

Balancing a checkbook was never a kibbutz skill

Courses on handling finances help members cope with a privatized world

By Nir Hasson

Hedva Melamed, an 89-year-old member of Kibbutz Ruhama in the western Negev, immigrated to pre-state Israel in 1938, at the age of 23, and has remained on the kibbutz ever since.

For most of those years, she worked as an educator. Two years ago, the kibbutz underwent an accelerated privatization process, and Melamed has had to learn to get by on a personal budget, how to open a bank account and even how to cook.

"I didn't know how to write a check, what a bank was, or how taxes worked. Meals in the communal dining hall were too expensive, so I had to learn how to cook, with the help of books and neighbors. And all this happened at once," Melamed says.

Her predicament is shared by many kibbutz members, whose communities have undergone economic privatization in one form or another. To assist them in adjusting to this new conceptual world, the welfare department of Sha'ar Hanegev Regional Council, together with the Jewish Agency, is offering courses to teach personal budget management. The third course is now underway, and the fourth is completely booked.

Other kibbutzim are starting to take an interest in the courses. "The decision to stabilize the reform of the economic system through privatization has undoubtedly led to greater disparities in income," says Alon Schuster, head of Sha'ar Hanegev council, "certainly not hunger, but some of the members suffer from a sense of insecurity about the future and about their ability to cope with future difficulties."

The privatization process in the Sha'ar Hanegev area began five years ago, and all 10 kibbutzim there are at some stage of the process. Four kibbutzim (Nir Am,



Alberto Denkberg

Hedva Melamed had to learn how to open her own bank account.

Ruhama, Beror Hayil and Kfar Azza) have adopted the "safety net" model, whereby privatization is almost total, members' salaries are deposited in their bank accounts and they pay taxes to a common fund to finance the pensions of the elderly kibbutz members. Three other kibbutzim (Nahal Oz, Miflasim and Or Haner) are implementing a transitional model, where education and health services remain public but a portion of the members' salaries is differential. Kibbutz Erez has just begun to discuss privatization.

Marva Meisels, head of the council's welfare department, says the difference is noticeable. "Previously, the kibbutz was a self-contained welfare system but since privatization we are receiving more inquiries."

The elderly are the most vulnerable but families with children sometimes run into

debt because of the cost of education or unexpected expenses, such as renovation of old homes.

"In the past, if members owed the kibbutz money, they could work out an arrangement to pay over time and sometimes debts were even forgiven. Today people have to face the banks, which are much less forthcoming," says Hannah Tal, a social worker at the regional council who coordinates the courses. "We meet people who lack basic practical knowledge, not for lack of intelligence, but they never needed it before," she says.

Sensing the need, Tal turned to the Jewish Agency for assistance. It began to finance the courses as part of the Partnership 2000 project, which creates ties between local authorities and Jewish communities overseas.

The budget management course is taught by economist

Sharon Michal of Transitions and Resources Ltd., which offers a similar course in urban centers around the country. The workshop consists of five three-hour sessions, with each participant paying NIS 50. To date, more than 50 kibbutz members have attended. "Compared to other places, kibbutzniks have a greater desire to learn about the outside world with which they have to cope," says Michal. "Some people, especially the elderly, need to learn basic skills, such as how to use a credit card, but most want to learn how to manage their family budget, while saving toward a pension and purchasing life insurance."

Despite the success, some participants are skeptical about the power of the workshop to save kibbutz members who are adjusting to their new situation. "There is great fear of the unknown," says Sara Amir, a member of Kfar Azza, which will begin the privatization process next year. "This course can't help us. What really counts is where you will work and what salary you will get."