

Tamil National Alliance backs austerity, pro-investor policies in Sri Lanka

K. Nesan
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As the year began, the Tamil nationalist organizations in Sri Lanka escalated their support for austerity and the use of Sri Lankan workers as cheap labor for international capital.

Mavai Senathirajah, a leading parliamentarian of the Tamil National Alliance (TNA), told the media, “we are expecting several development projects and economic zones in the North-East.” The Sri Lankan government also agreed to upgrade the Palali airstrip in Jaffna as an international airport. Senathirajah’s statement came a few weeks after the TNA supported the budget of the government, formulated to meet the demands of the International Monetary Fund (IMF).

Senathirajah leads the Federal Party (FP), the main constituent party of the TNA. Traditionally, since its formation in 1949, the FP has advocated a policy of “political rights first,” refusing to take any stand on the economic proposals of successive governments in Colombo. With Senathirajah’s statement, the Tamil bourgeoisie is signaling that it hopes to set aside its differences with the Sinhala bourgeoisie to join hands in brutal exploitation of the working class and oppressed masses.

For the first time in the history of Sri Lankan parliamentary politics, an opposition leader—leading TNA politician Sampanthan—voted in favor of a budget.

In the face of growing opposition among the Tamil people against the TNA’s unconditional support to the government, several parliament members suggested demanding the release of political prisoners in exchange for their support of the budget. Sampanthan dismissed their concerns, saying, “After traveling a long journey, one cannot hastily break contact with the government.”

The heart of the budget is the granting of concessions to national and international investors. Calling exports

the “spine” of the economy, the budget promised further liberalization to attract “Foreign Direct Investment.” Tax collection is to be stepped up so that “everyone contributes.” All of this points to intensifying attacks on working people.

Sumanthiran, a leading TNA parliamentarian, praised the budget proposals. He said, “though we would like a larger budget for North-East development, we appreciate that this comes with the promise of a donor conference for the North-East in 2016, particularly with the aim of recovery from the devastation of the war.”

Budget proposals included minimal improvements in existing hospitals and universities, along with building 20,000 houses and a red clay factory in the Tamil provinces. Under the previous government, a few similar projects were realized, resulting in nothing substantial for the benefit of the ordinary people.

Above all, these plans are utterly insufficient to repair war-torn areas of Sri Lanka, where masses of people still live on the brink of poverty. At least 65,000 houses need rebuilding, and unemployment and poverty rates are higher than in other parts of Sri Lanka.

Sumanthiran’s claims that a “Donor Conference” would allow northern Sri Lanka to rebuild and overcome the scars of civil war are another lie. He is providing political cover for the pro-imperialist politics of the TNA. What is driving the TNA’s support for the government’s economic program is the selfish interests of the Tamil bourgeoisie and the tiny middle-class layer.

The conference is combined with the Norwegian-mediated peace talks, which began in February 2002. Shortly after the September 11 attacks, then-Prime Minister Ranil Wickremesinghe exploited the “war on terrorism” to force the LTTE to sign a cease-fire agreement. The LTTE made several concessions, such

as accepting that it would continue to be banned in Sri Lanka.

A first conference was held in Oslo in December 2002, with the participation of the LTTE. The LTTE was not invited to the second meeting in Washington in April 2003, as it was banned in the United States. The LTTE withdrew from the following conference in Tokyo, complaining that it was not treated as an “equal partner.” The Tokyo conference promised US\$4.5 billion for reconstruction, but its basic aim was to undermine the LTTE and strengthen imperialist domination of Sri Lanka.

Sri Lanka’s *Daily News* questioned government promises to obtain funding: “The reality is that the national situation and geopolitical interests are very different today, and the chances of this donor conference becoming a reality are slim, and even if it did take place, only a fraction of the aid necessary for reconstruction is likely to come from the donors.”

Promises of aid from such a conference can be evaluated only in the context of the political situation that has emerged after the LTTE’s defeat in 2009, and the US-engineered regime change last year installed a government fully aligned on the geopolitical strategy of US imperialism. All of the major parliamentary policies, including the TNA, are moving far to the right and emerging nakedly as reactionary servants of finance capital.

If such a conference were held, any funds it allocated would not be utilized for the burning needs of the oppressed and poor. Most of the aid infrastructure updates such as building roads, airports and harbors would serve to facilitate international investors for cheap labor exploitation.

Even if a fraction of the aid were to be delivered, the “neoliberal economic reforms” demanded by the donor countries would only worsen the life of the masses. The *Daily News* added, “the donor and state policies encourage NGO-led and other projects towards self-employment schemes, including through micro-finance, which have in fact led to high levels of indebtedness and devastated household assets and finances.”

The Jaffna Chamber of Commerce notes that indebtedness is spreading among the people: “Jaffna men are searching ways to settle the interest to the financial institutions and leasing companies.” Since the end of civil war, dozens of banks have opened

throughout the Jaffna peninsula, issuing loans for consumer products or business start-ups. Jathusan, the founder of a chamber for women, said that 120 members engaged in dairy farming are collecting nearly 600 letters per day that complain, “We supply the milk from this farm to Nestle, but they pay us at a very low price.”

Colombo is planning 45 “economic development zones” throughout the country. These zones would be set up by “attracting FDI [Foreign Direct Investments] into manufacturing, technology, services, agriculture and tourism.” That is, Colombo is giving a free hand to international capital for the unlimited exploitation of cheap labor in every sector.

The Hong Kong Trade Development Council (HKTDC) writes in its web site that the advantage to producing in Sri Lanka is that Colombo lies in the center of major world trade routes. Though Sri Lanka has somewhat higher wages in the region, its products have a reputation for good quality. Workers quickly learn and adapt to deliver required higher standards in production, it noted, “enabling them to meet client requirements on high-end products, yielding higher profit margins for the company.”



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