

ELIAHU KANOVSKY, *The Economy of Israeli Kibbutz*, Harvard Middle Eastern Monographs XIII, Cambridge, Massachusetts, Harvard University Press, 1966, ix+169 pp.

Discussion of the Kibbutz (plural Kibbutzim), a type of Jewish rural settlement in Israel which is characterized by thoroughly communal ownership, management, and consumption on the basis of one settlement, has rapidly come to the fore in recent years. In Europe and America, where people are better informed about the Zionist movement, sociologists and social anthropologists in particular have shown an academic interest in the Kibbutz in the context of Jewish studies. In developing countries, the attention of both peasants and agrarian policy-makers has been drawn to the Kibbutz due to its unique social organization and its high productivity and standard of living. From the viewpoint of Zionists, the Kibbutz has usually been interpreted as an ideal form of cooperation while the Israeli government is making strenuous efforts to give publicity to it particularly in connection with her diplomacy toward Asia and Africa.

Despite these circumstances, very few studies on the Kibbutz has been pursued from an objective viewpoint. This book, the work of an American economist who studied the economic aspects of the Kibbutz with the help of his own experience of staying in a Kibbutz for a long time, captures our attention by its scholarly nature. The author, Kanovsky, has attempted to analyze the objective role played by the Kibbutz economy, in its totality, in the framework of the national economy of Israel, motivated by his dissatisfaction with the fact that discussions on the Kibbutz are very often based on artificially idealized descriptions colored by the so-called Kibbutzniks' ideology, and that few studies have dealt with the Kibbutz economy in its totality although the internal affairs of individual Kibbutzim have been pursued in detail. This book avoids the stereotyped approach and provides an excellent introduction to the history of the Kibbutz system; its position in Israeli agriculture; its relation to the national organizations of Israel either political or economic; and to the economic systems and operations of individual Kibbutzim. The author's study is, however, focused mainly on the analysis of the productivity of the Kibbutz (Chapter V) and of its profitability (Chapter VI). Hence this review is to be directed toward these principal points.

The author first indicates the fact that the Kibbutz as a whole has maintained a higher rate of increase in productivity as compared with the other types of Jewish rural settlement in Israel, and then proceeds to the examination of its profits and losses. The Audit Union of Agricultural Settlements, an organization which is affiliated to the General Federation of Labor in Israel, formerly provided statistics relevant to the study of the Kibbutz economy. Through analysis of these statistics and use of evidence obtained from the results of similar studies by Israeli economists, the author points out that the Kibbutz, in general, recorded losses in the nineteen-fifties and began

registering a small profit in the 'sixties. Kanovsky thus extracts a question: Why is the Kibbutz economy inferior in profitability, though superior in productivity, to that of the other types of agricultural settlement in Israel? Chapter VII is devoted to answering this question. He enumerates various factors through which the Kibbutz is liable to incur losses, classifying them into two categories: internal factors peculiar to the Kibbutz system, and external ones derived from the Israeli economy. In addition, he attaches importance to the fact that the Kibbutz economy has gained the possibility of realizing profits in the 'sixties and attributes it to the more intensified subsidy policy of the Israeli government, the industrialization of rural settlements and the development of the spirit of enterprise among the Kibbutzniks.

From the above-mentioned analysis, Kanovsky draws his final conclusion as regards the future prospect of the Kibbutz economy of Israel which can be summarized as follows: Everything revolutionary turns conservative sooner or later, and such has been the fate of the Kibbutz which originally aimed at the realization of a utopia. Restricted by its own traditional ideology, the Kibbutz can hardly provide room for the people who are or want to be the highly specialized professionals constantly needed by a modern society. Moreover, its management lacks institutionally the flexibility in adapting itself to a newer economic environment. Hence the younger generation finds less and less attraction in the Kibbutz life. If a Kibbutz tries to enlarge its economic scale, particularly through industrialization, it cannot avoid the increased burdens of investment, and if it tries to keep pace with the rising standard of living enjoyed by the urban society, continuous expansion in its expenditures is inevitable. The Kibbutz is undoubtedly pressed by the necessity of improving its present economic conditions for as long as it can survive as a part of modern society. But, by these reasons, its profitability is always endangered. In the future, economic differentiation among the Kibbutzim will reach a point where the merger or abolition of less well-established ones will be inevitable, although the Kibbutz system itself will by no means disappear. The Kibbutz movement, which has played so big a role in the political sphere of Israel, is passing its zenith and will dwindle in its social influence.

In contrast with the flood of literature which pictures the realities of the Kibbutz in rosy colors, assuming that the Kibbutz is nothing more than an embodiment of idealism, this study of Kanovsky is noteworthy as one of the few works on the Kibbutz based on an objective attitude to this politically delicate subject. The author has confined himself almost entirely to a statistical analysis in order to maintain the scientific accuracy of his work. Although we must highly appreciate the strict discipline of his discussion, we find at the same time that, contrary to his own intentions to clarify the comprehensive economic significance of the Kibbutz economy in its totality, such are the limitations of this work imposed by his approach that the author is concerned only with the quantitative aspects of the Kibbutz economy. Moreover, this approach has engendered methodological contradictions throughout the book.

In the first place, theoretical mistakes about the profitability of the Kibbutz should be pointed out. Kanovsky's method of analysis on this point cannot be acceptable even as a purely quantitative study. As the author himself rightly stresses (p. 31), the Kibbutz is not an enterprise aiming at achieving the maximum profit which is common in the capitalist economy. On the one hand, it functions as a private enterprise in the framework of the capitalist system of the Israeli national economy, and on the other hand, it constitutes a social community. Regardless of whether or not it employs outside labor, the Kibbutz is a community whose members work for themselves. It is thus by no means a capitalist enterprise. The income of the Kibbutz, in principle, belongs to all members of it under a system of collective ownership and cannot be divided in accordance with capital and labor, either practically or theoretically.

As explained by the author, labor in the Kibbutz is usually classified into two categories: the income-producing branches and the service branches. Like the home work of housewives, the latter do not in any way contribute toward bringing in income of the Kibbutz, while the maintenance of the members working in the service branches must definitely be considered in calculating the communal cost of living. Consequently, the cost of labor recorded in financial statements of the Kibbutz, which is calculated on the basis of consumption for all members, has nothing in common with the productivity of income-producing branches. Because of this fact, Kanovsky asserts that the profit of the Kibbutz is determined independently of its productivity. For instance, even if productivity remains unchanged, profits can be increased if expenses for diet are cut down, and even if profitability rises, profits might decrease if an expansion of nursing services is necessitated by an increase in the number of children of the Kibbutz. Kanovsky points out that the concept of profit in the financial statements of the Kibbutz is peculiar to its economy and bases his analysis of the profitability of the Kibbutz on this assertion.

Has the calculation of the profitability of the Kibbutz any meaning? The Kibbutz apparently needs to make its financial statements in the same form as those of a capitalist enterprise for the sake of its own economic operations and it is probably due to technical reasons of taxation that the calculation of the profitability of the Kibbutz is actually done by some governmental organs on the basis of these statements. But profitability in this case is by no means identical to that of a capitalist enterprise. Any labor of the Kibbutz member carried out in the Kibbutz is not involved in the general labor relations of the national economy of Israel, and even the labor of income-producing branches is of exactly the same nature as that of a family enterprise. A Kibbutz functions as an enterprise outwardly, but it is run in its internal operations as a household economy. This is the very reason why the general standard of wages of Israel cannot be adopted, technically and theoretically, as a basis for the calculation of the cost of labor of the Kibbutz. What is registered as the profit in the financial state-

ments of the Kibbutz is nothing more than a difference between income and expenditure and does not represent the category of profit, in its theoretical sense, as brought forth by capital. The peculiarity of the concept of profit in the Kibbutz economy which the author emphasizes is simply a natural element of any sort of household economy. There exists no basis for comparison, as regards profitability, between farmers' households which, though in a small scale in their income, have saved money by thrift, and those which, despite big incomes, have recorded deficits due to luxury. The profit of the Kibbutz depends on its standard of consumption independent of its productivity, and the standard of consumption is determined not by economic conditions alone, but by a complex of various circumstances of each Kibbutz. Therefore, it is meaningless to generalize the Kibbutz, either as regards the individual Kibbutz or the entire Kibbutz system, as an enterprise with poor profitability despite high productivity. The author presents the image of the Kibbutz in this way but it is a result of the mistaken assumption that the concept of profitability of the Kibbutz can be a criterion for comparison between different Kibbutzim and also between the Kibbutz and the other types of management. It is, therefore, difficult to find a logical sequence in the author's treatment of the major question of this work.

Then, in the second place, there arises a new question: What should be pursued in the statistical analysis of economic aspects of the Kibbutz? The author has adopted profitability of the Kibbutz as the basic index of analysis, probably owing to his intention of maintaining quantitative exactness. However, as he has omitted the important process of examining whether or not this index can be adequate for his purpose, this method has served little in understanding the economic characteristics of the Kibbutz. In order to find adequate criteria for the author's purpose, first of all, the socio-economic peculiarities of the Kibbutz should be clearly understood. That means, a thorough study on the internal system of an individual Kibbutz is indispensable before the Kibbutz is pursued in its totality. In other words, effective indices for the quantitative analysis of the Kibbutz system in its totality can only be found by undertaking the qualitative analysis of an individual Kibbutz.

Along this line of thought, one might find some other important indices, not dealt with by the author, to indicate the actual nature of the Kibbutz economy. For example, analysis of the balance-sheet of the Kibbutz, as regards the composition of fixed assets, the proportion of the Kibbutz's own funds to the total amount of credit, the composition of loans from outside, etc., might indicate the economic features of the Kibbutz very clearly. The author has concentrated his attention mainly on the profit and loss account and has almost ignored the balance-sheet of the Kibbutz although he has adopted only the total amount of fixed assets as a basis for his calculation of productivity.

The economy of each Kibbutz differs greatly according to its history, location, political affiliation, etc. either in its scale or in its production. But if we carefully examine the balance-sheets of various Kibbutzim, we find a

very conspicuous characteristic of the Kibbutz economy. That is the heavy dependence of the Kibbutzim on the outside economy either in terms of funds or in terms of labor forces. Despite its chronic deficits, the Kibbutz has survived for sixty years and has even enlarged its economic operations to a remarkable extent, while maintaining a high standard of living comparable with that of an urban society. The reason for this consists in the national institutions of Israel, either economic or political, which guarantee the Kibbutz against its financial difficulties. In this connection, the economic role played by the Kibbutz system in its totality, which is the object of the author's study, can be clarified only when it is realized that the Kibbutz is fundamentally different from the ordinary capitalist enterprise. This can be comprehended only after a thorough analysis of the economy of an individual Kibbutz. If this method is followed, the average figure of profitability of the Kibbutz would almost lose its relevance to the author's aim.

Therefore, in the third place, we are faced with a fundamental and final question: What method is necessary for a study of the entire Kibbutz economy as attempted by Kanovsky? It is difficult to know the qualitative significance of the Kibbutz economy only with a quantitative analysis on the total or average figure of the Kibbutz system as the author presented in this book. At the same time, the general trends of the entire Kibbutz economy can hardly be ascertained only by analyzing the inner economic mechanism of an individual Kibbutz. Here arises the necessity of reconsidering whether or not the concept of the Kibbutz in its totality is scientifically valid.

There are various types of agricultural management in Israel, including some fairly large-scale private farms, family households which participate in the communal operation of certain branches of agriculture on the basis of settlement unit, and so on. Although the Kibbutz is generally larger in the scale of its economic operations and more industrialized than other types of management, it would still be difficult to find any firm grounds, from the viewpoint of economic theory, to generalize the Kibbutz as a separate form of management from the others. The Kibbutz has, nevertheless, been considered as a peculiar form definitely different from any others. As the author himself has admitted, this is due to the fact that the Kibbutz is not only an enterprise but also a community which bears a special socio-political character. The idea of the Kibbutz system in its totality can be meaningful only when it is understood not merely in its economic aspects but in its comprehensiveness which is the sum total of its social, economic, and political elements.

Various features of the Kibbutz and the prospects for its future, summed up by the author in Chapter VII, indicate that the ultimate target of his study is not confined to the statistics of the Kibbutz economy but directed to a comprehensive understanding of its institutional meaning in Israeli national society. His shrewd remarks on the future of the Kibbutz in this chapter seem for the most part to be to the point and close upon the essential nature of the Kibbutz. For this very reason, it may be said that the statistical analysis up to Chapter VI serves little for the author's purpose. In other

words, little logical consequence is to be found between the analytical process and the final conclusions of this book.

Kanovsky points out that the Kibbutz is finding difficulties in absorbing new participants, and the Kibbutz member in general has turned out to be more interested in making profits than in ideology. These problems are not due to the fact that the Kibbutz is inferior in profitability to the other types of management. The Kibbutz, a form of social community, which does not aim at the maximum profit, will safely maintain its existence enjoying a high productivity and standard of living, no matter how much deficit it might record as long as the national institutions which guarantee its finance survive. Should drastic changes occur in the political sphere, the Kibbutz might possibly be merged or even abolished, regardless of the profit it might be able to make. It should be stressed that an analysis of the Kibbutz economy is possible only by the examination of the socio-political significance of the Kibbutz system in its proper context, which is that of the state of Israel.

As mentioned above, this book has serious defects in both the author's concept of profitability and method of approaching the Kibbutz in its totality. In spite of this, the author's ambitious attempt should be highly appreciated. The comprehensive collection of materials about the Kibbutz used for this study, including some fragmentary articles from newspapers, reflects the magnitude of the author's toils and endeavors. Some statistical materials relating to the agricultural managements are not made public in Israel so that it is quite difficult to discover the actual state of an individual agricultural management in Israel, especially for a foreign student. In this respect, this study of Kanovsky can play a role of presenting statistical materials to anyone who attempts to approach the Israeli agricultural economy. We should, all the more, ascertain the background of the author's errors.

Kanovsky's method of analysis, which attempts to apply the concept of profitability to the Kibbutz economy is rather ineffective in that it stems from the confusion of a household economy with a capitalist enterprise. Members of the Kibbutz themselves are quite indifferent to the profitability of their finance, if not to their profits. It is mainly to the policy-makers or the agricultural planners that profitability appears important. In scientific fields, however, the Kibbutz is very often mistaken for a form of capitalist enterprise. This misconception may have a deeply-rooted origin influenced by the way of thinking peculiar to the ideology of Zionism.

The Kibbutz originally arose out of the Zionist ideology and was developed as a strategic instrument of Zionist colonization in Palestine. The Kibbutz movement has above all been a political one. As is widely known, Zionism is an ideology based on a premise of oneness of world Jewry as a separate and unified modern nation. Jewish communities scattered in various countries of the world have preserved quite a strong tradition of family-like ties among members of each community, although the intercommunity relations have been often rare. It is true that the actual unification of the Western Jews was greatly promoted by the development of the Zionist move-

ment since the last century. But the most noteworthy fact is that Zionism has brought forth a striking imaginary effect either on Jews or on non-Jews so that world Jewry might be interpreted *a priori* as a separate and unified community. The initial idea of the Kibbutz movement, moreover, was based on the concept that Yishuv, or the colonized Jewish society in Palestine, should be established as a national and family-like community. This tradition of thought is apt to make the differences between society and community, publicity and privacy, and sometimes even objectivity and subjectivity, extremely ambiguous.

According to the Kibbutzniks' ideology, the Kibbutz is nothing less than a miniature of the Yishuv, the national community of Israel. The Kibbutz movement used to be interpreted as a political one only in connection with the entire Zionist movement in Palestine and not with domestic politics. This, essentially, is why the Kibbutz is generally explained in Israel as a realization of idealism aiming at a utopia which transcends political ideology, although this way of thinking itself is nothing more than a direct reflection of Zionist ideology, and why the Kibbutz is described as a community freed from the private property system and the class struggle of capitalism, although it simply denies personal properties within the framework of private community which may for itself constitute a certain class of capitalist system of Israel. All of this is the natural consequence of Zionist ideology in its orthodox form which is liable to identify any fragment of Jewish community as the national society of Israel.

The idea of interpreting the Kibbutz as an ordinary capitalist enterprise, too, exactly conforms with this ideology, although it is on the other side of expression. As we have already seen, this sort of interpretation is wrong from the objective and scientific viewpoint. The analysis of the Kibbutz system is not to be effected merely by quantitative analysis, no matter how sophisticated, but in addition needs an understanding of the peculiarities of Zionist ideology, in the context of its own logic. Otherwise, such a mistake as adopting the concept of the profitability of the Kibbutz would easily be incurred.

The study of the Kibbutz, whether or not its direct object is limited to the certain aspects, should be approached in the wider perspective of studies of the history of Zionist activities in Palestine. If such an approach is accepted, then it can easily be understood that even the economic analysis of the Kibbutz must need, as a prerequisite, recognition of the importance of the socio-political significance of it within the framework of the state of Israel. The new trends in the Kibbutz economy in the 'sixties on which the author laid emphasis can be seen as a result of the change imposed on Israeli agriculture in general by the circumstances of that country. These are as follows: The Israeli economy which depended to a great extent on external elements such as foreign aid, payments of reparations, the influx of Jewish immigrants, etc. in the 'fifties is now faced with the difficult task of establishing itself as an independent national economy. The major lines of the government's policy have therefore been directed toward positive participation in international

trading relations through the specialization of her economy. This has resulted in a drastic change in the domestic production of Israeli agriculture accompanied by some new trends such as the industrialization of rural settlements, the renewal of regional planning, etc. The new trends which we can trace on the Kibbutz economy in the 'sixties are for the most part the reflections of these circumstances, which are quite universal to any type of agricultural management in Israel and not necessarily peculiar to the Kibbutz. Only in the context of the recent development of the Israeli national economy, can the recent change of the Kibbutz economy be understood, and only from the viewpoint of the comprehensive construction of Israeli society can either social or economic elements peculiar to the Kibbutz be discovered. As Kanovsky's efforts are highly valuable, it is all the more regrettable that he has confined his analysis to the narrow domain of statistics.

Like a few other similar studies on the Kibbutz, this book may be regarded as a valuable and provocative work which, perhaps contrary to the author's intentions, urges us to reconsider the method of approaching the economic affairs of Israel. Although detailed surveys on the actual realities of each agricultural settlement of Israel are a prerequisite to any study of the problem, they have not necessarily been carried on to an ample extent, probably due to political circumstances there. But if studies develop in this direction, Kanovsky's endeavoring work will constitute a remarkable milestone for its objectivity, not only in studies of the Kibbutz, but in the study of Israeli economy. (*Kazumasa Ōiwakawa*)

INDIRA ROTHERMUND, *Die Politische und Wirtschaftliche Rolle der Asiatischen Minderheit in Ostafrika*, Ifo-Institut für Wirtschaftsforschung, München, Afrika-Studien 6, Berlin-Heidelberg-New York, Springer-Verlag, 1965, xi+75 pp., 1 map.

I

This book represents the results of a study made by Mrs. Indira Rothermund, under the sponsorship of the Ifo-Institut für Wirtschaftsforschung, Munich. During her stay in East Africa for a brief period from August 12 to October 20, 1964, Mrs. Rothermund interviewed over 70 resident Asians and many African statesmen, to investigate and summarize the political and economic condition of Asians living in this area of the continent.

In Africa, "Asian" generally refers to Indians—including Pakistani, immigrants of Goanese origin, etc. Africa has a total of about 900,000 such Asians—accounting for about 0.4 per cent of the total population in Africa—and about one-third of them reside in East Africa. The Asians in East Africa are considerably outnumbered by those in South Africa, but the white population being relatively small in the former region, they play a somewhat more important role in economic activities, and in activities involving circulation and distribution, they are often compared to the Lebanese and Syrians of West Africa.