

Sri Lankan government corporatises state rail network

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23 October 2003

The Sri Lankan government has begun to implement a far-reaching restructuring plan of the state rail system that will result in the destruction of thousands of jobs and end cheap subsidised transport for the poor. The ruling United National Front (UNF) took the first step on July 23 announcing that Sri Lanka Railway (SLR) will be transformed into an independent authority.

The act establishing the authority was passed in 1993. But neither the United National Party (UNP) government nor the subsequent Peoples Alliance (PA) government was able to implement the decision because of strong opposition from workers. In making the latest move, the UNF is relying on the open and tacit support of opposition parties and the trade union bureaucracy.

The corporatisation of the rail system is just one component of the UNF government's economic reform program, which will slash government spending by making deep inroads into public services and by restructuring and selling off state-owned enterprises. Immediately after signing the official gazette notification implementing the act, Transport Minister Thilak Marapone admitted that the next step would be "privatisation."

The Central Bank bluntly outlined the government's objectives in its 2002 annual report: "A broad-based restructuring program, based on public sector private sector partnership with a self-financing mechanism, would help to solve operational deficiencies in SLR without imposing much burden on the government budget."

Plans are already well-advanced. According to a report in the Indian-based *Financial Express*: "The Sri Lankan government has asked the Indian Railways undertaking RITES Ltd to manage its railway and later help in privatisation... Its Cabinet recently approved a

proposal whereby RITES will be given management control of the crisis ridden Sri Lanka Railway."

Specific steps are being implemented. Workers with 10 years of service or more have until January 31 to opt for retirement or join the new authority. The government has indicated that workers who refuse to do either will still be retained by the SLR. But since all rail functions will be allocated to the new authority, it is obvious that, at some point in the future, the SLR, along with any remaining jobs, will simply be axed.

The government has already indicated that it wants to slash the current rail workforce of about 17,000 employees by 10,000. The remaining 7,000 will be absorbed into the new authority and their rights and conditions sharply curtailed. The legislation establishing the authority bars employees from seeking legal redress through the courts. It also empowers the authority to take whatever action is necessary to boost employees' "efficiency and competency".

The changes will mean that tens of thousands of employees and the poor will no longer be able to buy cheap concession tickets. For many people, the rail system is the only means of transport they can afford.

The decision to establish the new authority has provoked a series of strikes, which have been joined by some commuter associations, fearful that ticket prices will rise sharply. But from the outset the trade union leaders have organized only limited opposition. Two bodies have been formed: one by a group of unions affiliated with the government, the other by a federation of unions aligned with the opposition Lanka Sama Samaja Party (LSSP), Sri Lanka Communist Party (SLCP), Sri Lanka Freedom Party (SLFP) and Janatha Vimukthi Peramuna (JVP)—"the organisation for protection of railway properties and railway workers rights".

The federation held a picket of about 5,000 workers and supporters on July 30 in front of the SLR headquarters. On August 21, it organized a march to present a petition signed by 1.5 million people to the Transport Minister opposing the creation of the authority. Since then, however, it has done little to protect either workers' rights or the railways.

The attitude of the federation unions was summed up by R.G. Nanadasiri, general secretary of the LSSP-affiliated Railway Employees' Union (REU). He told the WSWs that the federation planned an "island wide campaign" against the rail restructure. But he virtually admitted defeat before the campaign had even begun. "The truth is this program of privatisation under conditions of globalisation cannot be defeated," he declared. "But we have to do something against this bill."

The LSSP, CP and SLFP are all part of the Peoples Alliance, which held power from 1994 to 2001 and implemented the demands of the IMF and World Bank for market reform and privatisation. It is not surprising therefore that their affiliated unions are only making a token effort to oppose the government's plan. As Nanadasiri exclaimed: "Since both parties, the UNF and PA, that are eligible to take power, are ready to implement this program, what can we do?"

The JVP—a party that combines extreme Sinhala chauvinism with pseudo-socialist rhetoric—has postured as an alternative to the "old left" parties. But its unions have collaborated with the LSSP and CP to ensure that any campaign to defend jobs and services has remained limited. The JVP "opposes privatisation" but its 2001 election manifesto recognised the leading role of the private sector and the need for foreign investment.

The pro-government unions have not participated in the campaign against the authority, even though their members have expressed concerns over privatisation. Union officials are attempting to sell the changes to their members on the basis that there will be benefits—despite the huge job losses and the undermining of rights and conditions. To dissipate growing hostility, they called a two-day strike from September 30 for a pay rise, but not against the restructuring.

The Sri Lankan rail network was established by the British colonial authorities in 1864 as a means of servicing their investments and trade, particularly in the

plantation areas in the central hill district. The railways played a major role in integrating the country. But since independence in 1948, successive governments have put virtually no resources into them. Today the entire system is in a state of advanced decay.

The figures speak for themselves. The number of daily passenger trains has declined from 806 in 1964, to 562 in 1972, and just 298 in 1998. In the same period, the number of goods trains has dropped from 142 a day to 82 to four in 1998. Passenger services are so crowded that people regularly hang out the doors or sit on the carriage roofs. Signals, carriages and engines all need major upgrading while delays, derailments and breakdowns are the rule rather than the exception.

Whatever investment is put into the rail system as a result of privatisation, however, will be for the sole purpose of extracting profits. Jobs will be lost and fares will rise, putting further burdens on those who can least afford it. A unified campaign needs to be mounted, involving all sections of rail workers and commuters, for an affordable, efficient rail transport system that provides decent pay and conditions for its workers. Such a campaign can only be developed on the basis of a socialist program that directly challenges the dictates of the capitalist market and advances the perspective of genuine social equality.



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