

Sri Lankan union leaders support government restructuring of electricity board

Vimal Perera**2 September 2025**

The Sri Lankan government has begun the process of breaking up the Ceylon Electricity Board (CEB) into four government-owned companies (GOCs), into which employees will be transferred by the end of October.

The formation of these companies—National System Operator, National Transmission Network Service Provider, Electricity Distribution Lanka, and Electricity Generation Lanka—to unbundle the CEB is a key demand of the International Monetary Fund (IMF). According to the Director General of Power Sector Reforms, these institutions will be further divided into several companies in about two years.

Under the new Sri Lanka Electricity (Amendment) Act, passed last month, the government has issued letters to all employees indicating the companies to which they will be transferred.

There is widespread opposition to the breaking up of the CEB among the institution's 22,000-strong workforce. Workers are concerned about their jobs and working conditions, and threats to rights won through past struggles since the board's establishment in 1969. They have been reluctant to accept the government's letters of assignment.

The ruling Janatha Vimukthi Peramuna/National People's Power (JVP/NPP) government, which is fully committed to the IMF program, has only been able to prepare its attack on this key section of the working class because of repeated betrayals by the trade unions.

Leaders of all trade unions covering CEB workers—despite previously claiming they would defend workers' rights—lined up last week to support the government's plan.

The JVP-controlled Ceylon Electricity Workers Union (CEWU) held discussions with Energy Minister Kumara Jayakody and expressed agreement with issuing the appointment letters.

The CEWU, once the largest union among CEB workers, has been abandoned by workers who have denounced its betrayals since the JVP/NPP came to power. Senior JVP member Ranjan Jayalal no longer leads the union, after being appointed Mayor of Kaduwela Municipal Council in June 2025 following local government elections. Other JVP-controlled unions have been instructed by the government hierarchy not to organise any action against the IMF's austerity measures.

An alliance of more than 20 unions initially advised CEB workers not to accept the appointment letters and, under pressure from members, announced a token strike for September 1.

However, officials from the CEB Technological Engineers and Superintendents Union and the CEB Accountants' Association broke ranks with the 20-union alliance, holding a separate discussion with the minister on August 26. Like the CEWU, they expressed willingness to go along with the government's plans.

Union bureaucrats from the remaining members of the alliance quickly fell into line, blaming the other unions for "betraying the cause" and declaring they had no option but to abandon their opposition. These unions include the Sri Lanka Nidahas Sevaka Sangamaya and the Jathika Sevaka Sangamaya, controlled respectively by the opposition Sri Lanka Freedom Party and United National Party.

In a statement to their members, these union leaders declared, "We have no desire to let [22,000 employees] lose their jobs," and suggested workers accept the assignment letters. In other words, they will abandon any of those workers who refuse to accept the letters. The bureaucrats cynically claimed that they would continue the "fight."

According to a government gazette issued on August 26, employees who do not wish to join the new companies can apply for a Voluntary Retirement Scheme (VRS). They will be paid meagre compensation ranging from 900,000 rupees (\$US3,000) to 5 million rupees (\$US16,600), depending on their years of service.

Though the Electricity (Amendment) Act states that employees will retain the same status in the newly formed companies, it makes no mention of their current pension scheme and other hard-won rights.

All of the unions have cravenly sold out CEB workers, who had launched militant struggles against previous government attempts to privatise this strategic state-owned enterprise (SOE).

Former President Ranil Wickremesinghe's government began the CEB restructuring by preparing new legislation. In response, 20,000 CEB workers launched a three-day national sick-leave protest, in defiance of the draconian Essential Public Services Act and management's cancellation of all leave. The government retaliated by suspending 62 employees—only to reinstate them under harsh conditions.

The NPP, the JVP's electoral front, falsely claimed during last year's presidential and national elections that if it came to power, it would renegotiate the IMF program. The JVP-controlled trade unions and their counterparts in other unions spread the same lie.

The Dissanayake government quickly abandoned its promises, declaring its full commitment to the IMF's brutal cost-cutting measures. In addition to the CEB, the government has prioritised dozens of SOEs for accelerated restructuring and commercialisation. These include Sri Lanka Ports, Petroleum, the Postal Department, Sri Lanka Telecom, Sri Lanka Railways, the Insurance Corporation, Bank of Ceylon, and the People's Bank.

These are among more than 400 SOEs targeted for restructuring, a process that will destroy at least 500,000 state sector jobs. To accelerate this, the JVP/NPP Dissanayake government has proposed forming a "super-holding company."

When the government prepared its CEB restructuring plan, the trade union bureaucracy was compelled to call protests. On July 22, around 16,000 CEB workers took sick leave and held a one-day protest against the

Electricity (Amendment) Act. The unions called the protest simply to dissipate workers' anger and politically disarm them.

CEB workers must reject the betrayals of the trade union bureaucracy and prepare to defend their rights.

The rising anger and militancy of Sri Lankan workers was clearly demonstrated in the August 17 national strike of 17,000 postal workers fighting for 19 demands. After the government deployed the army and police to crack down on the workers, the postal union leaders quickly caved in to the government's threats and shut down the strike after a week without winning a single demand.

Militancy alone is not enough. Workers must understand that they cannot fight for their rights within the framework of the trade unions. The Dissanayake government and the Sri Lankan capitalist class are mired in a deepening economic catastrophe and are determined to make working people bear the burden.

The Socialist Equality Party (SEP) insists that there is no solution for workers within the capitalist system and the trade union apparatuses that defend it.

We call on workers at CEB, and in state-owned enterprises and workplaces across the country, to establish independent action committees to defend all jobs, rights, and working conditions. The trade union bureaucracies must not be allowed into these committees.

The working class must prepare to launch a united struggle against the assault of the government and the capitalist class, in unity with the international working class.

All SOEs must be placed under workers' control. The working class must reject IMF austerity and fight for socialist policies—including the repudiation of foreign debt and nationalisation of the banks, major corporations, industries, and plantations under workers' democratic control. This requires a fight for a workers' and peasants' government as part of the struggle for international socialism.



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