

Sri Lankan president uses war commemoration to declare “economic war” on working people

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Speaking at the 17th “National Victory Day Commemoration” on May 19, marking 17 years since the Sri Lankan state declared military victory over the separatist Liberation Tigers of Tamil Eelam (LTTE), President Anura Kumara Disanayake emphasised the necessity of winning the “economic war.”

This state ceremony was held to eulogise the communal war in front of commanders of the three branches of the armed forces, veteran commanders from the war, and war-disabled soldiers.

The main thrust of his speech was that the armed forces had sacrificed their lives to build a “developed nation,” one “founded on fairness and the rule of law” and “capable of succeeding in the world.” Then he added: “For decades we have been trapped in an economic war, and we must win that war. For decades we have been trapped in a war against unemployment and we must win that war. The younger generation longs for a free and liberated country and we must achieve that.”

Though Disanayake did not elaborate on what exactly his Janatha Vimukthi Peramuna/National People’s Power government (JVP/NPP) was going to do, the meaning of his insistence on winning the economic war is not a secret. It is nothing but the continuation and completion of the brutal austerity program dictated by the International Monetary Fund (IMF), begun by former president Ranil Wickremesinghe, which has contributed to the economic crisis now engulfing every country, intensified by the US war on Iran.

Just a day after commemorating the racist war, on Wednesday, Disanayake addressed a public meeting in Batticaloa, a major city in the war-ravaged east. There he outlined how the government will carry forward the economic war on the working class and the rural masses.

Even as he was addressing the meeting, the country’s rupee continued to depreciate. Foreign reserves were draining to pay the import bill for fuel and other essentials.

The president vowed not to allow the economic devastation of 2022, which was triggered by the impact of the global crisis that led to a mass uprising against unbearable living conditions—culminating in the ousting of then-president Gotabaya Rajapakse.

Warning about the worsening dollar shortage, he said “strict measures” would be taken in close coordination with the IMF. He insisted the state could no longer absorb losses from fuel and electricity subsidies—diesel costs 720 rupees per litre to supply while consumers pay only 392 rupees—and that the “short window” available to act must be seized now. A doubling of energy prices is on the cards, with a chain effect of skyrocketing prices of essentials.

These new measures will come on top of previous increases: fuel prices have risen by approximately 40 percent since February, gas prices by 31 percent, and electricity tariffs by 32 percent, triggering broader cost-of-living increases across the economy.

The language of “economic war” was not invented by Disanayake. President Mahinda Rajapakse, the day after declaring victory in the military defeat of the LTTE on May 19, 2009, told parliament the challenge had shifted from war to “building the motherland,” demanding society adapt to this new task.

The *World Socialist Web Site* warned at the time that, after extracting sacrifices in the name of war, the government would invoke “nation building” to impose further austerity. It cautioned that workers opposing the attacks on their living standards would be denounced as “traitors to the nation.”

That analysis has been thoroughly vindicated. Far from ushering in prosperity, Rajapakse’s “nation building” masked the ruthless imposition of IMF austerity, wage freezes, and state repression—measures directed squarely at the working class and rural poor.

The military, expanded to enormous proportions during the conflict, was allocated a budget of 440 billion rupees in 2021 alone. It was not demobilised but became further entrenched,

as a standing threat against future social upheavals.

For workers across the island, the “peace dividend” proved illusory. The government had taken a \$2.6 billion IMF loan in 2009, and its conditions were brutal: halving the budget deficit to 5 percent by 2011, restructuring state-owned enterprises, and laying the groundwork for privatisation of the railways, electricity board, and postal service.

Public debt doubled to 86.2 percent of GDP by the end of 2009. The Central Bank declared “opportunities” in the post-war North and East—meaning cheap labour to attract foreign investors. Meanwhile Tamil war widows, numbering some 90,000 in the North and East alone, struggled to survive in abject poverty.

Rajapakse’s so-called “economic war” against poverty and underdevelopment was, in reality, a war against the working class and oppressed, to defend capitalist interests. In 2011, his government unleashed police and military forces against 40,000 Katunayake Free Trade Zone workers protesting an IMF-backed pension scheme, killing 21-year-old Roshen Chanaka and injuring hundreds.

In 2012, when fishermen in Chilaw resisted devastating IMF-dictated fuel price hikes that threatened their livelihoods, police opened fire, killing Antony Warnakulasuriya, a father of two, in a calculated act of intimidation.

In 2013, Rajapakse deployed the army against Rathupaswala residents protesting toxic groundwater contamination by a giant rubber glove factory owned by the country’s richest person and demanding clean drinking water. Two school students and a young worker were killed. These incidents exposed the real meaning of “nation building:” enforcing IMF-imposed austerity, suppressing dissent, and using state violence against workers and the rural poor.

Dissanayake’s statements on Tuesday are a threat to deepen this onslaught. He insisted: “For decades we have been trapped in an economic war, and we must win that war.” This means that while previous regimes were “trapped”—unable to fully implement all austerity measures—his government is determined to do so.

Measures dictated by the IMF include the privatisation of around 400 state-owned enterprises, slashing what remains of free public education and health, ending all subsidies, and introducing “flexible labour laws.” Thus, Colombo must create conditions to repay all foreign debts defaulted on during the 2022 economic crisis and to boost foreign and local investment.

Previous regimes could not completely implement this agenda—they were “trapped”—not because they lacked repressive police-state measures, but because of mass

opposition from below.

The Dissanayake government is well aware that it cannot peacefully implement IMF austerity to the letter without brutally suppressing the working class and rural masses. This is the “war” that his government is preparing.

His JVP-affiliated trade union bureaucracies have banned strikes and all other industrial actions ever since the party came to power. When workers resisted attacks, the Dissanayake government turned to the same repressive methods used by previous regimes. In 2025, the military was deployed against striking postal workers, while emergency laws were invoked against electricity workers opposing privatisation.

Since last September, the draconian “essential services” regulations have been extended to many sectors, banning industrial actions including strikes and campaigning for those actions. Since November 2025, a repeatedly renewed state of emergency has remained in force, granting sweeping powers to deploy the military, suppress protests, censor media, and detain individuals without trial.

Working people must understand that the Dissanayake government is preparing a frontal assault on its living and social conditions and democratic rights and is turning towards autocratic rule.

The only answer to this war is the independent political mobilisation of the working class, in alliance with the rural poor, on the basis of a socialist and internationalist program. This can be done only by organising workers’ action committees in every workplace and neighbourhood as fighting organisations to defend jobs, wages, working conditions, and democratic rights. These committees must call on the rural poor to do the same and rally in this struggle.

The working class’s reply to the IMF-dictated JVP/NPP austerity policy is: the repudiation of all foreign debts and IMF obligations; the nationalisation of the banks and major enterprises under workers’ democratic control; and bringing to power a workers’ and peasants’ government committed to meeting the social needs of the majority, not the profit demands of international finance capital.

The Socialist Equality Party advances these policies. We call on workers and young people to join the struggle for this program.



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