Analysis of E-Commerce Management Policies Based on The Current Situation of Development

Zirui Dou [1, †], He Gong [2, *, †], Linqi Xia [3, †]

[1] School of digital Economy, Sichuan University of Jinjiang College, Meishan, China

[2] School of Accounting, Changchun University of Finance and Economics, Changchun, China

[3] School of Public Administration, Anhui JianZhu University, Hefei, China

* Corresponding Author Email: gonghe_2002@ccufe.edu.cn

[†]These authors contributed equally to this paper

Abstract. At present, e-commerce is an indispensable part of the development of the real economy. This article on the guiding policies of government supervision and support for the development of e-commerce. This article first finds that e-commerce is applied to rural revitalization and raised issues such as internal supervision and supply chain innovation of e-commerce. This article follows the progressive decision-making model and analyses the development process and future of e-commerce. When studying the development of e-commerce, some questions were raised: E-commerce has not fully met the ever-changing consumer demand and has not fully realized stable development. There are loopholes in the internal supervision of the e-commerce industry at all stages of the development of e-commerce, and the government's e-commerce policy formulation still needs to be improved. And the industrial chain supply chain in the e-commerce industry needs to be expanded and innovated in response to changes in the post-epidemic era. This article proposes to formulate regulatory policies to standardise commission distribution, internal interest rates, and encourage high-quality professionals to invest in logistics innovation, promote the overseas circulation of goods, and promote the development of the foreign economy. It also provides a guiding role for the implementation of future government measures and the formulation of national e-commerce development policies.

Keywords: Supervision, supply chain, industrial chain, live broadcast.

1. Introduction

Since China formulated the "Internet +" action plan in 2015, the plan has gradually promoted the deepening of reform. The new momentum of rapid rise such as the proposal of digital economy theory, the diversification of "Internet +" and the vigorous development of e-commerce is reshaping the economic development pattern, which is a new symbol of innovation and development for the economy. Injecting new vitality is a new highlight of economic development. As of 2015, the e-commerce industry in Zhejiang Province has developed rapidly, with online retail sales increasing by 49.9% year-on-year, ranking second in the country and exceeding the planning goal of the 12th Five-Year Plan of the Central Committee of the Communist Party of China. E-commerce online retail sales have increased the total social retail sales by nearly 19 percentage points, accounting for 23.9% of the GDP of Zhejiang Province. It is estimated that the industry has employed more than 2 million people, indirectly driving about 5 million people [1]. A series of e-commerce industrial bases such as Jinhua Agricultural Products E-commerce Industrial Park and Huifu Spring E-commerce Industrial Park have gradually entered the public view. It is closely connected with the local industry and has gradually formed a regional e-commerce main platform and agglomeration area by providing some industry-leading information, technology and other production factors. Judging from the results, e-commerce has promoted the transformation and upgrading of the regional economy in Zhejiang Province, injecting innovative development vitality into various industries [2]. The development of e-commerce is inseparable from the support of relevant policies. During the epidemic, China has actively cultivated new consumption, encouraged new consumption models and formats, and promoted the integration of online and offline consumption. At the same time, it relaxed its authority,

strengthened technical cooperation, and made e-commerce play a more important role [3]. As an emerging industry, because of the lack of practical experience, it is bound to be immature. In recent years, the popular e-commerce anchor Wei Ya illegally conducted the tax avoidance and tax evasion which also proves that there are loopholes in the new regulatory policy for the e-commerce industry, and it is easy to be used by criminals to profit from it. Based on this case, this article explores the relevant support policies and regulatory policies in the development of e-commerce, analyzes and points out the shortcomings of current policies, subdivides regulatory issues and puts forward corresponding optimization suggestions, and explores the national support trend of e-commerce in the context of impact on the real economy through policy analysis, as well as the future electricity. Development direction of sub-business. The article tries to grasp the general development direction of the economy through the analysis and research of the economic situation and policies. From the theoretical and institutional level, seek the optimal solution for the development of e-commerce.

2. Policy Introduction

China's e-commerce-related policies are generally divided into support policies and regulatory policies. The support policies focus on e-commerce innovation, advocate seizing the online service opportunities emerging during the COVID-19 epidemic, innovating development concepts, and actively exploring and developing new models of online services. Changxing County of Huzhou Province implemented the suggestions of the General Office of the State Council on the development of new industries in the Ten Support Policies for Promoting the Rapid Development of E-commerce issued in 2020. Encourage enterprises to build cross-border e-commerce service platforms through capital incentives, capital subsidies and tax deductions. At the same time, government will vigorously support the development of import bonded and other e-commerce-related industries [4]. On the one hand, China promotes the digital transformation of the physical industry and integrates Internet technology into traditional enterprises such as agriculture and financial industry to inject new vitality. In other aspects, the government also encourages individuals to start their own businesses and cultivate e-commerce to develop new individuals. At the same time, government will strengthen the protection of labor rights and interests, strictly stipulate salaries, pay taxes, and create a new trend of innovation and entrepreneurship. On the other hand, break the traditional shackles of virtuality and reality, implement online and offline industrial supply and demand allocation and accurate docking, and promote the sharing of orders, channels and other information. Support the innovation of new formats and models of digital services, and vigorously develop digital trade. The new regulatory policy focuses on optimizing the past model, exploring and innovating new regulatory models. For example, in the special topic of the E-commerce Law of the People's Republic of China announced by the Ministry of Commerce of China in 2019, it adjusted the connotation of e-commerce, stipulating that "selling goods includes not only the sale of tangible products, but also the sale of intangible products such as digital music, e-books and copies of computer software. Whether it is technology transfer or technology licensing, technology transactions belong to the category of digital commodities. Therefore, technology trading is also within the adjustment scope of e-commerce law [4]. Providing service refers to providing services online or entering into a service contract online and performing it offline. In addition, the relevant services that support the sale of goods and the provision of services should also be included in the adjustment scope of the e-commerce law [5]. This proves that with the development of the Internet and the diversification of network services, China's e-commerce laws will continue to be updated to prevent criminals from exploiting loopholes to harm the public interest. China is promoting multiple entities to jointly supervise the development of e-commerce, actively create a good social atmosphere, do a good job in the publicity of relevant policies, give full play to the strength of all sectors of society, and ensure the healthy development of emerging industries.

3. Current Problems in E-commerce Supervision

3.1. Problems with Network Anchors

The supervision system of China's e-commerce market has been relaxed for a long time. Due to the epidemic and other reasons, the state's supervision of e-commerce enterprises is not strict enough, so many anchors have evasion of taxes. At the end of 2021, China exposed a huge amount of tax evasion. The protagonist of this incident was the well-known anchor - Wei Ya (original name: Huang Wei). After investigation, the Inspection Bureau of Hangzhou Taxation Bureau of Zhejiang Province found that from 2019 to 2020, its company transferred through the concealment of personal income and fictitious business. Tax evasion of 643 million yuan was evaded by false declaration of the nature of income exchange, and other taxes were 600 million yuan underpaid. The state made a tax administrative penalty decision on Huang Wei in accordance with the law, recovering taxes, collecting late fees and imposing a fine totalling 1.341 billion yuan [6]. The collation of the Wei Ya incident found that there are some regulatory loopholes in China's e-commerce industry, so that the anchor crosses the national legal red line. From the funds punished by Huang Wei, the real situation of the internal profits of the live broadcast industry can be found, which can be derived from whether the spot check of internal sales products meets the legal requirements; and whether the commission distribution of various departments within e-commerce companies is reasonable or not, the state's supervision of the e-commerce industry cannot be limited to the surface data of its company. It should strictly supervise the internal capital flow to prevent enterprises in the e-commerce industry from touching the legal bottom line.

3.2. Security Issues of E-commerce

The government must strike a balance between consumer protection and commercial development and protect consumer privacy. In the context of the vigourous development of e-commerce, consumer information has been leaked in a variety of application software. The e-commerce law requires operators to ensure the legal, transparent and fair processing of consumer personal information. E-commerce operator can recommend selected goods or services to consumers according to their Internet browsing history, but when it involves non-specialised personalised services or products, they must provide opt-out mechanism access. Under the retention of the original system, China's regulatory system should derive corresponding strict regulatory policies according to the innovative development of e-commerce, so as to avoid the phenomenon of e-commerce enterprises first. At the same time, during the Double Eleven in 2021, Zhejiang Province sampled the live streaming of five platforms and found a large number of products that did not meet the national standards and three-no products. The quality of goods in e-commerce needs to be vigourously rectified. And under the influence of celebrity Internet celebrities, many people are easy to blindly follow the trend, reducing the investigation of the authenticity of the product. For a long time, merchants are prone to false publicity under the Internet celebrity effect. At present, there is a market demand for cooperation between agricultural products and e-commerce platforms in many regions. Local products are sold through live webcast, and the most efficient product flow is realised, thus driving local economic development. Therefore, the country must vigourously supervise the quality of products and protect the rights and interests of consumers.

3.3. Prevent the Risk of Breaking the Chain of the Supply Chain

In the post-epidemic era, China has gradually opened its doors, resumed the development of overseas markets, and vigourously expanded the sales scope of the supply chain and industrial chain, among which there are some illegal and undisciplined behaviours. China should strengthen customs supervision, carry out regular and regular inspection of overseas warehouses such as bonded warehouses, effectively and reasonably use domestic and foreign warehouses, and enrich the diversity of products. At the same time, China should make capital investment in the field of logistics. With

the growth of overseas markets, China should promote the development of cross-border logistics and achieve rapid economic growth while maintaining the efficient operation of domestic express delivery.

4. Meatures to Improve

With the continuous development of Internet technology, e-commerce platforms have developed rapidly worldwide. Among them, live e-commerce, as a new form of e-commerce platform, integrates the dual advantages of live broadcast and e-commerce, and is favoured by more and more consumers [7]. However, under the diversified needs of consumers, how to make it sustainable and stable is a question worth discussing.

4.1. The Stage of E-commerce Development and National Policies

The development of e-commerce has gone through many stages, from simple online shopping to today's new forms of mobile payment and live e-commerce. In this process, the Chinese government has always adopted an active support policy. Since 1996, the Chinese government has been committed to the development of e-commerce, constantly formulating and improving relevant policies and regulations. In the initial stage of e-commerce, the Chinese government mainly supports the development of enterprises through preferential tax policies, capital subsidies and other means. With the gradual maturity of e-commerce, the government began to promote e-commerce into the stage of digitalisation, platform and socialisation. In addition, the government has also strengthened the supervision of the e-commerce market and improved the laws, regulations and regulatory mechanism in the field of e-commerce [8].

4.2. Internal Supervision of E-commerce and Review of Live Sales Behaviour

In order to ensure the sustained and stable development of live broadcast platforms, the government needs to strengthen the supervision and behaviour review within e-commerce [9].

First of all, the live broadcast platform should strengthen internal supervision and establish a sound supervision system and process [10]. The live broadcast platform should establish a special supervision department to be responsible for the comprehensive supervision of anchors, goods, services, etc. The regulatory department should clarify responsibilities, formulate standard management norms and processes, and strengthen the training and supervision of personnel within the platform. The platform should establish a supervision mechanism, detect and deal with violations on the platform in a timely manner, and crack down on bad commercial impacts such as false propaganda, price fraud and unfair competition [11]. Anchor selling goods is a business model on the live broadcast platform, but its commission distribution and internal commissioning also require the government to formulate relevant policies in a timely manner for supervision [12]. Strictly implement the management system to ensure the standardised and orderly operation of the platform. Secondly, the e-commerce platform should conduct an internal review of the anchor's live sales and other behaviours. The platform should establish a sound audit mechanism to review the live content of the anchor through manual audit or AI technology to prevent false propaganda and fraud and improve the credibility of the platform and consumer satisfaction [13]. The live broadcast platform should conduct qualification review and moral review of the anchor, regulate the words and deeds of the anchor, and ensure that the anchor's behaviour conforms to the management norms of the platform [13]. The platform should establish a reporting mechanism to receive complaints from consumers, investigate and verify in a timely manner, deal with violations in a timely manner, and protect the rights and interests of consumers.

4.3. Challenges and Opportunities in the Supply Chain

Therefore, e-commerce enterprises need to take measures to meet the challenges of the supply chain and industrial chain and seek new opportunities for development. On the one hand, e-commerce enterprises can deal with the instability caused by the epidemic by establishing a stable supply chain

system. For example, improve the resilience and coping ability of the supply chain by establishing a diversified supplier network, strengthening communication and cooperation with suppliers, and strengthening risk management [14]. On the other hand, e-commerce enterprises can also improve the efficiency and quality of the supply chain through innovation. For example, improve the efficiency and competitiveness of the supply chain through the application of intelligent technology, the establishment of a sustainable supply chain, the exploration of new supply chain models [15]. In addition, e-commerce enterprises can also explore more industrial chain cooperation methods to expand more business areas and achieve cross-border integration. For example, e-commerce enterprises can cooperate with logistics enterprises and financial enterprises to build a more complete industrial chain ecosystem and improve the comprehensive competitiveness of enterprises. To sum up, the expansion and innovation of the supply chain industry chain in the e-commerce industry is the focus of e-commerce enterprises. Only by strengthening the stability of the supply chain, innovating and expanding the industrial chain can people better cope with the challenges brought about by the epidemic and meet the continuous changes in consumer demand, and realise the sustainable development of the e-commerce industry.

5. Conclusion

Through the collation of the full text, it was found that China continues to provide policy support for the e-commerce industry. In the process, China should increase the strict supervision of the e-commerce industry. And on the basis of gradually restoring the economy, innovate e-commerce platforms, expand overseas markets, increase capital investment on the basis of maintaining the original supply chain industry chain, and improve the warehouse management system and transportation system. Through the collation of the Weiya incident, it can be seen how high the internal profit of the anchor industry is. The state should formulate relevant policies to supervise the distribution of commissions, internal commissions, etc., which cannot be limited to the improvement of the tax system. In the post-epidemic era, China should expand the layout of the supply chain industry chain and show scientific and technological achievements to logistics enterprises. The state should formulate policies to encourage and develop high-tech talents to invest in logistics construction and innovation. Colleges and universities should set up relevant courses for students to choose from, give full play to the professional knowledge and innovation ability of students in school. At the same time, the state should pay attention to the problems related to overseas markets such as bonded warehouses, and promote the flow of overseas materials in China, so as to promote economic development. Most e-commerce enterprises are set up in Zhejiang Province. It can be seen that Zhejiang Province has introduced many policies and measures conducive to the development of e-commerce enterprises. At the same time, the e-commerce industry has also accelerated the economic development of Zhejiang Province and achieved mutual benefit and win-win results between the two. Other regions can learn from the preferential policies of Zhejiang Province to drive the flow, so as to develop the economy. The state should continue to develop the combination of agricultural products and e-commerce, drive the sales of local products, realise the improvement of economic benefits, and realise the mobility of characteristic products to the greatest extent. In the post-epidemic era, China should continue to pay attention to the development and shortcomings of the e-commerce industry, check the gaps and fill the gaps, and carry out reform and innovation in many aspects and fields. This research focusses on the capital turnover problems within the e-commerce industry and the innovative development of branch work. Most of the news reports about e-commerce only exist in the exposition of superficial articles, with obvious limitations and weak autonomy. In the future, it is hoped that the country will formulate a stricter and more standardised regulatory system, apply e-commerce to economic construction, and vigourously cultivate high-tech talents related to the development of e-commerce.

References

[1] Zhejiang Provincial Department of Commerce, Zhejiang Province Cross-border E-commerce Development Report, 2018-08-15, 2023-3-26. http://www.zcom.gov.cn/art/2018/8/15/art_1384591_20460945.html.

[2] Development and Reform Commission on supporting the healthy development of new formats and models, Opinions on activating the consumer market to drive employment expansion, 2020-07-14, 2023-3-26. http://www.gov.cn/zhengce/zhengceku/2020-07/15/content_5526964.htm

[3] Changxing County People's Government, Ten Support Policies for Promoting the Accelerated Development of E-commerce in Changxing County in 2022, 2022-06-24, 2023-3-26. http://www.zjcx.gov.cn/hzgov/front/s135/zjzx/tzzx/tzzc/20220624/i3218617.html

[4] Ministry of Commerce of the People's Republic of China, adjustment object and scope of application of e-commerce law, 2019-01-22, 2023-3-26. http://www.mofcom.gov.cn/article/zt_dzswf/ImportNews/201901/20190102828936.shtml

[5] The National People's Congress of the People's Republic of China, E-commerce Law of the People's Republic of China, 2018-8-31, 2023-3-26, http://www.npc.gov.cn/zgrdw/npc/lfzt/rlyw/2018-08/31/content_2060827.htm

[6] State Administration of Taxation, State Administration of Taxation resolutely supports the serious investigation and punishment of Huang Wei's tax evasion case in accordance with the law, December 20, 2021, March 26, 2023. http://www.chinatax.gov.cn/chinatax/n810219/c102025/c5171508/content.html

[7] Cong Wenjun, Lin Shuhua. New E-commerce marketing model helps real economy development. Mall Modernization, 2021, (13): 62-64.

[8] Gao Fuping. Research on China's E-commerce legislation. Beijing: Law Press, 2015.

[9] Deng Xueru. Research on the Problems and Countermeasures in E-commerce Supervision in Longwan District, Wenzhou City. Heilongjiang Bayi Agricultural Reclamation University, 2021.

[10] Wan Fang. The dilemma and solution of the regulatory power operation of online live marketing platform. Legal and Commercial Research, 2023, 40 (02): 146-158.

[11] Lu Yuanzhen, Sun Zhipu. How can the new business format go further with the increased supervision of live streaming e-commerce. Guangming Daily, 2023, (015).

[12] Li Yuzhen, Yang Haiyan. Research on tax regulation in the online live delivery industry. Modern Marketing (Second Edition), 2023, (01): 118-120.

[13] Cheng Bohui, Zhang Huanyu. Government regulation of webcast: A holistic governance perspective. Journal of Nanchang Normal University, 2022, 43 (05): 27-33.

[14] Li Weijun. Thoughts on the deep integration of global supply chain and real economy in cross-border E-commerce. Journal of Creative Cities, 2019, (04): 11-15.

[15] Cheng Cheng. Analysis of supply chain management in E-commerce enterprises. Times Economics and Trade, 2023, 20 (01): 40-42.