

It was clear that farmers viewed credit cooperatives as a source of easy loans and that their affiliation to their cooperatives did not go much beyond the mechanics of distributing the funds made available to their societies. Loans to members were usually distributed in cash, instead of in the form of production inputs or technical service. This helped raise bad debts and delinquency to very high rates compared to other sources of seasonal credit, such as suppliers of farming inputs.

Even if the figures on the number of cooperatives and membership are taken at their face value, it is still noted that the number of farmers who were members of cooperatives was relatively small, since it did not exceed 10 percent of all farmers.¹ Besides, the average size of loans advanced to members was only JD 51 per farmer (computed from Table IV-3), which was considerably smaller than the needs of farmers for seasonal credit.

All these indicators point to a modest performance, even by the standards of 1966. Other sources of agricultural credit were much more important in meeting development needs. The Agricultural Credit Corporation, for instance, had by June 1967 an outstanding volume of loans in the West Bank of about JD 1.7 million², which was about five times the amount of loans advanced to cooperatives. Agricultural companies, in fact, were far more instrumental in meeting credit needs of farmers, mainly in the form of deferred payment of farm supplies. The two poultry feedmills which were

1. *Ibid*, p 5.

2. An interview with the Deputy Director General of the Agricultural Credit Corporation, September 15th, 1981.

in operation in 1966, for example, had by the end of 1966 outstanding credit sales of JD 0.3 million.¹

A major source of problems faced by cooperatives prior to occupation was the Jordan government's policy of exercising what might be described as paternal attitudes towards cooperatives. The government maintained the cooperative movement under its implicit control and had run it in the light of its own priorities and internal politics.² This seriously undermined the democratic nature of cooperatives and curtailed their proficiency.

Conversely, the record of Jordan's agricultural development through the middle sixties demonstrates clearly that it owes much more to individual initiatives and private firms than to formal cooperative societies and public institutions.

Post-occupation developments

The sudden onset of Israeli occupation had immediate and far-reaching consequences on West Bank cooperatives. The head office of the Jordan Cooperative Organization ordered a freeze on all activities of registered cooperatives, although it approved of the re-opening of its three branch offices in Hebron, Jerusalem and Nablus. Israeli authorities did not object specifically to that, but they made it clear that they wanted no real activity to take place.

1. Personal interviews at Jordan Provimi and Feedina Feed Companies.
2. According to the Cooperative Law no 17 of 1956, the Director of Cooperatives in the Ministry of Social Affairs is the ultimate reference on all important decisions taken by cooperatives, irrespective of majority rulings. More recently, the cooperative movement has been integrated even more closely to the official bureaucracy by linking the Jordan Cooperative Organization directly with the Prime Minister's Office.