

Thousands of Sri Lankan port workers protest against tax increases

Our reporters
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More than 6,000 port employees demonstrated during their one-hour lunch break outside the main entrance to Colombo Harbour on Monday to demand the government withdraw its income tax increases and to protest against rising inflation.

The demonstration involved workers from state-owned port terminals, as well as 1,500 employees from the privately-owned Colombo Dockyard Company. It was the second protest by port workers over these issues in the past two weeks.

A series of strikes and protests against income tax rates have erupted across Sri Lanka since January 20 involving tens of thousands of workers, including doctors, engineers, bank employees and petroleum workers.

The new tax rates are part of President Ranil Wickremesinghe's 2023 austerity budget, announced in November. The budget drastically slashes government spending through the destruction of thousands of public sector jobs, privatisation of state-owned enterprises, cuts in subsidies and other measures. These measures are in line with International Monetary Fund (IMF) dictates for a \$US2.9 billion bailout loan.

Workers have shown their determination to fight these attacks, but the trade unions have deliberately restricted the protests to income tax, hoping to block a unified nationwide struggle against all the government's austerity measures.

The working class is being propelled into action by the devastation to their lives by the ongoing COVID-19 pandemic, hyper-inflation—now more than 50 percent—widespread starvation and malnutrition, job losses, the erosion of public healthcare and disruption of their children's education.

There is also mounting public concern over Colombo's repressive anti-democratic actions. This includes its use of the Prevention of Terrorism Act to detain students and the mass deployment of heavily armed police to violently

suppress demonstrating workers and students.

The new wave of protests and strikes across Sri Lanka, which are part of an upsurge of working class struggles internationally, has terrified the Wickremesinghe regime, as well as the opposition parliamentary parties and the trade unions.

The Sri Lankan trade union bureaucracy have responded to these developments by insisting that more protests will force the government to withdraw its income tax increases.

At the same time, the unions are trying to subordinate workers to the opposition Samagi Jana Balawegaya (SJB) and the Janatha Vimukthi Peramuna (JVP). These capitalist parties falsely claim that a new government, under their leadership, would resolve the desperate social crisis facing the masses.

Port union leaders again promoted these illusions during Monday's protest.

Niroshan Gorakana, general secretary of the JVP-affiliated All Ceylon General Port Employees Union, declared that if the government did not revise the tax hike "within the next two weeks," then "Ranil [Wickremesinghe] can go home."

The port trade unions, he said, would take joint action with the Ceylon Petroleum Corporation and Ceylon Electricity Board workers. Last week, Gorakana told port workers that the Wickremesinghe regime should resign, opening the way for a new Sri Lankan government—i.e., for JVP rule.

Prasanna Kalutharage, leader of Sri Lanka Freedom Employees Union, which is affiliated to the Sri Lanka Freedom Party (SLFP), told protesters, "We are ready to pay taxes" if the government takes back the money it gave to big businessmen.

Udeni Kaluthantri, leader of a port trade union affiliated to SJB, told the crowd, "Let us elect a democratic leader, hold an election, then we will see whether we can pay

taxes.”

These demagogic proclamations cover up the fact that the income tax increases were dictated to the Wickremesinghe regime by the IMF and that any future SJB or JVP government will implement its demands.

These parties are all committed to the IMF austerity program and any differences they have with the Wickremesinghe government are tactical. Their chief concern is that the current Wickremesinghe regime will not be able to suppress the working class opposition which poses a mortal threat to the Sri Lankan capitalist elite.

President Wickremesinghe and his government has repeatedly insisted that it is determined to impose the IMF's demands. Addressing a recent meeting of Buddhist monks, Wickremesinghe declared that his 2023 budget would not change.

If the increased income taxes and similar measures were not implemented, he said, “Foreign countries will not support us. It is very difficult to argue with them. Over three years we have to raise state revenues by 75 percent.”

Wickremesinghe did not explain that this huge increase in state revenue was in order to pay back foreign investors and banks for the massive debts accumulated by the Sri Lankan capitalist elite.

Signalling the government's determination to slash tens of thousands of public sector jobs, Cabinet Minister Bandula Gunawardana told the media on Tuesday that Colombo would be stepping up its job-cutting at all government institutions by implementing a “self-retirement mechanism.”

Socialist Equality Party (SEP) members intervened in the port workers protest on Monday, distributing hundreds of leaflets and explaining the roots of these government attacks.

SEP members explained how and why the trade unions were preventing workers from developing a unified industrial and political struggle against these government attacks, and the need to build action committees independent of the trade unions.

The SEP is fighting for an independent mobilisation of the working class, rallying the rural poor, to fight for a workers' and peasants' government committed to socialist policies as part of the fight for international socialism. In order to advance this struggle, the SEP has called for a Democratic and Socialist Congress of Workers and Rural Poor, based on delegates elected from action committees built in every workplace, plantation and major economic centre.

Hostile to this perspective, some angry union

bureaucrats tried to stop SEP members speaking to port workers. Workers, however, rejected the bureaucrats' censorship and defended SEP campaigners' democratic rights.

A ports authority worker with over 20 years' experience in the navigation division told the SEP campaigners: “The government is implementing the IMF's program. A total of 4,000 rupees [\$US10] was cut from the basic salary and other allowances this week. This will increase next month.”

He referred to last year's mass protests and strikes that forced the resignation of then President Gotabaya Rajapakse and his government. “There would have been a working-class government,” he said, “if workers had been given genuine leadership.

“I think the trade unions worked to prevent this sort of struggle because they represent the political parties already in parliament. The true story is that they [the trade unions] are the real barrier [to our struggles],” he added.

A young design draftsman from the dockyard explained that the new income tax rates would cut 86,000 rupees (\$US235) from his salary. “Wickremesinghe has failed in providing the needs of the people,” he said, but hoped that a new group of “honest people” in a new parliament would resolve the social crisis.

A worker from the privately-owned Colombo Dockyard said, “All the employees in our company will have their salaries cut by these income tax increases.” He also referred to the April–July mass protests against the government. “Although the people came to the fore, the leaders were afraid. The trade union leaders have made deals with politicians,” he said.



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