

Sri Lankan bank workers strike to demand pension rights

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More than 20,000 state bank workers in Sri Lanka held a half-day protest strike last Friday, demanding pension rights for employees recruited after 1996. The state banks came to a halt—almost their entire workforce joined the stoppage.

The mass turnout defied the Ceylon Bank Employees Union (CBEU) president, Amarapala Gamage, who sought to sabotage the strike at the last minute by making a media statement that it had been postponed.

The February 11 action followed several weeks of lunchtime picketing by bank employees. Workers from private banks also joined the picketing.

During the strike, protesting employees held demonstrations and meetings in several cities, including the capital Colombo, Kandy in the central province, Jaffna and Vavuniya in the war-ravaged north, and Batticaloa and Trincomalee in the east.

The participation of Tamil-speaking bank employees from the devastated north and east was particularly significant. They joined the stoppage despite an intimidating military occupation of the region, accompanied by an ongoing anti-Tamil campaign by President Mahinda Rajapakse's government and the media. The Colombo regime's communalist offensive is an attempt to divide the working class in the wake of the government's ruthless war against the separatist Liberation Tigers of Tamil Eelam (LTTE).

In a further act of intimidation, the management of the Peoples Bank, which employs the largest number of workers, prohibited employees taking leave on February 11. The bank threatened to dismiss workers if the strike went ahead. It later issued a circular to gather information on who led and joined the strike, and declared it would cut strikers' salaries by two and half days.

The pro-government CBEU leaders only reluctantly called

the stoppage, and then tried to cancel it on the evening of February 10. After meeting the government's treasury secretary, P.B. Jayasundara, CBEU president Gamage told the *Island*, a pro-government daily, that the strike had been postponed. Gamage said the CBEU executive committee would convene the following day to decide on the next course of action.

When union members defied him and walked out, Gamage denied that he had made the statement to the *Island*. However, the newspaper insisted on the accuracy of its story.

President Chandrika Bandaranaike, Rajapakse's predecessor, abolished the pension rights of new state bank workers in 1996, acting on the requirements of the World Bank. The pension scheme had been a basic right fought for by generations of workers. It provided retired workers with monthly pensions of 75 to 90 percent of their last salary, depending on their length of service.

For the past decade and a half, the CBEU has sown the illusion that lobbying and pressure would convince successive governments and bank managements to restore the pension benefits. They wrote letters to the authorities and organised occasional picketing to try to head off the rank-and-file disaffection.

In 2008, the union initially accepted—as a “victory”—a bank management proposal for a drastically curtailed pension scheme. An employee would have had to contribute 8 percent to a pension fund while the banks contributed only 5 percent (under the pre-1996 scheme, workers had to make no contribution). At retirement, workers would have received pensions of just 60 percent of their last salary after 35 years of service. Opposition from workers forced the union to abandon the deal.

In December 2009, before the last presidential election,

Rajapakse pledged to restore the pension rights of all state bank employees. It was one of his many fraudulent election promises, along with pledges of wage rises.

When the CBEU's Gamage met Treasury Secretary Jayasundara on the eve of the strike, the government's representative offered another cut-rate pension system. Reportedly, banks and employees would both contribute 2 percent. CBEU officials have yet to explain the details of this scheme, but the proposal is in line with the broader severe cuts to working class living conditions that Rajapakse announced in his budget last November.

In that budget, Rajapakse unveiled a similar pension plan for all new public sector workers, who are currently not required to make such contributions. His scheme was part of the slashing of government expenditure to meet the conditions imposed by the International Monetary Fund when it gave the government a \$US2.6 billion loan in July 2009 to avert a balance of payment crisis. Other IMF-driven measures included cutting subsidies for basic items, imposing taxes on essentials, handing tax concessions to big business and privatising state enterprises.

In violation of Rajapakse's pledges, the government has also maintained a public sector wage freeze that has been in place since 2006, essentially to help pay for the regime's re-launching of the war against the LTTE. Despite the ultimate military defeat of the LTTE in May 2009, government workers have since received only a meagre allowance that is grossly inadequate to compensate for the soaring cost of living.

Bank workers must have no faith in the CBEU. Its record of betrayal is a blatant example of the hostility of all the trade union apparatuses to the struggles of their members to defend basic rights and conditions. Gamage himself has been rewarded by being appointed as a director of the State Printing Corporation. His predecessor as union president, M.R. Shah was made chairman of the government-owned Merchant Bank of Sri Lanka after his retirement.

This is not just a question of individual union leaders. The unions as a whole are implementing the government's agenda. Time and again, they have sabotaged or cancelled strikes. Despite occasional protests and limited stoppages—designed to appease workers and let off steam—not a single trade union has opposed the Rajapakse regime's assault on the working class.

Pushpa Kumara, who works for a state bank in Kandy, told

the WWS: “The union encouraged us to vote for Rajapakse, insisting that he would fulfil our pension demand. Our union painted the government as a people-friendly government. Now we realise that the truth is the opposite of this.”

Chandran, a Bank of Ceylon worker in Colombo, commented: “The union leaders are still trying to cover up for the government, saying that the problem lies with the treasury, not the government. This is absurd. The government is directing this, as it needs to squeeze the workers to get funds into its coffers.”

Chandran added: “Even though the profits of the state banks are going up, our living conditions are deteriorating due to the escalating cost of living. When we take out housing loans, our salaries become so low that we cannot survive without working overtime. The banks have also increased our workloads during the past few years. The unions supported that, saying we had to build the banks.”

What has been demonstrated is that workers, including bank employees, cannot fight for their interests through the trade unions. The working people have to break from the unions and organise independent action committees to fight for their interests. The defence of pensions, living conditions and democratic rights is bound up with a political fight against the Rajapakse government, which serves the interests of the Sri Lankan and international financial elite. That means fighting for a workers' and farmers' government to implement socialist policies—for the benefit of the vast majority of the population instead of the wealthy minority—as part of struggle for socialism internationally.



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