

Statement of people's organizations on high food prices: time for a comprehensive shift in economic policy

THE PRESENT

1. Food price increases in Sri Lanka - higher than global increases.

World food prices increased by 40% last year and in Sri Lanka it was much higher. The price of essential food such as rice, bread and milk increased two or three times and the impact is greatest on the poor who spend about 80% of their income on food. This is part of a global crisis in which more and more people cannot feed themselves or their children. Alongside the current high cost of living increase this situation is extremely dangerous.

2. Income levels of the poor in Sri Lanka - far below the world averages.

People receiving incomes less than US \$ 2 /day are defined as poor globally. In Sri Lanka the official poverty alleviation programme (Samurdhi Movement) states that 2.1 million families receive less than Rs. 1500 /month which is US \$ 0.5 /day income. This is nearly half the country's population.

3. Nutritional status of the poor

- According to government figures, only half the population receive the minimum daily calorie intake of 2,030 kcal .
- According to the UN World Food Programme (WFP), Sri Lanka has a significantly higher child underweight rate than would be expected on the basis of its per capita GDP.
- The child underweight rate may be three times as high as what would be expected from a country with Sri Lanka's level of infant mortality.
- According to UNICEF, 14 percent of children under five in Sri Lanka showed signs of wasting and stunting, and 29 percent of children younger than five are underweight for their age. (Districts affected by conflict record higher rates).
- Continuing conflict between government and the Liberation Tigers of Tamil Eelam (LTTE) has also raised concerns regarding overall food security and nutrition levels in the conflict zone.
- There are fears that national nutritional levels will deteriorate further due to rising food prices caused by a record high inflation rate.

4. World food prices will not come down

- Food prices will not come down. The poor are compelled to go hungry to feed the greater appetite of the rich.
- More meat consumed by the rich in fast growing countries has led to more food being produced for animals than for humans.
- More fuel is produced using food and food-producing land to feed cars than to feed the poor
- More urbanization reduces the proportion of food producers compared to consumers.
- Climate change has an adverse impact on food production worldwide.

5. Attitude of the Government of Sri Lanka

Sri Lanka's President and Minister of Agriculture have taken steps to strengthen domestic food production by small-scale farmers and have some control over rice prices, but these measures have been half-hearted, inadequate and ineffective.

For the last 30 years government has followed the export-oriented growth model. This neo-liberal model assumes that globalization enables the country to achieve faster economic growth which “trickles down” to reduce poverty.

We are now at a high point in a process of disastrous failure of that model. There has been a lack of economic growth, no “trickle down” to the poor and in fact increased economic and social disparities. A new approach is urgently needed.

THE FUTURE

6. A radical transformation in food and agriculture is recommended globally

The final report of the International Assessment of Agricultural Knowledge, Science and Technology for Development [IAASTD], endorsed by 60 countries, was published in April. In a press release, “Agriculture-the need for change”, April 15th, they state:

“The way the world grows its food will have to change radically to better serve the poor and hungry if the world is to cope with a growing population and climate change while avoiding social breakdown and environmental collapse”.

“Modern agriculture has brought significant increases in food production. But the benefits have been spread unevenly and have come at an increasingly intolerable price, paid by small-scale farmers, workers, rural communities and the environment”.

The report calls for radical changes in world farming to avert increasing regional food shortages, escalating prices and growing environmental problems.

Responding to the report, a group of international environment and consumer groups, including Third World Network, Practical Action, Greenpeace and Friends of the Earth, said, “This is a sobering account of the failure of industrial farming. Small-scale farmers and ecological methods provide the way forward to avert the current food crisis and meet the needs of communities.”

Lim Li Chung, of Third World Network in Malaysia, said: “It clearly shows that small-scale farmers and the environment lose under trade liberalization. Developing countries must exercise their right to stop the flood of cheap subsidized products from the north.”

7. Potential in Sri Lanka to avoid hunger and poverty and the crisis of high food prices

Sri Lanka can avoid the disaster of a famine by adopting a new approach. There is much that can be learnt from the past, from policies adopted by governments in early post-independence decades before the country began to be misguided by international financial powers, as well as from ancient ecological and regenerative agriculture.

Food sovereignty:

- All people should be assured of healthy food at affordable prices at all times. Small farmers should be able to make good livelihoods through agriculture. This is what is known as “food sovereignty”, a concept advocated by the world’s largest movement of peasant farmers, “Via Campesina”, with 150 million members in 56 countries. Many people’s movements, including farmers in Sri Lanka, advocate ecological agriculture.

Ecological agriculture:

- To be viable for small farmers, small-scale agriculture has to be ecological, based on the potential of small farmers, unauthorized settlers, landless people including plantation workers, small-scale fisher people and rural women.
- Conservation and regeneration of land and soil fertility is an essential aspect. Damage caused by external chemical inputs, commercial, hybrid seeds that are not only expensive but require external inputs that damage soil fertility have to be avoided.
- Methods of farming that increase soil erosion and loss of biodiversity have to be avoided.

Small-scale agriculture:

- Small-scale agriculture, basically for domestic food production, is the only way out of the present crisis. Although there are more and more programmes trying to address hunger and poverty, to be effective a more comprehensive approach is needed.

Radical and comprehensive policy changes needed:

It is essential to change current policies that are counter-productive.

- Trade in the hands of the private sector has resulted in large, private monopolies controlling food and other consumer markets which act against the interests of small-scale rural producers and consumers.
- Large investments to promote foreign investment and the private sector is one of the biggest obstacles to any strengthening of small-scale domestic production and distribution which could benefit the poorer sections of society.

A comprehensive shift away from the neo-liberal economic model that has failed for the last 30 years is essential. It is time for a radical and comprehensive shift in economic policies!

Following organisations, movements and individuals have endorsed this statement so far. We expect more will join in the coming days.

Alliance for Protection of National Resources and Human Rights (ANRHR), Movement for Land and Agricultural Reform (MONLAR), National Farmers Assembly (NFA), Peasant Information Centre (PIC), Centre for Sustainable Agriculture Research and Development (SARD), National Movement of Milk Farmers in Sri Lanka, Savisthri-Movement of Women in Alternative Development, National Fisheries Solidarity (NAFSO), Future in Our Hands Development Foundation (FIOH), Nilwala Nimna Govi Sanvidhanaya, Dimbulagala Independent Farmers Organisation, Ruhunupura Govi Jana Samuluwa, Pragathiseeli Govijana Sammelanaya, New Environmental Resources Alliance (New ERA), Uva Farmers collective for poison Free Agriculture, Vikalpani Organisation, Religious Unity alliance, Mahasen Govi Sanvidhanaya, Osu Govi Gammana Sanvidhanaya, Action Aid International, Sri Lanka, Law and Society Trust, Oxfam, Dr. Gamini Kulathunga (Open University), Professor H. Sriyananda, Mr. D.L.O. Mendis

Sarath Fernando, MONLAR

April 30, 2008