

Sri Lankan government's phony “eradication of rural poverty” program

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Earlier this month, Sri Lankan President Anura Dissanayake and Prime Minister Harini Amarasuriya ceremoniously unveiled their government's *Prajashakthi* (Community Power) policy, declaring it would “eradicate rural poverty.”

This program—part of *Thriving Nation—A Beautiful Life*, the Janatha Vimukthi Peramuna-led National People's Power (JVP/NPP) election manifesto that promised to transform Sri Lanka into a paradise—was to hoodwink the masses.

The manifesto acknowledged that 5.7 million people live below the national poverty line, 55.7 percent suffered from multidimensional poverty and promised to change all this. It included pledges to increase financial aid for the needy, and hollow phrases such as “social empowerment.”

Notwithstanding its populist slogans, *Prajashakthi* is yet another Dissanayake government fraud, its real directives dictated by the International Monetary Fund (IMF).

The IMF's \$US3 billion four-year extended bailout loan, which was negotiated by the former Wickremesinghe government, is a class-war attack on the Sri Lankan working class and the poor. It includes sharp reductions in government expenditure, increased taxes on essentials, and the boosting of state revenue to start repaying foreign debts that defaulted in April 2022 during the country's economic collapse.

One of the IMF's demands was the “streamlining” of welfare and other social payments. In other words, the slashing of financial subsidies and the provision of meagre assistance to only the most “needy.”

In 2023, the Wickremesinghe government began implementing a social program that only assisted about 1.2 million families. This number, however, rose to 2.4 million families in January 2025, including 960,000

families categorised as poor, 480,000 listed as extremely poor and another 480,000 categorised as vulnerable.

During the elections, the JVP/NPP promised to increase relief allowances and has since announced that the allowances for those receiving 8,500 and 15,000 rupees would increase between January to June 2025 to 10,000 and 17,000 rupees respectively.

Millions of poor people across the island, however, must be warned, the *Prajashakthi* program will cut the country's already existing but limited financial assistance. The Dissanayake administration's foreign debt repayments through to 2028 will involve deeper cuts, higher taxes, and privatisations, all at the expense of working people.

Addressing the *Prajashakthi* launch event, Dissanayake—echoing IMF directives—said that only “targeted communities” would receive assistance. The idea of universal state support, he declared, was a “mistaken belief,” adding “our state is not built on such a culture of entitlement.”

These are threats. Behind the “streamlining” and “targeting” of poverty subsidies, the government plans to deprive benefits to hundreds of thousands of poor rural and urban families.

“We have managed to bring the economy [and the rupee] to a relatively stable state,” Dissanayake said, by steadily raising foreign reserves, increasing treasury revenues, and reducing interest rates to single digits. He failed to mention that these very measures, which had been ordered by the IMF, were increasing poverty.

The eradication of poverty, he continued, is only possible “if the current rural economic activities are transformed into more productive, efficient and profitable ventures... and should be developed to become thriving businesses.”

In reality, this means binding rural livelihoods even more tightly to capitalist markets, and subject to the whims of the agro-chemical giants, private banks, rice-mill monopolies, and global commodity prices.

Over the past four decades, successive Sri Lankan governments have unveiled a range of so-called poverty-alleviation programs—*Janasaviya*, *Samurdhi*, *Gramasakthi* and *Aswesuma*—all launched with great fanfare.

The end results have been rising poverty rates, debt, landlessness, joblessness, and social despair. *Prajashakthi* is simply the latest version, and its result will be no different than its predecessors.

The immediate and real agenda of the Dissanayake government is to impose all the IMF's brutal austerity measures, including restructuring state-owned enterprises, further cuts to education and health spending expenditure, the downsizing of public sector and the further limiting of financial assistance to the poor.

Contrary the government's claims, these measures will not alleviate poverty but will increase it even more sharply. The root cause of poverty lies within the capitalist system itself, where production is organised for profit, not for human need.

This process is being intensified in line with the deepening crisis of global economic crisis, compounded by the tariff measures unleashed by the Trump administration in the US, and the responses of its imperialist rivals.

The only way out of poverty is in struggle against the Dissanayake government's IMF austerity program and the entire capitalist system.

The Socialist Equality Party (SEP) calls for the alleviation of the desperate poverty confronting the rural masses through debt cancellation, access to affordable credit, fair market prices, cheaper inputs for agriculture and fishing, and infrastructure development. These necessary demands require the independent political and industrial action of the working class in alliance with the rural masses.

We call on workers and the rural poor to form action committees across the island, completely independent of all the capitalist parties and the trade union bureaucracies. Such committees should be united through a Democratic and Socialist Congress of Workers and Rural Masses to plan and lead the

struggle.

The only real solution lies in bringing to power a workers' and peasants' government, based on socialist policies including the nationalisation of big business and banks under workers' control, cancellation of the foreign debt, and redistribution of wealth to meet the needs of the majority.

This must be part of a broader international fight. The Sri Lankan masses will find their allies not in capitalist governments or foreign institutions, but in the global working class in a unified fight against austerity, social inequality and war.



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