

Organise action committees to fight privatisation of Telecom, Insurance and Electricity corporations!

Collective of Workers Action Committees (Sri Lanka)
2 August 2024

The Collective of Workers Action Committees (CWAC), calls on employees in Sri Lanka Telecom (SLT), Sri Lanka Insurance Cooperation (SLIC) and Ceylon Electricity Board (CEB) to take the initiative and form action committees to defend their jobs, wages and working conditions.

We urge you to join the public meeting organised by the CWAC in Colombo on August 14 to discuss a political program for this struggle.

During the last two months, the government has pushed acts through the parliament to restructure the SLT and CEB. The managements of these institutions are preparing moves that will gravely affect thousands of employees. This restructuring, aimed at privatisation or commercialisation, are part of the International Monetary Fund's (IMF) harsh austerity agenda.

The trade union leaderships have enabled the government to move forward in restructuring of these institutions, by blocking any genuine struggle of the working class. They called futile protests claiming that President Ranil Wickremesinghe can be pressurised to change government policies. Now they have started collaborating with managements in the restructuring process.

* The SLT amendment act became law on July 23. It allows the licensing of foreign companies as telecommunication service providers to manage satellite links and build terrestrial international telecommunication cables to Sri Lanka.

The privatisation process of Telecom began decades ago with the sale of 45 percent of shares to a private company and another 6 percent sold in the share market. The discussions are ongoing to sell the remaining 49 percent shares. An Indian company and a

Chinese corporation are competing to buy stakes.

After various limited protests, trade union leaders filed a case against selling the remaining shares but the court dismissed it on July 15. Telecom trade union collective leader, Jagath Gurusinghe, during a protest on July 26, made another empty threat saying: "If the institution is sold out we will completely jeopardise their [presidential] election plan."

In the meantime, the government has decided to reduce the SLT workforce through a voluntary retirement scheme (VRS) with meagre compensation. According to a circular issued by the finance ministry, those who opt for VRS will get 1.5 million rupees (\$US4,956) as maximum compensation and a half million rupees as the minimum.

* The electricity reform act came into effect on June 28. It has enabled setting up 12 new companies and the break up of the CEB. It is a first move on the road to privatization.

The very same day, the collective of CEB trade unions led by the Janatha Vimukthi Peramuna (JVP)-controlled Ceylon Electricity Workers Union, which thundered about defeating privatisation, met with Power and Energy Minister Kanchana Wijesekera behind the backs of their members to discuss the restructuring.

According to *Economy Next*, during his meeting with CEB union leaders, the minister "discussed the structure of the reforms, timeline for implementing different tasks, appointments to successor companies, human resource management, salary structures, policy and management decisions taken." Also, he discussed drastically reducing the workforce. The minister explained that after completing the restructuring, only

about 5,000 employees would be enough. A VRS system will be worked out to lay off around 20,000 workers.

Trade union leaders have not revealed anything about the discussion to their members.

* The SLIC was divided into three separate companies early this year—Sri Lanka Insurance, Life Insurance and General Insurance. The leaders of all the trade unions took part in secret discussions and agreed to the management plan. Sri Lanka Insurance Workers Union leaders filed a case in the Appeal Courts against creating these companies but the case was dismissed.

A VRS scheme has been proposed also with the consent of the trade unions. But insurance employees have rejected the scheme by not applying for redundancy. However, retrenchments will come sooner rather than later.

Privatisation and commercialisation is part of the IMF's broader austerity agenda, which includes increased taxes and tariffs, and slashing funds for welfare programs, public education and health. The purpose of this program is not to address the social crisis but to extract revenue for the state coffers to ensure the repayment of foreign debt and to boost big business profits.

Brothers and sisters! It is proven again and again that we cannot defend our jobs, wages and working conditions let alone improve them under these unions. We have no time to waste in organising a united struggle against the IMF austerity program of the government. No amount of protests or pressure will change government policies. Union leaders have called isolated, scattered and limited protests only to dissipate the anger of workers.

JVP -controlled National Trade Union Center has publicly declared that it opposes organising or joining any strike and insists all workers must support its presidential candidate. Similarly, the Samagi Jana Balawegaya has geared its unions for the presidential election.

Their call for electoral support is based on a big lie. Like the President Wickremesinghe regime these opposition parties are completely committed to the IMF program. We must absolutely reject this political trap. Workers can defend their rights only by mobilising their united independent strength to defeat the government's IMF austerity.

We have to draw lessons. First and the foremost lesson: We cannot rely on the trade unions which are tied to the capitalist system and bourgeois parties. They all support the IMF program. This is our bitter experience over the past period.

That is why we must form democratically-elected workers action committees at Telecom, CEB and Insurance Corporation independent of trade unions. There should not be a place for the trade union bureaucracy.

Through such committees, struggles can be coordinated across the different institutions that are on the government's chopping block, along with other sections of our class brothers and sisters.

We propose the following demands:

- No to privatisation or commercialisation of the SOEs! Place them under workers control!
- Repudiate all foreign debts!
- An immediate wage increase to compensate for the huge erosion of the real value of wages, then indexed to cost of living!

We have already initiated this campaign in the working class. The CWAC is comprised of action committees formed among port, plantation, health, railway, teachers and migrant workers. We are ready to discuss and give every political assistance to establish workers action committees.

We are also campaigning for international unity of the workers. In that, we support the building of International Workers Alliance of Rank and File Committees, which is crucial to fight the attacks of international finance capital and global conglomerates.

The CWAC will hold a public meeting to discuss how to develop the struggle by workers against the privatisation of Telecom, the Insurance Corporation and the CEB and against the IMF austerity program as a whole. We call on workers and youth to attend the meeting which will be held at the Jayasekara Management Centre (JMC) Colombo 02 on Wednesday, August 14 at 4 p.m.



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Socialist Equality Party visit:

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