

Sri Lankan free trade zone workers demonstrate against pension bill

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About 25,000 workers from Katunayake Free Trade Zone (FTZ)—mostly young female garment workers—walked out and demonstrated against the Rajapakse government’s pension bill on Tuesday. They defied their trade unions, which had called off the walkout, to stage the biggest ever protest held in the cheap labour zone since its inception in 1978.

The stoppage shut down about 70 percent of the FTZ factories, and the protesters blocked the road to Bandaranaike International Airport. The walkout was a clear sign of the growing discontent throughout the working class over the government’s escalating attacks on basic rights and living standards.

The Employees Pension Benefit Funds Bill, submitted to parliament last month, was announced in the government’s 2011 budget. It is designed to meet one of the conditions set by the International Monetary Fund for its \$US2.6 billion loan to the Colombo regime: to implement a “regulatory framework for private sector superannuation funds.”

Under current Sri Lankan labour law, women can withdraw their full savings from the statutory welfare funds when they marry, or reach 50 years of age. If the pension scheme is introduced they will have to work for at least 10 years first, and will not be entitled to payments until they turn 60. And instead of a lump sum, they will get a small monthly pension, estimated to be only about 1,900 rupees (\$US17.27) per month for the low-paid garment workers.

Most of the country’s 250,000 garment factory workers will lose out altogether because they work, on average, for just five years. Moreover, the pension funds will be managed by the central bank, which will invest in the stock market, providing a new source of capital for speculation by the banks and financial institutions. In addition, the scheme will take 4 percent of workers’ salaries (2 percent from workers

and 2 percent from employers), in effect cutting wages.

The angry FTZ workers tore down a 12-metre picture of President Mahinda Rajapakse at the Katunayake Junction. They refused to allow any vehicles to pass, except ambulances, and chanted slogans such as: “Ask the Great King [Rajapakse] to come here and answer these questions! Ask the labour minister to come and answer these questions!” “Whose force is this! The workers’ force!”

A worker from the Cristal Martin factory told the WSW: “We are against the government’s plan to invest our money. Not only garment workers, but all workers, should rally around this struggle. We have no faith in the union leaders.”

Another female from the same plant, said: “They are going to give a pension to us only at the age of 60. The girls come to the FTZ to earn some money for their marriage dowry. After working about five years, they get their provident fund and the gratuity fund for that. We are not prepared to give that money to the government after shedding sweat for years.”

Local residents were enthusiastically sympathetic. When workers tore down Rajapakse’s image, one commented: “We also voted for this rascal. He demanded we sacrifice for the war, promising that everything would be all right after the end of the war. But now we are facing skyrocketing prices of essential items.”

In a failed bid to suppress the protest, the government deployed contingents of police and later air force personnel. In the evening, when workers began to disperse, the police started to fire on them with tear gas and arrested several workers, who were released the following day.

On the same day, a demonstration was also held in front of Colombo Port Railway station. About 300 workers,

including from other FTZs, hotels and insurance companies, as well as banks, participated. A group of Ansell Lanka workers based in the Biyagama FTZ near Colombo spoke to the WWS.

One worker said: “The government’s promise to establish a pension scheme for the private sector was a reason workers voted for the government in the last general and presidential elections. We also thought that after the war, the government will make some concessions to the workers, as it had promised. But now, we have realised that it has deceived us.”

After militarily crushing the separatist Liberation Tigers of Tamil Eelam (LTTE) in 2009, the government has waged an “economic war” to make the island a cheap labour platform for foreign investors. The unions have been working to block any independent movement of workers that would challenge the government’s pro-market offensive.

Before Tuesday’s demonstration, the Joint Trade Union Alliance (JTUA) had called a walkout from private companies and state banks, but then cancelled it without giving any reason. The unions clearly feared that militant protests could trigger a broader anti-government movement.

The JTUA includes the Free Trade Zone and General Services Trade Union (FTZGSTU), the Ceylon Bank Employees Union, the Health Services Trade Union Alliance and the United Government Workers Federation (UGWF). The UGWF is affiliated to the Nava Sama Samaja Party (NSSP), an ex-radical group that provides the JTUA with a false “socialist” colouration.

FTZGSTU leader Anton Marcus tried to address the workers in the evening, but was chased away. “You are a cheater and we don’t want you,” workers shouted. A female worker grabbed the microphone from Marcus.

Marcus told the *Daily Mirror*: “Our aim was not to sabotage the production process but to show our protest to this proposed scheme.” Like all union leaders, Marcus’ concern was that industrial action would disrupt production and hurt the interests of the employers.

The FTZ workers have been betrayed by Marcus in earlier strikes. In February, the FTZGSTU isolated workers from the Hong Kong-owned Bratex undergarment factory in the Katunayake FTZ after they were sacked and victimised

during a strike over higher pay, union recognition and bonus arrears.

The FTZGSTU and other unions filed a petition in the Supreme Court last month to challenge the constitutional validity of some provisions of the pension bill, such as the inability of spouses to inherit a pension in the event of a worker’s death. This campaign opened the way for the government to postpone the bill and organise negotiations with the unions and the employers in the National Labour Advisory Council to propose minor amendments.

Angry workers also turned away a provincial council member from the main opposition United National Party (UNP), Rose Fernando, and an official from the Inter Company Workers Union, (ICWU), which is affiliated to the Sinhala extremist Janatha Vimukthi Peramuna (JVP). The UNP and JVP both support the government’s economic restructuring program.

In order to cover his tracks, ICWU leader Wasantha Samarasinghe had told a protest outside the labour department in Colombo on May 19 that the government would face “unpleasant consequences” if it passed the pension bill “without considering workers’ voices.” But when the WWS contacted Samarasinghe on Tuesday he refused to comment on his rhetorical threat. “At the moment, we are conducting seminars [about the bill],” he said.

Speaking to the WWS at the Katunayake FTZ protest, one employee from Star Garments pointed to some of the political questions facing the workers. “I was confronted by some problems after joining this struggle,” she said. “If [Anton] Marcus would not continue this struggle, how do we proceed? How do we take this struggle to other workers? I have never thought of the international working class before. Now I have realised that we need the support of the international working class.”

The role of the trade unions and ex-“lefts” in seeking to derail the hostility to the government’s agenda underscores the need for workers to break completely with the unions and build rank-and-file committees. This struggle requires the adoption of an internationalist and socialist perspective as the only way to defend basic rights and conditions.



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