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“The problem of Indonesia is not a lack of food. It is about the need to have an economy which provides food for the hungry.”

This was the conclusion of the Indonesian Fact-Finding Commission, a 13-member team of agriculture and food-security advocates from various Asian countries.

The mission was organised last year by the South east Asian Food Security and Fair Trade Council (SEAFTC), a regional network of NGOs doing research and advocacy on agricultural trade and food security. The team members were to determine the nature and magnitude of the food crisis in Indonesia and bring the concerns of the Indonesian people before the Association of Southeast Asian Nations (ASEAN), Food and Agriculture Organization (FAO) and other regional bodies, and identify appropriate measures to address food insecurity in Southeast Asia.

Joining the mission were Riza Tjahjadi, Ovan Sopandi, Indra Tata Purwita of the Pesticide Action Network (Indonesia); Poh Li Keng, Marco Mezzra and Walden Bello, Focus on the Global South (Thailand); Simon Karunangaram of ERA Consumer (Malaysia); Tran Hong Truong of VACVINA (Vietnam); Daycha Siripatra of TREE (Thailand); John David Comtis of RRAFA (Thailand); Congressman Leonardo Montemayor and former Senator Leticia Shahani, both of the Philippines; and Anuradha Mittal of Food First (USA).

From 25 January to 6 February 1999 the mission embarked on a 13-day visit to West Java, Jakarta, Central Java (Yogyakarta, Solo, Pacitan, Remabang), East Kalimantan, Nusa Tenggara Timur (Kupang) and East Timor. In these places, the team spoke to the urban poor, rubbish scavengers, farmers, small rural tradesmen, fishermen, government officials, and various church groups, NGOs and relief organisations.

#### **THE MAGNITUDE OF THE CRISIS**

The group was astounded to find that there is no food crisis in the traditional sense, caused by a natural disaster or a war situation, and there is no evidence of starvation in both urban and rural areas. Malnutrition and decreased food intake was evident in some rural areas and urban poor areas but this was due to the collapse of the people's purchasing power.

The food crisis of Indonesia, they found, had to do not so

much with the production of food but rather the incapacity of the people to buy it. This is due to widespread unemployment and poverty, complicated by official corruption and interventions by international institutions with vested interests. The country's currency, the rupiah, depreciated by 500 percent in less than a year in 1997, resulting in a big

### **THE FOOD CRISIS OF INDONESIA HAD TO DO NOT SO MUCH WITH THE PRODUCTION OF FOOD BUT RATHER THE INCAPACITY OF THE PEOPLE TO BUY IT.**

decrease in the purchasing power of the Indonesians. By the end of 1998, 20 million people were unemployed. In addition, the government predicted that the number of people falling below the poverty line would rise sharply from 22.5 million in 1996 to 79.4 million in 1998.

Lost jobs and no income have affected many families, frustrating everyone and breaking down relationships. Women experience the brunt of the pressures, as they are more often responsible for budgeting the household money and ensuring that food is on the table. Interviewed by the mission, women said they needed to have not only food, but clothes and medicine for their children. They expressed the desire to earn extra income, but despite their obvious entrepreneurial capabilities, the

women interviewed by the Mission had never heard of microfinancing. Young women usually find employment as poorly paid housemaids.

As of 1998, at least 32 million children suffered malnutrition, and infant and maternal mortality rate had increased significantly. Thefts, killings and looting of warehouses are commonplace incidents. In one village, 20 Chinese-Indonesian women were raped; there are more reports of children, especially girls, being sold at prices of up to 3 million rupiah in Jakarta.

The mission also discovered that some of the "food riots" in Indonesia were actually instigated to force Suharto to resign. There were reports of truckloads of people being brought to one area, where they spread rumors of increased prices and Muslim people being attacked in other villages, to incite the people to go on a riot.

#### **ROOTS OF THE PROBLEM**

According to the mission's findings, the kind of crisis that existed was caused mainly by bad development policies. The Indonesian government had embarked on a World Bank-endorsed development strategy, which prioritised industrialisation, and promoted financial liberalisation. In effect, the strategy reoriented agricultural development to serve industrial development whose main function was to achieve higher rates of productivity, in order to feed the burgeoning work force in the urban areas.

Capital was diverted away from the agriculture sector,

keeping its profitability low despite the fact that 50 percent of the labour force are in agriculture. In spite of Indonesia's image of growing prosperity, four out of five Indonesians were still living below or slightly above the internationally accepted poverty line of \$1 a day. This was even before the crisis broke out.

In addition, the so-called "green revolution" implemented by the government to increase agricultural production made many farmers dependent on imported seeds and fertilisers, which with the currency devaluation made it difficult for them to produce crops. Fortunately, more farmers are now going back to organic farming, which is cheaper, healthier, and sustainable.

The existing development strategy is biased in favour of large farmers and corporate farming. Traditional rural social stratification and the rigid fragmentation of village bureaucracy combined to form rural elites that work more for the preservation of their positions than for the implementation of equitable agricultural reforms. What's more, it's not the farmers who set the selling price of rice but the rice mill owners, brokers and dealers.

Corruption and monopoly within the National Logistics Board (BULOG) which is responsible for stabilising prices, has resulted in an increase in the price of commodities and unequal distribution of food in many areas. Food aid was reported not to reach target areas, and rice was smuggled out for sale in neighbouring countries such as Malaysia, Singapore and the Philippines.

#### **VESTED INTERESTS**

The mission also discovered that the "food crisis" which compels the image of a shortage in production was actually brought about by statistics grossly abused by agencies promoting their own

### **TRADITIONAL RURAL SOCIAL STRATIFICATION AND THE RIGID FRAGMENTATION OF VILLAGE BUREAUCRACY COMBINED TO FORM RURAL ELITES THAT WORK MORE FOR THE PRESERVATION OF THEIR POSITIONS THAN FOR THE IMPLEMENTATION OF EQUITABLE AGRICULTURAL REFORMS.**

objectives. One example was the miscalculation of projected rice imports for Indonesia due to the use of official statistics from BULOG, which is well known for doctoring figures for purposes of budget allocation. Coincidentally, the World Food Program (WFP) and the Food and Agriculture Organization of the United Nations (FAO) used BULOG statistics to conduct a food and crop assessment for rice imports early in 1998, which became the basis for the flooding of rice imports and assistance from the Indonesian government and other countries.

Furthermore, the mission discovered that certain donors have their own self-serving interests in giving food aid.

Some donor countries would give "emergency food aid" which had to be paid for later, or use the situation to dump their excessive stocks of rice.

The mission also learned that food aid is being used to keep the people from being restless, especially the jobless urban people. One source claimed that the Indonesian government saw it as the best opportunity to keep stomachs full in anticipation of the June 1999 elections.

#### **FAO CONTINUES TO URGE MORE FOOD IMPORTS FOR INDONESIA**

The FAO's recent report, released on 20 April 1999, announced that Indonesia will need to import 3.1 million tons of rice within the next 12 months. Yet, a survey done one month earlier showed that the 1999 rice harvest in Indonesia is expected to be good because of plentiful rain. The report justified its recommendation for more importation by citing the extended effect of the drought since 1997, which reduced the rice-planting area somewhat.

In addition, the FAO reasoned out that although the import amount is about half made in fiscal year 1998 which ended on 31 March only about 1.3 million tons of imports have been ensured through rice aid programmes.

The FAO urged the international community to provide additional rice aid to Indonesia to ensure that the poor will not be deprived of food.

The FAO also reported that farm wages have risen 20 to 40 percent during the nine months from December 1997 to August 1998, yet consumer

prices climbed 81 percent during the same period. The survey was conducted in conjunction with the World Food Programme, another UN agency, during a 10-day field research 15-24 March .

Likewise, the World Bank lowered their predicted figures of people who now fall below the poverty line in 1998 to only 40 million, to justify that the programmes it supports were effective.

### **EAST TIMOR: A LAND LONG IN FOOD CRISIS**

A different situation prevails in East Timor, where hunger and food shortages have long been endured by the people. Ever since the Indonesian government violently annexed this island country northeast of Indonesia in 1975 with the support of the United States government, agricultural production has been disrupted and discouraged by Indonesian soldiers to prevent farmers from supporting resistance fighters. People within the community are deprived of interaction, and live in constant fear of violence. As a consequence, indigenous agriculture was lost and a large portion of the arable land was replaced by densely growing weeds. Many areas have become barren due to rapid deforestation, as trees are cut for commercial profit and also to deprive guerrillas of hiding places.

To replace the lost local crops, the Indonesian government encouraged the production of high-yield crop varieties that require tremendous financial resources and a great deal of water, and are vulnerable to

weeds, pests and plant diseases. These varieties lacked the adaptive mechanism that the indigenous Timorese varieties had developed as a result of hundreds of years of farmer selection as well as natural selection. Moreover, the Mission found that many highland farmers have moved down to the lowlands to try their luck on smaller portions of land, while others shifted to rice or to fishing even without much equipment.

Furthermore, it was noted that draft animals—buffaloes—have been killed deliberately or taken for food by military and paramilitary forces on either side of the conflict. Often, what were once the buffalo's tasks have been assumed by family members. This remaining labour pool, moreover, has been greatly reduced by malnutrition, the prevalence of malaria and tuberculosis, and the flight or murder of pockets of local populations caused by a continual conflict of 23 years.

### **CONCLUSION AND RECOMMENDATIONS**

Except for East Timor, the food crisis in Indonesia did not develop swiftly. It was a consequence of development programmes encouraged by the World Bank that did not prioritise equitable and sustainable distribution and production of resources to the majority of the people, especially to small farmers. Women, as a group, need to have programmes targeted especially at income generation where income, decision-making and control is placed directly in their hands.

There is consequently, a need for a propeople sustainable development strategy that

must be designed from the bottom up of the economic and social structure, as an alternative to the present top-down development. The latter development paradigm has led to the current food insecurity, which is due to the low purchasing power of most Indonesians. Such a paradigm has made Indonesia vulnerable to the manipulation of some countries and international institutions.

Furthermore, the Indonesian experience has shown that food security should be viewed not only in terms of self-sufficiency in production, biased toward one crop such as rice. Food security also means crop diversity suited to the geography of the country and it should be sustainable, accessible and available in relation to the purchasing power of the people.

The Mission recommends the following actions:

1. Stop projecting Indonesia as a country facing starvation.
2. Reduce food aid to Indonesia and redirect it to the many countries where there is real starvation such as North Korea.
3. Stop using food aid for urban pacification and electioneering purposes.
4. Limit food aid already in the country to two groups of people: women who are pregnant or nursing babies, and children living below the poverty line. ♪

*For comprehensive information on the mission's findings, please contact the South east Asian Food Security and Fair Trade Council at: "Walden Bello" <W.Bello@focusweb.org>*