become a new platform to reshape the “face-to-face society.” After all, fundamentally the concept of “sharing” is opposed to “competition.” As a newly emerged economic format, the sharing economy is not an altruistic behavior (Schor, Walker, Lee, Parigi, & Cook, 2015). Yet, the emergence of the sharing economy in the post-industrial age is by no means a backward move or reversion, but a business format more rational than the traditional one in our industrial society.

3. Sharing economy triggered regulatory divergences

The sharing economy is a new phenomenon generated from the integration of information resources from the traditional economy in the

process of globalization. The new business format of the sharing economy has not only changed the way enterprises integrate and allocate resources, but also changed the established employment relationships between employers and employees, giving rise to new business models of manufacturing, experience, sales, service and marginal costs. There is no doubt that these changes will affect the regulatory systems of the industrial societies and thus create a number of social tensions, which will result in new “pain points” in social governance.

In terms of ownership, the sharing economy gathers providers of social products and services via sharing platforms, thus diversifying the single approach of possessing capital and property of traditional enterprises in the industrial societies. Being resource sharing-oriented, the sharing economy arouses people’s awareness about resource waste and environmental pollution caused by social and economic development. It is a reminder that for life improvement and resource conservation purposes, single ownership and joint-stock systems should be replaced by the business format of the sharing economy. The new business format, rooted in low-tech and labor-intensive sectors, has lowered the threshold of participation and provided a more flexible model of resource sharing. For example, “online car-hailing services” and “home sharing” create a great investment opportunity for fixed asset holders. The lowered threshold of participation stimulates the public enthusiasm for the sharing economy and gives full play to its vitality.

In terms of organization, the sharing economy inevitably impacts the established bureaucracy in the industrial societies. Such strength comes from its foundation—a virtual platform and its equal participation model which can directly gather resources. Thus, it forms a flat organizational structure—platform-based organization, which directly affect the management relationships and

hierarchical communications of the bureaucratic system. In the platform-based organizational structure created by the sharing economy, negative phenomena like rigid social hierarchy and segmentation are on the decline. This bridges the social gap caused by bureaucracy and brings people closer to each other within a platform-based organization. Admittedly, the platform-based organizational structure is inevitably having its control weakened.

In terms of institutions, in the industrial society, the market is subject to government supervision and management with a strict regulatory system consisting of laws, regulations and rules to protect specific sectors, ensure product quality, and safeguard consumers’ rights and interests. In the management process, the government sets entry thresholds for enterprises and monitors product quality and quantity by building market access barriers, carrying out product inspections, establishing service standards and adopting tax systems to develop a stable economic order. Thanks to a stable economic order, most enterprises have strengthened their ability to control and compete. For the emerging sharing economy, when faced with a complete supervision system, it is critical to choose the right development path, and it is particularly important to avoid government’s excessive regulation in the early stages of development. The modern market is relatively free, tolerant, diversified and inclusive, and consumers have the right to select goods or services that they want, thus enabling the sharing economy to impact the traditional economy. The sharing economy relies on these advantages to develop. Taking its price advantage, the sharing economy confronts the “pain points” of modern enterprises. The price war becomes a powerful weapon of the sharing economy to challenge the traditional economy. Consequently, the impact created by the sharing economy on government

price regulations has become a “pain point” in an indirect way for government administrations. The two factors come together, posing a challenge to the existing economic structure.

These changes generated by “pain points” of the industrial society have impacts on the industrial system, market structure, market order and market management that cannot be ignored. To maintain stable social development and economic growth, the government needs to regulate the emerging sharing economy. At present, four aspects of the sharing economy concerning legality, sharing platforms, industry impacts and employment relationships need to be regulated. Under such circumstances, divergences in regulation arise.

This first aspect concerns legality. Conformity is the focus and the goal for the government’s regulation of the sharing economy. At present, globally, the legitimacy of “online car-hailing services,” home-sharing and crowd-funding platforms have aroused great attention from the media, the public and the government. Even among the public, there are different political opinions about whether to regulate the sharing economy businesses such as “online car-hailing services.” In the United States, political liberals tend to support such a new business format, holding that those businesses should enjoy tax exemption, or should have the right to operate outside the regulatory system, rather than be bound by the existing law. Male and female adults have different views on the sharing economy and how it should be regulated. Female adults are mainly concerned about safety issues, while male adults pay less attention to this (Smith, 2016). When online car-hailing services deal a heavy blow to traditional taxi industry, scholars, the market, the taxi sector and car-hailing platforms in China hold different opinions on whether to tighten control over such a service and how to regulate it. Currently, the online car-hailing sector in China is well regulated

and the conflict between online car-hailing services and traditional cruise taxis has been basically settled. The government expects the two sectors to work together for joint development. However, control over online car-hailing services remains a challenge in other countries.

The second aspect is about sharing platforms. At present, most of the sharing-economy businesses can make use of excess capacity and spare resources. Through P2P lending or trading, items like used furniture, accommodation space, clothes, books, funds, cars, as well as cultural products such as CDs, albums, tapes and records can be lent or sold for profits or non-profit purposes via mobile online service platforms (Smith, 2016). Initiators of the sharing economy know that the benefits of the sharing economy depend on their aggregation ability, a flexible employment system, smooth communications and the credibility of the platform. Sharing platforms help reduce the transaction threshold and transaction costs of the sharing economy, and convenient payment options also facilitate the efficiency of the platforms. In this sense, many people regard sharing economy businesses as software platforms rather than physical companies (Smith, 2016). As a result, there are divergent opinions on whether sharing economy platforms should be regulated by law just like physical companies. Some people adamantly oppose it, some express strong support, while the rest do not care. According to some researchers, the sharing economy is operated based on information platforms, which is a key feature that differentiates the sharing economy from the traditional real economy. Therefore, correctly defining the relationships among platforms, shared objects and users is crucial to the understanding and regulation of the sharing economy (Smith, 2016). According to this view, a further exploration of the relationships among platforms, shared objects and users are

needed. Are they involved in partnerships, joint participation, competition or cooperation? The divergences in regulation might gradually disappear if we manage to determine the relationships among them.

The third aspect is about industry impact. As a new business format, the sharing economy is growing too fast and has a great social influence, which inevitably affects traditional sectors. The online invisibility and virtual organization of the sharing economy is what differentiate it from the real economy of an industrial society. It is precisely the advantages of these features that help the sharing economy attract capital support. By lowering prices, the sharing economy impacts the government's regulation policies regarding traditional sectors. The sharing economy has impacted traditional sectors that rely on such regulations to maintain economic order and stability. For example, Uber, Didi and other ride-hailing service providers have had a major impact on the taxi sector. And the impact of home-sharing services on the traditional hotel sector cannot be ignored, either. Both services are beyond the government's regulation. In a legal sense, the impact of the sharing economy on traditional industries will certainly prompt the government to regulate it. However, the government, the public and the sectors have different opinions on whether the government should regulate the sharing economy or should support its development to promote the transformation of the traditional economy. Hence, the conflict between old and new business formats is difficult to settle. In the United States, some people hold that the sharing economy should not be regulated and has no need to follow the same rules as its conflicting sectors do (Smith, 2016).

The fourth aspect concerns employment relationships. According to a survey made by Pew Research Center, in the United States, 60% of ride-hailing drivers have more than one job. The

temporary employment relationship generated by ride-hailing is very different from that of traditional enterprises. Using spare time and skills to make money on a sharing-economy platform is one of the attractions of the sharing economy and is also a key driving force directing people to a sharing platform. The sharing economy is undoubtedly dependent on such an employment relationship during the development process. This new employment relationship is its social basis. However, the new employment relationship poses an impact on existing legal relationships. Under such circumstances, the government should focus on interested parties in the sharing economy if it is to regulate such a new employment relationship. Additionally, the integration of new regulations with existing laws needs to be considered. In an era of Internet democracy, if the government's regulation on the sharing economy fails for illegality or a breach of propriety, the negative results will be quickly amplified via the Internet and cause counter pressure on the government. The great global influence of the sharing economy businesses like Uber and Airbnb has posed an impact on traditional sectors across the world, as well as on government regulation.

What the sharing economy does is to gather goods, labor and creative expressions on one platform, rather than share the ownership and rights of using products or services, because goods produced by the sharing economy are exclusive to those who pay. The sharing economy is a competitive economy (Kristofer, 2016). The sharing economy is private in nature. Products provided by the sharing economy have the same features with those of modern enterprises in the industrial society. Different from the sharing economy, producers and consumers in the industrial society are separated from each other in the process of production and sales. Such separation caused by geographical distance is a physical separation, which is now eliminated by the

sharing economy. For modern enterprises, property rights are exclusive and shareholders or asset owners with decision-making power are the minority. Most employees own no enterprise assets and have no decision-making power. In the management process, business owners enjoy the final say, through which they manage and control enterprise operations, determine product manufacturing and sales, and gain surplus product value.

Opinions vary over which business models belong to the sharing economy and there is a huge divergence in thinking when it comes to regulating the sharing economy. Some researchers argue that the motivation behind the social and individual engagement in the sharing economy, with its aggregation characteristics, is the key to its development and the formulation

of regulation policies concerning the sharing economy (Kristofer, 2016). Likewise, “Correctly understanding the social and economic motivations and behavioral implications of the sharing economy participation is essential for the government to regulate the sharing economy” (Kristofer, 2016). As a psychological concept, motivation features in both diversity and uncertainty, making it difficult to understand the social motive, economic motive and psychological motive for people to participate in the sharing economy. As some researchers put it, the way policymakers define the sharing economy will decide how they regulate the sharing economy (Kristofer, 2016). Such issues deserve further exploration.

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