



Development Dimensions of the 'Sharing Economy' - Learnings from China

16 April 2018, 16:30-18:00

Palais des Nations, Room XVII



Background

It has been estimated that the so-called “sharing economy” will surge from \$14 billion in 2014 to \$335 billion by 2025, and the interest in its implications for development is consequently also surging. Most services relating to the “sharing economy” use digital platforms to achieve a more efficient utilization (“sharing”) of physical assets (e.g. house, car, physical space, machinery, clothes) or time (e.g. for tasks such as cooking, cleaning, or running errands), as well as knowledge and know-how. Often, sharing economy activities involve an exchange of money as well as the creation of some employment.

These digital platforms – often accessed through mobile apps – bring together and aggregate demand and supply in new ways (being faster, cheaper and more easily coordinated) and create new business opportunities. Transaction and search costs, as well as “friction” due to information asymmetry, are reduced by connecting those offering assets or services with those wishing to consume them. In effect they become “market places” that instantaneously match supply and demand on a massive scale, both for location-bound work (e.g. transportation) and location-independent work (e.g. cross-border freelancing).

The sharing economy provides various potential benefits: it can increase competition, lower the cost of consumption and make the associated goods and activities accessible for more people with the potential of enhancing their welfare. Providers of goods and services may also benefit from increased revenue from their assets (a car, a house or a lawnmower). It may also provide environmental benefits by enabling a more efficient use of resources and reducing waste.

At the same time, the cost-cutting pressure from the sharing economy brings challenges to traditional firms and industries. It transforms traditional employment by creating new jobs and new models of employment, but could shorten the employment adjustment period that has softened the impact of earlier rounds of structural reforms. There are also regulatory concerns that not everyone will prosper



from the evolution towards peer-to-peer transactions, when disparities exist between developing and developed economies in their ability to develop new Internet-based industries. Other concerns may relate to tax implications and compliance with publicly accepted quality standards.

In China, the sharing economy is growing fast and promoted as a national strategy. The market value of the sharing economy was estimated at 4.5 trillion yuan (about 680 billion U.S. dollars) in 2017, compared with 3.45 trillion yuan the year before, and is expected to maintain annual growth of about 40 percent over the next five years, according to China's State Information Center. To promote the sharing economy, China issued national guidelines in July 2017. Recognizing the benefits of sharing economy for sustainable development and social welfare, the Government will encourage innovation in sharing economy while regulating the sector in a tolerant and prudent manner.

In this context, it is important to explore the growth potential and implications for sustainable development brought about by the sharing economy. This seminar provides a rare opportunity to learn from high-level representatives from government, business and other stakeholders and to engage in an interactive discussion on the opportunities and challenges related to the sharing economy and its development impact.





Organizers

- **The China International Chamber of Commerce (CCOIC)** was established in 1988, approved by the State Council, and is affiliated to the China Council for the Promotion of International Trade (CCPIT). CCOIC is organized as a nationwide chamber of commerce, which is comprised of enterprises, groups and other business organizations that are engaged in international commercial activities in China. CCOIC adopts a membership system. Its main responsibility is to promote economic and trade exchanges and cooperation between China and foreign countries, on behalf of the Chinese business community, to reflect their interests to international organizations and government departments of domestic and foreign countries. It is involved in the constitution and promotion of international trade rules, facilitates enterprises participation in international competition and cooperation, safeguards the legitimate rights of members, and actively advocates social responsibility and public welfare amongst business circles. CCOIC aims to establish a hub-like chamber of commerce, via "universal membership, standardized organization, international business, and professional services", to work together with government, provide services to enterprises, and to promote business.

Didi Chuxing is the world's largest ride-sharing company, providing transportation services for more than 450 million users across over 400 cities in China. As a practitioner in the sharing economy initiative, it is committed to work with communities and partners to address transportation, environmental challenges and employment problems using big data-driven deep-learning algorithms that optimize resources allocation. In 2016, Didi was included in Fortune's "Change the World" list; and named one of the World's 50 Smartest Companies by the MIT Technology Review. In 2015, DiDi was announced as a Davos Global Growth Company. The company is partnering with other sharing economy companies in a number of countries.

- **The United Nations Conference on Trade and Development (UNCTAD)** is the focal point in the United Nations system with regard to the integrated treatment of development and interrelated issues in the areas of trade, finance, investment, technology and sustainable development. Its [Information Economy Report 2017](#) looks specifically at Digitalization, Trade and Development. UNCTAD is also leading the *eTrade for all* initiative, a global collaborative effort to unlock the potential of e-commerce in the Global South.



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- 16:30 **Welcome remarks**
- Ms. Shamika N. Sirimanne, Director, Division on Technology and Logistics, UNCTAD
 - Mr. Wenliang Yao, Deputy Permanent Representative and Minister Councilor, Permanent Mission of the People's Republic of China to the United Nations Office at Geneva and other International Organizations in Switzerland
 - Ms. Yi Zhang, Deputy Secretary General, CCOIC
- 16:45 **Policy implications of the Sharing Economy - the case of China**
- Mr. Nan Fang, Director General, Mobile Internet Bureau, Cyberspace Administration of China
- 16:55 **The Sharing Economy and Sustainable Development**
- Dr. Jianhua Li, Chief Development Officer, Didi Chuxing
- 17:05 **Roundtable discussion**
Moderator: (Ms. Shamika N. Sirimanne, UNCTAD)
- H.E. Mr. Farukh Amil, Ambassador and Permanent Representative of Pakistan to the United Nations Office and other international organization in Geneva
 - Mr. Lan Xue, Dean of School of Public Policy and Management, Tsinghua University
 - Mr. Weiguo Yang, Dean of School of Labor and Human Resources, Renmin University of China
 - Ms. Janine Berg, Senior Economist, ILO
 - Mr. Arun Sundararajan, New York University Stern School of Business
 - Mr. Changle Yang, COO, Tujia Network
- Questions and answers*
- 17:55 **Concluding observations**
- Ms. Yi Zhang, Deputy Secretary General, CCOIC
- 18:00-
19:30 **Cocktail Reception**

