

2 Deception in the Name of Democracy

4 The Problems Faced by People in the North and East

6 IMF Austerity Measures From Crisis to Disaster

7 NPP Gov. Democracy and Foreign Policy Retrospective

'No Peace, Without Justice! Let Palestine Live!'



FLSP along with workers, students, youths' and women's movements participated in the joint protest held in front of the Embassy of the United States in Colombo to condemn genocide in Gaza. Even today, Palestinian civilians—including young children and those desperately searching for food—continue to lose their lives in attacks carried out by Israeli forces under the direction of the Zionist regime. The United Nations has acknowledged the

unfolding genocide yet has failed to take decisive action to halt this humanitarian catastrophe. FLSP calls upon the global community to unite in protest against imperialist warfare. We demand that imperial powers recognize the sovereignty of Palestine and take immediate steps to end the genocide in the Gaza Strip.

ID Card Digitalization by Indian Company

A Danger to National Security!

The handling of the tender process for the 'Sri Lanka Unique Digital Identity (SL-UDI) Project' by India's National Institute for Good Governance (NIGS) has drawn attention to the serious threats posed to the country's national security and sovereignty. The Acting Director of the Government Project (E-NIC) has written a letter to the Secretary of the Ministry of Digital Economy, drawing attention to serious issues.

Among the issues that have been brought to attention are data sovereignty and the country's national security, the fact that Sri Lankan companies have been denied the opportunity to bid, and 22 issues, including waiving local jurisdiction and going to a foreign arbitration, and providing critical personal data to a foreign company for proper control. *Page 07....*

US Tariffs are a **Deadly Blow** to the Lankan Economy

A large number of concessions have been made for US imports to reduce US tariffs from 30% to 20%. The government has not yet revealed what promises were made to win these 'tax concessions'. As per the information currently available, it has been agreed to reduce these duties on 1161 industrial products and 42 agricultural products imported from Sri Lanka. However, the said tax relief is in addition to the tariff rate granted to the most-favoured nation (MFN) countries. Thus, 'Most Favoured Nation' is a term used to describe countries that have imposed the lowest tariffs on US goods. Tariff concessions have been granted for 2,000 US agricultural products and industrial products below that amount. It is also reported that promises have been made to import crude oil and domestic gas (LPG) from the US. Accordingly, the government has agreed to import petroleum worth \$500 million and gas worth \$300 million. *Page 07....*

Deception in the Name of Democracy



The National People's Power (NPP) government has responded to workers' demands for labour rights with threats and repression. Trade union actions against the arbitrary restructuring of the CEB were met with statements like “go home if you cannot work.” During the postal workers’ strike, riot suppression units were deployed to intimidate strikers at the Central Mail Exchange. Similarly, newly appointed development officers affiliated with teaching faced harsh crackdowns. Even after protests ended, arrests continued, with police accusing demonstrators of injuring officers. These tactics echo those of previous regimes, showing no significant democratic progress.

The 60th session of the UN Human Rights Council began on 8 September in Geneva, accompanied by a report outlining Lanka’s ongoing democratic and economic challenges. It highlights human rights violations committed during the NPP’s first year in power.

Foreign Minister Vijitha Herath addressed the Council, asserting Lanka’s rejection of external investigations into alleged violations. He claimed the government is committed to accountability—but only through domestic mechanisms. While some praised this as a defense of sovereignty, the real question is whether the government will act.

The government announced plans to investigate over 10,000 disappearance complaints filed before 2000 and allocate 375 million rupees for this effort. It also pledged to reactivate the Office on Missing Persons. Ahead of the UN session, the President visited the North, promising land, language, cultural rights, and answers about the disappeared.

If serious about justice, the government could begin with mass graves at Chemmani, in the North and near Colombo port. By early September, skeletal remains of 240 bodies had been found in Chemmani, and 88 at the port. Chemmani is linked to 1990s army camp killings, while the port graves likely contain youth who vanished during 1988–89. Yet, no justice process has begun—only exhumations. Notably, the President did not visit Chemmani during his Northern tour, suggesting the government may only pay lip service to domestic accountability.

Another concern is the continued use of repressive laws. The Prevention of Terrorism Act (PTA), which the NPP promised to abolish, remains in use—primarily against minority communities. Muhammad Suhail was detained for over nine months under the PTA for expressing opposition to Israel online. He was found innocent and released in September. Similarly, Mohammed Rushdi was arrested for posting a sticker opposing Israel. A detention order bearing President Anura Kumara Dissanayake’s signature circulated online. The Human Rights Commission later ruled Rushdi’s arrest violated his rights.

The report notes 48 PTA arrests under the NPP, mostly targeting minorities. Despite calls to abolish the act, the government plans to introduce a new terrorism law, claiming it will meet international standards. Meanwhile, the PTA is used to detain alleged members of underground groups, even in drug-related cases. The Online Safety Act, also promised to be repealed, is now slated for amendment and continues to suppress dissent.

Herath’s speech ignored two critical issues from the human rights report: the impact of IMF policies and debt restructuring. The World Food Program estimates 16% of households face food insecurity, with over half skipping meals or reducing portions. Between 2021 and 2024, child malnutrition rose from 12.2% to 17%, and stunting in children under five increased from 7.4% to 10.5%.

The report states that the debt restructuring process, concluded in December 2024, violated UN principles of shared responsibility. In the 2025 budget, 8.9% of GDP—around 60% of government revenue—is allocated to interest payments, while health and education receive only 1.83% and 1.88%, respectively. These figures suggest the IMF program has failed to address deep-rooted economic issues. The government’s response—social protection schemes like 'Aswesuma'—falls short. Justice for the Easter attacks was a key election promise. Instead, the government delays action by appointing another committee to review the Commission report. This pattern of evasion mirrors past administrations, using national security as a shield while avoiding meaningful reform. The government maintains a democratic façade but perpetuates the status quo.

There is no clear policy to address the national question, economic crisis, or democratic concerns. Like its predecessors, the NPP expresses frustration at foreign criticism, acknowledges tough decisions ahead, and promises to fight corruption—without concrete plans. The people ousted corrupt elites hoping for change. Now, they must hold the new government accountable and demand policy-driven governance. Otherwise, they risk falling from the frying pan into the fire once again. ■

Frontline

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Imperialist war and our strategy

The world faces the real threat of nuclear war, driven by a series of imperialist conflicts stretching from Ukraine to the Gaza Strip, and escalating tensions from Iran to the Pacific Ocean. These wars are part of a broader imperialist geopolitical strategy, deeply rooted in the global political economy.

Neoliberal globalization, from the late 1970s onward, profoundly changed the world system. Neoliberal globalization refers to the spread of free-market economic policies and reduced state intervention. The Global South, comprising countries in Latin America, Africa, Asia, and Oceania, experienced increased industrialization, leading to a greater transfer of value to the North, which primarily refers to developed countries in Europe and North America. On the other hand, the development of productive forces, technological and organizational capacities for production in the Global South began to turn the tables. China became the crank, or central driver, in the global system of production. This was an unintended effect of the capitalist desire to exploit the Chinese proletariat or working class. In 2020, China accounted for 35% of global gross manufacturing production, compared to 12% for the US. In its encounter with neoliberalism, China maintained control over its economy and broke two centuries of polarized development between rich and poor countries. The U.S. is the world's sole military superpower. It spends more on its military than the next ten highest-spending countries combined. China is now the world's sole manufacturing superpower. Its production exceeds that of the next nine largest manufacturers combined.

Richard Baldwin says in his work, "China is the world's sole manufacturing superpower: A line sketch of the rise". This development became a game-changer. The US can no longer uphold its hegemony by neoliberal economic means, which have served it for forty years. These means provided huge profits and cheap commodities for consumers in the Global North. Instead, the US has weaponized economic competition. It now turns to political pressure and military means in a geopolitical struggle for dominance. The US is splitting and eroding the neoliberal world market through trade wars, sanctions, and blockades. In fear of losing its hegemony, the US is strengthening old alliances and forging new ones. It seeks to translate its military power into renewed economic dominance. This strategy creates unparalleled dangers for humanity. There is a risk of nuclear war and a conflict-haunted world system that cannot tackle mounting climate problems.

The rise of the Global South is an economic challenge to imperialist world dominance. This is why the Eurasia pivot axis, running from Ukraine in the north to Palestine in the south, is now at the centre of confrontation.

The growing threat of a world war, particularly involving the US/NATO, makes it clear that our strategy must address not just the immediate dangers but also the underlying cause: the global capitalist system. We must prepare both individually and organizationally for a tumultuous transition. Our main task is to determine how to respond strategically to the unfolding global struggle, analyse the balance of forces, and position ourselves in the movement for change.

To date, a direct clash among major powers has been avoided. However, historical precedent suggests that such a collision may become inevitable, increasing the risk of a third world war. The only way to end war and its threats to human civilization is to overturn the capitalist system that causes it. Therefore, progress in the struggle against war depends on the independent mobilization of the working class, guided by a revolutionary perspective.

While millions worldwide have opposed war through historic coordinated demonstrations, many of these movements, such as the current "Free Palestine" mobilization are limited by the false belief that pressure on official bodies like the UN alone can prevent war. The central argument is that only an international socialist approach aimed at transforming the existing political order, rather than influencing it, can advance the struggle against war. Our priority must be to build a broad anti-imperialist movement led by the proletariat.

The NPP Government takes the Neoliberal Path, Wearing Red Hats

Messages from the Elections

The local government elections concluded on the 6th of May this year. Although a detailed review will be conducted separately, the main points outlined here provide essential context for the signals conveyed by the results.

➤ Voter turnout has dropped sharply compared to past elections, with only 61.88% voting in the 2025 local government election, a significant decline from 68% in the 2024 general election and 79% in the 2024 presidential election. Even in comparison to previous local elections, the downward trend is clear: 65.52% in 2011 and 79.94% in 2018. This decline signals a deepening of public discontent and disengagement, as 1.2 million who voted in November stayed home. The current figures reveal a crisis in political engagement.

➤ The National People's Power (NPP) has suffered a major backlash, losing 2.35 million votes since the general election. Its vote count jumped from 42.71% in the 2024 general, only to crash back down to 43.26% in 2025. This swing highlights voters' deep disillusionment with the government's direction and demands urgent course correction.

➤ Trust in the opposition has not grown significantly. For example, although the SJB raised its vote tally by about 300,000 since the last general election, this gain is modest. The SLPP, often mentioned as making a comeback, still only secured 9.17% of the vote. This suggests disappointed NPP voters have not shifted to the SJB or the SLPP. For a former ruling party, this performance remains weak.

In summary, the election results demonstrate widespread dissatisfaction with both the NPP and traditional right-wing parties. The NPP's failure to deliver its promised change leaves space for a new political alternative that genuinely serves the people's interests.

Following the Same Path

Despite its leftist promises, the NPP government follows the same neoliberal path as its predecessors. Its adherence to IMF-mandated austerity, free trade agreements, and policies favoring global monopolies directly contrasts with campaign commitments. This ongoing alignment with neoliberalism is central to the political crisis, forcing the NPP to confront its true priorities.

The Economic Transformation Act, Central Bank Act, State Financial Management Act, and State Debt

Management Act are all examples of legislation that the NPP either approved or only minimally opposed. This marks a clear shift from its earlier position, as, despite previous criticism, the NPP now actively supports these laws and initiatives. This ongoing pattern of alignment with policies it once denounced highlights a central dilemma: the government now endorses approaches it strongly criticized before, demonstrating the lack of substantial policy alternatives or clear ideological consistency.

Weak right-wing opposition

The opposition cannot oppose these policies, as they support the same approach and lack alternatives. They agree on the IMF program and deals with international bond companies, as well as on transferring tax burdens and cutting public welfare. Their stance offers no alternative direction for the country.

They also remain silent on privatization measures, such as those for the Electricity Board or Adani's power plant, having initiated such projects themselves. Ultimately, both government and opposition operate under the same policy framework.

When the opposition seeks to confront the government, it cannot do so on essential issues that lack divergent policies. Instead, it relies on media spectacle to amplify trivial matters, such as fights over MPs' educational records or tabloid distractions involving their personal lives. Worse, it overlooks serious abuses, instead focusing on superficial controversies. This avoidance signals with urgency that the SJB, SLPP, UNP, and other right-wing parties are not credible alternatives—they are distractions at a crucial moment.

Tasks of the Left

Given this situation, the central challenge is to build a genuine political alternative. The government is rapidly losing public trust as it advances neoliberalism under a leftist pretense. Discredited right-wing forces may seek to capitalize on this instability, highlighting the need for authentic change. With both ruling and opposition parties discredited, building a genuine political alternative outside Parliament is essential. Unlike the spontaneous 2022 uprising, the next step requires an organized force that can lead and direct mass discontent into real change. Only such a movement can offer the alternative the public now seeks.

Join the FLSP's intensified campaign now and play an active part in shaping our program at the February 2026 party convention. Your involvement is vital. Together, let's build the alternative our country urgently needs. ■

POLITICAL
View

Living at Gunpoint

Though Lanka's civil war ended in 2009, the North and East remain heavily militarized. Tens of thousands of troops still occupy strategic areas, suppressing dissent and hindering recovery for Tamil-speaking communities. Security forces control vast lands—including private property and farmland—blocking displaced persons from returning home. High Security Zones (HSZs) in Jaffna and Mullaitivu barred civilians for years, and even after dismantling, military camps persist on private land. The military's role extends beyond security into civil life—running farms, shops, preschools, and even religious events—disrupting traditional livelihoods and eroding civilian authority. Surveillance remains intense, with intelligence officers profiling activists, journalists, and former Tamil Tigers. Dissidents face home visits, intimidation, and legal restraints to prevent participation in memorials or protests. Authorities have destroyed Tamil monuments and use the Prevention of Terrorism Act (PTA) to arbitrarily detain those seeking justice.

This climate of fear is deeply psychological, especially for women and female-headed households. Constant harassment corrodes social cohesion and stifles personal growth, leaving Tamil communities under continued control and oppression long after the war's end.

Land Issues

Land seizures in Lanka's northern and eastern provinces—during and after the civil war—remain a deeply unresolved issue, continuing to fuel displacement and obstruct reconciliation more than 15 years after the war's end. While some land has been returned, thousands of acres remain under military or state control, with recent government actions provoking renewed resistance.

Successive governments have used legal and administrative tools to dispossess Tamil and Muslim communities, citing national security, economic development, or heritage preservation. High Security Zones (HSZs), especially in Jaffna and Mullaitivu, displaced thousands. Though some zones were dismantled, military camps still occupy private land, preventing resettlement.

State agencies like the Department of Archaeology have claimed land around ancient sites, demolishing Hindu temples and constructing Buddhist shrines in non-Buddhist areas. The Forest and Wildlife Departments have also seized inhabited lands, declaring them reserves and criminalizing traditional farming. In Mullaitivu, 29,000 acres of forest reserve were earmarked for private investors, displacing war-affected farmers.

In Paanama, Ampara, hundreds of Tamil and Muslim families were forcibly evicted in 2010. Their land was taken over by the military for tourism development, including hotel construction. Despite court rulings and cabinet decisions to return the land, many remain displaced.

These cases reveal a coordinated effort by state institutions and the military to undermine traditional land rights. Tactics include exploiting lost documentation, using gazettes and land reform laws, and deploying intimidation. The government's claim of returning 90% of occupied land is misleading, as most was state-owned; significant privately held land remains seized. Even recent Supreme Court interventions have only temporarily halted acquisitions. This ongoing dispossession continues to marginalize war-affected communities and obstruct meaningful reconciliation.

The Problems Faced by People of the North and East

This special report intends to expose the pre- and post-prolonged civil war infested lives of the ordinary civilian population in the North and East of Sri Lanka



Displacement Issues

Hundreds of thousands of Tamils were displaced during Lanka's civil war, and many remain unable to return due to ongoing military land occupation. While some have regained access, others are relocated to poorly equipped sites, often without consent. Military control over fertile lands has disrupted Tamil farming, with commercial military operations replacing traditional livelihoods. Coastal Tamil and Muslim fishing communities are blocked from ancestral fishing grounds, as the navy occupies these areas for bases and resorts, deepening economic dependency.

A Batticaloa study found salaried workers fared better post-displacement, while entrepreneurs and laborers faced severe hardship. The government also suppresses Tamil memorialization, demolishing monuments like the Mullivaikkal memorial and harassing grieving families. Cultural suppression continues through the privileging of Sinhala in administration and military intrusion into Tamil spaces. In July 2025, a parliamentary concern was raised over the military occupying a public cemetery, violating Tamil customs and deepening community distress.

Livelihood Challenged

Tamil fishermen in Lanka's North face mounting challenges from illegal Indian trawler activity, militarization, and economic hardship. Restricted access to coastal areas—especially near naval bases and tourism resorts like Trincomalee—limits fishing grounds. Surveillance and patrols by security forces foster fear and distrust, making long-term planning difficult.

Illegal bottom trawling by Indian vessels from Tamil Nadu devastates marine ecosystems, including coral reefs and fish nurseries, severely depleting stocks in

the Palk Bay and Gulf of Mannar. These trawlers often damage or cut Lankan nets, causing financial loss. Some local fishers avoid going to sea altogether due to fear of assault or boat damage.

Despite Lanka's 2017 ban on bottom trawling and ongoing bilateral talks, poaching persists. Political narratives in Tamil Nadu further complicate the issue, framing it as a conflict between innocent Indian fishermen and the Lankan Navy. The result is a deeply uncertain and dangerous environment for Lankan Tamil fishing communities.

Abductions and Disappearances

During and after Lanka's civil war, Tamils in the North and East were subjected to systematic abductions, enforced disappearances, and unlawful detentions under the guise of counter-terrorism. State security forces and paramilitary groups targeted perceived opponents, fostering fear and impunity. Since the 1980s, tens of thousands—mostly Tamils—have disappeared. In May 2009, hundreds of surrendered civilians and former militants vanished after handing themselves over to the army. The state has never accounted for their fate. Under the Rajapaksa administration, "white van" abductions of activists, journalists, and civilians became notorious. Families, especially mothers, continue to seek answers amid surveillance and intimidation.

Though high-profile cases have declined, 123 abductions and torture incidents were documented between 2015 and 2022. Victims reported beatings, sexual violence, and asphyxiation. The Prevention of Terrorism Act (PTA) remains a tool for prolonged detention without trial, creating Tamil political prisoners. Governments deny their existence, claiming legal proceedings.

The Office on Missing Persons (OMP), established in 2017, lacks prosecutorial power and avoids acknowledging enforced disappearances. Despite years of operation, it has delivered few results. In 2020, President Gotabaya Rajapaksa declared the missing were dead, further eroding hope. International pressure has yielded little accountability, and impunity persists.

People's Protests Claiming Rights

Ongoing protests in Lanka's North and East reflect deep-rooted grievances over land grabs for state-backed commercial ventures and so-called development projects. Tamil and Muslim communities are resisting the appropriation of their ancestral lands, often pursued without consultation, threatening livelihoods and altering regional demographics. In August 2025, demonstrators gathered at the Presidential Secretariat in Colombo to oppose a proposal allocating 600 acres of paddy land in Trincomalee to Indian firms for a solar power plant. Farmers fear the project will undermine local agriculture. In Mannar, "Black Soil" protests targeted ilmenite mining, citing ecological damage to mangroves and wetlands. Wind power expansion also drew criticism, prompting a temporary suspension of a project.

In May 2025, a gazette to seize 6,000 acres in the North sparked outrage. Though the government pledged revocation, delays fueled distrust. In Valikamam North, residents protested military occupation of land seized during the war, now used for camps and a luxury resort. The protest coincided with a visit from the UN Human Rights Chief.

Tamil cattle farmers in Batticaloa have protested for over two years against settlers encroaching on traditional grazing lands in Mayilathamadu and Mathavanai, allegedly backed by politicians and state authorities. These protests reflect broader resistance to demographic engineering and marginalization. Activists also condemn temple expansions and settlements for political supporters on minority-owned land.

Military presence continues to suppress dissent, with intimidation tactics used against protestors. These demonstrations underscore the urgent demand for justice, land rights, and meaningful consultation.

Economic Hardship

Military-owned businesses and checkpoints restrict Tamil entrepreneurs and obstruct fishing and farming, deepening dependency on the state. Tamil fishermen face rising fuel and gear costs, forcing many into high-interest debt. Poaching and destructive fishing practices have depleted stocks, leading to smaller catches and low market prices, worsening financial strain.

Fishing's low pay and physical demands deter younger generations, causing labor shortages in traditional methods like beach seining. The constant threat to livelihoods and security impacts mental health and family stability. Many fishing families live in poverty, struggling to meet daily needs.

Fisherwomen emphasize education, hoping their children can escape this harsh reality. The combination of economic pressure, military control, and environmental degradation continues to erode the well-being of Tamil coastal communities.

Solution for National Question

Despite election promises by President Anura Kumara Dissanayake and the National People's Power (NPP), progress on resolving Lanka's national question remains limited. While the NPP pledged constitutional reform and "system change" focused on equality and unity, structural changes have stalled. At rallies in Jaffna, the party promised a "People's Constitution" and greater devolution of power, but skepticism persists due to past unfulfilled reforms.

The NPP manifesto includes commitments to accountability for past violence, expanding the Truth and Reconciliation Commission, and combating discrimination. Yet, key steps like Provincial Council elections—central to power-sharing—remain unaddressed. Some supporters fear the NPP's unity politics may reinforce Sinhala majoritarianism.

The government pledged to repeal the Prevention of Terrorism Act (PTA) and introduce an Anti-Terrorism Act (ATA), but progress has been slow. In August 2025, the UN urged a judicial mechanism for human rights violations, which the NPP rejected, citing electoral mandate and opposing foreign involvement. Minority political leaders have long kept core issues on the agenda but failed to secure lasting solutions. While some gains in local governance exist, broader progress remains elusive due to systemic barriers and lack of political will.

Indian Intervention

The government signed a number of MoU's with India on April 5. Seven agreements, including the Energy Exchange Agreement, the Digital Cooperation Agreement, the Trincomalee Energy Centre Agreement, the Defence Cooperation Agreement, and the Health and Pharmaceuticals Agreement, have been announced. Whether there are other agreements or not is still a secret. However, even today, the government has not officially disclosed to the country the contents of these agreements. We are aware that India is currently striving to become the world's second-largest economy.

If a problem arises in these signed agreements, we cannot seek the support of an international court. We cannot withdraw from the agreements at will. As stated in the agreements, any issue should be resolved through talks between the two countries. For a powerful India and our country to sit down to talk about an issue is like a discussion between a rabbit and a lion. We don't need to say how such a discussion will end.

If we examine the agreement related to the power sector among these agreements, it is clear that the agreement is specifically designed to provide electricity to Adani India using our land and resources. The agreement signed in Sri Lanka has a clause that taxes will not be levied on the Indian electricity exchange. Then how will we get an economic benefit?

According to the Trincomalee Energy Centre Agreement, it has been agreed to lay an oil pipeline from India to Sri Lanka. This also allows the construction of an oil refinery in the Trincomalee area. These agreements were signed with a legal obligation not to disclose their contents. Then the people of the country will never have the right to know the contents of these agreements.

The most serious agreement signed with India is the defence agreement. According to this agreement, we have agreed to allow India to use Sri Lankan territory to repair Indian warships. We have agreed to provide Sri Lankan hospitals and health facilities to the Indian army in the event of a war. The other is that we are preparing to give India the right to map our country's oceans. We know that the country can usually earn a dollar income by selling maps to ships. According to calculations, this is a source of income that can generate \$ 8 million per year. But the government has agreed to transfer that income to India in the agreement. According to this agreement, we are prohibited from entering into a defence agreement with another country. That means that in any future war, we will have to side with India.

Additionally, according to the health agreement, we have agreed to import Indian medicines into our country without conducting quality checks to import them under Indian standards. However, a large number of countries around the world do not currently accept Indian medical standards. Only a small number of countries use Indian medicines. We also have to consider inferior medicines imported from India.

The government should immediately withdraw from the Indian agreements that are depriving Sri Lanka of its political independence and trapping the country in an economic trap. ■



Austerity Measures from Crisis to Disaster

The 2025 Sri Lankan budget reflects the impact of IMF austerity measures. Following Sri Lanka's 2022 default, the government agreed to the IMF's terms in April 2023, which required strict fiscal changes. Despite a political power shift with the election of a leftist alliance led by the JVP and the National People's Alliance, the new government is following similar policies to its predecessor. Key IMF conditions focus on increasing government revenue and reducing spending, resulting in higher taxes and cuts to welfare, which puts extra pressure on ordinary families. The foreign currency crisis, the heart of Sri Lanka's economic woes, remains unaddressed in the IMF program, which prioritizes fiscal policy changes instead. This has led to a significant tax increase on everyday items, impacting working-class families, and raising questions about the government's commitment to its original promises.

The current budget adds an enormous tax burden to ordinary people. At the same time, it awards tax concessions to the super-rich and big corporations. According to a 2024 report from the Parliamentary Committee on Ways and Means, big corporations have absconded and avoided paying 1,068 billion rupees in taxes, while tax concessions for local and international corporations amount to 987 billion rupees.

This year's budget shows direct tax increases for 2025 are limited to 141 billion rupees, signaling no plans to collect unpaid taxes from large corporations or reduce their concessions. Furthermore, the Technical Notes in Paragraph 1.9 of the Budget Document state that if unpaid taxes from 2022-2023 are settled within six months, penalties and interest under the 2017 and 2022 tax acts will not apply. This means wealthy tax evaders avoid significant interest charges, potentially costing the government about 400 billion rupees and shifting the tax burden further onto the general population.

On the other hand, the structural reforms emphasized in the President's budget speech align with the new liberal capitalist program known as the Washington Consensus. The Washington Consensus refers to a set of economic policy recommendations for developing countries that promote free-market reforms, such as trade liberalization, deregulation, and fiscal discipline. This program is a part of the IMF's basic agenda. These can be summarized as follows:

1. **Fiscal Discipline** - The government claims that it will not repeal the economic transformation laws enacted as conditions of the IMF, and will continue to implement them. Accordingly, state revenue will be maintained at 15% of the country's GDP, and state expenditure will be limited to 13% of the country's GDP.

2. **Redirecting Public Spending** - Instead of cutting or abolishing taxes on school supplies, the government will provide a Rs. 6,000 allowance for books to children from low-income families, continue to charge unjustified taxes on sanitary pads for women, and distribute sanitary pads free of charge to schoolgirls. Additionally, they will accept a cost-reflective tariff system for electricity. **Tax Reform** - The government does not increase taxes on the rich, but allows big companies to avoid taxes, while most of the tax burden is paid by lower-income classes (as explained earlier). **Financial Liberalization** - The government agrees to continue the Central Bank Independence Act. The Central Bank will remain independent, and monetary policies will be set by financial elites, as the Governor stated. The government expects to approve this act.

3. **Adoption of a Single, Competitive Exchange Rate** - The government plans to implement exchange rate decisions based on market dynamics and technical and bureaucratic assessments, without political interference, as described in the IMF-supported Central Trade Liberalization - The government will change tariff laws that help small and medium local businesses, update the Customs Act, and promote free trade with other countries through several trade deals/agreements.

4. **Abolish Barriers to Foreign Direct Investment** - According to the Economic Transformation Act, the government will permit foreign investors to bypass certain environmental and labour laws and obtain project approval through a "Single Window Concept." Double taxation on foreign investors will be removed, and the private sector will be permitted to create free trade zones.

5. **Privatization** - The government intends to enact laws for Public-Private Partnerships (PPPs), privatize state-owned enterprises, and establish holding companies to manage privatized assets. These plans are similar to initiatives in 2015 by Ranil and in 1998 by Chandrika, including actions such as the sale of state lands and public utilities to multinational companies.

6. **Deregulation** - The proposed legal reforms aim to reduce state regulation in the economy and repeal existing regulations. **Secure Property Rights** - In addition to current laws protecting foreign property, Anura plans to introduce a new Intellectual Property Act.

Thus, this year's budget confirms that IMF austerity measures and related structural reforms are being implemented in Sri Lanka, aligning with broader international economic strategies. This is significant because the policies continue under a left-leaning government, raising concerns about the true direction of economic reform and its impact on the nation.



NPP Government Democracy and Foreign Policy Retrospective



Examining the NPP government's foreign policy reveals a gap between its leftist rhetoric and actual practice, particularly in areas such as social justice programs, international solidarity, and ideology.

Left-oriented views consistently advocate for social justice programs, the protection of workers, the reduction of social disparities, and the eradication of exploitation and inequality in areas such as healthcare and education. However, the JVP-NPP-led government in Sri Lanka has thus far not pursued these goals; instead, unprecedented neoliberal policies are being implemented.

Continuation of these policies, as their predecessors have directly influenced the government's foreign policy. The humanitarian crisis in Gaza serves as a litmus test for left or progressive governments. Through criticism and resistance, the left must address the root causes of violence, illiteracy, public health issues, poverty, unemployment, and social toxicity. Right-wing populism and extreme centrism avoid such root causes, making it the Left's responsibility. The Lankan movement's current reactions indicate a backward, right-wing approach.

While the Lankan government claims support for Palestine, its recent strengthening of ties with Israel exposes contradictions. Discussions aimed at

enhancing cooperation in security, agriculture, tourism, and technology, alongside increased labor relations and visa agreements, highlight the inconsistency between the stated objectives of a left-leaning government and actual actions.

Historically, Lanka's foreign policy was unambiguous in its support for Palestine. Under Prime Minister Sirimavo Bandaranaike, the Israeli embassy was closed despite external pressure, and Palestine was formally welcomed. This clear stance stands in stark contrast to the present government's inconsistent and opportunistic foreign policy.

It is apparent that the current Lankan government is not committed to meaningful solidarity with Palestine. Apart from statements and symbolic gestures, it has taken no concrete actions to support the Palestinian cause. Without such actions, Sri Lanka exhibits selective solidarity for self-interest, potentially modelling impunity for rights violations.

Recent agreements between President Anura Kumara Dissanayake's government and the Modi administration not only introduce unprecedented sovereignty risks, particularly with the new defence

pact, but also demonstrate the government's willingness to compromise national interests for strategic alignment with India and the U.S.-led bloc. These moves expose a neglect for Sri Lanka's autonomy.

These agreements undermine Lanka's non-aligned foreign policy and align it with a militarized Indo-Pacific bloc. The 35 undisclosed agreements reveal a comprehensive Indian strategy spanning multiple domains, which risks renewed structural dependency and highlights the government's weak foreign policy.

Amid the economic crisis, the current government hesitates to build solidarity with other rising left-wing and progressive movements abroad, including nongovernmental groups. These relationships are essential for a true left foreign policy based on solidarity rather than hegemony. Despite global demands for transformative debt relief, the Lankan government accepted the IMF debt restructuring scheme, which is detrimental to the working class. This approach highlights the government's inability to deliver radical solutions to key issues tied to its foreign policies. ■

...From Page 01

A Danger to National Security!

Attention has also been drawn to the issues raised by the recently announced Invitation to Bid (IFB) for the selection of a Master System Integrator (MSI).

The article highlights that this project, which is an essential part of the country's digitalisation process, is currently facing legal, security and diplomatic challenges.

It has been shown that handing over complete control of Sri Lanka's digital identity system to a foreign master systems integrator leaves the country's people vulnerable to compromising their biometric data, personal information, and crucial technological infrastructure. This loss of control is a red light on the long-term sovereignty and national security of this country. ■

US Tariffs are a Deadly Blow

The main industrial product exported from Sri Lanka to the United States is apparel, which accounts for 70% of total exports to the United States. Sri Lanka currently enjoys an 88% advantage (trade surplus) in US-Sri Lankan trade. Although the Trump administration issued an emergency order on April 2, imposing heavy tariffs on countries with trade imbalances with the United States, it allowed several countries, including Sri Lanka. These tariffs, which were subject to tariffs as high as 41%, are being revised. For the second time, a 30% tariff was imposed on Sri Lankan goods imports, and the government stated that government representatives would hold further discussions with US authorities to reduce these tariffs further. Accordingly, the tariff revision order issued by US President Trump on July 31 reduced tariff rates on goods from several countries, including Sri Lanka, to 20%. Sri Lanka has also imposed tariff reductions on imports of US goods as a condition for these tariff reductions. The US has reportedly offered 20% tariff reductions, which would force the elimination of tariffs on US goods. ■



The Badulla district seminar series organized under the theme 'The Solution Lies in Us!' was held on September 15 at the Quinrose Hall in Badulla by Comrade Pubudu Jayagoda, Education Secretary of the FLSP.



The Galle district seminar series organized under the theme 'The Solution Lies in Us!' was held on September 11 at the Samoda Hall in Dangedara with the participation of Comrade Duminda Nagamuwa, Propaganda Secretary of the FLSP.



'The Solution Lies in Us!' Kurunegala district seminar held on the 13th at the YMBA Hall in Kurunegala with the participation of Comrade Chameera Koswatte, Administrating Secretary of the FLSP.

Comrade Nuwan Bopage, representing the Front Line Socialist Party, participated in the main protest rally of the International Solidarity Movement convened in Malaysia with the participation of representatives of the countries of the South Asian and Southeast Asian regions for a free Palestine.



'No Peace without Justice! Let Palestine Live!', Youth for CHenge, FLSP youth movement, organized protest held in front of the United Nations Office in Colombo on September 6 with the theme.

FLSP women's wing 'Free Women!', held a protest against the taxes and prices of essential goods, the non-collection of taxes from elite companies that have defaulted on taxes, and the increase in electricity bills.



The Revolutionary Students' Union is organizing an awareness campaign in Colombo under the theme, 'Let's defeat the government's education reform plan that proposed to cut education to suit the neoliberal job market!'

FLSP and the Farmers' Struggle Movement, as the farmers' organization of the FLSP, is participating in the protest against the transfer of agricultural lands to Indian companies in the Muttu Nagar area of Trincomalee.



A protest statement by Lankan progressive artists was released in Colombo under the theme 'No Peace, No Justice! Let Palestine live!', and this photo shows young filmmaker Malaka Devapriya addressing the gathering.