

'Textbook case of how a government can cause a debt crisis': Organic food mandate and agricultural chemical ban gutted Sri Lanka's tea export market

Before 2019, Sri Lanka was self-sufficient in food. The government elected that year banned pesticides so that only organic farming was allowed, resulting in the shutting of tea plantations (a source of export revenue) and shrinking the country's ability to feed itself (Sri Lanka now imports grains). Together with the damage to tourism from the Covid pandemic and rising global commodity prices, this has reduced tax revenues and put more pressure on the Sri Lankan rupee.

The public finances have been further damaged by unsustainable subsidies and unaffordable tax cuts.

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Perhaps it is time to consider a different approach, which puts the needs of citizens first and ensures that political elites aren't rewarded for poor policy choices.

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The suffering of ordinary citizens, pensioners, students and the impact on future generations is neither inevitable nor bad luck. Citizens' views must be taken into account in determining how the crisis is resolved. This would be a blueprint for future economic crises – and these could well be looming in view of slow post-Covid recovery, the strong US dollar and high commodity prices.

[**This is an excerpt. Read the original post here**](#)