

IMF TRAP!

Austerity Without Relief!

Lanka's six-year experiment with the International Monetary Fund's (IMF) Extended Fund Facility (EFF) has had severe consequences. Far from stabilising the economy, IMF-driven policies have weakened livelihoods, leaving ordinary citizens burdened by taxes, rising prices, and reduced subsidies. The Central Bank Governor's admission that another IMF program will be required is not a sign of progress; it is an admission of failure.

The numbers tell a grim story. Household debt increased by LKR 635 billion in just 15 months, reaching LKR 2.45 trillion. Behind this figure lies a strained society: the upper middle class borrowing for imported consumer goods, draining foreign reserves, while the lower middle class adds credit card debt to buy groceries. The poorest are pawning gold jewellery, often heirlooms, to pay for healthcare and education. This is not economic

reform; it is severe economic pressure.

The collapse of household incomes, down for 60.8% of families over five years, has collided with relentless cost-of-living hikes. The World Food Programme reports 1.3 million more people pushed into poverty, 300,000 into food insecurity, and child malnutrition surpassing 20%. These are not abstract statistics; they are the reality of families skipping meals, children affected

by hunger, and futures strained by survival.

Yet the government, bound by IMF dictates, continues to raise electricity tariffs, fuel prices, and taxes. Officials boast of a "healthy Treasury," but the truth is stark: the state's coffers overflow while its people struggle. This is not reform, it is betrayal.

Lanka's crisis is no longer just about debt; it is about dignity. The IMF's prescriptions have deepened inequality, weakened resilience, and mortgaged the nation's future. What is needed now is not another round of austerity, but a fundamental rethinking of economic sovereignty, one that places people, not creditors, at the centre of recovery



A protest march organised by the People's Struggle Movement marched through Colombo, demanding that the government reduce the cost of living, leave the IMF framework, including its austerity measures, tax the capitalists, and provide relief to the oppressed. The protest campaign, held on 25th June, started from Maradana, passed through the metropolitan area despite police obstructions, and concluded with a rally at the World Trade Centre.