

Sri Lankan government shuts down government offices and schools

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Unable to provide adequate fuel, the Colombo government this week announced desperate measures to halt many public and economic activities, provoking deeper anger among workers, the poor and youth. The government has virtually no foreign exchange to import essentials, including fuel, food items and medicines.

On Monday the government of President Gotabhaya Rajapakse and Prime Minister Ranil Wickremesinghe began a new round of talks with the International Monetary Fund (IMF) about the further harsh austerity measures they must impose in order to obtain a bailout loan.

The measures already implemented from this week include a two-week “work from home” rule for all public sector employees from Monday. But no proper facilities, such as internet access and computers, are available to work from home. Public institutions have begun calling workers back into workplaces for two days a week.

Two weeks ago, the government introduced a Friday holiday for all government employees, citing the food and fuel crisis. These workers were cynically told to cultivate their home gardens because of severe food shortages.

State employees previously did overtime in an effort to earn enough income to cope with the rising cost of living, but paid overtime has been stopped. Casual employees’ pay has also been cut because the number of working days has been reduced.

Though the “work from home” regime was scheduled for two weeks, several employees told the WSWs it is uncertain when it will end. They noted that the fuel crisis is not lessening in Sri Lanka and other countries.

On Sunday, Energy Minister Kanchana Wijesekera urged private companies to also introduce “work from home”, as some of them did during earlier periods of the COVID-19 pandemic. Because of inadequate fuel supplies and the lack of international orders, some companies have already reduced employment to two or three days a week. Workers have expressed fears for their jobs as companies may shut down.

The education ministry has ordered all public and private schools in major cities to close from Monday for one week and conduct online teaching. However, these shutdowns may also last longer. School principals have told students not to attend

schools until they are informed.

Across the entire country, a major disruption of education is taking place as teachers and students are unable to attend schools due to drastic reductions in transport services.

The country’s largest university, the University of Peradeniya, was closed from Monday until further notice. The authorities said they took this step due to “current difficulties.”

The public hospital system is also crumbling because of the lack of medicines, the food crisis and the fuel shortages. The *Daily Mirror* reported that cardiac surgeons and cardiac anesthesiologists at national hospitals have written to authorities saying that they have decided to curtail several operations from Monday because of shortages of drugs and the fuel crisis.

Colombo South Teaching Hospital director Dr. Sagari Kiriwandeniya told the media that doctors were facing problems reporting to work because of the difficulty in obtaining fuel. She told *The Morning*: “The doctors who report for duty stop their vehicles at fuel queues and come to the hospital by three-wheeler or on foot. They complete their shift and return to the queue.”

During the past two weeks, kilometres-long queues have emerged near about 600 distribution stations around the country. Hundreds of thousands of motorists have waited for up to three days for fuel.

The fuel stations are like battlefields, with police and armed military personnel deployed. Without fuel, clashes have erupted near many petrol sheds. Angry people have chanted slogans and cursed the government for lacking concern for the masses. At some places soldiers have fired into the air to “control” unrest and at other places police have attacked and arrested people.

The fuel crisis has disrupted internal supply chains, further intensifying shortages of essentials and pushing up prices. Many lorries are waiting in queues for days to obtain fuel. Even the produce in one area cannot be transported to other areas in time. This disruption has particularly affected vegetables and fish, increasing prices by up to 300 percent.

This extreme economic turmoil has been produced by the COVID-19 pandemic and the US-NATO proxy war against Russia in Ukraine, which drove up commodity and fuel prices.

The country's foreign exchange reserves dried up with declining exports, the collapse of income from tourism and falling remittances from those working overseas. The situation has compounded by the massive repayments required on foreign loans.

Sri Lanka has only \$US1.9 billion foreign reserves, according to the latest figures cited in Bloomberg. Of this, \$1.5 billion is a swap loan from China.

An IMF team has begun ten days of talks with Prime Minister Wickremesinghe and Central Bank and treasury officials. Its statement said: “We reaffirm our commitment to support Sri Lanka at this difficult time, in line with the IMF’s policies.”

That means the government has to conduct “debt restructuring” with its creditors and cut government expenditure to satisfy the IMF. International creditors, who are always demanding pounds of flesh, will provide the least “debt relief.”

The government will intensify its austerity program by slashing government expenditure, particularly by downsizing the public sector, privatising state-owned enterprises and cutting social programs such as education and health. Already the government has begun slashing about 800,000 public sector jobs and increasing taxes, including the VAT (value added tax).

The World Bank last week estimated Sri Lanka will face a 7.8 percent economic contraction this year and 3.7 percent in 2023. This is the result of the combined impact of IMF austerity policies and the global economic crisis.

In its Economic Prospect Report, the World Bank warned the government not to delay in implementing IMF measures, saying: “The contraction can be greater in case of protracted delays in actions by the authorities to restore macroeconomic stability and in debt restructuring.”

The working class will not tolerate this developing horrific situation and the government's austerity measures.

Since early April, workers, the poor and youth have launched massive protests, demonstrations and strikes against the government. Millions of workers joined one-day general strikes on April 8 and May 6.

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Socialist Equality Party visit:

They demanded the resignation of President Rajapakse and his government and an end to austerity policies, soaring prices and long hours of power cuts. These struggles shook the entire political establishment to the core.

After unions betrayed these struggles, the SJB and JVP rallied to support the newly-appointed Prime Minister Wickremesinghe, who promised to intensify the IMF policies to “solve the economic crisis.”