

How Sri Lankan workers can fight privatisation

The Socialist Equality Party (Sri Lanka)
5 November 2021

Thousands of employees of the Ceylon Electricity Board (CEB), Sri Lanka Ports Authority (SLPA) and Ceylon Petroleum Corporation (CPC) held protests this week in Colombo and other cities against the government's further steps toward their privatisation.

These privatisation moves are part of the onslaught being unleashed by President Gotabaya Rajapakse and his government in order to impose the burden of the country's worsening economic crisis onto the backs of workers and the poor.

- The 20,000-strong workforce of the state-owned CEB is demanding the scrapping of the government's agreement with the US-based New Fortress Energy Company to sell it 40 percent of the shares of the state-owned West Coast Company-controlled Kerawalapitiya LNG power plant. Under the deal, the US company will have the right to produce liquefied natural gas (LNG) and supply all existing and future LNG power plants of the CEB.

- The SLPA employees are opposing the leasing of 13 acres of land to the Colombo International Container Terminal run by a Chinese company to build a cargo service supply centre. The SLPA has also granted the Indian Adani company and local John Keels Holdings 51 and 34 percent shares respectively to build the Colombo Port Western International Terminal. Nearly 10,000 workers are employed in Colombo Ports and other harbour facilities.

- CPC workers are opposing a government plan to amend the 1961 act governing the institution to allow local and foreign private companies to import, distribute, mix and sell all fuel needs in the country. The Petroleum Corporation employs about 6,000 workers. If the CPC Act is amended, it will be a major step toward liquidating the corporation. Already, the transport and distribution of fuel has been assigned to agent companies.

Thousands of workers, deeply concerned about the impact on their jobs, wages and working conditions, took part in this week's demonstrations. However, the trade unions that organised the protests have no intention of leading a political struggle against the Rajapakse government. They are

determined to contain, defuse and ultimately betray these struggles—as they have done so many times in the past.

The CEB protest was called by the United Trade Union Alliance, consisting of the Ceylon Electricity Employees Union, Sri Lanka Nidahas Sewaka Sangamaya and National Employees Union, which are all affiliated to political parties—the Janatha Vimukthi Peramuna (JVP), Sri Lanka Freedom Party (SLFP) and Samagi Jana Balavegaya (SJB) respectively. The trade unions in the ports and petroleum sectors are mainly controlled by the same parties.

All of them are peddling the illusion that the government can be pressured to reverse its privatisation plans.

“Although we don't want to take strike action, we think the government will understand that this protest is a signal and will withdraw the agreement,” CEB union front leader Ranjan Jayalal told demonstrators. “Don't fear the government, it doesn't have a spine, that's why they signed the agreement in secret. We will give them until Friday to think about withdrawing the agreement.”

The government, however, is in dire economic and financial straits. It is desperately seeking to sell off whatever it can to shore up the budget. State officials preparing the 2022 budget, due to be presented next week, have declared that the government is planning huge cuts to the fiscal deficit, from a high of 14.7 percent of gross domestic product (GDP) to just 4.5 to 5 percent.

The economy shrank last year amid the COVID-19 pandemic. Exports and remittances from overseas workers declined, while the tourism industry collapsed. The country is teetering on the brink of default with only \$US2 billion in foreign reserves, just enough to cover one and a half months of imports.

The Rajapakse regime's response to the demands of workers to halt privatisation, and those of other workers fighting to defend jobs, wages and other rights, has been to implement draconian police-state measures.

Last week the president again imposed the Essential Public Services Act to ban strikes in energy, ports, postal, banking, and state, provincial and local administrations. Anyone

violating or inducing others to violate the law faces heavy punishments, including jail terms, fines and blacklisting for future employment.

The government's priorities are exposed by its determination to drop the limited public health measures put in place to contain COVID-19, so that businesses can resume production and profit-making. So far, there have been almost 14,000 deaths and over 544,000 infections, and at least 500,000 workers have lost their jobs.

This criminal "living with the virus" policy makes clear that Rajapakse will stop at nothing, including jeopardising the health and lives of workers, in the drive for profit.

The same trade unions are holding discussions with JVP, SJB and SLFP leaders and saying that these discredited opposition parties will support workers and help build a "mass movement" to defend them.

What a fraud! All these parties have a record in government of carrying out privatisations. The SJB leaders were part of the right-wing United National Party that initiated pro-market restructuring and privatisation in the late 1970s. In 1980, the UNP carried out the mass sacking of hundreds of thousands of public sector workers to break a general strike against its anti-working class policies.

The JVP dropped its socialist pretensions in the 1990s and in 2004 joined the SLFP-led government of President Chandrika Kumaratunga, helping to impose the dictates of the International Monetary Fund on the working class. The JVP is completely integrated into the Colombo political establishment and has repeatedly backed the governments—of Mahinda Rajapakse then Maithripala Sirisena—that implemented the demands of finance capital.

These parties all defend the capitalist system. They are seeking to exploit the anger of workers by posturing as opponents of the Rajapakse government. But if they came to power, they would, like the current government, seek to rescue big business at the expense of the working class.

The same is true of the 10 minor parties that are part of the ruling coalition—including the Stalinist Communist Party, Lanka Sama Samaja Party and Sinhala extremist National Freedom Front and Pivithuru Hela Urumaya—which claim to oppose the sale of the Kerawalapitiya power plant to a US company.

The first step in any genuine fight against privatisation is to establish action committees, led by trusted democratically-elected workers, independent of the trade unions and the various capitalist parties with which they are aligned.

Such committees need to be established in every workplace and turn to other sections of workers fighting for their basic social rights. In recent months, teachers, health, postal, state administration and plantation workers have all engaged in strikes and protests over wages and conditions.

In September, despite rising inflation, the government removed price controls on essential food items such as rice, flour, powdered milk and cooking gas. Food prices have jumped 12.8 percent over the past 12 months, creating real hardships for working people and fuelling struggles for wage rises.

What is driving all these attacks on the working class is the worsening crisis of the profit system in Sri Lanka and internationally. A counteroffensive by workers has to be based on a socialist program that places the needs of working people over the profit interests of the wealthy few.

It is not enough to be "against privatisation." The gains made by workers in state-owned enterprises in decades of struggle have been undermined by successive governments with the support of the trade unions. State-owned bodies operated by capitalist government have always served the interests of private profit. Now amid the relentless drive to open everything up to private investors, domestic and foreign, they are being restructured and commercialised to turn them into profit-making enterprises to sell off to the highest bidder.

Essential products such as fuel and electricity, along with essential services such as education and health, need to be readily available to all working people at little or no cost. Workers in these enterprises and services need decent wages, secure jobs, and proper protection for their health and lives amid the current pandemic.

It is utterly futile to try to pressure the Rajapakse government for concessions. The struggles of all the different sections of workers need to be unified around the demand for a workers' and peasants' government that will implement socialist policies, including the nationalisation of big companies, plantations and banks under the democratic control of the working class.

Workers in Sri Lanka can successfully fight to defend their rights only by uniting with the international working class. We urge workers to build action committees as part of the International Workers Alliance of Rank-and-File Committees (IWA-RFC) launched by the International Committee of the Fourth International (ICFI).

The SEP alone fights for this perspective in Sri Lanka. We urge workers and youth to join us in this political struggle.



To contact the WSWWS and the
Socialist Equality Party visit:

wsws.org/contact