

Sri Lankan trade unions in high-level talks with the IMF

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On March 24, International Monetary Fund (IMF) envoys in Washington and its Colombo mission officials held an online “round table” discussion with several trade unions affiliated with the Professionals’ Trade Union Alliance (PTUA) in Sri Lanka.

The unions included the Government Medical Officers’ Association (GMOA), Federation of University Teachers, the Ceylon Electricity Board Engineers’ Union, Central Bank Executive Officers’ Union, Ceylon Bank Employees Union, Water Supply Professionals Trade Union Alliance and unions from the Sri Lanka Ports Authority.

While these unions are more conservative professional associations, such is the anger among their members, that these unions have participated in anti-austerity strikes.

The IMF organised the meeting amid a rising wave of workers’ strikes and protests against the savage austerity program being implemented by President Ranil Wickremesinghe’s government. The talks were no doubt aimed at enlisting trade union support in the implementation of the IMF’s social attacks. Sri Lankan union officials have previously indicated their support—overtly and covertly—for these measures, while making rhetorical criticisms to hoodwink their members.

On March 26, the *Sunday Times* revealed that IMF officials “briefed” the trade unions on the agency’s economic program for Sri Lanka. The newspaper reported that the unions had only asked for a revision of the tax reforms, particularly the Pay As You Earn (PAYE) tax system, which has been imposed on all those earning 100,000 rupees (\$US308) or more per month.

The IMF envoys suggested there was a “possibility” of reconsidering some of the taxes following a six-

monthly “review” of the program. President Wickremesinghe gave the same reply in a previous meeting with PTUA-affiliated unions. IMF officials have indicated they plan to hold further discussions with the Sri Lankan trade unions.

On March 20, the IMF approved its \$US3 billion bailout loan for Colombo. Under this agreement, the Wickremesinghe regime must unleash a broad range of attacks on the working class and the poor. This includes the privatisation of all public enterprises, destruction of hundreds of thousands of public sector jobs and deep cuts to wages and social subsidies. These come on top of other measures implemented in recent months, including higher income- and value-added taxes, the devaluation of the rupee, cuts to imports including essentials, and major hikes in electricity and fuel prices.

After the agreement was signed, IMF mission chief Peter Breuer bluntly described it as “a brutal experiment” for Sri Lanka, which must “undergo a governance diagnostic exercise by the IMF.”

This means even harsher measures against workers and the poor, already suffering from unbearable increases in the cost of living, inflation and looming starvation.

The trade unions have no opposition to this social counter-revolution. Their meeting with the IMF further exposes their transformation into open agents, not just of the Wickremesinghe government and Sri Lanka’s ruling class, but of international finance capital.

GMOA media spokesman Doctor Chamil Wijesinghe told the *Times* that the trade unions “made it clear [to IMF officials] that we are prepared to pay taxes but stressed that this tax regime is grossly unfair.” He told the newspaper that the IMF envoys “assured” the union bureaucrats that it would study tax proposals submitted by the PTUA.

On March 23, President Wickremesinghe reassured IMF chiefs that his government would soon sell off the state-owned Sri Lanka Telecom, Sri Lanka Insurance Corporation, Grand Hyatt and Hilton hotels, Litro Gas Lanka and Lanka Hospital Corporation. Last week cabinet ministers announced that Australia's United Petroleum and America's RM Parks, in collaboration with the Shell Company, could enter Sri Lanka's retail oil market.

In the face of mounting anger among workers over the privatisation of the Petroleum Corporation, the trade unions in the sector were compelled to call a sit-in strike. Minister of Energy Kanchana Wijesekera immediately ordered 20 trade union leaders to be placed on compulsory leave. Military and police officers were also sent into the corporation premises to break up the protest and force strikers to resume work.

Trade union leaders immediately held press conferences, thundering threats of massive joint industrial action over the strike breaking. Health Professional Trade Union Federation leader Ravi Kumudesh demagogically accused the government of using the IMF loan "not to save the people from the abyss but to strangle them by the throat."

These same trade union bureaucrats are now maintaining a deafening silence, while manoeuvring to offer the ruling class every assistance.

IMF envoys had invited Ceylon Teachers Union (CTU) bureaucrats to its online meeting, but they decided not to participate.

In a mealy-mouthed letter to the IMF, CTU general secretary Joseph Stalin said his union would not participate because the IMF had no "popular mandate" and that issues concerning Sri Lankan economic policies should be discussed with the government.

The *Morning* referred to Stalin's letter in its March 25 article on the IMF meeting. It reported that the letter wanted "broader trade union representation" at the online meeting. In other words, the CTU wants a broader coalition of government and union representatives to work with the IMF.

As workers come forward against the government's escalating social attacks, they must draw some necessary political lessons.

The trade unions oppose, and live in fear of, a mass unified working-class against the IMF-dictated attacks and are attempting to dissipate workers' anger and

demoralise them via one-day token strikes and futile protests. Such is the transformation and degeneration of the trade unions that they are now open and active agents of international capital.

That is why the working class urgently needs to build action committees in every workplace and plantation, and in urban neighbourhoods and rural communities, as genuine fighting organisations. These must be independent of the trade unions and their bureaucracies. On this basis, these committees will democratically discuss how to fight for their rights, unifying with their class brothers and sisters, nationally and internationally.

In line with this task, the Socialist Equality Party is calling for the convening of a Democratic and Socialist Congress of Workers and Rural Masses based on delegates from these action committees as the basis for a political fight for a workers' and peasants' government committed to socialist policies.



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