

SEP rejects Sri Lankan government invitation to discuss “labour law reform”

Socialist Equality Party (Sri Lanka)
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The Socialist Equality Party (SEP) received a letter from the Sri Lanka’s Labour and Foreign Employment Minister Manusha Nanayakkara on May 26, calling for proposals for labour law reforms and inviting discussion on that matter.

Nanayakkara also sent similar letters to all other political parties, trade unions, and several other civil organisations requesting their proposals, in the guise of “consulting all stakeholders” in preparing the new labour laws. The new bill is to be presented on July 9 to the National Labour Advisory Council, a tri-partite corporatist body including the labour minister, employers and trade unions.

SEP General Secretary Deepal Jayasekera replied on behalf of the party, stating:

“The SEP rejects your invitation for submitting proposals for labour law reforms to your government and participation in discussions with you on that matter. Our party, representing and working for the interests of vast majority of the population—the working class—is not going to collaborate with your government on any matter and be part of any exercise. We also oppose the scrapping of existing rights of workers even though they are limited.

“Your letter is a cynical and dishonest exercise. Contrary to your claims that you are going to change the country’s existing labour laws ‘to protect and safeguard employers and employees,’ the new labour laws being brought by you will protect employers against employees. Your government wants to establish new labour laws to provide unrestricted exploitation of workers by local and foreign investors.”

The SEP, the Sri Lankan section of the International Committee of the Fourth International, will not subscribe to the right-wing President Ranil Wickremesinghe regime’s moves to scrap existing labour laws. For that matter, the SEP will not collaborate with any move of this regime—or any capitalist government. Our party is in a fight to build an independent political movement of the working class, rallying the rural masses, to bring down this hated regime and to establish a workers’ and peasants’ government committed to socialist policies as part of the struggle for international socialism.

The government’s pretense that it is engaging in a democratic exercise in bringing in new labour laws is a blatant lie. It is to rally support from other bourgeois parties, their hangers-on and the trade unions. According to the establishment media, some organisations, particularly the trade unions, have already sent their proposals to the labour ministry while others are preparing their submissions.

The minister’s letter states that “in an ever-changing environment reviewing and updating our labour laws is imperative to address the emerging changes in the world of work,” adding that “the COVID-19 pandemic and subsequent economic crisis have intensified the urgency” for these changes “to protect and safeguard employers and

employees.”

By an “ever-changing environment,” the minister means the unprecedented economic crisis in Sri Lanka that is an integral part of a deepening world capitalist crisis. In this context, the reference to the “emerging changes in the world of work” can only signify meeting the demand of corporations and parasitic international capital for a “flexible labour market” to enable hiring and firing at will, wage cuts and brutal working conditions to extract greater profits.

His letter says that the changes to labour laws are needed for ensuring the “fair and equitable treatment of employees” and a “harmonious relationship between employer and employee.” However, none of this is possible because production and distribution under capitalism is based on extracting surplus value from the working class in the form of profit.

Significantly, the proposed changes to the country’s labour legislation are part of the austerity program being dictated by the International Monetary Fund (IMF). The IMF country report of March 2023 told the government to ensure labour “flexibility” to improve the “competitiveness” of private firms and “help develop greater linkages between foreign and local firms.”

In presenting his 2023 budget to parliament in November, President Ranil Wickremesinghe, who is also the finance minister, declared: “Labour laws have to be reformed for an export-oriented economy,” and to “bring a comprehensive law to regulate labour.”

For several decades, the IMF, World Bank and Sri Lankan big business have been demanding changes to the existing labour laws and are determined amid the country’s deep economic crisis to push through changes. Some of Sri Lanka’s labour legislation is the legacy of British colonial rule that ended in 1948, while other laws were enacted in the post-Second World War period.

The government is proposing to introduce one piece of legislation to replace 28 laws, which include the Wages Boards Ordinance 1941, Factories Ordinance 1942, Shop and Office Employees Act of 1954, Gratuity act and Maternity Benefit Ordinance, and Termination of Employment Act of 1971. The existing legislation encapsulates important rights won in struggle by workers, such as job security, job permanency after completing 180 days of work, paid leave and some medical care, and limited compensation when employment is terminated.

The government and employers now want to abolish these limited rights and subordinate workers to capitalist profit needs. A labour law reforms consultative meeting was held on May 17 where the minister, employers’ organisations, employers and some other groups, such as Sri Lanka Bar Association, participated.

In the meeting the employers demanded: “An employer should be

able to terminate the services of an employee if the job position becomes redundant due to technological advancement, restructuring or business negotiation, breach of contract, such as disclosing confidential information or engaging in a conflict of interests, poor performance and disciplinary reasons.” “Poor performance” will be decided by the company when a worker fails to complete increased work targets. Any opposition to unbearable working conditions or action to defend workers’ rights could be defined as a breach of discipline.

Big business wants to remove restrictions on employing women workers on night shifts on the same payment as for day shifts, without an extra allowance as per existing law. The employers have already taken such action arbitrarily.

In the apparel sector, thousands of workers have been laid off without compensations or even their due wages and overtime payments. Working days have also been reduced, and wages and other allowances, including bonuses, cut. The employers further demand that future salary increases should be based on an attendance of 75 percent or above, and completing at least 90 percent of the daily target.

Employers also insist the law must be revised to accommodate “gig” workers by allowing businesses to hire and fire at will and enable them to employ temporary or part-time workers instead of permanent workers.

If the labour legislation is changed to meet the demands of big business, there will be no job security and employers will not be providing benefits, such as pensions, health coverage and paid leave.

These sorts of changes are being imposed by governments internationally. Last year, India’s right-wing Bharatiya Janatha Party regime abolished 29 labour laws and introduced four new acts which were hailed by big business. The legislation was a sweeping attack on jobs and working conditions and permitted the use of contract labour in virtually all public and private sectors.

In Europe, governments have implemented laws to cut wages and pensions, extend working hours and facilitate lay-offs. In the US, President Joe Biden signed a dictatorial bill to impose a national contract on rail workers, while some American states have passed laws legalising child labour.

The so-called labour law reforms in Sri Lanka are part of a broader attack on the social and democratic rights of the working class as part of the IMF’s far-reaching austerity measures being unleashed by the Wickremesinghe regime. These measures include the privatisation or restructuring of 430 state-owned enterprises (SOEs), the wholesale destruction of public sector jobs, slashing public health and education, increasing and broadening income tax, and a VAT increase that boosts the price of all goods and services.

New labour legislation will affect more than eight million workers in private sector and semi-government institutions. The private sector includes free trade zones and 21 regional plantation companies where 1.5 million workers are employed.

The trade unions, which have been instrumental in containing and suppressing the struggles of workers against the IMF austerity agenda, have also rejected organising any campaign against the labour law reforms. Instead, they have expressed their willingness to collaborate with the government in not only preparing the new laws but implementing them.

About 30 unions covering the private sector and SOEs held a meeting on May 25, stating they did not oppose labour reform, but adding that it should be for the “benefit of workers,” even though that

is patently not the case. The unions included the Free Trade Zone General Services Workers Union (FTZGSWU), Ceylon Bank Employees Union (CBEU), Ceylon Mercantile Industrial and General Workers Union, and All Telecom Employees Union.

Clearly aware of the anti-working class nature of the labour law reform, FTZGSU General Secretary Anton Marcus expressed his fear that the proposed labour legislation would result in young workers leaving the country. His only suggestion was to set up a “committee of experts” to discuss “suitable laws.”

CBEU President Channa Disanayake demagogically declared that street protests should be organised against the laws. In the same breath, however, he said if foreign investors say they will not invest in Sri Lanka because of the existing labour laws, “we are ready to talk with those investors... If they explain, we will understand it and reform [the labour laws] accordingly.”

Any struggle by workers to defend their basic social and democratic rights directly confronts the profit system and the capitalist state which protects the interests of the big business and global finance capital.

The working class cannot defend its rights through the trade unions which have proven again and again their willingness to collaborate with government and big business to uphold the capitalist system at the expense of workers. The unions have refused to wage any campaign against the draconian Essential Public Services Act and Emergency regulations that have been used to ban industrial action.

The SEP urges workers to take matters into their own hands by building action committees independent of the unions and all capitalist parties in every factory, work place, plantations and neighbourhood and organising a unified struggle of the working class against the government and its entire IMF-dictated agenda.

This poses the challenge before the working class of overthrowing capitalist rule and establishing a workers’ and peasants’ government as part of a broader fight for socialism in South Asia and internationally. Building a Democratic and Socialist Congress of Workers and Rural Masses, based on delegates of action committees of workers and rural masses, is the way forward in advancing this political struggle.

The SEP alone fights for this program. We call on workers and youth to take up this fight and to join and build our party as the necessary revolutionary leadership.



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