

Sri Lankan Appeal Court upholds government decision to terminate all CWE employees

Our reporters
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On Tuesday, the Sri Lankan Appeal Court dismissed a petition against the termination of workers of Cooperative Wholesale Establishment (CWE) under a compulsory retirement scheme. The terminations are part of the plan by the government of President Ranil Wickremesinghe to close the CWE. Established in 1950 as a State-Owned Enterprise (SOE), the CWE engages in wholesale and retail trading providing essential goods, mainly food items, to consumers.

The petition was filed by the CWE Sri Lanka Freedom Employees' Union and the Sri Lanka Podujana Progressive Employees' Union —affiliated to Sri Lanka Freedom Party (SLFP) and ruling Sri Lanka Podujana Peramuna (SLPP) respectively—for an interim order against the termination of 292 employees of CWE.

The judgement stated: “In these cases, the courts upheld the principle of non-interference with government policies, affirming the importance of deference to the executive branch in economic matters, particularly during times of crisis, as long as those policies remain within the bounds of legality and reasonableness.” On that basis, the court “refused to issue formal notice.”

The judgement has made clear that the courts, part of the capitalist state, have not only approved the government’s job destruction program, but will not “interfere” with the government’s draconian austerity measures to impose the burden of the economic crisis on the working class. The decision is a graphic exposure of the illusion promoted by unions that workers’ jobs and other social rights can be defended through the courts.

CWE employees had been on a continuous sit-in strike against their termination since September 25 in front of the CWE head office in Colombo. However, the trade unions promoted the illusion that their jobs could be defended through the courts and by pressuring the government. The SLFEU and leaders refused to mobilise any other workers to protect the jobs.

After the court dismissed the petition, SLPPEU vice president Udayanga Pushpakumara flatly told workers to accept the court decision, accept compensation and quit their jobs as nothing

else could be done. The maximum compensation for a worker under the CWE’s formula is just 1,673,700 rupees (\$US5,124). After loan repayments and other recoveries, workers will get meagre amounts of cash.

Socialist Equality Party (SEP) members spoke to CWE workers who have been engaged in a sit-in strike over the past few days.

A CWE driver explained: “I have worked as a driver for six years. I have about 20 more years to serve. I have two children. I don’t want to retire. I can still work for many more years. Even if the compensation was ten million, it is not enough. The compensation formula is very unfair. They are trying to lay off us after paying just eight to nine hundred thousand.”

SEP members also campaigned among other workers, including education, railway, insurance and university workers to build support for the CWE workers’ struggle.

Nandana, a laboratory assistant at a school in Puttalam district, said: “This is not an attack limited to CWE workers. The government will also serve workers in other sectors from the same spoon. The implementation of the IMF conditions means that these attacks will be carried out definitely.

“The majority of government employees are in debt. They can’t find another job in this economic crisis. The government is gearing up for a big attack like sacking 100,000 workers in July 1980 strike. Wickremesinghe was in that United National Party government, which carried out that attack.”

Nandana is a father of two children. After paying loan instalments, he gets a salary of only 27,000 rupees per month. He said that it has become impossible to take care of children and elderly parents in view of the high cost of living.

“The working class must fight together to save their children and families. That means the mobilisation of workers in key areas of the economy such as the ports, electricity, petroleum, and the winning of support from the international working class.”

Thisara, a university technical officer, condemned destruction of CWE workers’ jobs, saying: “It is difficult to imagine that trade unions will fight for workers’ rights. Therefore, workers should fight to protect them.

“I can imagine what their trade unions are like from the way Sri Lanka University Technical Officers Association works. Its new president Mangala Dabare is defending the program of the capitalist government. He doesn’t care about the membership. The lower union officials are his henchmen. Many workers know about it but do not speak because there is no organised movement against them.

“You can’t imagine how workers at the bottom of the society live. We can’t go on like this. It is clear that we cannot solve these problems just by campaigning. The working class needs an alternative political program.”

He said that the trade unions are not talking about the disasters faced by the workers from the war [against Russia in Ukraine] and the COVID-19 epidemic. The struggles of the international working class and other issues are needed to be discussed within the working class.

“The common experience of the insidious role played by union leadership in the US auto industry and around the world is that they allow capitalist attacks. I agree that the working class must unite internationally against the unions and capitalist attacks.”

Wasantha, a worker attached to the railway station in Ratmalana, a Colombo outer suburb area, said: “I am against the sacking of CWE workers. How can workers support their families when they lose their jobs? We need to support them to keep their jobs.”

He said that the government is selling all the government institutions to the private sector saying that they are making losses. There is no confidence that the issue will be resolved by the courts. He accused unions of dividing workers on all sides referring to the fact that there are more than a 100 unions in the railway department.

Another railway worker, Sujith, said: “The workers should unite against the attacks of the government. In 2001, the government could not establish a railway authority because the railway workers fought together.

“Trade unions are silent today. The workers are stuck with their life problems and are trying to get overtime or some way to earn some money. The workers are very disappointed about the politics, but when we are attacked this way, we have to come forward to defend our rights.”

A petroleum corporation worker said that he supports the struggle of CWE workers, adding: “There is no proper leadership. Workers must unite in the fight to protect jobs. The salaries of the employees have to be increased next year.

“Our overtime hours have been reduced to a maximum 60 hours for offices and 80 hours for others. One by one, sections of the petroleum corporation are going to be closed and the number of workers will be reduced. One of the four stores has been closed. The workers in those places were transferred to other places in the company.”

An employee of the insurance corporation stated: “We support these CWC workers. The insurance workers are being

laid off from January. Workers need unity. Union leaders do not do as they say. They now have been sold to the government. Wickremesinghe is trying to attack the workers by imposing new repressive laws. We must stop it.”

The dismissal of the CWE workers is part of the Wickremesinghe government’s attack on jobs, wages and working conditions through the privatisation/restructuring of SOEs in line with the austerity program dictated by the International Monetary Fund (IMF) in return for a \$US3 billion bailout. It also includes tax hikes, increases in the price of essential commodities including oil, gas, electricity and water, and cuts in social benefits.

Under the restructuring/privatisation or closure of SOEs, more than half a million workers will lose jobs. The CWE workers are just the first victims. Like the leaders of the CWE unions, all the other trade union leaderships, who have built various fronts in the name of protecting the rights of the working class, have completely isolated the CWE workers.

None of the so-called opposition capitalist parties, including Samagi Jana Balawegaya (SJB) and Janata Vimukthi Peramuna (JVP), and the trade unions oppose the IMF’s austerity agenda. SJB leader Sajith Premadasa is spreading the lie that an SJB government will amend the IMF agreement. Nalinda Jayasinghe, a prominent JVP leader, has claimed that a JVP government will deal with the IMF without hesitation.

Workers at CWE and other SOEs need to draw necessary conclusions and form their own action committees independent from union bureaucracies and bourgeois parties to take the struggle against the government to defend their jobs and other rights into their own hands. A united political movement of the working class, rallying rural poor must be built aimed at the overthrow of bourgeois rule and the establishment a workers’ and peasants’ government, committed to socialist policies.



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