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Why Should Small Rice Farmers in Sri Lanka Disappear?

THE HEAVENLY ISLAND of Sri Lanka seemed destined for a long time to broadly offer its coasts fringed by coconut palms, its hills covered by tea plants and its rice plantation valleys, which change colors every season. But this could hardly last. The World Bank decided something else. In a globalized economy, producing rice in Sri Lanka is not a rational activity, for it is cheaper to acquire it in Vietnam or Thailand. As regards the one million rice-growing farmers, whose productivity is low, it appears that the time has come to turn them into a workforce for productivist agriculture and an exporting industry.

This contributes to satisfy a minority class of Sri Lankans, willing to continue supporting foreign interests, and fascinated by old president Premadasa's idea of transforming the island into the Singapore of Southern Asia. A few legal measures will then be enough to accelerate the process of transformation of the small farmers: to charge for irrigation waters, to establish property deeds allowing the selling of lands which have until now been public property, to abolish government services that promote farmers' agriculture, and to deregulate labor legislation. la legislación del trabajo.

For over 2,500 years, Sri Lanka was a rice society. Even now, rice represents about 75% of cereal consumption. Almost 80% of small farmers are rice producers. Society has been wrought by water control, a key factor for staple agricultural production, and not by the property of land, as in Europe. Political power was built on dominion over irrigation, from the small kingdoms of the first millennium before our age, to the unification of the island 500 years before our age, under a power capable of organizing an irrigation system. Once in government, Monarchy introduced Buddhism as a symbolic expression of the new construction.

Property of the land, always collective in tributary societies (where land belonged to the King, who was its administrator and granted its use to farmer families) was shortly affected by the Dutch and British colonial regimes. Coffee plantations first, and tea plantations later, were established in the hills and not in the valleys, reserved for rice and small crops (such as spices). After the independence, the first governments respected the public character of rice lands and developed, under the spirit of the welfare state, policies supportive of small agriculture, in order to prevent the social plague of landless farmers and the fragmentation of land property.

Since 1977, the UNP (United National Party) government oriented the economy according to the Washington Consensus (neoliberal): to produce for export, to liberalize markets, to erect infrastructure works in order to attract foreign investors, and to dismantle economic and social protective nets. Social effects were disastrous. Despite the fact that for the World Bank the medium growth achieved for this period is between 4 and 5% per year, poverty also rose: from 13.5% in 1965 to 46% in 1998, according to a study by the United Nations International Fund for Agrarian Development (IFAD, 1993). Social distances also augmented: in 1992, the country was vice champion in the Gini coefficient, which measures the distance between the highest and lowest income amounts (UNDP, 1992). Malnutrition became deeper: a study from the Medical Research Institute revealed that caloric ingestion diminished by about 33% between 1979 and 1999 (2000). Along with the decline of agricultural prices and the increase in consumer goods, family incomes collapsed. Despair spread, especially among small farmers. The suicide rate grew so high that it placed the country at the top of the ranking at the beginning of the 90s (Sri Lanka Government, 2002).

Is has been the real price of the transition towards the opening to the world market. The previous social and economic system had certainly produced a strong bureaucracy and needed to evolve. But it had assured a minimum of social protection for the weaker strata, and given the country the highest scholarship rate in the old colonial Asia. Indeed, under the UNP government, social and cultural benefits for the poor melted like snow under the sun: small rural

schools closed, hospitals in these regions started lacking supplies, and technical services to small farmers were reduced or suppressed.

But the most dramatic effect was still to come. In 1972, an uprising of rural young people, jobless but educated, led 10,000 of them to death. Between 1989 and 1990, a second revolt burst out as a consequence of the Structural Adjustment Programs imposed on the country as the price for opening to international credits.

This rebellion was even more generalized than the one of 1972, because the situation of rural youths was even worse. Repression was brutal. The number of victims is estimated to be at least 60,000.

The country was in shock. After a brief period of neoliberal moderation, the offensive was stronger, and this time it had a revamped discourse. In order to fight poverty and to achieve a *pro-poor growth* it was necessary to accelerate the opening to the market and to put a definitive end to counterproductive keynesian policies. Two documents confirm this orientation.

The first one is a 1996 World Bank report which refers to the luck of small farmers in the context of a general policy of market liberalization (Hung and Lister, 1996). The tone is clear. Small farmers have to abandon low value products such as rice. One of the best means for this is to suppress free irrigation water: "Water is a commodity. It has to be commercialized by the private sector. The government should rule 'rights of property over water' [...] This would allow irrigation water traditional users to sell (or to transfer) their land deeds" (Sarath, 2001b: 4). How smart the World Bank was! The key to this problem is situated in the control of irrigation. To transfer it to the private sector would push the transition from an agrarian society to the market economy.

The *Paddy Marketing Board*, a government institution that regulates the rice market, should also be suppressed, for its existence discourages private investments in agriculture. But to crown the new project, land should be transformed into a commodity. For that, it would be enough to grant a property deed to small farmers, who, unable to resist world market forces, would be obliged to sell their lands to more efficient economic operators. If we add a deregulated work market, we have all the ingredients for neoliberal growth. This is why the small rural peasantry should disappear in Sri Lanka: because this corresponds to a general policy (promoted, among others, by the World Bank), aiming to eliminate farming agriculture with high productivity enterprises.

Now then, these measures concern half of mankind: around three billion people¹. In June 2000, the World Bank granted an 18.2 million US dollar loan for the setting up of reforms. It was, according to the Minister of Justice at that time, G.L. Pieris, "the major legal reform in the history of Sri Lanka, aiming to put the legislative and judicial system at the full service of the private sector" (Sarath, 2001a: 1). A year later, in 2001, the World Bank suspended the execution of the loan, estimating that the government had not put the indispensable reforms into practice for macroeconomic stability and for the restoration of investors' trust, and that it had also failed to create the legal environment necessary for the good functioning of the private sector.

The second document comes from the government. It is entitled *Regaining Sri Lanka* (Sri Lanka Government, 2003). Although absent in the title, the main subject is the fight against poverty². After describing the gravity of the situation (between 1990/91 and 1995/96, the poverty rate increased from 33 to 39%), it refers to its causes. Clearly, these causes are related to the lack of growth. In order to redress this, it would be necessary to reduce the public deficit that restrains the activities of the private sector, to deregulate work, to introduce land in the market and to reduce the weight of the state administration (Sri Lanka Government, 2002: 2-10).

The authors of the document quote the World Bank text word by word, stating that the previous government did not fulfill its promises. The private sector has a need for favorable conditions in order to better use its capital and work, and to attract foreign investments. Now, privatizations should be accelerated, the deepest flexibility should be introduced into work, property deeds should be granted to farmers, obstacles for the acquisition of land by foreigners should be removed, protections should be suppressed, and the private sector should be allowed into education and health. Chile is a good example of this (Sri Lanka Government, 2002: 13-16). So as to achieve a *pro-poor growth*, the capacity of ports and airports has to be increased, car

routes built, the road network, railways and bus services improved, telecommunications and the Internet developed, the state decentralized, and micro-credit initiatives linked to the financial market.

In short, “this is about going from an economy based on low productivity subsistence agriculture towards an economy based on high productivity services and industrialization, a fact that would create an economic development which will contribute to the reduction of poverty” (Sri Lanka Government, 2002: 21). Growth will depend on the private sector, which should be inscribed within international market competition. And the civil war between Sinhalese and Tamils, which isolates a part of the country, should be stopped in order to allow these policies to succeed. In consequence, peace negotiations should be supported.

Another caricatured vision of development, which we thought had been surpassed a long time ago, is the one that appears in the document in an almost messianic tone, using the argument of the “fight against poverty” in order to support the neoliberal project (an initiative from the World Bank). This reveals the true function of this sudden concern for the poor. There is not a single word about nutrition security³. There is not a single sign of concern for the luck of small farmers who will arrive at marginal neighborhoods to settle and will not be able to find jobs because Chinese and Vietnamese salaries are even lower. Written in American English, although the English-speaking Sri Lankan elite is concerned with maintaining its British accent⁴, the text reveals its origins: either it was written in Washington, or it is the work of the new generation of *brown Sabih* (an indigenous expression which refers to westernized natives).

But neoliberal policies did not remain unquestioned. Besides the 1980 general strike, which was repressed with the firing of over 40,000 workers, and the 1989/90 youth revolt which took 60,000 lives, there are a number of manifestos signed by important amounts of people that have followed. In 1981, 60,000 signatures were collected against the selling of land to foreigners. In 1993, the *People’s Memorandum* about agricultural policy, signed by 150,000 persons, was one of the elements that provoked the electoral failure of the government at that time. In 2000, 300,000 people supported the Jubilee *Memorandum* for the abolition of the debt. In 2002, a hundred rural organizations supported the hunger strike of small farmers in the region of Pollonaruwa, and a few thousand people took part in demonstrations in cities all over the country.

Since then, the resistance has been organized by the civil society from bottom to top. In 1993, over 130 rural organizations formed the Movement for National and Land Agricultural Reform (MONLAR), which multiplied the counterproposals, negotiated with the government and the World Bank, and organized demonstrations. In 2002, a wider coalition was created, gathering, among others, rural organizations, the main trade unions, NGOs and religious organizations within the National Alliance for the Protection of Natural resources and Human Rights. It is headed by a Buddhist monk, and gathers groups that stand against the privatization of the woods, the expropriation of lands for extending the airport, and the destruction of the environment and of local economies provoked by the construction of roads.

Different alternatives were proposed in order to solve the agrarian issue, not by taking the romantic perspective of saving the small traditional peasantry, but by assuming the perspective of helping it to improve and diversify production, to better the use of water and soil resources, and to produce progress in knowledge (small ecological agriculture). The Movement for National and Land Agricultural Reform (MONLAR) places its proposal within a wider vision: to produce goods and services for local use before exporting them, to rebuild the capacity for regenerating natural resources, to democratize society, and to lean on the creativity of the same poor people. All this is translated into concrete political proposals.

But such successive waves find themselves interrupted: the protests and alternative proposals that came along face the implacable decisional system that is leading the country towards its integration into the capitalist world economy. Certain of their theory that has turned into a dogma, ignoring social processes, hardly concerned about democracy, and contemptuous of the “poor” now reduced to the status of handicapped, the architects of the new economic order act as a *Terminator*. Would a third rural youth massacre be necessary to make them draw back? Will social and political resistance forces be able to modify policies and reorient development aims? In Sri Lanka, this does not depend only on local social fights but also on their worldwide convergence.

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Notes

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1 The argument stands on the need for nourishing an increasing world population, but rural movements and many agrarian economy specialists answer that such an aim could only be achieved through promoting ecological modern agriculture, a price policy diversified according to regions, and a long term plan that would open the possibility of inserting part of the farmers into other economic activities (see *Alternatives Sud*, 2002).

2 He takes most of his ideas from the *Poverty Reduction Strategy Paper* (2002).

3 This concept implies the possibility for a country to produce by itself the essentials for consumption regarding staple food, a fact that places it under the shelter of eventual international policies. Nutritional security has been endangered by the agricultural liberalization policy of the WTO.

4 For instance, the word *labor* here is spelled with a single "o", while in British English it is written with "ou" (*labour*).