

Analysis of the Reasons and Countermeasures of the Anomie of Internet Financial Ethics

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Abstract: *With the increasing influence and penetration of the Internet on all walks of life, it has also quietly penetrated into the financial field in a unique way, and Internet finance has emerged on this basis. However, while Internet finance is improving the shortcomings of traditional industries, there are also ethical issues that need to be resolved, such as: companies blindly expand in pursuit of high profits; industry operations are not standardized; breaches of contract, evasion of debts, and other ethical failures frequently appear. At present, the issue of ethical anomie in the field of Internet finance has attracted great attention from the government, society and related business circles, and related research on Internet finance ethics is imperative. This article takes the development trend of Internet finance as the perspective, based on financial ethics, combined with the actual situation of the phenomenon of ethics anomie in Internet finance, and puts forward an effective countermeasure analysis of the ethics anomie of Internet.*

Keywords: Internet Financial Ethics; Ethical Failure; Countermeasures and Suggestions

1. Introduction

This article first gives out what financial ethics is, and on this basis introduces the concept of Internet financial ethics. Financial ethics in a narrow sense refers to the ethical norms and behaviors that financial institutions and their practitioners and financial markets must follow. It is the behavioral norms and behaviors that financial institutions, financial practitioners and financial markets that provide various financial services as the main body should follow. Moral codes, or the good and evil behaviors and codes embodied by the supplier of financial services. Internet financial ethics coordinate and control the most intense conflicts of interest in Internet financial activities, such as interest distribution rules and basic ethical principles. Explore how to control financial conflicts of interest and combine ethical principles in financial activities, and formulate corresponding financial policies to guide specific financial activities. Therefore, Internet financial ethics has its own specific ethical rules, which are relatively independent of economic ethics, financial ethics, and general social ethics.

2. The performance of Internet financial ethics anomie

2.1 Enterprises blindly pursue expansion and maximize profits

The theory of market economy advocates that the market direction is determined by the laws of the market, and economic participants regulate the market through fair competition. However, market economy theory is not a panacea. Excessive market competition will lead to unfair competition. Fully fair competition based solely on the laws of market competition does not exist. If the market conditions in the industry are very good and market

competition becomes fierce, there will be lawbreakers who ignore legal norms and ethical rules, blindly pursue profit maximization, and use various unfair competition methods with no lower limit in order to chase profits. Under the principle of fair competition in the industry, the market may face the undesirable consequences of being misled by it. In order to survive, other companies have to break the rules to survive.

2.2 Irregular operation of the industry

Take the P2P platform as an example. At present, my country's P2P platform mainly has several modes: information platform mode, online mode of small loan companies, and creditor's rights transfer mode. Among the three operating models, the creditor's rights transfer model has the highest risk, the online model of small loan companies has the middle risk, and the information platform model has the lower risk. The creditor's rights transfer model means that the platform directly contributes to the borrower to form a creditor's rights relationship, and then the platform splits and packages the creditor's rights into fixed-income wealth management products and sells them to the borrower. Under this model, the platform no longer acts as a pure intermediary, but participates in the process of fund transfer and becomes an "intermediary." Because the platform promises stable income to investors and saves the trouble of bidding, it is attractive to investors. However, this type of platform has relatively high capital pressure, especially when a large amount of capital flows out, it is prone to liquidity risks, and it also involves legal risks in the operation of the capital pool.

2.3 Default and debt evasion

The phenomenon of breach of contract and malicious evasion of debts occurs more frequently in the field of

Volume 10 Issue 3, March 2021

www.ijsr.net

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Internet credit. For example, the default phenomenon of small online loans and campus loans. Because this type of loan has a low threshold and small loan amount, it is very popular once it is launched. However, this type of loan is often accompanied by extremely high interest rates, and some borrowers are willing to bear the high interest rate in order to borrow money, regardless of whether they can repay the loan in time, regardless of whether they can borrow money in an emergency due to lack of credit awareness and loan risk awareness. Once there is a breach of contract such as overdue repayment, under the pressure of the lending company's improper collection methods, the lender may still fall into the trap of routine loans and serial loans, and face personal unbearable debt risks.

3. Analysis of the reasons for the anomie of Internet financial ethics

3.1 Relevant policies, laws and regulations are not sound enough and supervision is lacking

In China, because Internet finance is a new thing, there is an adaptation period for supervision and the corresponding laws and regulations are lagging behind. As a result, the existing supervision and legal restraint mechanisms have problems such as vague supervision subjects, low supervision expertise, and incomplete laws and regulations. Its "softening of constraints on people's pursuit of maximal utilization" has provided opportunities for all kinds of crazy speculative behaviors. As far as supervision is concerned, there is a contradiction between the principle of separate supervision and the status quo of the mixed operation of Internet finance, creating various regulatory vacuum zones, resulting in the inability of the supervisory authority to conduct real-time dynamic supervision on the source and flow of funds of the Internet financial platform. Discover risks in time and quickly carry out risk warning and risk disposal. Secondly, the "backward and single supervision method" also makes it difficult to adapt to the problems in Internet finance and unable to achieve effective supervision.

3.2 Insufficient awareness of industry self-discipline and institutional heteronomy

Internet finance is an emerging industry, and its industry regulations and regulatory standards cannot be timely and effective. When serious errors or mistakes occur in Internet financial transaction activities, due to the backward institutional supervision, it is impossible to respond quickly. As a means of other laws, institutional constraints cannot effectively deal with the negligence or errors of these transaction activities, allowing them to develop in the wrong direction. The basic ethical principles of fairness and justice, mutual benefit and equality, honesty and trustworthiness of Internet finance are even more difficult to talk about. In addition to the constraints of the corresponding legal system, certain ethical constraints are also one of the means of financial heteronomy. It is a good way of institutional heteronomy. In addition, due to the inherent shortcomings of Internet financial ethics and moral construction experience, it is difficult to play a role in the process of Internet ethics anomie. This is also the reason why institutional

heteronomy and ethical regulations cannot effectively prevent the occurrence of ethical anomie phenomenon.

3.3 Information asymmetry triggers conflicts of interest between subjects

There are many contractual relationships in the Internet financial system, and once information asymmetry and conflict of interest occur between the parties that conclude the contract, many principal-agent problems will arise. Take the P2P online lending platform as an example. Business activities such as the transmission of platform transaction information, payment and settlement are carried out in the virtual world, and the two parties do not meet each other. As investors, they can only understand the platform itself and the investment target from the information published on the platform. basic situation. For example, in the successive P2P platform runaway incidents that occurred some time ago, Shanghai P2P platforms Noada e Finance and Ai Zengbao were the third-party fund custodians Huifu Tianxia and Yibao Pay's customer third-party fund custodial platforms. Originally to avoid the risk of misappropriating customer funds by the platform, the third-party fund custodian does not bear the responsibility of verifying the authenticity and accuracy of the loan project. In fact, it has become a cover for the P2P platform, and investors are also vulnerable to being deceived.

3.4 Internet finance practitioners lack professional ethics education

The lack of professional ethics of Internet finance practitioners directly leads to ethical disorder in this field. First of all, my country's basic financial education lacks training on financial professional ethics. Whether it is financial teaching in colleges and universities, or the professional training carried out by Internet financial institutions for practitioners, they do not pay much attention to financial ethics, and there is no way to build financial professional ethics. Second, the lack of professional ethics education has caused some practitioners to resort to speculation or fraud in order to expand their business or seek illegitimate interests. In the collapsed Internet financial platform, whether it is "e Zubao" or "Zhongjin Department", its employees have many behaviors that violate professional ethics.

4. Analysis of the reasons for the anomie of Internet financial ethics

4.1 Relevant policies, laws and regulations are not sound enough and supervision is lacking

The financial industry is a high-risk industry, and necessary supervision is required. The establishment of industry access should start from the following aspects: capital, necessary technical conditions, necessary financial professionals, necessary information collection and processing capabilities, fund custody, operation mode, etc. Strictly clean up some non-compliant and risky platforms, reduce the risk of the entire industry, and encourage the merger and reorganization of Internet financial platforms to improve the

overall competitiveness of the industry, reduce the level of industry competition, and avoid excessive competition in the industry.

4.2 Relevant policies, laws and regulations are not sound enough and supervision is lacking

The development of Internet finance itself is the need of financial system ethics. The legal system is the basic prerequisite for the realization of Internet financial ethics such as fairness, equality, and integrity, and is the guarantee for the realization of Internet financial ethical regulations. A sound legal system helps to achieve fairness and justice and maintain the equality of subjects. For example, the industry requirements for prudential operation of Internet financial institutions will help to achieve fair behavior; loan limits, consumer investment limits, and information disclosure regulations are helpful To achieve system justice; "procedure takes precedence over rights", procedural justice is the soul of the law and can guarantee the justice of results. For Internet financial traders, regardless of whether they are large or small, state-owned or private, formulate and implement unified regulatory standards. Regulate the business and service areas of Internet financial institutions to ensure that financial services can benefit everyone like sunshine and rain, highlight the nature of Internet finance inclusive finance, and maintain the equality of subjects.

4.3 Strengthen the ethical construction of the industry itself

To enable every company in the Internet finance industry to consciously abide by ethical standards in handling public relations and public affairs, assume moral responsibilities, and fulfill moral obligations. Responsibility is the most basic premise and foundation. The Internet finance industry should have a unified industry standard to strengthen information disclosure of related behaviors. Enterprises must assume social responsibilities, and all enterprises in the industry need to exercise self-discipline and consciously fulfill social responsibilities. At the same time, on the Internet lending platform, it is also necessary to establish an ethical evaluation system for each enterprise, because an enterprise can only go further and be more easily accepted by the social group if it establishes a correct social responsibility attitude and strictly abides by the corporate ethical norms.

4.4 Improve the professional ethics of Internet finance practitioners

Individual Internet finance practitioners are the foundational unit undertaking activities in this field. To engage in actual work in the organization and operation of Internet finance, they should have a higher level of professional ethics and contract integrity than ordinary members of society. The professional ethics of Internet finance practitioners play an irreplaceable role in avoiding financial risks. Therefore, professional ethics that conform to financial ethics are not only the basis for the operation of Internet finance, but also the foundation for the existence and development of Internet finance.

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