Sri Lanka: More than 1,000 workers strike at Sevanagala Sugar Factory

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In a sign of mounting anger towards the Janatha Vimukthi Peramuna-led National People's Power (JVP/NPP) government, employees of the state-owned Sevanagala Sugar factory—located 236 kilometers from Colombo—have been engaged in an indefinite strike since August 25, demanding a wage increase sufficient to meet the rising cost of living. About 1,000 permanent, casual and contract workers have joined the action.

At the end of July, management assured workers that their call for a long-delayed pay increase would be addressed before the next pay day. When they received their wages on August 25, however, workers found no change, prompting them to launch the strike.

The walkout was initiated independently of the trade unions operating at the factory. This fact points to the growing distrust and anger of rank-and-file workers toward these organizations, which function as instruments of management and the government in suppressing the class struggle.

The unions are the National Employees' Union (NEU), affiliated with the United National Party (UNP); the Employees' Union, controlled by the Sri Lanka Freedom Party; the Progressive Employees' Union; and the Sugar Professionals' Association.

The government responded to the strike by closing the factory, aiming to exert economic pressure and force workers to abandon their demands. Far from intimidating them, this act of provocation only deepened the workers' anger and steeled their determination to continue the strike.

Lanka Sugar Company chairman Wasantha Athula Kumara denounced the strike as "illegal." He told the media that some factory employees received wages higher than other public sector workers and declared: "We are taking the necessary [measures]… We are not prepared to pay illegal wages."

The attempt to brand the strike illegal is an assault on workers' democratic right to take industrial action. The chairman's comments reflect the hostility of the JVP/NPP government to workers' demands for decent wages.

Speaking with the *World Socialist Web Site*, one worker said: "We waited for months before launching this protest. It is not only the production workers who have joined the strike; transport workers are also taking part."

A senior-level worker rejected the claim that Sevanagala workers are overpaid. On the contrary, he said, the company has imposed wage and allowance cuts, which range from 7,500 rupees to 30,000 rupees (about US$22 to US$91).

"We complained to the Labor Office about this, but nothing came of it. When we complained to the chief operating officer, we were told that it could only be considered after a manpower assessment was carried out. But that never happened," the employee said.

He explained that workers had requested an allowance until their salaries were revised. Although the previous chairman had introduced a Rs. 5,000 salary adjustment allowance about a year ago, the current chairman has discontinued it.

The worker said his basic salary is only Rs. 36,000, while his total take-home pay, including allowances, ranges from Rs. 76,000 to Rs. 80,000. More than Rs. 50,000 of this goes toward loan repayments, leaving him with little to survive on.

Another worker said: "The basic salary of an ordinary worker is only around 18,000 rupees. Even after adding all the allowances, an ordinary worker takes home less than 50,000 rupees a month." He added that the number of workers employed at the factory has fallen in recent years.

Yet another worker said that Chief Operating Officer Ishan Senaka Dharmawardena had indicated that seven allowances, including insurance coverage and bonuses, would be cut. "There are 18 allowances in total. If seven of them are cut, the monthly wage will be reduced by 23,500 rupees. When we asked for an opportunity to discuss this matter, we were not given any opportunity at all," he said.

Discussions between workers and Labor Department officials on Monday, August 31, ended with no agreement. Workers vowed to continue their struggle until their demands are met.

The factory is central to the livelihoods not only of its direct employees but also of approximately 5,000 sugarcane-farming families in the surrounding area. These families operate under a contractual "out-grower" arrangement. Introduced in 1985, the scheme allocates land to farmer households, while the company supplies fertilizer, seed cane, credit, and machinery, recovering these costs from cane payments. In return, farmers must sell their entire harvest exclusively to the factory.

Sugarcane farmers confront other serious problems. The company has failed to supply fertilizer on time, has not provided this year's festival advance, and has delayed or withheld payments for sugarcane already delivered. Farmers also face delays in receiving tractors and other machinery.

On Monday, about 300 sugarcane farmers demonstrated outside the Sevanagala factory, protesting the company's continuing failure to pay for sugarcane they had supplied.

The crisis at Sevanagala is the outcome of the broader offensive being carried out by the JVP/NPP government. Under the dictates of the International Monetary Fund (IMF), the government is implementing austerity measures that are destroying jobs, wages, public services and the living standards of the rural poor.

The JVP/NPP came to power in 2024 making demagogic promises to provide urgent relief for workers, farmers and other oppressed layers of society. It pledged to negotiate a more "humane" economic policy with the IMF and said it would not privatise or restructure state-owned enterprises. These promises have proven to be false.

The *Sunday Times* reported on August 23 that the cabinet has decided to close 33 state-owned enterprises in 2027, including the Kantale and Hingurana sugar companies. The Pelwatte and Sevanagala sugar factories also face the prospect of restructuring, privatization or liquidation.

The Sevanagala factory was privatized in 2002 and returned to state ownership in 2011. Since then, successive company chairmen have made statements alleging that workers were recruited without a "manpower assessment," without regard for the factory's requirements, and that they receive wages higher than other public-sector employees.

The hostility of all the trade unions to the strike indicates their readiness to assist management and the government in attacks on jobs, wages and conditions. Across Sri Lanka, the union bureaucracy has worked closely with the government and corporate management to impose the IMF's austerity agenda on the working class.

Workers cannot defend their rights or organise any struggle through these pro-capitalist organizations. They must establish independent action committees at every workplace, plantation and working-class area, free from the control of the trade unions and capitalist parties. These committees must be composed of democratically elected and recallable representatives of workers themselves.

The striking Sevanagala workers should take the initiative in forming such an action committee. They should appeal to workers at Pelwatte, Kantale and Hingurana sugar factories, as well as to sugarcane farmers, to join a common struggle against wage cuts, layoffs, factory closures and the whole austerity program of the government.

Sugarcane farmers protesting the failure to purchase their crops and pay outstanding dues must be brought into this struggle. So too must paddy farmers and other impoverished rural producers fighting for guaranteed prices and a decent livelihood.

Sri Lankan workers confront the same assault on jobs, wages and social services as billions of people across the world. The International Workers Alliance of Rank-and-File Committees (IWA-RFC) must be built to unite workers' action committees in Sri Lanka with workers in India and other countries in a unified international struggle against war, austerity and dictatorship.

The Socialist Equality Party is fighting to build a Democratic and Socialist Congress of Workers and Rural Masses, with delegates elected from workers' action committees. Such a congress would provide the means to organise the working class, supported by the rural poor, behind a socialist program. The SEP calls on workers to join this struggle.