

Dependence on the State and the Crisis of the Kibbutz: The System of Concentrated Credit in the 1960s and 1970s

by

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Abstract

Abstract A historical analysis of the financial assistance given by the State of Israel to the kibbutzim during the 1960s and 1970s exposes an intriguing contrast, between the capacity of this assistance to help the kibbutzim endure economic difficulties on the one hand, and the deep dependence which it created, on the other. Based on historical-archival sources, the analysis of Concentrated Credit System suggests a re-evaluation of the historical roots of the current crisis besetting the kibbutz economy. Exemplifying an "artificial respiration" to a cooperative system which was traditionally endowed with a high national- political preference, this form of financial support demonstrates the complex dependence relationship between the State and the cooperative organization.