Sri Lanka: Ruling JVP prepares unions to police its IMF austerity program

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The National Trade Union Centre (NTUC), the trade union centre of the ruling Janatha Vimukthi Peramuna (JVP), held a conference at the P.D. Sirisena Stadium in Colombo on November 7 under the slogans "Our Government—Two Years—Good for the Country" and "Let Us Work—Let Us Build the Country—Let Us Protect the Power of the Working People."

About 5,000 delegates, mostly JVP union officials and party activists, attended. Five days later, President Anura Kumara Dissanayake, who is also finance minister, presented his government's third budget. The conference was called to prepare the JVP unions to contain workers' opposition to the budget's IMF-dictated spending cuts and pro-business restructuring.

Key speakers, including President Dissanayake and NTUC President and Agriculture Minister K.D. Lal Kantha, explained that the JVP trade unions had to police workers in line with the needs of the government's "economic transformation"—that is, IMF austerity.

Dissanayake declared that, for this economic transformation, it was necessary to "break the old rust of the economy" and free society from "old divisions and old attitudes." He declared that "old laws" that "obstruct the new transformation" had to be amended. The government is seeking to introduce "hire and fire" systems by abolishing the already limited legal protections for workers' rights.

The government has drafted new labour laws in discussion with union leaders, behind the backs of their members. The JVP/National People's Power (NPP) government plans to present this bill before the end of 2026.

Dissanayake claimed that a "strong private sector" equipped with "machinery and modern knowledge" had emerged, while some public institutions "have become obsolete" and "are no longer needed."

The government is already carrying out the IMF's demands for the wholesale restructuring of state-owned enterprises. This involves taking an axe to 400 state-owned enterprises, closing some while privatizing or commercializing others at the cost of hundreds of thousands of jobs. Dissanayake recently announced the immediate closure of 34 enterprises.

The president also indicated that the government would allow large agribusinesses to expand in rural areas which was announced in the November 12 budget. Dissanayake likewise demanded the transformation of the "nerve centres" of the economy—the ports and airports—for the benefit of capital.

The measures will hit workers and the rural poor, who are already facing falling real wages, poverty and hunger. At the conference, Dissanayake told delegates they were "the bearers of the burden of this transformation" and that the trade union movement "must be transformed to suit the purpose." In other words, they must prepare to suppress any opposition by the working class.

Dissanayake defended two new anti-democratic laws: the Protection of the State from Terrorism Act (PSTA) and the Prevention of Organised Crimes Bill (POCB). Ignoring significant opposition from human rights organisations, Dissanayake insisted that their introduction was "urgent" to protect the state and prevent organised crime. In fact, these draft laws can be used to detain people for prolonged periods, crack down on industrial actions by workers, censor the media and prohibit legitimate campaigns against government policies.

NTUC President K.D. Lal Kantha told the delegates that the JVP/NPP's accession to power in 2024

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represented “the working class seizing political power.” In reality, the JVP which was founded in the late 1960s as a petty-bourgeois radical organisation that combined Maoist-Castroite guerrillaism with Sinhala populism. It was based not on the working class but on oppressed layers of rural Sinhala youth. Today it functions openly as a capitalist parliamentary party carrying out the dictates of big business and international finance capital.

Lal Kantha then declared: “After handing that political power over to our party, now, we must defend that political power.” He then argued that workers should not strike against the JVP government. “Winning rights by stopping work is for when the enemy is in power,” he stated. Strikes were justified, he said, against governments that were “traitors to the people” and “plunder public wealth.” With the JVP in office, “we must now build the country. Not by stopping work, but by working.”

As reported by *Ceylon Today* on November 10, JVP/NPP MP Chandana Sooriyaarachchi has warned that legal action would be taken against unregistered and “politically motivated” trade unions attempting to “embarrass” the government. Sooriyaarachchi, who used to be a prominent JVP trade union leader, said that authorities had identified individuals collecting membership fees without valid government appointment letters and violating Establishments Code regulations.

The government has already acted to suppress strikes. Dissanayake declared a state of emergency and invoked essential-services regulations to ban industrial action in petroleum, electricity, ports, railways, postal services and health care. The government used the armed forces to break a postal workers’ strike. JVP unions enforced the strike ban, while the government enlisted other union leaders to derail workers’ struggles.

Even prior to coming to power, Lal Kantha condemned any suggestion of strikes during the 2024 election campaign as “a blatant reactionary act” and declared it “a crime” if the trade union movement did not toe the line. He made those remarks just two days after a July 8–9 strike by around one million public-sector workers.

The government’s determination to suppress strikes is part of a broader turn to authoritarian measures as workers and students across Asia, Europe and the United States oppose austerity, war and attacks on jobs and democratic rights.

The Socialist Equality Party warns that union bureaucracies—those aligned both with the government and opposition—are blocking an independent struggle by the working class. The SEP calls on workers to form rank-and-file action committees in every workplace, independently of union bureaucracies and capitalist parties, and link them internationally through the International Workers Alliance of Rank-and-File Committees. These committees should unite workers, the rural poor and youth in a common struggle against the government and IMF austerity on the basis of socialist policies.



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