

ISRAELI KIBBUTZ: A SUCCESSFUL EXAMPLE OF COLLECTIVE ECONOMY

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Abstract: Kibbutz is a social organization established on the principle of equality, public ownership, and voluntariness. Based on the principle of state ownership of land, collective ownership of means of production, and democratic management, such social organization implements the system of from each according to his ability, to each according to his need and distribution based on one's performance. Kibbutz is a socialist economic organization based on collective ownership, in which all members are totally equal. It has been more than 100 years since such organization was first established, in which some reforms were implemented. Kibbutz is a successful socialist economic organization based on collective ownership, and its experiences worth attention from intellectual circles and learning by various countries around the world.

Key words: kibbutzim in Israel; collective ownership; democratic management; principle of equality

Kibbutz means collective settlement in Hebrew. In the past, it was translated as rural cooperative or collective farm, which is not definite. Kibbutz is a collectively owned social organization established on equal, publicly owned and voluntary basis (or referred to as Collective Commune), which is a socialist element in Israel, a semi-capitalist and semi-socialist country. Experiences acquired in the development of kibbutz in more than 100 years is worth the great attention of intellectual circles and learning by various countries around the world.

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1. Principles of Management for Kibbutzim

First, the principle of voluntariness. Anyone may join or quit a kibbutz based on totally voluntary principle. Applicants should acknowledge and conform to rules and regulations of kibbutzim, besides which they should also understand and be willing to share the lifestyle in kibbutzim. Any applicant should submit his or her résumé and ID documents and be reviewed and interviewed, after which he or she has to go through a period of *being a guest* for half a year. After evaluation, he or she should also go through 2 years of internship. At the end of such internship, if more than two thirds of members vote for the applicant secretly, he or she can become a member of the kibbutz. Any member of a kibbutz can quit in a very liberal way; he or she may quit automatically or apply for quitting the kibbutz. After quitting, such a member becomes a free person and may also join another kibbutz or make a living in another way. Kibbutz is similar to farmer's cooperative in Denmark in this aspect, but the latter implements a principle of *easy joining and restricted quitting* as of membership management. However, if a member of a farmer's cooperative wants to quit on a voluntary basis, he or she will lose all his or her shares, and no money paid for shares will be refunded, and meanwhile such member also has to pay off his or her share of net debt. If the said farmer's cooperative has net asset, such member will not be paid with any share (Chen 2013).

Second, the principle of equality. All members of a kibbutz are equal in political, social, and economic status, and they enjoy equal voting right in various aspects such as guideline, policy, production, operation, and life in the kibbutz. Working is a social norm observed by all members of the kibbutz. The only difference among all members lies in the fact that they engage in different works based on division of labor, and all of them have the same living standard and enjoy the same benefits. Management committee and professional committee are public servants in the kibbutz, and members of such committees enjoy no privilege or additional remuneration and view their services as spare-time services as well as an additional giving and labor, which reflect other members' confidence in them and support for them. However, all leaders of the kibbutz still do their best at work for fear that they may let other members down. All members should have a shift in professional committee and undertake labor at a post. Kibbutzim had been opposing hiring any worker until recent years. However, they began to allow hiring workers because of turnover of members and shortage of labor in recent years.

Third, the principle of public ownership for means of production. Kibbutz is a collective and publicly owned organization, in which the state owns only land, and all other assets including means of production, fixed assets, and various products are jointly owned by all members. After the founding of Israel, all land is recovered and owned by the country, for which kibbutzim must lease land from the country.

Term of such lease usually lasts 49 years. In some cases, term of lease may reach 99 years, which may be automatically extended after expiration. All means of production in a kibbutz are collectively owned, including culture, education, medical service, and houses, which form a complete social service system for production, operation, and sale. Each kibbutz is operated in an independent way and can decide on organization of production as well as pricing and selling of products, and all earnings gained in the process are jointly owned by all of its members. In the aspect of agriculture, economic organizations and professional organizations based on regional cooperation are established in Israel. When market demand at home and abroad is involved, the government and professional associations will provide certain assistances. As for domestic sale, economic organizations and professional organizations based on regional cooperation are responsible for purchasing, processing, as well as retail and wholesale of agricultural products produced by all kibbutzim. In addition, exporting organizations are responsible for the export of such agricultural products.

Fourth, implementation of the principle of democratic management (Mott 1991). All political, economic, and social affairs are made public to all members in a kibbutz, for which meeting of all members has the highest authority. Generally, one meeting of all members should be held at each Saturday night (Sabbath), at which all members will discuss and determine development plans, significant operation decisions, and social activities as well as election and dismissal of leaders. Any proposal should only be passed when two thirds of members vote for it, and the principle of the minority being subject to decision made by the majority as well as one-man-one-vote principle should be followed. Top administrative leader in a kibbutz is the secretary, and there are various professional committees under his or her leadership, such as professional committee for production planning, laboring, financial affairs, housing, medical services, and sports as well as social affairs. In addition, various organizations engaging in housing, public security, services for the young and the old, as well as health care are established to handle specific works. Secretary or executive committee of a kibbutz should be composed of the secretary and chairmen of various committees, responsible for handling daily routines in the kibbutz. The secretary and all chairmen must be elected by all members at a meeting, and their terms of office may be 2 or 3 years or 5 years at most. All members will vote for or against them every year, and those with poor performance can be replaced at any time. Except for social committee, all committees are open to all members, and any member of the kibbutz may attend any meeting of these committees. When social committee is discussing some issues such as family disputes, only directly relevant members can attend such discussions, and other members are not allowed to attend such meetings.

However, decisions made through such discussion should be made public after meetings for public supervision.

Fifth, the principle of *from each according to his ability, to each according to his need*. According to rules and regulations, all members with necessary ability in a kibbutz must work, and those without necessary ability should be taken care of by the collective, and it is prohibited to hire any worker. At the early stage, male members generally engaged in agricultural production, while female members generally engaged in various services. However, with the expansion of kibbutzim in size, division of labor has been gradually specialized, and committee of labor began to assign work based on each member's ability and needs. There is no retirement system in kibbutzim; old people generally engage in some easy work. They will be taken care of and helped by the collective when life becomes difficult for them, for which they may not feel lonely or helpless. Therefore, some people believe that old people in kibbutzim are the happiest members. The principle of each taking what he needs is implemented in kibbutzim. Various facilities are built inside any kibbutz, such as restaurant, house, laundry, clinic, and library, the purpose of which lies in meeting basic needs of all members in the best way. There is no commodity or exchange through money inside any kibbutz, but the collective may distribute a certain amount of allowance to all members on a regular basis in order to let them buy articles of daily use. In addition, subsidy will be distributed to all members for taking a vacation or traveling. Generally, members engaging in different works inside a kibbutz can enjoy equal treatment and living standard, for which there is no economic inequality. Any member of a kibbutz may engage in other vocations, such as lawyer, officer, and artist, but he or she can still enjoy all benefits provided by the kibbutz, live inside the kibbutz, and participate in various activities held by the kibbutz. However, they should hand over all earnings gained from engaging in such vocations outside the kibbutz and receive *allowance* like other members.

2. Establishment and Development of Kibbutzim

It has been more than 100 years since the first kibbutz was established, during which several generations of people put their efforts into developing kibbutzim. Based on characteristics of various changes in kibbutzim, the development process of kibbutzim can be divided into four stages.

The first stage is the start-up stage of kibbutzim, which covers a decade beginning from 1909 when the first kibbutz, Degania, was established. In the history of Jews, the first kibbutz was established beside the Sea of Galilee in Palestine (Abramitzky 2011). At the beginning of the 20th century, some young people emigrated from Eastern Europe to Palestine. Under the influence of Zionism,

utopian socialism, and theories of David Gordon, they resolved to establish an ideal society owned by all of its members, in which all members could work and live together, and the principle of equality among all members could be realized. In 1909, they established an independent and collectively owned farm beside the Sea of Galilee in northern Palestine and determined to build it into a permanent settlement, which was named Degania. Therefore, Degania became the official name of the first kibbutz in the world. At the early stage, there was no management organization inside the kibbutz. All members worked hard in the farmland in daytime and discussed internal affairs at night. There was no committee until 1913 when the first committee was elected, which was responsible for assigning work to all members. After this, basic institutional framework of the kibbutz had been completed, and the kibbutz itself became the model of future kibbutzim. Not only is Degania the first production organization established based on the principle of joint working and wealth sharing as well as *from each according to his ability, to each according to his need*, it also became self-sufficient soon after establishment and thus generated significant demonstration effect. Afterward, some kibbutzim were successively established based on the pattern of Degania in northern Palestine. In 1911, another kibbutz was established. By 1914, the total number of established kibbutzim reached 11. At this stage, kibbutzim were characterized by small scale, small amount of members, and mainly engaging in agricultural reclamation and cultivation.

The second stage is the early stage for the development of kibbutzim, which covers a period from the 1920s to founding of Israel. During the 1920s, kibbutzim were expanding rapidly. From the spring of 1919 to 1923, about 35,000 Jews entered into Palestine, and a considerable amount of them viewed communes as their settlement, among which some people joined existing communes or established new villages for immigrants. With the purpose of providing employments to immigrants, the first national and large-scale kibbutz, namely, Labor Group, was established in September 1920, which mainly engaged in building public works, constructing agricultural villages for immigrants and defending settlements of Jews. The number of its members grew from a few dozens to more than 2,000 during 6 years. Although the kibbutz was disintegrated finally due to various causes, it demonstrated the direction of development for kibbutzim. For the purpose of providing assistance and support to each other, kibbutzim became united, and thus union of kibbutzim was established, which assisted kibbutzim in deploying labor force, allocating fund, and providing education to a larger extent and in a better way. Therefore, kibbutzim had been improved in strength, scale, and number. By 1945, there were nearly 300 villages for immigrants in Palestine, and half of them were kibbutzim.

The third stage was the golden age for the development of kibbutzim, which covered the period from the founding of Israel to the middle 1980s. In 1948, the government of the country by the UK government ended, and Israel was founded. Israel's first prime minister Ben-Gurion declared three principles for the founding of Israel: Zionism + Socialism + egalitarianism, which actually acknowledged the significant role played by kibbutzim and great influence generated by kibbutzim during the process of founding and development of the country and promoted future development of kibbutzim. This period saw an unprecedented number of immigrants. In 1948, Israel saw 102,000 immigrants. In 1949, the number of immigrants in the country reached its climax of 240,000, 20,000 per month on average. In 1950 and 1951, 170,000 and 175,000 people immigrated to the country, respectively. During the first 4 years after founding of Israel, a total of 687,000 people immigrated to the country, and population of Jews inside the country doubled. Israel had a population of 687,000 when it became independent (Gvati 1996). Another 84 kibbutzim were established during the first several years after founding of Israel. By the beginning of 1958, there were a total of 79,700 kibbutz members across the country. In 1963, *kibbutz Campaign Union* was established based on union of kibbutzim, which was the first national union of kibbutzim and responsible for coordinating common affairs of various kibbutzim. In the 1970s, agricultural yield of kibbutzim accounted for more than 40% of the total yield of the country. With the development of economy in Israel, industries and the tertiary industry inside kibbutzim began to gain development, for which the old pattern of pure agricultural production was transformed. In 1969, there were a total of 164 enterprises owned by kibbutzim, and the number reached more than 400 by the middle 1980s. These enterprises accounted for a significant share in various industries such as plastic, metal, and food industry and began to exploit markets abroad. The tertiary industry, especially the tourist industry, generally became an important source of income for kibbutzim, and members engaging in the tertiary industry increased correspondingly. In the 1970s and 1980s, organizational form and lifestyle of kibbutzim became basically fixed, during which kibbutzim entered into their golden age and served as a showcase, for which the Israeli government felt very proud.

The fourth stage covers the period from the middle 1980s to now, which is a period of transformation for kibbutzim and contains both challenges and opportunities. Subsistence of some kibbutzim faced threat due to the impact generated by domestic economic crisis in the 1980s. From 1983 to 1995, over 343 members quitted kibbutzim, while only 77 people joined kibbutzim, which indicated that the number of people quitting kibbutzim was far higher than the number of people joining kibbutzim (Abramitzky 2008). In 2002, about 2000 members of kibbutzim quit and began to make a living in another way. However,

only 619 new members joined kibbutzim. The members chose to leave for several reasons. First, the surrounding changed after the nation was founded. At the beginning of the nation's foundation, the large number of immigrants could not accept the lifestyle and ideas of kibbutzim, and they chose to live outside kibbutzim or attend Moshavim. With the trend, lots of members of kibbutzim left to find opportunities outside. Second, the value realization is the core element for people to attend kibbutzim. The data findings (Leviatan 2013) showed that values that commensurate with kibbutz formal ideology are the strongest contributors to the level of organizational commitment to kibbutz life. When the kibbutz was unable to attract members through the value realization, it decreased the attractiveness of the kibbutz. Third, the members have been undergoing psychological changes. The early kibbutz members could sacrifice and devote to the kibbutz while the later were concerned more about self-fulfillment. The second generation took kibbutzim for granted as strong, rich, and stable, and the third generation yearned for personal freedom. After the economic crisis, many families and young men left kibbutz. They tried to build a reformed, social but private life. At the beginning of this century, emotion of kibbutzim members turned optimistic from pessimistic. They did not worry about the future and tried to accept the new lifestyle. According to statistics conducted by the investigation committee led by Israeli Sociologist Ben Rafael in 2005, total liabilities of more than 260 kibbutzim reached USD 2 billion. In 2004, Israel saw the first bankrupt kibbutz, which had a history of 62 years. In 2005, two kibbutzim applied for bankruptcy protection from the government, and many other kibbutzim were also on the edge of bankruptcy. With the purpose of adapting to economic development under the new circumstances, kibbutzim began to conduct various reforms, after which their status improved. According to official statistics of kibbutz Campaign, total number of kibbutz members reached 143,000 during the period between 2005 and 2010, an increase of 20%, and this number reached the top level in the history of kibbutzim. Number of members of Kibbutz Afikim increased from 500 in 2010 to 600 (Sherwood 2012). As of now, people applying for joining kibbutzim outnumber those quitting kibbutzim, for which the waiting list becomes increasingly long.

A new form of kibbutz named Eshbal was established in 1998, which was founded by 60 young men and women. There are many differences between Eshbal and other kibbutzim. Eshbal has no land, established factory, or means of production, but each member has specific skills. Economic foundation of the kibbutz lies in working by each member. All members of the kibbutz engage in teaching in surrounding schools and various other social works in surrounding towns. Their earnings are handed over to the kibbutz, based on which the kibbutz allocates living expenses to them by team. According to the concept of these young people, lifestyle in a kibbutz is characterized by two points: sense

of duty for the collective and sense of responsibility for the society, and their works and life reflect the combination of these two points. At present, 60 educators from Eshbal are divided into seven core teams, which are responsible for many education programs in Israel, covering young people of different sectors in the Israeli society. Each member of Eshbal is responsible for providing guidance to about 4,000 young people.

3. Successful Experiences of Kibbutzim

There are many successful experiences of kibbutzim that can be learned.

3.1. Government Support

Encouragement and support from government office led by Rubín constitute the official guarantee for the establishment of kibbutz system. Since the late 9th century, immigration and reclamation conducted by some Jews have been supported by some philanthropists and Zionist organizations due to the poor conditions and lack of funding. The authority had been providing encouragement and support to such activities since their beginning, for which the kibbutz system could develop in a smooth way. After the founding of Israel in 1948, Ministry of Agriculture has been providing various services and specific guidance to those kibbutzim engaging in agricultural production, which pointed out the direction of their development. In 1949, a settlement and reclamation campaign was launched by collective farms across the country. Some senior members of kibbutzim formed a team, which, as a guider, took the organizational structure, social issues, economic situation, and agricultural technologies of a kibbutz into consideration, on the one hand, and provided guidance to its members in their daily life, on the other hand. As for some mountainous areas which were not applicable to agricultural production and some wasteland in the northern area, labor villages were established there. Jewish National Foundation hired immigrants in such villages to construct roads, level land, and plant trees in barren mountains and paid them a salary. After land in mountainous areas were leveled and transformed to arable land, they could be transformed into economically independent collective farms, and most of such collective farms were kibbutzim. The kibbutz system is an innovation. Not only does its success rely on subjective efforts of its founders, it also relies on support provided by some objective factors, especially official support. Therefore, the establishment of kibbutz system benefits from such support to a large extent. With the further development of kibbutz system in 1957, agricultural production not only met people's needs but also produced surplus, for which the price of agricultural products was lowered and income generated in agricultural activities thus decreased. The government, Jewish office, and various banks and agricultural

organizations established a special united fund in order to provide subsidy to agricultural production, covering cost of feed, fertilizer, and water. At present, the Israeli government is still providing support to enterprises owned by communes. For example, AHAVA Cosmetics Company was granted the exclusive franchise for resources in the Dead Sea by the Israeli government, and other companies are prohibited to engage in businesses related to cosmetics made from resources in the Dead Sea. In this way, competition among companies which may lead to price cutting and loss of resources at low price can be avoided.

3.2. Proactive Adjustment of Industrial Structure

At the early stage, small-scale kibbutzim only engaged in agricultural production. Their methods for cultivation were quite primitive, and they planted only a few species of crops, for which some members had to work outside their kibbutzim in order to make up for the shortage of their income. However, since the appearance of large-scale kibbutzim in the 1920s, comprehensive mode of agricultural production based on diversified businesses has been developing under the guidance of government and relevant associations, for which the guidelines include realizing the largest degree of self-sufficiency in food demand of people and livestock and selling surplus agricultural products in the market. Under these guidelines, members of kibbutzim have been planting wheat, barley, forage grass, and corn. Besides, they have been developing other industries including dairy cow raising, fruit growing, vegetable planting, poultry farming, etc. In this way, agricultural production in kibbutzim began to take a road of comprehensive development.

In the late 1930s, some kibbutzim began to develop handicraft industry and other industries and produce fodder, agricultural machinery and relevant parts, military products, and some other products in order to meet the requirements of agricultural mechanization, especially the army's requirements on industrial products during World War II, based on which substantial and considerable progress was realized. Therefore, industrial structures of some kibbutzim began to experience changes from the late 1930s, and handicraft industry and other industries began to grow in those kibbutzim. At the beginning of the 1950s, the first generation of modernized enterprises engaging in deep processing of agricultural products was established, such as alfalfa dehydration factory, cotton ginning factory, chicken slaughtering house, and feed factory. There were 300 industrial projects by 1977. At this moment, industrial structure of kibbutzim was generally supported by agriculture and industry, based on which industrial structure of kibbutzim experiences rapid and profound changes afterward. In the 1980s, kibbutzim began to cut traditional agricultural businesses and engaged in other industries, and the number of industrial enterprises operated by kibbutzim reached more than 400. By 1985, enterprises operated by kibbutzim accounted for 42.2% of the total output and

62.6% of export value in the plastic and rubber industry, 14.7% of the total output and 30.9% of export value in the wooden ware industry, 10.4% of the total output and 9.5% of export value in the metal and machinery industry, and 5.1% of the total output and 22.4% of export value in the food industry. Generally speaking, industry, agriculture, tourism, and other industries accounted for 70%, 20%, 5%, and 5% of economic structure of kibbutzim, respectively (Zhang 2000). At present, only 15% of kibbutz members are engaging in agricultural production, while an increasing number of kibbutz members are engaging in commercial services such as laundry, restaurant, kindergarten, and swimming pool.

Currently, the tertiary industry is developing rapidly and gradually becoming the focus of economic development for kibbutzim. Now, visiting kibbutzim is an important travel scheme in Israel and an indispensable item for foreign tourists, which is bringing in a considerable amount of tourist income. Not only does Kibbutz Ein Gev have highly modernized agriculture, a cow farm for fine breeds, and an ostrich rearing farm, it also has an advanced tourist industry. The fish feast provided by the kibbutz has become a well-known tourist brand, which brought in a large amount of income (Xie 2013). Products produced by kibbutzim are sold both in the domestic and global market.

3.3. Several Reforms

Fundamental system of kibbutzim is public ownership, and its basic goal is to realize joint working, wealth sharing, and equality among all members. With changes in the internal and external environment faced by kibbutzim, some problems emerged inside kibbutzim. For the purpose of realizing subsistence and development in a better way, kibbutzim went through a series of reforms and entered into a period of transformation.

First, the nature of property and distribution system changed (Ashkenazi and Katz 2009). On the one hand, some properties originally owned by kibbutzim have been gradually owned by members, including houses and some stocks of kibbutzim. These properties can be traded under certain restrictions. Some kibbutzim implemented housing reform, under which the original united houses were sold to individuals at a reduced price. Most public services in kibbutzim such as water, electricity, laundries, and garbage disposal also became chargeable services. On the other hand, wage system is implemented. Members of a kibbutz can get a different amount of remuneration based on the nature and load of their works, which is very different from the original system. After such reform, a manager may get twice the salary of a laundry worker. Moreover, members may keep a larger amount of their additional income instead of handing it over to the kibbutz, and they may also give some money or goods to their relatives and friends. Kibbutzim can be divided into three forms based on different reforms of wage system. One hundred and

eighty-eight kibbutzim have been transformed into updated kibbutzim, accounting for 72% of the total number of kibbutzim. Members of such kibbutzim can get a different amount of wage, a part of which comes from their works, while the other part is generated by other resources of kibbutzim. There are nine kibbutzim of mixed type, in which main income is equally distributed to all members, and only a small amount of income is distributed as wage. Sixty-five kibbutzim retain the traditional way of distribution, namely, that all members of such kibbutzim get the same amount of income regardless of what kind of work they do (University of Haifa 2010). In updated kibbutzim, income will be distributed to members after deduction of *tax for difference*. In this way, the gap between the rich and the poor can be narrowed, on the one hand, and members can get their remuneration based on their ability, on the other hand. This amount of tax is managed and controlled by the collective farm, which is used to improve educational and cultural facilities inside the collective farm (Zhang 2011). In 1990, no kibbutz defined itself as being “differential” while 21% of kibbutzim transformed in 1999 and 76% in 2011 (Leviatan 2013).

Second, there are many changes in lifestyle. First of all, the daily lifestyle changed. Clothes and food consumed by members of a kibbutz are no longer united, and members may cook in their own houses and buy some high-end goods that the kibbutz cannot supply. Such reform improves the motivation of the kibbutz and decreases waste to a large extent. In addition, the principle that children should live in group is also changed. In recent years, many kibbutzim allow their family members to raise their children in a relatively liberal way instead of emphasizing the concept that children are publicly owned. In addition, these kibbutzim also give a large degree of liberty to children of their members in deciding whether to stay in kibbutzim after they become adults. As for those young people who choose to leave kibbutzim and those who are not permitted to join kibbutzim, kibbutzim will provide financial support to them in a 3-year period. About half of children who grew up in kibbutzim chose to stay, and many people joined kibbutzim through application. Furthermore, the new Communities on kibbutzim developed. These new Communities attracted some young couples with children, as well as those born in kibbutzim but later chose to leave. The community expansion neighborhoods enable people who are not kibbutz members to live in neighborhoods alongside the kibbutz and to enjoy the quality of life that characterizes these settlements. They can enjoy the social and cultural life and agricultural surroundings. Those born in kibbutz but left could live with their parents who are members of kibbutz and take care of them. For kibbutz, the new population expanded the power of kibbutz. Last but not least, the new communal groups, such as Urban Kibbutz and Groups of Youth movement Graduates, developed. The goal of the members is to enable self-actualization while adhering

to basic rules of equality. Kibbutz would be understood as “for the individual” rather than the individual striving to sustain the kibbutz (Palgi and Reinhartz 2011).

Finally, the international relationship strengthened. On the one hand, the overseas market is exploited in a proactive way. The Israeli market is relatively small, so development of kibbutzim is limited. With the purpose of improving their economic strength, some kibbutzim began to make investment abroad. In 2004, a kibbutz in northern Israel exported military equipment worth USD 14 million to Zimbabwe in Africa. In 2005, kibbutzim invested USD 20 million in Europe and the US and built 10 new factories jointly or independently, an increase of 30% compared with the number in 2004. Kibbutzim also planned to build new production lines and logistics centers abroad. In order to acquire a larger amount of funding, kibbutzim began to conduct financing in the financial market. In 2004, the first corporation owned by kibbutz went public at Tel Aviv Stock Exchange, which set a successful example for kibbutzim entering into the stock market. At the beginning of 2005, SHAMIR, an enterprise owned by kibbutz, went public at NASDAQ on Wall Street in the US and raised USD 5.5 million. On the other hand, the Kibbutz established contact with international communes (Palgi and Reinhartz 2011). After World War II, kibbutz members went to the US and Canada, where they were surprised to discover the existence of communes. They were amazed to learn of the similarities between the communes and Kibbutzim. Now the kibbutzim still keep close touch with many communes. In 2002, the organizers of the East Wind delegation visited kibbutzim and experienced life there. During the period of transformation, kibbutzim sent some people to China to learn experiences. All the communes adhere to the principle of *from each according to his ability, to each according to his need*. The members can choose the lifestyle they want. Modern communes and various types of international communities are facing shared problems, including small size. Their general social contribution is limited. They established close contact with each other to effect the development of social collective forms and promote the realization of public ownership goals.

Although kibbutzim went through considerable changes in many aspects, the principle of equality, public ownership, voluntariness, and democracy was not changed. The empirical data results (Leviatan 2013) showed that the better people complied with the principle of equality the more people were satisfied with kibbutzim. Kibbutzim still keep some traditions including free medical services and education, collective relief and public culture, etc. Persons in charge and administrators in a kibbutz should still be elected through voting by all its members every 4 years, and all members should cast vote of confidence for their leaders on a yearly basis. Those leaders who lose such vote of confidence will be removed from their posts.

4. Contribution and Wide Influence of Kibbutzim

Kibbutz has unsurpassed advantages. Kibbutz is collective social organization based on public ownership of the means of production and equality so as to establish a social and economic form of equality, and develop and promote the friendship and mutual assistance and the members' individuation, personal ability, and collective capacity of economic, social, cultural, scientific, and artistic aspects. As the social capital of kibbutz is productive and useful, kibbutz can achieve the goal the other capital cannot achieve. As an economic and social organization with socialist nature, kibbutz has been developing successfully for more than 100 years. Kibbutzim serve as the *Cornerstone for National Rejuvenation*, which is listed as one of the three backbones of Israel (the other two backbones are trade union and national defense force). The kibbutz system has been making great contribution to the founding and development of Israel and the exploration of public ownership.

First, kibbutzim have an important influence on the political circles. Under the influence of kibbutz system and socialism, Ben-Gurion established union of labors in 1919, and its objective was to establish a democratic and humane socialist society. In 1948, this union evolved into the United Workers Party (predecessor of the Workers Party), which made great contribution to the founding and development of Israel. After the founding of Israel, the party had been governing the country until it failed the general election in 1977. The party advocated that the disadvantages of capitalism should be eliminated through reforms, for which policy for fair distribution of social income should be focused on, a complete social security system should be established, gap between the rich and the poor should be controlled, and social stability should be realized. From 1948 to 1977, four among eight prime ministers were members of kibbutzim, and Ben-Gurion returned to kibbutz after leaving office. Nearly one third of government ministers were members of kibbutzim, and a considerable number of kibbutz members also held important positions in the national defense force. Strength and influence of kibbutzim in the political circles began to decrease only after 1977.

Second, kibbutzim have important influence on economic development. Kibbutzim have been playing an important role in the Israeli history of development of national economy, especially agricultural economy, and making great contributions. From the perspective of agriculture, geographical conditions of Israel are extremely adverse to agricultural production, and half of its land is desert. In 1953, members of kibbutzim began to construct a water diversion project. By 1964, the first phase of construction was completed, and the project was put into operation, for which there emerged 5.7 hectares of oasis in the desert. Since then, great changes have been occurring in Israel. Water in the swamp was drained, and such swamp was transformed into a vast area of fertile farmland.

Barren mountains were afforested, and oasis occurred in desert. Not only could agricultural products produced by Israel meet domestic demand, they were exported and thus brought in foreign exchanges. This economic miracle was mainly created by kibbutzim. In 2010, value of agriculture production of kibbutzim reached over USD 1.7 billion, accounting for 40% of the total value of Israel. The main reason for kibbutzim making these achievements lies in their dependence on the latest scientific technologies. Kibbutz members cultivated many new species adaptable for being planted in the country through modern biotechnology and invented the most advanced drip irrigation and spray irrigation technology and equipment based on the disadvantage caused by lack of water resources, which jointly created the modernized agriculture of Israel characterized by high efficiency, high quality, and high yield. From the perspective of industry, kibbutzim advocated and practiced Zionism for labor, through which they trained a large number of skilled workers including quarrymen, constructors, road builders, and irrigators, who held important posts before and after founding of Israel and played an important role. Kibbutzim have been developing industry since the 1960s, and the number of enterprises owned by kibbutzim reached 388 in 1996. Based on such development, a relatively complete industrial system was established, and its products included plastic, machinery, food, and clothes as well as some sophisticated products such as computer and communication equipment. Value of industrial output of kibbutzim in the year accounted for 7.7% of the total value of industrial output of Israel, and exported industrial products produced by kibbutzim accounted for 8.2% of the total value of exported products of Israel (Yu 2006). In 2010, value of industrial output of kibbutzim was USD 800 million, accounting for 9% of the total value of industrial output of Israel. The tertiary industry represented by tourism has been developing in a rapid way and becoming an important source of income for kibbutzim. Kibbutz Ein Gev is famous for its *St. Peter Fish* and red wine produced in the Golan Heights, for which it attracts a large number of tourists every year. *Fish Feast* provided by the abovementioned Kibbutz Ein Gev is a well-known tourist brand, and the kibbutz also host Music Festival of Kibbutz Ein Gev every year, which becomes a well-known great music event around the world. Meanwhile, kibbutzim have been inviting volunteers at home and abroad to experience the lifestyle in kibbutzim. Moreover, some kibbutzim also make investments abroad.

Third, high efficiency and high yield realized by kibbutzim in Israel are closely related to its knowledge-based development. Jews have been attaching much importance to education, and Ben-Gurion once said that no future can be achieved without education. After going through 2,000 years of vagrancy, Jews in Israel attach much more importance to education. Starting from the 1970s, educational expenditure of Israel never fell below 8% of its GDP, for which private education

and overseas investment were not included. The Israeli government contributes 65% of the total educational expenditure. Compulsory education in the country lasts for 12 years, based on which 100% of Jews can receive education. In 2012, three in the seven universities of Israel were listed among the top 100 universities in the world, and major of computer science in four universities of Israel were listed among the top 30 universities in the world (Xue 2012). Kibbutz members have relatively high cultural quality thanks to the advanced education in Israel. Meanwhile, under the influence of socialism, kibbutz members also attach much importance to education on collectivism. Therefore, kibbutz members have both high cultural quality and ideological quality.

Fourth, kibbutzim provide a successful example for the practice of public ownership around the world. Phalange and New Harmony established by Utopian socialists as well as the people's commune of China and collective farm of the Soviet Union at the early stage were social experiments. As an attempt of socialism and collective ownership, kibbutzim are still very vigorous in today. In their history of more than 100 years, kibbutzim went through various setbacks. However, they are realizing new development after implementing various reforms. The socialist ideas and objectives of no exploitation, no oppression, and equality among people are realized in kibbutzim. Kibbutzim have been adhering to the concept of equality, democracy, and unity among members and the principle of public ownership of means of production. In 2009, the first kibbutz of Israel celebrated its 100th birthday. Based on their experiences in more than 100 years, kibbutzim provide a successful example for practice of public ownership. The reasons why kibbutzim have been developing and making achievements can be attributed to the following characteristics: Members of kibbutzim accept the economic and social organization voluntarily, for which their subjective initiative can be given full play and endow kibbutzim with vitality for a long time. Second, kibbutzim have been attaching much importance to commodity economy. Supply system of consumer goods has been implemented inside kibbutzim. However, as economic entities for the outside world, kibbutzim have been trading goods and participating in competition in markets at home and abroad in a proactive way, based on which their cause has been getting increasingly stronger under the principle of *survival of the fittest*. Third, kibbutzim have been implementing various effective reforms and adapting themselves to economic development in the market economy, which ensure their successful transformation. This aspect is worth learning for rural cooperatives in China. Compared with kibbutzim, rural cooperatives in China are still attaching much importance to commodity contract, factor contract, and governance level, which results in lack of innovation in core ownership, namely, collective ownership. It can be proved though practices that rural cooperatives, as a tool used for maintaining interests of farmers, is applicable

for a certain cultural and geographic environment. When cultural and geographic environment varies, rural cooperatives should choose appropriate organizational form based on conditions in different areas and different situations (Chen and Hu 2010). However, this organizational form can provide great development space for rural cooperatives through innovations in collective ownership of means of production.

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