

Sri Lanka: Electricity board union leaders suspend industrial action after meeting with government minister

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Ceylon Electricity Board (CEB) trade union leaders in Sri Lanka announced on Monday that they were suspending month-long protest actions against the restructuring of the crucial state-owned company following a meeting with Power and Energy Minister Kumara Jayakody.

A complete halt to industrial action will be declared, the unions said, once the minister issues a written assurance to address 24 demands previously submitted by the unions.

Engineers' Union Executive Committee member Dhanushka Parakramasinghe praised the minister for being "constructive and positive," claiming he showed a "genuine commitment" to resolving the issues amicably.

While Parakramasinghe told the media that the unions expected a written assurance soon, nothing has been released by the minister. In effect, the union bureaucracy has suspended the industrial action without securing any concrete concessions.

Many CEB workers voiced their anger about the decision, telling *World Socialist Web Site* reporters that they first heard about it in the media and pointing out that there had been no consultation with rank-and-file union members.

Since early September, some 20,000 CEB workers have maintained a work-to-rule campaign. On September 17, they began a two-day sick-leave protest with powerful demonstrations outside the CEB head office in Colombo.

These actions, and the threat of future escalations, were called by the Joint Alliance of CEB Trade Unions (JACEBTU), which represents 25 unions. The aim was not to develop a unified national campaign against the

restructure of the company by President Dissanayake's Janatha Vimukthi Peramuna (JVP)/ National People's Power (NPP) government, but to dissipate workers' anger.

The action was in response to the Sri Lankan government's decision to split the CEB into four companies as part of the broader cost-cutting and privatisation program demanded by the International Monetary Fund in exchange for a \$3 billion bailout loan agreed to in 2023.

Under this deal—endorsed by former President Wickremesinghe and now being accelerated by Dissanayake's JVP/NPP administration—more than 400 state-owned enterprises will be restructured. This includes the closure of "unviable" institutions and the commercialisation or privatisation of others, resulting in the destruction of tens of thousands of jobs.

CEB employees have been told to either join the new companies or accept a Voluntary Retirement Scheme (VRS). In response, the union bureaucracy, fearful of the rising demands for action by its members, drafted 24 demands which they claimed would safeguard their rights.

This included protection of trade union rights guaranteed under the Labour Act, transparent transfer procedures, resolving employment disputes through the Labour Director-General, replacing the Power Sector Reforms Secretariat director general, clear assignment letters outlining duties and job security, and a VRS formula proposed by the unions.

The minister's "assurances"—like numerous others made by current and previous Sri Lankan governments—are a ploy that the union leaderships regularly use to shut down industrial action.

On September 15, Jayakody declared that CEB employees unwilling to accept restructuring should resign, warning that “no one can disrupt” the government’s plan. On September 24, President Dissanayake imposed Essential Services Regulations on the CEB, banning all industrial action.

Desperate to avoid an open political and industrial confrontation with the government, the JACEBTU leadership quickly dropped their previous threats to strike.

Even if the unions’ 24 demands are met, this will not address the fundamental issues confronting CEB employees. The CEB restructuring is designed to cut costs, increase profitability and prepare the CEB and other SOEs for privatisation.

IMF Mission Chief for Sri Lanka Evan Papageorgiou made this clear last week, telling the media that the international bank was “paying close attention to the unbundling of CEB and the evolution the energy sector will undergo in 2026 and beyond.”

The CEB or its successor companies “should not incur financial losses,” he declared. In other words, jobs, pensions and other benefits must be cut.

CEB workers must recognise that the union leaderships have led them into a dead end. What is posed is the necessity to organise independently and fight back.

The union leaderships defend capitalism and openly support the IMF program. As Sri Lanka Freedom Employees Union Secretary Priyantha Prabhath told WSWs reporters: “We are still a poor country, [but] we are moving forward with assistance from the IMF. Large power projects require foreign investment.”

Workers now being compelled to join the new electricity companies will soon face attacks on their jobs, wages and working conditions. To fight this, they must reject the Dissanayake government’s IMF austerity program in its entirety and unite with other state-owned enterprise workers coming under attack.

CEB union members should demand an immediate mass meeting to discuss the implications of restructuring and develop a plan of action. While the pro-IMF union bureaucracy will try to prevent genuine democratic debate, electricity workers must respond with their own program.

This means organising independently of the union leadership and all the parliamentary political parties by

forming action committees in every workplace. Only through such committees can workers democratically discuss and develop a genuine industrial and political campaign to defend their jobs and basic rights.

The betrayal by CEB union bureaucracies is a lesson for the entire working class. CEB workers must unite with those in other sectors—banks, railways, telecommunications, transport, universities, health, education, plantations, and the private sector—to fight for workers’ control over production and services and a socialist program.

This must include the nationalisation of the major corporations, banks and plantations under democratic workers’ control, and the bringing to power of a workers’ and peasants’ government to implement such measures.

In defending their basic rights, Sri Lankan workers not only confront the Dissanayake government but the IMF and global finance capital. Their struggle needs to be developed as part of a united international movement of the working class. Independent workers’ action committees in Sri Lanka should link up with their brothers and sisters in the International Workers Alliance of Rank-and-File Committees.

The Socialist Equality Party is the only party advancing this program. We call on CEB employees and workers and youth who want to fight for this perspective to join the SEP.



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