

Sri Lankan parliament unanimously approves IMF austerity measures

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After two days of debate on December 3–4, the Sri Lankan parliament, without taking a vote, unanimously endorsed the policy statement of the Janatha Vimukthi Peramuna/National People’s Power (JVP/NPP) government, presented by the President Anura Kumara Dissanayake on November 21.

The unanimity of the ruling and opposition MPs on the policy statement, which pledged to implement the International Monetary Fund (IMF) program in full, demonstrates the fundamental agreement of the entire political establishment with the savage austerity agenda.

The opposition parties have thus strengthened the hand of the JVP/NPP government to proceed with its assault on the living conditions of workers and the poor. Their support followed the government’s signing of an IMF staff level agreement on November 23, promising to bring next year’s budget into line with its demands.

Last week, the government presented an interim budget for the first four months of 2025, until the formal budget for 2025 to be presented in January is approved. The interim budget was unanimously approved by parliament on December 6.

In presenting the policy statement last month, President Dissanayake emphasised: “Debating whether the proposed restructuring plan is good or bad, advantageous or disadvantageous, serves no purpose.” The country’s “economy is hanging on a thread,” he said. “Due to the scale of the crisis, even the smallest error could have significant repercussions... There is no room for mistakes.”

His comments were a total repudiation of the JVP/NPP election manifesto, which pledged to “renegotiate with the IMF” and “prepare an alternative Debt Sustainability Analysis” so as to salvage “the

poor and deprived people from [their] painful condition.”

Now Dissanayake, who is also finance minister, is committed to imposing all the IMF’s demands to the letter. The new government will adhere to increasing the primary budget surplus by four-fold from 0.6 percent of GDP last year to 2.3 percent next year. This means further increases in taxes, utility rates and fuel prices, as well as slashing vital public services and a fire-sale of state-owned enterprises, destroying hundreds of thousands of jobs.

Senior presidential economic advisor Duminda Hulangamuwa stated publicly on December 2 that the country would have to downsize its public sector workforce from the current base of 1.3 million employees to just 750,000. The plan to massacre at least 550,000 public sector jobs is a warning of the kind of brutal measures being prepared by the Dissanayake regime.

In the presidential and national elections, JVP/NPP, which has never before held power, exploited the widespread hostility towards traditional bourgeois parties—such as the United National Party (UNP), its offshoot Samagi Jana Balawegaya (SJB), the Sri Lanka Freedom Party and Sri Lanka Podujana Peramuna (SLPP)—that have ruled since formal independence in 1948. The oppositions now hold just 66 of the 225 parliamentary seats.

During the parliamentary debate of Dissanayake’s policies, the JVP/NPP MPs flaunted their victory, declaring the government had a “vision for the future” and plans to address people’s problems, unlike previous governments. They would eliminate corruption and usher in “a new political culture.” This pack of lies will be quickly exposed as Dissanayake savages living standards creating greater social misery

for working people.

Opposition leader and SJB head, Sajith Premadasa, pledged to support the government's decision to adhere to the IMF framework. He pointed out that "certain aspects of the IMF program harm the people," but added that his party was "ready to assist the government if it takes action on this issue."

Premadasa has fully backed the IMF's agenda. Amid the political and economic crisis of 2021–22, he criticised the SLPP government of failing to immediately seek assistance from the IMF. During this year's presidential campaign, he also declared he would "renegotiate" the terms of the IMF loan—a promise he would have trashed, like Dissanayake, if he had won.

SLPP leader Namal Rajapakse congratulated the government, but sarcastically asked whether the government's policies would be those of the previous Wickremesinghe government—which the SLPP had backed—"or the policies you presented during the presidential election."

Former President Wickremesinghe again told the media that he supported Dissanayake's statement "adhering to the framework agreed upon with the IMF." He negotiated the deal with the IMF after coming to power in the wake of a mass popular uprising in April/May 2022 against the immense social crisis produced by the country's debt default.

Wickremesinghe, the only MP of his UNP, had no popular support. Known for his pro-US and pro-IMF orientation, he was installed anti-democratically via parliament, not by election. The JVP/NPP and SJB in league with the trade unions and fake lefts such as the Frontline Socialist Party played the critical role in derailing the mass movement. Their demand for an "interim government" helped legitimise the discredited parliament and thus the decision to elevate Wickremesinghe to the presidency.

The JVP/NPP, which never opposed the IMF program, simply questioned the legitimacy and thus the ability of Wickremesinghe to carry it out. Now it has been backed by the Sri Lankan ruling class, with the blessing of international finance capital, as the means to carry out the IMF's diktats and suppress any opposition.

Already the Dissanayake government has used the police to crack down on a peaceful protest of School

Development Officers on December 2, detaining four. Their crime was to demand proper teaching jobs in state teacher service. They were employed over four years ago and have been used as teachers but on lower pay and poorer conditions.

The unanimous parliamentary support for the IMF agenda makes clear that the working class will have to rely on and mobilise independently to fight for its social and democratic rights. The SEP calls workers and the rural masses to establish independent action committees in every workplace, plantation, town and suburb. Capitalist politicians and trade union bureaucrats should not be allowed to take part in these action committees.

The action committees must reject the notion that working people should make sacrifices to boost the profits of the super-wealthy few, and call for the repudiation of all foreign debt and the IMF agenda. To address the burning issues facing working people, the assets of the super-rich should be seized and the major banks and corporations nationalised under workers' control.

The SEP is calling for the building of a Democratic and Socialist Congress of Workers and Rural Masses, based on representatives from the action committees to discuss and fight for a socialist strategy. This is a crucial mechanism to unite the struggles of working people in the fight for political power and the establishment of a workers' and peasants' government to implement socialist policies, as part of the broader international struggle for socialism.



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