

Sri Lankan workers protest against tax increases

Our reporters**24 February 2023**

On Wednesday, over 3,000 workers protested outside the Colombo's Fort railway station against the International Monetary Fund (IMF)-dictated measures being implemented by President Ranil Wickremesinghe's government. Colombo Port and Electricity Board workers, as well as bank employees and other professionals, including doctors and university teachers, participated.

The protesters in Colombo chanted slogans such as "Chase away Wickremesinghe government," "Prices are going too high" and "Withdraw unreasonable tax," a reference to the imposition of new Pay As You Earn (PAYE) taxes on monthly salaries over 100,000 rupees (\$US274). Hundreds of public sector workers demonstrated in several other cities, including Kandy in the Central Province and Wadduwa in the Western Province.

The police attempted to get a court order banning any demonstrations in the Colombo Fort area from 11 a.m. to 5 p.m. on Wednesday, claiming that protesters were planning to block several roads and enter the president's office.

The magistrate did not ban the demonstration outright, but imposed orders not to block roads, enter the president's office and other buildings, or cause damage to public properties. The order gave the police wide powers to stop the event. Armed police with water cannon trucks and soldiers were stationed nearby to intimidate protesters and prepare for any crackdown.

Wednesday's demonstration was called by a collective of 40 trade unions that includes the Trade Union Collective of Professionals and the Joint Alliance of Trade Unions of electricity, port and petroleum workers. It was called as Wickremesinghe insisted that the IMF demands, including PAYE taxes, privatisation of public sector enterprises, public sector

job destruction, wage cuts and higher electricity tariffs and other public utility charges, would continue.

Addressing a Rotary Club district conference in Colombo on Saturday, Wickremesinghe declared that his priority was economic recovery and that he would suppress any opposition to his policies.

"This year, my first priority is economic recovery... without public order there can't be economic recovery," he declared. On February 8, he told parliament, "Remember, I'm not here to be popular... I'm ready to make unpopular decisions for the sake of the nation."

Workers are determined to fight the social attacks, but the protests and limited strikes called by the trade unions are aimed at dissipating the opposition and confining it to single issues, such as PAYE taxes. Above all, the unions are determined to prevent a united movement of the working class against the government and IMF austerity.

Wednesday's demonstrations are part of series of protests and strikes involving tens of thousands of workers against the Wickremesinghe regime. These began late last year and were followed by a national strike on February 9 by 50,000 workers against the government's attacks. The increasing militancy of Sri Lankan workers is part of a rising global movement of the working class against government and employer attacks on social and democratic rights.

The trade unions are attempting to hoodwink workers with demagogic denunciations of Wickremesinghe and empty bluster, combined with appeals for cosmetic changes to his measures.

On Wednesday, Ceylon Bank Employees Union General Secretary Ranjan Senanayake told protesters that if the government did not withdraw its new tax policy by March 1, "professionals of every sector will

take to the streets.”

Federation of University Teachers Association spokesperson Charudaththa Ilangasinghe declared: “We have been insisting to government leaders that the tax issues must be solved. We have already built the largest trade union collective and although we have not yet put any pressure on the masses, in March an era of darkness may begin. Do not push us to such a situation.”

Joint Trade Union Alliance of Ceylon Electricity Board Convenor Ranjan Jayalal said: “If you [Wickremesinghe] do not withdraw the [tax] policy by April we will chase away the government. If the government requires general strike, then we will do it and it is certain this fight will end up with a victory.”

Niroshan Gorakana, general secretary of the All Ceylon General Port Employees Union which is affiliated to the Janatha Vimukthi Peramuna (JVP), warned the government: “You have one week more until March 1. You must make a decision.”

Jayalal and Gorakana are leading members of the JVP, which has no fundamental differences with the IMF’s austerity program. The JVP and its National People’s Power (NPP) is cynically attempting to exploit the mass anger to boost its parliamentary numbers. If it wins government, it will implement similar social attacks.

Workers and professionals protesting in Colombo on Wednesday spoke with WSWS reporters, voicing their anger over the government attacks and their mistrust of the unions. One petroleum corporation worker told the WSWS his fellow workers had not been told about the protest by their union.

An electricity engineer said that government income tax rates were totally unreasonable. “This tax makes it very difficult for us. After I pay this tax, and other deductions are taken for housing and other loans, I will only have about 80,000 rupees left from my salary. But the problem is not just the tax. The price of everything is increasing so much that it’s difficult to cover the daily expenses and the education expenses of the children,” he said.

The engineer said that the situation facing workers would be no different under the opposition Samagi Jana Balawegaya or the NPP. “Yes, the people ousted the [Rajapakse] government. But what happened? Ranil Wickremesinghe became the president and now he is

attacking people from every side and suppressing workers’ struggles. He is acting like a dictator,” he said.

The war in Ukraine against Russia, he continued, was impacting on Sri Lankan industries, exports and the daily life of the people. “It also affects the generation of electricity. The coal price increases are mainly due to this war. If it becomes a nuclear war the world will be destroyed. As you said, it’s very important to build an anti-war movement of the international working class.

“The trade unions do not have a correct program to face this situation. I agree with you that workers must organise separately from the unions and need to build their own political movement independent from all the capitalist parties. I support your campaign for a workers and rural masses congress and would like to have more discussion on that,” he said.

A Colombo harbour engineering division worker said that the rising cost of living was making it very difficult trying to manage his family’s expenses “I have to pay about 60,000 rupees for a bank loan, about 15,000 rupees for EPF (the pension fund). I have two children and their tuition fees is 20,000 rupees per month. Currently I only receive 50,000–60,000 rupees per month after all these deductions. If this new tax rate is implemented, another 14,000 rupees will be cut from my monthly salary.

“I do not believe that the government is going to stop these attacks. The trade unions have protested for years about various issues but what has been the result? Privatisation is still going on. There used to be about 15,000 workers at Colombo harbour but it’s reduced to half through voluntary retirement schemes,” he said.

Wednesday’s protest revealed once again that workers need to take control of the fight for their rights. The essential starting point for such a fight is formation of their own democratically-controlled action committees at workplaces, factories and neighbourhoods, independent of all the capitalist parties and the unions.



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