



Institute of
**Political
Economy**

Progress Report

June 2025

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Introduction

Institute of Political Economy (IPE), Sri Lanka, established in September 2023, is a network of progressive global academics, economists and professionals, engaged in research, teaching and dissemination of critical analyses of economic policy and development. It studies the relationship between Sri Lanka's population and its government when public policy is enacted in a turbulent global economy, in a bid to stimulate debate and discussion to build an economy that is fundamentally equitable and sustainable.

IPE consists of volunteers, who are motivated by the need to seek viable alternatives to the current mainstream economy driven and dominated by countries of the Global North and entrenched vested interests in Sri Lanka.

IPE as a collective, is open to all those committed to developing alternatives to protect Sri Lanka from the excesses of the Global economic order to overcome contemporary development challenges.

There is a dire need to develop critiques of the mainstream policies and think tanks in Sri Lanka. IPE is committed to deliberating, probing and interrogating the current inequitable status quo; we want to ask pertinent questions. Our aspiration is to develop collaboratively and draw on expertise, which reflect global debates seeking to advocate for system change. We acknowledge existing inequities with the aim of collectively shifting economic processes in a progressive, egalitarian and democratic direction.

The objectives of IPE hence is:

- Provide a platform where progressive policies and ideas can be discussed freely & independently
- Challenge the global neoliberal economic model and raise awareness of its harmful consequences
- Provide people-centric alternative policy solutions supported by evidence and experts worldwide
- Inform and educate policymakers, the public, business, & civil society
- Encourage public debate and facilitate exchanges of ideas
- Monitor and evaluate the effects of policies and government programs
- Align with international organisations

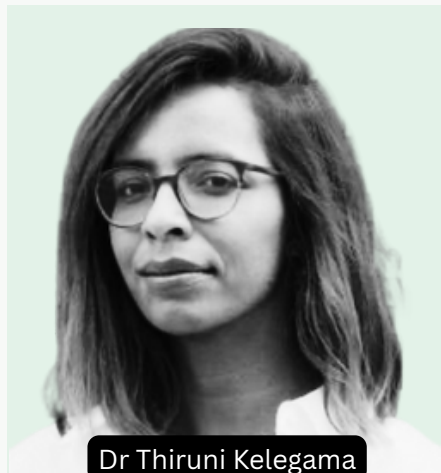
Message from Coordinators

We are committed to advancing progressive policies that place people and the environment at the centre of economic, political, and social reform. Our aim is to foster social wellbeing, ecological sustainability, egalitarian governance, and community cohesion, while actively challenging and mitigating the harmful impacts of an unjust global socio-economic order.

**A Just
Sri Lanka
Is Possible**



Prof Kanchana N Ruwanpura
Co-founder



Dr Thiruni Kelegama
Director



Charith Gunawardena
Co-founder & Director

Priorities

1 Educate

It is often argued by politicians, economists, and policy institutions that there are insufficient funds to invest in public well-being and environmental protection. However, that raises the question, where does the money actually come from? We aspire therefore to ask questions around:

- How the economy works
- Economics based on progressive monetary and fiscal policies.

2 Research

To deal with the big social, economic and environmental challenges we're facing today, we need to transform our money and banking system, and navigate in an unjust global economic order. IPE's vision is for a money system, a banking process and a global financial architecture that serves a fair, democratic, equitable and sustainable economy. We propose querying around:

- Central bank and sustainable finance
- Government revenue and expenditure
- Making the economy work for people and environment

3 Advocate

Our politicians have the power to reform our money system and industrial policies so that it supports a fair and more sustainable economy. Yet, we need to first, convince them that things need to change, and that we have the right proposals to make things better.

- Lobbying MP's
- Protest collectively to International finance institutions
- Write to the media
- Challenge the status quo

4 Collaborate

At IPE we know that if we are to change our socioeconomic system, we need to create change at local, regional, national and global levels too.

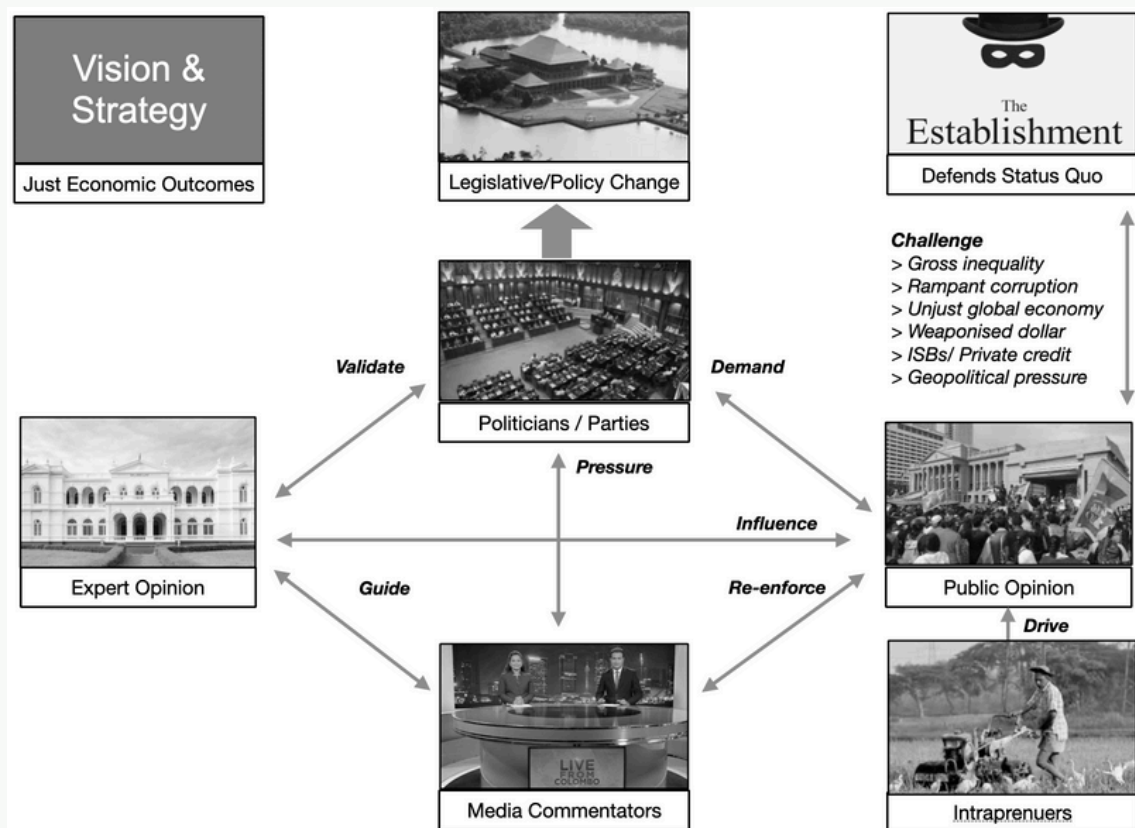
- Citizen groups, Progressive organisations, Civil society
- Academics
- Global South, Global campaign groups

Priorities

Policy Influencing
Research and Analysis
Communication for Impact
Partnership and Networking
Capacity Building

IPE

Theory of Change



Work

1 Debt Justice

Calling for cancellation of the odious sovereign debts of Sri Lanka and for fairer international finance for development.

2 Illicit Financial Flows and Stolen Asset Recovery

Calling for full transparency of illicit financial flows out of Sri Lanka and for action to recover Sri Lanka's stolen assets held overseas.

3 Environment Protection

Calling for just measures for protecting the natural environment, prevent pollution and maintain ecological balance.

4 Unjust Global Economy

Acknowledging imperfections of the global economic order and mitigating risks to the local economy against major vulnerabilities.

5 Sustainable Strategy

Challenging status-quo and selecting alternative progressive policy options for improving well-being of people and environment

6 Genered Perspective

Highlighting plight of working women who bear a disproportionate burden of the debt crisis and pay for the profligacy of reckless lenders.

Team

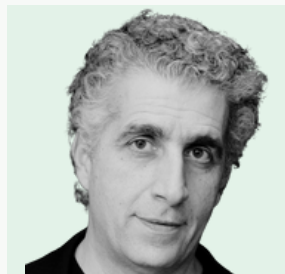
Advisory Board



Prof Jayati Ghosh



Prof CP Chandrasekhar



Dr Ishan Diwan



Prof Kiran Grewal



Heidi Chow



Dr Stephen Kidd



Prof K Goonawardena



Dr Howard Nicholas

Research Collaborators



Dhanusha G Pathirana



Dr Gz. M Theiventhran



Manisha Weeraddana



Melani Gunathilaka



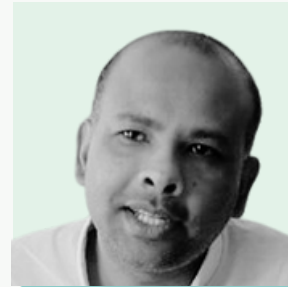
Dr. Narayani Sritharan



Githmi Rabel



Dr Amali Wedagedara



Dr Mohideen M Alikhan

Finances

IPE currently does not receive financial support from any organisation.

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All activities it carries out are on a voluntary basis, or in partnership with organisations that to bear the direct costs of specific projects.

To fulfil its potential and scale its impact, IPE will seek funding to develop a robust and professional infrastructure for fundraising, public education and campaigning, advocacy, policy and research, international engagement and movement building.

Funded Projects

1 Project Funded by GiZ GmbH

Polycrisis and Reconciliation: Centering the Experiences and Perspectives of Malaiyaha Tamils

Grant of USD 5,000 (March 2024) - Report release imminent.

Project led by MeeNilancko Theiventhran and Alikhan Mohideen, with Githmi Rabel and Amali Wedagedara

2 Project Funded by Antipode's "Right to the Discipline" Grant

Debt, Democracy and Authoritarian Regimes in Sri Lanka

Grant of GBP 7,500 (June 2024)

Project led by Thiruni Kelegama, and included Melani Gunathilake, Charith Gunawardena, Danusha Pathirana and Kanchana N Ruwanpura.

Charith, Kanchana and Thiruni are pro bono researchers on this grant.

Activities

The IPE is a virtual organisation and as a collective, is open to all those committed to developing alternatives to protect Sri Lanka from the excesses of the Global economic order to overcome contemporary development challenges. IPE has collaborated with numerous progressive individuals to support a range of its initiatives and activities.

Key Indicator	Activity / Project	Examples
Articles	Articles in national newspapers, journals and websites	<ul style="list-style-type: none">• Daily FT• Island• Asia Times• Conversation
Webinars and TV Interviews	IPE volunteers and advisory board on National TV and webinars	<ul style="list-style-type: none">• News1st (Face-to-face, Peoples Platform)• Ada Derana (Get Real)
Policy Briefs	Findings and proposals from IPE researchers and collaborators	<ul style="list-style-type: none">• SL ISB restructuring• Climate finance & Debt• Building a social security system in SL
Research	Connecting local researchers with funding organisations	<ul style="list-style-type: none">• GIZ, Germany• Antipode• Development Pathways
Collaboration	Linking with local and global civil society organisations calling for change	<ul style="list-style-type: none">• Debt Justice UK, EuroDad, Jubilee USA• Debt for Climate• Tri-Continental• IDEAS, Yukthi
Political Advocacy	Debt Relief Bill in UK Parliament	<ul style="list-style-type: none">• Lobbying MP's

Activities

IPE in the Media

Dhanusha Gihan Pathirana

Economist



A People's Budget.
Newsfirst, 17 Feb 2025

Charith Gunawardena

Co-Founder, Institute for Political Economy



Did we get a raw deal?
Newsfirst: 12 Feb 2025

Kanchana N Ruwanpura

Co-Founder, Institute of Political Economy



Seize the Moment Now.
The People's Platform, 7 Feb 2025

Charith Gunawardena

Co-Founder, Institute for Political Economy



Can IMF fix Sri Lanka's broken economy?
Ada Derana: 15 April 2024

Dhanusha Gihan Pathirana

Economist



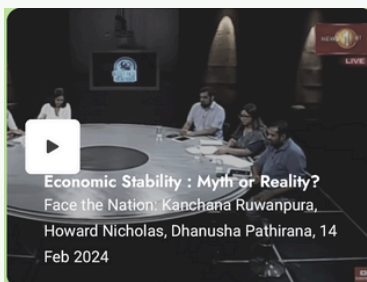
The truth about the economy.
The People's Platform, 15 April 2024

Thiruni Kelegama

Lecturer, University of Oxford



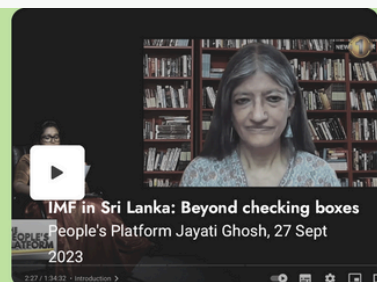
The Politics of Development.
The People's Platform, 22 Sept 2023



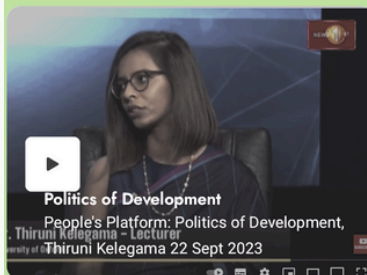
Economic Stability: Myth or Reality?
Face the Nation: Kanchana Ruwanpura,
Howard Nicholas, Dhanusha Pathirana, 14
Feb 2024



IMF, Geo Politics and Sri Lanka
Research Intelligence Unit: Yanis Varoufakis,
Howard Nicholas, Heidi Chow: 8 Feb 2024



IMF in Sri Lanka: Beyond checking boxes
People's Platform Jayati Ghosh, 27 Sept
2023



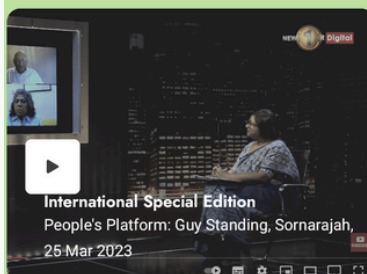
Politics of Development
People's Platform: Politics of Development,
Thiruni Kelegama - Lecturer
University of Oxford, 22 Sept 2023



They Steal, We pay. Is that fair?
Newsline: Dhanusha Pathirana, 12 Sept
2023



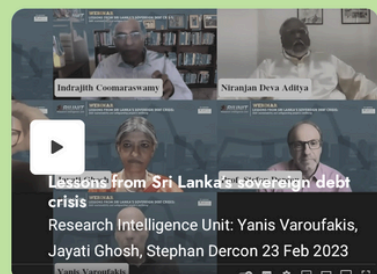
Feminist Economics, Debt, Structural
Adjustment, & the Climate Crisis
Jayati Ghosh, Kanchana Ruwanpura, 10 July
2023



International Special Edition
People's Platform: Guy Standing, Sornarajah,
25 Mar 2023



Improving the Solutions for Sri Lanka's
Debt Crisis
Verite Research: Jayati Ghosh, Isaac Diwan,
8 Mar 2023



Lessons from Sri Lanka's sovereign debt
crisis
Research Intelligence Unit: Yanis Varoufakis,
Jayati Ghosh, Stephan Dercon 23 Feb 2023

Activities

COLLABORATIONS, PUBLICATIONS AND EVENTS

IPE Institute of Political Economy *Festival of Ideas* **29 Nov 2024**
1600-1800 Colombo; 1030-1230 GMT Hybrid Event

POVERTY & ECOLOGY: NAVIGATING THE UNJUST GLOBAL ECONOMY

Understanding the unjust global economic order and the financial architecture
An economy operating within a social foundation and environmental ceiling
Negotiating for a Sustainable Sovereign Bond Restructuring Solution

Dr Ann Pettifor Director, PRIME Policy Research in Macroeconomics
Xiaoting Hou-Jones Government and Policy Lead Doughnut Economics Action Lab
Prof C P Chandrasekhar Political Economy Research Institute University of Massachusetts, USA
Melani Gunathilaka Event Moderator Institute of Political Economy

ipe-si.org Bandaranaika Centre for International Studies (BCIS), Baudhaloka Nawatha, Colombo 7, Sri Lanka bcis.edu.lk

Webinar: IMF, Geopolitics and Sri Lanka, 7 Feb 2024 (click)

Heidi Chow Executive Director, Debt Justice UK
Prof Yanis Varoufakis Former Minister of Finance, Greece
Dr Howard Nicholas Associate Professor in Economics

- "Global debt system has no independent mechanism for debt reduction in effective fair way."
- "The IMF and Worldbank have been powerfully repurposed to shape the global economy to help corporations and the rich nations."
- "The G20 common framework is inadequate and does not provide a comprehensive, fair or rapid debt resolution framework."
- "Sri Lanka today is a perfect example of how not to deal with an external debt crisis"
- "The IMF solution is not just inadequate it exacerbates to problems original cause".
- "The domestic oligarchy, for years and years have been taking on foreign debt to enrich itself at the expense of the majority"
- "The Central Bank Act is undermining the sovereignty of the country by transferring a lot of decision making to the IMF and by extension to the USA".
- "There is no rationality for Sri Lanka to have domestic debt restructuring. It has made domestic debt now not risk free".
- "Privatisations are handing over strategic sectors to foreign companies"

IPE Institute of Political Economy **LIVE ON SPACES** **Tuesday, 3rd September 2024 (1400 UK/ 1830 SL)**

@IPE_sl **IMF INTERNATIONAL MONETARY FUND**

Renegotiating Sri Lanka's IMF Agreement?

Tim Jones Head of Policy Debt Justice UK
Amali Wedagedara Political Economist BCIS Sri Lanka
Dhanusha Pathirana Economist University of Colombo

X Spaces: Tuesday, 3rd September 2024 (1400 UK/ 1830 SL)

International academics speak out on dealing with Sri Lankan debt

Tuesday, 10 January 2023 01:30 - 02:00

Daily FT

Lack of transparency of the debt negotiation process and accountability of the holders of ISBs underscores the concern that risky lending to corrupt politicians (leading to what is now recognised as "odious debt") was a significant element in generating the current debt crisis. Apart from revealing the identity of ISB holders, it is also important to disclose how ISBs were deployed, and the use of those funds

Debt negotiations in Sri Lanka are now at a crucial stage. All lenders—bilateral, multilateral, and private—must share the burden of restructuring, with assurance of additional financing in the near term. However, Sri Lanka on its own cannot ensure this; it requires much greater international support. Instead of geopolitical manoeuvring, all of Sri Lanka's creditors must ensure debt cancellation sufficient to provide a way out of the current crisis

A group of 182 international economists, financial professionals, development experts and other civil society leaders has issued the following statement concerning Sri Lanka's external debt crisis.

Briefing | June 2023

Debt, Austerity & Democracy **Debt Justice** **IPE Institute of Political Economy**

How the global debt system is undermining democracy and fuelling authoritarianism across Global South countries

لا تقترض الإزمة

WEBINAR **RIUNIT Research Intelligence Unit**

IMF, GEOPOLITICS AND SRI LANKA

An assessment of the debt restructuring programme and economic sovereignty in Sri Lanka

Professor Yanis Varoufakis Former Minister of Finance, Greece
Professor Dr Howard Nicholas Sri Lankan economist and social scientist, Associate Professor in Economics
Heidi Chow Executive Director, Debt Justice
Tania Abeysundara Chairman of Sri Lanka United National Business Alliance (SLUNBA)
MODERATORS
Professor Kanchana N Ruwanpura University of Gothenburg, Sweden Co-Founder IPE
Roshan Madawela Founder and CEO, Research Intelligence Unit

07th FEBRUARY 2024 | 4.30PM Colombo
11.00AM London | 7.00PM Singapore

MORE INFORMATION
info@riunit.com | riunit.com

Real estate partner **Capital Trust** Print media partner **Daily FT** Event partner **IPE Institute of Political Economy**

Dilemmas of Humanity, Sao Paulo, Brazil (Tri-Continental)

Dilemas da Humanidade: Perspectivas para a Transformação Social

Handshake logo

GET REAL with Mufidh Hange

TONIGHT'S GUESTS

PROF. C.P. CHANDRASEKHAR DIRECTOR - GLOBAL DIRECTOR OF RESEARCH AT IDEA USA
PROF. JAYATI GHOSH UNIVERSITY OF MASSACHUSETTS AMHERST, USA

1:02:17

Activities

COLLABORATIONS & EVENTS

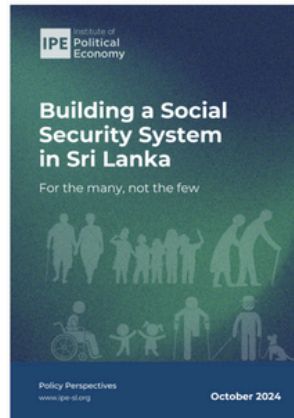


SOCIALS



Activities

POLICY PERSPECTIVES



FIELD WORK



DEMONSTRATIONS



Activities

SOCIAL MEDIA

IPE Institute of Political Economy @ipe_sl · Sep 23, 2024

Sri Lanka's new president @anuradisayanake could now review all details of the negotiations with @IMFNews and make a case for renegotiation. The wellbeing of people takes precedence over interests of external creditors. @cbstl @Brad_Setser @TheoMaret

youtu.be/5KEAKJX8_Q7s...

MAKING THE CASE FOR RENEGOTIATING THE IMF AGREEMENT

REVIEW OF IMF DEBT SUSTAINABILITY ANALYSIS

- KEY OMISSIONS**
 - Interest payment relative to revenue
 - Debt service relative to revenue
 - Total stock of external debt
- BAD PRACTICES**
 - Harms wellbeing of people and the environment
 - Unjust burden on domestic creditors
 - Fiscal targets (e.g. Primary balance) not best practice
- POOR OUTCOMES**
 - High level of debt-to-GDP level at the end of the program
 - Low government revenue for debt servicing
 - Exceptionally high risk of a default in 2029-32

KEY CONSIDERATIONS IN A NEW IMF AGREEMENT

- NEW CRITERIA**
 - Consider governments capacity to service the external debt burden
 - Include a higher social safety net and human wellbeing targets
 - Provide a sustainable solution to crisis at the end of the IMF program
 - Reevaluate structural criteria to reduce risk of another default
 - Option for differential treatment of bondholders and bilateral creditors

September 2024 IPE Institute of Political Economy

NPP Sri Lanka and 9 others

2 24 28 4.9K

IPE Institute of Political Economy @ipe_sl · Jul 27, 2024

Sri Lanka's bondholders to get repaid 20%-46% more than China. Bondholder deal must be rejected by @IMFNews and official creditors. @debtjustice @tim_jones @Jayati1609 @cpc01 @ssa_lanka @YukthiSL @Islanka @eurodad @erlassjahr @brettonwoodspr @ishadwan @ipe-sl.org/sri-lanka-bon...

BILATERALS BONDHOLDERS

Government Agreement Government Deal July 24

Debt Owed (\$bn) \$11.2 bn \$12.6 bn \$12.6 bn

Creditor Return (Pw \$1 lent) 67p 80p 98p

Debt Repayment (For years to come) > 25% of government revenue (including \$11.5bn Multilateral debt repayment) vs Zambia debt repayment 14% of Govt. Revenue

The Bondholder Deal Must Be Rejected

"All Sri Lankans must rally to oppose the bond deal"

"The Sri Lankan public should reject this undemocratic debt restructuring process"

"Official creditors and the IMF should reject the deal with bondholders"

1 11 9 1.5K

IPE Institute of Political Economy @ipe_sl · May 5, 2024

Sri Lanka's Debt Restructuring. The financial interests of external bondholders are being protected ahead of all other stakeholders by government representatives. Why? @IMFNews @cbstl @Clifford_Chance @Lazard @RW_UNP @debtjustice @eurodad @AsianPeoplesMvt @Jayati1609

The IMF Deal Must Be Renegotiated

IMF Debt Sustainability Analysis not to proceed for bondholders

A comprehensive Debt Audit is yet to be conducted by Sri Lanka

Making Sri Lanka borrow from high interest foreign lenders again is 22

More than PEOPLE'S WELLBEING: 24% of SL population live in poverty (World Bank) Only 0.8% of GDP spent on social safety net 4.5% of GDP (13% government revenue) on foreign debt servicing 4% interest on debt arrears at times of austerity

More than BILATERAL LENDERS: Interest rate 2% for Bilateral loans vs 8-10% for Bondholders Maturity extension to 2042 for Bilateral loans vs up to 2038 for Bondholders Gap between 1.8% for Bilateral loans for bondholders (the equivalent)

More than PENSION FUNDS: No interest rate increase for pension funds even when GDP grows But a 75% interest rate (80 for Bondholders) when GDP grows over 5.2% Interest rate cut from 5.4-2% to 5.2% during 1000 process for pensions Exclusion to 3% for pension funds (with inflation 3% and tax 54%)

More than OTHER NATIONS' BONDHOLDERS: Argentina Bondholders received over 80% haircut vs less 28% for SL Greece Bondholders haircut nearly 50% of GDP Zambia debt repayment as % of GDP was 14% vs SL peak of 20% Only Sri Lanka paying higher interest rates after restructuring

IMF target fail to provide path for a sustainable recovery 3% SL Lanka

Austerity & conditionalities are increasing people's hardships

Reversing reckless lending and ignoring odious debt burden

1 16 20 3.7K

IPE Institute of Political Economy @ipe_sl · Oct 25, 2024

.@IMFNews must listen & prioritise peoples wellbeing. @NPPSLOfficial @anuradisayanake government is still negotiating. Delivering social protection is its key priority. @Jayati1609 @Martin_M_Guzman @Brad_Setser @debtjustice @eurodad @erlassjahr @Dr_HariniA @YukthiSL @ssa_lanka

SRI LANKA STILL NEGOTIATING WITH IMF: SOCIAL PROTECTION IS A PRIORITY FOR NEW GOVERNMENT

IMF visited Sri Lanka with a high level team to engage with the authorities of the new government.

The Government wants to safeguard and build on the hard won gains.

Under the program we have elements that address the priorities of the new government, including social protection and so on.

The discussion on details of the program are continuing.

KRISHNA SRINIVASAN International Monetary Fund Director, Asia and Pacific Department 25 October 2024

1:40

4 3 981

IPE Institute of Political Economy @ipe_sl · Jun 29, 2024

Contextualising Sri Lanka's debt crisis. The People's Platform. Prof. Jayati Ghosh & Ms. Kristina Rehbein. youtube.com/live/4JkMl3e0m... @S.Wanigabaduge @Jayati1609 @erlassjahr @NewsfirstSL

3 8 941

IPE Institute of Political Economy @ipe_sl · Apr 3

Trump Tariffs and IMF: Sri Lanka needs a Plan B. @ipe-sl.org/trump-tariffs... @anuradisayanake @Dr_HariniA @HMVijithaHerath

Debt Servicing

Change IMF Target to % of Dollar Earnings. Not % of GDP.

Trump Tariff War

Rewarding work over wealth www.ipe-sl.org

CBSTL and 9 others

1 5 3 3.2K

IPE Institute of Political Economy @ipe_sl · May 20, 2024

The Bondholders' April proposal must be rejected by @RW_UNP government. @yanisvaroufakis warnings should not be ignored. Negotiation must be left to forthcoming government with a people's mandate. @Jayati1609

Prof Yanis Varoufakis Former Minister of Finance of Greece

The IMF deal is preposterous

Webinar: Assessing the debt and economic sovereignty in Sri Lanka, 8 February 2024 Organised with Research Intelligence Unit

2:08

6 10 1.7K

IPE Institute of Political Economy @ipe_sl · Sep 18, 2024

An excellent webinar by @ityaktivt "I do worry that Sri Lanka is being set up to encounter renewed financial trouble in 5 years from now" @Brad_Setser @imfnews agreement benefits external bondholders over citizens. @erlassjahr @eurodad @debtjustice youtu.be/zFgtwObz0I

IMF, Sri Lanka's Debt & Debt Sustainability Analysis (DSA)

A Webinar With

Brad W. Setser Senior Fellow at the Council on Foreign Relations. Former Staff Economist at the US Department of Treasury

Malina Stutz An economist and policy advisor at the German nationwide debt and development network "Jubilee Germany"

Ranil Wickremesinghe and 9 others

12 15 17K

Acknowledgements

We like to thank the contributions of the advisory board, research collaborators, partners, supporters and project funders, who worked tirelessly on the projects mentioned within:

Coordinating Collective, Advisory Board, Research Collaborators

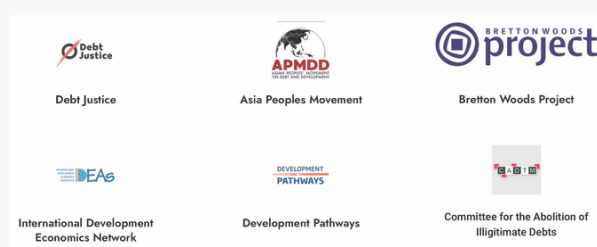
Partnering Organisations, Civil Society and Academics

Journalists and Broadcasters

General Public

Giz and Antipode for Project Funding

Global partners campaigning for change.



We thank you for your continued support and contributions to IPE.

ipe-sl.org

Contact

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