

Sri Lanka: JVP leader expresses support for privatisation

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At the “Sri Lanka Economic Summit 2016” this month, Janatha Vimukthi Peramuna (JVP) leader Anura Kumara Disanayake indicated his party’s backing for the sale of loss-making state-owned enterprises (SOEs), as long as the government was not compelled to take over their debts.

Disanayake’s remarks, delivered to a big business gathering organised by the Ceylon Chamber of Commerce and addressed by top government leaders, have a definite significance. The JVP, which in the 1960s and 1970s was an ardent proponent of the Maoist and Castroite “armed struggle,” is now fully integrated into the Colombo political establishment.

The JVP leader told the corporate audience that a villager would not care if SriLankan Airlines were privatised, adding only that he objected to the current model. “If the people are going to take over the debt, then what is the point of privatising it?” he asked.

These comments are in line with the International Monetary Fund’s (IMF) demand for the privatisation of SOEs as a condition for granting a bailout loan last April. These sales are a major component of the measures prescribed by the IMF to slash the budget deficit from 7.5 percent of gross domestic product last year to 3.5 percent by 2020.

The government has already lined up several enterprises for sale. It advertised the sale of SriLankan Airlines and is downsizing the carrier to make it attractive to a potential buyer. Other SOEs slated for privatisation include the Hilton Hotel, the Grand Hyatt and Lanka Hospitals.

Disanayake’s comments were clearly aimed at assuring the audience that the JVP was a business-friendly party. “We want the private sector to engage with us directly,” he said.

Setting aside its populist posturing, the JVP manifesto

for last year’s parliamentary election was pitched to big business, with promises of five-year tax holidays and public-private partnership arrangements. At a special meeting during the campaign, the JVP pledged it was “ready to join hands with the business community.”

The JVP was already part of the National Executive Council (NEC) set up by President Maithripala Sirisena following his victory over Mahinda Rajapakse in the country’s presidential election in January last year. The NEC was the top advisory body to the government and thus responsible for its pro-business policies.

The JVP backed the US-backed regime-change operation to oust Rajapakse and install Sirisena in the presidential election. Washington pushed for Rajapakse’s removal, not out of concern for his anti-democratic methods, but because he developed close ties with China.

Disanayake’s speech was devoted mainly to advising how best to sell off SOEs. He emphasised that the telecom department had effectively been privatised, whereas “all other privatisation programs, in the past, have failed, arousing justifiable fear among the people about privatisation as they have not delivered the desired results.”

The JVP leader did not elaborate on what he meant by “desired results.” In reality, private investors will only buy SOEs if they can be guaranteed profits, which means job losses, cuts to pay and conditions for the workforce, and higher prices for consumers.

While the JVP has given its tacit support for the sale of SriLanka Airlines, its employees are protesting against the privatisation.

The SOEs have largely ended their role as providers of subsidised services due to a lack of government funding and top-level corruption. The IMF is demanding further increases to electricity, water and

fuel charges to overcome the losses incurred by the Ceylon Electricity Board (CEB), National Water Supply & Drainage Board (NWSDB) and Ceylon Petroleum Corporation (CPC).

Dissanayake declared that the “government should stick to its share in SOEs that cater mainly to the public needs.” But maintaining a share will not stop the government from hiking up prices or cutting costs at the expense of workers.

On broader economic issues, the JVP leader espoused pro-business policies, while warning of dangers posed by growing social inequality and poverty. “The government should immediately tackle the massive debt burden, reduction of exports, income inequalities, trade deficit, lack of production and politicisation (of the economy),” he declared.

Dissanayake proposed a mini-budget to deal with the problems facing the country. “The government should present soon a mini-budget in parliament to tackle the situation and make the people aware of the current fiscal situation,” he said.

The JVP leader’s call for emergency measures to tackle the economic crisis exposed the fraud of his expressions of concern about poverty. “The prime minister has said in parliament that 43 percent of Sri Lanka’s population lives on less than 200 rupees (\$US1.50) a day. What a terrible indictment against the so-called development of this country,” he said.

Government austerity measures to slash the budget deficit, boost trade and cut government spending will only impose new burdens on workers and the rural poor and lead to widening social inequalities.

Dissanayake’s speech underscores the transformation of the JVP into a fully-fledged capitalist party ready to carry out the dictates of the Sri Lankan ruling elites and international finance capital.



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