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### IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTION 60/251 OF 15 MARCH 2006 ENTITLED "HUMAN RIGHTS COUNCIL"

# Written statement\* submitted by the International NGO Forum on Indonesian Development (INFID), a non-governmental organization in special consultative status

The Secretary-General has received the following written statement which is circulated in accordance with Economic and Social Council resolution 1996/31.

[4 June 2007]

GE.07-12927

<sup>\*</sup> This written statement is issued, unedited, in the language(s) received from the submitting non-governmental organization(s).

## Malnutrition and the Death caused by Malnutrition is a Violation of the Right to Adequate Food

The Committee declared that "the right to adequate food is realized when every man, woman and child, alone or in community with others, has physical and economic access at all times to adequate food or means for its procurement. The right to adequate food shall therefore not be interpreted in a narrow or restrictive sense which equates it with a minimum package of calories, proteins and other specific nutrients. The right to adequate food will have to be realized progressively. However, States have a core obligation to take the necessary action to mitigate and alleviate hunger even in times of natural or other disasters".

According to the Special Rapporteur on the Right to Food, "the right to food is the right to have regular, permanent and unrestricted access, either directly or by means of financial purchases, to quantitatively and qualitatively adequate and sufficient food corresponding to the cultural traditions of the people to which the consumer belongs, and which ensure a physical and mental, individual and collective, fulfilling and dignified life free of fear".

The following data shows that the government of Indonesia neglects the Rights of the citizens to adequate food. The recent data (2007) shows that more than one million children under five or 26% of the total children under five are living with malnutrition. 64% of the total population in Indonesia consumes insufficient calorie. Only 18% of the total population of Indonesia who have access to clean water and 48% of the population have no access to clean water at all. The World Bank reports that 110 million of the populations (50%) have income below US \$ 2 per day. The unemployment rate reaches up to 10.9 million people or 10.3% of the total labour force.

No	Problems	% of the total population	Remarks
1	Malnutrition	26%	From the total population; majority is from the Eastern parts of Indonesia.
2	Insufficiency in calorie intake	64%	From the total population of Indonesia.
3	Access to clean water in urban areas	52%	Only 18% of the total population of Indonesia who have access to clean water.
4.	Without appropriate sanitation facilities	44%	

Source: National Planning Ministry, May 30<sup>th</sup>, 2007.

Public media reports that around 2 - 3 children under five die everyday because of malnutrition.

This shows clearly that the government of Indonesia does not pay serious attention to the food issue and to fulfill its obligation to fulfill the rights of the citizens to adequate food.

#### The Increased Price of Rice and Fuel

Malnutrition and insufficiency in calorie intake are the results of the low purchasing power of the people. On one hand the income of the people does not increase, while the prices of the basic consumption goods increase exponentially. One of the main causes of the increase in the prices of the basic consumption goods is the increase in fuel prices, including kerosene.

The increase of fuel price has domino effects to prices of all products that need external inputs, including agricultural products that need external inputs in the production processes. While the prices of the inputs increased, the costs for transporting and storing also increased. The external inputs include fertilizers, pesticides and seeds. People could not cultivate their agricultural lands and produce in maximum capacity since they are lacking in cash for purchasing the external inputs.

Since 1997 until present, the fuel prices increase almost 1000%. In 1998 the price of kerosene, that has been integrated part of household needs, was IDR 280 per liter; in 2006 the price became IDR 2,200 (US\$ 0.2) per liter. The Premium oil in 1998 was IDR 600 per liter, and in 2006 the price increased to IDR 5,500 (US\$ 0.5) per liter. The increase of the oil price was triggered by the fact that multinational companies were also interested to invest in retail oil trade in Indonesia.

The people's economy is almost paralyzed. The calculation of the government that it takes for a while to reach new economic equilibrium for people's economy has been proved to be false. The increase of oil prices and other prices was not followed by appropriate policies to save the people's livelihood. The per capita income of the people (half of the population's per capita income of US\$ 2 per day) does not even reach the capacity to purchase basic food. Since 2006 millions of people have to eat wasted rice to survive (the wasted rice is popularly called *Nasi Aking*, namely the wasted rice that is dried and re-cooked).

The World Bank came in with soft loans for safety net programs for purchasing cheap rice for the poorest. 7,5 million people of the poorest category received the package of "rice for the poorest". This in fact does not help at all; even it raises another burden of debts repayment for the future generations who have the fortune to survive.

#### IMF and the World Bank

During the last 10 years (1997 - 2007) the economic development and the poverty alleviation programs do not show positive support for the people's livelihood; the poverty situation is worsened. One of the low performances of economic development in Indonesia is the decision of the government to receive loans of US\$ 7.3 billion from IMF together

with its strong and burdensome conditionalities. Since the signing of the Letter of Intent (LoI) and the Memorandum of Economic and Financial Policies (MEFP) with the IMF, Indonesia has hardly picked up back its economic growth. For 7 years (1997 – 2004) Indonesia signed 20 LoIs with all heavy conditionalities for Indonesia. The result is obvious: the increased poverty, the death toll caused by malnutrition and hunger, and conflicts for appropriating resources.

The LoI and MEFP pushed the government of Indonesia to implement the policy prescriptions from IMF and World Bank that directly affect the condition of the people's livelihood. The conditionalities include, among others:

- 1. The government is not allowed to control the price and distribution of rice.
- 2. The government has to cut subsidy to rice price up to zero.
- 3. The elimination of the prohibition and limitation on the import of rice.
- 4. The cut of subsidy to agricultural sector up to zero.
- 5. The privatization of the Logistics Bureau.
- 6. The elimination of the credit for farmers; the credit should become the business of the commercial banks.

These conditionalities attacked directly to the heart of the livelihood of the majority of the people of Indonesia.

Indonesia has been trapped in policy frameworks that result in the impoverishment of the people. The policies include the tight fiscal policies, tight monetary policies, the dependency to external debts, the re-structural of financial sectors, structural adjustment programs, liberalization of investment and trade, and the privatization of the public services that are substantially fundamental for supporting the fulfillment of the rights of the citizens to food.

The impoverishment process hit women the most. The closure of 16 Banks, the conditionalities for increasing the prices of 9 basic consumption goods, the massive lay-off of labor in industries have systematically put pressure on the livelihood of the people in rural and urban areas.

The elimination of subsidy and the privatization of health services such as the elimination of the cheap services in the Public Health Centers, the increase in the prices of medicines, the elimination of the budget for village midwives result in difficulties for women to and children to access to health services. The health of women and children degraded; the mortality rate at birth and children under five increases. This is worsened by the shortages of appropriate and nutritious food for women and children.

IMF also pushed the policy on food. The government of Indonesia was pushed to increase the prices of rice, soy beans, sugar and flour and adjust them to the competitive global market prices, and open the domestic market to free import of all agricultural products. The control of prices and distribution of agricultural products had to be lifted, and the limitation of import had to be eliminated. The monopoly of import by BULOG (the national logistics bureau) has to be eliminated and the Bureau has to be privatized to become a private company that has to compete with other companies in importing, distributing and collecting agricultural products. The Memorandum of Economic and Financial Policies (MEFP) that was integrated part of the Letter of Intent (LoI) between the government of Indonesia and IMF on October 31<sup>st</sup>, 1997, were the response to the imposition by IMF. Initially the part of the Structural Reform and Privatization in the MEFP (paragraph 41), the government of Indonesia agreed to lift the control only on the rice of other agricultural commodities except rice, sugar and tobacco, and these would be done after three years. But the pressure from the IMF was so strong that the government of Indonesia had to increase the prices of rice, sugar and soy beans on January 1<sup>st</sup>, 1998.

In the LoI and MEFP signed on January 15 by the government of Indonesia and IMF, the monopoly of BULOG on agricultural products, except on rice, was lifted. Since then the government of Indonesia also eliminated the limitation to the import of agricultural products. As a result, the people had to purchase the basic needs of food in competitive market prices, which are above their purchasing capacities.

The policies imposed by IMF and World Bank have been proved to be harmful and make the people of Indonesia live in destitution. The responsibilities of the state to respect, promote and fulfill the rights of the people slowly degraded; and this is mainly caused by the policies imposed by IMF and the World Bank.

In respect to the degradation of the responsibility of the state to promote, respect and fulfill the rights of the people to food, INFID urges the UN to:

1. Review the policies of the international financial institutions (IFIs) and urge the institutions to stop the conditionalities and the imposition of policy prescriptions that only favored the global economic actors and harm for the people, such as those in Indonesia.

2. Ask to the government of Indonesia to take any measures to change the policies and cancel the policies that are not in favor of the poor people of Indonesia.

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