

# Mobilise the working class against the Sri Lankan government's austerity agenda

**Socialist Equality Party (Sri Lanka)**  
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The Socialist Equality Party (SEP) calls on the working class in Sri Lanka to politically organise to fight the International Monetary Fund (IMF)-dictated austerity measures of the Janatha Vimukthi Peramuna/National People's Power ((JVP/NPP) government.

The 2025 budget presented by President Anura Kumara Dissanayake in parliament on February 17 marks an intensification of the war on the living conditions of millions of workers and rural masses. It was a budget prepared under the scrutiny of the IMF's managing directors.

Dissanayake pledged to international capital and big business that his government would implement the IMF austerity program completely. He had lied to working people during last year's elections that he would renegotiate the austerity program so that they would get relief.

President Dissanayake and his government have begun carrying out the IMF and big business agenda. This program is mainly directed at putting the burden of economic crisis on the backs of the masses and extracting revenue to restart the large debt repayments halted by Colombo amid the 2022 economic collapse.

## What are the newly announced attacks?

- The budget slashed the allowances of state employees while offering only a small wage increase. As real wages have declined, these allowances, won in past struggles, have been an essential income support to maintain living conditions. Other measures such as a property tax will be implemented next year.

- State sector restructuring including of state-owned enterprises (SOE) will take place by establishing a State Holding Company which will pave the way for public-private ownership and privatisation. Dismantling the public sector is a key IMF demand to allow international investors to exploit labour and other resources. More than half a million jobs will be destroyed and wages slashed resulting in intensified exploitation and pushing working people further into poverty.

- Industrial zones will be established under the cover of a new investment act, which will "protect investments" and ensure profit reparation.

## Workers are starting to resist but the trade union are scuttling these struggles

In recent weeks, about 13,000 non-academic workers have held lunch-time protests.

Around 100,000 health employees including doctors, nurses and

paramedics attempted to fight cuts into their allowances. The Government Medical Officers Association (GMOA) and the Health Trade Union Alliance (HTUA) called limited one-day strikes, but abandoned any action after the government's call to wait a week.

The trade unions heeded the IMF's warning that "labour unrest" would hamper the country's "economic recovery." After treacherously halting the industrial action, the union leaders now lament that the government has not offered anything!

Similarly, the postal unions have announced protests and a two-day token strike for March 17 and 18 against the slashing of allowances and the demand to end salary anomalies.

The union leaders are compelled to call these limited protests amid rising anger among workers. They are seeking to contain and derail the mass opposition by making futile appeals to the government. The JVP trade union bureaucrats have openly declared their opposition to any action.

The SEP emphasises that it is urgent for workers themselves to take up the fight to defend their social and democratic rights. They cannot rely on the trade union apparatuses. This can only be done by forming independent action committees, democratically elected by workers, in every workplace, plantation and other major economic centre.

## What have the trade unions done during the past two years?

When the previous government of President Ranil Wickremesinghe began unleashing the IMF's harsh austerity measures, hundreds of thousands of workers took action to demand higher wages and pensions, a lessening of heavy workloads, and to oppose taxes on essentials and privatisation. Working people were already suffering great hardships after facing the brunt of the 2022 economic collapse.

The trade unions—just to name a few, the HTUA, postal and telecom unions, port and railway unions, and Ceylon Electricity Board Trade Union Alliance—derailed these struggles by making useless appeals to the government. The government responded by rejecting the demands, invoking essential services laws and mobilised the police and security forces to crush the protests.

By mid-last year, as the presidential and national elections were called, the trade unions rallied to their respective capitalist parties, including the JVP/NPP and the Samagi Jana Balawegaya (SJB). They halted all action by saying workers would get a better future under a government of their party. The JVP/NPP publicly opposed any struggle declaring it would be harmful to its coming to power.

What underpins the treacherous role of all the trade union bureaucrats is their pro-capitalist politics and their direct and indirect support for the IMF austerity policies.

The trade unions are bitterly opposed to any independent, united action of workers, and worked might and main to limit and scuttle any struggle. They feared that a confrontation with the government and its IMF agenda would raise the necessity of overthrowing capitalist rule.

In doing so, union leaders enabled the JVP/NPP to come to power by exploiting the mass opposition against the discredited United National Party of Wickremesinghe, the Sri Lanka Podujana Peramuna (SLPP) of the Rajapakses and Sirisena's Sri Lanka Freedom Party.

What are these parties doing now?

On February 27, when the vote was taken on the budget's second reading the SJB "opposed" it. To say the least, this is outright hypocrisy, as this party in 2022 pressed the former Rajapakse regime to seek IMF assistance to "save the economy." The SJB directed its trade unions to collaborate with other unions to suppress workers' struggles.

The plantation unions, which also operate as political parties—Ceylon Workers Congress and the Tamil Progressive Alliance, a front of unions—are openly supporting the IMF program.

The Tamil bourgeois parties—the Ilankai Tamil Arasu Kachchi and Tamil National People's Front MPs—have declared their support for IMF austerity. But they voted against the budget to express displeasure over the fact that the government has ignored their demand for greater powers in the North and East.

### **Working people: Learn the political lessons of the 2022 mass uprising!**

The global capitalist crisis, greatly intensified by the COVID-19 pandemic and the US-NATO war against Russia in Ukraine, precipitated a profound economic collapse in Sri Lanka in 2022.

Confronting unbearable shortages of food, medicine and fuel, and without electricity and transportation, the masses came onto the streets. The trade unions observed deadly silence about the plight of the masses. As anger grew among workers, they called two one-day strikes on April 28 and May 6 in which millions took part.

Fearing the eruption of revolutionary struggles, the opposition JVP/NPP and SJB, along with their trade unions, subordinated workers to parliament and the call for a capitalist interim regime. The fake-left Frontline Socialist Party actively supported this fraud.

The result was a shameful betrayal of the mass movement. Although Gotabaya Rajapakse fled the country, he and his SLPP installed pro-US Wickremesinghe as president. He struck a loan deal with the IMF and immediately began introducing its austerity demands, which the JVP/NPP government is now continuing and intensifying.

Last week IMF mission chief Peter Breuer warned of "potential labour unrest" in Sri Lanka against its austerity program—in effect, telling the government that industrial action cannot be tolerated. The Dissanayake regime, which has already condemned strikes and protests, will, in the face of mass opposition, soon turn to fundamental attacks on democratic rights and dictatorial forms of rule.

### **What should be the program for the working class?**

The Socialist Equality Party (SEP) proposes the following program on which to fight to defend living conditions, jobs and pensions:

- All workers, in the private and state sectors, must have a wage increase to compensate for the erosion of real wages! It must be indexed

to the cost of living! Pensioners must receive a similar increase!

- Tea plantation workers must be paid a monthly wage indexed to the cost of living, with paid leave and pension!

- No to pro-market restructuring of state owned enterprises (SOEs)! Defend all jobs and conditions! Put all SOEs under the democratic control of the working class!

- Immediately bring down the prices of food and essential items. End the VAT and other taxes on such items!

- Provide jobs with decent wages for the 40,000 unemployed graduates and other unemployed!

- Repudiate all foreign debts! Rather than repayments to international loan sharks, the money funds must be used to develop social welfare programs and to expand free public education and health services!

- Place all banks, big companies and plantations under workers' democratic control and reorganise production and distribution for the benefit of workers and the poor!

- Seize the assets of the wealthy few and use the funds to provide for the pressing needs of the majority!

- Abolish all repressive laws, including the draconian Prevention of Terrorism Act (PTA), emergency and essential services regulations!

To mobilise their political and industrial strength and fight for these demands, it is essential that workers and the rural masses build their own action committees throughout the country, completely independent of the trade union bureaucracy, capitalist parties and their hangers-on.

### **There is no progressive solution for the working people within the framework of the capitalist system or the nation-state.**

The SEP is calling for the establishment of a Democratic and Socialist Congress of Workers and Rural Masses (DSC), assembling democratically-elected delegates from the action committees in workplaces and rural areas.

This Congress can and must discuss a program of socialist policies and the fight for a workers' and peasants' government.

The Sri Lankan working class is not just fighting against the JVP/NPP government and the capitalist class in this country. They confront international finance capital and its agencies. The government and ruling elite here are their lackeys.

In many countries, such as Kenya and Zimbabwe, workers are in continuous struggles against similar savage IMF austerity measures. In the US and other imperialist countries, workers face attacks on their social rights and have already begun to engage in major strikes and protests.

Sri Lankan workers must unite with international class brothers and sisters in a common struggle. The imperialist powers and their lackeys in poorer countries are responsible for intensifying social inequality and a continuing pandemic and are driving towards dictatorship and world war.

Sri Lankan workers must unite with the international working class by coordinating their action committees with the International Workers Alliance of Rank-and-File Committees (IWA-RFC) and build it as the coordinating centre of a global fightback by workers.

Above all, we call on workers to join and build the SEP as the necessary revolutionary leadership for the immense struggles ahead.



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