

# Sri Lanka: Laid-off CWE workers demand higher compensation and a united struggle to defend jobs!

CWE Laid-off Workers Action Committee  
8 November 2023

*The Sri Lankan government of President Ranil Wickremesinghe terminated the services of 292 Cooperative Wholesale Establishment (CWE) workers under a compulsory retirement scheme on September 30. It was the first state-owned enterprise to eliminate jobs under the latest ruthless austerity measures demanded by the International Monetary Fund (IMF) in return for a \$US3 billion bailout loan. Established in 1950, the CWE operates as a wholesale and retail trading enterprise for essential goods, mainly food items, and is known for the lowest prices in the market.*

*This statement has been issued by the action committee formed by the laid-off CWE workers.*

**Provide reasonable compensation to the CWE workers whose jobs were wiped out! Cancel all their outstanding loan installments!**

On September 30, the Cooperative Wholesale Establishment (CWE) was liquidated by the government and all of us, consisting of 292 permanent employees, were laid off with a meagre amount of compensation.

The majority of permanent employees with 20 to 25 years of service remaining in the future received only around 600,000 rupees (\$US1,835) as compensation. The maximum compensation is limited to 2.5 million rupees. Even when giving this compensation, the management forced us to sign a document declaring that we waive claims for any other rights and any liability CWE authorities have toward the employees. Further, it gives CWE management the authority to recover any overpaid amount of compensation to us from other legal dues to us, such as gratuities and bonuses.

We are not in a position to repay remaining bank loan

installments with this small compensation. We have all become jobless debtors and have been pushed to the street along with our families, including children.

With the daily rising prices of goods, it has become very difficult for us to live, and it has become impossible for us to spend on our children's education as well as support our elderly parents. We cannot even imagine covering these costs with the compensation we have received.

In the context of Sri Lanka's economic collapse, finding a job like the one we had been doing for years is very difficult. Those of us who hit the streets in search of daily wage labour often return empty-handed.

We faced the first attack from among the 430 state-owned enterprises that are earmarked to be privatised, sold or closed. Nearly 500,000 government employees are going to lose their jobs under this drastic measure and hundreds of thousands more government employees will face harsh conditions such as overwork. These conditions are being imposed as the cost of living has already risen to an unbearable level.

It was unclear to us at first but later we understood that the leaders of the Sri Lanka Podujana Progressive Trade Union, belonging to the ruling Sri Lanka Podujana Peramuna, and the Sri Lanka Freedom Workers Union, belonging to the Sri Lanka Freedom Party (SLFP), at the CWE betrayed us. These union leaders worked together with the bosses of the institution to impose on us the austerity program implemented by President Ranil Wickremesinghe's government in exchange for a \$US3 billion loan from the International Monetary Fund (IMF).

These union leaders tried to convince us that we could get a fair solution as negotiations with the

administration were going on successfully and they blocked us from uniting with other state sector workers to launch a struggle to defend jobs before the liquidation of the CWE.

The union leaders did nothing to mobilise our fellow workers and the oppressed masses against this attack and did not even inform working people what is happening to the CWE.

After all this, and telling us that the administration insisted they cannot change the Cabinet of Ministers' decision on layoffs, the trade union leaders said that justice can be obtained through the courts, and again prevented us from entering any struggle. Our fight for jobs was limited to a "fasting campaign." Then the union leaders informed us that they had lost the court case and so we must accept the meagre compensation and go home.

We found that the court, which is part of the capitalist state, declared that it will not intervene to change the government's decision to abolish the jobs.

The judgment, which should be noted by every government employee who is threatened with job losses, stated: "In these cases, the courts uphold 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."

It is clear to us that the trade union bureaucracies are advocating the policy of pleading and pressuring the government, only to trap workers in their own workplaces to dissipate their militancy and then betray them.

We also understand that the opposition parties like the Samagi Jana Balawegaya (SJB) and the Janatha Vimukthi Peramuna (JVP) have no other agenda apart from the IMF austerity program.

We, the CWE workers, will take the initiative to organise the struggle by uniting with the workers of in telecom, insurance, ports, electricity board, petroleum corporation and other institutions, facing this same attack, to defend our rights. The recent protests and strikes of teachers, health and port workers and development officers, as well as the daily anti-government protests of people across the country, show that we have the ability to continue the fight to win our demands.

We urge the employees of every workplace to form their own independent organisations without relying on the trade union bureaucracy. The struggle should be taken forward by building action committees and linking them together in a network. They must join in building an international workers' alliance.

We, the Action Committee of CWE Laid-off Workers, will take forward our struggle on the following demands. At the same time, we request our brothers and sisters in the government and private sectors to jointly organise a fight against the job cuts, the unaffordable increase in the cost of living and the overloading of work, with our struggle.

\* Every CWE employee who was laid-off must be given compensation of at least 3.5 million rupees!

\* Hands off laid-off CWE workers' due allowances, including the gratuity and Employee Provident Funds!

\* Cancel all institutional and bank loans of laid-off workers!

\* Lower the cost of living!

**CWE Laid-off Workers Action Committee**



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