

# Sri Lankan trade unions back IMF austerity policies

W.A. Sunil  
23 June 2022

The Sri Lankan government, with active union support, has begun unleashing a new round of International Monetary Fund (IMF) dictated attacks on jobs and social conditions.

On Monday, an IMF team visited Colombo to begin 10 days of discussions with Prime Minister Ranil Wickremesinghe and senior Central Bank and Treasury officials. The talks are focused on Colombo's proposals to reduce government expenditure, step up privatisation, and implement other austerity measures. Debt restructuring to repay loans to foreign creditors is a major issue in the discussions.

These measures will further slash jobs, wages and pensions as well as health and education, severely impacting millions of workers and the poor. While some of the trade unions are silently backing these proposals, others are openly embracing these anti working class measures.

President Gotabhaya Rajapakse and Prime Minister Ranil Wickremesinghe have already proposed the elimination of over 800,000 public sector jobs. In line with repeated IMF complaints that state sector wages are too high, the government's drastic downsizing is aimed at halving its salary expenditure of 845.7 billion rupees (\$US4.2 billion) in 2021.

The ministries of public administration and manpower and human resources have already announced how they plan to impose these cuts.

One proposal is to direct state employees to apply for foreign jobs, granting them unpaid leave for five years. As well as destroying jobs, authorities believe this will generate foreign income for the cash-strapped government.

The Sri Lanka Foreign Employment Bureau has revealed that a record number of workers have registered, since public sector authorities announced that they were directing state employees to find jobs abroad. Another job-cutting proposal includes the introduction of a voluntary retirement scheme, which involves meagre compensation.

This week the government, citing worsening fuel shortages, issued a two-week "work from home" order for most public sector employees. It follows the previous

introduction of a public sector four-day week.

Last week, President Rajapakse proposed the decentralisation of the public service to district and regional levels, breaking up existing centralised institutions. While presented as a necessary measure to provide "an efficient service to the public," it is another step in the dismantling of these services.

Not a single union has opposed any of these measures, let alone warned their members about the grave consequences. On the contrary, some public sector unions have begun campaigning to encourage their members to seek foreign employment.

Government Nursing Officers Union (GNOU) President Saman Rathnapriya is playing a leading role in promoting the government's call for state employees to get foreign jobs. Rathnapriya was a former parliamentarian for Wickremesinghe's United National Party.

Rathnapriya told a media conference: "We are now preparing to send nursing officers [overseas], who have the highest demand in the world, through a special project. Even though there is a lack of staff here [for hospitals], we do it to bring dollars. We do so because we're thinking of the country." Rathnapriya's patriotic posturing is to obscure the fact that he is implementing one of the IMF's dictates.

Federation of Health Professionals (FHP) president Ravi Kumudesh was even more explicit. Asked about the government program, he told the WSWS: "Instead of sending half of the state employees' home, we can direct them to foreign employment, thus obeying what the IMF asks from us."

The reactionary responses of the GNOU and FHP are in the context of an escalating collapse of public health caused by ongoing funding cuts by successive Sri Lankan governments, slavishly endorsed by these and other health sector unions.

According to recent figures issued by the Central Bank, there is a shortage of at least 30,000 nursing staff in government hospitals. A massive outflow of nurses into foreign jobs will only hasten the closure of public hospitals

and assist the government to slash free public health. The outflow of other public sector employees into foreign jobs and associated job cuts will produce a similar collapse of public services.

The Socialist Equality Party (SEP) does not oppose workers taking foreign jobs. Many state employees would prefer to seek work abroad as a means of escaping the current social calamity, but this will lead to massive cuts in state jobs. The working class is not responsible for this crisis of Sri Lankan capitalism and must oppose the government and IMF attempts to impose this burden on the masses.

Recent IMF dictated government measures have pushed inflation to unprecedented levels. According to the figures released yesterday, Sri Lanka's year-on-year inflation rate for May rose to 45.3 percent. Food inflation climbed to 58 percent.

These steep increases, which began last September in line with spiraling global inflation produced by the COVID-19 pandemic, were compounded by the US-NATO proxy war against Russia in Ukraine.

While inflation has eaten into the wages of workers and the meagre income of the poor across the country, the unions have done nothing to defend workers' living standards. Like the trade unions in every country, those in Sri Lanka are doing their utmost to assist the government and big business make the working class pay for this crisis.

When 200,000 teachers and principals began online strike action and protests for higher wages last July, the education union leaders met with Mahinda Rajapakse, who was then prime minister. Rajapakse told them that "under the present global situation and the country's financial predicament, the government is not in a position to rectify the salary issue at this moment."

The union leaders responded by assuring him that they had "a clear understanding that an immediate increment for the salaries is not possible due to the current economic crisis" and asked the government to "take a policy decision" on salary increase. After 100 days of strike action the unions betrayed their members, accepting a salary increase of just one third of the original demand.

Similarly, when the government refused health workers wage demands in February, FHP leader Kumudesh told the media that his members were "professionals" and understood "the financial hardship the country is going through." This was why the union, he said, was "not pushing for money at present" and that any settlement could only be in "principle."

In April, the unions, following the outbreak of mass protests and demonstrations demanding the resignation of President Rajapakse and his government, betrayed the two one-day general strikes on April 28 and May 6, called by the

Trade Union Coordination Committee and the United Trade Unions and Mass Organisations.

The unions called the strike to channel the anger behind the call of the opposition parties for an interim capitalist regime. However, when millions of workers walked off the job to defend their living standards, the unions took fright and called off further strikes.

This betrayal provided an opening for President Rajapakse to appoint Wickremesinghe prime minister and the imposition of harsh IMF austerity.

That is why the SEP insists that the working class cannot go forward if they remain trapped inside the unions which function as industrial police for the government and big business.

Workers need to take control of their own struggles by building action committees, independent of the trade unions and the capitalist parties, in every workplace, estate and major economic centres.

The SEP has issued a series of demands, including the immediate repudiation of all foreign debt, as the means for the working class to fight for its interests. There is no solution to the immense social and economic crisis facing workers within the capitalist system. What is necessary is the political struggle for a workers' and peasants' government and socialist policies.

The ally of Sri Lankan workers in this struggle is the international working class which has come into decisive struggles in the US, UK and Europe, and in neighbouring India and Pakistan. The SEP calls on action committees in Sri Lanka to link up with the struggles of workers around the world through the International Workers Alliance of Rank-and-File Committees.



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