

Electricity disconnected to over one million Sri Lankans amid soaring tariffs

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A recent report by Sri Lanka's Power and Energy Ministry reveals that the state-owned Ceylon Electricity Board (CEB) disconnected electricity to 1,063,566 customers in 2023, the overwhelming majority of these poor households. This is a more than fourfold increase in the number of cutoffs compared with 2022, when 247,250 were disconnected. Electricity was cut to 94,201 customers in 2021.

The deprivation of this essential facility to the masses is a direct result of International Monetary Fund (IMF) austerity measures now being brutally implemented by the government in response to the catastrophic economic crisis that hit the Sri Lankan economy in 2022.

Colombo's immediate reaction to the financial crisis, beginning with former President Gotabaya Rajapakse's government, was to impose the burden on ordinary people, including through long power cuts, fuel shortages (creating transport stoppages), major shortages of essential items and skyrocketing prices.

Angry protests erupted over these social attacks in April–July 2022, which then developed into a mass anti-government uprising involving millions of workers and the poor. The demonstrations and strikes led to the collapse of the government and the ouster of its president, Gotabaya Rajapakse, who fled to Singapore and resigned.

Behind their demagogic denunciations of Rajapakse, the trade unions and various pseudo-left groups blocked the working class from advancing its own independent socialist initiative during this time. These formations subordinated the movement to the opposition capitalist parties, including the Samagi Jana Balawegaya (SJB) and the Janatha Vimukthi Peramuna (JVP), which called for an interim regime to stabilise capitalist rule. This paved the way for the discredited parliament to elevate the far-right Ranil Wickremesinghe into the presidency and escalate implementation of the IMF's social assaults.

A major component of these austerity measures was the

elimination of energy subsidies and harsh increases in electricity tariffs which rose by 75 percent in August 2022, another 66 percent in February 2023, and an additional 18 percent in July that year.

According to a 2023 Public Utilities Commission report, there are 3 million Sri Lankan people in the country's lowest power consuming group using up to 60 kilowatt hours per month. While many of this group have now been disconnected, about 600,000 customers, who were consuming up to 61–90 kwh units per month have reduced their usage and last year joined the lowest consumers group.

The parliamentary committee reviewing this data also noted that 250,000 factories were shut down in Sri Lanka during 2023, many of them small enterprises, with high electricity bills a major cause of the closures and subsequent job destruction.

Sri Lankans currently pay some of the highest electricity bills in South Asia, according to a recent survey by the Verité Research agency. It reported that consumers using between 100 and 300 kwh units were paying up to three times higher tariffs than other countries in the region.

In line with IMF demands, the Wickremesinghe government is moving to transform hundreds of state-owned enterprises, including the CEB, into profit-making enterprises that will be sold off. In fact, CEB's increased electricity tariffs have changed the company—a loss-making enterprise up until 2022—into a profitable enterprise with a 61.2 billion rupees (\$US199 million) profit last year.

In the face of rising anger over its price gouging, CEB management announced a 21 percent reduction of tariffs on Tuesday. This, however, will do little to assist the millions of Sri Lankans struggling to pay their electricity bills.

Many poor families also face the prospect of being disconnected from pipe-borne water supplies because they

cannot afford to pay higher water tariffs. In December the Ceylon Teachers Union (CTU) accused the government of failing to provide enough funds for 22 schools, including five national schools in the Matara district, to pay their electricity bills.

After making CEB profitable, the government plans to break up the company into 14 different divisions, aiming to sell some to private investors or fully commercialise others. The bill being prepared for this restructuring will soon be presented to parliament. In line with these measures, the Wickremesinghe regime has instigated a crackdown on CEB employees opposing privatisation. It has suspended 66 employees who participated in a three-day anti-privatisation protest involving thousands and is preparing to harshly penalise them for violating Sri Lanka's Essential Public Services Act.

In 2022 the average inflation rate hit 46 percent and in 2023 it was 19 percent, according to official calculations. Although the rate has now dropped to 5.9 percent, this will not alleviate mass poverty.

According to the World Bank, 27.9 percent of the population were living in poverty in 2023, more than double the 13.1 percent in 2021, with predictions in a recent report that it would increase further, "due to short-term regressive impacts caused by fiscal reforms." In other words, privatisation, higher taxes and government expenditure cuts to health, education and other welfare programs will drastically increase poverty and social misery.

The Wickremesinghe government's constant claim of a future "economic recovery" is false to the core. The deepening crisis of global capitalism will further escalate the crisis in Sri Lanka and all other countries.

World Socialist Web Site reporters spoke recently with workers about how they were coping with the electricity price hikes. Most of those affected are plantation workers and the rural and urban poor.

V. Muttiah, a worker from Punagala Estate in the central hills, said higher electricity tariffs had heavily impacted on estate workers. He told the WSWS that his wife could not work because of heart disease, and that the couple were unable to pay their electricity bill for four months and were disconnected. They had to borrow money to get their power reconnected.

"I do not have a proper job and only earn a small income by doing odd jobs. After spending on my wife's medicines, our children's education and food, there's nothing left to pay the light bill. We live under harsh circumstances," he said.

A second-year student from the University of the Visual and Performing Arts in Colombo said: "My parents have been forced to pay massively increased electricity bills compared to several years ago. Education spending on me and my sister is borne solely by my father's income.

"We are not allowed to use electricity to boil water and cook meals in the university hostel and so we use a gas cylinder and a gas cooker. We cannot afford to pay for the higher cost of essentials, including electricity bills," she said.

A female worker who has been employed for six years at the Chiefway Manufacturing garment factory in the Katunayake Free Trade Zone said: "I live in a single room of a boarding house and my monthly spending [for electricity] is about 3,600 rupees [\$US12]. Our electricity bills fall into the business category because we live in a boarding house." She explained that her single room has one light bulb, a small refrigerator, and a television set.

A worker from Chilaw told the WSWS that CEB employees had come to disconnect his power because he owed 13,000 rupees (\$US42) for two months' electricity. His previous monthly bills were 500 rupees, but these had increased in recent years to over 6,000 rupees. "My neighbours explained [to the CEB employees] the difficulties I had paying the bill, but were warned that I had to pay the overdue amount by the next day. I paid the bill after borrowing some money," he said.

A public sector management assistant from Bandarawela, who is a widow with three children, said, "My electricity bill was suddenly doubled so we faced unexpected difficulties."

She pointed out that she could only use a firewood cooker but that this method was exhausting, especially after she had spent a day at her workplace. The high cost of electricity, she said, has forced her to put aside her rice cooker, water-heater and electric iron. She now uses a coconut shell to iron her dresses.



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