

# AGRICULTURAL COOPERATIVES IN ISRAEL

by

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## Abstract

Israel's agriculture is agriculture of cooperatives, with cooperative structures accounting for about 80% of agricultural production and agricultural services. This article traces the development of agricultural cooperation in Israel from its ideological origins at the beginning of the 20<sup>th</sup> century, through the formative decades of the 1920s and the 1930s when the organizational structure of the kibbutz and the moshav crystallized, and on to the vigorous growth and expansion in the independent State of Israel between 1948 and 1985. The article shows how the seeds of the financial crisis that struck the cooperative sector in 1986 had been sown during the expansion decades. Causes of the financial crisis are analyzed and the policies developed for its resolution are described in detail. Consistent implementation of these policies has led to impressive recovery of the agricultural cooperatives in Israel, culminating with the emergence of the New Kibbutz and the New Moshav in the first decade of the 21<sup>st</sup> century.

**Keywords:** agricultural cooperative, kibbutz, moshav, regional cooperation, multi-level cooperation, financial crisis, crisis resolution programs, restructuring of agricultural cooperatives, New Kibbutz