

Sri Lankan government boasts about low level of strikes

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11 March 2010

A workshop in Colombo last week organised by the International Labor Organisation (ILO) underlined the degree to which the Sri Lankan government and corporate elite rely on the trade unions to suppress growing anger among workers over falling living standards and rising unemployment.

In a pitch to foreign investors, Labour Relations and Manpower Ministry secretary Mahinda Madihahewa boasted that the number of strikes in the country's private sector was less than other countries in the region. "The reason for the decline of strikes in the private sector in the country is the positive labour relations in Sri Lanka, under the government of President Mahinda Rajapakse," he declared.

Madihahewa highlighted the role of the unions, declaring that all of the island's investment zones "have recognised trade unions as a positive figure in the industries. They are in the process of recognising freedom of association and collective bargaining as a stimulant for the benefit of the industries."

The workshop brought together employer representatives, union delegates and government officials from Sri Lanka, Bangladesh, Nepal and Maldives, all of which depend heavily on garment exports to the US and Europe. The global recession that emerged in 2008–09 has hit the garment industry hard, leading to the closure of hundreds of factories and the loss of tens of thousands of jobs.

ILO official Karen Curtis made clear that the purpose of the workshop was to encourage companies to collaborate with the unions in carrying out job destruction and corporate restructuring. "Through collective bargaining agreements, companies and their workers can jointly take decisions and actions to face a crisis as and when it comes. It is very important to maintain a healthy dialogue now due to the economic downturn," she said.

This class collaboration was exactly what labour secretary Madihahewa was boasting about when he referred to the Rajapakse government's "positive labour relations". During Rajapakse's renewed war against the Liberation Tigers of Tamil Eelam (LTTE), all the unions—in the private and public sectors—collaborated with the government and companies in the name of sacrificing for "national security" to suppress any action by workers to defend their living standards.

Following the LTTE's defeat last May, Rajapakse continued to insist that working people had to sacrifice in what he called his "economic war" to "build the nation". Just as they did during the fighting against the LTTE, the unions have fallen into line with the government's "economic war" that has only intensified as the island's economic crisis has worsened. After the campaign for the April 8 parliamentary election, Rajapakse will intensify the assault on the working class and will rely heavily on the unions to contain any opposition.

In the private sector, the Rajapakse government reactivated the National Labor Advisory Council (NLAC) last year to integrate the unions more closely in supervising a wave of factory closures and layoffs, particularly in the garment industry. By March 2009, 220 factories had shut their doors and more than 70,000 workers had lost their jobs.

At a NLAC meeting last April, 12 key private sector unions agreed with employer representatives and the government to suspend the operation of the Termination of Employment of Workman Act (TEWA), allowing companies to speed up layoffs and reduce working hours. The unions involved included those aligned to the opposition parties—the right-wing United National Party (UNP) and the Sinhala extremist Janatha Vimukthi Peramuna (JVP).

The following month, the NLAC agreed to establish a

tripartite committee to find ways to provide some compensation to retrenched workers. One proposal adopted by employers, the unions and the labour ministry was to withdraw money from “unclaimed” Employees Provident Fund and ETF Employees Trust Fund reserves—that is, to plunder funds already set aside to cover payments to workers.

The JVP-affiliated Inter-Company Workers Union (ICWU), which postures as a more militant alternative, formed a National Centre for Job Losers (NCJL) to “exert pressure on the government for workers’ rights”. ICWU leader and NCJL convener Wasantha Samarasinghe said last year that if the government failed to respond, “We have to think about organising a struggle”.

No “struggle” has materialised, however, even as job losses have continued. When asked this week by the WSWs why the ICWU had dropped its demand for a basic monthly wage of 12,500 rupees (\$US109) for garment workers, Wasantha Samarasinghe replied: “The situation is not good for industrial action now due to the upcoming elections.” Launching industrial action would cut across the JVP’s efforts during the election campaign to demonstrate its willingness to carry out the agenda of the business elite.

During its campaigns for the January 26 presidential election and now the parliamentary election, the government has promised to boost private sector wages by 2,500 rupees. Labour Minister Athauda Senevirathne told the press last month that the Board of Investment, which covers workers in the free trade zones, would increase BOI salaries by 15 percent—“a blanket increase, not just the minimum wage”.

Such promises have little credibility. While the government boasts about its economic achievements, the Sri Lankan economy is in a precarious state. In the garment sector, the European Union (EU) announced last month that it would end GSP+ trade preferences in six months if no resolution could be reached over the Rajapakse government’s human rights record. The EU, as well as the US, is exploiting the issue of the military’s war crimes to boost its influence in Colombo at the expense of rivals such as China.

If the GSP+ trade preferences are abolished, it will be a major blow against the island’s garment export industry and to the economy as a whole. Around 60 percent of Sri Lanka’s garments are exported to the EU. Those exports account for more than 46 percent of total exports, worth \$7.08 billion last year. The GSP+, which allows duty free

access to the EU market, is worth about \$136 million to Sri Lanka. Its end will mean that Sri Lankan exports will be charged an import duty of about 9.6 percent.

Garment exporters are already warning they cannot bear extra costs. A. Sukumaran, chairman of the Joint Apparel Association Forum, told the media: “It will be extremely costly for exporters. I do not think many are working on 10–15 percent margins. Unless some of the buyers are ready to bear part of the burden, it will be a problem.” According to Central Bank figures, garment exports fell by 8 percent in 2009 compared to the year before.

Far from there being wage rises, garment workers are facing a new round of factory closures, job losses and inroads into pay and conditions. Already workers are hard pressed. Chamila Thushari from the Da Bindu Collective, which is active among free trade zone workers, told the *Sunday Times* last month: “In 2005, we calculated a living wage that would allow workers a decent quality of life. At that time it came to 12,500 rupees per month. Now the living wage should be around 16,705 rupees. But most garment factory girls earn around 10,000 rupees a month. So how can they even eat properly, let alone live decently given the current costs?”

Workers cannot rely on the trade unions to defend their rights. As previously, the unions will be instrumental in imposing the demands of government and employers to maintain Sri Lanka’s “international competitiveness”. If the unions cannot carry out that task, the Rajapakse government will use the police-state measures built up in the conflict with the LTTE to suppress opposition from working people to his “economic war”.

The Socialist Equality Party (SEP) is the only party warning that the working class confronts a major assault on its living standards in the aftermath of the April 8 election. Its candidates are calling for the formation of action committees, independent of the unions and the parties of the ruling elite, to defend the rights of the working class. Such a struggle must be guided by a socialist program to unite workers in Sri Lanka and internationally to abolish capitalism and refashion society to meet the pressing needs of working people, not the profits of the wealthy few.



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