

**XI. Interview with Dr. Moshe Schwartz
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1. The organization of the agricultural system is made up of different layers, dating to the oldest organization to the more recent ones. The reason for this particular structure pertains to the fact that in the Israeli political culture it is hard to abolish any type of framework; as a result, when there is a need to create a new one, it is simply added to the extant ones.

The oldest organizations date to the early days of the Yishuv, were created by the "barons" i.e. the great philanthropist families of the Rotschids (PICA ICAH). Then there are Jewish National Fund and the organizations created by the World Zionist Organization/Jewish Agency. The third layer was created by the Histadrut, and then there are the organizations created by the political parties, especially the three original settlement movements: Hashomer Hatzair (Mapam), Hakibbutz Hameuhad (Ahdut Ha'avoda) and Ihud Ha'kvuzot veHakibbutizim (Mapai).

2. The legal system that pertains to agriculture is also very complex. There are three layers: 1) the Ottoman law which was used by the British mandatory authorities, 2) British law that dates to the British Mandate, 3) Israeli law. The vestiges of the British influence were very pronounced in the early days of the state. The Israeli government used Mandatory law to nationalize all land. The first Minister of Agriculture created a General Agricultural Council, patterned after the British Mandatory Councils.

3. The representation of the agricultural sector in the Israeli political system in the early days was very strong. The kibbutz was considered the elite social structure of the society, and as a result, membership in a kibbutz was considered necessary for a political career. Thus most of the top political figures in Mapai were kibbutz members. However, it should be emphasized that not all of them represented the agricultural interests. There were two types of kibbutz elites: the pro forma kibbutz member, i.e. politician that had a kibbutz address, but were not professional farmers (Levy Eshkol, Golda Meir, Ben-Gurion, Yigal Alon, Pinhas Lavon), and professional farmers-politicians (Haim Gevati, Moshe Carmel, Avraham Katz-Oz). It was the latter type who fought very hard for the interest of the agricultural sector.

4. In the first decade of Israel's existence, there was a tremendous national effort to develop agriculture. The aim of agriculture was twofold: to make Israel self-sufficient in food and to settle sparsely populated and border regions. The first aim was achieved within this decade: Israel went from producing 30% of food for 700,000 to full supply to a population of 2

million. In order to achieve this two goals, all other considerations were submerged, including the question of water.

5. However, by 1957 there were signs of food overproduction, especially in poultry and vegetables. This food was either given away free of charge, or sold under the cost of production or simply destroyed. **It should be pointed out that in spite of the overproduction, there was no effort to cut on agriculture and water that is used up.** There are no

estimates how much water was wasted in this period because of overproduction. When Moshe Dayan became the Minister of Agriculture in 1957 he tried to introduce more planning: he created 13 Production Councils for various crops. He also tried to cut on water quotas, however, Ben-Gurion lost the more general power struggle and Dayan who was his protege was forced to leave the government to join Ben-Gurion's party Rafi. The defeat of Ben-Gurion and Dayan has left the agricultural lobby entrenched.

6. In the early days of the state, water issues were an exclusive domain of the agricultural sector. The only representation problem pertained to whether a member of a kibbutz or moshav would become the Minister of Agriculture. Initially, it was only members of kibbutzim that got the appointment, but later on after member of moshavim pressured Mapai, it was decided to appoint a moshav member to be the Director General of the Ministry of Agriculture. Still later, there was a system of rotation, whereby a kibbutz or moshav member would be appointed to the Ministry of Agriculture. The system is essentially the same today.

7. In the 1970's there was a decline of the quality of bureaucracy, there was less money in the government, the private sector developed, affirmative action was introduced and so on. The poor quality of government bureaucracy has affected the management of the agricultural sector and the water system. Likud's victory in 1977 has made things worse. The Likud did not have the professional cadres needed to replace the entrenched Labor bureaucracy and, initially did not make any major changes. Later on, when replacements were made the quality of the appointments was questionable. The two Water Commissioners under Likud were Meir Ben-Meir and Tzemah Ishai, the latter had no background in water matters. The latter was a protege of Moshe Nissim and the farmers were afraid to protest, because the assumption was that someone who would be hostile to the largely Labor dominated agricultural lobby would be nominated.

8. Even after Likud came to power, the strength of the agricultural lobby was not diminished. The reason has to do with the structure of the political map in Israel. Some 80% of the agriculture, whether kibbutz or moshav is linked to political parties, the vast majority to the labor parties. The few kibbutzim and moshavim that are linked to the Likud or the Religious parties share the same interests as their Labor counterparts. It has been often the case that the Labor agricultural lobby used their right wing counterparts to pressure

for common interests. On the other hand, there is no effective counterpart to the agricultural lobby in the Likud, and the "professor's lobby" has never been powerful enough to lobby for more rational water uses.

9. The debt crisis in the moshavim (the equivalent to the S&L scandal in the United States), has been created because of the structure of the moshav economy. The moshavim are composed of family units, but all the supplies of these units, are bought through a cooperative association. The cooperative associations have decreased the risk for each individual farm unit, and encouraged them to borrow. Since risk taking is not related to profits, they borrowed more than a private farmer would do under similar circumstances. Thus, if there are certain farmers that want to invest, even when the venture seems risky, the risk is basically diminished, there is an understanding that the state would underwrite the risk of default.

10. In the Water Council, there is a large representation of agricultural consumers because they represent the largest sector of water consumption. The representatives that are sent to the Water Council are the best technical and PR people in the kibbutzim and moshavim. They have no problems in organizing an affective lobby. They are normally supported by the Water Commission in the Knesset, that is the Commission that is ultimately in charge of water prices. Currently, the Chairman of the Committee is Edna Solodar, a kibbutz member from one of Mapam kibbutzim. The Water Committee in the Knesset has normally opposed increases in the prices of water.

11. It is important to remember that Israel is not a pluralist democracy in the American sense, but rather constitutes what Philip Schmitter, calls **a corporatist regime**. Politics in a corporatist regime is conducted between the government that represents the state, and powerful corporate groups, in the Israeli case, the most powerful corporate group is the farmers lobby. The most important historical examples of corporatist states can be found in South America, and it is on the basis of the analysis of those regimes that Schmitter derived his ideas. The legitimacy of the government in a corporatist state is derived from the groups and not from people at large.

For more details on the crisis of moshavim see Moshe Schwartz and Neil Sherman, an article in Human Organizations, 1991 and a book by Moshe Schwartz on the subject (in Hebrew, forthcoming).