

# Sri Lanka workers begin sit-in strike at government-owned company to defend jobs

**Our reporters****28 September 2023**

Workers at the Cooperative Wholesale Establishment (CWE) in Sri Lanka have been holding a sit-in-strike since Monday to protest the liquidation of the company and the compulsory retirement and termination of all its employees, effective September 30.

Three hundred workers will lose their jobs and all properties owned by the company will be sold off to the private sector. The decision follows the Cabinet's approval in July of a paper submitted by the Minister of Trade, Commerce and Food Security Nalin Fernando.

Established in 1950, the CWE is a state-owned enterprise (SOE) involved in wholesale and retail trading. Its declared purpose is to provide essential items, including food, to consumers at reasonable prices. It is the first SOE to be closed and all its jobs axed under savage austerity measures demanded by the International Monetary Fund (IMF) in return for a \$US3 billion bailout loan.

Sri Lankan workers from all other sectors, including SOEs, facing similar attacks on their jobs, wages and conditions must come forward and defend the CWE workers and fight the Wickremesinghe government's assault.

CWE workers were sent a letter from Acting Chairman Pasanda Yapa Abeywardena dated September 20. It declared that they would be paid the "eligible" maximum compensation of 1,673,700 rupees (\$US5,150).

The letter stated, however, that loans, advances and other amounts received by workers from the institution would be deducted from this "compensation" payment and that these could be subject to legal action. In other words, the retrenched workers will either be paid a very meagre compensation or possibly nothing at all.

Officials from the Lanka Podujana Progressive Trade Union and the Sri Lanka Freedom Employees Union, led by the ruling Sri Lanka Podujana Peramuna and the Sri Lanka Freedom Party respectively, met with the secretary

of the Ministry of Trade, Commerce and Food Security on September 15. They appealed for "reconsideration" of the liquidation of the CWE. He declared that it was a decision of the Cabinet and could not be changed.

The unions have filed a court case requesting an injunction to prevent the shutdown of the CWE. It was submitted on Wednesday with the court's decision scheduled to be announced on October 2.

Lanka Sathosa, which runs retail shops, is also to be restructured. It functioned under CWE control until 2005 and then began operating as a separate SOE.

On September 18, the *Sunday Times* quoted a senior ministry official who said: "We have a duty to provide a service to the people to provide food items easing the cost of living, but it is essential to tackle a mismatch via restructuring to make it profitable... It has been proposed to introduce modern technology such as an enterprise resource planning system, and controls to cut waste, staff and logistics costs."

These comments clearly indicate that the "restructuring" of Lanka Sathosa, which has 4,000 employees operating 420 retail outlets shops throughout the island, is the next in line. This will also involve the axing of jobs, wages and hard-won working conditions.

*World Socialist Web Site* reporters spoke with several CWE workers this week who explained the immense hardship they will face if they lose their jobs.

A driver's assistant from the CWE's warehouse transport department at McCallum Road in Colombo said: "Everyone opposes compulsory retirement and says they want to keep their jobs but if the government closes CWE then we should be given at least 5 million rupees." He explained that he had 1.7 million rupees in loans and that many others had taken out loans in the hope that they could work till the age of 60.

"My basic monthly salary is only 32,000 rupees and

with all allowances included it's 42,000 rupees, but now there's no overtime. I must bring my lunch from home because it's too expensive to spend money on outside food," he said. After loan repayments to the company, the worker only receives about 30,000 rupees.

One worker denounced the repressive laws being introduced by President Wickremesinghe to silence workers. "There is no freedom of speech. All that is going to be restricted," he said. "The government issued essential service orders against the train drivers' strike. It has no right to do so."

Another employee, a security worker, who was about to retire said that his basic monthly salary was 43,000 rupees. "If you do overtime, you can get 85,000 rupees, but after paying off loans, you'll only get about 50,000 rupees. My wife works in a bank just so we can make ends meet," he said.

Referring to last year's mass protests and strikes that brought down President Gotabhaya Rajapakse and his government, he added: "There will be another such uprising soon. People are tired of capitalist parties. I voted for the Sri Lanka Podu Peramuna but now I'm freaking out about it."

A woman worker said CWE workers did not want to retire: "The majority of us can work for another 15 to 20 years before we retire so it's a serious problem to lose these jobs. We have children to feed."

She explained how CWE management exploited its employees. Many employees, including herself, were covering work for which they were not responsible, but they have not been given a promotion in 20 years.

Like the rest of the trade union bureaucracy, the CWE union leadership opposes the organisation of a genuine struggle to defend workers' jobs and their social rights. It has restricted all action to isolated protests and pathetic appeals to the government. The Wickremesinghe government's brutal restructuring and job destruction program will not be defeated on this basis.

In line with IMF dictates, the Sri Lankan government has targeted 430 SOEs for restructuring, privatisation or closure, declaring that these attacks will be fully imposed before the end of the year. At least 500,000 public sector workers will lose their jobs and millions of their family members will be severely affected as a result.

As State Minister for Finance Sehan Semasinghe told the media on September 16, "In the near future, the government's economic policies will primarily depend on the private sector. The government will only act as a regulatory authority."

A visiting IMF delegation addressed a press conference in Colombo on Wednesday, following its review of the government's implementation of the international bank's austerity measures. It accused the Wickremesinghe government of failing to meet its targets for restructuring the SOEs.

For Sri Lanka to receive the second tranche of the IMF bailout, the delegation declared, the government must immediately implement its privatisation and cost-cutting attacks. This makes clear that the Wickremesinghe government's attacks will not be defeated through appeals to or pressure on the government or the judiciary.

The trade union bureaucracy is not opposed to the IMF austerity program. As SOE Restructuring Unit Director General Suresh told *Economynext*: "The pushback from unions against privatisation was not as much as expected.... The underlying message was to get good investors."

Workers cannot organise a genuine struggle against the IMF's savage program and defend jobs, wages, social conditions, and democratic rights through the trade unions. They must take the matter into their own hands.

For that, it is necessary to organise a joint struggle of the entire working class in a political and industrial fight against the Wickremesinghe government and its brutal IMF attacks.

This requires workers establishing democratically controlled rank-and-file committees—genuine fighting organisations of the working class—in every workplace, factory and plantation, independent of the trade unions and their bureaucratic apparatus. An independent political movement of the working class, rallying the rural poor, must be mobilised against the Wickremesinghe regime, to overthrow bourgeois rule and establish a government of workers and peasants committed to socialist policies.



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