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A Kibbutz Perspective

Kibbutz, Cooperation and the Issue of Embeddedness

by
Yair Levi
Circom, Israel

Abstract

The contemporary kibbutz is the best exemplification of the fifth and last stage of cooperative development envisaged by the Rochdale Pioneers when they opened their consumer store in 1844. This closeness to the modern cooperative movement at its birth, however, didn't contribute to a feeling of belonging to a "cooperative family". Throughout the years, despite its formal cooperative incorporation, the kibbutz considered itself as a meta-cooperative phenomenon. The idea that, being situated at the apex of a pyramid of levels of cooperative integration, might confer on the kibbutz the task of extending self-management – as a social resource – to other segments of society, never became part of its political-ideological agenda. On the other hand, the Israeli society seems to badly need alternatives to such prevailing patterns as over-consumption, self-interest and profit-seeking. When properly understood and implemented, the cooperative model can offer a valid alternative by subordinating the economic component to the social one. The first is embedded in the latter, in a system which – by definition – remunerates participation rather than capital. It is argued that failure to see the kibbutz as part of a macro network of horizontal solidary links, prevented it from acting as an outward-oriented "change agent" of cooperation and possibly contributed to weaken its inner structure as a comprehensive all-village cooperative. Both levels – the micro local and the macro national – seem to be at a loss.

The kibbutz in a broader cooperative context

The 'Law First' of Rochdale and the kibbutz

The Rochdale experience of 1844 is all too often presented as the opening of the Pioneers' consumer store. This is untrue, for their project, as typically influenced by the then popular thoughts of Robert Owen and his school, was inspired by an orientation towards social reforms with a strong anti-urban bias. Under this view, the consumer store was intended to be only the first in a five-stage development process to further include the building of houses for the members; their employment through the manufacture of a variety of articles; the purchase of land to be cultivated by unemployed or badly remunerated members; and, finally the establishment of "...a self-supporting home-colony of united interests, or assist other societies in

establishing such colonies" each of them in charge "...of production, distribution, education, and government..." (Lambert, 1963:292).

The resemblance of the fifth stage to the contemporary kibbutz is striking, the more so that cooperation in the West and in other parts of the world failed to develop according to the original Rochdalian model but rather evolved through vertical branches (such as supply, credit, marketing, transportation, farm and off-farm production, etc.) thus leaving the kibbutz and few other instances as the only contemporary exemplifications of the original Rochdale model. The topicality of the fifth stage with regard to the kibbutz and the Israeli patterns of settlement regional development has been evoked by Vienney (1960:171) and Desroche (1964:121–145). This clearly points to the closeness of the kibbutz to modern Western cooperation at its birth.

The kibbutz in current classifications

The unique position of the kibbutz on the universal map of cooperatives rests on the scope of its activities within the same organization. Bergmann (1969), Desroche (1964), and Schiller (1969), to name only a few, have elaborated classifications of rural cooperatives based on different criteria, yet sharing service cooperatives as the "loosest" form of integration and the kibbutz as the "highest" one.

The kibbutz and cooperation: formal and informal aspects

The kibbutz and the law. Given its unique historical-ideological origin and growth, the kibbutz found itself – as from the beginning – at odds with the content and spirit of the 1933 Mandatory Law of Cooperative Societies, which – in the absence of an original Israeli Cooperative Law – is still valid today. The latter introduces cooperation as based mainly on rural credit societies and ignores such all-village cooperative patterns, already existing in the 1930s, as the kibbutz and the moshav ovdim. These and the moshav shitufi were forcibly late-comers on the legal scenery. It was only in 1958 that a first step was made to include the above forms into a legally recognized definition. On that occasion, the identification of the cooperative and municipal functions within a settlement which is in itself a cooperative unit, was codified. Paragraphs 1 and 91 of the Local Council Regulations (1958) stipulate that the term "Cooperative Settlement" (Yishuv Shitufi in Hebrew) include:

> ...the kibbutz, the kvutza (a collective settlement of smaller size than the kibbutz), the moshav ovdim , the moshav shitufi, as well as any other settlement in which at least 80 percent of the adult population are organized in a cooperative society and to which the Regional Council has granted the status of "cooperative settlement".

According to the same regulations,

> ...the members of the local municipal council in a 'cooperative settlement' will be those who are at the same time the members of the executive committee of the village cooperative in conformity with the prevailing local statutes.

It wasn't until 1973 that the kibbutz and the other patterns of all-village cooperatives became legal entities, with a detailed definition given to each of them (see Regulations, 1973). Even under the official legal framework, the kibbutz retained its historical name under the broader heading of "agricultural cooperatives".

The proposal for a new cooperative Law – which was never passed by the Knesset – raised a debate, in the late 1960s, over the pros and cons of including the kibbutz in the new legal framework. The supporters welcomed the opportunity for the institutionalization of the relations between the kibbutz and the larger society to which it belongs, for the recognition of a way of life based on communal values, and of the kibbutz as part of the the Israeli cooperative movement, made up of "...organizations based on cooperation and aiming at diverse aims on condition that the economic aim is not the chief one" (Chapter 1, p. 5). On the other hand, the opposers maintained that agreeing to the inclusion of the kibbutz into the Law means relinquishing its avant garde aims, exposing it to the interference of the state in its internal affairs and to the unfriendly reaction of the public opinion which resists the idea to grant an official status to organizational patterns that are strange to the larger society. Here we have arguments that are typical of the issue of institutionalization of change of a social movement in its both inward and outward relations (Ben-Rafael, 1973).

Against the above background, no wonder that the formal and legal aspects of cooperation never played a significant role in kibbutz life. This also explains the resistance to see the kibbutz under a cooperative connotation, as will be shown below.

The kibbutz on a continuum of cooperative integration. In a class assignment as part of a research project at Haifa University in 1975[1] students were asked to solicit the attitudes of youth in five types of rural locations, toward a variety of cooperative issues. The sample comprised 201 respondents distributed as follows: three kibbutzim (N=45); three moshavim shitufiim (N=40); four moshavei ovdim (N=59); three cooperative villages (N=32) and three cooperatives in a moshava (rural location) (N=25). The intention was to check for a possible association between the attitudes and the position of the respondents' settlement on a continuum ranging from "high" (the kibbutz) to "low" (the cooperative in a rural locality) levels of cooperative integration at the local village level. As at that time the community settlement (*yishuv kehilati*) was not yet a registered type of rural location, this continuum offered a valid framework for examining the above issue. The following model was used as a background framework (Levi, 1975b)

[1] See Levi, 1975a.

Table 1. Types of localities according to a combination of factors

Variable/Type of locality	Kibbutz	Moshav shitufi	Moshav ovdim	Cooperative village	Locality with cooperative
• Consumption	+	–	–	–	–
• Production	+	+	–	–	–
• Identification of functions	+	+	+	–	–
• Locality registered as a cooperative	+	+	+	+	–

Does the kibbutz "justify" its position on the continuum by displaying an advantage over "lower" localities with regard to diverse cooperative issues? Here are a few major findings regarding the respondents from the three kibbutzim of the sample, which are of particular concern for us:

- they ranked first on attitudes toward such value loaded issues as education to democracy and building a socialist society; serving a national mission ("settling the border") and an ecological one ("improving the quality of life in towns through community services");
- they ranked second (percent of "totally disagree" response) on the statement "In a modern state, there is no future to cooperation as the workers' unions and the state care for full employment and essential services to all";
- they ranked fourth (percent of positive answers) on the question whether they see themselves as members of a cooperative;
- they ranked fifth on the question "Do you feel that you have much/some knowledge in cooperative matters?";
- they ranked fifth (percent of correct answers) on the question which Ministry is in charge of cooperatives;
- they showed the least knowledge about their being affiliated to such apex bodies, comprising all the Labor settlements, as Chevrat HaOvdim (the Labor Economy) and Brit Pikuach Lekooperatzia Chaklait HaOvedet (the Audit Union for all the "workers" agricultural cooperatives in the country);
- the questions about the self-perception of cooperative connotations showed a few interesting features: all respondents were asked to specify whether they see the kibbutz and Egged (the biggest passenger transport cooperative in Israel, 1) as a cooperative; 2) as an "agudah"; 3) as an "agudah shitufit" (the three are virtually synonymous, with the last two bearing a lesser cooperative

connotation). Against an average of 92.9 percent (SD: 6.65) of all the respondents who identified Egged as a cooperative, a mere 35.9 percent (SD: 15.2) did the same with regard to the kibbutz. Confronted with the option of withholding from using any of the three above connotations, an average 1.3 percent admitted such a possibility for Egged, as against 12.1 percent for the kibbutz. The latter's specifity is obvious, as more people are ready to see it as a social phenomenon beyond common cooperative semantics.

We may sum up this section by saying that the kibbutz showed an edge on the other forms of rural organization with regard to its ideological orientation (self-realization at the national level), yet differed from, and resulted even inferior to, them with regard to knowledge about cooperative matters and the self-perception of being part of a broader cooperative system.

Is the kibbutz a cooperative?

The publication, in 1983, of the *Lexicon of Cooperation* (in Hebrew) brought about an interesting reaction by David Manor, a member of Kibbutz If'at. He wrote to me, as one of the authors, wondering about the definition of the kibbutz as a cooperative society and asked to know what were the reasons for

> . . .lumping together, in our modern times, the kibbutz and other cooperative organizations. Haven't the significant differences between the kibbutz and other forms shown themselves in all their strength? . . .would you agree, if so, to enable the kibbutz to be included in the cooperative legal framework? (Levi, 1985).

The answer gave me the opportunity to explain my point. The kibbutz rests on basic tenets of cooperation, through their implementation in all spheres of life and a collective system affecting a whole community. Given the kibbutz peculiar cooperative endowment and the uneven distribution of such a "resource" over the national territory of Israel (less than 3 percent of the population, *i.e.* the kibbutz sector, enjoying it against an overwhelming majority virtually deprived of it) suggests that the kibbutz "irradiate" self-management on its surroundings (Levi, 1979; 1980). By so doing the kibbutz could change its elitist image and help other groups to enhance their socio-economic situation. This, in turn, could contribute to reduce the gap between the kibbutz and its hinterland by means of income generating initiatives, substituting for the typical situation of dependency of the inhabitants of development towns working as hired labor in regional kibbutz-owned plants. Failure to do so, may weaken the kibbutz ideological and economic fabric by increasingly exposing it to the acceptance of mainstream capitalistic modes of work and life (Levi, 1985).

About half a year later (May 1986) Manor reacted by acknowledging the commonalities of the kibbutz and the cooperative, emphasizing the differences

between them ("if somebody joins a cooperative, he is a 'member'; if somebody joins a kibbutz, he is an 'organ' in an ideological organism. . .") and deploring the tendency of the kibbutz establishment to distance itself from the formal aspects of the daily kibbutz-member relations, and its refusal to discuss the need to update the internal statutes. The kibbutz doesn't see itself part of the common cooperative framework, although being formally defined by the cooperative law (Manor, 1986).

Lamenting the "splendid isolation" of the cooperative Israeli sector vis-a-vis the world cooperative arena, Daniel (1972:7–8) has made the point that the most prominent representatives of the Israeli cooperative economy, *i.e.*, the "worker settlements" , don't see themselves as an integral part of a wider movement and by so doing they emphasize their distinctiveness as an ". . .uncommon phenomenon with its unique rules and specific objectives which are achieved under special and exceptional circumstances".

The kibbutz as a potential change agent of cooperation

The idea underlying this paper is that the kibbutz, as a highly endowed society, is expected to share with its surroundings that part of its value system that can benefit other groups, not necessarily with a similar cultural background. In this case, the specific endowment is self-management (the raison-d'être of cooperation) as a valuable input that can help other groups to attain specific goals. The questions arise why and how should such a move benefit both giver and receiver?

Our argument rests upon a few basic propositions: 1) adapting self-management to a typical kibbutz surrounding means promoting the empowerment of local communities through cooperative, or related, organizations in such domains where groups of potential beneficiaries can identify needs that may be efficiently met through joint efforts and responsibility. Such initiatives may include conventional production and commercial domains as well as a wide range of welfare and community services; 2) development towns and urban neighborhoods in today's Israel are badly in need of self-management initiatives aimed at improving their anemic financial stand and the self-image, both inward and outward; 3) the kibbutz is expected to benefit from a dialogue with a stronger and more self-reliant population in its environment; 4) such a "redistribution" of self-management as part of a "social capital" (as explained below) may help to redress a situation of imbalance in its availability to the overall Israeli society.

In the absence of a theoretical model that can fit into such a situation of "abundance" *vs* "scarcity" of a given resource, our argument will be viewed under a general framework of "exchange" or "transaction" theory. Pavin (1991) has used exchange theory to analyze the complex web of interaction and reciprocal images between the kibbutz and two development towns with differing levels of relations. As economic resources are seen the regional plants owned by the kibbutzim on the one hand, and the labor force supplied by the development towns, on the other. A

basic assumption is that the kibbutz is not expected "...to rely on economic gaps to strengthen its position but will rather use its resources to enhance its prestige through its contribution to the larger society..." hence the hypothesis that "direct exchange between the locations (the kibbutzim and the development towns) is beneficial to both parties and will manifest itself in positive reciprocal attitudes" (*ibid.*, 28).

More specifically, Stryjan (1984) has made the point that self-managed enterprises ("and other deviant organizations") meet with survival difficulties in their environment and, although they cannot choose the environment, they have the choice of what existing institutional partners they should seek to cooperate with, in order to try to create a "protective environment structure". Referring to the kibbutz as a success case in creating a nation wide supporting system of SM organizations, it has been argued that "...establishment of too close links with the center may directly contribute to alienation from the immediate environment" (*ibid.*).

Let us now examine the extent to which the kibbutz coped with the above issue in the past and more recent times.

The kibbutz and the larger society: an historical overview

Soon after its birth the kibbutz saw itself as the spearhead of a wide social change. Its egalitarian ethos and its commitment to the cause of the "conquest of labor" made it the chief instrument to achieve the aim of that time, *i.e.*, the creation of a socialist society as an alternative to the capitalist system.[2] By discarding the other main forms of organization – such as the kvutza, the moshav ovdim and the moshava – as unfit to the attainment of this aim, the kibbutz of the early 1920s, commonly related to the idea of the Gedud HaAvoda, was seen as the only possible means of accomplishing the task (Near, 1992:146–7). The failure of the attempt of Franz Oppenheimer to set up a model of cooperative settlement at Merhavia, known as "Merhavia Hakooperatzia" (Kressel, 1972) brought to the fore the differences between the latter and the kibbutz as the emerging leading model. The members of Degania Alef rejected in 1911 the proposal to adopt the Merhavia model in their kvutza on the ground of their opposition to two basic principles in the theory of Oppenheimer: 1)the differential salary paid to the workers, and 2) the supervision, in the first stage, of an external expert. Both principles were strongly resisted also by the workers of the Merhavia experiment (Daniel, 1972:98) who, moreover, opposed the resort to external hired labor. The irony of history is that these principles are backed by some of the advocates of the "new kibbutz" today.

With the passing of time the idea of the kibbutz as the chief means of achieving national goals gave way to a pluralism of rural settlements and cooperative enterprises in the towns. The original model of centralization to be exerted by the

[2]Early programs for building-up the country along with socialistic principles were based on a macro and highly diversified system of cooperatives. See in this context the ideas of Syrkin and Borochov (Daniel, 1972); and of Shazar (in Losh, ed. 1983).

kibbutz in the conception of the Gedud HaAvoda paved the way to a centralized system embodied by Chevrat HaOvdim (founded in 1923) as the body in charge of "organizing all the workers of Eretz Israel according to cooperative principles". The implementation of the idea was never achieved. The urban cooperatives developed mainly in the branch of transportation, with the Histadrut paying routine lip-service to the central role to be fulfilled by the cooperative sector, yet with limited support – if any – to existing enterprises, let alone attempts to prevent the demise of whole cooperative branches such as urban saving and housing. The restricted view of urban cooperation in production and transportation only, prevented the extension of the idea to a whole range of welfare services to enhance local communities.

The increasing differentiation between the cooperative sector (typically embodied by the Cooperative Center for Production, Services and Transportation) and the administrative branch of the "Workers' Economy" (both under the umbrella of the Histadrut) created a growing dependence of the first on the latter as an administrative body deprived of the willingness and the capability to embark on a meaningful program of cooperative education and training. This ultimately led to the decrease in the number of the cooperatives affiliated to the Cooperative Center from 471 in 1950 to 118 in 1995 (-75 percent), an increase of hired labor from 3,506 to 8,458 (+141 percent) and a mere 9 percent increase in the number of members (from 6,021 to 6,579) throughout the same period (Registrar of Cooperative Societies, several years). A proposal of a new model of production cooperation was suggested (Daniel, 1985) aimed, inter alia, to set up joint kibbutz and non-kibbutz enterprises.

Apart from episodic instances, the idea of a joint front of rural and urban cooperatives never materialized. Nor did the idea of a wide diffusion of cooperation by the kibbutz to its environment.

A few case studies

A number of attempts by the kibbutz to spread cooperation outside its boundaries have been grouped under three main sections: 1) kibbutz involvement in development areas; 2) the kibbutz in partnership with former hired workers; 3) kibbutz communes in an urban setting.

1) Kibbutz involvement in development areas

A consumer cooperative in Beit Shean. In the wake of the prolonged rule of the right-wing party Likud which started in 1977, the mass media focused attention on the kibbutz-development towns relationships, emphasizing a polarized picture of wealthy self-entrenched kibbutz members facing the hostility of a comparatively underprivileged population that included many hired workers in kibbutz factories, often with a high perception of being exploited by kibbutz employers. Under the initiative of the Kibbutz Federation's Committee for Involvement in Development Areas, an attempt was made in 1981 to set up a consumer cooperative in one of

the neighborhoods of Beit Shean in the Jordan Valley. The project was based on the collaboration of the neighborhood and its "twin", Kibbutz Reshafim. Its aims were manifold: to improve the reciprocal attitudes of the two populations; to raise the standard of living of an "underdeveloped" neighborhood; to enhance the latter's self-reliance and self-potential; and, finally, to make a breakthrough in the kibbutz-regional hinterland relationships. With time, the perception of the project's importance shifted from the economic-consumer aspect to the social-cultural one. The involvement of the kibbutz was enlarged also to include kibbutz youth nuclei to help local teachers and the organization of summer holidays in kibbutzim. The outbreak of the Lebanon war halted the cooperative's activities and prevented its planned expansion into additional activities and/or the opening of another cooperative in town. Later on, activities were resumed for a short while and then ceased. In his evaluation Pavin (1986) pointed to the differences between this experience and previous ones by volunteers in the same town, in the following terms:

- The willingness of members to participate in an ongoing way, and to be involved in the cooperative and the neighborhood, without the need for encouragement by external activists;
- the impact of the cooperative within and outside the town;
- the desire of residents from other neighborhoods to join the cooperative or to create a similar one in their neighborhood.

Altogether, the point was made that the neighborhood chosen was atypical of Beit Shean as inhabited by relatively wealthy people who used to buy beyond their immediate needs.

A garment factory in a Jerusalem neighborhood. Within a broader scheme of "neighborhood renewal" in Katamonim Het-Tet in Jerusalem, the idea of a factory for childrens' clothes materialized in the early 1980s through the initiative of a Swiss entrepreneur who provided ready made machinery for fashion-line production. The initiative became part of a wider institutional set-up involved in the neighborhood renewal project. The disparate composition of "actors" can give an idea of the interests at stake: the Renewal Projet Management; the Jewish Agency; the Jerusalem Corporation for Project Renewal; "Ohel Josef", a social protest movement acting as the spokesman of the neighborhood; Chevrat HaOvdim; the Kibbutz Federation's Committee for Involvement in Development Areas; and a number of outsiders particularly interested in neighborhood empowerment through cooperatives. The idea that the factory should be managed by the women-workers themselves was broadly accepted by all the "actors" involved, yet through different approaches. The "political" actors were mostly eager to achieve quick results,

whereas the "professional" ones tended to emphasize the importance of the "process" aspect of action. A most embarrassing situation was that the factory was declared as a self-managed one before any action was taken to expose the workers to the idea and motivate them towards its implementation. Thus, in a way, the cart had been "put before the horse". Crucial issues were hotly debated, such as the determination of salaries, of production quotas and premiums; whether or not ownership of the factory should be part of the cooperative set-up; how to handle issues of power and leadership within the group; the role of the work supervisor and – most importantly – what should be the role of the external "change agents" in implementing the idea of a "wishful thinking" cooperative already (formally) existing. The general façade of the cooperative could hardly accommodate divergent interests and apprehensions which ultimately determined the fate of the project. The activists of "Ohel Josef" were urging for an economic move that would consolidate their political stand in the neighborhood. The women-workers were apparently satisfied with an employment offering a convenient working schedule for the mothers of small children. Chevrat HaOvdim was hesitant to use the budget it had allocated to the project, for fear of a failure in a field in which it had poor knowledge and experience. The Swiss sponsors were anxious to show the feasibility of an innovative way of using donors' money in neighborhood renewal. Finally, the kibbutz Movement, though eager to evade its sense of isolation by means of an idea in tune with its ideology, "...was afraid of being held responsible for another factory employing hired workers..." and ultimately justified its withdrawal from the project in 1986 on the ground that, despite its non-philanthropic intentions, it had found no valid local partner and "...those who represented the neighborhood were not involved economically and lacked a model of cooperative" (Wesley, 1989:93).

2) The kibbutz in partnership with former hired workers: "Dlatot Chamadia"[3]

The experience of "Dlatot Chamadia" (the Doors of Chamadia) represents the only attempt, thus far, to resolve the problem of hired labor in the kibbutz by means of a partnership between the latter and its former hired workers organized in a cooperative. The idea was proposed in the early 1960s by Senta Joseftal, the then Secretary of the Ichud HaKibbutzim VehaKvutzot, to kibbutz Chamadia as a remedy to do away with hired labor in its wood-work plant employing three kibbutz members and fifteen hired workers. In 1964 there were in the kibbutz industries 4,145 hired workers, 63.5 percent of the total labor force in that sector (Shimoni, 1989). Apart from resolving a problem to which the kibbutz had always showed high sensitivity, this novel initiative was expected to improve the relations between Chamadia and Beit Shean, the nearby town supplying the hired workers. The partnership was created in 1964 as a joint stock company made up by the kibbutz and the "Cooperative of Dlatot Chamadia workers". The kibbutz was given

[3]Based on Shimoni (1989).

65 percent of the participating shares and 62.5 percent of the voting shares; the cooperative 25 percent and 36.5 percent and Chevrat HaOvdim 10 percent and 1 percent, respectively. All managerial posts, except the deputy production manager, were from the kibbutz and almost all production workers were from the cooperative. This skewed distribution created, as from the beginning, a situation of superiority of the kibbutz over its partners. The latter contributed the manual labor and dealt mostly with issues of salary and work conditions, whereas the kibbutz members took upon themselves the responsibility for the factory's management and operation. Thus, in a way, the cooperative was one of hired workers and the concern for the enterprise was split between the entrepreneurial aspect (the kibbutz) and the claim-distributory one (the hired workers). Despite the severe selection of candidates for the cooperative, the socio-cultural gap between the two parties persisted throughout the life of the partnership and no resolute steps were attempted to bridge over it. Changes in the basic conditions of the partnership should have included the readiness of the kibbutz to surrender managerial posts to the cooperative, complemented by the latter's appropriate training and increased motivation beyond a trade-unionist outlook. Though not sufficient for the success of the experiment, the above should have been seen as necessary conditions for its attainment. The basic weaknesses of the partnership inevitably increased its vulnerability in the wake of major economic and political changes at the regional and national level: on the one hand, the deterioration of the economic conditions, further to the boom of the 1970s, which resulted in diminishing orders and the ensuing need for financial restrictions; on the other hand, the political upheaval of 1977 which marked the victory of the Likud, the political party supported by most residents of Beit Shean and by members of the cooperative, which sharpened the old antagonism between the development town and the kibbutzim. In 1984, twenty years after its foundation, the partnership was wound up and the enterprise continued under the sole responsibility of kibbutz Chamadia, with a clear tendency to increase the participation of members in the production process and to limit the number of hired workers to the minimum.

3) Kibbutz communes in an urban setting: "Tammuz" and "Migvan"

The idea of "exporting" kibbutz values and experiences to an urban setting is not new. In the past, two such attempts – Efal near Tel Aviv and Sha'al in Karmiel– ended in failures. According to Shur (1974; 1978) a major reason was that the different mainstream ambience acted unfavorably upon the groups' ability to adhere to the "equality principle" and hastened their surrendering to the "equity" one. Unlike many of the U.S. communes based on sharing responsibility in the management of such functions as food supply, the upkeep of kindergartens and the maintenance of the building, the urban kibbutz experiences added to the collective chore the pooling of differential salaries earned by the members in the town where they settled or in its surroundings, and subsequently redistributed according to family

size and needs. This seems to become, in time, a highly demanding practice that may ultimately undermine the internal cohesion of the group.

At present, there are four urban kibbutzim in the country: two in Jerusalem, one in Beit Shemesh and one in Sderot. A recurrent theme in the members' evaluation of their experience thus far, seems to be viewing their's as the true kibbutz. In their opinion, not being an independent rural community saves the members many of the collective duties of the conventional kibbutz. Being of a small size enables the group a genuine commitment to common issues through consensual decision making. Being based in a developing area enables a real involvement in the Israeli society, something the kibbutz of today is unable to do, as it has lost its distinctiveness and sense of mission. A member of Tammuz (the kibbutz in Bet Shemesh) lists the following five premises of life aimed at preventing "...the mistakes the kibbutz has made in the past and...continues to make today": 1) involvement in the Israeli society; 2) secular Jewish culture; 3) general education; 4) individual freedom and responsibility to the community; and 5) kibbutz and communal living (Harris, 1994). A member of Migvan (the kibbutz in Sderot) feels that the conventional kibbutz did not manage to generate anti-entropy processes that could have prevented its distancing from the original ideals (personal communication). The internal organization is characterized by high voluntariness in assuming common duties, an almost complete lack of regulations for daily life and a strong commitment not to be an economic burden on the group. The adult members (20 both in Tammuz and Migvan, mostly young couples with small children) work mainly in educational projects in the local community with only a few working outside the same. The Migvan group attempted a gardening venture based on cooperative organization of local people but without success as the latter prefer a status of salaried workers to one of direct entrepreneurial responsibility. On the whole, the urban communes seem quite aware of their limitations in bringing about social change – both at the local and national level – but believe that their experience will give birth to more urban kibbutzim (Fishkoff, 1994; Harris, 1994).

A late implementation

Although aware of its ideological endowment and sense of mission, the kibbutz was late in realizing that, in addition to its role as economic entrepreneur and employer at the local and regional level, attempts to diffuse self-management on its environment could have eased the dialogue with its neighbors. It wasn't until the early 1980s that efforts in this direction were started by the United Kibbutz Movement through the Committee for Involvement in Development Areas. The latter embarked on a program aimed, *inter alia*, at training "change agents" destined to operate in development areas in what was broadly labeled "community-cooperative activation". Inherent in the project was the need to counteract flawed practices and tendencies characteristic of the Israeli and Histadrut establishments, such as over-

centralization, bureaucracy and the separation, typical of the capitalist system, of economic from social policies: the first are concerned about how to make money and are uninterested in how society is shaped, whereas the latter deal with welfare issues without any concern for the need to give more economic power to the disadvantaged groups of society (Sasson, n.d.). The cooperative component of the program was a late comer and was soon halted due to diverging political interests and insufficient financial support.

As can be seen from the above case studies the attempts of the kibbutz to spread cooperation on its surroundings were sporadic and of limited import. By conventional standards of community activation and grassroots development, one may question the wisdom of creating a consumer cooperative among the relatively well-offs in an overall weak target community; or of putting the intended beneficiaries of a production cooperative before the plant as an accomplished fact; or of encouraging the cooperation between a kibbutz and its hired workers by means of a joint stock company where the first have an a priori advantage of 70:30 percent over the latter. As to the urban kibbutzim, being at the heart of the community where a change is due to occur, may be an advantage, yet their impact is limited and even so it remains to be seen whether the groups are strong enough to resist the impact of the heterogenous urban ambiance under such a demanding practice like pooling of income.

The whole issue of how to cope with the need for a self-sustained cooperative movement capable of emancipating people from their feeling of "it's-my-due-ism" ("*magia li*" in Hebrew) as characteristic of wide segments of Israeli society, while at the same time doing away with managerial controls exerted on settlements and urban cooperative, seems to remain unresolved. This, however, seems to turn into an increasingly irrelevant issue, in the wake of the rapidly deteriorating image of cooperation in the eyes of the Israeli public and establishment alike.

Discussion

The kibbutz crisis and what preceded it in the moshav and other cooperative sectors can be seen as different manifestations of the same broad phenomenon. What, in our view, could have made up a cooperative whole led by the kibbutz did not materialize and its non-occurrence impaired both the kibbutz and its potential partners.

Such a pervasive crisis is at odds with recent trends observable in Western countries, where the crisis of the welfare state, and the growing criticism of the prevailing capitalist system have given new impetus to the debate on alternatives such as the "social economy", the "third sector economy" or the "alternative economy", all sharing a nonprofit orientation. Growing scholarly attention is devoted to issues of solidarity, trust, horizontal social links and economic embeddedness, as related to cooperation and broader social policies. This seems to be part of the emerging

tendency to counteract the conventional paradigm of classical and neoclassical economics by means of an alternative one, opposing a participatory and locality sensitive approach to a techno-strategic and utilitarian one. Emphases are laid, to varying extents, on the embeddedness of the economic in the particular local context and labor process, on decentralization, community orientation, constraint vis-a-vis wasteful consumption and environmental preservation.

Cooperatives seem to enjoy a renewal of interest by departing from traditional policies and taking up new models. Emphasis may be on the newness of organizational types of recent formation as in the case of Sweden (Stryjan, 1994); on the greater extent of member involvement than in mainstream cooperatives in the U.S. (Case and Taylor, 1979; Bager, 1983); on the innovative concept of "...trading for community benefit rather than individual gain..." of the "community cooperatives" in Great Britain (Pearce, 1994); on the meaningful contribution to employment in the case of the Sociedades Anonimas Laborales (SAL) of Spain (Vidal, 1990); or on the new interpretation of solidarity in Italy, as will be seen below. Common to the above, and many more, is their innovative features *vs* the traditional cooperative movements in the respective countries. This renewed interest in the role of cooperatives is being strengthened by the recent debate on the notion of the "multi-stakeholder" cooperative as a means of transcending the classical limitation of one single category of people as the main beneficiaries (Jordan, 1989; Pestoff, 1995).

Cooperatives offer a particular interest for a discussion of the conventional *vs* alternative paradigms. First, because there is a need for caution and alternative thinking and strategies in the light of the all too frequent abuses and misuses to which cooperatives have been subjected by politicians, mainly in Third World countries. Second, because a close examination will reveal the strong connection existing between cooperation and the notion of economic "embeddedness". By this is meant the extent to which economic behavior is affected by non-economic institutions and relations. Contrary to this, a situation of "disembeddedness" would imply an utilitarian approach with economic decisions minimally affected by social relations and consideration. "The disembeddedness of economic from noneconomic requires that individuals engage in economic activities on the basis of motivations peculiar to the economy itself. These motivations have been termed 'self-seeking', 'self-aggrandizing' and the like" (Caporaso and Levine, 1992:37). "The more other people are dependent upon a need I can supply, the better my position becomes" (Avineri, 1972:134). Cooperation constitutes the only corporate entity where the subordination of the economic to the social is inherent in the organization's rationale. As such, it has always been a concern of cooperative thinkers and legislators to see to it that economic aims do not predominate, as we have seen from the aforementioned proposal of an Israeli Cooperative Law. Based on the exclusion of profit as a basic tenet, cooperation remunerates participation rather than capital. The latter is at

the service of man as a member (worker or not as the case may be) and not the reverse, as in the capitalist model. Unlike in a conventional for-profit firm, invested capital cannot be the criterion of decision making, nor of an eventual distribution of surpluses to the members.

On a higher level of abstraction, cooperative self-management has been defined as a combination of optimal participation, dialogue and "praxis progression", the latter denoting a sequential seven-stage action aimed to ensure man and society a full state of "sanity". So, for example, a state of "naive or primitive consciousness" (the second lowest on the ladder) would be characteristic of those "...believing the myth that making money is their purpose in life..." (Vanek, 1982:321,323). Market competition requires strong networks of alliances based on solidarity and trust. Italy offers an interesting case in point. In a recent study aimed to assess the importance of solidary relations to protect the cooperatives from the market, Gherardi and Masiero (1990) have argued that:

> The development by an individual cooperative of networking activity, based on solidaristic exchanges and designed to limit the effects of the market and build reciprocity without resorting to the authority principle, is the outcome of the way that cooperative members perceive the actors in their surrounding environments and their degree of willingness to accept solidaristic reciprocity.

When solidary horizontal links become a wide-spread phenomenon, the likelihood arises of a broader impact on society. Putnam (1993) has found a positive significant correlation between membership in voluntary-participatory organizations (mainly cooperatives) as part of a "social capital" based on horizontal ties, and the overall quality of regional administration in Italy. A recent study (Levi and Montani, 1995) of the Social Solidarity Cooperatives of mental disabled as part of a wider population of "disadvantaged people"[4] in Italy, showed an interesting biased perception of cooperation by many of the healthy (member and non-member) activators. In their nonprofit fervor, they figure out their cooperative as an organization where no payment of an interest on the member share and no distribution of surpluses to the members should be allowed.[5] This contributes to narrow down the distance between the social and the economic components, *i.e.*, to the latter's embeddedness, which, in turn, helps to enhance the members' internal motivation and their perception of organizational distinctiveness.

The increased pressure for economic "disembeddedness" which seems to accompany the kibbutz crisis is perplexing and sounds as a dangerous warning for

[4]In 1993 there were about 2000 such cooperatives employing 40,000 people and serving 200,000 "disadvantaged" with the help of 15,000 volunteers; 13 percent of the total national expense for welfare was related to the Social Cooperatives (Lepri, 1995).

[5]As is well known, both practices are part and parcel of sound cooperative management, provided the interest is limited and distribution, if any, is made in accordance with the member's participation and not the amount of his/her equity.

its value system.[6] The call for separation of the firm from the community, the creation of "profit centers" at the branch level and, last but not least, the attempts at differential remuneration, may undermine the kibbutz system and question its very survival. Implementing far-reaching changes for the sake of "economic efficiency" may further weaken the kibbutz in its historical combination of communal living and economic democracy and in its chances to represent – towards the 2000s, the Israeli cause for a renewed cooperative movement. The newly emerging trends in regional decentralization and increased autonomy of kibbutzim from their Movements may miss the purpose of "new regionalism" unless and until the surrounding non-kibbutz population is included in it (Fogiel-Bijaoui, 1994:52-53).

To resume the thread of our initial idea, one may wonder whether the longest way is not, after all, the surest, *i.e.*, that by strengthening its environment the kibbutz ultimately strengthens itself. Failure to do so may leave the local micro and the broader macro level at a loss.

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[6] According to a recent study of attitudes in the kibbutzim of the United Kibbutz Movement, about two thirds of the respondents attributed little importance to non-economic considerations in the management of the economic branches (Ben-Rafael and Gajst, 1993:16-17).

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