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Session 35

Defining the Sharing Economy

Time: 10:45-12:00, March 26, 2017

Venue: ICC, Level 1, Dong Yu Grand Ballroom B

Moderator: Ji Zhongzhan, Founder & CEO, Intellectual Media

Panelists:

- Chi CHEN, Founder & CEO, Xiaozhu.com
- CHEN Gang, CEO, Mafengwo
- DAI Wei, co-Founder & CEO, ofo
- HUANG Wei, CEO, Zhuanzhuan.com
- LI Jianhua, Chief Development Officer, Didi
- Smile TANG, Chairman & CEO, Home-Cooking

Key points:

- In the context of the business culture of sharing economy, the credit system will be reconstructed.



- The development of sharing economy needs “less regulation and more encouragement” from the government.
- The essence of sharing economy is to enhance the efficiency of resource sharing and its focus is on the efficiency of resource sharing and the sharing experience of users.
- Sharing economy will enhance the overall credit of people and as well as their trust in each other.
- With the development of sharing economy, the “light asset” life style will be recognized by more and more people.

Synopsis:

A big discussion on whether online taxi-hailing falls within the scope of sharing economy once again draws people’s attention to the definition and meaning of sharing economy. All the panelists have a big discussion on trust, government regulation and resource sharing efficiency and other issues regarding sharing economy, contributing their wisdom and advice for the future development of sharing economy.

Users’ credit system will be reconstructed in the sharing economy

Chi CHEN argued that sharing is a reallocation of resources based on stock; even when it is based on increment, it is still sharing. Seeking development in different ways based on stock or increment is the new development mode in business civilization. Under the new business culture of sharing, the credit system between people will be reconstructed and the frictions of sharing will be little. People’s use of materials, the production of materials, the relationship between the environment and people and the relationship



between people will all be reconstructed.

CHEN Gang said that trust is hardly a problem for sharing economy platforms. The reason is that these platforms naturally rely on the Internet platform, thus information flow, dissemination and feedback is very fast. On sharing economy platforms, most of the information is uploaded by real users, making it more true and credible. At the same time, if the service is not good, users can also give negative feedbacks. Therefore, sharing economy does not have to worry about the issue of credit system.

The development of sharing economy needs “less regulation and more encouragement” from the government

CHEN Gang said that for the new business model of sharing economy, communication between governments and enterprises is very important. He hopes that the government can have “less regulation and more encouragement” with regard to sharing economy. The government should loosen control and let enterprises make bold innovations. The government only needs to guide properly and pay more attention to the negative externalities of the sharing economy. On the other hand, start-up enterprises should, based on the principle of maximizing resources sharing efficiency, make use of the Internet and operate sharing platforms in a more efficient, transparent and objective way. I hope the government could have less regulation and more encouragement for enterprises.

Also speaking about the relationship between business and government, DAI Wei believed that sharing economy platforms should take the responsibility



rather than shrink from it. Sharing economy platforms do not just provide a platform for enterprises, and they should take a step forward by actively communicating with the government. During the communication, they must believe the government because the government now also encourages innovation and hopes that society will become better. Businesses should not always think that the rules formulated by the government are to contain the development of enterprises; this is not the goal the government has in mind when developing industry rules in the first place.

Sharing economy focuses on efficiency of resource sharing and sharing experience

Chi CHEN said that it is difficult to define sharing and sharing economy. The more accepted definition is the act of individuals sharing idle resources or time with people in need of them. This definition is relatively narrow, and developments in sharing economy have gone beyond its scope, such as the B2C model. The sharing economy is mainly concerned about whether the efficiency of resource utilization is high enough and whether the sharing experience is good enough.

CHEN Gang believed that if a form of sharing economy can significantly improve the efficiency of the use of social resources, then it is a very good sharing economy model. Take mafengwo as an example. With different tourists sharing tourist experience and travel experience via it, the platform provides effective advices for people who are about to make a journey, thus achieving efficient sharing of travel information.



DAI Wei said that sharing economy, whatever it is called, boils down to sharing. From consumers' point of view, whether this service is a personal possession or is only for the use fee is the key to distinguishing sharing economy from ordinary forms of economy. If it is only for the access fee with no possession involved, then it falls into the scope of sharing economy; otherwise, it is not.

HUANG Wei said that the main task of sharing economy is to solve the problems that people encounter in their lives. Sharing economy is essentially about improving the efficiency of the use of resources. If sharing economy models can improve the efficiency of resource use, then it means that sharing economy models are more dynamic than older economic models. Efficiency is the main measure of sharing economy.

Sharing economy should promote the “light asset” lifestyle

LI Jianhua argued that the way forward for sharing economy is to promote the “light asset” way of life. Ever since the birth of sharing economy, companies have always been thinking about how to create value for users because only this can ensure the sustainable development of sharing economy.

The next step for sharing platforms is to cultivate a new urban culture. With stable services provided by sharing platforms, it will not take much resource for people to enjoy services of equal or even better quality. Without increasing the burden on cities, sharing economy can improve people's quality of life by promoting a new “light asset” way of life.



Sharing economy will enhance the credit of users and their trust in each other

Smile TANG expressed his point as follows: in the past, service providers are companies, but today they include every individual; every year tens of millions of people join the existing ranks of providers of shared services. Therefore, when corporate credit is replaced by personal credit, previous policies and rules will become big challenges if they are not timely updated and improved. Platforms should take their responsibilities and work with individuals to establish a new credit system. Only when a new credit system is built up can sharing economy develop itself faster and more steadily, because sharing itself increases people's trust and allows them to see the better side of human nature.

DAI Wei pointed out that sharing economy platforms should choose to believe users. It is like raising children. If they are told not to do anything every day, it will limit their growth and potential. Users should also be given space to grow. In the development process, when things go wrong, enterprises should provide active guidance. They cannot confine users' behavior modes, but should create value for them in the first place. Some of the behaviors of users are mostly caused by a number of reasons. Sharing economy platform enterprises should use Internet technology and the existing credit system in such a way that users can better enjoy the benefits of sharing economy.

HUANG Wei believes that trust is the key to sharing economy, while the development of sharing economy can enhance public trust. In the sharing economy, everyone is a link in the chain of products and service, and every



one's behavior will be judged and supervised by following consumers. From this point of view, sharing economy will make Chinese people pay more attention to personal credit, which will enhance the overall level of public credit.