Crisis, IMF and Social Cleavages

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Sri Lanka is going through a devastating crisis of economic, social and political proportions. While the solution to the crisis is supposedly grounded in the International Monetary Fund (IMF) program of March 2023, the consequences of this policy trajectory have raised new questions about both the path of economic recovery and new social cleavages. What becomes of past attempts to address the concerns of women, working people, minorities and oppressed caste communities, excluded and oppressed by economic, social and political structures consolidated from colonial times into our post-colonial future? How will new social cleavages manifest themselves amidst the current conjuncture of the IMF solution taken forward by an authoritarian regime? This paper addresses the dangers of further polarization with a push towards an authoritarian neoliberal fix undermining decade of progressive struggles and engagement towards democratizing society. The tremendous austerity to address the "debt crisis" will not only undermine social welfare but also reshape ideas of co-existence, devolution and power-sharing. This paper drawing on political economic analysis of the ongoing debt restructuring process addresses the risks of restructuring the state itself during an economic depression. It delves into the far-reaching consequences of such restructuring producing new forms of social cleavages, including the reconfiguration of gender, class, ethnic and caste relations. The paper analyses the economic changes in Sri Lanka amidst contestation between autocratic rule and democratic struggles and articulates ideas of equality and freedom during this time of crisis.

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