

# **HETEROGENEITY, SPECIALIZATION AND SOCIAL COHESION IN ISRAELI MOSHAV COOPERATIVES**

by  
**Ayal Kimhi**  
The Hebrew University, Israel

**Journal of Rural Cooperation, 37(1), 2009:124-136**

---

## **Abstract**

The Israeli Moshav cooperative was designed as a group of homogeneous family farms, all equal in size and resources. Over the years, processes of selective migration and specialization have increased heterogeneity within each Moshav. This has led to destabilization of the social and economic viability of the cooperative, and was one of the reasons for the financial crisis of 1985. This paper investigates the process of heterogeneity and specialization and examines its consequences in the post-crisis period. In particular, it documents the aggregate trends of decreasing number of active farms, increasing farm size, increased farm specialization, and increased reliance on off-farm income. All these lead to increased heterogeneity and polarization within and between Moshav cooperatives, raising concerns about the future economic and social viability of these cooperatives.

**Keywords:** Cooperatives; Heterogeneity; Structural change.