WEST BANK COOPERATIVES — DEVELOPMENT THROUGH COOPERATION

Through its programs of aid in the West Bank and Gaza Strip, ANERA promotes self-help economic development for the Palestinians. ANERA focuses its support on indigenous Palestinian institutions which develop and implement their own projects in education, health, community and economic development. Cooperatives, the backbone of many Palestinian communities in the West Bank, have been a focal point of ANERA’s work there.

In the West Bank, cooperatives play a vital role in the growth and development of all sectors of Palestinian society. By combining their limited resources through a cooperative, the Palestinians can collectively obtain the modern equipment and technology essential for development. Cooperatives offer the Palestinians an opportunity for economic growth and development which would otherwise be beyond their grasp.

HISTORY

The cooperative movement in the Middle East originated in Egypt, where Omar Lutfi, a prominent community leader, started the first credit cooperative in 1908. Lutfi was greatly impressed and influenced by the European cooperative movement and based this first Egyptian cooperative on the principles and standards established in Europe.

Cooperatives were introduced to Palestine after World War I, under the British Mandate. The first Cooperative Law was enacted in 1920, and soon after, a number of cooperatives were started, including a citrus cooperative in Jaffa, and a tobacco cooperative in Acre.

During the next fifteen years, the cooperative movement in Palestine experienced a period of trial and error—with both successes and failures. During the British Mandate, the majority of cooperatives were established by Jewish immigrants to Palestine. Not until 1933 and 1934, respectively, when the Palestine Cooperative Law was amended and new bylaws were set, did many of the Arab Palestinians begin to establish cooperatives. Under the new bylaws, the Arab Palestinians could establish credit cooperatives to provide small, seasonal loans for farmers. However, the development and growth of these fledgling Palestinian cooperatives came to a halt in 1948 after the Arab-Israeli War and the establishment of the State of Israel.

In 1950, the West Bank became part of Jordan. This unification, combined with the issuance of the first Jordanian Cooperative Law in 1952, revived the cooperative movement in the West Bank by closely linking it to the East Bank. The new law encouraged the establishment of cooperatives in villages and rural areas—primarily those for credit and thrift which provided farmers with modest agricultural loans.

In 1959, the Jordanian Cooperative Union was established, serving as both an advisory and supervisory body for the cooperative movement as a whole. In 1963, the first Cooperative Training Institute was established in Amman, Jordan, to educate and train cooperative employees and directors. The Institute also undertook research and studies pertaining to cooperatives and related agricultural activities. In 1964, the Auditing Union was established to assist the cooperatives with bookkeeping and accounting.
HISTORY (continued)

By December 1966, the total number of cooperatives in the West Bank had grown to 238. Divided into two categories, they were classified as either agricultural (176 or 72%) or non-agricultural (62 or 28%). The agricultural cooperatives included: rural credit and thrift, multi-agricultural, marketing, and olive press. The non-agricultural cooperatives included: artisans and handicraft, mutual benefits, transportation, consumer, electrification, and urban credit and thrift. The two types of credit and thrift cooperatives—rural and urban—differed in purpose and operation. The rural cooperatives focused on obtaining loans for their members from outside financial institutions, and made loans to members regardless of the numbers of shares held. Conversely, the urban cooperatives depended upon the shares and private contributions made by the members themselves. Loans were made from this pool of funds to those members needing them.

In 1967, the June War and the Israeli occupation brought the progress of the West Bank cooperative movement to a standstill. Even though Israeli Military Order #94 permitted all the West Bank cooperatives which had been registered under Jordanian law to continue to operate, many failed to do so. The main support system for the West Bank cooperatives—the Jordanian Cooperative Union, the Auditing Union, and the Training Institute—remained in Amman. (To Regroup after the loss of the West Bank cooperatives—nearly 60% of the total prior to 1967—the Jordanian Cooperative Organization (JCO) was established and absorbed the functions of the earlier Union.)

An Israeli officer did take charge of the general oversight of the West Bank cooperatives, but only provided limited assistance. Sadly, of the 238 cooperatives that had been in operation prior to 1967, only 15% continued to function successfully—mainly the olive press, insurance, higher education, and electrification cooperatives. The remaining 85%, primarily the credit and thrift and the majority of the small agricultural cooperatives—those most vital to the West Bank—floundered due to the lack of a support system and sources of financial assistance.

By the early 1970's it was apparent that little could or would be accomplished by the Palestinians in the West Bank as long as the cooperatives remained inactive. The Palestinians themselves began to reorganize and revitalize the cooperatives, but soon realized that they needed outside assistance to compensate for their own lack of financial resources. The first foreign agencies to assist the Palestinian cooperatives were the Lutheran World Federation in 1973, and the Mennonite Central Committee in 1975. In 1976, the JCO made several small loans to the West Bank cooperatives—the first of many larger subsequent loans.

In 1977, ANERA began its involvement with the West Bank cooperatives with a grant to the Ramallah Poultry Cooperative. This first grant marked the beginning of ANERA's continuing support for the cooperative movement in the West Bank, and also helped the West Bank cooperatives prove to other foreign agencies (and the JCO) that they could succeed.

The Camp David Accords in 1979 cleared the path for greater foreign agency assistance. As a result, the cooperatives have shown real progress and growth, and with some help from ANERA, have worked out long-range plans for continued expansion. However, the West Bank cooperatives still have a long way to go. They still lack a training institute, an auditing union, a cooperative bank and financing federation, and unions for each of the cooperative sectors.

With the services provided by these institutions, the West Bank cooperatives could have a support system similar to those in both Jordan and Israel. To date, however, the cooperatives have not received the Israeli Military Government's required approval to establish these institutions.
WEST BANK COOPERATIVES TODAY

Today in the West Bank there are 220 active cooperatives, divided into three sectors: agricultural (37%), housing (27%), and services (36%) such as transportation, electrification, and consumer. The total membership is 26,000 (one membership per family), with the cooperatives providing services for approximately 170,000 people, nearly 20% of the area's population.

Revitalizing the existing cooperatives and establishing new ones has not been an easy task. Each new cooperative must be approved by, and registered with the Israeli Military Government (MG). Before starting new projects (including projects assisted by ANERA), cooperatives must receive the MG's written approval, which all too often is not forthcoming. Presently, 150 cooperatives await registration, and nearly 190 cooperatives established prior to 1967 remain stagnant.

Agricultural Cooperatives

Ranging from citrus growing to olive oil processing, agricultural cooperatives comprise a relatively small percentage (37%) of the total number of cooperatives in the West Bank, especially when compared to the importance of agriculture to the West Bank economy. Nearly 65% of the West Bank population still live in rural areas, with 30% of the population working directly with agricultural production. Added to that, nearly 50% of the population derives part of its income from agriculturally related activities—the transport, shipping, and marketing of produce.

Olive trees and oil are the backbone of the farms in both the middle and northern regions of the West Bank. Approximately 150,000 acres are planted with olive trees, with the production of olive oil averaging 9,000 tons per year. The importance of the olive crop to the West Bank economy reinforces the need for cooperative efforts on the part of Palestinian farmers in this sector.

There are 20 olive press cooperatives in the West Bank, with membership varying from 100-1,200 members. They are located throughout the region, including the districts of Nablus, Hebron, Bethlehem, and Jerusalem. Due to the high costs involved (the average cost for each cooperative project is $350,000), many of these cooperatives stretch over as many as ten to twenty villages. A cooperative of this size can also afford to hire a staff—a manager, engineer, and accountant—which can greatly increase the cooperative's success and efficiency.

The olive press cooperatives have had a strong impact on both the growing of olives and the processing of oil. Few individual Palestinian farmers could ever hope to purchase the modern equipment needed for growth and expansion of agricultural production in the West Bank. The addition of appropriate technology to the growing and processing of the West Bank olive crop has resulted in a gain of approximately 20% in the production of olive oil. This increase in production has significantly increased the incomes of the olive growers.
HOUSING COOPERATIVES

In the West Bank, the land within the various municipal borders is very expensive and in short supply when compared to the population. (The West Bank is approximately 2,148 square miles with a population, including East Jerusalem, of about 850,000 to 900,000 people.) Consequently, low-income and even middle income families find it difficult, if not impossible, to purchase land inside municipal borders.

In order to overcome these difficulties, groups of sixty to seventy families have joined together as cooperatives to purchase land outside municipal borders. As a legal body, each cooperative buys a piece of land and distributes it among its members. The cooperative determines the size of each portion of land per family, and sets the standards by which houses should be built.

There are other advantages to participating in these housing cooperatives. Basic services such as electricity, roads, and water, are costly, especially for individual households. Without the cooperatives, many families would have to do without these services. By combining their resources in the cooperatives, families can provide their communities with these basic needs, plus additional services—health care clinics, nursery schools, markets, recreation facilities, cultural centers, and places of worship.

In addition to the economic benefits and the infrastructure services provided, the housing cooperatives heighten in their members a sense of community spirit and participation. By working together, the members share the responsibilities for their community and can take pride in their efforts to enrich their lives.

SERVICE COOPERATIVES

After considerable discussion about cooperatives and their effect on development in the West Bank, perhaps the best way to look at service cooperatives is to note a very simple, but direct, definition from Webster’s Dictionary—a cooperative is “an enterprise or organization owned by and operated for the benefit of those using its services.”

Service cooperatives in the West Bank are just that—cooperatives which the Palestinians themselves own and operate to provide their communities with electricity, potable water, markets to shop in, health care, and access to credit. Service cooperatives help the Palestinians to compensate for the lack of adequate infrastructure services in the West Bank. Both the services provided by these cooperatives and their subsequent economic and social benefits have been essential to growth and development of West Bank communities.

For example, many rural Palestinian communities have only limited night-time electrical service. The absence of electricity during the day has hindered the potential development of business and industry requiring the use
SERVICE COOPERATIVES (continued)

of electrical equipment. Electrification cooperatives have emerged to address the need for more power. These twenty or so cooperatives have purchased generators and set up local electrical grids providing twenty-four hour electrical service to their communities. ANERA is proud to have assisted approximately ten of these electrification projects.

The primary result of this expansion of electrical service is the establishment of village industries within the serviced communities, which in turn, create jobs, increase income levels, and offer community residents the opportunity to remain within their communities rather than seek employment elsewhere. A beneficial side effect is the daylight provision of electricity to domestic household, clinics, schools, and shops.

Former ANERA Board Chairman
The Honorable Evan M. Wilson 1910-1984

ANERA's Former Chairman of the Board and long time Board Member passed away on March 13, 1984. Mr. Wilson joined the ANERA Board of Directors in 1968 shortly after ANERA was founded. In the early years he served as Chairman of the ANERA Projects Committee and was Chairman of the Board and Executive committee during the 1976-1979 period.

Mr. Wilson was born in Pennsylvania. He graduated from Haverford College and earned a second bachelor's degree at Oxford University in England. Later he studied in Switzerland and at the National War College.

He moved to Washington in 1935 where he joined the Foreign Service in 1937. In addition to serving as Consul General in Jerusalem, his foreign assignments included Egypt, Iran, India, Lebanon and Britain. He retired in 1967 with the personal rank of minister and received the State Department's Superior Honor Award for his work during the Six-Day Arab-Israeli War.

As well as being a diplomat and civically active, Mr. Wilson was a noted scholar. Aside from a number of articles, he published two authoritative books, Jerusalem, Key to Peace and Decision on Palestine. His service in Jerusalem made him an expert on the former subject and his secretariaship of the Anglo-American Committee of Inquiry of Palestine gave him exceptional perspective for the latter book.

Survivors include his wife, the former Leila Fosburgh, two daughters, Mrs. Frederick S. Brown of Brunswick, Maine, and Martha Leroy Wilson of Washington, and two grandchildren, Lelia Storm Brown and Matthew Evan Brown.

ANERA plans to do a special project to pay tribute to his contribution to American understanding of the Middle East.

We at ANERA will miss him.
ANERA has received special gifts in memory of the following people:

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ANERA also wishes to acknowledge the many gifts given in memory of the Honorable Evan M. Wilson.

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