

Entrepreneurship, Social Capital and Community Development: The Case of the Israeli Kibbutz

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Abstract

Globalization, industrialization and structural changes in traditional rural employment patterns have caused rural communities such as the Israeli Kibbutz to search for development strategies in order to survive. Self development constitutes one possible approach to community development. It nurtures local entrepreneurial activities and relies basically on local resources in order to create new jobs and economic activities. These local activities of entrepreneurship generate variety and leverage resources and can therefore foster social capital development and contribute to the community's capacity. Community development requires a mix of resources including natural capital, produced economic capital, human capital and institutional capital. Social capital is the glue that holds them together, a network of social relations based upon norms of trust and reciprocity leading to outcomes of mutual benefits. Thus, social capital reflects the ability of community members to participate, cooperate, organize and interact. Since many rural communities such as the kibbutz are undergoing processes of crisis and change, innovative initiatives potentially promoting economic independence of individuals and development of the community are of major importance. Rather than assuming that entrepreneurship is primarily the outcome of social capital, this study focuses upon the interdependency of entrepreneurship and forms of capital required for community development.