Neoliberalism and Social Justice in the City: An Examination of Postwar Urban Development in Colombo, Sri Lanka

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Neoliberalism and Social Justice in the City:

An Examination of Postwar Urban Development in Colombo, Sri Lanka

by

Leoma Therese Van Dort

A Thesis

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Abstract

Neoliberal urban development has witnessed tremendous changes in urban landscapes around the world. It has also contributed to increasing inequalities and social injustices in these changing urban landscapes. This study is an attempt to explore how neoliberal urban processes and accumulation by dispossession have shaped the new and rapid urban (re)development drive in Sri Lanka that is dramatically restructuring Colombo’s landscape and the socio-economic positions of its people. The post-war Sri Lankan governments’ initiation of a complete transformation and reinvention of the city’s built environment—through large-scale market-oriented infrastructural developments that would attract financial direct investments and promote public-private partnerships—has also necessitated the removal of ‘slums and shanties’ that are home to Colombo’s poor working class population.

The study assumes significance in the context of a country that is attempting to rebuild itself after a three-decade long civil war that ended in 2009. The state-led accelerated and expansive urban renewal program serves to meet Sri Lanka’s postwar economic and political vision of fully integrating itself into the global economy by transforming Colombo into a ‘world class city’ and ‘modern megapolis’. Framed within a comprehensive theoretical framework and based on an extensive analysis of archival and secondary data, this study maps out the socio-economic, political, and spatial processes that underlie Colombo’s urban renewal agenda and its related class implications. I believe this study has the potential to contribute to the body of knowledge on the social injustices related to neoliberal urban development around the world and to be the basis of further urban sociological research.
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“Cities, and particularly the great metropolitan cities of modern times…are, with all their complexities and artificialities, man’s most imposing creation, the most prodigious of human artifacts” (Robert Park, 1936, p. 133).
Table of Contents

List of Tables .......................................................................................................................... 8

List of Figures .......................................................................................................................... 9

Chapter 1: INTRODUCTION ...................................................................................................... 10

The Context .............................................................................................................................. 11

The Problem ............................................................................................................................ 13

Colombo’s Historical Background ......................................................................................... 18

Pre-Colonial Colombo ............................................................................................................. 18

Colombo under Colonial Rule ................................................................................................. 19

Post-Independence Colombo .................................................................................................. 22

Postwar Colombo ................................................................................................................... 24

Chapter 2: THEORETICAL FRAMEWORK ................................................................................. 27

The Geography of Capitalism and Uneven Socio-Economic Development ......................... 29

Colonialism and the Origins of Capital Accumulation ......................................................... 32

Postcolonial Nationalist Development and the National Bourgeoisie .................................. 34

Third World Development and the State ................................................................................ 37

Globalization and the Transnational Capitalist Class .......................................................... 40

Neoliberalism and the State .................................................................................................. 44
Neoliberal Urbanism and Global Cities ........................................................................ 48
Gentrification and Social Injustice ................................................................................ 52

Chapter 3: METHODOLOGY ......................................................................................... 57
Research Questions ......................................................................................................... 57
Data Collection ................................................................................................................ 58

Chapter 4: FINDINGS ..................................................................................................... 62
The Making of Colombo ................................................................................................. 62
Colombo’s Urban Blight .................................................................................................. 68
Colombo’s Postwar Fantasies .......................................................................................... 74
The Ugly Side of Beautification ...................................................................................... 86

Chapter 5: ANALYSIS AND DISCUSSION .................................................................... 86
The Global Capitalist Economy and Colombo’s Drive for Development ...................... 87
The New Imperialism and the Neoliberal City ................................................................. 89
Social and Class Dynamics of the Changing Urbanscape .............................................. 93
Social Injustice and Dispossession ................................................................................ 96
The Role of the State ....................................................................................................... 99

Chapter 6: CONCLUSION .............................................................................................. 103
Limitations ....................................................................................................................... 105
Expanding the Study ...................................................................................................... 106
Concluding Thoughts .................................................................................................... 107
References........................................................................................................................................... 108


Appendix B: English newspaper advertisement on the Metro Colombo Urban Development Project (MCUDP) ......................................................................................................................... 119


Appendix D: Existing Zoning Plan and Proposed Zoning Plan for Colombo City 2020............................................................... 121

Appendix E: Proposed urban design plan for Port City .......... Error! Bookmark not defined.

Appendix F: Artistic view from the proposed financial center around Beira Laka .......... 123

Appendix G: Proposed and existing Megapolis Plan 2016-2030 ........................................................................ 124

Appendix H: Demolished low-income settlements ...................................................................................... 125

Appendix I: Advertisement for Destiny Mall Colombo ............................................................................. 126

List of Tables

Table 4.1 A brief history of development plans/projects 1921-2016 ........................................66
Table 4.2 Types of undeserved housing units in the city of Colombo.................................70
Table 4.3 Source of family income.........................................................................................71
Table 4.4 Land and housing management ............................................................................72
Table 4.5 Selected policies/objectives of 2010 development framework .........................75
Table 4.6 Residents affected by eviction and resettlements efforts ..................................81
List of Figures

Figure 1.1 Map of Sri Lanka showing Colombo ...................................................... 12
Figure 1.2 Colombo’s changing landscape ............................................................ 14
Figure 1.3 The Colombo Municipal Council area the Colombo core area ................... 21
Figure 1.4 Colombo’s landmarks: The modern and the colonial .............................. 23
Figure 2.1 Theoretical framework ....................................................................... 28
Figure 4.1 Elite neighborhoods and lowest-income housing areas in the early 1900s ....... 64
Figure 5.1 Slave Island redevelopment project - stage 1 ......................................... 98
Chapter 1: INTRODUCTION

As someone who was born during the time of Sri Lanka’s 26-year long civil war, I not only witnessed and experienced twenty-two years of its bloody battles and disasters but also the victory celebrations and sighs of relief at the defeat of terrorism. After the war ended, Sri Lanka envisaged to become a middle-income country (Ministry of Finance and Planning, 2010) and positioned itself as a “post-conflict” country by committing to reconstruction, rehabilitation, and redevelopment. I refrain, however, from using the term ‘post-conflict’ to describe Sri Lanka’s situation, because even after the war ended in 2009, many of the problems and reasons that led to the war have not yet been completely resolved or addressed (Wigneswaran, 2014). Almost seven years after the conflict, there is still a strong presence of the military in the predominantly Tamil Northern and Eastern regions of the country and there is also a strong influence on the social, economic, and political situations of its people (Dibbert, 2016; Jones, 2015). Therefore, I choose to use the term “postwar” in my study, as it better describes the situation Sri Lanka is in. That is to say that Sri Lanka is in a state where armed fighting has ended between the Sri Lankan Army and the Liberation of Tamil Tigers Eelam (LTTE).

What spurred me to write this thesis was that along with the prevailing awareness on how militarization and centralized government control was undermining the rights of people in the conflict-affected areas—through further marginalization, land grabbing for large-scale property development for commercial use, and control over information around the resettlement process of people displaced by the war (Lall, 2014; Jones, 2015)—there was also increasing evidence of the impingement of the military into economic activities and the lives and livelihoods of vulnerable people in Sri Lanka’s commercial capital Colombo. While postwar reconstruction and redevelopment efforts were taking place in the North and the East, what became more
pronounced in terms of scale and scope in mainstream media was the urban regeneration drive in Colombo. Sri Lanka’s unrelenting pursuit to achieve rapid economic growth alongside its vision to transform Colombo into a world class city (Ministry of Defense, 2014) unraveled as a large-scale urban development project that threatened the lives and livelihoods of the urban poor and called for a reengineering of the physical and social landscape of Colombo. The social injustices that issue out of these redevelopment efforts reflect neoliberal and capitalist schemas of urban development that undermine the equal wellbeing of all of its people. This thesis, therefore, is an attempt to explore the various social-political, economic, class, and spatial dynamics of the postwar urban development drive in the context of Colombo.

The Context

Colombo is Sri Lanka’s largest city and commercial capital that is situated on the west coast of the island. Colombo belongs to the Western Province, and is the capital city of the Colombo District. It is also an ancient city that served as a trading port for merchants from Arabia, Morocco and Persia (Njoh, 2009) and gained historical significance in the East-West trade routes as a seaport that was visited by merchant ships from India and China as well. Sri Lanka fell under the successive rule of the Portuguese, Dutch, and British colonists who fashioned and refashioned the city of Colombo starting from the early 1500s. The city is diverse in terms of its ethnic and religious composition, physical characteristics, and economic activities. Colombo “serves as both a hub for economic activity and a complex cultural signifier—of colonialism, of development and modernity, of class and privilege” (Amarasuriya and Spencer, 2015, p. S67). Today, Colombo alone contributes to more than 50% of the Gross Domestic

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1 A Province is the first-level administrative division of the country. The Western Province includes the districts of Colombo, Gampaha and Kalutara. Districts are the second-level administrative divisions that are included in a Province. Sri Lanka has 9 provinces and 25 districts.
Product (GDP) and is responsible for nearly 80% of industrial value additions even though it accounts for only 5.7% of the country’s geographical area (Ministry of Defense, 2011).

The city covers an area of 37 square kilometers and is the most populous city in Sri Lanka with a population density of 3,438 persons per square kilometer (in 2012), which is more than tenfold of the national figure (Department of Census and Statistics, 2014, p. 9). According to the Colombo Municipal Council (CMC), Colombo is now a “charter city” with a residential population of over 600,000 and a daily floating population estimated at 500,000 (2015, p. 29). In June 2015, Colombo was ranked first among the top 10 fastest growing destination cities (2009-2015) in the annual MasterCard Global Destinations Cities Index (Daily Financial Times, 4 June 2015).

![Image](image.png)

Figure 1.1 Map of Sri Lanka showing Colombo (van Horen, 2002, p. 218)
The Problem

The problem with Colombo’s postwar urban (re)development is manifold. The city’s expansion and transformation was executed primarily through the (re)construction of the city’s infrastructure in a way that it accommodates niche markets that are accessible only to Colombo’s middle-classes and elite. Postwar Colombo witnessed a greater concentration of power structures and human capital that generated economic prospects for a few while creating great inequality for many. While Colombo’s middle classes drive luxury cars, jog along the newly paved running paths in their Nikes and Adidas, and patronize ‘posh’ restaurants and cafés, the street sweepers of Colombo work laboriously to keep the neighborhood clean and ‘pleasing to the eye’ for the sophisticated shopper. Colombo is a city of pre-existing inequalities, where the market differentially benefits those with access to power and wealth. As one segment of the population enjoys the privileges of a sophisticated lifestyle, another segment is sentenced to further poverty, vulnerability, and exclusion from quality living environments, services, and job markets.

The redevelopment of Colombo city has considerably changed the city’s landscape. The city’s skyline has changed rapidly and will continue to change as a result of the construction of high-rise and high-end holiday resorts, residential and business complexes, and expensive landmark structures such as the 350-meter tall Lotus Tower. Part of Colombo’s facelift was the renovation and transformation of old colonial buildings and historical landmarks into upscale shopping centers and restaurant so that they could be reutilized for commercial purposes.
The government’s development agenda has been centered largely on rapid economic development (Goodhand, 2012) rather than on social wellbeing. This agenda conflicts with the former government’s development policy document titled *Sri Lanka, The Emerging Wonder of Asia: Mahinda Chinthana, Vision for the Future*, that highlights its efforts to not only promote investments on infrastructure based on commercial and economic returns, but also to create equitable access to such infrastructure development to enable people to engage in gainful economic activities (Ministry of Finance and Planning, 2010, p. 4). The outcomes of these policies have proved that the government was largely driven to design and implement large scale urban development/regeneration projects under the control of the UDA and the MDUD to fulfill its vision to “transform Colombo into a world-class city, globally recognized as a thriving, dynamic and attractive regional hub that is the centerpiece of 21st Century Sri Lanka: the Miracle of Asia” (Rajapaksa, 2011a).
An integral part of the government’s efforts to build a ‘world class’ Colombo was the ‘rejuvenation’ and ‘beautification’ of the city. Under the former government’s Urban Regeneration Project (URP), Colombo was being developed into what the Ministry of Finance and Planning calls “a metro city or first order city” (see Appendix A). This was particularly because at present, Sri Lanka’s urban population is concentrated mainly in Colombo (DNP, 2010, p. 179) and also because Colombo serves as a “focal point for commercial activities, investment, and the provision of administrative and social services” (Rajapaksa, 2011b).

Colombo’s city planning and urban development initiatives that can be traced back to 1921, includes British Town Planner Sir Patrick Geddes’ envisage to make Colombo a “Garden City of the East”. This plan incorporated the construction of neoclassical architecture, water parks, recreation spaces, and entertainment sites (Sevanatha, 2003, p. 4). In 2010, in efforts to rebuild the country after the civil war, the government attempted to recreate the old “Garden City” concept through the implementation of the 6-year Development Policy Framework. The government’s vision to regain Sri Lanka’s reputation as the “Garden City of the East” was clearly encapsulated in the policy framework and was highlighted in government promotional media (see Appendix B) and pronouncements by political leaders.

According to the former Secretary of Defense and Urban Development, Gotabhaya Rajapaksa (2011b), Colombo needed to “enhance its image as a preferred destination for international business and tourism, as well as a very comfortable city for all its residents” (para. 20), by creating more public outdoor recreation spaces, having more greenery on the side of the streets, relocating people who live in slums and shanty towns as they “disfigure” the city, removing pavement hawkers who “obstruct city activities”, renovating old buildings, creating a new city space on land reclaimed by the sea, improving transportation facilities, drainage
systems and the system for collection and disposal of solid waste, developing water-based recreational activities, and enforcing strict zoning rules. These initiatives, according to the Minister of Urban Development, Water Supply and Drainage, “will continue unabated” under the new government that was elected earlier last year (Hakeem, 2015).

A key goal of the former government’s urban development program was to create a slum-and-shanty-free city of Colombo. The development policy framework (2010) stated the following:

“This program will release approximately 350 acres of prime land for commercial and mixed use development. By 2015, 40,000 apartment units will be constructed for shanty dwellers and 20,000 luxury and semi-luxury apartments will be constructed in formerly underserved areas. By 2020, city of Colombo will have no more shanty dwellers” (Ministry of Finance and Planning, p. 175).

As pronounced by Rajapaksa (2011b), the government’s target was to relocate 30,000 of the 70,000 families living in “low income settlements” to new community housing by 2013. Even though statistical data and records on the number of families that were affected by the government’s URP and the World Bank funded MCUDP are not publicly available, journalists and independent researchers have revealed how Colombo’s ‘beautification’ project has been executed at enormous social and public costs.

Poor working class communities that were denied of adequate services have been declared an urban blight and their dwellings have been labelled ‘underserved settlements’ and slums. Their houses are been bulldozed off in the name of development and they have been forced to believe that they have no right to the land they were living on. The politicians have displayed a lack of interest in the well-being of the evicted families. These families have been separated and hidden in high-rises, away from their livelihoods, but promised a luxurious life different from their previous “deplorable” living standards. However, the new high-rise high-
density dwellings in which most evictees have been resettled in now run the risk of becoming ghetto-like slums as these buildings are overcrowded and have been poorly constructed and poorly maintained (Center for Policy Alternatives, 2015, p. 20, 24-25).

The politicians have overlooked their right to information and compensation, and have taken advantage of their lack of awareness of laws and rights. They have further eliminated the space for dialog and debate through the use of the military not only in construction and landscaping but also in freeing prime land. The urban development trajectory of the former government displayed the military-market nexus as the military and police were increasingly involved in land acquisition.

The government’s resettlement plans have widened already existing social disparities and have led to further polarization and fragmentation of the city. Freeing up land to attract private investments in property development and obtaining loans from international donors to aid in Colombo’s restructuring does not succeed as a sustainable path to urban development. The middle classes of Colombo have been apathetic towards recent development strategies as it has had minimal adverse effects on their livelihoods. Historically, Colombo has been a city in which the economic and political aspirations of the country’s rulers are predominantly articulated, in the form of its physical appearance, economic activities, and technological advancement. The physical, social and economic inconsistencies in the city are many. And the impact of the recent urban development initiatives appears to exacerbate the living conditions of the city’s urban poor, further intensifying the city’s disparities.
Colombo’s Historical Background

The following section is a comprehensive mapping of the spatial and temporal changes that have led to Colombo’s emergence as an urban and commercial center in the country. The following paragraphs intend to lay out Colombo’s historical role and position as a coastal port city, its impact on the city’s boundaries and its expansion, the emergence of commercial and residential trends, its ethnic and class composition, and the political and economic climate that has made Colombo what it is today. The discussion includes significant political, economic, social, and spatial changes in Colombo during pre-Colonial times (3rd Century BC-AD 1505), colonial times (1501-1948), post-independence years through the end of the civil war (1948-2009), and postwar Sri Lanka (2009-2016).

Pre-Colonial Colombo

The present city of Colombo was not one of the most important economic centers or settlements on the island until the colonial rulers arrived in AD 1505 (de Silva, 1981; Codrington, 2000). During the times it was ruled by the Sinhalese and Tamil kings, the ancient cities of Anuradhapura and Polonnaruwa (see Figure 1.1), which were the first two kingdoms in Sri Lanka, served as the capital and commercial centers in the island from as early as third century BC to AD 1232. At the time, the island’s internal trade was characterized by “the exchange by barter, or by a limited use of currency (kahavaṇu and purāṇas or eldlings), of the surplus grain at their disposal, and of manufactured goods and services” (de Silva, 1981, p. 44).

The island’s foreign trade between the sixth and ninth centuries was influenced by the East West trade of the period dominated by merchants from Arabia, Persia and Morocco as a result of which a predominantly Muslim population of pure or mixed Arab decent established themselves in Colombo and other coastal areas and the ports, and enjoyed a near monopoly of
the trade in spices, aromatic drugs, pearls, precious stones, cinnamon, ivory, and elephants (Hulugalle, 1965, as cited in van Horen, 2002, p. 217). This trade was conducted largely through the ports of the west coast: Kalpitiya, Puttalam, Chilaw, Negombo, Colombo, Kalutara, Beruwala and Galle (de Silva, 1981, p. 90). According to de Silva (1981), however, the role of trade and money in the economy was not fundamentally important to a basically agrarian economy of a feudal society and at no stage in the island’s early history was its economy based on trade (p. 42, 43).

**Colombo under Colonial Rule**

With the gradual descent of the Sinhalese kingdoms and the invasion of colonial powers in the early sixteenth century, economic activity in Sri Lanka began to develop on new lines. For instance, as de Silva (1981) points out, cinnamon became an important item in the country’s export trade as a result of the increased demand for spices in Europe, and the state became less dependent on the revenue from grain (p. 89, 90), which was part of traditional agriculture. The Portuguese that arrived in Sri Lanka in 1505 set up a fortified trading town in the current Fort and Pettah area in Colombo, and governed Colombo from 1518-1656. According to Perera (1998), Colombo emerged as the principal port of the island under the Portuguese (p. 26) and in the 1590’s Colombo was declared the only port through which cinnamon could be legally exported (de Silva, 1981, p. 126).

During the Dutch occupation from 1656 to 1796, many major coastal cities, including Galle, Trincomalee, Batticaloa and Jaffna were converted into fortified cities, in order to control the island’s trade and further monopolize export trade in cinnamon. The Dutch developed a canal system that provided both easy and cheap transport of goods from outlying areas to the ports, thus making it one of the most important contributions to the country’s economy (LankaLibrary
Sri Lanka, n.d.). It appears that even though Colombo was a major colonial trade outpost under the Portuguese and Dutch, and it underwent physical changes that aided in increasing their stronghold in the port area, Colombo did not become the nucleus for legislative, administrative, educational, and commercial activities until the British brought the island under a single administration for the first time and made Colombo its capital in 1818.

In 1797, the maritime settlements controlled by the Dutch East India company were passed to the British East India company, and the British capitalized on Colombo’s strategic location in international trade routes and developed Colombo as the primary port in the country in 1818 (van Horen, 2002, p. 218). According to Niriella (2010), with the establishment of the legislative council in 1833, head offices of important government departments began to emerge in Colombo city alongside several mercantile establishments catering to the needs of the plantation sector, adding to the “increasing complexity of the metropolis” (p. 45).

In the 1830s, the British began experimenting with plantation agriculture and gradually established a plantation economy that was based on the production of coffee (later replaced by tea, rubber, and coconut). The introduction of cash crops revolutionized the island’s economy which was hitherto based upon subsistence agriculture (Watkins, n.d.). By the 1860s, the British had not only incorporated the colony into the large world economy by making Colombo a vital link between London and other crown colonies, it had also established a legal and regulatory system for the governance of Colombo and Ceylon (known as Sri Lanka, after 1972).

The Colombo Municipal Council (CMC) was established in 1866 under the Municipal Council Ordinance of 1865 (van Horen, 2002, 218). A Municipal Council is an urban local authority that is responsible for areas with more than 30,000 inhabitants (Kruse, 2007, p. 11). The CMC area of the 1880s was about 13 times as large as the fort area and included a number
of low-income areas (Perera, 2002, p. 1716). The core-Colombo area (see Figure 1.3) also developed with the establishment of several financial and commercial institutions such as the first Bank of Ceylon and other foreign banks, the General Post Office and the Central Telegraph Office, the Cargills and Millers’ wholesale business complex, and grand hotels to accommodate visitors and tourists. With these establishments and expansions, “Colombo established its primacy in the country’s urban hierarchy” (van Horen, 2002, p. 218) in the early 1900s.

![Figure 1.3 The Colombo Municipal Council area and the Colombo Core Area](image)

(Source: Ministry of Defense and Urban Development, 2012, p. 15)

Colombo’s role as the economic, political, and communication center of Ceylon also became well established with the expansion of the port in 1883, the building of railway workshops, warehouses and printing presses (Perera, 1998; 2002). Therefore, it can be argued that Colombo was a city that was built and re-built by colonial powers to support their trade and
administration activities. Colombo is, therefore, a colonial product. This is also evident in the canal network, railroad network and other infrastructure that was established during the four centuries of colonial rule to benefit the export trade and port related activities.

**Post-Independence Colombo**

Colombo continued to be the national capital of Ceylon even after the country gained independence in 1948. The city played a pivotal role in the country’s socio-economic and political aspirations of a sovereign nation regardless of the conflicting policies that alternated between the Sri Lanka Freedom Party (SLFP) and the United National Party (UNP) regimes. In the 1970s, in an attempt to make way for more commercial activity in Colombo, plans were made to relocate government institutions outside the city. In 1977, Sri Jayewardenepura Kotte was designated as the new administrative capital as part of the relocation plan. Subsequently, the new Parliament complex and several ministries and departments were inaugurated in Sri Jayewardenepura Kotte (Encyclopedia Britannica, 2016). However, many important government offices and headquarters still remained in Colombo. The two World Trade Center towers and the adjacent Bank of Ceylon tower became the most recognized landmarks in the city (see Figure 1.4).

The post-independence Sri Lankan state became increasingly centralized, predominantly Sinhala, and Colombo-based. The discourse of nationalism that followed independence was dominated by the subject of “ethnic” nationalism (Jayasundara-Smits, 2011, p. 73) and had a dividing force that was instilled by the colonial strategy of ‘divide and conquer’ that created deep political and ethnic divides predominantly between the Sinhalese Buddhists and the Hindu Tamils in Sri Lanka. The divided ethno-religious identities and loyalties that emerged in
independent Sri Lanka, ultimately gave rise to a civil war between the dominant Sinhalese State and the separatist militant group, the Liberation of Tamil Tigers Eelam (LTTE).

Figure 1.4 Colombo’s landmarks: the modern and the Colonial
(Source: http://www.liberallifestyles.com/?p=61790)

With the beginning of the civil war in 1983, Colombo gained new heights as the center for political power and control in the country. Many landmark buildings and central places in the city became the target for LTTE attacks. The suicide bombings at the Central Bank (1996), the Galadarai Hotel, which adjoins The Hilton and the World Trade Center (1997), the central bus station (1987), the central railway station (2008), and the Town Hall (1999) resulted in heavy military presence and surveillance in the city. Barricades, checkpoints, and political tension became very much part of everyday life for civilians. However, unlike the Tamil-speaking areas
of northern and eastern Sri Lanka that were economically stagnated during the war, Colombo continued to grow economically, with high-rise apartments, luxury hotels, high-end shopping centers, and supermarkets becoming widespread “amid the uneasy ebb and flow of checkpoints and road closures set up to contain the threat of the LTTE suicide bombers” (Amarasuriya and Spencer, 2015, p. S66).

Postwar Colombo

Postwar Colombo is a work in progress. The end of the civil war in May 2009 was used as an opportunity and justification for intensified economic reconstruction initiatives around the island but most specifically and profoundly in Colombo. The former government of Sri Lanka launched an ambitious program of economic and physical regeneration for metropolitan Colombo in a bid to transform it into a modern world-class capital so that Sri Lanka could accelerate economic growth and compete at a regional and international level (The World Bank, 2012).

Barricades and walls that surrounded ‘high security’ areas and public areas during the war were removed, dilapidated colonial era buildings were renovated and transformed into high-end shopping complexes with upscale restaurants, canals and lakes were cleaned, gardens and parks were created, public areas were cleared of ‘unsightly’ hawkers, ‘squatters’ were removed from their lands and resettled in ‘quality high-rise apartments’, while high-end boutique hotels, new ‘public spaces’ and buildings with residential, office and commercial facilities were constructed on these newly released lands. This largescale and rapid “urban renewal” program was initiated by the former Rajapaksa government as part of the former President Mahinda

2 Mahinda Rajapaksa was defeated by Maithripala Sirisena at the January 2015 presidential elections.
Rajapaksa’s socio-economic development strategy proposed in his 2010 election manifesto titled “Mahinda Chinthana – Vision for the Future”.

In 2010, the Ministries of Urban Development and Defense were amalgamated under President Rajapaksa and Secretary Gotabhaya Rajapaksa, and renamed the Ministry of Defense and Urban Development (MDUD) in order to spearhead the Colombo city redevelopment agenda together with the Urban Development Authority (UDA) and the Colombo Municipal Council (CMC). The military, that was no longer fighting the LTTE separatists in the north and east, were gainfully employed in city landscaping, by Secretary to MDUD Gotabhaya Rajapaksa, to maintain the new ‘beauty’ of the city and to overlook the forceful evictions and demolishing of ‘low-income housing settlements’ in Colombo (Bastians, 2015).

One of the most impactful urban development programs that was launched in postwar Colombo was the Metro Colombo Urban Development Project (MCUDP). In March 2012, the Rajapaksa government integrated the MCUDP into its development agenda as an effective component of city development. According to the World Bank (2013, March 21), the five-year MCUDP was funded by a $213 million loan from the World Bank whose objective was to support the government’s drive to enhance the competitiveness of the Colombo metropolitan region through flood mitigation efforts so that Sri Lanka could fulfill its vision of being “an upper-middle income economy and global hub by 2016” (para. 1).

Four years after the launch of the MCUDP flood mitigation and city beautification project, the successive Sirisena government launched its flagship Western Region Megapolis Planning Project (WRMPP) in January 2016. The implementation of this project involves two main transformations: “the spatial transformation of urban agglomerations in the Western Region of the country and the structural transformation of the National Economy as a whole” (Ministry
of Megapolis and Western Development, 2016, p. 3). The main concept of this $40 billion mega-development plan is to direct development to the eastern, southern, and northern parts of the western region with Colombo as the core (Sirimanna, 2015, November 8). This development plan is said to have been originally designed by the Singaporean urban development consulting firm CESMA International in 2001, during the Ranil Wickremesinghe administration from 2001-2004 (Sirimanna, 2015 May 24; Hettiaratchi, 2015 September 29).

The Urban Development Authority which was under the purview of the Ministry of Defense and Urban Development under the previous government has been brought under the purview of the Ministry of Megapolis and Western Development by the present government (Urban Development Authority, n.d.). In an interview with the Daily News, the Minister in charge of the WRMPP, Patali Ranawaka, states that the WRMPP is different from the projects launched by the previous government in that it will only engage in projects that are economically viable and will follow a discussion approach to prevent involuntary resettlement: “We will not be engaged in what I call, cleaning up the living room without putting the kitchen and the toilet in order. If they stink or are messy, then there is no point in having the living room beautiful. That was what the last government did” (Daily News, 2016, January 29). At the same time, he states that the government would not tolerate encroachment and illegal settlements (ibid).
Chapter 2: THEORETICAL FRAMEWORK

An examination of postwar urban development in Colombo, Sri Lanka, requires an in-depth understanding of the various socio-economic, political, spatial, and class processes that shape urban development today. This study offers a critique of the neoliberal stance within the urban development discourse in Sri Lanka. This is because Sri Lanka has witnessed a shift towards attracting finance capital through the restructuring of the urban landscape to favor the investing capitalist class, in the postwar era. The restructuring of the geographical space and the theories of uneven socioeconomic development, the processes of capital accumulation and accumulation by dispossession are extensively discussed in this chapter.

Sri Lanka’s continuous desire to preserve its postcolonial heritage even today also calls for an examination of the postcolonial experience of third world countries, the emergence of postcolonial nationalist development, and the emergence of the national bourgeoisie class. This chapter next engages in an examination of the penetration of global capitalism and the emergence of the new capitalist consumer class that is uniquely different from the national bourgeoisie. What is also crucial to the narrative of neoliberal urbanism and urban development is also the role of the state and its hegemony, especially, in propagating development policies that favor the new urban middle class and further marginalize the city’s poor. The theories of gentrification and the various social injustices that issue from it are discussed along these lines.

The diagram below (see Figure 2.1) includes the primary theoretical components discussed in this chapter. It was important to discuss all these components in order to arrive at a comprehensive understanding of the class processes and social injustices related to the present urban development discourse in Colombo. As depicted in the diagram, these key and integrally interconnected theoretical components place the problem under study within a spatial and
temporal framework, and also highlights its global-local linkages. This framework forms the basis for my research and analysis.

Figure 2.1 Theoretical framework
The Geography of Capitalism and Uneven Socio-Economic Development

The recent decades have witnessed an emergent restructuring of geographical space that is more dramatic and pronounced than ever before. The restructuring of geographical space has much to do with the geography of capitalism, that is, the geographical expansion of capital. Capitalism, as we know it, constantly seeks to expand, to accumulate, to make new profits. The expansion of capital is a temporal as well as a spatial project. As Marx states, “the life-process of capital consists only in its movement” (Marx, 1887, p. 214). Capital, therefore, expands spatially to produce new markets. In the process of spatially expanding and accumulating, capital both concentrates and disperses. Smith (1984) effectively summarizes how the geographical expansion of capital derives specifically from the opposed tendencies inherent in capital, which are premised on the differentiation and simultaneous equalization of capital:

Capital is continually invested in a built environment in order to produce surplus value and expand the basis of capital itself. But equally, capital is continually withdrawn from the built environment so that it can move elsewhere and take advantage of higher profit rates. (Introduction, p. xiii)

Harvey (1975) points out that Marx’s theory of accumulation under the capitalist mode of production intrinsically includes a spatial dimension and that Marx recognized how accumulation took place in a geographical context and how it in turn created specific kinds of geographical structures (p. 9). According to Marx (1887), “Capital grows in one place to a huge mass in a single hand, because it has in another place been lost by many” (p. 435). Taking an explicitly Marxian approach, Smith (1984) states that “uneven development is the hallmark of the geography of development” and that the process of uneven development is essentially the “systematic geographical expansion of the contradictions inherent in the very constitution and structure of capital” (p. xi).
“Economic growth under capitalism is, as Marx usually dubs it, a process of internal contradictions which frequently erupt as crises” (Harvey, 1975, p. 9). The nature of commodity production or economic growth under capitalism is not even or balanced. Over-accumulation produces various manifestations of crisis in the capitalist system, such as, capital surpluses, falling rates of profit, lack of investment opportunities, unemployment, and the lack of effective demand in the market. Marx (1887) explains the major contradiction of capitalism in the following section: “Capitalism works on both sides at the same time. If its accumulation, on the one hand, increases the demand for labor, it increases on the other the supply of laborers by the ‘setting free’ of them” (p. 357). This is in reality, “the simultaneous emergence of concentrations of wealth and capital (for capitalists), on the one hand, and poverty and oppression (for workers), on the other” (Bond, 1999, para. 1). The conflict between capital and labor, as explained by Marx’s (1887) “general law of capitalist accumulation” (p. 361), leads to the social concentration and centralization of capital. That is that individual units of capital come to control larger and larger quantities of capital (Smith, 1984, 119). According to Smith (1984) the social centralization of capital both produces and requires a certain spatial centralization of capital and provides “the impetus toward the geographical differentiation associated to the conditions and levels of production” (p. 122).

The survival of capitalism in the recent centuries is linked with the geographical arrangement of the landscape. What results in the landscape, then, is development at one pole and underdevelopment at the other, taking place in a number of spatial scales. As Marx (1887) puts it, the “general law of capitalist accumulation” establishes “[a]ccumulation of wealth at one pole” and at the same time “an accumulation of misery at the opposite pole” (p. 445), both socially and spatially. Drawing on Marx, Smith further states that it is these “real spatial scales”
or spatial differences which capital produces, that give coherence to uneven development (Smith, 1984, p. xiii). Therefore, the unevenness in the processes and levels of development is the ultimate manifestation of the production of space under capitalism.

The political economic basis of uneven development, then, has much to do with capitalist processes and related spatial patterns of development. As Smith (1984) suggests, capitalism has its own distinct geography; a geography that is more systematically and completely an integral part of the mode of production than was the case with any earlier mode of production (p. 98). According to Harvey (1975), Marx’s theory of growth under the capitalist mode of production places accumulation at the center of things (p. 9). He further states that the capitalist system therefore is “highly dynamic and inevitably expansionary” (Harvey, 1975, p. 9). Under capitalist production and accumulation, capital becomes spatially concentrated and centralized in a built environment. According to Smith (1984),

[T]he necessity of capital accumulation leads to a frantic geographical expansion of capitalist society, led by productive capital. This requires a continuous investment of capital in the creation of a built environment for production. Roads, railways, factories, fields, workshops, warehouses, wharves, sewers, canals, power stations, dumps for industrial waste – the list is endless. These and myriad other facilities are the geographically immobilized forms of fixed capital, so central to the process of accumulation. (p. 119)

However, the flood of capital into the built environment leads very quickly to the over-accumulation in the built environment. The massive devaluation of capital, the destruction of value, and the fall of the rate of profit that result from over-accumulation, then, cause a rapid and wide-reaching devaluation of the entire built environment. Faced with such a crisis, capital ultimately seeks to create a new landscape for production; for the survival of capital.

Harvey (1996; 2001) too explains capitalism’s historical trajectory of geographical expansion through the construction of space, and how through its geographical expansion it
seeks a “spatial fix” to capitalism’s contradictions (p. 295; 24). The concentration of capitalist development in some places, nevertheless, occurs at the expense of other places, and the movement of capital from one place to another, globally, regionally, nationally, and within urban-rural settings, furthers the uneven pattern of development. It is in this context that Smith (1984) argues that “spatial unevenness has no meaning except as part of the larger contradictory development of capitalism” (p. 99). Therefore the geography of capitalism is essentially linked with the structure and uneven development of capitalism in general.

**Colonialism and the Origins of Capital Accumulation**

In discussing theories of development, McMichael (2012) argues how development has its roots in the colonial era (p. 2 & 26). The European colonization of the non-European world created an extraction economy in which raw materials and primary products that were unavailable in Europe were established in the colonies so that these products could fuel industrial inputs for European manufacturing and foodstuffs for its industrial labor force. The European penetration into the non-European markets and the extraction of resources and labor, in other words, the specialization between European economies and their colonies, was what came to be termed “the colonial division of labor” (McMichael, 2012, p. 31). As Marx (1887) put it, “The Colonial system and the opening out of the markets of the world, both of which are included in the general conditions of existence of the manufacturing period, furnish rich material for developing the division of labor in society” (p. 241).

This extraction process involved brutal exploitation and dispossession of the colonial subjects and the colonies’ resources. In McMichael’s (2012) words, the colonial division of labor and commodity production caused “a dynamic relocation of resources and energy from colony to metropolis (p. 32). The colonization project in general, involved superior class power, racial
supremacy, deceit and theft, which were justified by its mission to ‘civilize’ and ‘develop’ inhabitants of the colonies who were identified as ‘underdeveloped’ by self-defined European standards. Marx (1887) captures the “force” of the colonial extraction economy in *Capital*:

The colonial system ripened, like a hot-house, trade and navigation. The ‘societies Monopolia’ of Luther were powerful levers for concentration of capital. The colonies secured a market for the budding manufactures, and, through the monopoly of the market, an increased accumulation. The treasures captured outside Europe by undisguised looting, enslavement, and murder, floated back to the mother-country and were there turned into capital. (p. 529)

As colonies were converted into supply zones of labor and resources, local industries were eventually abandoned, and their agriculture was reduced to a “specialized export monoculture” (McMichael, 2012, p. 33) that included the production of cash crops or commercial crops for exporting. The colonies witnessed a disconnection between the producer and the means of production because of the colonial division of labor created by commercial agriculture. In an earlier collection of articles on colonialism in India, Marx and Engels (n.d.) reveal “the organic connection between colonialism and capitalism” and “the exploitation of the colonial peoples by Great Britain and other capitalist countries” (p. 7). Marx (1887) refers to colonialism as early stages of capitalism that was part of the “so-called primitive accumulation”, that is, “nothing else than the historical process of divorcing the producer from the means of production. It appears as ‘primitive’, because it forms the prehistoric stage of capital and of the mode of production corresponding with it” (p. 501). However, as Rosa Luxenberg (1913) argues in her seminal work *The Accumulation of Capital*, the so-called primitive accumulation is still going on and did not end with the end of the colonial period (p. 350). It has instead become “a permanent process of superexploitation at the World scale” (Bond, 2006, p. 12). Because the so-called primitive accumulation is an ongoing process, Harvey (2003) called it “accumulation by
dispossession” (p. 144). This central feature within global capitalism will be further discussed in the section on Neoliberal Capitalism and the State.

**Postcolonial Nationalist Development and the National Bourgeoisie**

Decolonization or formal political independence from colonial rule would ideally mean freedom from colonial subjugation, deprivation, and its inequalities. However, the unequal relationships of colonialism, which included an unequal division of labor and unequal ecological exchanges, continued to shape the ‘sovereignty’ of independent states as well. As McMichael (2012) points out, “the postcolonial context was founded on inequality” (p. 26) that was produced by “the cultural and economic legacies of colonialism” (p. 39). Therefore, even though newly independent states embraced development “as an antidote to colonialism” in the mid-twentieth century (McMichael, p. 22), the vision of development that was spearheaded by the national elite and the bourgeoisie only intensified economic disparity within the nation state and between what came to be recognized as the First and Third Worlds.

At the height of the Cold War, there emerged three geopolitical segments in the world – the First World was essentially the capitalist western world and Japan, the Second World was the Soviet bloc, and the Third World included the postcolonial bloc of nations – that were distinguished by Alfred Sauvy in 1952 (Chilcote, 1984, p. 2; McMichael, 2012, p. 44). And, of course, as McMichael (2012) recognizes, there was considerable inequality across and within these subdivisions (p. 44). For Chilcote (1984), however, the Third World did not merely mean the coalition of postcolonial countries, but also meant “exploitation and oppression, lack of technology and development, underdevelopment brought about by colonialism and imperialism, and dependency upon the capitalist system and outside influences, wherever in the world these occur” (p. 1-2).
Colonialism, therefore, brought about underdevelopment in the colonies. As Peet (1991) points out, “economies declined through disinvestment as indigenous surplus was captured by the European center” (p. 145). The struggle for political independence in the colonized world involved a nationalist upsurge that took various forms depending on the country’s national political system and social composition. With an anti-colonial nationalist movement that was led by the political elite and national bourgeoisie, post-independence development assumed a specific and significant meaning. As pointed out by McMichael (2012), under decolonization, “Third World governments strove to build a national development state” (p. 51). However, the national economy once again came to be controlled by external interests, “either in the direct form of foreign ownership of productive resources, or the more subtle form of the setting of basic conditions of production by external institutions” (Peet, 1991, p. 145).

This form of ‘neo-colonialism’ occurred primarily because, as Fanon (1963) pointed out, after independence “everything ha[d] to be started over from scratch, everything ha[d] to be rethought […]. In order to do this, however, something other than human investment [was] needed. It require[d] capital, technicians, engineers, and mechanics, etc.” (p. 56-57). And as Fanon (1963) continued to argue, the problem lied in that the national bourgeoisie that took over power at the end of the colonial regime, was an underdeveloped bourgeoisie that was “numerically, intellectually, and economically weak” (p. 120). The national bourgeoisie lacked the knowledge, the skills, and the money to rebuild the nation and its industries. Therefore, as Peet (1991) effectively summarizes: “Economy dominates polity, says Marx: the governments of the former colonies must now adhere to economic conditions set in the centers of world power, often the same capital cities which once issued political directives under direct colonialism” (p. 145).
Lenin (1914) believed that national independent movements were progressive because the requirements of modern capitalism are best satisfied under the formation of national states (in What is Meant by the Self-Determination of Nations?, para. 5). He further asserts that nations’ demand for self-determination is revolutionary because the demand is a democratic one: “The bourgeois nationalism of any oppressed nation has a general democratic content that is directed against oppression” (in Practicality in the National Question, para. 19). In stark contradiction to Lenin, is Rosa Luxenberg’s (1909) argument that “the actual possibility of “self-determination” for all ethnic groups or otherwise defined nationalities is a utopia precisely because of the trend of historical development of contemporary societies” (in The Right of Nations to Self Determination, section 3). According to Luxenberg, this is unachievable because of two main factors—first is the development of “world powers” alongside the development of capitalism:

“[This] from the very outset condemns all small nations to political impotence. Apart from a few of the most powerful nations, the leaders in capitalist development, which possess the spiritual and material resources necessary to maintain their political and economic independence, “self-determination,” the independent existence of smaller and petty nations, is an illusion, and will become even more so.” (ibid)

And second is, “capitalist imperialism” or the acquisition of colonies by the powerful capitalist countries. According to Luxenberg, this had undermined the possibility of “self-determination” and questioned the actuality of independence. As Luxenberg stated:

“The very development of international trade in the capitalist period brings with it the inevitable, though at times slow ruin of all the more primitive societies, destroys their historically existing means of “self-determination,” and makes them dependent on the crushing wheel of capitalist development and world politics.” (ibid)

As argued by Luxenberg, independence did not bring a change of direction as promised and as expected, because the newly independent countries continued to serve western, or, First World interests and markets. For example, the same cash crops were continued to grow and the
same raw materials were exported. And because the native capitalist class was not fully
developed, it sought help from the West: “[t]he budget [was] funded by loans and donations. The
heads of states themselves or government delegations [made] quarterly visits to the former
metropolis or elsewhere, fishing for capital” (Fanon, 1963, p. 112). It is in this context that Peet
(1991) identified that “the economies of Third World societies had already been captured, in
structure and orientation, by the capitalist world market – ‘independence’ has therefore been
more accurately termed ‘neo-colonialism’” (p. 143).

In the process of forming the nation-state, that is, a “territorially defined political system
based on the government-citizen relationship that emerged in nineteenth century Europe”
(McMichael, 2012, p. 47), came to be manipulated by the national bourgeoisie who sought to
establish itself as the capitalist ruling class. Under decolonization, explains McMichael (2012),
“[s]tate elites regularly use their power to accumulate wealth and influence in the state—whether
through selling rights to public resources to cronies or capturing foreign aid distribution
channels” (p. 51). In Fanon’s (1963) words, the national bourgeoisie, thereby, “prosaically
served as a conveyor belt for capitalism, forced to camouflage itself behind the mask of
neocolonialism” (p. 100). The national bourgeoisie, therefore, plays a key role in postcolonial
nationalist development.

**Third World Development and the State**

As argued by McMichael (2012) “Decolonization gave development new meaning,
linking it to the ideal of sovereignty, the possibility of converting subjects into citizens, and the
pursuit of economic development for social justice” (p. 42). However, in the Third World,
capitalist development was largely shaped by the industrial revolution that enabled colonization.
According to Peet (1991) and McMichael (2012), Third World countries adopted import-
substitution industrialization as a way of reversing the colonial division of labor, but as a result of the increased dependency on outside capital that resulted in balance of payments deficits and foreign debt, export-oriented manufacturing became the linchpin strategy for economic development (Peet, 1991, p. 149).

As Third World states became independent, and at the same time collectively defined as “underdeveloped” (McMichael, 2012, p. 54), the newly independent countries sought economic growth, inevitably promoting and emulating western political, economic, and cultural standards. They embraced development as an enterprise for growth, revenue generation, and legitimacy that included a national project for economic growth and an international framework of aid (McMichael, 2012, p. 56). Peet and Hartwick (1999) differentiate development from economic growth, because, according to them, development pays attention to the conditions of production, such as, the environments affected by economic activity, and to the social consequences, for example, income distribution and social welfare. Therefore they summarize their conceptualization of development as “the improvement in a complex of linked natural, economic, social, cultural, and political conditions (p. 1). Third World capitalist industrial development, in this sense, did not necessarily promote economic and social development. Instead, as Peet (1991) describes, industrialization became “one more way of extracting surplus from Third World Peoples, this time through eternal debt repayments” (p. 169).

Within this national development project, McMichael (2012) discusses how the public regulation of markets took place “as servants of states”, in which the state had more control over the market, and development became part of a “social contract between state and citizen” (p. 14). In relation to the colonial system, however, Marx (1887) describes the role of the state as an instrument of the capitalist mode of production:
But, they all employ the power of the State, the concentrated and organized force of society, to hasten, hot-house fashion, the process of transformation of the feudal mode of production into the capitalist mode, and to shorten the transition. (p. 528)

In a discussion of Marxist interpretations of the state, Jessop (2014) notes that Marx and Engels’ analyses of the state includes the recurrent thesis that the state is an instrument in class struggle (in The Instrumentalist Concept of the State). For example, Marx and Engels (1932) note that “the State is the form in which the individuals of a ruling class assert their common interests” (in The Relation of State and Law to Property). Similarly, in the Communist Manifesto too they conclude that the executive of the modern state is but a committee for managing the common affairs of the bourgeoisie (Marx & Engels, 1848, p. 15).

In a detailed analysis of state theories, Jessop (1990) presents six approaches to understanding the role of the state with reference to theorists such as Marx, Engels, Lenin, Trotsky, and Gramsci. These approaches include theorizations of the state as, the private property of officials in their struggle for self-advancement (p. 26); the system of property relations and the resulting economic class struggles (p. 26-27); an institution that emerges side by side with economic exploitation resulting from antagonistic classes (p. 27); an instrument of class rule (p. 27-28); a set of institutions that mirror the economic base the way in which they are controlled by capital (p. 28); and a system of political domination with specific effects on the class struggle (p. 28). Based on these theorizations, Jessop (1990) contends that the state is “a system of political domination” and that state power is “a complex contradictory effect of class struggles, mediated through and conditioned by the institutional system of the state” (p. 45).

After the 1980s, however, after states began to embrace globalization, they became “servants of the markets” (McMichael, 2012, p. 14). The transition from development as a
nationally managed economic growth project, to development as “participation in the world market” (p. 112-113) was a consequence of the World Bank’s redefinition of development in the 1980 ‘World Development Report’. The key principle behind this redefinition was the view that economic nationalism was limiting development by obstructing the transnational mobility of goods, money, and firms in the service of efficient (i.e. private) allocation of global resources (p. 126). The solution offered then, of course, was the creation of a market-based economy so that it could emerge as the unit of development.

Globalization and the Transnational Capitalist Class

The globalization project combines many social and political elements. Aijaz Ahmad (2006) in an interview with Ellen Meiksins Woods, identifies globalization at four different levels. One, as the presence of imperialist capital as the one system that exists after the collapse of the Soviet Union; two, as a collection of processes such as the increased role of export/import trade, the power of finance capital, and the power of communication and transport technologies; three, as a euphemism for the fact that a handful of imperialist institutional arrangements such as the World Bank, IMF, and GATT are determining national policies across the so-called third world; and four, as the rapid penetration of all production by capitalism, hence by the world market (p. 100-101). Additionally, McMichael (2012) identifies within globalization, a Washington-based consensus among global managers favoring market-based rather than state-managed development strategies, concentration of market power in the hands of Transnational Corporations (TNCs) and financial power in Transnational Banks (TNBs), subjection of all states to economic disciplines, realization of global development via new inequalities, and resistance at all levels contesting unrestrained market rule (p. 147).
How did the institutionalization of globalization bring about such extensive and intense changes to countries, especially of the third world? In short, the “participation in the world market” through the intensification of exports pushed Third World countries to borrow from international financial institutions that were backed by first world countries. First World recession in the early 1980s, however, caused a debt crisis in the Third World. Regardless of the global economic conditions of the time, the economic policies of the Third World countries were blamed for their indebtedness. And so, structural adjustment programs that included political and economic reforms were imposed by the IMF and World Bank as a form of managing the debt crisis. As stated by McMichael (2012), the 1984 debt crisis in the Third World reversed the direction of capital flow:

“[T]he inflow of loan and investment capital in the former third world was replaced by an outflow in the form of debt repayment […] The debt crisis opened up the Third World—now recognized as the global South—to Northern-imposed disciplines, foreign investment, and unsustainable export production to defray debt”. (p. 121)

Patrick Bond, in his book *Looting Africa*, discusses the same phenomenon in relation to the exploitation of Africa. Bond (2006) argues how capital accumulation under systems of extreme inequality is systematically driven by “capitalist institutions in Washington, London and other Northern centers, and accommodated by junior partners across the third world” (p. viii & xiii). He refers to this form of exploitation as “looting”. The ‘looting’ of Third World occurred through the debt repayment mechanisms that came at a heavy cost. The political and structural reforms that were tied to debt repayment and debt relief often included the following:

- Drastic reduction of public spending (especially on social programs, including food subsidies);
- Currency devaluation (inflating prices of imports and reduce export prices, to improve the balance of trade);
- Export intensification (to earn foreign exchange);
- Privatization of state enterprises (to “free” the market); and reduction of wages to attract
foreign investors and reduce export prices. (McMichael, 2012, p. 118)

As globalization offered new forms of authority and discipline governed by the market, and transnational corporations and banks grew in scale and power, the world also witnessed the class stratification of populations within and across national boundaries. Globalization, therefore, is “anything but universalist in its consequences. It assigns communities, regions, and nation-states new niches or specialized roles (including marginalization) in the global economy” (McMichael, 2012, p. 148).

A process central to capitalist globalization, according to William Robinson and Jerry Harris (2000), is the formation of the “transnational class” (p. 11-12). Class formation is an ongoing historical process and refers to changes over time in the class structure of society, including the rise of new class groups and the decline of old ones (Robinson, 2004, 37). Robinson’s (2004) theory emphasizes three dimensions of global class formation: transnational production and capital integration; national and transnational capitalist class fractionation; and the Gramscian concepts of hegemony and historic blocs that explain how class groups construct and contest social orders and political projects (p. 35).

In A Theory of Global Capitalism, Robinson further states that transnational class formation also involves the rise of a “transnational capitalist class, or TCC” (Robinson, 2004, p. 33). This TCC, as explained by Robinson and Harris (2000), is a global ruling class that is in the process of constructing a new global capitalist historic bloc: “a new hegemonic bloc consisting of various economic and political forces that have become the dominant sector of the ruling class throughout the world” (p. 12). In Sklair’s (2002) formulation of the TCC, he contended how the TCC is composed of four main interlocking groups: “those who own and control the Transnational Corporations, or TNCs (the corporate fractions), globalizing bureaucrats and
politicians (the state fraction), globalizing professionals (the technical fraction), and merchants and media (the consumerist fraction)” (145). From a Marxist standpoint both Sklair and Robinson argue that the TCC is both a “class-in-itself” and a class-for-itself” (Marx, 1847), that is, that the TCC exists as a distinct group and also uses this consciousness to establish itself as an agent in the class struggle. The nature of the formation of the TCC can also be related to Gramsci’s conception of the interlocking elite networks in a capitalist class. Gramsci (1971) states:

“Every social group, coming into existence on the original terrain of an essential function in the world of economic production, creates together with itself, organically, one or more strata of intellectuals which give it homogeneity and an awareness of its own function not only in the economic but also in the social and political fields. The capitalist entrepreneur creates alongside himself the industrial technician, the specialist in political economy, the organizers of a new culture, of a new legal system, etc. (p. 5).

Both Sklair (2002) and Robinson and Harris (2000) argue that in the process of transnational class formation, dominant groups fuse into a class within a “transnational space”; “a bourgeoisie whose coordinates are no longer national” (p. 14). The TCC in this sense is not a nation-state centered concept of class. It is their contention that the old international alliance of national bourgeoisies has mutated into a transnational bourgeoisie, and this transnational bourgeoisie has become the hegemonic class fraction globally (Robinson and Harris, 2000, p. 22). It has the capacity, through its hegemony, to shape politics and culture.

As Peschek (1987) explained, these small but powerful groups “translate class interests into state action by defining and promoting lines of policy that ensure the stability and reproduction of a system shaped by capitalist social relations” (as cited in Carroll, 2010, p. 39). It can be added that such political activities are propagated “all in the name of globalization, free trade, international competitiveness, and the hope that somehow it will make poor people better
off” (Sklair, 2002, p. 156). The idea then is that globalization contributes to the ‘diminishing’ of state power while giving the market power over the state.

However, Burnham (1997) and Tabb (1997) have argued how the state still plays a pivotal role in the global political economy. According to Burnham (1997), globalization is a state-led initiative whose primary aim is to solve problems that have their roots in labor/capital relations by embracing globalization trends (p. 151). The very idea that the state is powerless in stopping this trend, and that globalization has weakened the state, according to Tabb (1997), not only “ignores the continuous technical ability of the state to regulate capital” and its ability to manage social relations in ways that benefit capital, but also serves as “a powerful tool of capital” (para. 19). As McMichael (2012) elaborates, globalization is a decision and not an inevitability because the strategies used to compete in the world market, such as the implementation of policies for cutting public expenditure that may reduce safeguards and standards of employment, healthcare, and education, are political choices made by the state (p. 127). Therefore, it can be argued that these market-based policies and the pro-market environment are in fact consolidated by the state, thereby confirming the hegemonic power of the state.

**Neoliberalism and the State**

According to Alfredo Saad-Filho and Deborah Johnston (2005), imperialism and globalization are inseparable from neoliberalism. They believe, that in reality, the process of globalization is merely “the international face of neoliberalism”:

> [G]lobalization is generally presented as an inescapable, inexorable and benevolent process leading to greater competition, welfare improvements and the spread of democracy around the world. In reality, however, the so-called process of globalization […] is merely the international face of neoliberalism: a worldwide strategy of accumulation and social discipline that doubles up as an imperialist project, spearheaded
by the alliance between the US ruling class and locally dominant capitalist coalitions. This ambitious power project centered on neoliberalism at home and imperial globalism abroad is implemented by diverse social and economic political alliances in each country, but the interests of local finance and the US ruling class, itself dominated by finance, are normally hegemonic. (p. 2)

Neoliberalization, in short, has meant, “the financialization of everything”, that is, a deepened hold of finance over all other areas of the economy, the state, and daily life, and, “unquestionably a power shift away from production to the world of finance” (Harvey, 2005, p. 33). The problem with finance capital, however, is that it “embraces a lot of unproductive activity in which money is simply used to make more money through speculation on commodity futures, currency values, debt, and the like” (Harvey, 2004, p. 71). However, even though finance capital slows down value production and growth, the imperative for profits does not slow down. Therefore, finance capital seeks to intensify the accumulation of value and capital through accumulation by dispossession. According to Harvey (2004), finance capital speculation has been carried out by hedge funds and other major institutions of finance capital as “the cutting edge of accumulation by dispossession in recent times” (p. 75).

Harvey (2006) argues that there are four main elements of accumulation by dispossession under neoliberalism: privatization, financialization, the management and manipulation of crises, and state redistributions (2006, p. 44-50). Harvey (2005) further identifies, strong private property rights, free markets and free trade, deregulation, the withdrawal of the state from many areas of social provision and the state’s ties with international institutions that regulate global finance and trade—such as the IMF, the World Bank and WTO—as ways in which the practices and thinking of neoliberal capitalist markets can be identified (p. 2-3). In the introduction to the book, Neoliberalism: A Critical Reader, Saad-Filho & Johnston (2005) present how neoliberalism has become both influential and widespread and how it has intermingled at
different levels of complexity with critically important aspects of life – economically, politically, socially, culturally, and ideologically. They argue that neoliberalism can be identified in both abstract and concrete ways as reflected by the growing power of finance, the debasement of democracy, and privatization (p. 1).

Within a Marxian framework, Carroll (2010) argues that “As the capitalist mode of production globalizes, as the circuitry of accumulation crosses national borders, the relations of production and the forces of production also globalize” (p. 1). Robinson (2004) compliments this argument by stating that economic globalization, therefore, brings with it “the material basis for the emergence of a single global society marked by transnational political and cultural processes and the global integration of social life” (p. 9). This does not, however, mean that globalization involves a process of universalization and homogenization. As emphasized by Alejandro Colás (2005):

We should firstly reject the notion that globalization involves either a process of homogenization or convergence of worldwide social relations, as some of the more extreme neoliberal advocates of this phenomenon suggest. Globalization is in fact a very uneven process which tends to reproduce both new and pre-existing socio-economic and political hierarchies. (p. 71)

Robinson (2004) points out an important aspect of global economic change. That it “always involves as well social, political, and ideological change (p. 32). In Robinson’s (2004) words, with the new global capitalism “a superficially convergent culture emerges in which certain industries—entertainment, fashion, tourism, the visual media, sports, popular music, and the cult of celebrities—are crucial (p. 31). Ahmed (2006) identifies this as the “predominance of imperialism culture” in which “one experiences the shifts in the realm of culture even before those shifts take hold fully in the economic realm,” in the “flooding” of western cultural artifacts,
from entertainment grids to consumption goods to ideologies of consumption (p. 102-103) that are also symbolic of the material domination of TNCs (Robinson, 2004, p. 31). According to Carroll (2010), “the ideology of global capitalism is consumerism” (p. 19), which inevitably creates an impact on societies and social relations.

The fundamental mission of the neoliberal state, according to Harvey (2006), is to create “a good business climate” and therefore “to optimize conditions for capital accumulation no matter what the consequence for employment or social well-being” (p. 25). This is because the neoliberal state believes that a good business climate will foster growth and innovation and would on the long run eradicate poverty and deliver higher living standards to the mass of the population. In creating and optimizing conditions for capital accumulation, of course, the neoliberal state seeks to create investment opportunities by improving the required infrastructure, facilitating tax breaks and other concessions to attract foreign direct investment (FDI), and privatizing assets as a means of creating opportunities for investment. Basically, neoliberal states seek “the reduction of barriers to movement of capital across borders and the opening of markets (for both commodities and money capital) to global forces of capital accumulation” (Harvey, 2006 p. 26).

To return to the discussion on the role of the state within the globalization framework, it can be added that the state plays a pivotal role within neoliberalism and exercises its hegemonic power to create and preserve an institutional framework appropriate to neoliberal practices. Harvey (2006) argues how the state, “with its monopoly of violence and definitions of legality, plays a crucial role in both backing and promoting these processes” (p. 43) and how the state becomes “a prime agent of redistributing policies, reversing the flow from upper to lower classes
that had occurred during the era of social democratic hegemony” (p. 48). As Harvey (2005) effectively explains,

The state has to guarantee, for example, the quality and integrity of money. It must set up those military, defense, police, and legal structures and functions required to secure private property rights and to guarantee, by force if need be, the proper functioning of markets. Furthermore, if markets did not exist (in areas such as land, water, education, health care, social security, or environmental pollution) then they must be created, by state action if necessary. (p. 2)

What also becomes important to discuss in relation to this study is the relation between neoliberalism and the developmental states. Harvey (2005) argues how in the case of developmental states, egalitarian social policies and practices of neoliberalism broadly converge (p. 77). For example, developmental states promote capital accumulation and economic growth by facilitating competition between firms and relying on open export markets and free trade, while also developing new structures of state intervention by creating the social and physical infrastructures for a good business climate (Harvey, 2005, p. 71-72). This process, however, still creates conditions for class formation, and state power becomes reoriented along neoliberal lines. According to Harvey (2006) the “connectivity of the neoliberal state to the protection of financial interests both promotes and reflects the consolidation of bourgeois class power around processes of financialization (p. 27). In this sense, the state fulfills its mission as “a political entity [that] exists as a terrain of class struggle and class alliance formation” (Harvey, 2006, p. 106).

**Neoliberal Urbanism and Global Cities**

Neoliberalism works both as a global project as well as an urban project. Harvey (2008) believes that capital accumulation is “paralleled by the growth path of urbanization under capitalism” (p. 316). To use Harvey’s (1973) explanation, “[u]rbanism involves the concentration of surplus (however designated) in some version of the city (whether it be a walled
enclave or the sprawling metropoli of the present day)” (p. 237). This also requires the geographical concentration of social surplus, through the mobilization, extraction, and concentration of labor through the creation of a space economy. The city is, as Harvey (1973) describes, “a tangible, built environment—an environment which is a social product” (p. 196). As capitalists seek to gain advantage and higher profits, they seek to locate/relocate financial control to more advantageous sites or built environments. Therefore the availability of cheap labor is inextricably interrelated to the construction of social surplus. And if labor is scarce and wages are high, then, existing labor needs to be disciplined or fresh labor forces must be found (Harvey, 2008, p. 316). An important element of urbanism in relation to social surplus is the migration of labor, from the urban peripheries or the rural hinterlands to the urban centers. The redistribution of wealth from poor countries to the rich, is also evident in the redistribution of wealth from the working class to the investing class within an urban setting. Neoliberal urbanism, therefore, involves the restructuring of urban spaces to favor the investing class, but at the expense of the working class, primarily by reducing worker protection. In Harvey’s (2006) words, neoliberalism involves “the relocation of the power center of capital accumulation to owners and their financial institutions at the expense of other factions of capital” (p. 24).

The rapid growth of cities in the recent years and the significant changes in the spatial form of the city has caused a redistribution of income in a number of ways. As argued by Harvey (1973),

The changing location of the economic activity in a city means a changing location of housing opportunities. Both these changes are likely to be associated with changing expenditures on transport. Changes in transport availability certainly affect the cost of obtaining access to job opportunities from housing locations. (p. 61)
The organization of economic activity in the city and the need to serve business interests, usually involves the creation of central business districts (CBDs). These CBDs witness a proliferation of convention centers and state-of-the-art office complexes, upmarket restaurants and cafés, upscale shopping centers and fast-food outlets, luxury hotels and high-end residential buildings, technology centers, and multiplexes. According to Harvey (1973), the problem with CBDs, however, is that they “effectively dominate the looser and weaker coalitions found in the rest of the city”, which Harvey calls, “central business district imperialism” (p. 78).

The transformation of urban infrastructures also entail transformations of lifestyle. It constructs “a new way of life and urban persona” (Harvey, 2008, p. 318) that could absorb vast surpluses through consumerism. In Harvey’s (2008) words, the “[q]uality of urban life has become a commodity, as has the city itself, in a world where consumerism, tourism, and cultural and knowledge-based industries have become major aspects of the urban political economy” (p. 323). However, consumer habits, accessibility to the new market experience, and the freedom of choice within the new urbanism, are largely contingent on whether or not you have the money.

The reengineering of the city center includes the reengineering of the entire metropolitan region and the country as a whole. A fairly recently developed concept related to urban political economy is Saskia Sassen’s concept of the “global city”. According to Sassen (2005), global cities are,

“[T]he combination of, on the one hand, the global dispersal of factories, offices, and service outlets, and on the other, global information integration—under conditions of continued concentration of economic ownership and control—that has contributed to a strategic role for certain major cities.” (p. 7)

According to Sassen (2005), the global city creates new geographies of centrality and marginality, when one or a few cities can get richer even as the rest of the country gets poor
because most often, the rest of the country is excluded from the major processes that fuel economic growth in the new global economy. It can be said that the globalization of consumer markets, consequently, also brings an emphasis on questions of power and inequality (p. 40), because with the formation of the ‘global city’, the survival of the working-class is threatened. This is because of the deep inequality in the concentration of strategic resources and activities, high profit firms and high-income households.

In contrast to the high-income household are, of course, the slums, located most often in the inner-city areas. When employment gets concentrated where there is high economic activity, especially in city centers, the land rents become considerably higher in those areas. And since the poor have little money to spend on transportation so that they could live outside the city and travel to work, they are forced to live in the city center, on high rent land. The only way they could manage to live on these lands is by crowding into a small area of land. This is most often how slums turn out as highly concentrated settlements of low-income groups.

However, slums become “the catch-all for the losers” (Harvey, 1973, p. 73) because they receive a short supply of jobs, schools, garbage collection, social services, water and sanitation. The large populations living in these under-resourced areas lack the socio-economic and political space to control the distribution of power and resources in the competitive struggle for receiving the goods and services of the city. According to Harvey (1973), “The slum, then, is an area where the population lacks resources to compete successfully and where collectively it lacks control over the channels through which such resources are distributed or maintained” (p. 79).

The so-called “poor districts” in which workers are crowded together, attract attention as one of the major social problems of the urban city, not only because they are under-resourced, but also because of “social pathological” reasons—slums are supposedly the breeding places for
drugs and crime (Harvey, 1973, p. 142). It becomes socially desirable, therefore, to eliminate slums without eliminating the populations they contain, because the city thrives on the exploitation of this working population.

**Gentrification and Social Injustice**

In the contemporary capitalist economy, land becomes a commodity. Its use-value and exchange value would depend on the different interest groups operating in the market. As Harvey (1973) explains, “[w]hat is use value for one is an exchange value for another; and each conceives use value differently” (p. 166). For example, according to Harvey’s (1973) land-use theory, all occupiers of housing are concerned with procuring use values through laying out exchange value, landlords operate with exchange value as their objective, realtors and developers work towards realizing exchange values for themselves, financial institutions are interested in gaining exchange values through financing opportunities for the creation of use values, while government institutions will interfere with the housing market directly by producing use values through public action and indirectly by helping financial institutions, developers and the construction industry to gain exchange values by government action to provide tax shelter, to guarantee profits, or to eliminate risk (p. 162-166). Therefore, even though land and housing are apparently very different commodities, urban land-use is intrinsically tied with the housing market.

A paradox about the overcrowded inner-city areas is that even though it has use value for its occupants, it has patently little or no exchange value as it is. However, as capitalism always attempts to increase its productive capacity, the agents of capital seek to increase the exchange value of these lands through urban redevelopment or urban renewal. As the neoliberal state seeks to attract FDI and finance capital, governments and developers often identify inner-city lands as
potential prime lands that could have an increased exchange value through redevelopment, especially because of its proximity to the city center. Part of this redevelopment, however, involves the removal and relocation of its occupants to the city corners of outside the city so that higher profits could be reaped from these lands, under commercial uses. As work forces are separated from work places through this process, it does not facilitate production, but merely increases the rate of return from land and improvements. This process is a reflection of neoliberal cities’ drive for maximizing profits through the making of financially viable cities.

Engels’ (1872) account of capitalism and urban housing can be used to understand the process of urban land markets in contemporary cities:

“The growth of the big modern cities gives the land in certain areas particularly in those which are centrally situated, an artificial and colossally increasing value; the buildings erected on these areas depress this value, instead of increasing it, because they no longer correspond to the changed circumstances. They are pulled down and replaced by others. This takes place above all with worker’s houses which are situated centrally and whose rents, even with the greatest overcrowding can never, or only very slowly, increase above a certain maximum. They are pulled down and in their stead shops, warehouses and public buildings are erected” (para. 5).

According to Harvey (2008), this description written in 1872 applies directly to “contemporary urban development in much of Asia […] as well as gentrification in New York” (p. 326). Gentrification, was a term coined by Ruth Glass in 1964 to describe the influx of middle-class residents into low-income areas of London, and the subsequent displacement of worker residents. According to Hannigan (1995), however, the concept of gentrification is now interchangeably used with the concepts of urban regeneration, urban revitalization, neighborhood renewal, rehabilitation and renovation (p. 176). Further, gentrification, is no longer perceived as a process that is confined to western cities. As argued in Gentrification in a Global Context: The
New Urban Colonialism, gentrification is now a global phenomenon (Atkinson and Bridge, 2005).

Gentrification, is also not merely a spatial phenomenon, but also a phenomenon that is essentially tied to changes in social and class relations. According to Smith and LeFaivre (1984), gentrification of urban cities is the “revitalization” or “rehabilitation of working-class inner-city neighborhoods for upper-middle class consumption” (p. 43). According to Smith and Williams (1986), “Gentrification is widely identified with the supposed emergence of a new middle class, because the process seems to bring with it the concentration of trendy restaurants, boutiques, clubs, and other recreation and retail facilities that are frequented by the “new young professionals”” (p. 7). In their explanation of the process of gentrification, Smith and LeFaivre (1984) explain how physically deteriorated housing and land that are of low economic value are “devalorized” (p. 49) and then renewed into places of ‘good living’, to meet the needs of the capitalist class.

The architecture of the city attempts to create an urban spectacle. City planning and property development include large-scale projects for the construction of up-scale business, entertainment, consumption spaces, further increasing the value of adjacent land and housing. These physical changes in the urbanscape promote the ideas and values of the new urban class—which is the dominant corporate class. An urbanism that is based on consumption and entertainment also includes tourism. Urban planners seek to design its cities to attract tourists and to promote its international image so as to attract the investor and business class.

Gentrification, coupled with neoliberal urban development, brings about a new urban lifestyle that represents consumerism and affluence. This new urban lifestyle is also a reflection of the changing class structure and the urban labor market. The spatial effects of class formation
is evident in the implementation of zones, for residential, commercial, tourism activities and the like. What is apparent in slum clearance and urban renewal programs is the economic, social and spatial restructuring of communities and cities. It is important to identify the class dynamics of gentrification in the urban landscape and the development of cities in a capitalist economy. The changing urban landscapes are intrinsically tied with class processes. Therefore it is also possible to state that gentrification contributes to the attempted social constitution of a new consumer class.

According to Smith and LeFaivre (1984), the major cost of gentrification is the displacement of individuals, families, and entire communities from neighborhoods undergoing gentrification (p. 54). As Robert A. Beauregard states (1986), the inner-city poor, are unable to resist gentrification because of their low income status (p. 50). Engels offers a description of the problem related to displacement by gentrification that can be directly applied to the displacement/relocation issues in cities today. Engels (1872) argues that the bourgeoisie’s one method of solving the housing question simply reproduces the question anew. He calls this method “Haussmann”, and explains it as the following:

No matter how different the reasons may be, the result is everywhere the same: the scandalous alleys and lanes disappear to the accompaniment of lavish self-praise from the bourgeoisie on account of this tremendous success, but they appear again immediately somewhere else and often in the immediate neighborhood. [...] The breeding places of disease, the infamous holes and cellars in which the capitalist mode of production confines our workers night after night, are not abolished; they are merely shifted elsewhere! The same economic necessity which produced them in the first place, produces them in the next place also. As long as the capitalist mode of production continues to exist, it is folly to hope for an isolated solution of the housing question or of any other social question affecting the fate of the workers. (How the Bourgeoisie Solves the Housing Question section)

Gentrification, therefore, can be viewed as a process that involves opposed class interests of the working-class majority and the new capitalist minority. The process of gentrification does not
revitalize the community as it envisions, but only revitalizes the profitability of capital investment (Smith and LeFaivre, 1984, 53). Gentrification in this context is not caused by what Hannigan (1995) calls “demand-driven factors” that are based on the demands and lifestyle choices of individual consumers, but by “structural factors” that are rooted in the actions of bankers, developers, home builders, real estate agents, government agencies, and other larger institutional actors (p. 177).
Chapter 3: METHODOLOGY

The main research question of this thesis is what are the socio-economic, class and spatial implications of postwar urban development in Colombo, Sri Lanka? In order to answer this question sociologically, it was important to analyze the various different aspects and dimensions of urban development in the context of postwar Colombo. There are several other significant research questions that arise from this initial question. For instance, what is the historical background of Colombo’s urban planning and development, what are the influences of the global capitalist economy on Colombo’s development drive, how has the political and economic aspirations of the postwar state shaped development policies, and how has Colombo’s urban regeneration changed the urban landscape and the lives of the city’s residents.

Research Questions

The review of literature emphasized five prominent themes that offer guidance for the main research question and other supporting questions. These themes include, the uneven development of capitalism, postcolonial nationalist development, globalization, neoliberal urban development, and gentrification and social justice. Using these themes as a framework, I developed several other significant research questions that emerge from the main research question. The first supporting question is, in what ways have the global capitalist economy influenced Colombo’s development drive. The second half of this question involves the role of the state and how the political and economic aspirations of the postwar state have shaped development policies. Unpacking these questions also meant that the history of urban development and planning in Colombo had to be explored. The second question is centered on how Colombo’s urban regeneration has changed the urban landscape and the lives of the city’s residents. This question explores the city’s appearance vs. reality, that is, the various socio-
economic contradictions within the city and the class dynamics of post war urban development. The third question emerges from the last; how has Colombo’s urban renewal efforts given rise to pressing social justice and human rights concerns? Who are its proponents, beneficiaries, and victims? Is their resistance and where does it come from? Is Colombo’s urban regeneration a class project to hide the city’s poor? These questions combined have set the direction for my research and have provided a useful framework for the collection of data.

**Data Collection**

Even though the conceptualization of the research design included a field research component that involved traveling to Colombo to conduct interviews with policy-makers, government officers, independent research groups, and residents affected by urban development and resettlement efforts, traveling to Colombo for field research was not feasible due to technical and logistical difficulties such as inadequate funding for travel and limited time. My research, therefore, was developed on archival data and secondary data.

Literature on research methods often identify archival data as part of secondary data. For instance, Sautter (2014) explains that secondary data can be physical (e.g., lab specimens), qualitative (e.g., in-depth interview transcripts), or archival (e.g., newspaper contents) (p. 24). However, the terms ‘archival’ and ‘secondary’ can be defined differently. Archival data come from the examination of primary source documents such as letters, newspaper articles, or school or medical records, and secondary data refers to data that have been collected and made available by a primary source (Andersen, Prause, & Solver, 2011, p. 56). The secondary data analysis model includes, “the utilization of existing data, collected for the purposes of a prior study, in order to pursue a research interest which is distinct from that of the original work” (Heaton, 1998, para. 2).
My study uses archival data as a primary resource. As argued by Fischer and Parmentier (2010), archival data is an increasingly viable resource that can be used as a primary resource, and this stems from the fact that an ever greater amount of archival verbal and visual material is becoming nearly universally available owing to the internet (para. 2). The archival data I gathered included publicly-accessible information obtained from official websites and social media sites for government ministries and departments, and the World Bank. Archival data sources included documents on physical planning policies, investment opportunities in Sri Lanka, development plans and frameworks, land acquisition policies, urban development project frameworks, annual reports, environmental screening reports, social management frameworks, election manifestos, and resettlement plans. Archival sources also included information obtained from news media—that is, online newspaper articles and news blogs, television commercials, television interviews, promotional videos, speeches, and documentaries related to my study.

Secondary data sources included publicly-accessible information obtained from official websites and social media sites for the Census and Statistics Bureau and the Central Bank of Sri Lanka, Think Tanks and independent research organizations, local non-governmental organizations, civil society and media web initiatives, and journalism websites.

Both archival data and secondary data were gathered via the internet from October, 2014 to April, 2016. The internet, according to Benfield and Szlemko (2006), “is being treated as a rich source for literature and secondary data in social science research” (para. 1). Even though most researchers consider using secondary data as inferior to the alternative of collecting one’s own data (Anderson, Prause, & Silver, 2011, p. 56), using the secondary data analysis model has many advantages. According to Grady, Cummings, & Hulley (2013), making creative use of existing data is a fast and effective way for new investigators with limited resources to begin to
answer important research questions and gain valuable experience in a research area (p. 192).

Further, as argued by Sautter (2014), the secondary analysis model is efficient, produces publishable research, and provides transferable skills as an active and self-directed learning method (p. 28).

As argued by Johnston (2014), secondary analysis is an empirical exercise that applies the same basic research principles as studies utilizing primary data and has steps to be followed just as any research method (p. 619). Therefore, in order to make my data collection and analysis effective and viable, I developed a systematic process for gathering and analyzing archival and secondary data. A key component of this process was to develop research questions by applying the theoretical knowledge and the knowledge I obtained from reading previous studies conducted by experts in the area of investigation. Once the research questions were developed, I used it as a framework to identify what kind of information I needed and from what sources I needed them. I also compiled a preliminary list of government documents, maps, photographs, images, and videos I will be needing for my analysis. Given the topic of my research, it was important for me to gather information from both mainstream and non-mainstream/alternative sources to avoid potential biases in my study. Having a research framework not only helped me have a clear understanding of what kind of information I needed but it also enabled me to effectively manage the vast volume of data/information that was available to me on the internet.

Another important component of the data collection and analyzing process was to evaluate and verify the information to make sure it was valid and reliable. The following steps were followed in an effort to evaluate secondary data: (a) what was the purpose of the study; (b) who was responsible for collecting the information; (c) what information was actually collected; (d) when was the information collected; (e) how was the information obtained; and (f) how
consistent is the information obtained from one source with information available from other sources (Stewart & Kamins, 1993, as cited in Johnston, 2014, p. 622). I also consulted the investigator from one of the primary studies in order to complete the evaluation.

Another part of the process was re-reading and analyzing the documents, online articles, publications, and other resources to identify themes, patterns and theoretical relationships that would corroborate my study. Given that the focus of my study is a contemporary phenomenon, utilizing archival and secondary data allowed me to access important time-sensitive information on latest developments in urban development policies and projects in Colombo and on eviction/relocation efforts initiated by the government. While the theoretical background has helped me address ‘why’ it postwar urban development in Colombo is happening the way it is and ‘what’ is causing it, the data/information I have gathered on the subject has helped me develop a broader understanding of the political, social and economic realities specific to the urban development discourse in Sri Lanka. This also helped me make better sense of the theories and concepts I discussed in the previous chapter.

Overall, the use of archival and secondary data has provided some key implications to addressing the research questions of my study. As Johnston (2014) concluded in relation to the secondary data analysis method, “[t]he overall goal of this method is the same as that of others, to contribute to scientific knowledge through offering an alternate perspective; it only differs in its reliance on existing data” (p. 625). My findings have been presented in the next chapter under four subsections.
Chapter 4: FINDINGS

This chapter includes the major findings of this study and uses tables to concisely present important data and information, and maps to better illustrate locations. The first section discusses the geographical expansion and physical structuring/restructuring of the city of Colombo. It also includes a list of town planning and development efforts undertaken by successive governments. The second section includes a brief look at the origins of low-income settlements in Colombo and the various state institutions, laws and projects that have been implemented over the years to address the ‘problem’ of low-income settlements and other land and housing related issues. The third section presents the postwar Sri Lanka governments’ vision for socio-economic development highlighting the two expansive and exhaustive projects—the Metro Colombo Urban Development Project (2012-2017) and Wester Region Megapolis Master Plan Project (2016-2030) that is projected to transform Colombo and Sri Lanka to a well-planned global hub and global city. The last section presents an overview of the intended and unintended consequences of the implementation of the aforementioned projects and the larger urban regeneration plan for Colombo.

The Making of Colombo

As discussed in Chapter 1, Colombo is a city that was built by the Portuguese, Dutch, and British under colonial rule, and rebuilt by local proponents of the European town planning model. Four hundred and thirty years of European colonial presence that included political, cultural, and spatial control is what makes Colombo essentially a colonial product. As colonial Colombo served as a port city and trading outpost, the colonial rulers successively converted it into a fortified town to suit their needs. As Perera (2002) argues, “[d]espite the changes in its size
and shape, for three and a half centuries until the 1860s, the fort area served as the exclusive locus of political power with no comparable social and cultural institutions outside it” (p. 1703).

Colombo, in the early 19\textsuperscript{th} century, consisted of three principal zones—the Fort, the Pettah (the area adjacent to the Fort), and the Outer Pettah (Perera, 2005, p. 66) (see Figure 4.1). This geographical demarcation also facilitated an ethnic segregation of the population. As Perera (2002) argues, the colonial authorities continually pushed the Ceylonese out of the Fort area and into the Pettah and Outer Pettah areas, while dividing the city along ethnic lines, marginalizing indigenous inhabitants, Muslim traders, Malays, as well as descendants of the Portuguese and the Dutch (p. 1704). As Perera (1998) points out, the demolition of fortifications in 1869 and the construction of a residential suburb for the colonial community in Cinnamon Gardens in the 1870s, dramatically changed Colombo’s boundaries. At the same time, the expansion of the city’s boundaries also created a form of social and class segregation. This is because the expansion on the city boundaries created a residential trend—elite neighborhoods were eventually formed in Cinnamon Gardens and Colpetty (Kollupitiya), while areas such as Slave-Island, Maradana, Kotahena, and New Bazaar became low-income neighborhoods (Perera, 2002, p. 1716) (see Figure 4.1). The class divisions that were created through neighborhood formations are evident even today as Cinnamon Gardens remains an “elite neighborhood” while Slave Island, for example, is stigmatized for its sprawling slum and shanty neighborhoods. The residents of these low-income neighborhoods have been the victims of state-led evictions and continue to be threatened by it.
Figure 4.1 Elite neighborhoods and lowest-income housing areas in the early 1900s.

Source: Perera, 2002, p. 1705)

The 1860s also caused a rapid population increase in Colombo. Colombo witnessed an influx of migrants to the city due to industrialization. As explained by Perera (2002), the rural to urban migration not only increased Colombo’s population by over 300 percent between 1824 and 1891, but also changed the demographic composition of the city, that is to say that the city became far more Ceylonese and less European. These migrants were the working classes, and a large proportion of the working classes were housed in the low-income settlements within the city. Therefore, migration also led to new class formations. “The dwellings in low-income areas
were not Sinhalese or English in form, but represented the burgeoning working class within a capitalist city” (p. 1716). A study conducted by a local NGO, Sevanatha (2003), explains the origins of low-income areas as the following:

The character of Colombo changed in keeping with the new economic demands for warehousing, workers accommodation and the road network improvement. The city core became more congested and the city elite moved out into more spacious residential areas in the suburbs. The central part of Colombo became predominantly low-income residential areas with many slums, and the northern and eastern parts of the city were occupied by shanties. (p. 9)

The pre-independence account of Colombo is important because of the very aspects discussed above. Colonialism not only influenced Colombo’s geographical expansion and physical landscape, but also changed its demographic and class composition, and contributed to population growth. Given the nature of European influence on the creation of Colombo city, that is that Colombo has been built and restructured according to European urban norms and standards, it has been argued that “modern Colombo is a foreign implant” (Perera, 2002, 1703) and that it is a city that was “forced upon the people of Ceylon, and not a creation of their own choice or making” (Brohier, 1984, as cited in Perera, 1998, 27).

Colombo’s planning and development is rooted in statutory frameworks that were put in place when the country was still under British colonial rule (van Horen, 2002, p. 224). A brief analysis of Colombo’s urban planning and development efforts from the early 1920s, that is, when Sri Lanka was still under British rule, to 2016, reveals the various different purposes and impacts of such efforts (see table 4.1). A brief exploration of these city planning and development efforts is important when attempting to understand the changing role of the state and its methods of implementation.
### Table 4.1 A brief history of development plans/projects 1921-2016

<table>
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<tr>
<th>Year</th>
<th>Development Plan/Project</th>
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<td>1921</td>
<td>Geddes Plan</td>
<td>First city plan, using the ‘Garden City’ template, drawn for Colombo by reputed British Town Planner, Sir Patrick Geddes. The aim was to make Colombo the ‘Garden City of the East’. The higher-income area of Cinnamon Gardens (Colombo 7) with tree-lined streets and grid system of roads.</td>
</tr>
<tr>
<td>1946</td>
<td>Town and Country Planning (TCP) Ordinance</td>
<td>Planning as an expert-driven, bureaucratic prescription to cure urban problems.</td>
</tr>
<tr>
<td>1949</td>
<td>Abercrombie Plan</td>
<td>Second city plan for Colombo City designed by yet another prominent British Town Planner of the time, Sir Patrick Abercrombie. Proposed decentralization of the city’s economic activities and the creation of satellite towns around Colombo.</td>
</tr>
<tr>
<td>1978</td>
<td>Colombo Master Plan Project</td>
<td>The third city plan undertaken with the assistance of the United Nations Development Program (UNDP). Its objective was to promote a balanced regional development and for Colombo to play a central role in stimulating economic development.</td>
</tr>
<tr>
<td>1985</td>
<td>Colombo Development Plan</td>
<td>The fourth city plan. Produced by the Urban Development Authority (UDA). It provided the foundation for zoning and building regulations in the city.</td>
</tr>
<tr>
<td>1998</td>
<td>Colombo Metropolitan Regional Structure Plan (CMRSP)</td>
<td>The fifth city plan was focused on Western Province as a whole, strengthening Colombo’s role as the financial and banking center, developing links to international centers.</td>
</tr>
<tr>
<td>1999</td>
<td>City of Colombo Development Plan I</td>
<td>This took a more holistic and strategic approach that integrates social, economic, and environmental dimensions.</td>
</tr>
</tbody>
</table>
2002  Megapolis plan  The sixth plan for the city and western region, conceptualized by Singaporean consultants, but was not implemented.

2005  Development Policy Framework 2006-2016  The ‘Mahinda Chintana – Towards a New Sri Lanka’ framework envisaged to resolve the prolonged conflict, implement large infrastructure development initiatives, revitalizing local enterprises, and promoting the private sector.

2008  City of Colombo Development Plan II  The 1999 City of Colombo Development Plan was amended. It included zoning regulations and building regulations.

2010  Development Policy Framework 2010-2016  The ‘Mahinda Chintana’ – Vision for the Future’ is the first policy framework implemented by the government of Sri Lanka following the end of the civil war. Its main objective was to transform the country into a strategically important economic center of the world.

2011-2030  National Physical Plan (NPP) and Projects  The main objective of the NPP is to locate the implementation of the goals identified by the 2010 Mahinda Chintana plan. The NPP was approved in 2007 and its project proposals were approved in 2011.

2012  Metro Colombo Urban Development Project (MCUDP)  This commenced under the UDA’s Urban Regeneration Program (URP) for the city of Colombo. The project was funded by the World Bank.

2016  Western Region Megapolis Planning Project (WRMPP)  It is a revised urban development plan that was conceptualized in 2004 by Singaporean consultants. This project is currently underway.

Note. The table is a compilation of information extracted from van Horen (2002); Njoh (2009); Sevanatha (2001); and Redwood & Wakely (2012).

As this study primarily focuses on postwar, that is post-2009 development efforts in Colombo, the 2010 Development Policy Framework, the 2012 Metro Colombo Urban
Development Program (MCUDP) implemented under the Urban Regeneration Program (URP), and the Western Region Megapolis Planning Project (WRMPP) that is currently underway, will be discussed in detail in the Analysis and Discussion chapter of this thesis. Important components of the aforementioned policies and projects will be summarized in the ‘Colombo’s Postwar Fantasies’ section in this chapter.

**Colombo’s Urban Blight**

An important and controversial topic of discussion in the discourse of postwar urban development in Colombo is the removal of ‘slums and shanties’ in the city. Even though slum and shanty removal efforts and resettlement/housing programs existed prior to the implementation of postwar urban regeneration, these efforts and programs became more pronounced in the postwar context as the “largest project ever implemented in the country” (Ministry of Defense, 2014).

Before engaging in an analysis of ‘slum and shanty clearance efforts’ carried out by the former and present governments, it is important to have a clear understanding of what is identified as slums and shanties. The following are the official definitions of slums and shanties according to The Policy Paper on Slum and Shanty Upgrading in Colombo prepared by Urban Development Authority in 1979. This was the first attempt by the government to identify slums and shanties for larger development programs in the CMC area. According to this policy definition, slums refer to old tenement buildings built for influxes of migrant labor to the city in the 1930s. They are called *mudukku or peli gewal* (row houses) by the locals. Shanties, are the collection of small, single-unit improvised structures constructed with non-durable materials on vacant land, usually with no regular water, sanitation or electricity supply, and the majority are
built on land subject to frequent flooding. They are called *pelpath* in local language. (Sevanatha, 2003, p. 7). People living in these areas are usually stigmatized and marginalized by society.

An important aspect of the controversial discourse of slum clearance in Colombo is the inconsistency and indistinctness in identifying and defining what is considered as ‘slums’. Government policies and reports often refer to slums and/or shanties as ‘underserved settlements’. For example, the 2016 WRMMP identifies over 68,000 slums and shanties scattered within the CMC area, mostly in the northern central and eastern areas in the city (see Appendix C), living in 1,499 community clusters (or, underserved settlements) which do not have a healthy environment for human habitation and access to basic infrastructure facilities such as clean water, electricity, sanitation, etc. (Ministry of Megapolis and Western Development, p. 48). However, the same report presents an itemization of 68,815 units of six different types of “low-income settlements” that include slums and shanties separately, as well as low-cost flats, relocated housing, old deteriorated quarters, and unplanned permanent dwellings (see table 4.2). Similarly, a Sevanatha study (2003) identifies four types of low-income settlement types: slums, shanties, unserviced semi-urban neighborhoods, and labor lines or derelict living quarters (p. 5-6). The same study also reveals that in policy documents, low-income settlements are categorized as slums, shanties, upgraded settlements, and relocated settlements or low-cost flats according to the types of settlement arrangements (p. 7). The study, however, makes it clear that it is difficult to categorize all the identified low-income settlements as being slums because many communities enjoy the comfort of improved housing conditions and services (p. 6).

What is important to address here is that what has been declared as slums and shanties and/or underserved settlements by the government of Sri Lanka, are in fact poor working class communities. Declaring these settlements as an urban blight has made it easier for the
government to implement slum clearance projects with the approval and backing of the middle classes and elite who suddenly come to realize how their peaceful existence is threatened by the existence of slums and the people living in these ‘dubious’ neighborhoods.

Table 4.2 Types of undeserved housing units in the city of Colombo

<table>
<thead>
<tr>
<th>Type of settlement</th>
<th>Number of housing units</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slums</td>
<td>26,718</td>
<td>39</td>
</tr>
<tr>
<td>Shanties</td>
<td>14,532</td>
<td>21</td>
</tr>
<tr>
<td>Low Cost Flats</td>
<td>15,224</td>
<td>22</td>
</tr>
<tr>
<td>Relocated Houses</td>
<td>8,896</td>
<td>13</td>
</tr>
<tr>
<td>Old Dilapidated</td>
<td>2,753</td>
<td>4</td>
</tr>
<tr>
<td>Unplanned</td>
<td>692</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>68,815</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Ministry of Megapolis and Western Development (2016)

Many government reports and other reports state that more than half of Colombo lives in low-income settlements. For example, the recent Western Region Megapolis Master Plan (WRMMP) highlights that “[o]ver fifty percent of the Colombo city population lives in shanties, slums or dilapidated old housing schemes, which occupied nine percent of the total land extent of the city” (Ministry of Megapolis and Western Development, 2016, p. 48). In 2001, a survey carried out by the Colombo Municipal Council and Sevanatha identified a total of 77,612 families living in 1,614 “low income settlements” in the city (Sevanatha, 2003, p. 6). They are “low-income” settlements because the average monthly income per family is about LKR 5,000 (around USD 34) per month (Sevanatha, 2003, p. 15). Forty-five percent of the families’ income comes mostly from unskilled labor (see table 4.3).
<table>
<thead>
<tr>
<th>Source of Family Income</th>
<th>No. of Settlements</th>
<th>%</th>
<th>No. of Families</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 50% of family income from permanent job</td>
<td>218</td>
<td>15</td>
<td>9,342</td>
<td>12</td>
</tr>
<tr>
<td>Over 50% of family income from self-enterprise</td>
<td>654</td>
<td>40</td>
<td>26,325</td>
<td>34</td>
</tr>
<tr>
<td>Over 50% of family income from unskilled labor</td>
<td>626</td>
<td>38</td>
<td>34,639</td>
<td>45</td>
</tr>
<tr>
<td>Over 50% of family members not employed</td>
<td>116</td>
<td>7</td>
<td>7,306</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,614</td>
<td>100</td>
<td>77,612</td>
<td>100</td>
</tr>
</tbody>
</table>


According to Perera (2005; 2008), the Housing Ordinance of 1915 introduced a new problem in Colombo—the British municipal authorities of Colombo and the newspapers published by members of the colonial community and the Ceylonese elite began to view low-income neighborhoods as environments infested by urban problems such as ‘bad housing’ and ‘overcrowding’. It was this problematizing of poor neighborhoods as a breeding ground for urban evils and the perception that these settlements as an urban blight that led to various efforts by successive governments to improve these neighborhoods, and, in most recent times, to eradicate them (see table 4.4). Even though there have been many pro-poor land and housing management programs that included Community Development Councils (CDCs) that involved community participation in decision making, a significant policy move away is visible in the recent Sustainable Townships Program, the establishment of the Condominium Law, the housing program under the Mahinda Chintana Vision for the Future housing program, and the current low-income settlement residents’ resettlement program.
### Table 4.4 Land and housing management

<table>
<thead>
<tr>
<th>Year</th>
<th>Institution, Law or Program</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>1865</td>
<td>Colombo Municipal Council (CMC)</td>
<td>The CMC was founded to administer services and manage growth in the city. It is the largest local authority in Sri Lanka and one of the oldest in rig.</td>
</tr>
<tr>
<td>1915</td>
<td>Housing Ordinance Policy</td>
<td>The first major policy on housing for Colombo. It committed the city to a British style approach to town planning and introduced formal categories of poor neighborhoods and differentiated between class and different levels of wealth.</td>
</tr>
<tr>
<td>1959 &amp; 1972</td>
<td>Rent Acts</td>
<td>Rent control for tenants aimed to ease the burden of poverty. However it capped investment in the development of urban land.</td>
</tr>
<tr>
<td>1973</td>
<td>Ceiling on Housing Property (CHP) Law</td>
<td>This was passed by the Minister of Local Government and leader of Communist Party Pieter Keunaman. This Law was more controlling and regulatory but provided low-income residents a legal basis for home ownership.</td>
</tr>
<tr>
<td>1973</td>
<td>Common Amenities Board (CAB)</td>
<td>This was set up to manage communal facilities such as sanitary facilities, water points and open recreation space principally in tenement gardens in Colombo.</td>
</tr>
<tr>
<td>1977</td>
<td>UNICEF Urban Basic Services Improvement Program</td>
<td>This involved upgrading infrastructure and delivery services in informal settlements. Establishment of Community Development Councils (CDCs) in slums and shanties in which the program operated.</td>
</tr>
<tr>
<td>1978</td>
<td>Urban Development Authority (UDA)</td>
<td>The UDA and the CMC are jointly responsible for policy, planning and implementation.</td>
</tr>
<tr>
<td>Year</td>
<td>Program Name</td>
<td>Description</td>
</tr>
<tr>
<td>-----------</td>
<td>--------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>1978</td>
<td>National Housing and Development Authority (NHDA)</td>
<td>Increased the power of the central government to manage development, acquire land and transfer ownership title.</td>
</tr>
<tr>
<td>1978</td>
<td>UDA Slums and Shanty Improvement Program (SSIP)</td>
<td>One of the remarkable achievements of the SSIP was that it was able to convince the policy makers to agree on relaxing the normal planning and building regulations thereby allowing to declare low-income settlements as &quot;special project areas&quot; in the city.</td>
</tr>
<tr>
<td>1985-1989</td>
<td>Million Houses Program (MHP)</td>
<td>Focused on the improvement of sanitation in tenements. Re-activated the CDCs that remained dormant after the UNDP. Apart from the MHP, there were three other major housing development implemented by the NHDA— Hundred Thousand Houses Program (1978 – 1984), 1.5 Million Houses Program (1990 – 1994), and Jana Udana Housing Program (1994 – 1999)</td>
</tr>
<tr>
<td>1985</td>
<td>Urban Housing Sub-Program</td>
<td>This was started under the MHP. House ownership and self-help were the basis of UHSP. The key to the program’s success was the devolution of decision-making process up to community and household level.</td>
</tr>
<tr>
<td>1994-1998</td>
<td>Clean Settlements Project</td>
<td>Involved investment in infrastructure as well as providing technical assistance for capacity building and institutional strengthening, which was a forerunner to the Urban Settlement Improvement Project.</td>
</tr>
<tr>
<td>1998-2007</td>
<td>Sustainable Townships Program</td>
<td>Caused a significant policy move away from community-based participatory upgrading, to a program that exchanged underserved settlement householder’s plots for apartment in high-rise condominiums with freehold title. It became difficult to clear underserved settlement sites without resorting to forced eviction.</td>
</tr>
</tbody>
</table>
2003 Apartment Ownership Act or Condominium Law
Part of a series of amendments to the original 1973 law that created the CAB. The law targets multi-story apartment blocks and regulates the terms under which individual flat owners, as shareholders in the property as a whole, also share management and maintenance responsibilities, whilst holding freehold title to their apartments.

2008 Urban Settlement Development Authority
Established with the objective of formulating a national policy on urban settlement development, to uplift the living standard of people living in underserved urban settlements in order to ensure a sustainable urban development and to upgrade the existing housing units by providing access to urban facilities to such people or to design and implement programs to make available better housing facilities for them.

2010-2016 Housing for All Program
Implemented under ‘Mahinda Chintana – Vision for the Future’. The program aims to provide a house for every family and planned to construct 600,000 new houses (40,000 for shanty dwellers and 20,000 luxury and semi-luxury apartments). Release of approximately 350 acres of prime land for commercial and mixed development. Active engagement of the private sector. Promotion of public-private-partnerships and foreign direct investment.

Note. The above information has been compiled using information from Redwood & Wakely (2012); van Horen (2002); Sevanatha (2001); and Ministry of Finance and Planning (2010).

Colombo’s Postwar Fantasies

The first postwar socio-economic development framework that was launched in Sri Lanka was the ‘Mahinda Chintana – Vision for the Future’ program. Some of the most significant objectives of policies and programs that were undertaken as part of this development framework have been listed below (see table 4.5). The intention of this table is to highlight a
select number of development policies and their objectives that affected Sri Lanka as a whole, and policies that especially affected Colombo and the Western region. The following policies have been specifically selected because it has overtly impacted and framed Colombo’s postwar urban development. The entire policy framework is an extensive one that involves a wide range of project implementations and policies in a multitude of areas (see Ministry of Finance and Planning, 2010, for complete policy framework).

Table 4.5 Selected policies/objectives of 2010 development framework

<table>
<thead>
<tr>
<th>Socio economic development policies for the entire country</th>
<th>Policies specific to the development of Colombo and the Western Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision to establish Sri Lanka as one of Asia’s foremost commercial centers in the field of commercial services, international banking, and international investment.</td>
<td>Vision to make Colombo the commercial hub in South Asia.</td>
</tr>
<tr>
<td>Economic policies that encourage investment opportunities for the private sector, mobilize FDI, provide vibrant financial services and capital market, and a macroeconomic policy direction.</td>
<td>Modernization of Colombo metropolitan city with appropriate zoning that makes the city function as an efficient business center.</td>
</tr>
<tr>
<td>Vision to provide house ownership to every family by constructing 600,000 new houses by 2020. Increased Public-Private-Partnerships and increased FDI in the housing sector.</td>
<td>A “complete change in the landscape” through the implementation of zones (see Appendix D) and the development of a new Port City and expansion of the Port (see Appendix E).</td>
</tr>
<tr>
<td>Introducing an accelerated development program for the tourism industry so that it would become the largest foreign exchange</td>
<td>Maintain waterways with recreational facilities and develop as an environmentally friendly city in South Asia (see Appendix F)</td>
</tr>
</tbody>
</table>
earner in the economy by 2020.

### Table

| Development of four Metro Regions and several Metro Cities (or, First Order cities) to provide employment opportunities and services to a much wider range of people and counterbalance the current trend of migration to the Western Province (see Appendix G). | Development of satellite cities outside Colombo including Kadawatha, Maharagama, Piliyandala, Ja-ela, and Moratuwa equally to reduce the pressure towards Colombo city. |

**Note.** The above information has been extracted from the Ministry of Finance and Planning (2010).

As mentioned before, an important component of Sri Lanka’s postwar development agenda and urban regeneration program is the five-year World Bank-funded Metro Colombo Urban Development Project (MCUDP) that was launched in 2012 under the auspices of former Secretary of Defense and Urban Development, Gotabhaya Rajapaksa. Even though a detailed project framework or official policy document for MCUDP could not be found, the World Bank’s official website and other news articles provided a comprehensive explanation of the program’s intentions. According to the World Bank (2012, March 15), the program’s objectives are to assist with and compliment the government’s existing urban regeneration drive to transform Colombo city into a competitive hub by 2016, reduce the physical and socioeconomic impacts of flooding in the Metro Colombo Region, and to improve local infrastructure and services to enhance urban regeneration.

The project implementation responsibilities of the MCUDP fell under the Ministry of Defense and Urban Development (MDUD) before MDUD was separated under the present government (The World Bank, 2014, April 29). However, no updated information could be found on the current implementation agency. I found that the redesigning of the Urban Development Authority (UDA) website by the current government (that is, the Urban
Development Authority V 2.0 website) also meant a non-integration of information that existed on the previous site. The existing website also includes broken links and incomplete/missing content. While several social management frameworks and environmental and social screening reports related to the various MCUDP implementations were available, almost all of the information related to the specificities of the execution of the proposed policies and its consequences on the ground-level could only be found in Think Tank studies, e-newspaper articles and e-news reports, civil society and media web initiatives, and journalism websites. It was also difficult, in most instances, to differentiate which efforts are distinctly facilitated by the World Bank and which are not even though “MCUDP is only a component of the overall city development program” (The World Bank, 2014, April 29). Some of the most significant implementations and components of the Colombo Urban Regeneration Plan (URP) and the MCUDP have been summarized below³:

- Initiatives to create competitive and dynamic cities that will help Sri Lanka become an upper-middle income economy and global hub by 2016.
- MCUDP primarily focused on flood and drainage management, urban development infrastructure rehabilitation, capacity building for local authorities, and implementation support.
- City rejuvenation and beautification efforts included the following:
  - Renovating old buildings and historic landmarks especially in the Fort area to preserve the colonial heritage. E.g. The old Dutch Hospital was transformed into a high-end

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³ See The World Bank (2013, April 5); Ministry of Defense (2012); and Business Today (2012, June 29) for more related information.
shopping and restaurant precinct.

- Old Colombo Racecourse that was proposed to be demolished was renovated as an up-market shopping complex with an international standard rugby ground.

- The Arcade Independence Square that once housed the auditor general’s offices was restored and transformed into a trendy shopping and entertainment arcade set in landscaped gardens and lawns.

- The Pettah fish market was relocated and a Gold Center was constructed in its place.

- Relocation of the Manning market (wholesale vegetable market).

- Construction of a ‘floating market’ in Pettah (stalls established along the canal and on boats).

- Improving pedestrian walkways with elevated pavement systems.

- Removal of pavement hawkers.

- Creating new city spaces including walkways, bicycle paths, jogging and running tracks.

- Development of recreation parks and ‘high-quality’ landscaped public spaces with Wi-Fi zone. E.g. Vihara Maha Devi Park and Crow Island.

- Lake restorations and development of waterfronts. E.g. Beira Lake

- Relocation and resettlement of ‘shanty and slum dwellers’

- Released land allotted for development or mixed development activities

- Construction of luxury holiday resorts and residential complexes. E.g. Shangri La Hotel and Krrish Square.

- The construction of a Port City on reclaimed land adjacent to the Galle Face Green, along with Colombo Harbor Expansion Project, funded by a Chinese construction company.
The new Sirisena government that came into power in January 2015, launched its flagship Western Region Megapolis Master Plan (WRMMP) in January this year. The plan is envisioned and conceptualized as “the prudent Grand Strategy for achieving two decisive interdependent transformations required in Sri Lanka’s forward march to achieve the status of ‘A High Income Developed Country’, namely the spatial transformation of urban agglomerations in the Western Region of the country and the structural transformation of the National Economy as a whole” (Ministry of Megapolis and Western Development, p. 3). According to the *Business Times*, the new plan is a composite of the national physical plan, the UDA’s City Development plan, and the Megapolis Plan developed by the Singaporean firm CESMA in 2001 (Sirimanna, 2015, November 8).

Components of the Western Region Megapolis Master Plan (WRMMP)\(^4\) can be summarized as the following:

- Housing and relocation efforts addressing the needs of ‘low income housing’, ‘middle class housing’ and ‘luxurious housing’.
- Rehabilitation of beggar folk and stray animals in the city to also facilitate the efforts for beautification of the city.”
- Development of the high-rise Central Business District (CBD) using Public-Private-Partnerships (PPP) and Private Developers. Includes downtown infrastructure, structures for banks, commercial use and lodging.
- Construction of the Port City to support continuing growth as a major business and financial hub in South Asia.

\(^4\) See the Ministry of Megapolis and Western Development (2016) for more details.
• Improve roads infrastructure development and transportation.

• Improve water and sewerage systems, environment and waste management systems.

• Building an aero-maritime hub using PPP.

• ‘Smart City’ infrastructure project to create an efficient and sustainable modern city.

• Creating a science and technology city.

• Planning regulations that include broad zoning classifications and parameters (see Appendix F).

**The Ugly Side of Beautification**

The postwar Sri Lankan governments' ‘obsession’ with ‘beautifying’ the city, especially Colombo, is apparent in the many official government pronouncements and in the resulting forced evictions and relocation of residents in inner-city low-income settlement areas. As mentioned in the Mahinda Chintana – Vision for the Future policy document:

> The slums in cities, particularly in Colombo city, will be converted to environment friendly settlements through provision of better houses in suitable places. Trees will be planted in and around the cities and along the roads. This will make beautiful cities which attract foreign and local tourists. (Ministry of Finance and Planning, 2010, p. 157).

The process of “converting” low-income settlements to “environment friendly settlements” and providing “better houses in suitable places” was not a smooth and just process. While the official number of low-income settlements is over 68,000 housing units, UDA Project Director Brigadier Samarasinghe points out that by 2014, the government had only constructed 5,000 housing units in seven places including Dematagoda, Wellawatta, Bloemendal, Borella, Madampitiya, Salamulla, and Thotalanga (as cited in Sathisraja, 2016). Also, according to Minster of Megapolis and Western Region Development Patali Ranawaka, 13,000 more housing units are currently under construction in various stages, and it is estimated that only 18,000
housing units will be constructed by 2017 (as cited in Jayakody, 2016). Some of the housing complexes constructed for the relocated low-income settlement dwellers are, Sirisara Uyana in Dematagoda, Methsara Uyana in Borella, Modara Uyana on Ferguson Road, Randiya Uyana in Henmulla, and Laksada Sevana in Salamulla. Official data and information on the number of residents who have been evicted and relocated under the URP/MCUUDP and WRMMP have not been made available to the public. However, several independent studies and news media websites have shared information on the original locations of evictees, when they were evicted, and how many families/houses/residents were affected by state-led evictions. The following list (see table. 4.6) is by no means an exhaustive collection of information. The extent and complexity of the problem is far reaching than what appears on the surface level and would require a long-term extensive study to fully comprehend the consequences of such drastic and haphazard policies that have lasting effects on poor and vulnerable people.

Table 4.6 Residents affected by eviction and resettlements efforts

<table>
<thead>
<tr>
<th>Location</th>
<th>Postal Zone</th>
<th>Eviction date</th>
<th>Affected residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mews Street, Slave Island&lt;sup&gt;a&lt;/sup&gt;</td>
<td>Colombo 2</td>
<td>8 May, 2010</td>
<td>33 families/17 houses/107 residents</td>
</tr>
<tr>
<td>Java Lane, Slave Island&lt;sup&gt;b&lt;/sup&gt;</td>
<td>Colombo 2</td>
<td>2014</td>
<td>570 families</td>
</tr>
<tr>
<td>Castle Street, Borella&lt;sup&gt;c&lt;/sup&gt;</td>
<td>Colombo 8</td>
<td>22-24 Nov, 2013</td>
<td>dozens of families</td>
</tr>
<tr>
<td>189 watta, Torrington Avenue&lt;sup&gt;d&lt;/sup&gt;</td>
<td>Colombo 5</td>
<td>-</td>
<td>262 houses</td>
</tr>
<tr>
<td>34&lt;sup&gt;th&lt;/sup&gt;, 45&lt;sup&gt;th&lt;/sup&gt;, 49&lt;sup&gt;th&lt;/sup&gt;, 51&lt;sup&gt;st&lt;/sup&gt;, 63&lt;sup&gt;rd&lt;/sup&gt; and 66&lt;sup&gt;th&lt;/sup&gt; watta, Wanathamulla, Borella&lt;sup&gt;e&lt;/sup&gt;</td>
<td>Colombo 8</td>
<td>July 2014-2015</td>
<td>over 2500 families</td>
</tr>
</tbody>
</table>
The relocation/resettlement process that was executed as part of city development and beautification strategies involves undemocratic and irresponsible decision-making on the part of the state and the state Center for Policy Alternatives (2014) apparatus. Some of the most significant state actions that displayed a lack of sensitivity to the issues of evictions and relocations, and a complete disregard for the rights and entitlements of the poor populations affected by development policies can be summarized as below. The issues presented in the below table are based on previous studies on Colombo’s development-induced development and numerous other civil society and media web initiatives, and journalism websites. As mentioned before, the information presented below does not fully reflect the complexity of the issue. Each location presents a different set of problems and calls for a different set of solutions. An
extensive study is required to fully understand the specificities of each situation. However, the following information provides the reader insight into this multifaceted problem and provides an overall understanding of the nature of the ongoing urban evictions that are initiated in the name of development.

Characteristics and consequences of ‘Slum and Shanty Dwellers’ Resettlement⁵ can be summarized as the following:

- Most of the households that were evicted do not qualify as slums because they lived in houses that often had more than two floors, were tiled, painted, and fully furnished and improved over time with water and electricity (E.g. destroyed homes in Slave Island). Some had well-appointed kitchens, bathrooms, and toilets (E.g. demolished homes in Castle Street, Borella) (see Appendix H).
- Most residents given only a few days’ notice before demolishing their houses. Most often, personal belongings and important documents have been literally bulldozed.
- Some residents were required to sign documents but were denied copies. Residents who opted for cash compensation have not received it systematically.
- The presence of the military and the police has caused fear and intimidation among the evictees.
- Some residents were relocated to alternative housing in a temporary resettlement scheme where houses were constructed in rows of single-room wooden shelters.

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⁵ See Center for Policy Alternatives (2015, May 12a); Center for Policy Alternatives (2015, May 12b); Center for Policy Alternatives (2014; 2015); Perera, I. (2014, November 7); Perera, I. (2015, August 5); The Curionomist (2014, August 25); and Young Asia Television (2010, May 19) for related information.
• Households with multiple families often received one 450 sq. ft. apartment, therefore the lack of space in the new apartments is a primary concern. Also, poor construction and poor maintenance of these new apartments is an added concern.

• Many residents have property deeds to their lands going back generations.

• “[N]early 75 per cent of those being evicted have to pay over a million rupees to the state over the next 20 years, including more than 1 lakh within the first 3 months. In order to obtain the keys to the apartment, Rs 50,000/- must be paid in a single installment, after which the second installment must be made by the third month. Residents also have to pay Rs 3960/- a month (in addition to water and electricity bills) over 20 years” (Perera, 2014, November 7). Residents sold/pawned their possessions and borrowed money to make the required payments thus pushing them to further poverty.

• According to UDA regulations, the new apartment owners are not permitted to sell, sub-rent, or mortgage to obtain bank loans—all of which they were able to do with their previous homes.

• The relocation neighborhoods consist of an ethnic and religious composition different from the original locations, therefore impacting access to schools and worship places.

• Schooling choices of children and young people have been impacted due to distance from school.

• Impact on residents’ livelihoods—distance to workplace and travel related costs. Small business owners lost their shops and groceries. Most women who engaged in household related small-income generating activities such as making food items to be sold in nearby shops suffer from lack of space in their apartments to continue their business.
• Communities’ difficulty to adapt to living in high-rise vertical buildings where lifestyle dynamics are different from where they were living before.

The underlying and corresponding changes in relation to class, the role of the state, and the new urban discourse will be explored in detail in the next chapter.
Chapter 5: ANALYSIS AND DISCUSSION

“All of us desire a better Colombo; a city that is clean, green, attractive and dynamic. Let us work together and work hard to achieve this. Together, we can transform Colombo into a world-class city, globally recognized as a thriving, dynamic and attractive regional hub that is the centerpiece of 21st Century Sri Lanka: the Miracle of Asia”. (Gotabhaya Rajapaksa, as cited in Ministry of Defense, 2009)

A new and rapid urban development drive is dramatically restructuring postwar Colombo’s landscape. This accelerated and expansive urban development drive is grounded in neoliberal processes of accumulation by dispossession. These processes serve to meet Sri Lanka’s postwar vision of becoming a ‘world class city’ and ‘modern megapolis’ through the establishment of public-private-partnerships, financial direct investments, and market oriented infrastructural developments that necessitate the removal of ‘slums and shanties’ that are home to Colombo’s poor working class population.

Urban development in Colombo is not a recent phenomenon. As presented in the previous chapter, urban development and city planning efforts date back to the early 1900s, when Sri Lanka was still under British rule. However, the post-2009 years have witnessed an expansive, intense, and accelerated restructuring of geographical space through a transformative physical restructuring of the built environment that is essentially pro-finance and pro-investor class. Central to the spatial restructuring and mushrooming “world-class infrastructure” (Ministry of Finance and Planning, 2010, p. 287) is the eviction and relocation of the city’s poor who live in low-income settlements.

A large part of the injustice that stems out of neoliberal state policies is the complete disregard for the lives and livelihoods of the poor working classes, especially, in the execution of housing and resettlement programs. There is ample evidence, as presented in the previous chapter, to suggest that the state’s urban regeneration and low-income household resettlement
programs have been largely undemocratic and dictatorial, leaving little space for effective resistance and meaningful political debate.

**The Global Capitalist Economy and Colombo’s Drive for Development**

“It was clear to the World Bank from work being done in other countries, that the system of cities should be improved so that a country can reach a middle income status and Colombo being the metropolitan region of the Island, plays a critical role in the economy of the country and has to be the starting point of such development”, explained Rosanna Nitti, Senior Urban Specialist of the World Bank. (Business Today, 2012)

As states increasingly become subject to economic discipline under globalization, what becomes more apparent is a Washington-based consensus among global managers favoring market-based rather than state-managed development strategies that call for a concentration of market power in the hands of Transnational Corporations (TNCs) and financial power in Transnational Banks (TNBs). State development is thus aligned with global development, which entails new inequalities within the developing state.

In Sri Lanka, for example, the socio-economic development framework that was introduced in 2010 by former president Rajapaksa, reflects how powerful global financial interests and institutions play an integral role in policy-making. According to the Collective for Economic Democratization (2013, July 26), the two World Bank Reports—*Turning Sri Lanka’s Urban Vision into Policy and Action* (2012) and *Sri Lanka: Reshaping Economic Geography Connecting People to Prosperity* (2009) promote a convergence of state and market interests in ways that are politically problematic, that is that it “limits the space for political engagement and alternative views regarding the unequal effects of the policies they advocate” (para. 1). The 2009 report highlights that uneven development and unbalanced growth, and the concentration of prosperity in a few places is in fact the “norm” in the journey from low incomes to high incomes, similar to the development experiences of the United States, Japan, China, and India (Lall &
Astrup, p. 1). Additionally, the 2012 report proposes the establishment of institutional arrangements to mainstream new public-private-partnership instruments for urban infrastructure finance (p. 50) and most importantly calls for “the removal of constraints on the supply of land and housing finance that limit the production of formal housing by the private sector and that keep formal shelter beyond the reach of most of the urban population” (p. 25). Consequently, the government of Sri Lanka proposed a socio-economic development framework that underlined strategies for a higher economic growth and in 2012, accepted a $213 million loan from the World Bank and integrated the Bank’s Metro Colombo Urban Development Program into its urban regeneration program under the pretext of supporting the governments flood mitigation efforts in Colombo. With people being affected by the major economic and spatial transformations, these development projects reinforced uneven patterns of development and caused serious political, economic, and social consequences for the city’s poor. However, in spite of these consequences, in 2016, the World Bank identified Sri Lanka as a “development success story in many respects” in its recent report (p. 21).

As globalization offered new forms of authority and discipline governed by the market, Colombo also witnessed the class stratification of its population. Class formation is an ongoing historical process and refers to changes over time in the class structure of society, including the rise of new class groups and the decline of old ones (Robinson, 2004, 37). In Colombo, the new business and consumer environment gave rise to a new managerial and consumer class most often with international ties. As argued by Robinson (2004), Sklair (2002), and Gramsci (1971), the new capitalist middle class constructs its own network of economic and political forces that has the ability to own and control capital and social relations. Through its hegemony, it also organizes a new consumer-based culture and attitude that is characteristic of similar capitalist
ruling classes beyond its national boundaries. According to both Sklair (2002) and Robinson and Harris (2000), in the process of transnational class formation, dominant groups fuse into a class within a “transnational space”; “a bourgeoisie whose coordinates are no longer national” (p. 14). The TCC in this sense is not a nation-state centered concept of class. It is their contention that the old international alliance of national bourgeoisies has mutated into a transnational bourgeoisie, and this transnational bourgeoisie has become the hegemonic class fraction globally (Robinson and Harris, 2000, p. 22). It has the capacity, through its hegemony, to shape politics and culture.

**The New Imperialism and the Neoliberal City**

“The High Rise’ will be developed as the dynamic, vibrant and glamorous Central Business District of the Megapolis, which will be the **hive of international trade, commercial and financial activity**, with an attractive environment. ‘The High Rise’ will involve addition of **at least sixty new high rise buildings of 40-floors or more including most of the leading Hotel Chains in the World**”. (Ministry of Megapolis and Western Development, 2016, p. 77)

As argued by Saad-Filho and Johnston (2005), neoliberalism, which is a worldwide strategy of accumulation and social discipline that doubles up as an imperialist project, is spearheaded by diverse social and economic political alliances between the ruling classes abroad and locally dominant capitalist coalitions. The interests of both parties, of course, is dominated by the intrinsically hegemonic nature of finance. As Harvey (2005) explains, neoliberalism pervades into all areas of the economy, the state, and daily life, and finance capital seeks to intensify the accumulation of value and capital through accumulation by dispossession. That is, through privatization, financialization, the management and manipulation of crises, and state redistributions (Harvey, 2006, p. 44-50).
Sri Lanka’s history of privatization goes back to 1978, when it became one of the first countries in the region to adapt open market free economic policies. Since then there have been alternating policy regimes—‘nationalizing policies that gave the government greater control of the economy and ‘pro-Western’ market oriented ones—both which, according to Sanderatne (2014, February 9), “retarded economic development” in Sri Lanka, creating uncertainties and perceptions of risk by investors (para. 1). In relation to the 1978 free market reforms in Sri Lanka, Balasooriya, Alam, and Coghill (2008) state that,

Sri Lanka, as any other aid-dependent country, had no other recourse but to seek financial assistance from international financial agencies. This resulted in accepting a five-itemed liberalization package (i.e. trade liberalization, devaluation of exchange rate, policy measures for attracting FDI and encouraging private sector, dismantling price controls and a massive public investment program) in fulfilling the conditions. In the second wave of liberalization [...], Sri Lanka gave special attention to the privatization of SOEs [state-owned enterprises]. By the end of 2005, 98 out of more than three hundred SOEs had been privatized and 17 had been closed down under its public enterprises reform program. (p. 59)

At the end of the civil war, the state openly invited foreign investors to invest in Sri Lanka. The *Sri Lanka Wonder of Asia: Unveiling the Investment Opportunities* document highlights that Sri Lanka is ranked as the most liberalized economy in South Asia and that Sri Lanka has shifted away from a socialist orientation and is open to foreign investment (Urban Development Authority and Ministry of Defense and Urban Development, n.d., p. 2). This document also emphasizes that “While the state is a major player in many economic sectors, […] there is a strong private sector that plays a key role across the economy including in banking and finance, exports, tea, apparel, IT and tourism. Furthermore, Sri Lanka has established strong economic ties with Asian Countries such as China and India (ibid).

Regardless of the Rajapaksa government’s efforts to attract higher amounts of FDI by promoting Sri Lanka as a conflict-free country with an “attractive investment climate, consistent
macroeconomic policies, good governance, economic stability, guarantee of property rights, rule of law and absence of corruption” (Urban Development Authority and Ministry of Defense and Urban Development, n.d., p. 3), Athukorala and Jayasuriya (2013) argue that there has been a sharp reversal of trade liberalization and market shift back towards nationalist-populist state-centered economic policies reflecting the pressures of resurgent nationalism, an unprecedented concentration of political power in a small ruling group, and the influence of some powerful vested interests” (p. 1). Similarly, Sanderatne (2014, February 23) too identifies the government’s adoption of “home-grown policies” as a “rejection of neoliberal policies (para. 3).

Nevertheless, the Rajapaksa government’s development policy framework and its program to provide housing facilities to families living in underserved settlements though liberalization of approximately 350 acres of prime land for commercial and mixed-use development with the cooperation of private sector developers” (Ministry of Finance and Planning, 2010, p. 175) has been criticized for involving the military and for its free market orientations (Center for Policy Alternatives, 2014, p. 6). The postwar governments’ vision for redeveloping Colombo into an international financial and business center such as Geneva, Stockholm, and Singapore (Jayathilaka, 2012, July), to name a few, and to “allow Sri Lankans to enjoy all facilities that people in developed cities such as London, Dubai, Singapore and Tokyo enjoy (Daily Financial Times, 2016, February 1).

The restructuring of the geographical space in Colombo has much to do with the geography of capitalism, that is, the geographical expansion of capital. Capitalism, as we know it, constantly seeks to expand and accumulate in order to make new profits. Transforming Colombo into a ‘slum-free, world class, garden city and preferred destination for international business and tourism’, of course, necessitates a built environment that is attractive and conducive
to finance capital. It is in this way that neoliberalism works both as a global project as well as an urban project. The organization of economic activity in the city and the need to serve business interests usually involves the creation of central business districts (CBDs). These CBDs witness a proliferation of convention centers and state-of-the-art office complexes, upmarket restaurants and cafés, upscale shopping centers and fast-food outlets, luxury hotels and high-end residential buildings, technology centers, and multiplexes in the city.

The central business district (CBD) in Colombo, according to the new Megapolis zoning plan (see Appendix G), is the area from Pettah to Slave Island and to Kollupitiya (Colpetty). The Megapolis Master Plan also recommends urban design to improve the quality of urban development. Therefore, the redevelopment and improvement of downtown and waterfronts became a key project (Ministry of Megapolis and Western Development, 2016, p. 78). The most significant landscape changes that have impacted the appearance of Colombo city are the many commercial and residential high-rise buildings that have/are been constructed on liberated land by private and international real-estate developers; the 350m high Lotus Tower, when completed will be tallest structure in South Asia; and the Chinese-financed $1.4 billion Port City constructed on 583 acres of reclaimed land will be the largest foreign-funded investment on record and will serve as a special financial and business district of Sri Lanka with its own laws (The Official Government News Portal of Sri Lanka, 2016, April 7).

Some of the largest development and mixed-development projects in Colombo are Krrish Square (residential and commercial towers constructed by the Indian Krrish real estate company), Altair towers (residential luxury apartments constructed by Indoocean company), Astoria (four state-of-the-art residential luxury apartment towers constructed by the Chinese AVIC International group), Shangri La (luxury residential, office, and retail spaces constructed
by a Hong Kong based developer), Cinnamon Life (a 4.5 million sq. ft. integrated resort constructed by John Keels Group—the largest private sector investment in Sri Lanka), and Destiny Mall (luxury apartments constructed by the Pakistani Imperial Builders company) (see Appendix I). These high-rises, and other consumer-oriented upscale shopping complexes and restaurants constitute the “central business district imperialism” (Harvey, 1973, p. 78) in Colombo.

As argued by Harvey (2006), the fundamental mission of the neoliberal state is to create “a good business climate” and therefore “to optimize conditions for capital accumulation no matter what the consequence for employment or social well-being” (p. 25). This is because the neoliberal state believes that a good business climate will foster growth and innovation and would on the long run eradicate poverty and deliver higher living standards to the mass of the population. In creating and optimizing conditions for capital accumulation, of course, the neoliberal state seeks to create investment opportunities by improving the required infrastructure, facilitating tax breaks and other concessions to attract FDI, and privatizing assets as a means of creating opportunities for investment. For example, under the Rajapaksa government, the Indian Krrish Towers project received a 10-year income tax holiday and a concessionary 6 percent tax that was to be charged for the next 15 years. Dividends in the hands of shareholders were to be tax free for 11 years (Sirimanna, 2015, June 28).

**Social and Class Dynamics of the Changing Urbanscape**

“One not so long ago Colombo used to be a dim city, going to sleep by about ten in the night. Go to Geneva or to Stockholm or go to Singapore, these cities go to sleep at four in the morning. Pubs and restaurants are open all night and the cities are bustling with activity. We plan to have that sort of Colombo. We want people to enjoy”. (Business Today, 2012, June 29)
Robinson (2004) points out an important aspect of global economic change. That it “always involves as well social, political, and ideological change (p. 32). In Robinson’s (2004) words, with the new global capitalism “a superficially convergent culture emerges in which certain industries—entertainment, fashion, tourism, the visual media, sports, popular music, and the cult of celebrities—are crucial (p. 31). Ahmed (2006) identifies this as the “predominance of imperialism culture” in which “one experiences the shifts in the realm of culture even before those shifts take hold fully in the economic realm,” in the “flooding” of western cultural artifacts, from entertainment grids to consumption goods to ideologies of consumption (p. 102-103) that are also symbolic of the material domination of TNCs (Robinson, 2004, p. 31).

The “flooding” of western cultural artifacts is strikingly apparent in cosmopolitan Colombo. The high-end shopping malls, sophisticated fashion shows, celebrity concerts, boutique hotels, and night-life, constructs “a new way of life and urban persona” (Harvey, 2008, p. 318) that absorbs vast surpluses through consumerism. In Harvey’s (2008) words, the “[q]uality of urban life has become a commodity, as has the city itself, in a world where consumerism, tourism, and cultural and knowledge-based industries have become major aspects of the urban political economy” (p. 323). However, consumer habits, accessibility to the new market experience, and the freedom of choice within the new urbanism, are largely contingent on the income distribution of the people.

The problem with CBDs and the neoliberal city is that they “effectively dominate the looser and weaker coalitions found in the rest of the city” (Harvey, 1973, p. 78). This is in reality, “the simultaneous emergence of concentrations of wealth and capital (for capitalists), on the one hand, and poverty and oppression (for workers), on the other” (Bond, 1999, para. 1). According to Harvey (1973), “[u]rbanism involves the concentration of surplus (however
designated) in some version of the city (whether it be a walled enclave or the sprawling metropoli of the present day)” (p. 237). This also requires the geographical concentration of social surplus, through the mobilization, extraction, and concentration of labor through the creation of a space economy.

As capitalists seek to gain advantage and higher profits, they seek to locate/relocate financial control to more advantageous sites or built environments. Therefore, the availability of cheap labor is inextricably important and interrelated to the construction of social surplus. The poor working classes in inner-city settlements, for example, provide services for the proper functioning of various sectors of the urban economy (Sevanatha, 2003, p. 9). According to Sevanatha (2003), “The informal sector, which is predominantly owned and run by the people in the low-income areas, provide the necessary services and goods needed by the majority of the city in parallel with the formal sector” (ibid). As pointed out by the Collective for Economic Democratization (2013, June 16), the number of the city’s poor and elderly who now work long hours under adverse terms for private contractors keeping the streets clean, shows the non-inclusive form of growth spearheaded by the government (para. 2). Therefore, as the government focuses on enhancing the image of Colombo by creating spaces of consumerism it also uses cheap labor to serve the elite and middle classes. The Sevanatha study (2013) also reveals that “[p]olitically slum dwellers are important because they could elect and select members of the city council as well as the higher political authorities as they hold the majority of the votes in the city” (p. 10). Therefore, even though the low-income dwellers are often marginalized and criminalized by the state and society, they provide social, political, and economic advantages to the city.
Social Injustice and Dispossession

This program will release approximately 350 acres of prime land for commercial and mixed-use development. By 2015, 40,000 apartment units will be constructed for shanty dwellers and 20,000 luxury and semi-luxury apartments will be constructed in formerly underserved areas. By 2020, city of Colombo will have no more shanty dwellers.

(Ministry of Finance and Planning, 2010, p. 175)

Sri Lanka’s rapid development program was pushed forward by the government of Sri Lanka as part of a post-war nation building process. The transformative socio economic framework to make up for the countless opportunities it had lost due to the war (Rajapaksa, 2013). What is striking about Sri Lanka’s postwar situation, is that, even after the war ended in 2009, poor and vulnerable people in Sri Lanka continued to face eviction, displacement, land grabbing, and marginalization. Today, the exploitation of the poor and voiceless is not an occurrence merely in the war-torn and war-affected areas in the North and the East, but also in Sri Lanka’s commercial capital, Colombo—as it envisages to uplift its image as a beautiful city and regain its reputation as the “Garden City of the East”.

Sri Lanka has a history of internal displacements and resettlements—due to conflict, natural disasters, and development. Most significantly, the numerous conflict-induced displacements and resettlements that occurred before, during, and after the civil war that began in the early 1980s mostly affected residents in the Northern and Eastern parts of the country. The 2004 tsunami that hit Sri Lanka also displaced thousands of residents in the tsunami affected coastal areas. And between the late 1960s and 1970s, the government of Sri Lanka launched one of the largest rural integrated development schemes in the world at the time, the Mahaweli Development and Irrigation Program, which was a controversial multi-purpose dam, irrigations and settlement initiative that proposed to relocate more than 700,000 people – more than 5 per cent of the country’s total population at the time – in less than six years (Muggah, 2008, p. 3,
What is alarming about Colombo’s urban regeneration and resettlement plan today is that it has been implemented as “the largest project ever implemented in the country” and one that is “several times bigger than the Mahaweli Project” (Ministry of Defense, 2014).

In the contemporary capitalist economy, land becomes a commodity. And even though land and housing are apparently very different commodities, urban land-use is intrinsically tied with the housing market. As the neoliberal cities such as Colombo seek to attract FDI and finance capital, governments and developers often identify inner-city lands on which most low income groups reside as potential prime lands that could have an increased exchange value through redevelopment, especially because of its proximity to the city center. Part of this redevelopment, however, involves the removal and relocation of its occupants to the city corners or outside the city so that higher profits could be reaped from these lands, under commercial uses. For example, the Mahinda Chintana development framework introduced a housing program to provide housing facilities to families living in underserved settlements through liberalization and development of prime lands in the cities. This process is a reflection of neoliberal cities’ drive for maximizing profits through the making of financially viable cities.

The average price of land in Colombo has risen by 5% during the first half of 2014, while land prices within and in close proximity to the CBD has risen by 7% - 8% (Global Property Guide, 2015, January 21). In Colombo 01, near the port area, land prices are 50% higher; land prices have increased from “8.5 million Rupees per perch in mid-2012, to 13.6 million Rupees per perch in mid-2015 (1 perch = 30 1/4 square yards or 25.29 square meters (sq. m.)). Translated into USD, that is an appreciation from USD 2,509 per sq. m. to USD 4,013 per sq. m” (ibid). Newly released land have been used for profit-oriented developments. The rights of the evicted poor have been trampled and their relocation has been legitimized and justified in the
name of development. In fact, the resettlement process has happened under the guise of providing better living conditions to people. The development plan below (see Figure 5.1) shows an example of how development projects have been used to remove people from their homes, and once removed, how the same land is being used to establish mixed-development projects. In such situations, we see the simultaneous depreciation (when used by low-income households) and the appreciation of the same land (when liberalized and open for investment/redevelopment).

Figure 5.1 Slave Island development project – stage 1
(Source: Development Projects 2014: Western Province Division. (2014, January)
http://www.iuc.or.kr/board/pds/board/64/files/908a7c4e400e9d15dac049fb76dd0a81)

The dispossession of the poor working classes as a result of urban regeneration programs and resettlement policies, and the construction of neighborhoods that are conducive for middle
and upper-middle class consumption, in the modern definition of the term, is gentrification. Among others, Smith and LeFaivre (1984) explain how physically deteriorated housing and land that are of low economic value are “devalorized” (p. 49) and then renewed into places of ‘good living’, to meet the needs of the capitalist class.

The spatial effects of class formation are also evident in the implementation of zones, for residential, commercial, tourism activities and the like. For example, the Megapolis Master Plan has a strict zoning plan to address “messy” urbanization in Colombo (Daily News, 2016, January 29, para. 3).

The Role of the State

The growing role of the state in an urbanizing society has to be understood against the background of the growing accumulation of capital, the expanding power of production, the increasing penetration of market exchange and the “urbanization of the countryside” on a global scale. (Harvey, 1973, p. 275)

The state still plays a pivotal role in the global political economy. According to Harvey (2005), when the neoliberal state fails to discipline the movements that oppose the neoliberal agenda by using international competition and globalization, “then the state must resort to persuasion, propaganda, or, when necessary, raw force and police power to suppress opposition to neoliberalism (p. 70). In Sri Lanka, the state did resort to persuasion by pushing the post-war condition and also by using the ‘nationalism card’ to promote its development policy framework. The state also used propaganda through state media, for example, through the promotional video “Ida Denna”, which literally means “Make Way” (Srilankacan, 2014 March 28). This video, produced by the Urban Development Authority shows the following:

A young child rudely awaking in her flooded shanty from a dream in which she was playing happily among flowers and butterflies in Colombo’s newly beautified landmarks such as the Racecourse and Waters Edge, running in and out of her beautiful new home in an apartment complex. The video ends with the children coming out of tiny huts made of wooden boards, jumping over puddles and broken bricks, making their way to school...
to a Sinhala song that likens the journey from shanty to shiny new apartment to a butterfly emerging from its chrysalis”. (Center for Policy Alternatives, 2015, p. 14)

The government also constantly used the phrases such as “shanty-free Colombo”, “Garden City”, “World-Class city”—phrases that are mostly appealing to the middle-class. The government also resorted to use the police, military, and special task force (STF) to forcibly evict residents and surveil them in their new homes (see Appendix J). The dominant state-military nexus that is present in the execution of the housing/relocation program for low-income households inevitably causes fear and intimidation among the poor and voiceless. The evicted Mews Street residents’ experience is an example of the consequences of any form of active resistance towards the state. Even though a Fundamental Rights petition was filed in the Supreme Court and on 24th of June 2010, and possible two organizations—the Colombo Residents Protection Foundation and the Narahenpita Nivasa Himikam Surakime Sangvidanaya (translated as ‘Organization for the Protection of Homeownership in Narahenpita’) was formed, nearly six years after their eviction, the evicted families are still living on rent. As documented by the Center for Policy Alternatives (2015), these families have also been “struck off the voter registry and disenfranchised since their eviction” (para. 6-7).

In Sri Lanka, the state-led socio-economic development framework was initiated with the primary aim of solving pressing socio-economic problems that have their roots in labor/capital relations. However, attempting to address these problems by embracing globalization trends merely created more inequalities and undermined the rights of the urban poor. Market-based policies and the pro-market environment are in fact consolidated by the state, thereby confirming the hegemonic power of the state.
As presented in the Findings chapter of this thesis, the state has played diverse roles in the context of housing development. According to Jagoda (n.d.), the state performs the functions of national policy maker, regulatory authority, housing administrator, housing financier, housing facilitator, housing developer, infrastructure developer, landlord and operation and maintenance operator (p. 5). However, according to the Ministry of Finance and Planning (2010) “The Government’s role in housing sector will continue its ongoing shift from that of a developer and financer to that of a regulator and facilitator” (p. 174). As a regulator, the state will stipulate zoning plans, building standards, environmental controls, etc. and as a facilitator the state would encourage the private sector individuals and organizations to invest on housing by offering tax incentives duty concessions etc. and offering lands at concessionary terms (Jagoda, n.d., p. 5).

The most significant shift in the government’s policy on the urban housing sector is the realization that the increasing land scarcity requires high-density housing in Colombo. Therefore instead of providing assistance to slum and shanty settlers to upgrade their housing, the state initiated a new program to relocate them in high-rise high-density apartments built by the government. According to Jagoda (n.d.), this approach has “enabled the government to recover some valuable lands for other urban development activities” (p. 5). The relocation of low-income settlers and the demolition of their households that supposedly disfigure the beauty of the urban environment almost insinuates a class project to hide the city’s poor. The urban regeneration project in the city of Colombo, not only perceived the ‘slums and shanties’ as a disfigurement, but also the stray animals and ‘beggar folk’ in the city, by initiating a program to remove them from the streets—the ‘rehabilitation’ of the beggar folk is expected to “facilitate the efforts for beautification of the city”, while ‘caring for stray animals’ is expected to resolve “the significant issue that adversely affects the visual attraction of the city” (Ministry of Megapolis and Western
This ‘beautification’ program thus comes across almost as a development program that is against the poor, the helpless, and the vulnerable. The state, in its discourse of development, has been able to problematize, criminalize, and reject the lives and livelihoods of the poor. The state has also displayed its hegemony and an indifference for the rights of the evictees through the complete disregard of the 1950 Land Acquisition Act (LAA) No. 9 which highlights due notice and compensation prior to displacement, and the 2003 National Involuntary Resettlement Policy (NIRP) that highlights approaches for providing compensation and replacement cost, promotes a negotiated compensation and resettlement process, and ensures assistance to recover livelihoods, and a process to voice grievances. The NIRP prohibits un-negotiated eviction or involuntary resettlement without adequate compensation. In the process of executing evictions in Colombo, the state has taken on an undemocratic and authoritative approach that has caused pressing social injustices among the urban poor.
Chapter 6: CONCLUSION

With the end of the civil war and prospects of economic growth, a new system of neoliberal urban development is dramatically restructuring Colombo’s city landscape. Neoliberal urban processes and accumulation by dispossession have shaped the new and rapid urban (re)development drive in Sri Lanka that is dramatically restructuring Colombo’s landscape and the socio-economic positions of its people. The post-war Sri Lankan governments’ initiation of a complete transformation and reinvention of the city’s built environment—through large-scale market-oriented infrastructural developments that would attract financial direct investments (FDIs) and promote public-private partnerships (PPPs)—has also necessitated the removal of ‘slums and shanties’ that are home to Colombo’s poor working class population.

With other Global South megacities similarly competing in the global market, gentrification in Colombo, with its expanding property accumulation and dispossession justified by ‘development’, reflects the emerging form of gentrification in the 21st century. For the government of Sri Lanka, these spatial and economic changes are critical in branding Colombo as a “world-class city’ that can compete with other megapolis cities. The objectives of both postwar governments have been to promote Colombo as an investment haven. Some of these efforts appear to have been successful, as evidenced by the number of international and private investors, and tourists in Colombo, and the fact that in June 2015, Colombo was ranked first among the top 10 fastest growing destination cities (2009-2015) in the annual MasterCard Global Destinations Cities Index (Daily Financial Times, 4 June 2015). Both the Rajapaksa government and the Sirisena government, was/is confident that Sri Lanka is on the right path for development. The supposed success of Colombo is measured by the changing built environments
in Colombo, as they mimic world class developments, from high-end condominium projects to commercial and leisure spaces mostly accessed by/marketed to the emerging Sri Lankan (mostly Colombo-based) middle class comprised of young urban professionals and overseas Sri Lankans which makeup the consumer class. But underlining these are the conflicting spatialities of violent displacements of the poor. Colombo experiences accumulation by dispossession as thousands of poor urban families are evicted to accommodate new profit-making developments.

While gentrification is not a recent phenomenon in Colombo, the current form articulates global aspirations and market-oriented visions in urban development projects, incited by FDIs and PPPs. New “globally competitive” business districts, mixed-development zones, garden parks and infrastructure developments have boosted property values while displacing the poor working classes from the oldest part of Colombo, the Fort areas, to the suburbs.

What is crucial the growth and development of the country as whole is the inclusion of Colombo’s low-income settlements into the city. Sri Lanka has been a laboratory of settlement upgrading—it has exhibited pro-poor efforts through several different political administrators for many decades and it has been pro-poor in its approaches to urban planning. As mentioned in Chapter 4, policies such as rent control acts of 1959 and 1972, the Millennium Housing Program and the Urban Housing Sub Program have provided in-situ upgrading of low-income tenements and have aimed at easing the burden on poverty. There is ample evidence that state-driven resettlement programs do not work. Therefore, in-situ upgrading should be encouraged as a way of acknowledging occupancy in low-income settlements. Sri Lanka needs to move away from a class-based view of Colombo, in which low-income areas are often perceived as urban problems that need to be addressed by removing them from the urban setting and hiding them in high-rise apartments.
A problem with the policy environment in Sri Lanka, especially in Colombo, is that it is often made complex by the various national, local, and international agencies with various overlapping statuary responsibilities being coupled to manage urban development in the city. At the same time, there is a mushrooming of development policies/initiatives, and also the haphazard creation of ministries and other agencies with the introduction of new projects and changes in the regime. Also, it is not so much the lack of appropriate policy to protect the rights of the poor working classes but the transparency in sharing information and responsibility.

**Limitations**

The conceptualization of the research design included a field research component that involved traveling to Colombo to conduct focus-group discussions, in-depth interviews, and site visits, all of which, limited funds for travel and limited time did not allow for in my research. Multiple efforts to obtain interviews and information regarding the eviction and resettlement process via phone and Skype were also unsuccessful.

The change of government in January 2015, also meant that information about ongoing development projects implemented by the previous government was no longer available to the public through official sources. Websites and social media websites maintained by the previous government were no longer updated on the progress of the projects that continued regardless of the change of government. However, information regarding the progress/or suspension of these development projects were available on news media sites.

The amalgamation and separation of ministries with changing governments made it difficult to accurately identify the project implementing agency and their role/responsibilities. For example, The Urban Development Authority which was under the purview of the Ministry of Defense and Urban Development under the previous government was brought under the purview
of the recently established Ministry of Megapolis and Western Development by the present government. The previous UDA website is no longer available. Therefore some of the information obtained from the previous website was not included in this study. What was also challenging was to, for want of a better word, keep up with the initiatives that are more or less spontaneously and haphazardly announced. Further, official reports on the resettlement process, the affected number of people, their demographic information, and other related information could not be found as they are not made available to the public. It is also possible that there is not effective system in place to record this information.

Expanding the Study

The findings of this study provide the basis for further research in the context of Colombo, and potentially, for a systematic comparison of Colombo with other developing urban cities in the region. With sufficient financial resources and time, this study would greatly benefit from several focus group discussions with residents and small-business owners who faced eviction under the government’s urban development efforts, and members from the Colombo Residents Protection Foundation and the Narahenpita Nivasa Himikam Surakime Sangvidanaya (translated as ‘Organization for the Protection of Homeownership in Narahenpita’). Focus groups with participants from various resettlement locations and eviction locations would provide insight into experiences specific to their previous and current location of residence.

Site visits to the ‘freed up’ lands and to the temporary housing and high-rise buildings they currently occupy will provide an in-depth understanding of their situation, based on careful observation. These visits will serve the opportunity to cross-examine the government’s claims on resettlement success stories and obtain an accurate account of the relocation experience. Site visits to the refurbished colonial buildings, upgraded locations, and mixed-development sites in
the central business district and adjoining areas will provide a better grasp of the rapidly changing spatial changes and lifestyle changes discussed in the study. In-depth interviews with evictees, activists, architects involved in urban designing, government officials heading the redevelopment and relocation program, and independent research groups, will provide a better understanding of the evictees personal stories, insight into the political space for resistance and organization, standards and expectations in redesigning the urban landscape, the different bureaucratic approaches in the planning and implementation process, and previous research data, respectively. Overall, the aforementioned qualitative components would effectively enrich this study, provided the time and adequate financial resources for travel/field work.

Concluding Thoughts

Reflecting upon the findings of this study, I am surprised by the continued disregard on the part of Sri Lanka’s postwar governments for the lives and livelihoods of the poor working classes of Colombo city. This study has exposed me to an understanding of the underlying processes of creating poverty and vulnerability in the context of neoliberal policies. The strikingly unjust pro-investor-class policy regimes that are adopted in the implementation of urban development programs and the unapologetic stance taken by the government to address the grievances of the thousands of working class families whose homes were bulldozed under the pretext of uplifting their living standards, are indeed a stark reflection of “Development without Democracy” that is operating in postwar Sri Lanka (Collective for Economic Democratization, 2013, July 11).
References


Amarasuriya, H. & Spencer, J. (2015). “With that, discipline will also come to them”: The politics of the urban poor in postwar Colombo. Current Anthropology, 56(S11), S66-S75. doi: 10.1086/681926


Appendix A: Proposed Metro Regions and Metro Cities 2030

Source: Ministry of Finance and Planning (2010)
Appendix B: English newspaper advertisement on the Metro Colombo Urban Development Project (MCUDP)

The Legendary Garden City Of The East

Lush greenery and true expanses of water existing alongside the built structures enriching and melllowing the harsh urban landscape has always been Colombo's hallmark and the reason why it was called the 'garden city of the east' by the 19th century British. Metro Colombo Urban Development Project, which is financed by the World Bank on a concessionary loan to the amount of USD 213 million, aims to recreate this unique urban footprint and make Colombo once more the pride of its citizenry.

Project Objectives

- Flood control and water front management
- Medium and small scale infrastructure development
- Institutional building-up of local authorities
- Implementation of integrated strategic urban development plans for Metro Colombo
- Feasibility study on solid waste management system

Project Components

1. Flood Control and Water Front Management

- Dambulla Reservoir, rehabilitation and creation of linear and node parks
- Rehabilitation, landscaping and irrigation of GR Park
- Rehabilitation of Compass Park
- Creation of new 120 hectare park in former open waste disposal area of Parliament
- Rehabilitation of Mutwalwa Wetland Park
- Enhancement of existing public open spaces
- Rehabilitation of现有120公顷公园
- Enhancement of existing public open spaces

2. Medium and small scale infrastructure development

- Rehabilitation of R. A. De Mel's Ash Tree Wetland and Park
- Rehabilitation of existing public open spaces
- Creation of new public open spaces

3. Institutional building-up of OMC, DPW, IDM, WDC

4. Formulation of an Integrated Urban Development Plan for Metro Colombo

5. Feasibility study on solid waste management system for Metro Colombo

Appendix C: Existing Low-Income Settlements in Colombo (1996)

Appendix D: Existing Zoning Plan and Proposed Zoning Plan for Colombo City 2020

Map No. 10
Existing Zoning Plan (1985)
City of Colombo

Map No. 11
Zoning Plan - 2020

Legend
- Primary Residential
- Planned Residential
- Commercial
- Public and Semi-Public
- General Industrial
- Ports and Open Spaces
- Deforested
- Cemetery
- Designated Areas
- Water

Source: Urban Development Authority (n.d.)
Appendix E: Proposed urban design plan for Port City

Source: Ministry of Megapolis and Western Development (2016)
Appendix F: Artistic view from the proposed financial center around Beira Laka

Source: Ministry of Megapolis and Western Development (2016)
Appendix G: Proposed and existing Megapolis Plan 2016-2030

Source: Daily News (2016, January 29)
Appendix H: Demolished low-income settlements

Source: Iromi Perera (March 31, 2016), Right to the City Sri Lanka
“Last one standing, March 2016.
Stadiumgama is the name given to the 2 acre area where those who were living on the land the Sugathadasa Stadium is built on were relocated to in the 1970s. In 2014 this land was acquired by the UDA and residents were given new flats in a complex built adjacent to Stadiumgama. Although they had lived there for over 30 years and developed their houses to permanent structures over time, they had no title to the land but paid rates, utility bills and were registered to vote. In the new flats people have to pay LKR 1 million over 20 years to obtain title to the apartment in addition to monthly utility bills.
[...] The 2 acre plot of land is currently being advertised by the UDA as being available for mixed development at LKR 3 million a perch”.
Appendix I: Advertisement for Destiny Mall Colombo

Source: SynergyY

Source: The Sunday Times

Source: Journalists for Democracy in Sri Lanka