



KIBBUTZ: A VIBRANT, THRIVING RURAL COMMUNITY

EMPOWERING SMALLHOLDERS: A STEP-BY-STEP MODEL TO ERADICATE POVERTY

"To move forward to better times, we must let go of dead-end."

REALITY BEYOND NUMBERS

A society is measured by how it cares for its weakened members.

This week, I had a video meeting with a Kenyan working for an NGO dedicated to helping smallholders.

After we discussed the technical details of the NGO's activity, I asked him if he could share the farmers' income details.

He said, "Before we stepped in, farmers' income was less than \$1 per day; now it is \$1.5 per day."

So I asked, "Is this income per person or family?"

He answered, "In Kenya, the woman often must take care of the family and generate income. Before the project, the income was less than \$1 per day combined income per family, and now it is up to \$1.5 per day for the entire family."

GLOBAL FACTS

According to the World Bank, 719 million people, or 9.2% of the world's population, live on less than \$2.15 a day (the World Bank defines extreme poverty as anyone living on less than \$2.15 a day, recently updated from \$1.9 a day).

In 2022, 40% of Sub-Saharan African children lived in extreme poverty.

Nearly 90% of children living in extreme poverty reside in either sub-Saharan Africa or South Asia.

1.1 billion people, including 566 million children, live in multidimensional poverty, accounting for just over 18% of the world's population. Source: [World Vision](#)

Most impoverished people live in rural areas.

THE CAUSES OF POVERTY

[World Vision organization](#) presents a common approach toward the causes of poverty:

"Poverty has multiple root causes beyond just a lack of basic necessities like food, shelter, education, or healthcare. Discrimination based on gender or ethnicity, poor governance, conflict, exploitation, and domestic violence are all factors that contribute. These inequities trap people and communities in poverty and limit access to social services that could help people overcome it."

The explanation of poverty offers a general description of symptoms seen in impoverished communities rather than explaining the root causes. It fails to address why, despite facing poverty, lack of technology, discrimination, poor governance, conflicts, and insecurity—conditions similar to those in the Ottoman Empire's pre-Israeli

territories in 1910—a small group managed to establish a thriving rural community, while others in similar situations did not.

The current approach to poverty does not explain these discrepancies, does not provide a roadmap to escape poverty, and offers no tools to predict the outcomes of anti-poverty initiatives. We need a model that explains the roots of poverty and prosperity, accurately predicts outcomes, and provides actionable steps to foster change.

Let's use an example.

For millennia, energy (E), mass (m), and the speed of light (c) were viewed as separate phenomena. Then, Albert Einstein introduced the famous equation $E=mc^2$, which serves as a model in physics, particularly in the theory of relativity, illustrating the relationship between these elements.

Here's how it functions as a model:

Conceptual Model: $E=mc^2$ provides a framework showing how energy (E) relates to mass (m) and the speed of light (c), encapsulating a fundamental principle of physics.

Predictive Model: It enables physicists to predict the energy released from a given mass, essential for understanding nuclear reactions, stellar energy output, and nuclear weapons potential.

Theoretical Model: As a cornerstone of special relativity, it revolutionizes our understanding of space, time, and universal laws, validated by extensive experiments and observations.

Thus, while $E=mc^2$ is a concise equation, it represents a robust model that explains and predicts phenomena related to energy and mass, significantly impacting theoretical physics and practical applications. Its universality stems from being based on natural laws, applicable anywhere on Earth or the universe, including the Sun, where mass converts to energy through atomic fusion, reaching Earth as light.

WHAT CAN HELP US ACHIEVE OUR GOALS?

You might wonder, "What if we had a universal model for impoverished communities, an equation applicable to all, regardless of culture, nationality, skin color, language, history, infrastructure, or wealth? What if we had a conceptual, predictive, and theoretical model, allowing us to explain the past, apply it in the present, and predict the future."

Is there such an equation in the social sciences?

If so, what is the equivalent of nuclear fusion in the social/organizational sciences, i.e., as a nuclear fusion mechanism maximizes the conversion from matter to energy, is there a social mechanism that maximizes the conversion of human effort into desired successful outcomes?

The good news is that the answer to both questions is "yes." Just as the reality of nuclear fusion existed before we described it with $E=mc^2$, similar principles can be applied to social sciences. Equations, models, and theories offer deep insights into processes, helping us understand underlying principles and use those to create beneficial applications, e.g., atomic reactors to produce electricity.

For an organization to be functional and successful, all parts must work in harmony, much like an orchestra. In an orchestra, the conductor guides the musicians, ensuring that each instrument, whether a violin, trumpet, or drum, plays in perfect harmony.

If any instrument is out of tune, plays the wrong notes, or is missing, the music becomes discordant and unpleasant. Similarly, an organization's overall structure, components, and employees must operate cohesively under a unified direction to achieve Success.

Finally, we combine all the puzzle pieces we discussed before into a unified functioning working model.

We start with the formula/equation, the conductor part. Then, we see how the formula is reflected in the operational model, creating an organization that works harmoniously to effectively achieve its goals.

THE FORMULA (EQUATION)

The Law of Success, as explained by [starty](#), "*Dr. Ichak Adizes presents a unique formula for the Success of any organization, whether it's a business, a nation, or even a marriage. According to Adizes, this formula is based on two key components: external integration and internal disintegration.*

External Integration: This component refers to the organization's ability to adapt and effectively respond to external changes and challenges. It involves being aligned with market needs, having a clear vision of where the organization is heading, and possessing the necessary capabilities to compete and excel in a dynamic and competitive environment.

Internal Disintegration: On the other hand, internal disintegration refers to conflicts, divisions, and dysfunctions within the organization that can hinder its ability to achieve its objectives and fulfill its mission. This includes lack of effective communication, lack of cohesion among team members, resistance to change, and other barriers that impede the harmonious and efficient functioning of the organization.

According to Adizes, the (organization, N.I.) Success formula is expressed as the relationship between these two components:

Success = External Integration / Internal Disintegration

In other words, the higher the level of external integration of an organization relative to its level of internal disintegration, the greater its Success. An organization that can quickly adapt to market demands, maintain a clear and consistent vision, and work efficiently and harmoniously internally will be in a stronger position to achieve its goals and long-term Success."

$$\text{Success} = f \left[\frac{\text{External Integration}}{\text{Internal Disintegration}} \right]$$

The Law of Success is impressive from many perspectives, but how can it be applied to farming, reducing poverty, and increasing prosperity?

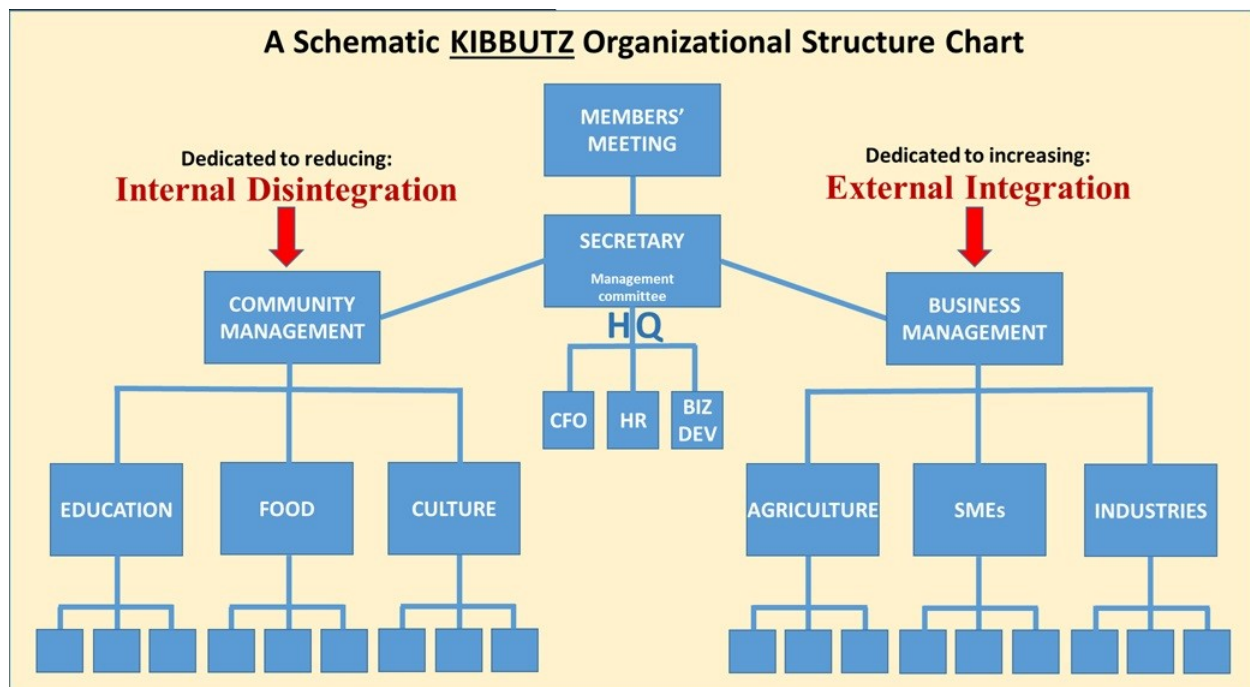
Furthermore, the Law of Success is typically applied to business-oriented companies with a strong bias toward External Integration, representing the part of an organization "looking out to do business."

If we look again at the company organizational structure chart in the previous column, we will see an unbalanced structure tilted toward External Integration (i.e., business-oriented). How can that benefit farmers, particularly smallholders?

THE OPERATIONAL MODEL

When we analyze the Kibbutz model, we see the Law of Success in action, beautifully reflected in the balanced structure of the Kibbutz organizational chart.

The Kibbutz operational model exemplifies this balance, demonstrating how the Law of Success is applied to its various components (akin to musical instruments in an orchestra).



The Kibbutz organization structure and the Law of Success, as reflected in the Kibbutz distinctive structure, where one arm, i.e., business, is dedicated to increasing External Integration, while the other arm, i.e., community, is dedicated to decreasing Internal Disintegration.

Until now, we have seen and discussed each element of the Kibbutz model separately, making it hard to appreciate what it looks like when they work together in harmony. It's like listening to an orchestra, playing one instrument at a time, without hearing the entire orchestra playing the symphony together.

Now, for the first time, we can see how all parts of the model are integrated and operate in harmony, much like an orchestra playing together under a conductor's guidance.

The Model: $S = EI / ID$

Where:

- **S** = Success (Prosperity)
- **EI** = External Integration (Capability and opportunity utilization)
- **ID** = Internal Disintegration (Level of mutual trust and respect)

Detailed Explanation

Below are the combined Kibbutz Operational Model and the Law of Success principles.

The explanation below is partial and doesn't include all parts of the Kibbutz operational model. Yet, it is sufficient to understand its idea.

External Integration (EI) - Business Arm

Economy of Scale:

- **Kibbutz Principle:** The Kibbutz leverages collective purchasing and shared resources to reduce costs and increase efficiency.
- **Application:** By buying inputs like fertilizers, seeds, and equipment in bulk, the Kibbutz reduces costs per unit, much like large corporations. This allows for reinvestment in technology and infrastructure, further boosting productivity and economic stability.

Assembly Line (Production Line) Concept:

- **Kibbutz Principle:** Work is organized sequentially, where members specialize in specific tasks, enhancing efficiency and output.
- **Application:** In a Kibbutz orchard, different teams might handle distinct phases of fruit production, from planting to harvesting to packaging. This division of labor increases proficiency and output, similar to industrial assembly lines.

Specialization:

- **Kibbutz Principle:** Members are assigned roles based on their skills and interests, fostering expertise and satisfaction.
- **Application:** Some members may focus on specific crops or livestock, while others manage machinery or marketing. This specialization ensures high-quality production, operational efficiency, and personal creativity in improvements and innovation.

Division of Duties:

- **Kibbutz Principle:** Clear delineation of responsibilities ensures all necessary tasks are covered without overlap.
- **Application:** Committees oversee different aspects of the Kibbutz, such as agriculture, finance, and education. This ensures comprehensive management and strategic planning, aligning with the Kibbutz's communal goals.

Internal Disintegration (ID) - Social Arm

Mutual Trust:

- **Kibbutz Principle:** Built through transparency and collective decision-making, fostering a supportive community.
- **Application:** Regular community meetings where financial and operational reports are openly shared, and decisions are made democratically (based on community needs) ensure trust and involvement from all members.

Mutual Respect:

- **Kibbutz Principle:** Equitable treatment and recognition of individual contributions promote a culture of respect.
- **Application:** Celebrating achievements, recognizing individual efforts, and including all voices in decision-making processes build a robust and respectful community.

Organizational Structures:

- **Social Committees:** These committees handle welfare, education, healthcare, and cultural activities, ensuring social needs are met.
 - **Example:** A health committee may organize regular medical check-ups and health education to ensure the well-being of all members.
- **Conflict Resolution Mechanisms:** Structures like mediation groups help address conflicts to maintain social cohesion.
 - **Example:** The Kibbutz Secretary mediates and handles disputes, facilitating discussions to find amicable solutions.
- **Education and Training Programs:** Continuous learning opportunities enhance skills and knowledge.
 - **Example:** Workshops on modern farming techniques and business management empower members to contribute effectively.

Integration with Kibbutz Principles

Vision:

- **Example:** Create a sustainable, equitable, and prosperous community.
- **Application:** This Vision guides all activities within the Kibbutz, from economic endeavors to social programs.
- **Note.** Like any organization, each Kibbutz has its Vision, which may change occasionally. Here is the Vision (1910) of the pioneers who established Dgania, the first Kibbutz: *The desire to revive the Jewish people in the land of their ancestors as a people who practice agriculture, return to nature, and live from*

their work without exploiters and exploited. Remark: This made the pioneers realize that this Vision can only be realized through sharing.

Values:

- **Self-Management (Democratic Governance):** Decisions are made collectively, ensuring all members have an equal say.
- **Equality:** All members have equal access to resources and opportunities.
- **Collaboration:** Working together to achieve common goals.
- **Cooperation:** Mutual support and assistance among members.
- **Integration:** Harmonizing economic and social activities for the community's overall benefit.

Principles:

- **Collective Ownership:** Resources and outputs are owned collectively, reinforcing mutual investment in Success.
- **Democratic Governance:** Regular meetings and democratic decision-making ensure transparency and collective responsibility.
- **Social Equality:** Equal participation in economic and social activities, ensuring fair distribution of benefits.
- **Mutual Aid and Cooperation:** Cooperative work environments and support networks enhance productivity and social stability.

Integration into Activities

Economic Activities:

- **Collective Ownership:** Pooling of resources and profits reinvested into the community.
- **Democratic Governance:** Decision-making processes involving all members for economic initiatives.
- **Social Equality:** Equal participation in economic activities, ensuring everyone benefits from the community's prosperity.
- **Mutual Aid and Cooperation:** Collaborative projects and support networks enhance productivity and economic stability.

Social Activities:

- **Collective Ownership:** Shared facilities and services like dining halls, healthcare, and education.
- **Democratic Governance:** Participation in committees and decision-making processes related to social welfare.
- **Social Equality:** Equal access to social services and opportunities for personal development.
- **Mutual Aid and Cooperation:** Programs and activities that foster community spirit and mutual support.

Kibbutz Production Structure Model:

- **Description:** Combines industrial efficiency with communal living, offering scalability and social cohesion.
- **Reflection of Principles:** Each branch functions as a semi-autonomous business unit, ensuring high productivity while maintaining the communal ethos of shared responsibilities and benefits.
- **Integration of Principles:** The production structure is designed to leverage collective ownership, specialization, and the assembly line concept to maximize efficiency while ensuring all members benefit equally from the collective efforts.

Kibbutz Organizational Structure Model:

- **Description:** Democratic and egalitarian, ensuring alignment with communal values and economic security.
- **Reflection of Principles:** Governance structures, such as committees and regular meetings, ensure that all voices are heard and that the community operates harmoniously.
- **Integration of Principles:** The organizational structure supports the Vision of sustainability and equity by promoting self-management, collaboration, and cooperation. Social committees and conflict resolution mechanisms ensure a cohesive community, while education and training programs foster continuous personal and professional development.

CONCLUSION

By integrating the principles of the Kibbutz operational model with the detailed $S = EI / ID$ model, we can create a comprehensive framework for understanding and promoting prosperity among farmers.

The Kibbutz's Success is attributed to its effective integration of the business and social arms, which aligns with Adizes's Law of Success and the second law of thermodynamics.

This approach ensures that economic activities are efficient and scalable (maximizing EI) while maintaining a supportive, cohesive social structure (minimizing ID).

This alignment can guide the development of rural communities, ensuring sustainable growth and prosperity.

Notes on the Kibbutz Model:

- The Kibbutz model is both general and flexible.
- It is resilient, as its structure never relies on one person or

- irreplaceable element. Complex tasks are broken down into simpler ones that many members can do.
- perform. The model's strength lies in its design, built upon its members' collective effort and internal cohesion, in contrast to the village model, which often relies on external sources of strength

Interestingly, unlike current approaches to combating poverty and fostering prosperity—which emphasize the critical roles of technology, farming knowledge, capacity building, fertilizers, irrigation, seeds, mechanization, and funding—the Kibbutz model (inherently aligned with the Law of Success) does not focus on these elements. This does not mean that technologies, knowledge, and funds are unimportant to agriculture or prosperity; rather, it implies that these are tools, not foundational components of the model's infrastructure.

Consider the $E=mc^2$ equation and the theories and models it inspired; none explicitly mention technology or knowledge. However, applying the principles derived from these models and theories has allowed us to develop practical products and services. Similarly, the Kibbutz model provides a foundational framework upon which various tools and resources can be effectively utilized.

We began this column by highlighting the dire situation of hundreds of millions living in poverty, focusing on communities where, despite a 50% income increase, extreme poverty persists. We zoomed out to consider global poverty statistics, noting that current approaches often lack a comprehensive model to explain root causes or provide a clear roadmap to prosperity. Even if no one declared outload, we see that the current approach to confronting rural communities' poverty has arrived at a dead end.

In contrast, the Law of Success combined with the Kibbutz operational model offers a field-proven approach and a beacon of hope.

This model has transformed hundreds of rural communities, including my Kibbutz, from poverty to prosperity by effectively balancing economic efficiency with social cohesion.

While current approaches emphasize technology and resources, the Kibbutz model focuses on foundational principles of collective effort, internal cohesion, and effective integration. This framework can be adapted to foster sustainable growth and prosperity in various contexts.

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Sign up to be part of [the Nova Kibbutz Stewardship Community](#).

If you enjoyed this column, please share it with a friend who will enjoy it too.

[Dream Valley Fruit Export Program 2025](#) is now officially open for new exporters from developing economies who wish to export to Europe. Text me.

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Here are ways you can work with me to help your rural communities step forward to shift from poverty into ongoing prosperity:

* **Nova Kibbutz and consultancy** on rural communities' models.

* **Local & National programs related to agro-produce export models - [Dream Valley](#)** global vertical value and supply chain business model and concept connects (a) input suppliers with farmers in developing economies and (b) those farmers with consumers in premium markets.

* **Crop protection: [Biofeed](#)**, an eco-friendly **zero-spray control technology and protocol** solution, is most suitable for developing countries.

TAKEAWAY MESSAGES

- **The current path** to confront poverty arrived at a dead end.
- **To confront rural communities' poverty**, we must use systematic methods based on established, field-proven formulas, theories, models, and principles, such as those offered by the Kibbutz model.

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More on the October 7th genocide in South Israel:

[Humanity is one organism](#)

[Videos - The October 7 genocide](#)

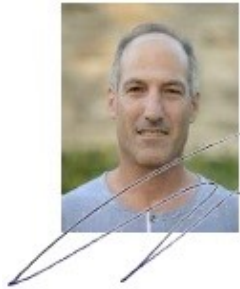
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If you got to here, read this column, and enjoyed it, please be nice to your friends, share it with them, or help them [Subscribe](#).

"Mental and Economic Freedom Are Interconnected"

See you soon,

Nimrod



Dr. Nimrod Israely is the CEO and Founder of [Dream Valley](#) and [Biofeed](#) companies and the Chairman and Co-founder of the [IBMA conference](#). +972-54-2523425 (WhatsApp), or [email nisraely@biofeed.co.il](mailto:nisraely@biofeed.co.il)

P.S.

If you missed it, here is a link to last week's blog, "[How Economic Success Is Shaped By Organizational Structure - Lessons From Village, Company, and Kibbutz Models.](#)"

P.P.S.

OPEN BUSINESS OPPORTUNITIES:

- 1) Exporting fresh fruits from Africa to the EU under the Dream Valley regenerative protocol brand for the 2024 season.
- 2) Joining the Nova-Kibbutz concept project or establishing a similar initiative in your region.

Kindly provide your background and credentials to receive tailored next-step instructions.

P.P.P.S.

[Dream Valley](#) is a field-proven disruptive business model based on the successful Israeli Model.

You can follow me on [LinkedIn](#), [YouTube](#), and [Facebook](#).

*This article addresses general phenomena. The mention of a country/continent is used for illustration purposes only.