

Interview: rising up in Sri Lanka

Wednesday 6 July 2022, by [KADIRGAMAR Ahilan](#) (Date first published: 15 June 2022).

Sri Lanka is going through its worst economic and political crisis in nearly 75 years of independence. With foreign currency reserves almost empty, debt repayments spiralling and the value of the rupee collapsing, the country's leaders have been forced into the hands of the International Monetary Fund. For ordinary people there are shortages of all manner of basic goods, regular power cuts that can last for more than 12 hours and huge price rises—including for staple foods and medicines.

Daily protests targeting the regime of the President Gotabaya Rajapaksa, and the entire family dynasty he heads, began among the middle classes with the popular hashtag #gotamustgo. They have now spread to include large sections of the working class and the poor. The state sees this as a particular threat and has ramped up repression, using armed police to break up even peaceful protests and fire live ammunition at those who refuse to leave the streets. In early May, prime minister Mahinda Rajapaksa, who is also Gotabaya's brother, was forced to resign after a day of violence that left five people dead and saw widespread attacks on properties linked to the ruling party. Shots were fired from inside his official residence as thousands of demonstrators defied a state of emergency and police curfew to breach the main gate and torch a parked truck. In a separate event, one MP shot two people, killing a 27 year old man, and was later himself found dead. The wave of protests led former prime minister Ranil Wickremesinghe to describe the movement as akin to the "Arab Spring". As the upheaval began to accelerate in April, he said, "I have not seen these types of scenes before. I've seen riots, I've seen fighting, and I've seen strikes. This is different. It's an explosion of anger and suffering... The whole system is breaking down". [1]

Wickremesinghe, now back as prime minister for his fifth term in office, is desperately trying to put together a cabinet that might withstand the next wave of crisis—one that will surely emerge from a new round of austerity driven by the demands of the IMF and the Central Bank of Sri Lanka. But most political parties are well aware that the protest movement has not yet run its course and are keen to avoid being tarnished by joining the new administration. There is also the question of what to do with the last remaining Rajapaksa—the president—who, at the time of writing, was utterly diminished but remained in office.

Yuri Prasad interviewed **Ahilan Kadirgamar** at the end of April 2022. Kadirgamar is a senior lecturer in sociology at the University of Jaffna in Sri Lanka, and has recently been appointed as one of the national vice-presidents of the Federation of University Teachers Associations. [2]

YP: Can you describe the political and economic crisis in Sri Lanka and the protest movement that has risen in response?

AK: Thousands of people are daily protesting on the streets, mainly against their economic hardship, but also to oppose the ruling Rajapaksa regime. The economy is in a tailspin, and that is foremost in people's minds as these protests grow. Currently, there are shortages of most essential goods—everything from fuel to food and milk powder is running out and imports are affected in a huge way. Along with that, people's wages are falling—in particular, those on daily wages are

suffering.

The widespread nature of the protests and the sentiment among the people is in sharp contrast to the situation two and a half years ago when Gotabaya Rajapaksa won the presidential election with a landslide victory in November 2019. Today, he is completely delegitimised and facing a united, popular call that the whole Rajapaksa dynasty should “Go Home!”. It has that Arab Spring type of energy and feeling. But, of course, this raises questions for us. How organised is this feeling? How far can it go beyond calling for the removal of the Rajapaksas? And, what would come after that?

In the time since Rajapaksa won his election, he has strengthened his position. He has militarised the civil administration by appointing ex-generals to lead it and has appointed his handpicked secretaries to various ministries. Despite the Covid-19 pandemic, the regime went ahead with the parliamentary election in 2020 and mobilised its social base, utilising strong anti-Muslim rhetoric. After it won these elections, it then sought to further consolidate the president’s power. Sri Lanka already has a very powerful executive presidency, but Rajapaksa brought in a constitutional amendment that extends his power by mobilising his two-thirds majority in parliament. Their next big push was on the Colombo Port City Bill, which is part of an attempt to create a financial centre for offshore banking and so on. This type of financialisation has been a big part of the regime’s agenda.

However, throughout Rajapaksa’s first year and a half in office, resistance was already growing, feeding off the government’s decision to completely ignore the suffering of the people. The pandemic hit us four or five months after Rajapaksa came to power. If you look at the data for 2020, Sri Lanka spent approximately just 0.8 percent of its GDP on addressing Covid-19, despite many other South Asian countries spending somewhere between 1.5 to 2.5 percent. The people were neglected. There were an increasing number of silent protests; most people were not vocal about their discontent, but you could sense that they were not happy with the government. At times even the military, which was tasked with delivering vaccines and implementing lockdowns during the height of the crisis, faced anger in rural areas. The tension was mounting in society and finally exploded when the government tried to push through the Kotelawala National Defence University Bill. In Sri Lanka all universities are state universities, but this bill would introduce a fee-paying military university, thus both threatening a militarisation and privatisation of the education system. The school teachers’ union took the lead in opposing the new legislation and others unions joined the fight. The strength of opposition was so great that the government abandoned the bill, even though it could have passed it using its simple majority in parliament. So, diverse factors had created a wave of effective social opposition to the regime. By about eight months ago, it had become clear that the government was delegitimised, and so the leadership tried to respond by reshuffling the cabinet.

Unfortunately, commentators in Sri Lanka today are only looking back at the last two months of protest and no further. However, I would say that the mood has been mounting for some time. Slowly people had been joining protests, and the middle classes too are also started to participate. This is a big shift because the Sri Lankan middle classes rarely protest. In fact, they usually complain about students and others groups that do protest, blaming them for disrupting traffic and so on. But the shortages of vital goods have brought middle-class people out. Because of the widespread character of the movement, other groups of people, including workers, feel emboldened to demonstrate too.

Up until a few months ago, the trade unions had not really stepped in and taken the lead, so it was mostly the youth involved, and the protests have been somewhat directionless beyond the popular demand of “Gota Go Home!”. However, over the last few weeks, the unions have started to get properly involved. On Thursday 28 April, over 1,000 unions went on strike. The May Day protests this year are a test of strength for the unions, and there is talk of a large strike, akin to a general

strike, on 6 May. All this shows that the labour movement is stepping in and supporting the youth.

The entrance of the unions could give the movement a greater degree of focus, stability and direction. My worry is that, if the protests don't have a clear vision and a strategy, there's a danger that they could be hijacked by various forces. A key question for us is, what if we are successful and Gota does go? What comes after that? The trade unions have an absolutely crucial role in addressing that issue.

YP: Are plantation workers, agricultural labourers and farmers also joining the movement at this point?

AK: Publicly, not yet. So far, the struggle is in the urban areas, and I think that part of the reason for this is that farmers and fishing communities want a vision for how their concerns are going to be addressed. That doesn't yet exist. This is another example of the disconnect between the political demand—"Gota Go Home!"—and the movement's thinking about what kind of economic trajectory is needed. That disconnect is quite a serious problem given the movement's energy stems from the economic crisis. Most of those in the driving seat of addressing the economic crisis, such as the opposition political parties, are for continuing on the same path as the Rajapaksas. This is especially so when it comes to negotiations with the IMF on a loan agreement and IMF austerity measures, which are already starting to be implemented. Nonetheless, as yet, there isn't a critique of where we are we headed economically, even from the unions.

YP: Is there any sign of an emerging leadership within the movement?

AK: It's not just the Rajapaksas that have been discredited—it's actually the whole political establishment. That's why the protesters have asked politicians not to come to the main protest sites. At the same time, the political parties are mobilising their social bases. Both the main opposition party, Samagi Jana Balawegaya (United People's Power), and the far-left Janatha Vimukthi Peramuna (JVP; People's Liberation Front) have been organising large protests in recent months. They are both preparing for elections in the future. But there is no clear leadership for the street protest movement, partly because it represents the coming together of different forces.

The left today is mainly concentrated in the trade unions, because the "left" political parties have been discredited by their affiliation with the Rajapaksas. These include the Lanka Sama Samaja Party (Sri Lanka Equal Society Party) and the Communist Party of Sri Lanka. There is a strong left among students, particularly around the Frontline Socialist Party, which split from the JVP about a decade ago. The students have always been militant, which is one of the reasons why Sri Lanka still has free education, and they recently organised a very serious protest that surrounded the prime minister's house. Nonetheless, they lack demands and a clear path forward and have also failed to put forward the kind of programme needed to end the crisis.

YP: What about the ethnic makeup of the protests? It's been a long time since there's been a multi-ethnic protest movement in Sri Lanka. Is that what we're seeing now? Are the demonstrations bringing together the majority Sinhalese population, the oppressed Tamil community and other ethnic and religious minorities?

AK: In Colombo, the Sinhalese community forms the majority of the protests, which is unsurprising given its size there. However, we are also seeing a very significant number of Muslims getting involved. This is important because Muslims have been painted as the enemy in Sri Lanka over the last decade. We have seen vicious Islamophobic discourse as well as physical attacks and even pogroms against Muslims. So, for them to come out, join the protests and work together with Sinhalese people is very meaningful.

Some young Hill Country Tamils from the tea plantations in central Sri Lanka have also joined the movement. Hill Country Tamils descend from the indentured labourers brought from India over the past two centuries. However, protests among the Lankan Tamil community, including in the northern regions of the country, have been more muted. There are reasons for that. First, these areas have seen a high degree of militarisation since the end of the civil war between the Sri Lankan state and the separatist Liberation Tigers of Tamil Eelam in 2009, so only the most organised sections of society protest. Second, the Tamil nationalists that dominate the Tamil polity worry about movements with a national and multi-ethnic agenda because they've always seen Tamil politics as separate to national concerns. Thus, Tamil nationalist politicians are asking people not to participate in protests. So, lower participation among Tamils results from people's experience of war and a subsequent reluctance to participate in protests, as well as the ideological positions of Tamil nationalism. Yet, that may now change. For example, my workplace, the University of Jaffna, is in a Tamil-majority city, but our teachers' association and the non-academic staff have held a protest. As the crisis mounts, there is likely to be greater participation in the northern regions of the country.

YP: How are the ruling class responding to the movement?

AK: The Rajapaksa regime has always relied on its social base—Sinhalese nationalist Buddhists and the ex-military—but they've also tried to strengthen themselves by aligning with the left-wing parties and co-opting trade unions. Now, this base has cracked and the regime is very nervous. Something similar happened during their previous stint in power between 2010 and 2015, when trade union protests started to increase. They knew then that if they tried to crush the demonstrations, they would face a much larger social response. Similarly, the Rajapaksas are currently being very careful. They know that the mood in the country is demanding they be prosecuted for corruption, and that is precisely the reason why they won't resign. They also know they no longer have the support of the state machinery.

The ruling class more generally—the business elite and so on—are slowly becoming more critical of the Rajapaksas, but Sri Lanka lacks a strong and independent capitalist class such as the one, for example, in India. Sri Lanka's ruling class is very much a comprador capitalist class that has never really taken full control of state power to serve capitalist interests. Instead, they've always just negotiated with whoever is in power. That's not really a problem for them at the moment because they are in agreement with the economic policies the government is pursuing and with the proposed IMF agreement. However, if the protests take a more economically radical turn and raise demands that would challenge their interests, then we will have to wait and see if they are willing to accept, for example, improved social welfare.

YP: Are there any precedents in Sri Lankan history for the scale of the current movement?

AK: A historical parallel to the current movement in Sri Lanka is the great 1953 "hartal"—a word used to describe mass strikes and civil disobedience protests in the Indian Subcontinent—which took place a few years after independence from the British and at the end of the Korean War. The war had driven a boom in rubber prices, greatly benefiting the Sri Lankan rubber industry and allowing the country to import food, which was our main import at the time. But, with the end of the war, Sri Lanka went into a very serious balance of payment crisis, similar to the one we are in now. The World Bank and the Sri Lankan central bank both recommended that the government cut its rice subsidy, which it did, and prices almost tripled overnight from 25 to 70 cents a measure. That led to what was probably the biggest protest movement in Sri Lankan history. The cabinet became so scared that it had to meet aboard a British warship. The prime minister resigned, setting in motion a political and economic shift that moved the country away from the West and towards the Non-Aligned Movement. At the time, Sri Lanka only produced 25 percent of its own rice, which is the staple food, but the crisis soon forced the government to change policy. Over the next 25 years, Sri

Lanka became 90 percent self-sufficient in rice, even though the population grew rapidly in this period.

YP: You've said that the protests could expand to include more workers and trade unions, therefore potentially becoming more radical. Is there a danger that the regime may turn to the hard right or the army to reimpose its control over the situation?

AK: I think we are now in a long and drawn out crisis, and the political changes may also be long and drawn out. My worry is that we might see a swing to the liberal opposition, whose policies are also very neoliberal. If they were to place even greater burdens on the people, we might see a swing towards the nationalist right in a year or two. This time it might not be the Rajapaksas who rise to the top, but some other populist or fascist demagogue who could mobilise the military and other chauvinist political actors.

YP: What do you think the likely impact of the IMF deal will be? Will it bring forward a new wave of austerity?

AK: A new wave of austerity has already started. One example of this is the IMF's request that the Sri Lankan rupee be floated, which it now has been. This caused a major devaluation from around 200 rupees to the dollar to about 350 now. The consequent increase in cost of imports has been passed on to the consumer. The result is that petrol prices have doubled, the price of bread has doubled, LPG cooking gas has almost tripled. The IMF asked that inflation be controlled by raising interest rates, which the government has done—it more than doubled them to 14 percent over the last month and a half and in doing so it has limited the credit available to farmers. The emergency asset for both rural folk and the urban working class is their gold jewellery, and interest rates on pawning goods have gone up to 25 percent. So, there's going to be large-scale dispossession with people unable to farm and losing their pawned jewellery. The government is very clear that it wants to balance the state budget through cuts in expenditure and through taxes, which will most likely mean upping indirect taxes, including taxes on purchase such as VAT. This will again put more burden on working people and the poor. The path is already set; the treasury secretary has sent out circulars asking all government departments to immediately halt all kinds of public projects and cut subsidies where possible.

YP: What about the rivalry between China and India to economically dominate Sri Lanka?

AK: Over the last decade Sri Lanka has been a pawn in a geopolitical game, and therefore I think it's important to keep in mind a global political economy perspective. Many people point to India and China as the main external actors in Sri Lanka, but I would argue that the West is an equally important player. Yes, there has been large-scale Chinese investment, and there has been Indian investment too. Furthermore, it's principally through economic leverage that geopolitics is playing out. However, the international capital markets have played a similar role in trapping Sri Lanka in a mesh of commercial borrowing. About 60 to 70 percent of our exports go to Europe and the United States, and this gives the West leverage, especially because of its preferential trade agreements. Lots of mainstream commentators keep talking about a "Chinese debt trap", but if you look at Sri Lanka's external debt, you find that only 10 percent of it is owed to China. Similarly, about 10 percent of debts are owed to Japan. However, 40 percent of Sri Lanka's external debt is held in sovereign bonds borrowed from global capital markets. So, I would argue there are three main actors at work—the West and its financial markets, India, and China. Of course, this geopolitical rivalry is nothing new. Sri Lanka has always been within India's security perimeter. When Sri Lanka has antagonised India, it has got into problems; one example of this took place in the early stages of the ethnic conflict in Sri Lanka, when India actively supported Tamil militants.

The role of China is much larger now than it was a few decades ago. Its influence has mainly come through investment in large infrastructure projects. Mahinda Rajapaksa, during his presidential tenure from 2010 to 2015, was able to create high levels of growth with influxes of Chinese—and Western—capital.

India could never match the scale of China's willingness to invest, but over the last year it has stepped up by arranging currency swaps and credit lines for imports, almost equalling what China had been doing. In the process, India gained the Sri Lankan government's consent for investment by Indian businesses. The delegitimisation of the Rajapaksas has put China in a difficult position because it has been so close to them. India, however, has kept its options open, being prepared to work either with the Rajapaksas or the opposition. India may, therefore, emerge in a stronger position than China in relation to Sri Lanka.

The IMF agreement strengthens the hand of the West, and China has expressed some discontent about Sri Lanka heading in that direction. This is unsurprising given the debt restructuring will also include Chinese debt and will involve China losing some of its capital in the process. So, the situation is still in flux, particularly because we can't see a safe landing from this economic crisis. People assume that somehow an IMF agreement will bring everything back to normal in about six months' time. But the scale of the crisis and the global economic conditions are such that I think it's going to be extremely difficult for Sri Lanka to get back to where it was and continue with commercial borrowing so it can roll over its debt. I think we are looking at scenarios in which we are still going to be stumbling along through this economic crisis for five to ten years. How geopolitics plays out in Sri Lanka is also going to be a very uneven and unpredictable process.

The dominant narrative coming from mainstream, neoclassical economists is that all this started with Gotabaya Rajapaksa cutting taxes after his victory in the presidential election. They focus on the fiscal deficit, which ballooned after his tax cuts that came into force in December 2019. Yet, in reality, this is a crisis linked to the external trade account, and it has been mounting for some time. I would argue that this goes back to economic liberalisation and the neoliberal project initiated in the late 1970s. Its proponents pushed for trade liberalisation and capital account convertibility, which made Sri Lanka more dependent on the global economy in terms of both trade and finance. [3] We went through two IMF agreements during that period, with Sri Lanka moving away from the Non-Aligned Movement and towards the orbit of the US. This pushed the country towards an export-orientated economic model with free trade zones and so on.

YP: You say that during two previous economic and political crises the elite attempted to ramp up ethnic division inside Sri Lanka. Is that a danger now, and what is the alternative?

AK: Yes, it's a danger, but not an immediate one. Nevertheless, if this current crisis is not addressed by giving relief to the people, a more divisive regime may indeed emerge. There is a danger of the elite creating scapegoats for the crisis, as happened after the end of the civil war in 2009 when a huge amount of ideological work was done to create a populist anti-Muslim sentiment among the Sinhalese people. This drew on the Islamophobic discourse that had been ballooning globally, and it has connections to what has gone on in Myanmar and the Hindu chauvinism in India. At that time, Muslims were painted as the cause of the economic crisis in Sri Lanka.

I think a lot depends on the role that trade unions play, especially given the absence of a political movement with a progressive vision. In the past, Sri Lanka has been able to put forward new leaderships quite quickly at certain moments, drawing on the relationships between the trade unions, the working class, and the farmers and fishers.

There is a big question about what we are to do with our very centralised state structure. There are

discussions about abolishing the executive presidency—after all, if this crisis is going to be a long and drawn out, it's in the interests of working people to fight for more devolution and the decentralisation of power. Amid this crisis, these kinds of political changes would be important in helping to sustain the movement. They could help to prevent another regime using the crisis to capture power and then using the concentrated might of the state to crush the people's movement.

During these kinds of crises, Sri Lanka has a history of not only changing the state in terms of its repressive power, but also in terms of social welfare and social entitlements. So, in the 1930s and 1940s, we went through a severe economic crisis that paved the way for policies of free education, free healthcare and food subsidies. A core demand now could be that the last four decades of neoliberal policies and rising inequality is reversed through social welfare, wealth taxes and redistribution. The scale of the current crisis is such that there can be major changes to the political economy of Sri Lanka.

Ahilan Kadirgamar is a senior lecturer in sociology at the University of Jaffna in Sri Lanka and has recently been appointed as one of the national vice presidents of the Federation of University Teachers Associations.

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P.S.

International Socialism

<https://isj.org.uk/rising-up-sri-lanka/>

Footnotes

[1] See

<https://timesofindia.indiatimes.com/world/south-asia/ongoing-protests-are-an-arab-spring-for-sri-lanka-exclusive-interview-with-former-pm-of-sri-lanka-ranil-wickremesinghe/articleshow/90625513.cms>

[2] For more by Kadirgamar, see

www.epw.in/journal/2022/18/perspectives/political-economy-crisis-sri-lanka.html

[3] Capital account convertibility is the ability of investors to conduct transactions that swap the local currency for foreign currency and assets. Such a policy allows unrestricted outflow of capital. India currently only has a partially convertible capital account policy, meaning that the amount of currency and assets that can be bought by Indian investors is limited.