

As economic crisis worsens, Sri Lanka's opposition leader urges talks for another IMF program

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Amid growing concern in Sri Lankan ruling circles that the economic crisis, intensified by the criminal US-Israeli war against Iran, could spark a renewed mass uprising, the main parliamentary opposition party, the Samagi Jana Balawegaya (SJB), has signalled its support for the government's pursuit of a "successor" IMF program. This will mean a further intensification of the brutal austerity measures that have been imposed on the working class for the last three years.

SJB leader Sajith Premadasa, in a statement on May 21, said: "I am calling on the government today to begin negotiations for a successor IMF programme—not to renegotiate the existing arrangement, which is proceeding. A successor programme is the arrangement that takes effect when this one ends. What I am proposing is not a retreat from fiscal discipline. It is the opposite."

On the same day, after discussions with all opposition parties, Premadasa said they had united amid concerns that "the country is once again staring at a dangerous economic warning sign." He called for "finding collective national responses before the situation escalates further." The opposition parties that met included the SJB, United National Party (the UNP, from which the SJB broke away in 2020), the Tamil bourgeois Ilankai Tamil Arasu Katchchi and Muslim parties.

Premadasa's call, backed by these parties, follows the Sri Lankan rupee's depreciation by 14 percent against the US dollar over the past twelve months. Imposing the burden of the economic crisis on working people, the government has sharply increased fuel prices, driving up the prices of transport and all other essentials. At the same time, sources of foreign income,

including tourism and exports, have taken a significant hit.

The fuel shock has come on top of years of drastic IMF-dictated austerity, which has already created a disastrous situation for workers and the poor. Anger towards the government is rapidly growing.

President Anura Kumara Dissanayake said at public meetings last week that he would not allow "another disastrous situation" adding that the downturn should be faced with "strength." Dissanayake has repeatedly stated that the government will launch an "economic war"—which means war against the working population to make them pay for the crisis.

While pointing to the growing crisis, the SJB leader reminded the government that it must achieve a foreign reserve target of \$US14.2 billion set by the IMF when its current program ends in March 2027. He said the government currently has only \$7 billion and must collect at least \$600 million each month to reach the target, indicating the difficulty of the task.

Holding over \$14 billion in foreign reserves was one of the conditions set by the IMF when it agreed in March 2023 to provide a four-year bailout loan to the previous government of President Ranil Wickremesinghe. Other targets included maintaining a fiscal primary account surplus of 2.3 percent of GDP, and massively increasing government revenue by hiking various taxes, slashing subsidies and privatising state-owned enterprises.

The government and opposition parties are all nervous about a repetition of the mass uprising, known as Mahajana Aragala, that erupted in early 2022. Strikes and four months of mass protests forced then-President Gotabhaya Rajapakse to flee the country and

resign, marking the downfall of his government.

When the unprecedented economic crisis erupted in 2022, under the impact of global COVID-19 pandemic and the NATO proxy war against Russia, foreign reserves were depleted, forcing a default on foreign loan repayments. In response, the government cut essential imports resulting in skyrocketing prices, fuel price hikes and shortages, and long hours of power cuts, and unbearable conditions for working people.

The opposition parties are offering their assistance to the government to avert a similar upsurge to 2022 that could threaten capitalist rule.

Premadasa said that as the government has “demonstrated reform credibility,” it would not be difficult to “begin negotiations for a successor IMF program, the arrangement that takes effect when the current one ends.”

Premadasa’s reference to the ruling Janatha Vimukthi Peramuna/National People’s Power (JVP/NPP) government’s “reform credibility” is nothing but praise for its ruthless continuation of the IMF’s harsh austerity measures since coming to power after Wickremesinghe.

Before the present crisis, Premadasa’s SJB and other opposition parties had criticised increases in the prices of essentials and electricity charges, while lamenting the hardships faced by working people. These were nothing but crocodile tears aimed at hoodwinking the population.

Premadasa is now openly endorsing these measures. He and all the opposition parties have indicated their readiness to defend the pro-IMF and pro-US government, to prevent a political crisis, while intensifying attacks against the working class, the rural and urban poor, and young people.

Dissanayake’s government has ignored the parliamentary opposition leader’s call, knowing that the support of all these capitalist parties is already assured. Not a single party has opposed the government’s use of essential services regulations or its deployment of the police and military to break strikes and workers’ protests over the past months.

The 2022 mass uprising was derailed by the SJB and the JVP/NPP, with the support of the fake-left Frontline Socialist Party and trade union bureaucracies, into a parliamentary blind alley. These capitalist organisations united behind the call for an interim government of all

the parliamentary parties.

This back-room manipulation paved the way for the suppression of the movement and the installation of the right-wing Wickremesinghe government. When social unrest re-emerged, sections of the ruling class backed the JVP/NPP, a leftist petty bourgeois formation that had never been in power, in a desperate bid to impose the austerity agenda and rein in opposition. The JVP/NPP won the 2024 elections by trading on widespread hostility to the longstanding parties of bourgeois rule. However, the impact of the deepening global crisis and geopolitical eruptions, shown by the US criminal war, have intensified the crisis in Sri Lanka.

The working class must be warned: as the government wages its “economic war” and suppresses democratic rights, all opposition parties, including the SJB, are ready to join hands with it to suppress workers’ struggles to these attacks.

There is no solution for the working class within the capitalist system and the national framework. The working class must establish its political independence from every faction of the capitalist class and mobilise its strength to defend social and democratic rights based on a conscious fight for socialist internationalism. The working class must build its own revolutionary party—the Socialist Equality Party—for this struggle.



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