

Sri Lanka: Pseudo-left academic preaches phony “alternative” to IMF austerity

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The Inter University Student Federation (IUSF) in Sri Lanka held a public lecture at the National Library Auditorium in Colombo on April 6 with the theme: “Let us chase away the Ranil-Rajapakse junta, which is selling people and public assets, and the IMF octopus.”

The lecture was delivered by Kalpa Rajapaksha, a lecturer from the Economic and Statistics Department in Peradeniya University who falsely presents himself as a proponent of Marxist political economy. He is closely associated with the pseudo-left Frontline Socialist Party (FSP) and has promoted the FSP-controlled IUSF for years. IUSF convener, Wasantha Mudalige, also spoke in the meeting.

Amid an unprecedented political and economic crisis in Sri Lanka, the lecturer denounced the current government, and its implementation of the IMF’s austerity demands. However, his alternative was a series of fanciful remedies, all within the framework of capitalism and aimed above all at preventing a struggle by workers and youth for socialism.

Last year Sri Lanka was convulsed by a popular uprising from April to July involving millions of workers and poor opposing the social devastation they confronted. The mass movement, which forced the former President Gotabhaya Rajapakse to flee the country and resign, struck fear into the entire political establishment.

The trade unions and pseudo-left groups such as the FSP deliberately limited strike action and steered the protest movement into the arms of the capitalist opposition parties which all declare there is no alternative but to accept the IMF terms.

However, the ruling class, in the absence of a socialist alternative, was able to install the widely discredited Ranil Wickremesinghe, an open advocate of going cap in hand to the IMF, as president in a thoroughly anti-democratic parliamentary vote.

A new wave of workers struggles is developing against the Wickremesinghe regime’s mounting attacks on living conditions and democratic rights. All the various radicals and fake left groups—Rajapaksha and the FSP among them—are peddling the dangerous illusion that the immense social crisis facing working people can be resolved without overthrowing capitalism.

The lecturer declared, “We must launch an intellectual counter-operation” against the Wickremesinghe regime’s claim that there is no alternative to the IMF program.

Rajapaksha said he was providing an alternative to the IMF austerity program. What he advocated, however, was not socialism, but measures to re-regulate the Sri Lankan capitalist economy.

He not only ignored the fundamental changes in global capitalism over the past 40 years, but the present crisis is of Sri Lankan and international capitalism—the deepest since the Great Depression of the 1930s!

Rajapaksha’s lecture was based on the pamphlet *to the economic crisis* that he jointly wrote last year with Jagath Gurusinghe, a trade union leader at the state-owned Telecom, and another fake left professor, Sumanasiri Liyanage.

That pamphlet explicitly states: “By taking some sort of radical decisions to regulate the economy, according to a national economic plan, the exaggerated economic crisis [in Sri Lanka] not only can be solved, but also the country can be taken to the path of development.”

It blames the neo-liberal “open market economy policy” implemented in Sri Lanka after 1977 and suggests that the country’s current crisis could be solved by “turning these [neo-liberal] policies upside down.”

The argument is false to the core.

The turn to neo-liberalism in the late 1970s and early 1980s was not simply a policy adopted by individual governments but reflected fundamental changes to global capitalism that stemmed from the end of the post-World War II boom. Amid a deep international crisis of capitalism and a wave of political upheavals around the world, the capitalist classes internationally sought to globalise production to take advantage of cheap labour, particularly in Asia, and demanded the dismantling of the barriers posed by national economic regulation.

Sri Lanka was one of the first to ditch the previous program of national regulation and import substitution and to embrace open market policies—dismantling trade barriers, privatisation and the undermining of essential social services. The rapid turn to neo-liberalism reflected not just the right-wing character of the United National Party government of J. R. Jayawardene but the inherent weakness of the small and vulnerable Sri Lankan economy.

Similar measures, however, were adopted by governments around the world whether the conservative governments of US President Ronald Reagan and British Prime Minister Margaret Thatcher, or Labor and Social Democratic governments in Australia, New Zealand and various European countries. The increasingly globalised character of production undermined all economies, institutions and parties based on national economic regulation, which was graphically revealed in the dissolution of the Soviet Union, the collapse of Stalinist regimes in Eastern Europe and the turn to capitalist restoration in China.

Far from resolving the contradictions of capitalism, the globalisation of production has intensified them and fuelled one crisis after another, leading to geo-political tensions and conflict on the one hand, and a war against the working class on the other. The present economic crisis of Sri Lankan capitalism—far from being “exaggerated”—is the expression of a profound breakdown of global capitalism triggered by the COVID-19 pandemic and exacerbated by the US-NATO war against Russia in Ukraine. Skyrocketing prices, stagnant wages,

unemployment and the gutting of social services are driving the emergence of the class struggle in country after country.

Yet Rajapaksha and the FSP promote the reactionary fantasy that all the immense social problems of working people can be resolved by excising the island of Sri Lanka from the world economy and winding the clock back to the pre-1977 days of national economic regulation with proposals for import controls and interest rates based on national priorities. This perspective is not just impossible but is aimed at blocking a turn by the working class and youth to the only program that will end the social crisis and the US-led drive to war—a revolutionary struggle for socialism in Sri Lanka and internationally.

This is what the Socialist Equality Party, in collaboration with its sister parties of the International Committee of the Fourth International, fights for.

What policies did Rajapaksha put forward in his lecture?

* “The country must go for a three- to five-year debt moratorium to strengthen the economy internally and then begin to repay [foreign debts].” He declares that a moratorium would “strengthen internal economic conditions” and allow the country to “begin paying back loans” to the international sharks.

Rajapaksha’s call for debt moratorium is a clear demonstration of his abject servility to international finance capital, which has laid out its demands through the IMF. It is not a question of begging for a moratorium, but of workers and youth fighting for a complete repudiation of the foreign debt—as advocated by the SEP. Workers and the poor are not responsible for the huge foreign loans taken by successive regimes.

What would Rajapaksha propose if his plea for a moratorium fails? The answer lies in his adulation of Yanis Varoufakis, the finance minister of the pseudo-left Syriza government in Greece, which came to power in 2015 pledging to oppose the demands of the IMF, European Central Bank and European Commission, but abjectly capitulated and imposed austerity measures that devastated the Greek working class.

* “Farsighted, planned expansion of state expenditure for stimulation,” which “can provide increased state investments and supports to collapsed small and medium scale industries.”

Under capitalism, the ability of the state to expand expenditure is above all determined by the banks and international finance capital. Already weighed down by massive debts, it is impossible for any capitalist government in Colombo to provide any assistance, even if it wanted to.

The SEP also calls for financial and technical assistance for farmers and small businesses, but this can only be done as part of a fight for the working class to take control of the banks and major corporations. Above all it necessitates the political struggle for a workers’ and peasants’ government.

* “Instead of privatising, industries must be assigned to workers who can run them.”

This call for industries to be run by workers under capitalism has nothing to do with the nationalisation under workers’ control which can only be implemented when workers take state power. Under capitalism, such a venture in the name of “workers running industries” is bound to force workers to toil even harder to make profits for the state.

During his lecture, Rajapaksha repeatedly declared that the students were the “active social force” which could bring the “left ideas” to the masses. In reality, the “left ideas” of the IUSF are a barrier to a fight for socialism and so it has always blocked students from making a

turn to the working class.

Their political orientation is pressuring capitalist governments for concessions. IUSF convener Mudalige, agreeing with his academic mentor, peddled this bankrupt program, declaring that reforms can be won by building a “popular power” outside parliament. He absurdly suggested, that with a “broad popular movement,” “even the Wickremesinghe government can make such a radical intervention.”

Young people around the world, including in Sri Lanka, are in the forefront of the fight for the right to education, and against the lack of education facilities, unemployment, social degradation and repression that are rooted in the unprecedented crisis of global capitalism.

The only way to fight for social and democratic rights is on the basis of a political program to eliminate capitalism globally. That means a turn to the working class—the only consistently revolutionary social force capable of overthrowing capitalism and implementing socialism.

Instead of becoming a vehicle for campaigning for nationalist policies and appealing for reforms within the capitalist system, students should turn to the working class and wage a fight for its political independence from all parties and agencies of the bourgeoisie, including the trade unions and pseudo-left organisations such as the FSP.

The SEP completely rejects all forms of nationalism and chauvinism which only divide the working class. The workers’ struggles in Sri Lanka are part of the powerful class struggles developing worldwide, including in Europe and particularly France, and in the US. The SEP and its sister parties of the International Committee of the Fourth International, fight for the unity of workers on the basis of socialist internationalism.

We appeal to students to form branches of IYSSE in their respective universities, join the SEP, turn to the working class, and fight for our revolutionary international socialist perspective.



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