

Sri Lankan president prepares for “economic war” on workers

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In his May Day speech last week, Sri Lankan President Mahinda Rajapakse sent a blunt message to working people that in the name of “building the nation” they must shoulder the burden of the country’s economic crisis.

Rajapakse organised the May Day meeting at his official residence, inviting trade union bureaucrats of his Sri Lanka Freedom Party (SLFP) and several other partners of the ruling coalition. The SLFP had pasted posters around Colombo with the slogan: “We should work and build the country.”

In his speech, the president boasted of the military’s victories and heaped praise on government troops. Currently, the army is engaged in a fierce offensive to capture the last territory held by the separatist Liberation Tigers of Tamil Eelam (LTTE), killing hundreds of civilians and injuring many more in the process.

Rajapakse postured as a friend of the working class and recalled his days as labour minister under former president Chandrika Kumaratunga. He was, however, unable to cite anything that he did for workers while in that position.

The president bragged that since he had come to power in December 2005, “The past three years saw the lowest record in strikes and industrial disputes. We were able to improve worker welfare and have more industrial peace.”

In fact, the government has ruthlessly exploited the war to suppress the struggles of workers to defend their jobs and living standards. Rajapakse rejected pay demands and slashed jobs, insisting that money had to be spent on the military. When he demanded of union bureaucrats, “Are you asking me to withdraw troops from the north?” they quickly caved in.

Workers who took industrial action were accused of

supporting “LTTE terrorism”, and the police and military were used to break their strikes. That is how Rajapakse achieved “industrial peace”—at the expense of the working class.

In his May Day speech, however, the president sounded a new note. “Our heroic troops have protected the country by being on duty not for eight hours but 24 hours a day for a full three years. Not only have they sacrificed their personal lives but they have committed their very lives for the country,” he declared.

“The working people of the country must also take an example from them.... If the people of our country do not think of the hours worked, but make a commitment to honest work, this country can be raised to an important position in the world in two to three years.”

To drive home the message, the president added: “All our entrepreneurs and bankers must bring monies they have abroad to raise the country. Working people must contribute by showing maximum productivity in work ... [and] raising the strength of the business ventures.”

Rajapakse’s comments are the sharpest warning to working people that the army’s victories will not bring peace and prosperity, but a savage new offensive against the jobs, living standards and democratic rights of the working class. Government ministers, supporters and the media are already speaking of an “economic war” after the “war on terrorism” is over.

The economy and government finances are in dire straits. Rajapakse borrowed heavily on the local and international money markets at high interest rates to expand the military and buy arms and ammunition. Foreign reserves declined to \$US1.1 billion in February—just enough for six weeks imports.

To avert a balance of payments crisis and foreign debt default, the government is seeking a loan of \$US1.9 billion from the International Monetary Fund (IMF). The IMF and Sri Lanka's Central Bank have downgraded the growth forecast for 2009 to 2.2 percent, down from earlier predictions of 4.5-5 percent.

Rajapakse declared that he would not allow "the use of international monetary institutions to benefit a political agenda" and would not "give in to conditions that are not favourable to the country or to subjugate the economy of the country".

The "political agenda" and "conditions" to which the president was referring have nothing to do with defending workers. Unnamed US officials have already hinted to the media that Washington might hold up the IMF loan if Colombo failed to agree to demands for a ceasefire. Rajapakse has repeatedly rejected any constraint on the military offensive in the north of the island.

When it comes to the working class, however, the government is already imposing austerity measures. Rajapakse announced in early March that public sector workers would receive no salary increments and imposed a freeze on new recruitments. The government also announced an agreement with employers and the trade unions to allow private sector workers to be laid off for three months on limited pay. Far worse is to come.

Significantly, Rajapakse cited Malaysia as a model to follow. "We must act with the same determination shown by Malaysia in building the country at the time of the 1997-98 Asian financial crisis," he said.

The Malaysian example resulted in great hardship for the working class. Hundreds of thousands of migrant and local workers were retrenched, wage cuts of between 20 to 50 percent were imposed and spending on social services slashed. Malaysian prime minister Mahathir Mohamad accompanied these measures by stirring up nationalist and Malay communal sentiment to divide workers, while posturing as an opponent of IMF and US austerity measures.

Malaysia's recovery after 1998 was not a result of Mahathir's currency and capital controls but a surge of exports, to the US in particular. Like other South East Asian countries, Malaysia was also drawn into the production networks centred on the burgeoning Chinese economy. With the US, Europe and Japan all in recession and China's growth rate falling, the Malaysian economy is expected to

contract by 1 percent this year.

A number of ministers and senior union bureaucrats were present at Rajapakse's May Day gathering. Lesley Devendra, the secretary of government-aligned Sri Lanka Freedom Workers Union and Dinesh Gunawardena of the Sinhala chauvinist Mahajana Eksath Peramuna spoke in praise of the president's speech. V. Muralitharan, known as Karuna, also applauded Rajapakse's comments. Muralitharan, formerly a paramilitary leader of a breakaway LTTE faction, joined the SLFP in February and is now a minister.

The protracted civil war in Sri Lanka has always been bound up with the class struggle. Since independence in 1948, successive Colombo governments have exploited anti-Tamil communalism to split the working class. Since 1983, the war has repeatedly been used to suppress the demands of workers for democratic rights and decent living standards.

Having virtually destroyed the LTTE as a regular military force and subjected the North and East of the island to military occupation, Rajapakse is preparing to deal with a new "enemy"—the working class as a whole. To demand that people work without limit on hours and without complaint—this is nothing less than the regime of a labour camp. Such conditions can only be imposed on the working class through the same police-state methods that have been used in the government's anti-Tamil war.

The starting point of any struggle by workers against the government's economic offensive is the rejection of all forms of nationalism and chauvinism. "Building the nation" means boosting the profits of the country's tiny corporate elite. All workers—Sinhala, Tamil and Muslim—have a common class interest in opposing both Rajapakse's military war and the new "economic war" being prepared. The demand for the immediate withdrawal of all troops from the North and East must become the basis for unifying workers in Sri Lanka as part of the struggle internationally for a socialist alternative to the barbarism of the profit system.



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