

OPINION

How to Regulate the Bike-Sharing Industry



A person uses a smartphone app to unlock a shared bike in Xuanen County, Hubei Province, on July 11

The bike-sharing industry has spread to many cities. But despite helping address the “last mile” issue in transportation, it has also caused some new problems. Since the bike-sharing trend is a recent occurrence, the government is still gathering information on how to regulate it. Nonetheless, the regulatory authorities should perform their duties through the principles of inclusiveness and prudence to encourage innovation. They should guide the development of the nascent industry in the following aspects.

First, the authorities should take into consideration the characteristics of bike-sharing when formulating safety regulations. In the Road Traffic Safety Law there are provisions on the legal liabilities of non-motor vehicles. But since bike-sharing companies

use an Internet-based rental system, the sector is dealing with riding norms and legal liabilities which are not covered by current laws and regulations. Some cities have started legislation procedures. The newly formulated regulations must coordinate the functions of different government departments and define their powers in order to ensure safety.

Second, the authorities should organize or encourage the bicycle industrial association to formulate national and industrial standards for shared bikes. At present, there are various kinds of shared bikes produced according to their own specifications. Uniform standards must aim to solve two major problems: providing safe bikes and improving the quality of service to ensure that

faulty bikes can be repaired in time.

Third, legal liabilities and compensation standards must be defined clearly. According to provisions on motor vehicles in the Tort Liability Law, bike-sharing firms and users actually establish a non-motor vehicle rental contract. In case of an accident, if the user of shared bike is responsible, he or she must assume the liability; but if the bike-sharing platform involved is also at fault—for example, through defects in bike safety or providing services to minors below 12—it must also assume responsibility.

Law enforcement should also be strengthened to increase the safety of this industry.

First, the government should intensify real-time monitoring on the distribution of shared bikes. Bike-sharing firms must report to the local transportation department before distributing bikes in a city, and the government should decide the volume of bikes to be distributed based on big-data analysis.

Second, the government should bolster supervision on the contracts used by bike-sharing firms, especially the exemption clauses. The regulatory authorities must examine whether there are clauses conflicting with the Law on Protection of Consumer Rights and Interests. It may issue uniform contracts when time is ripe to define the rights and obligations of both bike-sharing platforms and users.

Third, the transportation authorities should establish an information-collaboration system with bike-sharing firms in order to tighten punishment for illegal riding and parking. Since shared bikes are owned by those companies, once the users break traffic regulations, the police are unable to punish them by detaining the bikes or imposing fines. Therefore, an information system will help the police obtain information on those who have violated traffic regulations to punish them. ■

This is an edited excerpt of an article written by Chen Bangda, an assistant researcher with the Center for Rule of Law Strategy Studies of East China University of Political Science and Law, and published in *The Economic Daily*. Copiedited by Bryan Michael Galvan. Comments to zhouxiaoyan@bjreview.com