

THE INDUSTRIAL VILLAGE

*a new form of settlement...
...a new opportunity for Aliyah*

JEWISH AGENCY SETTLEMENT DEPT.

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PREFACE

This booklet describes in general terms a new project of the Jewish Agency Settlement Department. It is a new form of settlement currently being developed.

This booklet is intended to explain and publicize the idea. Subsequent brochures will offer specific information on specific villages including details and binding undertakings.

It is hoped that this booklet will stir interest in this project at an advanced stage so that detailed planning may be influenced by this early response.

THE INDUSTRIAL VILLAGE: AN OPPORTUNITY FOR ALIYA

An Industrial Village (kfar ta'asia) is a rural settlement whose economy is based exclusively on industrial plants owned and operated by the village residents. The Jewish Agency Settlement Department is currently engaged in detailed advanced planning of the first villages. This booklet is addressed to the potential Oleh to provide information on preliminary plans for a unique form of settlement which is believed to be well suited to the needs of the western Oleh.

BACKGROUND

From the beginnings of the land settlement movement in Israel over 100 years ago, rural settlements were based on agriculture for ideological and practical reasons. Ideologically, there was a desire among the early settlers to return to the land and invert the white collar structure of the Jewish labor force in the Diaspora. Practically, there was a need to make the country as self-sufficient as possible in the area of food production. Because of these two reasons, settlements were established only in areas endowed with sufficient arable land and water supplies. One result of this process was that considerable areas in mountainous regions poor in land and water resources, especially the central and northern Galilee, were not settled in by Jews, and today are populated primarily by Arabs. The need to settle these areas was a major reason for developing the concept of the Industrial Village. The Settlement Department believes that the Industrial Village is the single most feasible solution to this problem and a challenging opportunity for new olim, especially suited to those with professional interests and/or backgrounds in industrial and service occupations.

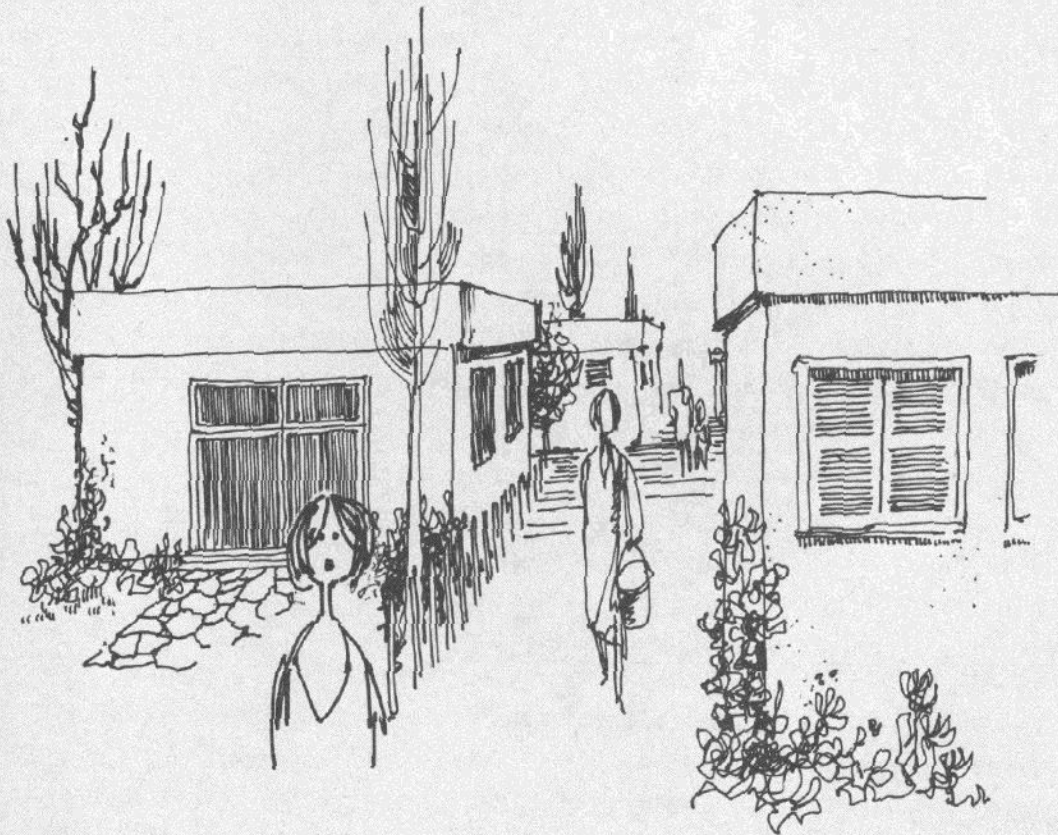
Spatial Structure of the Industrial Village

Although it may be feasible to establish a lone Industrial Village under certain conditions, it is planned to develop clusters of villages instead. As will be elaborated below, the unique attributes of industrial production requires a large, varied pool of potential workers in order to enable orderly development on the one hand and varied employment opportunities on the other in order to accommodate variously skilled settlers.

An additional attribute of industry is the beneficial effect of centralization of various production units in terms of lower average infrastructure costs, cheaper central services, convenient transportation and so on.

Finally, a cluster of villages allows concentration of a larger population in a smaller area which in turn allows provision of a high level of public services to the population at a reasonable cost.

In a sense the cluster is a community of 1,000 families although not in the form of neat rows of tract houses. The villages are based on a sophisticated physical plan combining the amenities of a house and garden with the high level of community services usually available only in a medium size city.



Village Organization: General Principles

The internal organization of rural agricultural settlements in Israel was developed over many years of ideological debate and practical experience. Much of its detail is related specifically to the needs of rural agricultural society. In planning industrial villages, the Settlement Department realized that it would have to depend on the settlers themselves, based on their beliefs and practical experience, to determine the exact structure and functions of the village. However, certain basic guidelines which are believed by the planners to be imperatives of small, rural social units and of industrial production have been agreed upon.

1. A closed society:

An industrial village is not open to anyone but only to people who have been approved of as members by the village membership. This feature is characteristic of Israeli villages consistent with their small size which requires a great deal of homogeneity and compatibility among residents.

2. Cooperation in community life:

The village as a social unit will provide internal public services and administration by means of a town meeting form of government. Public services on the cluster level will be provided by a joint council of the villages. Local taxes will be levied and collected locally by each village as well.

3. Labor force size, variety and mobility:

The total population of a cluster of villages will reach 1000 - 1200 families. By Israeli standards, this is a sufficiently large labor force for 10 to 20 plants. Inasmuch as there are between five and eight alternatives of which village to live in, it is assumed that settlers of a wide variety of professions will find suitable social frameworks.

Labor mobility will be guaranteed by the right of any village member in the cluster to work in any of the plants in the cluster industrial park for which he is professionally qualified.

4. Mutual ownership of industrial plants linked to work in a plant:

Industrial plants will be owned by the people who work in them. Membership in a village requires employment in a local plant or service occupation and vice versa. This rule may be relaxed for new members in transition from the outside and for employees filling special skill needs for the plants.

Ownership of the plant will be arranged on a cooperative, equal basis among employees, although compensation for labor may be organized any way the plant's owner/workers desire.

There will be two basic kinds of plants. One may be located within a village and be limited to village members. Its membership may include the whole village or just its workers. The second kind will be located in the cluster industrial park. Any qualified village resident may work in any centrally located plant and share in its ownership.

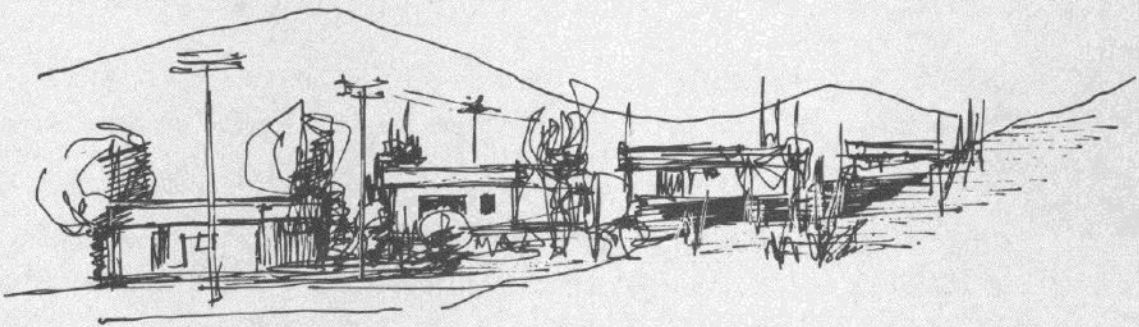
A final feature will be the establishment of a Regional Development Cooperative whose membership will include all the villages in the cluster. The Regional Development Cooperative will be run by a board of directors chosen by its members. The cooperative will also operate the central maintenance and administrative services in the industrial park.

5. Cooperation:

In designing the cooperative framework of the industrial villages, however, the planners have scrupulously avoided fixing definite relationships between the various social and economic units in order to avoid prescribing what could be interpreted as coercive frameworks.

To say that cooperation among people living and working in small units is essential is to belabor the obvious. Nonetheless, it is only the obvious

that the planners have attempted to anticipate. The criteria listed above and the alternative forms of implementation which are listed below are standards of performance. They can be manifested in as liberal or as constricting a manner as the members of the units desire. And because each unit is organized on a membership basis, compatibility among members will be quite high, permitting highly cooperative yet non-coercive arrangements.



The Consumers Cooperative

There are two basic cooperative frameworks in the industrial village, the producer's cooperative and the consumer's cooperative. The consumer's cooperative provides for all the various goods and services required by the residents of the village. Services such as general store, child day care, kindergarten, sport and recreation facilities, public works and maintenance are provided at the village level by each village acting as a

municipality. Services such as larger public works, waste removal, elementary and secondary schools, community center, shopping complex and medical clinic are provided in a central area to the residents of the villages in the cluster. A regional council of all the villages in the area will organize and carry out these services at the cluster level.

The Producers Cooperative

The producer's cooperative framework is much looser and less determined than the consumer's cooperative. This is because of the variety of possible production units and the heterogeneous needs they are likely to have. In order to allow maximum labor mobility and job opportunities, most plants will be able to locate in the central industrial park and accept member-employees from any village.

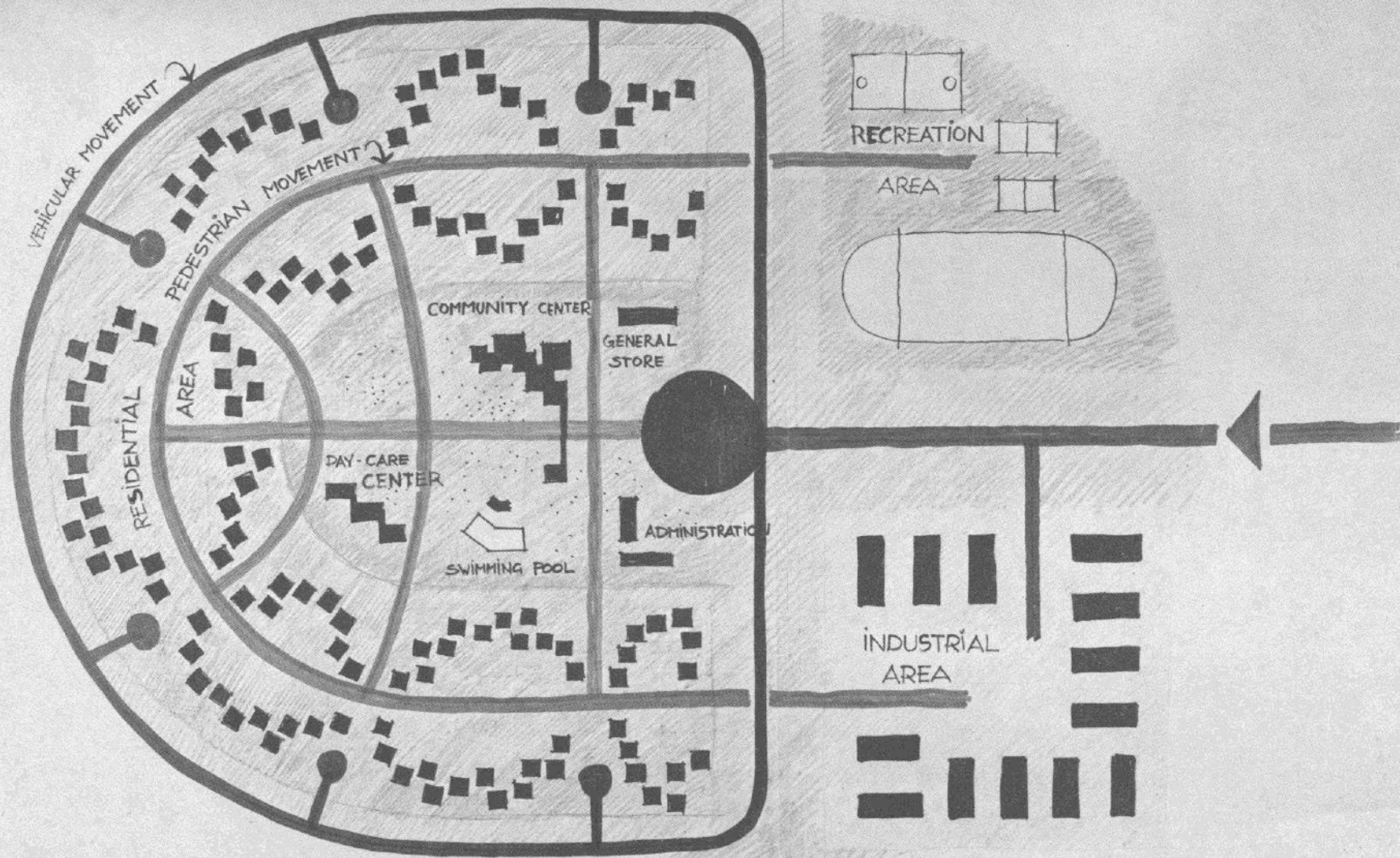
However, in order to allow a village to keep a plant to itself, plants may remain in the village industrial area to be operated as the village alone desires.

The most likely form of organization of a centrally located plant is that of a cooperative owned equally by the employees who elect a management committee. Salary scales and dividends would also be determined by the employee-owners.

The Physical Plan

The residential villages will be clustered around the regional service center. This center will house the elementary and secondary schools, medical center, shopping center and a large cultural center including meeting and club rooms, auditorium and library.

The standard of housing in the villages will be reasonable and the design developed whenever possible in cooperation with the settlers themselves. In addition, day care, kindergarten, first aid and recreational facilities, including library and youth lounges, sports fields and swimming pool will be located in each village.



GENERAL SCHEME OF AN INDUSTRIAL VILLAGE [KFAT].

The industrial park will be located apart from the residential and service facility areas, yet within easy access from every village. It will house the various enterprises and their support facilities, including central services, maintenance and cafeteria. Separation of the industrial and residential areas will ensure that there are no adverse ecological effects on the quality of life in the region.

Employment

The really new aspect of KFAREI TA'ASIA is the fact that groups of residents in the villages organize and establish manufacturing concerns in which they will work and which they will own as a joint stock company. The whole village can establish a number of concerns or smaller groups of settlers from the same or neighboring villages can start an enterprise. Another possibility is opening a plant in partnership with another existing company or an outside investor.

Salaries will be paid according to the job filled by the settler. In addition, each worker will have an equal share in the profits of the enterprise in which he works and is a shareholder.

Settlers will be assisted by the Planning and Development Division of the Settlement Department in establishing enterprises. Budgetary support from the Settlement Department as well as a wide range of government sponsored loans and grants are available to finance 80% to 90% of the investment and working capital needs of these enterprises.

Settlers interested in retraining in a skill required by an existing or planned enterprise may do so in Ministry of Labor training courses. In addition to employment opportunities in the industrial enterprises, about 30% of the total work force will be employed in services.

Housing and Finances

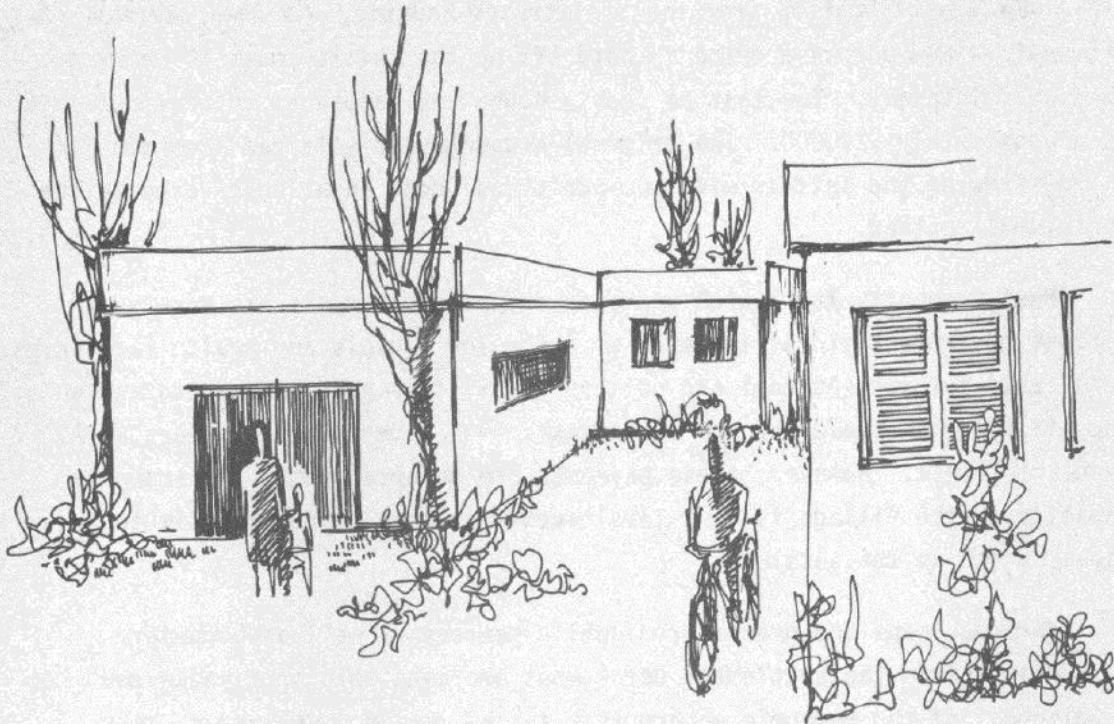
Each village resident will be entitled to a house of approximately 720 square feet and a garden of approximately 4000 square feet as part of

his budgetary allocation from the Ministry of Housing. No down payment is required and purchase price is paid off by the settler over 50 years at 2% annual interest. The cost of such a house and garden at current prices is approximately \$20,000. The original house may be enlarged according to the desires of the settler with the additional cost entailed covered by the individual settler.

Most community facilities and site developement costs are covered by various government ministries such as those for schools and health facilities. Some costs for recreational and cultural facilities have to be returned by the village as a whole through local taxes over a period of 50 years at 2% annual interest. However, these payments are deferred until the economic capacity of the village is at a level such that they do not constitute an undue burden to the settlers.

Various loans and grants from public sources as well as budgetary allocations from the Settlement Department are available to finance the development of the economic enterprises in the region. Currently, the Department allocates up to IL.40,000 per settler for economic development to be repaid on the same terms as the budget allocation for housing. Again, repayment is deferred until the enterprise is a going concern which will allow the settlers to repay the loan without bearing an undue burden.

Inasmuch as these funding sources will not completely cover the financial requirements of the plants, the individual settler will have to invest some of his own fund in the economic enterprise in which he works which will constitute his equity in the venture. The amount of individual investment may range from \$2,500 to \$10,000, depending upon the type of enterprise involved.



An Opportunity for Aliyah

The industrial villages are an excellent opportunity for the American Olleh:

- A rural-suburban atmosphere in which to live and raise your family.
- An opportunity to be part of a new, original form of settlement.
- A community where you know and cooperate with your neighbors, instead of a large, anonymous apartment complex.
- A place where you can walk to work in minutes instead of commuting up to an hour in traffic.
- Your own house and garden in a country of apartment dwellers.
- A chance to share ownership of a high-level technology manufacturing enterprise that you establish and operate with other like-minded olim.
- A chance to come and settle in Israel within the supportive framework of others facing the same problems and bureaucratic snags together instead of alone.

- A place you know has suitable housing and employment before you move.
- A recreation and cultural complex worthy of a country club in a village of 200 families.
- A modern school-shopping-business center serving 1000 families in a one mile radius.

Most important is the chance to come on aliyah in a group rather than alone with all that it entails: shipping goods, contact with Jewish Agency and government officials, arrangements for housing and employment, learning Hebrew and establishing a secure, comfortable way of life that can make integration into Israeli life an experience to remember rather than an ordeal to forget.

For further information, contact:

- Your local Israel Aliyah Center (listed in the white pages)
- Your local chapter of Associations of Americans and Canadians for Aliyah (AACA) or the national office:

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