ABSTRACT

Agriculture has always been the backbone of an economy. The present study concentrates on Jordan and documents the role of World Bank in the agricultural development of Jordan. The study consists of five chapters.

The first chapter is the introduction, consisting of information on the Jordanian economy. A detailed review of literature and the research methodology.

The Jordanian GNP has grown from JD 235.1 million in 1970-1971 to JD 4898.4 million in the 1997-98. With a population of 4.4 million, a well-educated labour force, the economy has continued to grow over the last three decades in real terms. The agricultural growth rates have also increased, mainly because of the vegetables and fruits rather than in cereals. The decline in cereals has largely come about because of the dependence on rainfall, whereas vegetables and fruits are largely irrigated crops.

The review of literature contains the importance of agriculture in an economy's development and the contribution that agriculture makes. Any structural transformation is depending on agriculture. Services and industries are also dependent on agriculture.
After an overview of agriculture in general, the role of the World Bank group, its activities, policies have been discussed. The World Bank group consisting of International Bank for Reconstruction and Development (IBRD) and International Development Association (IDA) makes loans for projects that promote economic and social progress by helping to raise the productivity so that people may live better lives. Along with IBRD and IDA, there are International Finance Corporation (IFC), Multilateral Investment Guarantee Agency (MIGA) and International Center for Settlement of Investment Dispute (ICSID) collectively known as the “World Bank”. The World Bank group also offers technical assistance to countries, which is designed to support the development strategies of the economies. It is also in partnership with client governments helping promote human development. In 1998 the World Bank published its new Rural Strategy Paper focusing on raising the emphasis of rural development contributing to food security and making land and water use more efficient. The last part of the chapter proposes the framework of the research methodology.

The second chapter is on agriculture in Jordan. From the data we see that the percentage share of agriculture, forest and fishing given as one component has been declining. The percentage to GNP in 1971 was 12.2%, falling to 7.3 % in 1980. It went up to 8.1 % in 1991
but fell down to a low of 3% in 1997, also the wide fluctuations show the dependence on rainfed agriculture and the fact that agriculture is affected by drought. It has to be modernized and access to water supply and other inputs are more easily done.

In fact within agriculture produce there has been steady decline with yearly fluctuations in terms of volume in wheat, barley, tobacco lentils and all other field crops. In vegetables there are fluctuations but tomatoes, eggplants, cucumbers and melons have shown growth. Cauliflower, Cabbages and Potatoes are growing in importance. In the case of fruits there has been an overall growth in Olives, Grapes, Citrus fruits and Bananas. Major reason for the growth of vegetables and fruits has been irrigation.

Jordan has relatively limited cultivable land with over 80% of the economy classified as desert. The Jordan Valley depends entirely on irrigation. Because of an acute shortage of water, saving water has become a necessity. Jordan's agricultural development plan is committed to a development strategy that achieves a balance between the agriculture sector and ensures the minimum requirements of food security. It is trying to develop agriculture within the framework of integrated rural development and increasing its participation, intensification of efforts in
irrigation and raising productivity by introducing modern
techniques.

Credit agencies have been established to disburse
credit to the agriculture sector the Agriculture Credit
Cooperation (ACC), Jordanian Cooperative Organization
(JCO) and Jordan Valley Farmers Association (JVFA). The
ACC concentrates on the building up of livestock reserves,
JCO on provision of basic foodstuffs, and JVFA on
vegetables crops.

The third chapter is on the role World Bank group
in Jordanian economy. Jordan and the World Bank have
been partners in development for nearly four decades. The
IDA in 1962 was the first World Bank Project that assisted
the government in financing a water and sewage project for
Amman. The objective of the World Bank group is to assist
Jordan to promote rapid and sustainable growth. It
supports the government as it builds market responsive
private sector capable of creation of new jobs while
offsetting temporary social adjustment. It is providing
environmentally sound infrastructure loans. It is also
supporting the Jordan governments attempted investment.
The World Bank group is working on number of projects
that span across a broad range of economic sectors.

As Jordan’s program of economic adjustment takes
place there is the possibility of short-term dislocations.
The World Bank group is working together with the
government to build a safety net for the poor and the adversely affected. This includes micro enterprise financing facility and a program of public assistance targeted at the most needy. The World Bank group has funded almost all sectors of the Jordanian economy. They include education, telecommunication, health care, water supply, power and oil, transportation, tourism and human resource besides agriculture.

World Bank has emphasized local participation as an essential element of its lending strategy. The World Bank has been criticized in many cases for not caring about the local people and the poor effected by the program. Realizing that it has emphasized on local participation to enhance the effectiveness of the program by bringing local knowledge and local ownership.

The fourth chapter is on the World Bank's contribution to Jordan's agriculture sector. The World Bank group is trying to make contributions to Jordan's agriculture along with the need to manage the most important and scarce resources of water. A comprehensive review was carried out by the World Bank group in 1987, focussing on irrigation and the increasing water prices. In fact limited availability of arable land and irrigated agriculture are major constraints. Agriculture Sector Adjustment Loan (ASAL) and Agriculture Technical Assistance Program (ATAP), the World Bank program have
been able to help the government in policy reforms and to provide support to farmers in getting the best out of the process of adjustment.

Some of the World Bank's ASTAP programs are in the areas of agriculture technical assistance projects, water-related features, irrigation improvement and water management. Also as a part of the adjustment program there is sustainable with on withdrawal program for ground water nationwide. The possible ASAL program impact will be on the change in the price level of the agricultural products, improving the information systems in the agricultural sector. There have been a number of major loans received by Jordan government in the area of agriculture and allied areas. Projects involving World Bank group loans have covered areas in irrigation improvement, agricultural market development, agriculture support services, improvement in marketing access, agro industry, incentives for farmers and water management. It has also proposed the setting and integrating the private sector and the public sector in the area of the food and agribusiness.

The fifth chapter consists of the conclusion, the study of the role of the World Bank in Jordan's agriculture development. It has had an impact on almost all of the agricultural activities in the country. Some of the suggestions that come out of study and bear important implications for agriculture in Jordan are as follows:
1. Agriculture should be integrated and developed in the creation of additional income for agricultural workers and small agricultural holders.

2. Programmes should be developed for increasing participation through cooperatives and agricultural bodies.

3. Increasing productivity by modern techniques should not lead to alienation of the small and the poor farmers.

4. Turing agriculture production towards commodities where Jordan enjoys relative advantages and at the same time keeping national food security in consideration.

5. To create strategy stocks of foodstuffs and complete the infrastructure.

6. Soil conservation and fruit tree planting on lands unsuitable for cereal production.

7. Applying water conservation and water harvesting practices.

8. Pricing of irrigation water which does not harm the small farmers.

9. Improving canal leakage and improvement in drip irrigation.
10. Development of agriculture extension and agroindustry to benefit all the sections of the farmers so that private initiative does not leave them out.

Thus the present study documents comprehensively the role of the World Bank in the agricultural development of Jordan, the study emphasizes the fact that local participation is very important in the overall development of the economy and the fact that the World Bank also releases this fact.