

Sri Lankan parliament passes power reform bill

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The Sri Lankan government passed the Electricity Bill through parliament on March 3, paving the way for private firms, co-operatives and local government bodies to compete with the state-owned Ceylon Electricity Board (CEB) in all aspects of power generation, transmission and distribution.

The legislation will inevitably lead to the loss of CEB jobs and inroads into pay and working conditions. In pushing through the bill, Power and Energy Minister John Seneviratne claimed that the government was protecting consumers. In fact, the main beneficiaries will be businesses and industry. Over the past year alone, the government has increased electricity tariffs for ordinary householders by 80 percent.

A number of trade unions had already withdrawn their opposition after Seneviratne agreed to an amendment requiring 51 percent government share ownership in private firms bidding for electricity transmission and distribution. Such a clause offers no protection for workers, as retrenchments in the partially privatised Sri Lanka Telecom have demonstrated.

Only unions associated with the two main opposition parties—the Janatha Vimukthi Peramuna (JVP) and the United National Party (UNP)—mounted a campaign against the bill. On March 2, the JVP-controlled United Trade Union Front (UTUF) hoisted black flags at CEB work places. The UTUF and the UNP's National Employees Union (NEU) appealed to their members to call in sick and attend protests on March 3.

The government reaction to this limited opposition is a sharp warning of the measures being prepared against working people generally as the global economic crisis impacts on the island. The CEB authorities immediately issued circulars prohibiting the flying of black flags at CEB workplaces and cancelling leave for employees.

On March 2, plainclothes police visited the homes of union activists in an attempt to intimidate them. The following day, as parliament was meeting, 600 police, including heavily armed commandos, were deployed near Fort Railway Station and at the CEB head office—the start and end of the planned march.

The police prevented workers from marching, saying that it posed a security threat and threatening to invoke the government's wartime emergency powers. A senior police officer told a union leader that the Liberation Tigers of Tamil Eelam (LTTE) was planning to exploit the protest to carry out an attack. He warned that the police would use force, as they did against striking CEB engineers in 1996.

President Mahinda Rajapakse was desperate to push through the bill as a means of raising money and relieving the financial burden of the heavily-indebted CEB. Power privatisation may also be one of the conditions insisted upon by the IMF, which is currently in negotiations with the government for a \$1.9 billion loan.

Having plunged the country back to war in 2006, Rajapakse borrowed heavily to pay for the huge increases in military spending. Amid the deepening global recession, the government is having difficulty raising new loans and confronts a profound balance of payments crisis. Foreign reserves stood at \$1.75 billion in December, just enough to cover a month and a half of imports, down from \$3.56 billion in July.

Under the Electricity Bill, all power-related activities will be carried out under licence from the Public Utilities Commission. The PUC was established in 2003 by the UNP-led government to facilitate its planned privatisation of the CEB and Water Board. In 2006, the Rajapakse government placed the state-owned Petroleum Corporation within its scope.

Power privatisation has been on the government agenda for 25 years. The UNP took the first step in 1983 by establishing the Lanka Electricity Company (LECO). The government held a majority of shares but the company had private partners and was run for profit.

In 1996, the ruling Sri Lanka Freedom Party (SLFP) coalition opened electricity generation to the private sector through Power Purchase Agreements that allowed for private projects less than 10MW. The limit was subsequently raised to 100MW. In January, however, the Board of Investment gave the green light for a private power plant that will ultimately have a capacity of 1,000MW.

In 2002, a UNP-led government passed a bill to sell off the CEB, but was forced to shelve it after an eruption of protests by workers. In 2005, a SLFP-led government attempted to enact amended legislation which was also postponed in the face of determined opposition. The JVP was part of the ruling coalition and the cabinet at the time.

When the bill was proposed again in March 2008, all the trade unions opposed it. However, the amendment to maintain 51 percent government ownership in the areas of distribution and transmission split the unions. The Sri Lanka Nidahas Sevaka Sangamaya, affiliated to the ruling SLFP, the Control Room Employees Union, Billing Officers Union (BOU), affiliated to the Nava Sama Samaja Party (NSSP), and Engineers Union (CEBEU) all supported the bill.

Seeking to capitalise on the opposition of power workers, the UNP- and JVP-aligned unions—the NEU and UTUF—continued a campaign, but it was limited from the outset. Both parties support the government's communal war. The decision to hold a sick-note campaign, rather than call a strike, was, as JVP union leader Ranjan Jayalal explained, so as not to hinder the war effort.

At a press conference last Friday, Jayalal accused the government of opening the door for Indian companies to take over the energy sector. However, Indian workers, and power workers around the world, are confronting similar moves toward privatisation that threaten jobs and conditions. Such economic nationalist demagoguery as Jayalal's only divides workers and blocks any unified defence of their common class interests.

Significantly, the opportunist NSSP has emerged as a key advocate for the government's legislation, attacking the JVP and UNP for their record on privatisation. Its union, the BOU, issued a leaflet claiming that the amendments would protect the rights of workers and "sustain the Electricity Board as it is today".

NSSP leader Wickramabahu Karunaratne devoted an entire column in *Irida Lakbima* on March 8 to defending the BOU actions. His main argument was not that the legislation would defend the jobs and conditions of workers but that retaining 51 percent government control would be the "lesser danger" to the UNP's 2002 legislation. "The UNP act was prepared by the global powers and it is a big danger," he declared.

The same global economic forces are behind the government's legislation. Once all aspects of electricity are opened up to market forces, the scramble for competitiveness and profits will lead to cost-cutting, restructuring and job losses—whatever the level of government ownership. Workers in Sri Lanka and internationally have already many bitter experiences with the impact of corporatisation and other forms of partial privatisation.

Karunaratne's comments are all the more duplicitous as the NSSP is currently forging an alliance with the same right-wing UNP. Again the argument is the same—the UNP represents the

"lesser evil" compared to the "authoritarian rule" of the SLFP-led government and its war against the Tamil minority. In fact, the UNP fully backs Rajapakse's war and has its own long record of using anti-democratic methods to suppress any opposition.

The purpose of the NSSP's increasingly transparent manoeuvring is to prevent the working class from making a break from the parties of the Sri Lankan bourgeoisie and mobilising independently to defend its own class interests based on a socialist program. But that is exactly what is required. To defend their jobs and conditions, CEB workers need to turn to other sections of workers and to the rural masses in Sri Lanka and beyond who also confront attacks on the living standards.

Establishing the unity of the working class is above all a political question. Workers have to reject the communalism and nationalism that is used to divide working people. That means opposing the war against the Tamils, which has been exploited for 25 years to whip up communal tensions on the island. The demand must be raised for the immediate and unconditional withdrawal of the Sri Lankan military from the north and east—the essential precondition for forging the unity of Tamil, Sinhala and Muslim workers.

This is the program fought for by the Socialist Equality Party, which is standing a slate of candidates in the Colombo district for the Western Provincial Council election. We warn that in the midst of the deepening economic global crisis the government is preparing an offensive against the rights and living standards of working people. That must be answered by the fight for a workers' and farmers' government based on socialist policies—a Socialist Republic of Sri Lanka and Eelam that is part of a United Socialist States of South Asia. We urge CEB workers to study our political program, support our campaign and join and build the SEP.



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