

How the Sri Lankan working class must fight IMF austerity and defend democratic rights

Statement of the Socialist Equality Party (Sri Lanka)
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Sri Lankan President Ranil Wickremesinghe told a meeting of university professors on April 3 that he would present the International Monetary Fund's loan deal to parliament for discussion and a vote to endorse it. "Following this, the key points of the agreement would be enacted into law," he declared.

Wickremesinghe also announced that the new Anti-Terrorism Bill (ATB) would be presented to parliament at the same time. The draconian measure gives the president police state powers to suppress all popular opposition to his government's policies, including the IMF program.

It has since been announced that both policies are scheduled to be tabled in parliament on April 25.

The Socialist Equality Party (SEP) warns that Wickremesinghe's plan to have the IMF program written into the country's law is a menacing threat against the working class and the poor, outlawing any action against its harsh measures. Wickremesinghe's moves, along with his imposition of the ATB, is another significant step towards the entrenchment of a presidential dictatorship.

It is urgent for the working class to mobilise its independent industrial strength to defeat these blatant anti-democratic actions and bring down the Wickremesinghe regime. This can only be done by building a Democratic and Socialist Congress of Workers and Rural Masses based on independent action committees of workers and rural toilers.

International finance capital is squarely behind the president's anti-democratic measures. A long-standing stooge of US imperialism, Wickremesinghe was installed as president after the ignominious downfall of his predecessor, Gotabhaya Rajapakse, following last year's mass uprising.

IMF mission chief for Sri Lanka, Peter Breuer, who previously described the IMF program as a "brutal experiment," repeated these sentiments on April 9, underlining Wickremesinghe's statements.

"The IMF is here to help," Breuer declared, but "there are no easy solutions... everyone must come together to tackle this enormous problem. It's critical to ensure the hard-won gains from the reforms benefit the people and that the crisis will not repeat itself."

Colombo has already implemented initial IMF demands—a sharp devaluation of the rupee, import cuts and increases in value added taxes, electricity tariffs and income tax—with a host of other government attacks to come. This includes privatisation, welfare

subsidy cuts, restructuring of the public sector to slash hundreds of thousands of jobs and other measures to eliminate the fiscal deficit. These measures are all aimed at forcing Sri Lankan workers and toilers to repay foreign loan defaults.

Amid these unfolding measures and dangerous threats against the working class, the leaders of 100 trade unions met in Colombo on April 10, supposedly to discuss their response to the ATB and the government's cost-cutting attacks. The meeting ended with a meek statement, signalling that the unions will do nothing to defeat these government threats.

Those attending included the Janatha Vimukthi Peramuna (JVP)-controlled National Trade Union Center and Ceylon Teacher Services Union, the Government Medical Officers Association (GMOA), Sri Lanka Medical Association (SLMA), Federation of University Teachers Association (FUTA), Health Trade Union Collective, the Workers Struggle Centre of the pseudo-left Frontline Socialist Party (FSP) and the Pabloite United Socialist Party. Several civil society groups and a fishermen's organisation also participated.

While conservative professionals' unions—the FUTA, GMOA and SLMA—have already held high-level discussions with the IMF, all the other previously mentioned unions, overtly or covertly, support the IMF's austerity measures.

The April 10 meeting issued a statement calling on the government to withdraw its arbitrary income tax system, stop selling national assets and provide relief for the high cost of living.

The union bureaucrats pledged to "determinedly to work unitedly as one, with unyielding effort and unrelenting courage, to make all actions to be taken fully successful, to work unitedly with all Sri Lankan citizens, [and] in one thought to liberate our beloved motherland which has been dragged into crisis by the rulers, and to dedicate ourselves through maximum strength for that."

This nationalist rhetoric is aimed at hoodwinking the suffering masses. The unions did not propose any action—strikes, protests or demonstrations—and once again propagated the myth that the government could be pressured into making concessions.

During the meeting, SLMA President Professor Indika Karunaratne called for "rational use" of IMF funds. Speaking for the FUTA, Professor Aruna Shanthaarachchi praised Temasek in Singapore and Malaysia's Khazana as model state-owned corporations. These government-owned, so-called sovereign wealth funds, are another form of privatisation.

NTUC leader Wasantha Smarasinghe falsely claimed that the government had been forced to “step back” and postpone its previous date to present the ATB to parliament after the unions opposed it. This claim was exposed after Wickremesinghe later announced that he would table the bill at the end of April.

Workers Struggle Centre leader Duminda Nagamuwa told the meeting that “a power should be built outside the parliament to pressure the government” in order to win concessions. He had no problem with Singapore- or Malaysia-style privatisation proposals, nor criticism of those in the meeting calling for “rational” use of IMF funds.

The response of the unions followed mass strikes and protests on March 1 and 15. About half a million workers participated on both days, despite the efforts of the trade unions to limit these actions. Workers have made clear that they are prepared to fight, but the union bureaucrats, like the Wickremesinghe regime and the entire ruling class, fear a renewed wave of working class struggles.

All these unions, with the support of fake left groups, betrayed last year’s nationwide protests and April 28 and May 6 general strikes, diverting this mass movement into backing JVP and Samagi Jana Balawegaya (SJB) calls for an interim capitalist government under President Rajapakse.

The treacherous role of these unions was demonstrated yet again last month when Ceylon Petroleum Corporation (CPC) employees struck on March 28. The government deployed thousands of troops and police to break up the strike, forcing employees to keep working. Using the Essential Public Services Act, the power minister placed 20 union leaders on compulsory leave and ordered legal action be taken against them.

The union bureaucracies, including the CPC unions, which are controlled by the ruling Sri Lanka Podujana Peramuna, SJB, JVP and the Sri Lanka Freedom Party, are all committed to IMF austerity and responded with an empty statement “condemning” this repression.

There was no call for the removal of military and police forces from the premises, withdrawal of the Essential Services Act and the compulsory leave order imposed on union leaders, nor any industrial mobilisation of workers to defend CPC employees.

The treacherous role of the trade unions confirms once again that the working class can only advance the struggle against austerity and defend its social and democratic rights by taking matters into its own hands. This requires the building of action committees at every workplace, plantation and neighbourhood, independent of the unions and the bourgeois parties and their fake-left hangers on.

Wickremesinghe has made clear that the reason he wants a parliamentary vote on the IMF agreement is in order to rally opposition MPs behind the government.

There is no reformist solution to the unprecedented economic turmoil in Sri Lanka within the capitalist system. It is part of the historic crisis of global capitalism.

COVID-19 and the US NATO war against Russia in Ukraine have fuelled hyperinflation, now hovering around 50 percent in Sri Lanka. In 2022, 500,000 workers lost their jobs. Poverty doubled from 13.1 percent in 2019 to 25.6 percent in 2022, throwing another 2.7 million people into misery. According to the World Food Program’s latest survey, 32 percent of Sri Lankan

households are “food insecure,” that is, they suffer hunger or near starvation.

Against the dictatorial moves of the Wickremesinghe regime and the brutal demands of the IMF, the Socialist Equality Party (SEP) has called for a series of measures to be fought for by workers and the rural poor through their action committees.

To advance the fight for democratic rights, the SEP calls for the abolition of the executive presidency. No to the ATB! Repeal all repressive laws including the emergency, essential services and anti-terrorism acts! Release all political prisoners!

This struggle is bound up with the fight to put an end to capitalist misery. The SEP calls for the working class to take control of the production and distribution of essentials. This can be done by nationalising the banks, major corporations and plantations and placing them under democratic public control. The colossal wealth of billionaires and corporations must be seized, and all foreign debts repudiated.

To fight for this program, workers need to build a Democratic and Socialist Congress of Workers and Rural Masses based on delegates elected by action committees. This will pave the way for the fight for a workers’ and peasants’ government to implement this socialist and democratic program. In this struggle, the unity of the working class must be built across ethnic lines in opposition to Sinhala chauvinism and Tamil communalism, which are weapons of the capitalist class to divide and weaken the working class.

The class struggle in Sri Lanka is part of a rising upsurge by the international working class as seen in the mass protests and strikes by millions of French workers against President Emmanuel Macron’s pension cuts. Workers’ struggles are developing across Europe, the US and India in opposition to government attempts to impose the burden of the capitalist crisis on working people.

Sri Lankan workers can unify their struggles with their class brothers and sisters internationally by coordinating their action committees with the International Workers Alliance of Rank-and-File Committees, initiated by the International Committee of the Fourth International.

We urge workers and youth to join the SEP in order to fight for this program.



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