

Sri Lankan president again declares: No increase to public sector salaries

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Speaking at an election rally of the National People's Power (NPP)/Janatha Vimukthi Peramuna (JVP) on October 24, President Anura Dissanayake declared: "There were no funds allocated for a salary increase for state employees [announced] by the previous [Wickremesinghe] administration."

Dissanayake dismissed a statement by Wickremesinghe that he had allocated the necessary funds in September for a public sector wage rise from January 2025. He reprimanded the former president, saying as he had lost the election, he "should simply stay at home rather than making comments aimed at undermining the current government."

Dissanayake claimed his government would take up the state sector wage issue in the upcoming budget but emphasised the administration's dedication to a "well-planned approach to economic reforms."

His comment is a warning to workers as it indicates the government's priority is "economic reforms," not a salary increase for state employees or any of the other pressing needs of working people.

The "economic reforms" Dissanayake refers to are International Monetary Fund (IMF) ordered austerity policies. The Wickremesinghe regime implemented several of these brutal measures such as a wage freeze, increases to taxes including the value added tax along with hikes to electricity and water tariffs, and the slashing of funds for public health and education. Wickremesinghe prepared many state-owned firms for privatisation through restructuring.

Dissanayake came to power in presidential elections last month, establishing a three-member cabinet and calling a snap parliamentary election for November 14. Dissanayake and his NPP/JVP are calling for a "strong government" with a large parliamentary majority to push through all remaining "reforms." They include completing the privatisation or commercialisation of state

firms, downsizing the public service through the retrenchment of tens of thousands of workers and making further inroads into public health and education.

The main purpose of these austerity measures is to create the conditions for repaying defaulted foreign debts from 2028 and boosting big business profits.

The issue of the government position on the state employees' salary hike first came up at a media conference on October 15. A reporter asked the cabinet spokesman and minister Vijitha Herath whether the government would pay the salary hike announced by the previous Wickremesinghe administration.

In September, Wickremesinghe had announced that the cabinet decided a monthly wage increase for public sector workers by about 25 percent from January 2025. This was a desperate and cynical attempt to woo voters in the lead up to the presidential elections.

Herath told the media that Wickremesinghe made this decision without any consultation with the finance ministry. "We have to go through the financial situation and will have to take a decision," he added. He said Wickremesinghe made the announcement just to garner votes.

The government refusal to increase salaries will affect over 1.4 million public sector workers who are suffering with an unbearable cost of living.

Wickremesinghe denied Herath's claims insisting he duly allocated the necessary funds.

Wickremesinghe has no sympathy for workers and the poor. In office, he was hostile to the struggles of state employees' for a salary hike, repeatedly claiming that his government had no funds and had to take measures to recover from near economic bankruptcy.

He imposed essential service regulations against protesting workers, barring strikes and demonstrations, and unleashed brutal police and military attacks against them.

The public sector workers launched a massive two-day shutdown on July 8 and 9 demanding a 20,000 rupee per month pay increase and the provision of pension salary increments halted over the previous two years. Facing this opposition Wickremesinghe was forced to announce the inadequate salary hike in September.

Even if that proposed wage increase was paid, it would not be sufficient to compensate for the huge decline of real wages. According to official data, in 2022 and 2023 the real wage of all workers declined by 27 and 22 percent, respectively.

Dissanayake's refusal to pay the proposed salary rise is a clear signal to the IMF that his regime abides by its austerity demands. Currently, the government is in a desperate bid to secure the fourth instalment of a bailout loan from the IMF amounting to \$339 million.

Last week a government delegation including Central Bank Governor Nandalal Weerasinghe, Treasury Secretary Mahinda Siriwardena and the president's economic advisor Duminda Hulangamuva visited Washington to meet the IMF chiefs. They conveyed the government's determination to press ahead with austerity. IMF Managing Director Kristalina Georgieva responded saying she was "encouraged by the commitment."

In other words, whatever his rhetoric, Dissanayake is continuing the same policies Wickremesinghe was implementing.

The public sector trade unions are completely silent about the government's refusal to pay the salary hike. The protests of state employees earlier this year were called by the Collective of State and Provincial State Services Trade Unions (CSPSSTU), controlled by the president's JVP. As with the other union bureaucracies, the CPSSTU only called the actions under pressure and in a bid to let off steam.

Chandana Sooriyarachchi, the head of the CSPSSTU, is a prominent JVP leader. He is contesting the parliamentary election as an NPP candidate for Colombo district. Several other JVP trade union leaders including Mahinda Jayasinghe, secretary of the Ceylon Teacher Service Union, are also standing in the election on the NPP ticket. Leaders of several other trade unions are in the fray under Wickremesinghe's United National Party led alliance and the opposition Samagi Jana Balawegaya.

All of them are committed to the agenda of forcing working people to pay for the economic crisis.

State sector workers must reject the government claims that there are no funds for wage increases. The pay rises are not a matter of charity from capitalist governments,

but a basic necessity and right of workers.

The Collective of Action Committees (CAC), an alliance of workers action committees covering staff in the Colombo Port, the railways, plantations, the garment sector and the schools, as well as migrant workers, issued a statement calling on public sector employees to oppose the government's move and prepare to launch a struggle for their rights. The statement said workers cannot rely on the trade unions but must organise themselves independently of these corrupt, pro-capitalist apparatuses.

It declared: "We call upon all state sector workers to fight the Dissanayake regime's vicious social assault, which is directed, not just against public sector employees, but the entire working class and the rural masses. Private sector workers must join this fight."

The statement advanced the following program:

- Workers should declare "Hands off the approved salary hike!" Pay increases that fully compensate for the past erosion of real wages must be paid to all workers. All wages need to be indexed to the cost of living!
- No to IMF austerity! Repudiate all foreign loans!
- Oppose privatisation! All state-owned enterprises facing privatisation must be placed under the democratic control of workers!
- Reject all racial and communal divisions! For the international unity of the working class!
- Seize the huge wealth accumulated through the exploitation of the working class by the wealthy elites.
- Place the banks, big companies and plantations under the democratic control of the working class.

As the statement insists, "This struggle must be organised through a unified movement of the working class and the building of a Democratic and Socialist Congress of Workers and Rural Masses, based on delegates elected from workers' action committees and similar committees among the rural poor."

The Socialist Equality Party (SEP) is intervening in the national election to fight for this revolutionary program. We urge workers and youth to join this struggle.



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