

## **ECONOMIC SOCIALIZATION IN THE KIBBUTZ AND THE TOWN IN ISRAEL \***

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This study compared the economic understanding and attitudes of children living in the city with those living in a kibbutz, collective villages where an extreme socialist lifestyle is practised and preached. The differences in the answer patterns of the urban and kibbutz children were not very large, but the pattern was clear, and in keeping with the dominant ideology in both places: socialist in the kibbutz, middle-class capitalist in the city.

### **Background**

*The study: kibbutz versus town*

What are the determinants of a child's social understanding? Previous authors have emphasized different factors. According to Jahoda (1984), children will tend to interpret information about economics in terms of the rules of which they have personal understanding. Only by liberating themselves from the interpersonal norms will they come to understand economic systems.

The collective representations in society at large are no less important. Children's emerging views result from interweaving between their intellectual development and traditions of thought in their environment (Connell 1971). The Israeli society harbors two distinct politico-economical currents. There is the older socialist strand of which the kibbutz is the purest product, and the more recent capitalist, entrepreneurial spirit.

The kibbutz is a fertile ground for studying these factors. Children growing up in the kibbutz live in a socialist island surrounded by a

capitalist economic culture. Contrasting between their views and that of their urban counterpart is the subject of this study.<sup>1</sup>

As most readers will know, a kibbutz is a collective village where the basic ideological imperative is that members (comrades) are all equal, all contribute according to their ability and receive according to their needs. Members put all their major possessions in common and great emphasis is placed on work ethics. All able bodied members work, most of them within the kibbutz. In past years, this meant mainly agricultural work and internal services; nowadays, much of the work is industrial, and some is in the services (e.g., guest houses). The salary of the members working outside belongs to the kibbutz. In return the collectivity offers a wide range of services. Important decisions are taken by the general assembly, and elected officials handle current affairs. Education takes place within a regional kibbutz. The main Kibbutz (collective villages) federation has privileged relations with the Labor party. Thus, the Government recently wrote off major debts from the Kibbutzim.

As in the other studies, three age groups were interviewed: 8, 11, and 14 years, to which we will refer as S, M and L. There were about thirty interviews in each age group.

The internal economic world of the kibbutz is a system unto itself. A study currently in progress investigates how this system is understood by its young members. The topic of the present study is their understanding of the system outside the kibbutz, 'in town'. The interviewer took pains to clarify this to the subjects. For instance, prices are not determined in the kibbutz shop in the same way as in town. Children were instructed to address the latter.

### *The Israeli economy*

Israel has a population of about 4.5 million. The country is centralized, the most important decisions being taken in the capital. During the period of the interview, 1989, the government was very broad, both major parties sharing power in it. There are price controls and subsidies on a range of goods (food staples, transportation) but most prices are not set by the government.

<sup>1</sup> The interested reader may consult Leiser (1983) for an earlier study of Israeli lower-class urban children, using substantially the same questionnaire.

The size of the public sector in Israel has been about 30% for years. There is a powerful and responsible trade union federation. Wages are settled by periodic negotiation between the trade union federation, the industrialists association, and the government. Among the prominent taxes, income taxes are high (about 35% is very common), and there is a VAT of about 18% on most products.

Unemployment is currently at a historic height. During the period of interviews, there was a small recession, much talked about. Economic problems are very much in the public consciousness. Four years or so before the interviewing period, the country went through a bout of hyperinflation (about 20% monthly) that was successfully trimmed to the present level of about 1–2% monthly. A feeling that this recovery remains fragile is widespread.

## **Economic understanding**

### *Prices*

A few interesting differences between the kibbutz and the town. First, when asked how prices are determined, 43, 40, and 33% of the kibbutz children use the least analyzed answer: according to its value. This category is rare in town (7%, 10%, 0%) where instead 'the shopkeeper decides' is prevalent (48%, 13%, 0.3% versus 29%, 4%, 0%) as is 'the government' (question 1.2: 14%, 23%, 42% in town versus 7%, 16%, 7% in the kibbutz; question 1.4: 29%, 55%, 76% versus 11%, 47%, 18% in the kibbutz).

The two groups agree that shopkeepers cannot ask as much as they want. They also have the same understanding of what is done with the money, progressing from an exclusive focus on either private or shop use to an awareness of both.

### *Salaries*

What are salaries, Who pays them? How can one increase it? Salaries are almost absent in the kibbutz, yet kibbutz children did turn out to understand them surprisingly well. They rarely thought wages were really paid by the bank, or that the government paid all salaries. Most said either that the boss paid, or sometimes the government.

They showed a similar good grasp of how the size of the salaries is determined, and how it might be increased. Some specific points: No one in the kibbutz thought that the government alone decides the amount of salaries, versus 21%, 21% and 39% in the city. Instead, they focussed on work- and market-related criteria (difficulty, hours, importance, supply/demand, output) 0%, 19%, 20% (including in combination).

Work is a central positive value within the kibbutz. People are valued for their competence and attitudes to work. People receive no salary for work performed in the kibbutz, but everyone works. The size of the salary is accordingly deemed to be determined by the amount and quality of work. For instance, one young child observed: 'the question is not who decides, but how it is decided', implying that there is a set of objective criteria; who applies them is immaterial.

How can one increase one's salary? Many mentioned strikes, which are unheard of within the kibbutz (city: 0%, 0%, 3%; kibbutz: 6%, 18%, 50%). It seems that other sources of information (mass media, perhaps classroom instruction) are effective. Interestingly, Leiser (1983) working with lower-class city children similarly found little understanding of strikes in the city.

### *Savings and investment*

Suppose a person has plenty of money he doesn't need right now. What can he do with it? Is there a way to increase that amount?

Children did usually not understand the interest received in banks, even when the term was familiar to them. Only four (M and L) were able to explain the concept. Investment is equally rare: only three of the oldest children mentioned it.

Two further interesting points: in the kibbutz, almost no one suggested to consume more.

Further, 'charity' occurs here often (33%, 3%, 39%, including in combination with other answers), and hardly ever in town. This difference makes sense, in view of the feelings of mutual responsibility fostered by the kibbutz educational system. The same theme also comes to the fore in the following question: Why would anyone want to open a factory? The profit motive is dominant though somewhat less than in town (46%, 81%, 75% versus 68%, 79%, 90% in town). Altruistic motives (contribute to country welfare, make objects available to the public) are

attributed more often (46%, 19%, 25% versus 32%, 15%, 10%) in the city. The kibbutz provides many services to satisfy the needs of the members. In the city, there would be a preliminary analysis of economic feasibility, i.e., of the chances to turn a profit. In the kibbutz, providing a service to the members is a goal in itself.

It is interesting to note that the kibbutz children are well aware of the notion of economic viability. When asked about the requirements for opening a factory, they refer in detail to various prerequisites (machines, supplies, people, know-how). But in addition, six among the older group (20%) spontaneously noted the need to check economic profitability.

### **Economic reasoning**

(1) Suppose they tell on TV that the prices of all shoes will go down. What will your mother think about it? According to the children she will of course be happy. However, unlike in the city where many answered that she would buy more shoes, in the kibbutz, the mother was not expected to buy more, but rather to buy them now at the lower price. She would also be able to buy other things. We noted a similar tendency when discussing what to do with extra available money: few gave increasing consumption as an answer.

There are no differences between kibbutz and town regarding the reactions of the shoe seller and of the 'head of the shoe factory'. But what are the responses for the government? As in town, there is a wide range of answers, suggesting that children do not have clear ideas about how the government might be affected. Even so, an interesting side difference emerged: in the kibbutz, very few thought that 'they always want to raise prices, so they will be unhappy' (20%, 0%, 0% in the kibbutz versus 0%, 0%, 37% in town). Kibbutz children, it seems, trust the government more. In the kibbutz the administration is strongly felt to work for the members, and this is transferred to the government. In town there is no corresponding local benevolent management.

(2) What would happen if plenty of oil were found? Judging from column C in table 1, children in the kibbutz appear more aware of the complexity of things than children in town. Few answer that everyone would become rich, and even fewer that those individuals who found the money would become rich. Instead, many judge that it would be

Table 1  
Consequences of finding oil.

	A	B	C	D
City				
S	0.69	0.31	0.0	–
M	0.81	0.10	0.10	–
L	0.58	0.03	0.39	–
Kibbutz				
S	0.40	0.20	0.40	0.0
M	0.07	0.04	0.29	0.59
L	0.10	0.03	0.51	0.34

A: everybody would become rich (unanalyzed);

B: those who found it would be rich;

C: a chain of consequences (one effect, causing a second);

D: good for the (national) economy (only in the kibbutz – the category was not used in the city).

‘good for the (national) economy’.<sup>2</sup> In the kibbutz too, people are not individually well-off. The community profits from the efforts (or the good fortune) of its members, and the individuals then benefit from living in a better off community. Thinking of economic transformation as mediated by the community (national or local) comes more naturally to kibbutz children.

(3) What would happen to our country’s economy if most taxes were abolished; would this be good? In the kibbutz the proportion who think this would be a bad policy increases with age, and a vast majority of the older ones share this belief; the opposite holds for the city. Young children who didn’t know what taxes are were told ‘taxes are sums of money that the citizens give to the country’s treasury’; in town, one of the interviewers unfortunately added: ‘...and this money is used to build bridges, roads, and so on’. The findings presented in table 2 are therefore all the more striking. Kibbutz children refer extensively to public services, but rarely to the increased income of the individual. The kibbutz way of life is clearly reflected in these reactions.

(4) What would happen if the government were to print lots of money and distribute it to the people? Here there were no differences between city and kibbutz. With age, a sharp drop in positive valuation: ‘everybody would be rich’. The dominant answer is that the government is weary of the economic consequences of such a policy (people

<sup>2</sup> In the general analysis at the end of this issue, category D was added to A for comparison purposes.

Table 2  
What if most taxes were abolished.

	A	B	C	D
City				
S	0.10	0.90	0.00	0.00
M	0.14	0.79	0.07	0.00
L	0.39	0.32	0.29	0.00
Kibbutz				
S	0.06	0.48	0.06	0.38
M	0.24	0.72	0.03	0.00
L	0.07	0.75	0.14	0.03

A: good; people would have more money;  
 B: bad; no more public services; bad, because the state (country) would be poor. The latter were not included in the tabulations of the final chapter;  
 C: aware of both aspects;  
 D: d.k.

wouldn't want to work, etc.). Very few answered that it is not done because of practical impediments (the need for special machines, imported paper, etc.).

**Economic attitudes**

*Causes of wealth*

Why are some people richer or poorer than others? The distribution of the main categories of answers is given in fig. 1.

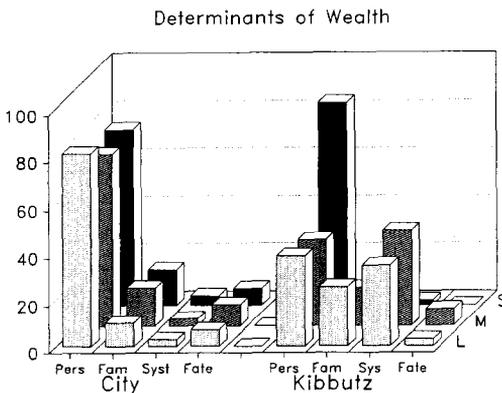


Fig. 1. Determinants of wealth as a function of age: city versus kibbutz.

The most interesting feature visible in fig. 1 is that, in the kibbutz, the emphasis on personal determinants (effort, competence) dwindles with age, with a concomitant emphasis on the socioeconomic system and to a lesser extent, on the family. In the city, the distribution does not evolve with age. This contrast fits well in the kibbutz where wealth belongs to the system, and failures are blamed on the system. Looking at the categories in more detail for the kibbutz answers:

(a) Personal characteristics. The various sub-categories described in the questionnaire are represented, but one remarkable novel category was added in the kibbutz. Many children (mostly the young ones: 33%, 6%, 3%) had their own explanation for people's varying wealth. If they are poor, it must be because their money was stolen; if rich, they must be thieves. This reflects a strong belief in equality as the normal state of affairs. Departures from it prove that some moral offense has been committed.

(b) Family characteristics. Among the family characteristics, the one that stands out is the amount of money in the family.

(c) Socioeconomic system. The main sub-category is the failure of the economic system to create enough jobs for the poor.

(d) Fate was only rarely mentioned.

### *Consequences of wealth*

What are the consequences of being poor or rich. Of the five categories (self-esteem, social status, psychological pressure, buying power, and social burden) buying power is clearly dominant. Its importance in the kibbutz slides with age, while the social aspects are noted by 24% of the older ones (versus 11% in town). This difference again points at the increased feelings of mutual responsibility in the kibbutz. Still, it must be admitted that the difference between the groups is small.

### *Causes of unemployment*

Why are some people unemployed? Table 3 exhibits the same pattern as fig. 1: with age, the personal determinants decrease, while the system answers are on the increase. Fate is about nil.

Table 3  
Consequences of poverty.

	A	B	C
City			
S	0.82	0.06	0.12
M	0.98	0.02	0.00
L	0.88	0.04	0.08
Kibbutz			
S	0.63	0.02	0.34
M	0.24	0.08	0.68
L	0.28	0.05	0.66

## Conclusions

Kibbutz children are well-informed about economic life outside the kibbutz. Their answers on salary, strikes, prices and so forth indicate that their exposure to the information on life outside the kibbutz is extensive and assimilated by them.

At the same time this understanding is uniquely colored by their specific circumstances: living in a community where the administration works for the welfare of the members, who are expected to work hard to contribute to this communal welfare, where mutual responsibility is taken for granted; a community, moreover, who selected this socialist lifestyle out of a well-articulated, ideological world view, and tries to transmit it to the younger generation. The features of kibbutz life we appealed to account for the differences include the following: absence of overconsumption, belief in the importance of work, collective ownership of wealth, means of production and income, benevolent local government, mutual economic responsibility towards those less able to work.

The differences in the answer patterns of the urban and kibbutz children were not very large, but the pattern was clear, and in keeping with the dominant ideology in both places: socialist in the kibbutz, middle-class capitalist in the city.

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