Strikes and protests signal a confrontation after the Sri Lankan elections

N. Priyangika, K. Ratnayake
20 December 1999

In the lead up to the presidential election in Sri Lanka tomorrow, strikes and protests have broken out among workers and professionals in the government and private sectors over wages, working conditions and the erosion of public services. The People's Alliance (PA) government of President Chandrika Kumaratunga, which has the political backing of many of the trade unions, has been desperate to prevent the strikes spreading during the campaign.

About 500 engine drivers and 600 guards stopped work along with 15,000 other members of the Government Technical Employees Trade Unions Federation on December 15 in support of demands for a wage increase and improved working conditions. The strike paralysed the country's railway services and raised concerns about fuel shortages as some employees of the government-owned Petroleum Corporation—the sole distributor of petroleum products—joined the stoppage. Nearly 2,000 technical workers held a picket in front of the Public Administration Ministry. Union leaders warned that their members would not carry out election duties unless the government agreed to the demands, but ended the strike on December 17 after reaching a deal with the government.

Doctors launched island-wide strike action on December 13 to demand the government halt the decentralisation of the country's medical service to provincial councils as proposed by a presidential task force. After a strike by the Government Medical Officers Association (GMOA) in the middle of the year, the government agreed to establish a committee to examine the proposal but has delayed implementing the committee's report submitted in November. Attempting to affect a compromise, the government issued a gazette notice on December 15 but the doctors' union said it did not meet their demands. At a general meeting on the same day, doctors halted emergency services at the country's main hospital in Colombo.

On December 9, 3,000 Sri Lankan Airlines ground staff walked off the job for one hour and launched a go-slow campaign in support of a series of demands including a bonus increase. They were joined by 600 airline catering service employees on December 10. Sri Lankan Airlines management obtained a court order to end the strike. The ground staff resumed work and the catering workers were locked out.

On December 17, 1,000 bank employees picketed in the centre of Colombo demanding a wage increase. Postal workers also threatened to take action unless the government agreed to their demands for a wage increase and improved working conditions.

The government has accused the unions, particularly the GMOA, of conducting “politically motivated strikes”. Some union officials back the opposition United National Party (UNP) but most of the union leaders involved in the industrial action supported the People's Alliance coalition during the general and presidential elections in 1994. Moreover, during the last five years, these unions have worked closely with the government to derail any industrial action and impose the demands of employers.

The present protests cannot be attributed just to the manoeuvres of the union leaderships but reflect a deep-going discontent among workers and the poor. The Kumaratunga government came to power promising to redress the impact of the UNP's policies on the working class but instead intensified the onslaught in a bid to boost business profits and attract foreign investment.

Within days of the PA winning office, police shot and baton-charged workers in the Biyagama free trade zone as they attempted to march to Colombo to present their grievances to the government. In 1996, in what was code-named “Operation Shock,” the security forces and thugs carried a brutal physical attack on striking employees from the Electricity Board. In the same year, steel corporation workers who occupied factory premises to oppose privatisation were subjected to merciless police repression in which scores were injured. These are just a few of the most glaring examples of the PA government's record of repression against workers.

During Kumaratunga's tenure, the living conditions of workers and the poor have continued to deteriorate.

According to the Central Bank bulletin for July 1999, real wages have been cut by 10 percent or more. The indices declined as follows: plantation workers from 136.6 to 113.2; industrial sector workers from 89.8 to 84.1; service from 62.2 to 56.8; public servants from 115.4 to 101.5 and government teachers from 93.4 to 81.7.

During the election campaign, Kumaratunga has attempted to appease the anger of workers. On December 8, the government pushed through parliament amendments to the Industrial Dispute Act to compel employers to engage in collective bargaining with trade unions. The legislative changes had previously been dropped after employers opposed them.

The government also sent a directive to employers to pay a 500-rupee wage increase to workers covered by the wages board. Exporters Association chairman, Lyn Fernando, complained that industry was already in crisis and would “crash” as a result of the increase. Earlier Kumaratunga promised promotions and higher pensions for various state sector employees.

An incident during a cabinet meeting in early December indicates just how nervous the government is about the opposition of workers. Kumaratunga initially dismissed out of hand a proposal by PA general secretary and Agriculture Minister, D.M. Jayaratna, to give job permanency to 6,000 agricultural educators. Jayaratna, however, explained that if the government refused, “these agitators are threatening to march to Colombo and if this happened it would not be the end and there may be so many others who would be marching to Colombo”. The President immediately withdrew her opposition.

There should be no illusions that the next government—whether formed by the PA or UNP—will improve the wages and conditions of workers or reverse the attacks on public services such as health and education. Both parties are pledged to implement the demands of the International Monetary Fund for further economic restructuring and market reforms—a fact openly acknowledged by big business.

A “political update” recently released by the stockbroking firm Jardine Fleming noted: “In terms of policy both parties are committed to open economy with the UNP-initiated free market policies being followed on by the PA. So stability in terms of economic policy seems assured.”

The report commented: “Investors see the UNP as being the more right-wing of the two and thus more business friendly. Investors also associate the UNP with profitable memories of the bull runs during the first half of the 1990s.” But it praised the PA for carrying out what the UNP had been unable to do: “The PA privatisation program, however, was wider in scope pushing through privatisation of tough subjects such as Sri Lanka Telecom, the plantations sector and Air Lanka.”

Big business has already made clear that the election promises cannot be afforded and further cuts to the government budget are inevitable. A commentator writing in the business pages of the *Sunday Island* on December 12, questioned: “There are proposals to give handouts and goodies all round. But where is money to come from given the endemic budget deficit? The overall budget deficit in 1998 was 8.9 percent and far from increasing it, it must be brought down to about 5 percent of GDP.”

The article called for the “reform” of welfare services including free education and health care; an end to government subsidies; productivity measures including fewer public holidays; the “supervising” of credit to peasants; and other free market agricultural policies.

Behind these demands is the country's deteriorating economic situation. The economic growth rate was 6.2 percent in 1997, slowed to 4.7 percent in 1998 and in the first six months of this year declined further to 3 percent. A Central Bank press release issued on December 12 reported that exports had declined by 2 percent in October and overall by 7.1 percent for the first nine months of 1999.

More than half of the government budget is consumed by debt servicing (31 percent) and military expenditure on the war in the North and East of the country (21 percent). The budget allocation for the war in 1999 was $US671 million but by the end of the year the figure had risen by 11 percent. In the budget accounts for the year 2000, the allocation for defense was increased another 10 percent. These rising costs are one of the reasons that powerful sections of big business are demanding that both parties enter talks to end the war.

The stage is being set for a confrontation after the elections. As the strikes and protests indicate, workers and sections of the middle class are becoming increasingly angry at the decline in living standards that has taken place under both UNP and PA governments. At the same time, however, big business leaders are insisting that the politicians intensify the drive for increased productivity and profits.