

The Cooperation in Israel: Past, Present, Future

edited by
Menachem Topel



The Bialik Institute • Jerusalem



Yad Tabenkin Research and Documentation Center
of the Kibbutz Movement

This book is a project of Yad Tabenkin, in memory of
Dr. Yehuda Paz (1930–2013)

Copy-editing: Gail Diamond

Table of Contents

Mully Dor and Ariel Dloomy Yehuda Paz and Cooperativization in Israel and the World	7
Yehuda Paz (of blessed memory) Towards a Renewal of Cooperative Activity	15
Acknowledgements	27
Menachem Topel Introduction	29
Abigail Paz-Yeshayahu and Yitzhak Greenberg The Labor Economy: ‘Chevrat Ovdim’	56
Baruch Kanari The Kibbutz Movements: The Communal Years	106
Shlomo Getz and Michal Palgi The Kibbutz: From Commune to Cooperative?	144
Levia Applebaum and Michael Sofer Cooperation in the Moshav Ovdim: Ideology and Practice	165
Abigail Paz-Yeshayahu Central Union for Cooperatives in Israel – ‘Merkaz Hacooperatsia’: Production, Service and Transportation Cooperatives	200
Abigail Paz-Yeshayahu Consumer Cooperatives in Israel	247
Dana Shapiro and Moshe Schwartz Cooperatives of Cooperatives	288

Rassem Khamaisi	
Cooperativization in the Arab Population in Israel	322
Ran Aaronsohn and Levia Applebaum	
Separate but Together: Cooperation in Jewish Private Settlement	344
Orna Shemer	
Second Wave Cooperatives: Alternative or Passing Phase?	382
Avital Margalit	
The Challenge of Regulating Israeli Cooperative Societies	424
Bibliography	445
Authors	471
Key to Names and Topics	475
Menachem Topel	
Abstract	vii–xx

Abstract

Menachem Topel

This book is the fruit of the initiative of **Dr. Yehuda Paz (of blessed memory)**, a member of Kibbutz Kissufim, an active member of the Histadrut Workers Union and the International Cooperative Alliance, and is dedicated to his memory. His dream of study and publication about the entirety of the Israeli cooperative movement began to be realized when he crossed paths with Attorney Ofer Fainstein, CEO of the **Coop Israel** Network at that time. The **Yad Tabenkin** Institute took upon itself the task. Yehuda Paz's sudden passing increased the desire to continue his efforts. The resources of the **Kitzis Fund** of the **Central Union for Cooperative Initiative in Israel** brought resources to the effort, with the support of its chair, Yitzhak Yoel.

The Center for Social Justice and Democracy in Memory of Yaakov Chazan in Van Leer Institute in Jerusalem, the Institution for Research of the Kibbutz and the Cooperative Idea at the University of Haifa, the Jewish-Arab Center at the University of Haifa and the Berl Katznelson Chair for Study of the Labor Movement at Beit Berl College contributed to the research and writing. The project was led by an academic team that included **Professor Yitzhak Greenberg, Professor Moshe Schwartz, Professor Michal Palgi, Dr. Abigail Paz-Yeshayahu, Ms. Na'amika Tzion, Mr. Mully Dor and Dr. Menachem Topel.**

The research was conducted during a period when cooperatives are thriving around the world. The scope is impressive: 2.6 million cooperatives with one billion, two hundred million members. A report by the McKinsey International Consulting Company from 2012 shows that cooperatives are a significant factor in the world economy. According to its authors, an additional period of

significant growth in cooperative activity is predicted. The report states that cooperatives have clear advantages over limited companies, but they also face unique challenges.

A characteristic of the cooperative camp is the bond between economic and social goals, in an organization designed to serve people and not economic profit, as defined by the International Cooperative Alliance (ICA):

Cooperatives are **people-centred enterprises** owned, controlled and run by and for their members to realise their common economic, social, and cultural needs and aspirations. Cooperatives bring people together in a democratic and equal way.¹

Many cultures included systems of cooperation and mutual assistance, with their economies embedded in community systems. It is definitely possible to view informal mutual assistance as a kind of cooperative, as Schneider presents in his research on a moshav (collective settlement) in which the formal cooperative broke up, but its members developed informal systems of mutual assistance, that is, a cooperative.²

Beyond the general definition quoted above, the ICA notes that cooperative association is based on seven principles, formulated by a committee in which Yehuda Paz participated. They are:

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Cooperation Among Cooperatives
7. Concern for Community

1 <https://www.ica.coop/en/cooperatives/what-is-a-cooperative>, accessed September 6, 2019.

2 Schneider, A. (2014) *Organizational Culture Without Organization? Division of Labor on a Moshav after Privatization of the Cooperative Organization*. Ph.D. Dissertation, Ben Gurion University.