

# Sri Lankan government prepares to sign economic pact with India

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Sri Lankan Prime Minister Ranil Wickremesinghe told parliament on February 23 that the government will sign an Economic and Technical Cooperation Agreement (ECTA) with India in mid-June. Indian governments have been pushing for such an economic agreement since 2003, seeking to strengthen India's strategic and economic influence in the region.

In response, nationalist groups, including the Sinhala-chauvinist Janatha Vimukthi Peramuna (JVP), the pseudo-left Frontline Socialist Party (FSP) and some professional associations, have stepped up a virulent anti-Indian campaign that serves to pit Sri Lankan workers against their class brothers and sisters in India.

Successive Indian governments have asked their Sri Lankan counterparts to sign a Comprehensive Economic Partnership Agreement (CEPA) covering investment, trade, service and commerce. However, the agreement has been shelved because of opposition by sections of business that fear being marginalised by big Indian companies. These are the interests that are being defended by the chauvinist anti-Indian agitation of the nationalist groups.

When Indian Prime Minister Narendra Modi visited Sri Lanka last March, just two months after Maithripala Sirisena was installed as president, the issue was raised again.

Sirisena came to office via a regime-change operation instigated by Washington to oust former President Mahinda Rajapakse, who had tilted toward Beijing. As the US has aggressively developed its military and strategic "pivot" to the Indo-Pacific to confront China, the Indian ruling elite has increasingly lined up with Washington as a means of securing its own great power ambitions.

Modi's government regards the economic agreement with Sri Lanka as critical. It is not just the economic benefits that Indian investors would be able to exploit.

Encouraged by the US, New Delhi's aim is to thoroughly integrate Sri Lanka into its strategic alignment against China, long seen as India's rival.

Amid ongoing differences within Sri Lanka's corporate elite over the agreement, Wickremesinghe told parliament the pact was still in the negotiation stage.

Some Sri Lankan business layers calculate that they can profit from entering India's market, which is still officially growing, even though that expansion is increasingly precarious under conditions of worsening world slump. The Ceylon Chamber of Commerce, which represents big business, has expressed support for ECTA, while cautioning the government to secure favourable terms.

These interests intersect with those forces in the Sri Lankan ruling elite that opposed China's influence on Sri Lanka and backed Rajapakse's ouster. These include Wickremesinghe's United National Party (UNP). Over the past year, the Sirisena-Wickremesinghe government has moved to strengthen strategic ties with India and the US.

Wickremesinghe declared in parliament that the agreement with India was part of his government's pledge to create one million jobs in five years. He boasted that further free trade and economic agreements would be signed with the US, European Union and China.

The government's job-creation claim is a fraud. Its aim is not to provide decent jobs, but to keep driving down the living and social conditions of the working class, both urban and rural, in order to attract foreign investment. Indian workers and poor are facing a similar assault under Modi's government.

Wickremesinghe branded those opposed to the agreement as "traitors" who would be suppressed. This threat is a warning to the working class that the government is preparing repression against anyone opposing its reactionary big business agenda.

The Socialist Equality Party (SEP) opposes this agreement as part of the government's offensive to drive down the conditions of the working class and the poor and to implement austerity measures. But the SEP also strongly opposes the poisonous anti-Indian campaign of the nationalist groups, which seek to divert the mounting discontent of workers in a chauvinist direction, dividing the working class across India and Sri Lanka.

The Government Medical Officers Association, the Sri Lanka Association of Professionals and the Sri Lanka Engineers Association held a march against ETCA on February 11 in Colombo. The demonstrators shouted and displayed slogans such as: "When you give the country to India, are we to jump into the sea?" "Jobs for Indians and unemployment for us" and "National security is in danger."

These associations maintain that their members' jobs will be destroyed when the doors are opened to Indian medical, engineering and technological services. The truth is that these organisations have no record of defending jobs or democratic rights, which have long been under attack by the Sri Lankan ruling class. They are seeking to channel social unrest behind the interests of that same class and the privileged middle-class layers that rest on it.

The JVP is in the forefront of inflaming chauvinism. The February 14 editorial of the JVP's weekly *Lanka* incited hatred toward Indian workers, saying there are 42.5 million "uneducated jobless people in India." According to the editorial: "This massive labour force which is ready to sell their labour for a pittance will flood into Sri Lanka, intensifying an already acute job crisis here, bringing down wages."

Accusing the government of preparing to sign the deal secretly, the editorial concluded: "It was in this way that 1987 Indo-Lanka accord was signed." It warned that the JVP would bring people onto the streets in opposition.

This was a reference to the JVP's reactionary patriotic campaign from 1987 to 1990 which claimed that the Indo-Lanka accord would divide the country. The Colombo and New Delhi governments had signed the accord to deploy Indian troops to Sri Lanka's north and east to disarm the separatist Liberation Tigers of Tamil Eelam, hand minor privileges to the Tamil elites and defend Colombo's rule.

During the JVP's fascistic campaign, launched in the name of "protecting the motherland," its gunmen killed hundreds of trade union leaders, working-class militants and political opponents. After the breakdown of secret talks with the JVP, President Ranasinghe Premadasa used this terror as a pretext to kill over 60,000 rural youth, JVP

leaders and members.

Today's anti-Indian agitation is backed by a group of members of parliament from President Sirisena's Sri Lanka Freedom Party and chauvinist parties such as the National Freedom Party and Mahajana Eksath Peramuna (MEP). Proclaiming themselves a "united opposition," they support former President Rajapakse. They shed crocodile tears that "jobs will be destroyed because professionals will come from India." During the Rajapakse's regime, they supported every attack by his government against workers and the poor.

Likewise, the FSP, a faction that broke away from the JVP, has welcomed the "struggle against the agreement." The February 14 edition of the FSP's weekly *Janarala* voiced contempt for Indian workers and the poor, declaring: "As the large unemployed work force [in India] likes to work for a penny, they would flood in to work here. Then Sri Lankans would have to either lose jobs or work for a small wage."

The Inter University Students Federation, controlled by FSP, has also sought to channel the discontent of students behind this chauvinist campaign.

Workers, youth, poor people and intellectuals should reject the ETCA and also oppose the reactionary anti-Indian campaign which is aimed at dividing the workers in the two countries. A united offensive of the working class throughout the sub-continent is needed to fight the attacks of the ruling classes in Sri Lanka and India and the threat of war. Jobs and living conditions can be safeguarded only under a socialist system, with production completely reorganised on the basis of human need, not corporate profit.

Against the drive to austerity and war, the SEP fights for a Union of Socialist Republics in South Asia as part of the struggle for international socialism.



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