Precarity and Protest in Neoliberal Sri Lanka

Monday 3 July 2023, by Asian Labour Review, HEWAMANNE Sandya (Date first published: 27 June 2023).

For months since March 2022, mass protests engulfed the crisis-stricken Sri Lanka amid food and fuel shortages and skyrocketing inflation. Street demonstrations and political mobilisations by a range of social groups showed serious popular anger toward the President Gotabaya Rajapaksa who (mis)ruled the country for more than two decades.

In July 2022, the protests forced the President to resign. Yet the deep crisis is far from over. Under the new President Ranil Wickremesinghe, a former Prime Minister, the government secured a USD $3 billion bailout from the International Monetary Fund (IMF). The IMF-imposed austerity has led to further protests in 2023 against the increased costs of living. And, in April the government proposed a new Anti-Terrorism Act (ATA) aiming at restricting dissent.

We have wanted to understand what is happening in Sri Lanka from the perspective of labour. In this wide-ranging conversation, we spoke with Sandya Hewamanne, who has done extensive research on the country's garment workers. [1] We discussed the crisis and protests, neoliberal development, gender and precarity in the country's Free Trade Zones (FTZs), and the resistance of garment workers and challenges to the trade union movement against precarity and austerity.

Asian Labour Review (ALR): For the last couple of years, we have seen massive economic disruption, inflation, debt and austerity in Sri Lanka. Can you sketch out the unfolding crisis in the country for us?

Sandya Hewamanne (SH): Sri Lanka is sitting on a powder keg these days.

Between April and July 2022, Sri Lankans saw long lines for fuel, cooking gas and kerosene. These shortages are connected to global inflation and the Ukraine War but are made worse by corruption and the irresponsible loans governments over the years took out. New tax cuts introduced in 2019 reduced government revenue just as the Easter Sunday bombings that same year severely affected the tourist industry.

The COVID-19 pandemic further affected tourism and the foreign-currency-earning garment industry. The hundreds of thousands of Sri Lankans working in the Middle East are similarly affected. These workers' remittances provide the government with millions in foreign currency. The sudden prohibition of chemical fertiliser imports also affected agricultural production, leading to a poly-crisis.

When global credit rating agencies downgraded the country, the government could not continue to borrow, leading to almost no foreign currency to pay for essential imports.

There was also popular mobilisation that forced the president to resign. What was the impact of the resignation?

A broad spectrum of Sri Lankans led by young activists protested and forced the sitting president out of office. Unfortunately, the ruling family made an astute political deal to support an experienced

but consistently failing former opposition leader, Ranil Wickramasinghe, to become the interim president through an extraordinary parliamentary vote. Famously neoliberal capitalist and American-friendly, Ranil Wickramasinghe has long been favoured by the West and Western aid-giving agencies. Pretty soon, negotiations for an IMF bailout started, and some emergency funds flowed to the country, easing up scarcities.

Contrary to what some protestors and trade unions hoped, the IMF did not ask the politicians to stop frivolous spending. Instead, it has focused on the familiar demands of high taxes and the privatisation of state-owned corporations. Eradicating corruption is also high on the IMF list, but reforms will likely be cosmetic. And the IMF will likely look askance on the corruption issue as long as the government sticks to higher taxes and privatisation of state-owned enterprises.

At this point, the long queues were gone, but the government had been forced to introduce higher taxes and raise rates on water and electricity consumption to meet IMF requirements for a loan that would be disbursed over four years. The country is not paying back its debts at this time but will have to do so soon. When that happens, one will likely see renewed instability because the government must keep coming up with revenue to honour the new loan agreements, which will take place at the expense of cutting services most Sri Lankans depend on.

One year after the protests ended, inflation has come down, but this is not reflected in the prices of the most essential items besides gasoline. A temporary ban on various imports has increased dollar reserves, allowing the Sri Lankan rupee to appreciate. But the government is gradually allowing some imports in, and this, combined with debt payments, will cause the rupee to depreciate again. In fact, that process has already begun.

The provincial council elections have been indefinitely postponed citing the lack of funds to conduct an island-wide election. Still, it is well known that the government is waiting for a more favourable environment before holding elections. Many now fear that it may also postpone parliamentary and presidential elections.

ALR: What has been the role of trade unions and workers in popular mobilisation?

SH: Various trade unions had protested from the start, and they joined with other protestors when the movement consolidated at the Gall Face promenade. Trade union members affiliated with the major opposition party, the left-wing People’s Liberation Front (JVP), and the radical and influential inter-university student union were consistently involved in the anti-government protests.

But the unions are divided along political party lines. Teachers, railway workers, harbour workers, and even nurses, medical techs and doctors have different trade unions affiliated with the three major political parties.

Union leaders affiliated with the ruling party appeared on television, issuing contradicting and derogatory statements against rival union leaders who were protesting. Some of these leaders featured prominently in the infamous May 9th attacks against the protestors and were, in turn, attacked by protestors and their supporters. Such is the sad commentary when it comes to Sri Lanka’s trade union scene!

ALR: What was the response from the government?

SH: The current president immediately cracked down on the Galle Face protest site, taking away the protest movement’s momentum. But several protest leaders later admitted that they had no concrete plans other than ousting the sitting president and thus had already lost its mooring by the time the

crackdown occurred.

While strikes and marches by the teachers' union led by its tireless leader Joseph Stalin, the railway union, and harbour workers continued, IMF negotiations and the gradual availability of essential items caused the strikes and protests to subside. The sense that the protests were getting in the way of what the country needed to do to turn the corner economically also played a role in the movement losing steam.

Small business owners and others collectively organised into associations, developed connections with media outlets, and frequently called press conferences featured in news programs. These associations represented egg producers, bakery owners, private bus owners, three-wheeler drivers, and small shop proprietors. While not trade unions, these associations did wonders to bring their own voices to the general public. We may even see them gaining some bargaining power in national party politics.

Among professional associations, the national medical officers' (doctors) association, the national nurses association and the Federation of University Teachers Association have mobilised and gone on strike, demanding higher wages while protesting tax raises. Interestingly, most of these professional organisations protested together with trade unions against the new steep increase in taxes and the increasing cost of living.

Yet none of these protests has seen meaningful success. For example, while the teachers' union won their long-standing demand for a Rs. 5,000 salary increase, the depreciation of the rupee amidst inflation significantly decreased the purchasing power of the Rs. 5000. Rajapaksa governments especially gave the bloated government sector periodic raises as part of their patronage politics. They did so by using loans and printing money, policies that have only exacerbated inflation and the cost-of-living crisis.

ALR: I would like to tap into your research on garment workers in Sri Lanka. But first, please tell us about neoliberal capitalist development in Sri Lanka in recent decades, including creating Free Trade Zones and what they mean for workers.

SH: Although David Harvey (2005) proclaimed that neoliberalism is now hegemonic the world over, societies in the global south experience, absorb, adjust or reject neoliberal ethos and economics in varied ways. [2]

In 1977 the United National Party, a notoriously capitalist-friendly party, came into power in Sri Lanka on the election promises of opening the economy and accelerating neoliberal development. All this meant big loans from the World Bank and IMF and development aid from the West. Structural adjustment policies were put in place. Sri Lanka was encouraged to privatise state institutions and increase foreign investment.

As part of their election promise to provide employment to rural young people, the government quickly established the Katunayake Free Trade Zone (now officially known as export processing zones, they are still called FTZs by the people) in 1978 and advertised how the country had a young, hardworking, educated, and obedient workforce.

Many multinational corporations established factories within this zone and other FTZs that were established later. The larger assembly line factories within these zones then subcontracted some work to medium and smaller factories that sprung up around the demarcated FTZ area.

The FTZ factories were characterised by rigorous work schedules based on target production,

pecuniary salaries, and barriers to collective organising. As such, mainly rural women who did not have any other work opportunities were interested in FTZ work. The government actively promoted such work among rural young women using narratives such as 'FTZ work is a way for rural young women to earn their own dowry.' Despite the exploitation, the women who took jobs at FTZs developed new senses of self as wage earners, and there were many empowering moments associated with work, mobility and wages.

My research has found that since around 2010, the areas surrounding the FTZs have become hotbeds promoting neoliberal ethos among workers. Most have eagerly embraced the cascading subcontracting system and become part of the gig economy (i.e. by home-sewing for the cascading subcontracting system, where smaller factories subcontract out to individual women etc.).

Yet these developments did not speak for all of Sri Lanka. As Aihwa Ong very astutely pointed out (2007), in most Asian countries, neoliberal development is an exception rather than the rule. [3] While neoliberalism flourished in varied spaces, such as export processing zones, the countries saw the governments' hold on the economy, trade, education, and security tighten even more.

ALR: In your work, you talk about women workers in relation to an array of concepts and issues, such as invisible bondage, identity formation, social mobility, precarity, transgressive subjectivities, modern slavery, gender norms, sexualities and politics of contentment.

Let me take a few of them and ask how these concepts can help us understand women workers in the FTZ. Let's start with identity formation, social mobility and transgressive subjectivities.

SH: Sri Lanka's women FTZ workers endure rigorous work schedules dictated by target-setting, minimal remuneration, sexual harassment, and barriers to collective organising. At the same time, they gain much by migrating from familiar village cultural surroundings to cities, living with other workers in boarding houses and developing a new sense of self as industrial wage workers who are different from men and middle-class women.

My earlier work showed how these women develop forms of class consciousness and feminist sensibilities by engaging in this late capitalist form of gendered labour. They also create and participate in a transgressive culture surrounding the FTZs and enjoy romances, sex and relative freedom of mobility despite the objections of neighbours and the critiques of middle-class people.

ALR: What is the invisible bondage you see?

SH: While the earlier generations of workers joined factories directly, around 2012, the FTZ sector saw the proliferation of labour contractors who brought groups of workers from villages or worked as hiring agents for day labour at global factories. My work on invisible bondage demonstrates that even when women are not forced to join or stay within contractor labour pools, they remain unfree due to cultural and emotional bonds that restrict their mobility.

Focusing on the intricate ways such invisible bonds are produced, I highlight the contradictions of global capitalism: specifically, the promise of freedom versus the reality of complex forms of control and discipline that seek to make them obedient workers of global assembly lines. I also show that the invisible bondage of workers is crucial for this form of neoliberal development to thrive.

ALR: You explored the ideas of gender norms and sexualities among garment workers. What have you found?

SH: As in many other countries where global assembly lines exist, Sri Lankan women workers have

been put on a labour clock and pushed out of work after a few years of factory work. Whatever political consciousness or new senses of self they developed in the FTZs must go through an adjusting period in the villages as they go back home, preparing for marriage and then negotiating new lives as brides, wives and mothers in their husbands' villages.

My later research showed that the former global workers engage in a series of negotiations to balance their new knowledge and aspirations against village gender norms. This work has also demonstrated that the positions they negotiate differ from what is possible for non-migrant women of their age.

ALR: What about the politics of contentment?

SH: The aftermath of the pandemic and lockdown underlined how precarious these entrepreneurial achievements, decision-making powers, and the social status gained from their economic successes can be. As the global production networks unravelled, the burdens were outsourced down the cascading subcontracting system, with the home subcontractors bearing the brunt.

The only saving grace for many former global workers was that they engaged in politics of contentment – by which I mean a series of strategies and tactics to create family and social harmony as part of their entrepreneurial activities – during their successful years before the pandemic. This social saving scheme allowed the former workers who engaged in the process to retain an adjusted version of their elevated social positioning.

ALR: And, precarity?

SH: In my analysis, what keeps global factory workers, in the factory and villages, in shackles is the structural precarity of global subcontracting. It also leads to women workers using creative ways to find empowering moments and economic and social success while highlighting how transnational production only enables the first step toward economic success or social mobility. Women workers are never truly allowed to jettison cultural constraints and patriarchal dominance. When they do so, it comes with tremendous personal risk yet stretches the boundaries for younger generations of women.

I would like to connect all this to my earlier response about the neoliberal capitalist development in Sri Lanka and, in fact, throughout the Global South. People in poorer countries are not allowed free movement of labour or free entrepreneurship. Ultimately, global factory work and subsequent entrepreneurial work are so disadvantageously linked to the global capitalist hierarchy at the bottommost levels that they are powerless to develop independently of the ups and downs at the global Centers in the West.

My new work focuses on a budding economic justice movement spearheaded by former global worker entrepreneurs and hypotheses that a concentrated effort to engage national trading and international exchange networks may be the only way to disentangle from the global capitalist hierarchy, if even to an extent.

ALR: What does your research tell us about the new idea of "modern slavery" in global labour rights advocacy?

SH: My analysis of the Modern Slavery Act of the UK showed how a global legal framework could add more layers of surveillance, create workplace cultures characterised by suspicion and fear of fellow workers and hinder the few spaces women manipulate for economic empowerment—such as engaging in part-time sex work to augment the pecuniary salaries from the global factories.

Rather interestingly, Article 54 of the Modern Slavery Act, rather than insisting companies pay workers a meaningful living wage, requires companies to provide comprehensive statements noting what they have done to eradicate forced labour within supply chains.

Western governments, themselves steeped in neoliberal regimes, are unlikely to require companies to increase their production costs via increased worker salaries/benefits. Thus, as always, women workers of the Global South end up paying the price for Western moral crusades.

ALR: As we have seen in similar FTZs in Asia and beyond, workers have not shied away from organising themselves and staging strikes and protests. Can you outline a brief history? When did workers start to organise and strike, and what are the significant strike waves?

SH: Sri Lanka has well-developed trade union networks, and they have been at the forefront of many political upheavals organising mass strikes and bringing people together on important issues. The FTZs have a different history of protest. FTZ workers in Sri Lanka, just like elsewhere, did not shy away from protesting. However, in the early years, the organising only happened within individual factories and was mostly against newly introduced factory rules or a harsh manager. This was not surprising given that transnational production then prohibited unionisation.

In the early years, collective organising was discouraged, with leading organisers being summarily fired. In place of unions, the Sri Lanka Board of Investment (BOI) mandated Joint Councils of Workers. These Joint Councils comprised members of management and elected workers from different sections—including technical sections. This saw only men getting elected as worker representatives in factories where 90% of employees were female. Moreover, they were counterproductive for collective organising as they mostly operated as placating bodies. Still, factories saw walkouts, strikes and other protests, and they were usually resolved within factories. It was rarely that such a protest moved out of the factory premises.

The worker protest in May 2011 against a newly proposed pension scheme changed this dismal scenario. This protest was spontaneous and galvanised the support of all factory workers, both women and men. Workers at the Katunayake FTZ walked out of their factories and then marched out of the FTZ gates crying slogans against the new pension scheme. After the first wave of police brutality claimed a worker's life, the protest became more organised and many outside trade unions joined. The strength of the protest led to the government retracting the bill.

This protest was a watershed moment since workers realised the power of their collective organising. In the same vein, trade unions realised the potential of FTZ workers as a new group ready for collective bargaining.

It highlighted for all parties the importance of getting the media involved and creating and disseminating their narratives regarding their demands and rationale to the general public. In fact, after this, even protests against individual factory policies occurred outside the FTZ gates as a public spectacle. Workers, NGOs and unions swiftly published photos and videos on their social media sites.

Unfortunately, mass protest has not been a commonly important issue since 2011. The FTZ workers find themselves in an even more precarious position after COVID-19 and the resultant global lockdown. Sri Lanka's economic crisis amidst the pandemic led to job losses and factories closing. There are more workers than in factory jobs, and this has put the management in a very powerful position as workers compete with each other to save their jobs or to get hired for dwindling day labour jobs.

The absence of collective organising does not mean that workers are not protesting. They are. But not in conventional ways. For example, when a factory mandated workers to eat with forks and knives instead of using their fingers, angry workers quietly plotted to outsmart the management by clandestinely throwing the forks and knives in garbage bins after their meals.

Management's efforts to get workers to rat on their fellow workers failed, and within two months, the factory abandoned the cutlery requirement. It is time labour studies recognise the importance of such non-conventional protest tactics in non-conventional and gendered work environments. Such organising leads to solidarity conducive to developing class consciousness and political transformations.

ALR: I want to ask about the situation of the trade union movement as a whole. To what extent has the trade union movement been able to protect workers from exploitation and austerity? What are some of its biggest challenges? And, are there alternative forms of worker organising outside of these established trade unions that are doing well to protect workers?

SH: Trade unions are divided along political party lines. While unions associated with left-oriented political parties and the parliamentary opposition deal with worker exploitation, unfair taxes, austerity measures and inflation, they have not been able to protect workers from post-pandemic economic hardships or stop gains hitherto made in labour and human rights eroding.

Rampant neoliberal development, gradual privatisation of state companies and agencies, and the politicisation and fragmentation of unions are the biggest challenges. The other, nor less important, challenges include the old school approach to workplace issues and strategies of protest, the ethno-nationalist divisions, and rampant sexism within trade unions, which discourage women from joining.

Not recognising the value of non-conventional forms of struggle and not validating the very real but new set of issues and concerns that the increasing participation of women in the workforce engender are additional issues that have created a general notion that trade unions are a relic of the past.

Few NGOs among global factory workers were able to support worker efforts at collectively organising. These NGOs also help individual workers gain access to labour tribunals when faced with workplace-related problems. I have also found that surveys and research done by global organisations dedicated to workers create much knowledge and statistics that help when bargaining with governments, bilateral organisations, and companies. Organisations like Clean Clothes Campaign and Asia Floor Wage Alliance (AFWA) come to mind.

Asian Labour Review
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https://labourreview.org/precarity-protest/

Footnotes

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