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The Israeli Experience in the Democratization of Work Life

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Many people hold the vague notion that Israel can serve as a model for more democratic forms of work life or so-called "industrial democracy." Others debunk these notions by pointing out the relatively small size of Israel's social experiments, as well as their weaknesses. It seems to me that the first step in making the discussion of this point more rational is to clarify the multiple use of the concept "in dustrial democracy." There exist at least four different uses of this concept:

(1) industrial democracy as legally recognized union power;

(2) industrial democracy as ownership by the workers;

(3) industrial democracy as participation by workers' representatives in management and decision-making;

(4) industrial democracy as job-design for the enhancement of the quality of working life.

These four different uses of the concept of industrial democracy are by no means unambiguous. I should say now a few words about the subdivision of each of the four uses of the concept, and for two reasons. First, I wish to avoid the misunderstanding that may affect those readers who are in

the midst of a debate within one or more of the four uses. Second, the debates within a given use may be relevant to subsequent discussion in this paper. Thus, industrial democracy as legally recognized union power may mean either maximum power and autonomy to unions, or, alternatively, maximum state intervention on the worker's behalf by the means of labor legislation. Second, industrial democracy as ownership by the workers may mean the aim of a complete political and economic revolution, or, alternatively, workers' producers' cooperatives or collectives, the ownership of economic enterprises by labor unions, the nationalization of key industries, or, finally, turning workers and employees into shareholders of the company. Third, industrial democracy as participation by workers' representatives in management and decision-making may take diverse forms, from the representation on boards of directors or some other more , remote controlling bodies to the institutionalized consultation with an elected works council. Likewise, the representatives can be elected by the employees from their midst or can be appointed by the appropriate union. Fourth and last, industrial democracy as job design for the enhancement of the quality of working life may be anything from very minor attempts at job enlargement to a radical reorganization of the work place which largely does away with the traditional hierarchy and breaks down the divisions among laborer, operative, and craftsman, and among blue-collar, white-collar, and even management tasks.

In the United States, industrial democracy was used in the fifties by labor relations experts advocating industrial democracy in the first sense above ((1)). For Europeans and Israelis, this was a rather modest goal. In Scandinavia, especially in Norway, the concept meant originally, already in the interwar period, the goal of participation of workers'

representatives on boards of management; it was used thus by the ideologists of the socialist movement there.

Åke Anker-Ording argued already in the interwar period for the extension of the principle of democracy from politics to the factory, meaning workers' representation in the decision-making process. Though he is the recognized ideologue of the socialist party of Norway, his work is little known outside and not available in English. In Norway, a rather limited representation of the workers on the boards of five large state-owned or partly state-owned firms was established after World War II under the name of industrial democracy. When doubts into the efficacy of this measure arose, a group of social scientists was in the winter of 1962-1963 invited jointly by the Norwegian Trades Union Congress and the Confederation of Employers to undertake research on the problems of "industrial democracy"; this became the "Participation Project," which later considerably influenced thought and praxis toward the fourth meaning of industrial democracy in Norway and Sweden and in a more limited way also in the Netherlands and Britain (for all this, see Emery and Torsrud, 1969).

Only after considerable disillusionment with the effects of participation in the sixties did the concept gain a new meaning there: a radical job redesign, which would ultimately result in a democratic work-organization where the day-by-day work-life of each member of the work-force would greatly improve. The older Scandinavian version of participation by workers' representatives in the management decision process has not been given up, however. Indeed, it has been meanwhile written into law in Norway, Sweden, and the Netherlands. The new version, therefore, is sometimes known as "deepened industrial democracy," to distinguish it from the older version. It has gained active

adherents and sympathizers, not only in union and socialist party circles, but also among social scientists who specialize in "change research" and among an ever-broadening circle of managers, economists, engineers, and industrial psychologists who work for or with the employers.

In Britain, France, and Germany, the concept was originally not used for those changes in economic organization which resulted from World War II- i.e., the nationalization of key branches of the economy and the establishment of workers' councils or workers' representation on supervisory boards, plus workers' councils in the coal and steel industry, respectively, in France and in Germany ((2)). Rather, the concept began to be used in the sixties, especially in Germany, in a most confused and vague manner to include all combinations of the four senses named above. (Also, the term in German is usually not "industrial democracy" but "economic democracy.")

The emphasis in Germany, and lately among leftist circles I in the United States, is on democracy in senses 2 and 3 I above-namely, the demand for ownership by workers and workers' maximum participation in management. The support to the movement comes, in Germany, on the one hand from a few firms whose owners have handed over their ownership to the workers, and on the other hand from left-wing circles in some of the more militant unions, who press toward maximum representation of workers in all firms. The best-known case of a firm where the owner is gradually f transferring most of his capital to his employees and has also instituted majority representation of employees on the policy-making board is that of Carl Backhaus, the originator of the celebrated *Ahrensburger Modell* (see Vilmar, 1973: 245-249; and the issue of *Frankfurter Rundschau am Wochenende* of Saturday, January 31, 1970). The tendency of the leftist demand for maximum representation to

develop into a demand for full workers' control and the establishment of a "counter-force" with the help of strikes and factory occupations is expressed in Vilmar (1973: 159-218). (The extent and confusion of the debate now raging in Germany may also be seen reflected in Vilmar, 1973).

The Yugoslav Workers' Councils established in the fifties became for many Europeans and later also for Americans a model of industrial democracy. The Yugoslav official claim is that here is a combination of complete "socialist" state-ownership of industry with decentralized self-management of the individual plant by a representative workers' council. One detailed study of this institution, however, shows that the day-by-day operation of the firm is still definitely in the hands of professional management, while the Workers' Councils concern themselves nearly exclusively with welfare matters such as the allocation of housing. The representatives of the workers have practically no impact either on business policy or on the organization of the work itself (see Kolaja, 1965).

The fourth sense of industrial democracy - namely, of job redesign - has in the later sixties and later gained much strength in the United States, Canada, Britain, Holland, France, and Italy ((3)). There the carriers are progressive management circles, and social scientists, mainly from business and technical schools. The term used by them sometimes is "industrial democracy," but more prevalent are job design, job enrichment, the sociotechnical approach, and, lately, the enhancement of the quality of working life.

Michael Foster (1968), of the Tavistock Institute, has recently attempted to discuss the question of what is the central problem which industrial democracy comes to solve? He sees alienation or lack of human

dignity at work as the major problem and evaluates the different schools of industrial democracy in light of this; consequently, he considers democratization at the work-place level the most promising approach. The Tavistock Institute of Human Relations in London, the spiritual center of industrial democracy research in Europe, is where, indeed, the concern for job redesign and the label "sociotechnical systems" first appeared immediately after World War II. A new center these days is in Los Angeles, the Quality of Working Life Program in the Graduate School of Management at UCLA; this has been established as a result of the First International Conference for the Enhancement of the Quality of Working Life at Arden House, Harriman, New York, September, 1972. This center has published an annotated bibliography of the by now voluminous literature-mostly papers-on theoretical, experimental, and descriptive aspects of the quality of working life, including a good number of unpublished books, articles, and case-studies J (Taylor et al., 1.973).

An HEW Special Task Force recently published the first comprehensive list of all practical attempts of democratization or humanization of the work-place which were ever reported in print (Richardson, 1973: 188-201).

I hope that this brief survey will suffice in order to begin to discuss the question, to what degree is industrial democracy developed in Israel and in what way may Israel serve as a model ((4)).

UNION POWER

Israel, according to the original American use of the term industrial democracy, can certainly serve as a model. It has a mighty union

organization, the Histadrut, which organizes nearly ninety percent of the Jewish workers, the majority of I the employees, and the entire Jewish working farming population. Nowadays, a large part of the Israeli Arab workers employed outside their villages are also members of the Histadrut. The Histadrut is recognized by the government and all employers as a legitimate partner in wage negotiations. Work councils exist in all larger enterprises and by law they have the right for time and space to carry out their union activities on the premises. Sanctions against workers because of union or political party activities are unheard of. The Histadrut wields enormous influence on the economic and social policies of the government. The Histadrut has certainly played a major role in securing for Israel's working population relatively high wages (for Asia) and social benefits and job security comparable to the highest in the West. I shall discuss later if further strengthening of the Histadrut would be relevant and useful to the solution of the present acute problem relating to the work life of Israel's population.

WORKERS' OWNERSHIP

The non-Marxist view that the life of the worker is democratic if and only if he owns his means of production is, in practical terms, the idea that the propertyless or the small owner should be given the chance to be economically "independent"-i.e., not an employee or a wage worker. The classical worker's way to this goal was cooperation, not nationalization, partial or complete. Israel may well be the country where cooperation is most popular, though even there it is the minority form. Over seventy percent of all those employed in the Jewish agricultural sector belong to cooperatives-i.e., to the 235 *kibbutzim* or collective villages, and to the 500 *moshavim* or cooperative villages. They produce seventy percent of

the agricultural produce. As Israel is an industrialized country, agriculture is not a very large part of the economy, however. The kibbutz population is 3.8% of the Jewish population, the moshav population 6.2%, making together 10% of the Jewish population. Another sector of the economy where cooperation is prevalent is that of transportation. I shall now discuss the moshav movement, the transportation cooperatives, and then the kibbutz movement.

MOSHAVIM

Let us consider first life in the moshav. In what way does the Israeli cooperative village differ from the traditional village of small independent farmers? In the interwar years, moshav settlers were usually recruited from among propertyless farm laborers, erstwhile members of kibbutzim, or new immigrants from Central Europe. After 1948, they came from among the propertyless immigrants from East Europe and even more so from the Middle East, all of them with no previous agricultural experience. The accepted process is the formation of a group of families who decide to settle together. The group is apportioned land by the National Fund in equal proportions per family. The land remains formally the property of the National Fund and can neither be redivided nor sold. Should a family leave the moshav, the cooperative will purchase the property- i.e., house, livestock, tools, and installations-at the market price, and another family will be settled in its place. The usually propertyless settler receives a loan from the Jewish Agency and starts after a few years to pay it back in 25 yearly installments.

Though each family in the moshav owns and manages its own household and also runs its agricultural unit privately, and by its own plan (certain branches which demand larger connected areas are sometimes

owned and cultivated by the cooperative and only in the small group of *moshavim shitufiim* is the entire farm economy owned and cultivated collectively while households and consumption remain private), the cooperative nonetheless plays a significant role in the economy of the village. The moshav is administered by a council of five to eleven members and by an executive of three members who manage the cooperative economy and also act as municipality. In the fifty cooperative villages of the middle-class settlement, so-called, the economic management is separate from the municipality, so as to enable the non-farming residents to be represented in their local government. All financial transactions of the moshav pass through the executive. The cooperative purchases *en gros* materials for the diverse agricultural activities of its members and also sells the majority of the agricultural produce for its members, usually through the large Histadrut marketing organization or through other public export companies. Should the moshav farmer sell outside this framework, he will nonetheless put his proceeds into his private account in the cooperative since the cooperative offers him a fixed loan of 24% of his gross income. It is obvious that the cooperative strengthens the single member economically to a considerable degree. In consequence, there exists now in Israel a stratum of technologically advanced small farmers who have in spite of their limited land and water resources reached a rather satisfactory standard of living.

To what extent does this form of cooperative village permit the development of intemal democracy of self-government, and self-management? Usually a moshav has no more than 250 adult members. Therefore, the general , assembly can still function in direct democracy. All members without exception are candidates for all offices. In the first

round for the election of the council, each member draws up a list of five to eleven names; those fifteen or twenty who have thus gained most votes are then, if they consent, put on the list of candidates for election. 'The council elects the executive. The work of the executive is rather time-consuming, but is nevertheless carried out without pay in the evenings. Only the moshav secretary is a paid professional and is at times a member, at times not. The council members serve as chairmen of the numerous committees that manage branches of the economy and of the local services ranging from kindergarten to cemetery. Membership in the committees is based more or less on the readiness of proposed members to serve. Though effort is constantly made to draw as many members as possible into committee work, nevertheless usually a fixed stratum of activists exists who regularly serve on committees and on the council. In the "new" moshavim, whose population is largely of Middle Eastern descent, this "elite" of voluntary managers is narrower in compass: here the heads of extended families still play some semi-traditional leading roles.

The Israeli moshav appears here as a mode of economic democracy in the second sense mentioned above: here cooperation in agriculture enables the propertyless or the small owner to succeed as independent farmers through mutual help and common effort; simultaneously, a form of democratic and voluntary self-management of the members of the cooperative settlement has developed. As such it may serve as a valuable model, especially to Third World nations who aim at modernizing their agriculture on an equitable but voluntary basis ((5)).

Yet the moshav also has its specific problems and dark areas. Some moshavim do not make it economically, suffer from internal rifts or from inefficient self-management (often the three defects intertwine). An

additional basic problem- that of the adult sons- appears now in all those moshavim where families are large. The small farms cannot be partitioned, economic ally or legally. It is permitted for one 1married child to enter the parent's business as a partner; yet even this is difficult for the Middle Eastern fathers whose authority over their children is traditionally patriarchal. What I shall become of the many additional growing children? Where shall they live and what on? As propertyless newcomers to the city with their often rather inadequate schooling and with no suitable vocational training, they are in a precarious position. A better solution seems the construction of subsidized apartments for young couples in the moshav itself and the development of technologically progressive manufacturing or service industries not too far away. Work as unskilled or semi-skilled wage laborers in the industrial firms in the "development" small towns is often perceived by the children of the moshav settler as below their station. It is therefore of great importance for the moshav's future to develop alone or in cooperation with neighboring villages nonagricultural economic enterprises to support its young excess population. A start has been made with the establishment of some regional processing plants for agricultural produce ((6)).

A second acute problem is that of hired labor, which, despite the socialist principles of "self-work," is rather prevalent, especially in those moshavim which have developed labor-intensive agricultural branches, usually for export, and which lack the needed manpower, especially during the harvest season. The individual moshav farmer here employs hired labor; nowadays these are mostly girls and women from the Arab West Bank. A specific defect is that a large part of these agricultural laborers are recruited not through the labor exchange but through Arab contractors; those supply the transportation and pocket a large portion of

the wages of the inexperienced women-workers. That this state of affairs is far removed from any kind of economic democracy is all too obvious for any thinking moshav member.

As we shall see, the problem of hired labor exists also in the kibbutz, and in the transportation cooperatives. Fortunately, except in the cases of these Arab women farm workers in moshavim, all other Jewish and Arab hired workers in the cooperative sector have their minimum wage and social rights guaranteed either by the Histadrut or by the labor exchange.

TRANSPORA TION COOPERATIVES

Travel by bus, both in the city and overland, is monopolized by two large cooperatives. There are also a few cooperative taxi companies. In the past, the cooperative drivers were very popular and recognized as pioneers who risked life and limb to maintain communication between Jewish settlements. In the meantime, the leading bus company has developed into a major pressure group, often resented by the population. Their capital has grown considerably, making the share of a member a considerable asset. With the growing capital, internal stratification developed. The bus and taxi drivers who are full members and thus shareholders hold the exclusive right to elect the board of management of the company. Below them comes the stratum of candidates for membership, below them the tenured employees, and, at the bottom, the ordinary hired laborers. In some of the smaller cooperatives, members are the minority of the labor force. The Histadrut for years put pressure on the two largest bus companies to accept their hired workers as full members. Consequently now all employees and workers have the right to

apply for membership after a given minimum time of service-but only if they are permitted to drive buses. As only a certain age group of healthy men are qualified for bus drivers' licenses, a considerably large group of workers, especially all women employees, are permanently excluded from membership.

Outside transportation and agriculture, cooperatives in production are of negligible size and importance.

KIBBUTZIM (OTHER THAN KIBBUTZ INDUSTRY)

There are today 225 kibbutzim in Israel, and, though the kibbutz population of about 100,000 settlers is about 3.8% of the Jewish population of Israel, the kibbutz has played a very important role in the development of the country, constitutes a very important social experiment, and has even today a disproportionate influence and impact on the moral, social, and political climate of the country.

To what extent and in what way are kibbutzim models for economic democracy? The theoreticians of the movement are convinced that the kibbutz constitutes a classical model of socialist democracy-i.e., of equality and mutual help. Not only because of its self-government and self-management-by the secretariat and several committees elected by the general assembly-but especially because of the fact that the kibbutz is genuinely collective, communal, presumably a step above the cooperative model. Let me explain.

The entire agricultural enterprise, and now also the industrial enterprise, is the collective property of the kibbutz members, and the productive work as well as work in the communal service branches (kitchen, dining hall, laundry, children's houses, schools, and so on) is

being performed by all adult residents without monetary reward. Work is assigned by a work-coordinating committee. Each branch is supposed to form a democratic work-group whose head regularly consults with all his colleagues in planning and assigning the work of the branch. To what extent the practice fits the image is very much dependent on the head of the branch as well as on the team members, not to mention the general level of democratic practice in the kibbutz.

To what extent does this work organization grant the individual member work that satisfies him? There existed in the kibbutz movement no consciousness of any right to interesting and satisfying work. There existed several ideological elements which, indeed, ran counter to any such possible aspiration. The first of these was the so-called work-religion of A. D. Gordon. Gordon, following Tolstoy in this own way. considered manual and physical labor, especially in agriculture, to be of specific moral value. "Build and you shall be built." A second ideological element was the Marxist-Zionist idea of D. B. Borochov, according to which, as the Jewish people in the Diaspora were lacking the proper social basis for class struggle, the pioneers should create this basis-i.e.' the class of w orking farmers and of laborers-in their old-new homeland.

Both of the just-mentioned Zionist socialist ideologists ignored the psychological need of the individual for personal achievement in his work, for pride in craft or occupational skill and ability, for challenge and interest, for full development of his talents and capacities. A further element of the work ideology of the kibbutz is the assumption that the achievements of the collective, the economic progress of the collective, as well as the contribution of the kibbutz to the national and social development, that these would or should satisfy the individual to the full;

therefore, it should be quite unimportant what kind of work the individual performs.

Nevertheless, as the kibbutz founders aimed at maximum equality, there developed a norm not quite fitting the ideals just outlined. The norm was that of maximum rotation between different economic branches, between pleasant and unpleasant jobs, between leadership position and rank and file. We shall now examine practices in these respects.

Obviously there never existed a complete, regular rotation of all kibbutz members among all jobs and all positions. Soon enough there evolved differences in qualifications and a minority assumed the leading positions in the economy. The same happened regarding administrative and financial functions; a small group was forced to become specialists and serve for years as secretaries and treasurers, and those same people later became the functionaries of the kibbutz movement in the Histadrut, in the political workers' parties and their youth movements, in the Knesset. (Parliament) and even served as Cabinet Ministers. Thus evolved, contrary to the ideal of complete equality and contrary to the basic rule of rotation, an often reluctant elite of the highly qualified and perhaps also the most energetic and of the most naturally disposed toward social and political activity. It should be remembered that, in spite of this elite formation, it may well be that in the kibbutz a larger part of the adult population takes part in self-government and management than in any other known social organization. The men and women who at any time occupy positions or are members of the secretariat and of the innumerable committees tend to comprise no less than fifty percent of the adult full membership of the kibbutz.

Yet the kibbutz population comprises not only the adult members and their children (and in some cases elderly parents), but also many

temporary residents, especially numerous young people who come as volunteer workers. All those are not included in the system of self-government of the kibbutz. Wherever the kibbutz employs hired laborers of specialists (those usually do not stay overnight), the same also holds for these. Concerning the possibility of the individual member to choose a satisfying occupation and to develop with it and through it, the problem here is that of the limited number of activities required economically. In the early years, there was no room, or it was so considered, for professional artists, scientists, engineers, and even technicians interested in industrial rather than agricultural production. And, as a result, those inclined this way were frustrated and often left. With the rising prosperity and industrialization, the problem has become less acute as the kibbutz or the kibbutz movement now needs a large variety of nonagricultural or domestic activities. It must, however, be kept in mind that, in the kibbutz, the individual freedom of choice of occupation, of vocational training, or of higher studies is limited by the decision of the collective-i.e., the general assembly or special committee.

Nowadays, there is no great problem in this respect for the majority of the adult male kibbutz members: each of them usually has a fixed occupation in a branch of the kibbutz agriculture or industry and nearly always also has a relatively high level of qualification and specialization. The head of a branch usually specializes more in the finance and marketing problems of the branch than in the latest advances in its technology. Therefore, as long as there is room for additional advanced training for members of the branch, they feel little incentive to become heads. And so the position does not rotate much. Heads of branches, whenever successful (economically as well as socially) hold their positions for many years. Thus, there is little rotation both within a

branch and between agricultural branches. Whenever a branch needs extra hands, it may fill the required positions through volunteers, through short-term loans from other branches, through the mobilization of the adolescents of the kibbutz itself during school vacations, or, finally and reluctantly, through hired labor.

Very different is the position of women members. They work, all or most of them (at least ninety percent), in the internal service branches of the kibbutz. The leading positions of those branches are of considerable responsibility and of great importance for the smooth functioning of the collective, and they also demand a certain degree of qualification; most other jobs in these branches, however, are semi-skilled and frustrating. And so they have a high rotation rate. Frequently in a kibbutz the only possibilities of qualified occupational activity for women is to serve as teacher from kindergarten up to the top of grade school. Women kibbutz members who teach in the regional high schools or teacher training seminars or hold specialized positions in the kibbutz agriculture or industry are still exceptional.

As the kibbutz serves as a model for many people in the West who cherish ideals of economic democracy and who include in this the liberation of women, the existing inequality of women in occupational choice and status in the kibbutz has recently raised for them criticism and inquiry. Theories about the origins of this inequality have been advanced. A well-known proponent of the theory of the natural differentiation of sex-roles has recently used the kibbutz to illustrate his claim. This has provoked others to offer alternative explanations of the situation, such as the theory that kibbutz women got stuck with the domestic role because they were in the minority during the crucial years of the formation of the movement. This theory gains force when the fact is remembered that, in

the early pioneering collectives, the male-female ratio at times fell as low as five to one. And when food was so short it was risky to let a man run the kitchen. Nevertheless, the theory overlooks bigger difficulties that the movement overcame by the force of ideology. The truth is that the ideology was defective, when regarding the equality of women in the area of work, from the start.

The main ideological ground for collective housekeeping was the ideal of equality, not the liberation of women from domestic work. The Tolstoyan teaching of the early settlers, with its back-to-nature slogans, had no clear image of the new female role to replace the traditional one, though clearly these young people repudiated their East European Jewish tradition vehemently. The decades of the interwar period saw more western socialist and Marxist ideological influences and thus a stronger accent on the liberation of women. Unfortunately, however, the most ideologically active branch of the kibbutz movement, which brought with it this new wind, brought with it also Freudian educational principles, and Freudianism is notoriously conducive to the view that sex-role differentiation is natural and far-reaching. Another detrimental factor is the general Israeli familism and conviction that the bearing of many children is a national duty; in the kibbutz, in addition, there was the desire to ensure continuity of the collective way of life, not only of the national or the individual body. Even when and where a clear target is set to offer women equal job opportunities, it is not easy to achieve that target; ever more so when there exist in the ideology of the collective several confused value-elements detrimental to the pursuit of this target. Consequently, what has happened in the kibbutz is a reversion, mainly out of expedience, to the traditional division of labor between the domestic and the external. In most kibbutzim today, young women are

offered equally with young men higher education or advanced vocational training. Some ideologists bitterly complain that most of them hardly avail themselves of these precious opportunities and seek husbands and children as soon as they complete their military service and return to the kibbutz, thus gravitating toward the traditional domestic occupations.

There is a faint rumbling of dissatisfaction among the kibbutz women. If a radical change is desired, however, more than rumblings are needed: there is the need to clarify the whole problem of the occupational role and status of women in the kibbutz, and of men too. How can the collective achieve the high standard of child care it desires without tying a large percentage of women exclusively to this activity? The only answer is that men have to learn to partake seriously of this traditional women's occupation. Services such as laundry, kitchen, and dining hall, already highly mechanized, can be further mechanized, and men should do their share here as well as women. The well-publicized fortnight of annual service in the dining hall that is performed by all members-even by Cabinet Ministers-is definitely not enough! And women need serious encouragement and help to take advantage of the new occupational opportunities that keep arising in the now prosperous kibbutzim.

KIBBUTZ INDUSTRY

During the early years of the kibbutz movement and up to the foundation of the state, any industrial undertaking within it was a rare exception and even encountered ideological opposition. Since 1960, the kibbutz industry has developed in leaps and bounds, so that by 1970 no less than 146 kibbuzim out of the 250 had one or more industrial establishments. There are now 185 or more plants employing all in allover 10,000 workers. Of

all those engaged in "productive" labor in the kibbutz population, about twenty percent and more now work in industry. The contribution of industry to the kibbutz gross income, however, has already passed the fifty percent mark.

This small industrial revolution has solved some of the work problems of the kibbutz while creating new ones. Especially young members, sons of the kibbutz, who tend toward engineering and business, can now often find a satisfying activity in the kibbutz and are given advanced training, both in Israel and abroad. A work problem, which is even more urgent than that of these young men and which is progressively growing, and which industry is intended to solve, is the work problem of the older members for whom their previously; agricultural occupation becomes physically too strenuous but who are not ready for retirement yet. This problem was a major incentive for many kibbutzim to open industrial enterprises.

It should be remembered, however, that the entire labor force in the kibbutz is strictly limited. This pushes the development of industry in the kibbutz in the direction of technologically progressive capital-intensive kinds of production, such as the plastics industry. Yet the great economic success of most of the kibbutzim industrial plants and their entry into the export market pushes them toward further expansion and so also toward some expansion of the labor force. This means hiring outside labor. Nowadays over fifty percent of all those working in the kibbutz industry are outside hired workers-a much higher percentage than in kibbutz agriculture.

Concerning the internal democracy of a kibbutz plant, it was initially assumed that this would be based, exactly as in the agricultural branches, on internal consultation and division of labor among the branch leader

and his team members. However, those kibbutz members who have studied the technical and business aspects of the industry, brought back with them into the kibbutz the conventional hierarchical organizational model of industrial organizations, including its sharp division between managers and managed, among qualified and unqualified, professional, skilled, and unskilled workers. Consequently, everyday life in some kibbutz plants soon turned out to be nearly as undemocratic as the average industrial plant anywhere. This development has caused the kibbutz organizations to develop guidelines for the internal organization of their industries: general decisions about key issues of the economic policy, as well as the choice of the general manager of the plant, are to be made by the general assembly of the kibbutz and by its economic committee; the majority of the internal affairs of the plant should be discussed and decided by the general assembly of the workers of the plant or their elected committees; middle- and lower-management positions should be filled by periodic election.

A survey which was made some time later showed that, while some plants largely followed these guidelines, many others did so only partly or hardly at all; the interest in internal democracy seems to vary widely from plant to plant. Nevertheless, the survey reached the conclusion that the average degree of "participation" in decision-making in the kibbutz industry was significantly higher than in the industries of all those countries, including Yugoslavia, that had been studied in this respect.

The social researchers of the kibbutz movement continue to inquire into the relation between satisfaction and democracy: the satisfaction of the kibbutz industrial worker in his work, his interest in the work and in the plant, to what degree do these depend on the internal democracy of the

kibbutz? For instance, they tried to find out whether the fact that a worker also holds a prestigeous social position in the kibbutz (e.g., chairman of the culture and entertainment committee) or the fact that he held in the past a managerial position in the plant, whether these significantly contribute to his present job satisfaction. They found only insignificant correlations. The main factors, it transpired, are here, just as in industrial undertakings of other industrialized societies, the characteristics and content of the job itself. The more skilled, interesting, challenging and responsible the job, the more satisfaction with work and the more identification with the enterprise.

From this, some kib butz social scientists have drawn the conclusion that the far-reaching participation of kibbutz workers in their social self-management as well as their relatively high degree of participation in decision-making within the industrial enterprise are not enough; that, for full industrial democracy, what is needed is the reform of the industrial jobs themselves through a new kind of division of labor, a new kind of industrial organization.

An additional problem of democracy in the kibbutz industry (and to a lesser extent also in its agriculture) which demands a solution, relates to the position of the hired workers. It is obvious the problem is not easy to solve. They are excluded from self-rule and self-management and, with the exception of the small group of paid experts, are hired for and tend to remain in the least-skilled and lowest-quality jobs in industry as well as in agriculture. It is obviously not easy either to include them in self-management or to give them a chance at a better job.

The kibbutz is basically a closed social system which rewards financially individual efforts of its members not by direct monetary remuneration but by giving the individual and his family a share in the consequent rise of

the general standard of living in it. Additionally, the kibbutz offers other compensations for special efforts such as prestige, status, influence, pleasant work conditions, training at home and abroad, and the inner satisfaction of mastering a special challenge. It will not be easy to share these special non-economic or non-financial rewards with people who are rewarded in the conventional monetary way and go to another society for prestige, status, and satisfaction, such as these are. The long standing ideological demand not to employ hired labor is not a purely dogmatic stance, but is in part at least founded on the appreciation of such difficulties. It should, however, be realized by now that the ideological demand has been lost: the hired labor force, small as it is, is constant and growing, and the problems it poses have to be tackled somehow for the kibbutz to live up to its fundamental tenet of economic democracy. In the agricultural sector, the hired labor force was greatly reduced with the higher mechanization of branch after branch of the agriculture; in construction nowadays, the kibbutz cannot man the work from its own resources and relies entirely on hired labor; it is hardly to be expected that a kibbutz can develop an industry to fit exactly its internal fixed labor pool.

It seems to me that, from a general social standpoint, it is a rather positive development that many kibbutz plants do these days employ young residents of "development" small towns and of moshavim. Given this employment possibility, these young people are not forced to leave family, friends, moshav, or small town to try their luck in the city. Instead of deploring the existence of hired labor in the kibbutz, it would be more sensible and more democratic to proceed in the development of new institutional forms for their inclusion into kibbutz economic democracy. Hired workers, as I well as volunteer workers, should not only participate

in decision-making within their work organization but also have access to satisfying jobs and to training and advancement.

PARTICIP A TION IN MANAGEMENT AND PROFIT SHARING

HISTADRUT ECONOMIC INSTITUTIONS

A large sector of the Israeli economy belongs to the Histadrut, which for many years was the largest single employer in the country. This is a unique characteristic of the Israeli economy. The Histadrut is not only an ordinary federation of unions of wage-workers, white-collar employees, and working farmers; the Histadrut also maintains the largest health service with its own clinics, hospitals, and sanatoria; the Histadrut also, as Hevrat Ovdim-i.e., workers' society-is a large-scale owner and entrepreneur, owning the largest agricultural marketing company, several large department stores, export-import businesses, the large Workers' Bank, the largest construction enterprise which builds in Israel and in the Third World, and a large enterprise for agricultural construction, the larger part of Israel's heavy industry and a few light industry enterprises. The Histadrut industrial plants are organized in two large holding corporations.

The enterprise sector of the Histadrut employs today about 15% of those employed in industry, about 26% of those employed in construction, and about II % of those employed in commerce, banking, and finance.

Does all this contribute to economic democracy? Certainly not in the sense of cooperative ownership. The hundreds of thousands of ordinary Histadrut members have neither profit of this union ownership

nor influence over the management of the numerous Histadrut enterprises. The general managers of these enterprises are usually appointed by special Histadrut committees.

Does the Histadrut leadership manage these enterprises in the special interest of the members of the unions, of the so-called "working part" of the population? The major purpose for the emergence of these enterprises in the early days was indeed to create jobs for the unemployed Jewish construction and highway workers. The Histadrut founded and took over a series of enterprises in the national interest in the absence of adequate private initiative. In addition, for decades it was hoped that the "workers' sector" would become the nucleus of a totally socialist economy. Today the supply of jobs in the market is abundant. In the areas of manufacturing and service industries, the Histadrut is no longer more pioneering-or socially conscious-than state or private enterprises. The expectation of a totally socialist economy, whatever this may be, in the near future is today nothing but an empty phrase used by a dwindling band.

Are these numerous Histadrut enterprises models of economic democracy in the sense that workers and employees participate in the management decision-making? Up to about three years ago, the Histadrut enterprises, just as all larger Israeli enterprises, had only so-called production committees which, however, are not instruments of participation as some have hoped; rather, they are confined to the function of bargaining about the amount of bonuses. The supervision of the Histadrut leadership over its own enterprise sector is rather weak. For the execution of its specific policies, it depends, in all its enterprises, on the good will of their general economic policy: in order to modernize and expand its enterprises, the leadership of the Histadrut is entering into an

increasing number of partnerships with foreign firms, American and Western European. The Histadrut retains only 50% of the capital of the resulting companies. The private foreign partners tend to import not only new technology but also their own managers and management styles.

The great similarity between Histadrut enterprises and state or private ones, the growing distance between management and workers, the alienation, and the purely instrumental attitude of workers toward their work, the frequently tense and inferior work-relations in the plants, the disenchantment of many workers with the Histadrut- all this has caused one group of Histadrut ideologists much chagrin and weighed heavily on their socialist conscience. After years of futile experiments a la "human relations," they arrived in 1964 at the decision to introduce participation into all Histadrut enterprises. Staunch opposition to this decision came at once, and still comes, from the management side and a lot of suspicion from the workers' side. In the course of six years, a more detailed program was worked out: each enterprise should have a joint board of seven, comprising four representatives of management, including the general manager, two representatives of the workers, and one of the white-collar employees. This board should deal not only with fundamental questions of economic policies, but also with practical problems of day-to-day management. The board should have not only consultative but also decision-making powers. In addition to that, each enterprise should simultaneously start introducing profit-sharing programs.

Since 1969, a special department of participation has been active in the Histadrut headquarters in its efforts to convince management as well as rank and file to comply with the decision. To date, in about thirty industrial enterprises and about ten additional construction or service

enterprises, workers and employees have voted for participation plus profit-sharing. The implementation has started, but it is not at all clear in how many enterprises such boards function, or how well; neither is it clear how many enterprises have simultaneously introduced profit-sharing, and what profit-sharing systems are being practiced. The lessons which the department for participation has drawn from the practices of the first three years were that four basic conditions are essential for the success of any participation plan:

(1) the joint board must meet frequently and regularly for ordinary meetings with minutes taken and control the execution of its decisions;

(2) the board must develop for the enterprise and its departments an achievement program, which is practical and clearly defined.

(3) the board must regularly communicate with the entire work-force through general meetings, departmental meetings, foremen's meetings, and joint consultations with the enterprise works council;

(5) the board's simultaneous introduction of profit-sharing is essential, and this has to stand in clear relation with the achievements of the enterprise as a whole.

The department of participation concedes that these four rather modest basic conditions do not exist up to now in any single Histadrut enterprise. It is now their declared goal for the next few years to implement these four basic conditions in all those enterprises, which have voted for participation. They hope to convince the rest of Histadrut enterprises to join. Their declared hope is that the complete implementation of joint boards and profit-sharing will succeed and in due course change entirely the atmosphere in the "workers' sector ," that this change will bridge the

gap between wage workers and management, that the worker will begin to identify with the enterprise and develop a sense of responsibility and initiative.

All these declarations look to me rather unrealistic. It seems that not even the entire Histadrut leadership, and certainly not the great mass of Histadrut members, are at present convinced of the importance of participation and of profit-sharing. During 1972, the enthusiasts of the Histadrut department of participation have succeeded to introduce a bill into the Knesset (Parliament): joint boards and profit-sharing shall by law be introduced into all enterprises, private, state, and union. Typically, this bill had disappeared completely in the appropriate parliamentary committee. The Histadrut leadership and its numerous representatives in the Knesset and in the leading Labor Party leadership seem to be not sufficiently interested in participation and in profit-sharing to demand that their own bill be expedited.

ENHANCEMENT OF THE QUALITY OF WORKING LIFE

Concerning the realization of industrial democracy in its fourth sense, that of the humanization of work itself, or of the enhancement of the quality of work life, Israel is in its first stage of development.

As mentioned above, some time ago the social researchers of the kibbutz movement had shown interest in the reform attempts of the job enrichment school and in the sociotechnical approach, mainly as a result of the rapid development of the kibbutz industry and its concomitant social problems. In the meantime this interest has spread also to the leadership of the Institute for Labor Productivity of the Government in cooperation with the Histadrut and the private sector, to the Management

Institute of Tel Aviv University, which is financed by the private sector, as well as to the School for Management and Industry in the *Haifa Technion*. Experts of this new approach from Scandinavia and from the United States have been invited and have explained their views and experience. Plans for the first larger projects of job redesign are in preparation.

CONCLUSION

After the great upswing of industrialization and productivity, which started with the Six-Day War of 1967, there are now visible signs of an economic leveling off. Labor relations are worse than usual, especially in the state- and Histadrut-owned industry and service sectors. The influence of the Histadrut leadership on individual works councils and on individual unions is often rather small; the background for the existing tensions is not only economic: workers and employees are not only concerned because of rising prices about their wages, salaries, and fringe benefits; they are also concerned with their prestige and their work-conditions in the widest sense. Presumably in Israel the problem of the worker's dissatisfaction with his work role is not yet as acute as in Western "post-industrial" countries (we do not have systematic information about work-dissatisfaction in Israel). It is nevertheless obvious that, in Israel, too, a considerable change in the work ethos is taking place: many workers now consider any kind of manual labor as inferior and as "dirty": the problem of growing absenteeism and labor turnover, especially of unskilled and semi-skilled workers, seems to point at a growing alienation problem.

Simultaneously, Israel faces problems and tensions in the area of work, which have been caused by the influx into the Israel economy of a great number of rural Arab workers from the West Bank and Gaza. The older problem of the socioeconomic and educational gap between the Jewish population groups of European and of Middle Eastern descent has on no account found its solution.

To what extent can the strengthening of economic democracy contribute to the solution of these problems? In its first sense, of union power, it seems to be that the further strengthening of the Histadrut is rather irrelevant. Except that the complete union protection for workers from the occupied territories would certainly contribute to overall economic democracy-preferably, perhaps, by their own unions.

To what extent can the widening of cooperative production contribute to the solution of the above-mentioned problems? The continued existence and development of kibbutzim and moshavim, with their self-government and self-management, are certainly of great importance as models of economic democracy. An extension of cooperation into urban manufacturing and service industries is unrealistic at the present stage of economic development. Additional Histadrut enterprises would in themselves hardly contribute anything to democratization.

To what extent can participation and profit-sharing contribute? Should participation and profit-sharing be successful in the Histadrut sector, then, certainly that sector might serve as a valuable model for the rest of the economy. So far, however, as long as the managers in this sector seem to be decided to turn participation into an empty formality-if not into a bad joke-and as long as worker-representatives are unsure of the sense and purpose of joint boards, chiefly because they do not see

how this innovation can improve the workers' own day to day lives-as long as this is the situation, this avenue seems not very promising.

What seems to me to be most pressing in the first instance is anew, daring, more democratic, and more humanistic attitude toward the organization and the division of labor in all sectors of the economy and for all its working participants. For the implementation of this new attitude, there does not exist yet, unfortunately, any known generally valid recipe. Each enterprise, each work organization, has its specific problems and has to work them out in its own specific way. However, Israel can learn a lot from the accumulated experience in at least eight western countries. Where Israel's advantage comes, is that its strong cooperative and collective sectors may serve as initiators and as seed beds. Because of their general high prestige and economic success, they can act as advocates of new forms of work organization. Joint boards or any other forms of participation by workers' representatives in management in urban enterprises would indeed be of great value in the initiation of such changes and in the maintenance, protection, and furthering of these, once they are implemented.

NOTES

1. According to Milton Derber (1967: 33), "during and for a few years after World War I, labor research was strongly influenced by another reformist theme which became popularly known as industrial democracy. This term acquired [at once] a variety of meanings. For the dominant faction in the labor movement led by Samuel Gompers, it was almost synonymous with trade unionism and collective

bargaining." In his detailed historical treatment, Derber (1970) barely widens his discourse beyond this original American conception of industrial democracy.

2. The forms of representation and consultation established during the immediate postwar years in Britain and Germany have been described and analyzed, from the standpoint of industrial democracy, in Emery and Torsrud (1969: 42-67).

3. It is noteworthy that a report on a European conference in 1958 (Clegg, 1960) does not even mention the fourth sense of industrial democracy-i.e., of job redesign. Two later volumes on similar symposia already discuss seriously job redesign as a major if not the most important aspect of industrial democracy. The one, on a symposium in Ireland (Irish Management Institute, 1962), contains a paper by the Dutch social scientist Han van Beinum, who accepts the skeptical conclusions about representation and the guidelines about the democratization at the work-place level from his Norwegian colleagues. The other, on a Dutch seminar on industrial democracy (van Gorkum, 1967), while also discussing representation and consultation, is already heavily committed to the restructuring of the work-place.

4. Since most of the literature on the topic is in Hebrew, I shall not offer a detailed documentation from now on, except where the specific problem has been aired in English. See the bibliographic note below.

5. There is a detailed study (Klayman, 1970: 250-349) of the question whether the moshav can be transplanted to underdeveloped countries, and under what conditions.

6. Regional economic cooperation among moshavim, with or without kibbutzim, has been studied in some detail (National and Univl'rsity Institute of Agriculture, n.d.: 32-36, 119-132).

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The major source of information on the economic standing and development of all the economic institutions owned by the Histadrut or affiliated with it, is the periodical *Hameshek Hahistadruti*. Its major asset is that it issues fairly detailed statistics; it does, however, not differentiate between the diverse categories of the labor force, such as members/owners, temporary residents, hired workers, or men and women workers.

The Histadrut's concern with participation in management and with profit-sharing is expressed in a special periodical-published a few times a year-by the name of *Dappei Shitut* This periodical is the organ of the Histadrut Department for Participation, discussed in this paper. The material is at times rather expressive of wishful thinking and hortatory.

So much for the Histadrut as a whole. Its diverse suborganizations, such as the moshav movement and the diverse kibbutz movements, all have their own organs, and these at times discuss the problems of industrial democracy in their diverse manifestations.

There are two institutions in Israel, which publish or circulate material of special interest. The more important one is the Center for Social Research on the kibbutz in Givat Chaviva, which also takes part in international comparative research on participation and self-management

and their relation to work satisfaction and involvement. The other is the Kibbutz Management Center at the Ruppin Institute.

I should mention here in particular Menahem Rosner's mimeographed "Self Management in Kibbutz-Industry Organizational Patterns and Psychological Effects" read in Dubrovnik, at the First International Sociological Conference on Participation and Self-Management in December 1972, and Naftali Golomb's mimeographed essay in Hebrew "The Kibbutz in the Seventies and towards the Eighties," May 1973.

As may be expected, there are occasional essays in Israel's Hebrew periodicals and in the daily press as well as a few books relevant to the topic, mainly concerning social and moral problems within kibbutz society, or concerning the cooperatives and the Histadrut's economic sector; most often the attitude taken is one of exhortation against the abandonment of the old moral principles of the movement-equality, simplicity, and especially self-work (or "personallabor").

So much for the extant literature in Hebrew. There is a literature in English, which centers on the historical background, the agricultural, economic, financial, and organizational aspects of the moshav and kibbutz movements, and a little about the cooperative movement as a whole. Selective bibliographies can be found in Weintraub et al. (1969) and in Klayman (1970). Updated statistical information on all cooperative societies in Israel, Jewish and Arab, can be found in the volumes of the *Year Book of Agricultural Cooperation.*

There exists, of course, a rich literature in English, which studies the kibbutz from specific viewpoints, psychological, educational, or sociological, but this touches only tangentially on our topic.

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