

Research on Extraterritorial Supervision of Online Car-Hailing under Shared Economy

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Abstract: The continuous progress of mobile Internet technology has promoted the vigorous development of the sharing economy. As a brand-new business innovation model, "Internet plus" is constantly integrating with all sectors of society, and the online car rental is the product of this era. In the past few years, the service of online car booking has developed rapidly. Faced with the current situation of difficulty in hailing taxis, the emergence of online car booking undoubtedly greatly facilitates citizens' travel and plays a role in allocating resources in a market-oriented way under the theory of shared economy. However, at the same time, there are many problems in the online car-hailing service, for example, the current supervision system has its own defects. In addition, the implementation is ineffective, which leads to market chaos in the online car-hailing service industry. Based on the aforementioned research background, this paper makes a comparative analysis of the current situation of the regulation of online car-hailing and mainly introduces the regulatory experience of several representative countries abroad, including the innovative mode of the United States, the dual-track framework of the United Kingdom, the loose regulatory mode of Singapore and the strict prohibition mode represented by France and South Korea, based on which to provide reference for China's supervision mode of online car-hailing.

1. Introduction

The continuous development of Internet technology has spawned a variety of new business models, and online car-hailing is a new business model based on advanced technologies such as big data information and GPS, which provide technical base for the online car-hailing platform [1]. Through the taxi software, passengers can post travel information on the platform, and the online car-hailing will send the passengers to the destination after confirming the order according to their own driving route and willingness, which is convenient for the citizens to travel and relieves to some extent.

The online car-hailing service conforms to the concept of sharing economy, integrates idle vehicle resources, improves vehicle utilization rate, realizes the effective allocation of social resources, and enables citizens to enjoy the benefits brought by scientific and technological progress and market innovation, but this new operation has brought enormous challenges and impacts to the traditional taxi industry, which also faces various problems in its own development, such as legality issues, unfair competition, etc. Nowadays, with the introduction of a series of regulations, it has been confirmed to still face huge regulatory difficulties [2].

In response to the emerging problems of the online car-hailing, many countries are constantly exploring that how to manage effectively to better serve the society. There is no doubt that the online car-hailing should be provided with sufficient development space, which is a product of business model innovation when the government encourages mass entrepreneurship and innovation. The formulation of government regulatory policies should not excessively inhibit its development, which should be given by a free and relaxed market environment.

However, the free development is not unconditional. As a new thing, various countries are constantly exploring its legality and regulatory methods. Although China has issued "Interim Measures" and some "Implementation Rules" [3], there is still a lot of room for improvement. Therefore, in order to promote the healthy and orderly development of China's online car rental industry, it is necessary to sort out, compare and analyze the regulatory modes of various countries

and take advantage of their advantages. At the same time, according to the actual situation of our country, on the basis of drawing lessons from the advanced online car rental regulatory system, our online car rental regulatory paths and methods should be improved furthermore. On this issue, various countries have different regulatory models. This study focuses on several representative regulatory models, such as the United States model, the United Kingdom model, France model, etc, to form a set of regulatory models suitable for China on the basis of drawing lessons from foreign management systems through systematic analysis and summary, so as to provide institutional support for the sustainable development of China's online car-hailing industry and promote the orderly development of the industry.

2. Analysis on the Online Car-Hailing Supervision System

2.1 The U.S. Online Car-Hailing Supervision System

The earliest online car booking service appeared in the United States, namely Uber, which was established in California in 2009. At the beginning of its establishment, Uber positioned itself as an online car booking platform, believing that it only uses Internet big data to obtain information, matches information through online platforms, and facilitates passenger service transactions through taxi-hailing software. However, CPUC (California Public Utilities Mission) holds a negative attitude [4]. In 2013, CPUC creatively put forward the concept of TNC (Transportation Network Company) through democratic decision-making, believing that the online car-hailing-booking platform company belongs to the transportation network company, thus clarifying the legal status of online car-hailing-booking in California and formulating rules and regulations to regulate it.

The California government did not divide the newly-emerged online taxi booking into the scope of traditional taxi industry supervision, but created a new concept and adopted different supervision modes. At present, most countries in the world almost adopt relatively strict supervision mode for the traditional taxi industry, and the United States is no exception. There are clear regulations on admission system, price and quantity requirements. However, although it also provides passenger service, it is not bound by the laws and regulations of the traditional taxi industry and has a completely new control system.

In terms of market access, unlike the traditional strict access control for taxis, California stipulates that transportation network companies need to apply to the Public Utilities Commission for permission before entering into market operation, while the owner of the online car-hailing only needs to pay a certain fee to the transportation network company so as to obtain an operation license to engage in the online car-hailing service [5]. Therefore, in California, the majority of the online car-hailing vehicles are private cars.

In the aspect of supervision, the mixed supervision mode of government and enterprises is adopted. The government has made specific provisions on macro policies, while transportation network companies carry out self-regulation in accordance with the provisions. The specific provisions are as follows: when applying to the transportation network company for an operation license, the driver of the online car-hailing should carry out background investigation, such as criminal records, etc. starting from the date of application. If the driver of the online car-hailing has criminal records such as terrorist violence, drunk driving, etc. within seven years from the date of application, he cannot obtain a license for the operation of the online car-hailing. At the same time, there are also mandatory provisions for the vehicle itself, which requires inspection of various items. If the vehicle does not meet the requirements of the transportation network company, he cannot enter the online car-hailing market. In terms of commercial insurance, the transportation network company is required to purchase commercial insurance, and the commercial insurance contract needs to be filed with the transportation network company to facilitate the company to accurately grasp the insurance status of vehicles.

Generally speaking, the California government separately supervises the traditional taxi industry and the online car-booking industry, and proposes a new concept of transportation network, which

is an innovation in management system. The two are applicable to different rules and regulations and have strong flexibility, giving the online car-booking industry maximum development space. However, at the same time, the Public Utilities Management Committee has also provided more detailed rules and regulations for the operation of online car-booking. Whether in the investigation of criminal background of the owners of online car-booking, or in the requirement to purchase compulsory vehicle insurance, etc., the safety factor of the online car-booking industry has been greatly improved, which is more conducive to the healthy development and social safety of the industry.

2.2 The British Online Car-Hailing Supervision System

The taxi market in Britain includes traditional taxis and private cars. As of October 2016, 113,000 licenses for private drivers and 84,000 licenses for private cars have been issued in transport for London. In 1998, the Charter Car Rental Act affirmed the legal status of private cars in passenger service. From the above, we can see that the taxi industry in Britain is quite developed. In terms of operation, it can be divided into traditional taxis, i.e. road cruisers and private taxis. In terms of vehicle nature, it is not only limited to renting passenger vehicles, but also includes private cars. After the emergence of taxi-hailing software, Britain submitted the draft Taxi and Private Car Service Act in May 2014, proposing to continue to use the two-track management framework. In summary, London's regulatory model has the following characteristics

First, a two-track management framework is adopted. Unlike California, which created a new regulatory model, London directly incorporated the car rental network into the original regulatory system and regulated it under a unified framework. Online car rental also needs to comply with the provisions of the "Rent-a-Car Agreement", but it is different from the original regulatory content in some controllable areas, and the management is more relaxed than the former. This method fully realizes that the network taxi is the product of the sharing economy, which can give full play to the market's role in resource allocation and make up for the deficiency of the traditional taxi operation ability.

Second, drivers need to be familiar with the city's topography. Before taking up their jobs, taxi drivers need to take a very rigorous road topography examination, which mainly tests the taxi drivers' knowledge of London's topography. The examination contents are very detailed. In general, only taxi drivers can successfully pass the examination if they know the tens of thousands of streets in London well. Although drivers who hire cars on the net also need to take the road familiarity examination, the examination contents are much simpler.

Third, the license application system is relatively strict. Transport for London stipulates that license applicants must submit a certificate of no criminal record and undergo a medical examination. Only applicants whose medical examination report shows "healthy" can obtain an operation license. At the same time, after obtaining the operation license, the disabled must be carried free of charge.

2.3 The Singapore Online Car-Hailing Supervision System

Singapore's traditional taxi industry is quite developed. In terms of access to the industry, there is no need to obtain administrative permission from the government, and the threshold is relatively low. Each car can purchase a "license to own a car". At the same time, in terms of quantity and price, unlike the United States and the United Kingdom, there is no limit on the number of taxis and no uniform price standard. Everything is dominated by the market, making full use of the market's adjustment mechanism, and making market-based pricing according to the supply and demand situation. Taxi companies can set the standard and file it with the traffic management department.

Uber's entry into the Singapore market has had a certain impact on the local market. In order to gain a favorable position in the competition, the traditional taxi industry has carried out industrial innovation. Taxi companies have launched their own taxi software to provide passenger service.

At the end of 2014, Singapore brought online car rental into the scope of supervision. At the same time, Singapore encouraged a large number of private cars to enter the online car rental industry and made specific regulations on admission. First of all, the Singapore government

stipulates that drivers of on-line vehicles need to apply for a taxi driver's license. At the same time, the nature of on-line vehicles must be registered as taxis. After meeting the conditions, the transportation authority will issue an on-line vehicle operation license and keep the files on file at the same time.

Secondly, in terms of charging and pricing, the online car-hailing booking platform company needs to formulate a unified charging standard, and specify the starting price, bridge crossing fee, surcharge, dispatching fee, etc. according to the location and time, but cannot exceed the pricing standard of the traditional taxi industry. Finally, there are certain restrictions on the issue of online taxi drivers taking orders. On the one hand, online taxi drivers are not allowed to cruise on the road like traditional taxis to look for passengers, and can only reach an agreement with passengers through taxi-hailing software and go to designated locations. On the other hand, in order to protect the interests of passengers, facilitate public travel and safeguard social fairness, passengers do not need to specify their destination when making an appointment. As long as the online booking driver receives the ticket successfully, he cannot refuse to take passengers on the pretext of not going along the road or being far away from the bus.

It is not difficult for us to see that the Singapore government has been actively exploring the regulation of online car rental. While clarifying the legal status of online car rental, it is also constantly improving relevant supporting laws and regulations, making continuous efforts and system innovation to facilitate citizens' travel, realize information sharing and solve road traffic pressure, which is worthy of our reference.

Since its appearance in 2009, the online taxi service has spread all over the world in a short span of 8 years. With its advantages of convenience, high efficiency and low price, it has quickly seized market share and brought great impact to the traditional taxi industry. Therefore, some countries have adopted a strict attitude of resisting the online taxi service and stopped the online taxi service, such as France and South Korea. However, there is no doubt that the online taxi service uses Internet technology to protect their traditional taxi industry. Innovating the traditional business model not only revitalizes idle vehicles in the society, but also facilitates citizens' travel. The government cannot adopt a negative attitude in order to maintain traditional taxis. It should actively explore and form a set of supervision model suitable for its own country.

3. Inspiration of the Online Car-Hailing Regulation System for China

Since its appearance in 2009, the online taxi service has spread all over the world in a short span of 8 years. With its advantages of convenience, high efficiency and low price, it has quickly seized market share and brought great impact to the traditional taxi industry. Therefore, some countries have adopted a strict attitude of resisting the online taxi service and stopped the online taxi service, such as France and South Korea. However, there is no doubt that innovating the traditional business model not only revitalizes idle vehicles in the society, but also facilitates citizens' travel. The government cannot adopt a negative attitude in order to maintain traditional taxis, which should actively explore and form a set of supervision model suitable for its own country. Through the analysis and demonstration of the supervision methods of various countries in this study, it is believed that extraterritorial supervision system of online car-hailing has certain reference significance for our country: it is necessary to adopt an inclusive attitude to encourage emerging formats. With the prosperity and development of the socialist market economy, we should adopt a tolerant and liberal attitude towards the new business form of online car booking, encourage innovation and integrate it into the market economy to fully participate in the competition.

4. Conclusion

With the prosperity and development of sharing economy, we should adopt a tolerant and liberal attitude towards the new business form of online car booking, encourage innovation and integrate it into the market economy. Under the present background of mass entrepreneurship and innovation, the development of online car-hailing in line with the concept of economic policy orientation in

China. In this study, three kinds of online car-hailing supervision methods are analyzed in detail, including unified government supervision, industry self-discipline and mixed supervision. Either way, the ultimate goal of governing online car-hailing market is to create a healthy, free and orderly market. For China, it is more suitable to adopt a mixed supervision mode, which holds that the cooperation between the government and enterprises should be brought into full play. As stated in the US model, on the one hand, the government defines the admission method, the hard standards and background checks of the drivers through rules and regulations; on the other hand, online car-hailing company conducts supervision according to the rules and regulations, and conducts strict checks on the vehicles and drivers to assume legal responsibility in future.

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