

Koggala free trade zone workers in Sri Lanka establish action committee

Aruna Malalagama**29 August 2022**

Yesterday, a group of workers from the Esquel and Aura garment factories in the Koggala Free Trade Zone (KFTZ), located about 135 km south of Colombo, formed an action committee. The decision, which followed several discussions with Socialist Equality Party (SEP) members, was in response to a growing wave of job cuts this year in the free trade zone.

The sackings include the closure in March of two Esquel factories (formerly known as Politex), destroying about 1,600 jobs; an initial one-week shutdown of the Aura plant, which has been extended until September, with no reopening date announced, and the recent axing of 108 jobs at Fashion Garment, following the shutdown of two production lines.

Esquel, a Hong Kong-based multinational, produces apparel for major US and European retail giants, such as Nike, Marks & Spencer, Ralph Lauren, Tommy Hilfiger, Hugo Boss and Gap. In recent years it has closed plants in Malaysia and Vietnam.

In May 2020, the company shut its Ever Best plant situated at Yakkala in the Colombo district, citing the global crisis deepened by the COVID-19 pandemic. Esquel currently has two other plants—one in Ekala and another Koggala—with 2,000 workers, whose employment is being threatened.

Last December, Esquel management announced plans to shut two factories in KFTZ employing about 2,000 people. The workers, who are mainly women, were told they could apply for a voluntary retirement scheme (VRS) and receive some compensation with a promise of future employment.

Opposed to any mobilisation of the Esquel workers to defend their jobs, Anton Marcus, leader of the Free Trade Zones & General Services Employees Union (FTZGSEU), issued a statement revealing that the union had been involved in 18 months of backroom

talks with management over the job destruction package.

“Over the past one and a half years, we have tried to negotiate in good faith for an agreement to ensure fair compensation and a re-employment plan with both Esquel and their buyers, who continue to profit while workers suffer,” Marcus said.

Addressing yesterday’s meeting, one worker explained how Marcus had campaigned on behalf of the company at several zoom meetings.

“We were forced to sign the VRS. Marcus said the company would reopen a factory in another name after three months and we would be given employment,” the worker said, pointing out that the union leader’s promise was false.

About 1,000 workers initially chose to take the VRS. Weeks later, however, the rest of the workforce, apart from 28, opted for the VRS. They all received meagre compensation. One worker, who had been there for 15 years, was paid only one million rupees (about \$US2,850). None of the workers have been reemployed.

Another worker told Sunday’s meeting: “I’m the mother of one child and have worked at Esquel for 16 years. I’ve not earned a single rupee since I lost my job but have had to pay about 22,000 rupees in monthly debt repayments to the bank. Marcus cheated us, claiming that we would be hired in another reopened factory and making us sign the VRS agreement. Now we can’t even make a phone call to him.”

She wrote a letter applying for “Samurdi” welfare payments but government officials have so far refused to give her this small allowance. Denouncing the government and parliamentary opposition parties, she added: “I feel we’ve been fooled by every political party who only want to exploit our votes.”

An Aura employee told yesterday's meeting: "When management forced us to take one-week's leave they gave us half our salary for June. We were promised half-monthly pay until September but we've not been given anything. Now it's said that the factory will be opened in October, but we're not sure that this will happen."

SEP members attending the meeting spoke at length about the treachery of the unions and why workers needed to fight the factory closures. They explained that the factory closures and unbearable social conditions in Sri Lanka were part of an unfolding global economic crisis intensified by the COVID-19 pandemic and the US-NATO war against Russia in Ukraine. These conditions, they said, were bringing workers into struggle to defend their jobs, wages and other social rights in every country.

SEP members pointed out that President Ranil Wickremesinghe was in discussions with the International Monetary Fund for a bailout loan. This would involve harsh austerity measures, they said, including the destruction of government jobs, the privatisation of state-owned corporations, increased taxes and more cuts to subsidies, as well as education and health services.

During the discussion, SEP members outlined the party's socialist program, pointing out that workers and the poor could not defend their rights while the production and distribution of the necessities of life remained in the hands of the capitalist class and the government.

"The banks, major corporations, plantations and other big companies must come under workers' control, foreign debts should be repudiated, and all poor farmers and small business holders' debts cancelled. Jobs must be guaranteed for all and wages increased according to rises in the cost of living," they said, urging Esquel and Aura workers to study and support this program.

SEP members pointed out that the trade unions were betraying workers, not just at Esquel, but at other private companies and in the public sector. "This is why the SEP calls for workers across Sri Lanka and at Esquel and Aura to establish action committees, independent of the trade unions and capitalist parties, to take the fight for their jobs and basic rights into their own hands," an SEP member said.

Workers in attendance agreed, deciding to establish their own action committee and to fight for support

from their fellow workers, along with those at other plants in the KFTZ and elsewhere. They also agreed to read and discuss the SEP's call for a "Socialist and Democratic Congress of Workers and Rural Masses" with representatives from action committees across Sri Lanka, as an essential part of the struggle for a workers' and peasants' government based on socialist policies.



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