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Introduction

This research proposal will investigate one of the most influential and rapidly growing market segments, over the last few years, called “Collaborative Economy” (also known as “Sharing Economy” or CE for short). This segment constitutes one of the strongest engines for economic growth among our next generation of the world economy.

There are several versions for the Hebrew translation of the phrase “Collaborative Economy”, yet we are talking about a relatively new segment in Israel compared to the rest of the western society. Without realizing it, more and more aspects of our lives are becoming co-dependent on different fields based on “Collaborative Economy”.

As part of this work, in the first chapter, I will examine what is “Collaborative Economy”. firstly, I will highlight the main characteristics that differentiate the segment of CE from all other traditional economy modules, and present why it develops at a fast-growing pace into our lives and in fact, taking control over them completely. Secondly, I will compare the advantages and disadvantages of the CE method and the existing traditional economic modules. At this state of things, I will examine the advantages in two aspects: the economic approach and the utilitarian form. This will let us a chance to understand whether countries all over the world should encourage the “Sharing Economy” module or restrain it.

In the second chapter of this work, I will examine the difficult issue of taxation. One of the reasons for the significant growth of “Collaborative Economy” is the fact that she is unsupervised and has no government regulation. Every year, huge sums of money are transferred and add on to the black market (undeclared capital), an issue that all countries wish to reduce as much as possible. As part of this chapter, I will examine the different dilemmas and questions that come to mind due to different taxation issues in the field: Should it be supervised, and how different tax authorities all over the world, Israel included, deal with these issues.

In the third chapter, ‘Summary and Conclusions’, I will examine how the Israeli tax authorities are planning to deal with the taxation issue, in the CE segment. Besides, I will try to give a different approach in the matter and present how collaboration between different areas or countries can reduce the black market significantly, and simultaneously keep the CE market segment active and fruitful.

1. Collaborative Economy – Biography

“Collaborative Economy” (also known as “Sharing Economy” or CE) influences a wide range of life aspects and allows people from different locations to share services, products, property, and knowledge. This method allows people to channel correctly and in a more efficient way based on their existing resources with fewer costs. The digital world is facing this direction and is turning to a fertile ground for creativity, sharing, and interactions between many ventures and a lot of consumers. The ability to create a collaboration that leads to a real revenue is so enormous, till the CE for itself creates more and more ventures, platforms, tools, and applications that channel and perfect the methods for a bigger benefit.¹

In English, the topic of my research proposal uses the term “Sharing Economy” (also known as “Collaborative Economy”), while the Hebrew translation “כלכלה שיתופית” is misinterpreted. Many people assume that it is about one of two things: powerful cooperation between friends, or a new kind of purchase group. Some may define the CE in a way that reduces costs due to technology improvements that allow any citizen to change is purchasing patterns.² Different scholars claim that the CE developed from a sense of community that encourages local production, collaboration in the community, and supports small ventures.³

So, we see that there is a connection between community sharing and the economic will to maximize resources as much as possible, and produce the most benefit from it, when it comes to the matter of personal income. Then, what is the best definition? Which life aspects are influenced by CE in Israel and do every citizen has the opportunity to use it and benefit from it?

In the local aspect, there are already those who manage their way through the “Sharing Economy” in Israel. Ventures in the transportation field such as: sharing a taxi, bicycle locations, cruise groups, and even air-plains. For example, the “Uber” taxi company is based on an app that connects between the passengers and the drivers, including online payment for the ride, and all sorts of transportation options to choose from. In this case, the

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