



## 5 GLOBALIZATION AND THE URBAN FORM: TRANSFORMATIONS IN COLOMBO IN THE 1980S AND 1990S

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The colonial built environment of Colombo, the former capital of Sri Lanka, remained largely intact for three decades after independence in 1948. From the late 1970s, however, it was subjected to drastic transformations highlighted by the shifting of the seat of government from Colombo to Sri Jayawardhanapura, symbolized by a national-looking new parliament complex, and the invigoration of the central business district in the former fort area by turning it into an "international-style" high-rise development. *What does this abrupt transformation of Colombo's landscape mean? Why in the late 1970s and not immediately after independence? What are the relationships between the transformations in Sri Lanka and those in the rest of Asia during this period?* Addressing these questions is not only crucial for the understanding of changes in Colombo, but would also shed light on similar social and spatial restructuring of cities in rapidly transforming Asia. I shall argue that this phenomenon, which is much broader than these transformations in Colombo, is best understood as part of the particular process of globalization that has been taking place over the last couple of decades.

Changes in the landscape of Colombo during the first three decades after independence were largely limited to incremental amendments, extensions, and the restructuring of social, political, and economic structures this space contained. The first decade was the slowest. The elite, urban middle classes, and the migrants continued to move into colonial spaces, administrative positions, and economic roles, "indigenizing" the colonial society and space in Colombo.<sup>1</sup> This process did not constitute much change in the colonial urban structure and its built environment.

The nationalist and socialist leadership whose policies directed the country over the next two decades perceived the state as

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**Figure 1** The new Parliament house in Sri Jayawardhanapura



**Figure 2** The new CBD soaring over the old colonial landscape

the principal instrument of the people. Since the state was expanding through the nationalization of private enterprises and new state-sponsored investments, particularly under the United Front government of 1970, Colombo's property too got transferred to the public sector.<sup>2</sup> The old colonial buildings were turned into government departments and corporation headquarters, and the new high-rises that were built in the 1970s included the state sponsored bank and corporation headquarters. With the implementation of the Ceiling on House Property Act of 1973, which limited the ownership of housing property to two units, Colombo's rented housing stock fell from 41% of the total in 1971 to 28.6% in 1981,<sup>3</sup> and many tenants of what urban planners and administrators call "slums" became home owners.

Despite the continuation of the physical form of its landscape, therefore, the ownership structure of urban institutional buildings and dwelling houses in Colombo was radically transformed. So did the social, political, and cultural meanings of this built environment. As demonstrated in the government's initiation of the Colombo Master Plan Project in the mid-1970s, these transformations had brought the changes in Colombo to a threshold, requiring the reorganization and reordering of its urban structure and the built environment. From the late 1970s, however, the spatial order of Colombo, by which I refer to the spatial organization of centers of political power, economic production, and ethno-religious institutions, as well as their built forms and interconnections, has been radically transformed.

Such spatial transformations have not only taken place in a large number of countries and cities during the 1980s, they have also been seen as interrelated.<sup>4</sup> I use the 1980s, in this paper, to represent the two decades between the mid-1970s and mid-1990s. The obvious example, of course is the connection between the disappearance of manufacturing jobs

in the United States and western Europe and the increase of such jobs in east and southeast Asia. The broader process of worldwide restructuring largely comprises of reactions to the down turn in the world-economy and the breakdown of the "world political order" constructed under the US hegemony and domination.<sup>5</sup> From a cultural perspective, most countries in the periphery, particularly the postcolonial states, have demonstrated a concurrent desire to express themselves. It is as part of this changing national and international conditions and concerns that the transformations in Colombo can be usefully examined.

In this context, examining disparate cases like Sri Lanka—a post-colonial peripheral state which had a strong nationalist and socialist presence, and one which earned independence immediately after World War II and refused to participate in the Cold War—could illuminate our understanding of the broader national and international processes of social and spatial restructuring. The objective of this paper is to examine transformations of Colombo's social and spatial order in the 1980s, focusing on the policies of the three consecutive United National Party governments from 1977 to 1994, exploring their objectives, and how these have been contested and negotiated by other national and international interest groups and classes.

## State-Sponsored Transformation

Spatially significant projects and programs sponsored by the state during the 1980s include:

First, shifting the location of the government, separated into a legislative council and an executive presidency, from the former colonial fort area of Colombo, to a new parliament

complex built on the outskirts of the city, in Kotte. Although the former colonial fort area is known as Fort, I shall continue to use “the fort area” for the purpose of clarity.

Second, re-establishing the fort area as the central business district of Colombo by relocating its other occupants, including the Parliament, government department headquarters, the military, and warehouses to locations outside municipal boundaries.

Third, introducing export-processing zones, devoid of labor laws in order to attract foreign investment, within what is called the Greater Colombo area, beginning with one near the Colombo International Airport.

Fourth, compressing into six years the main thirty-year component of the ninety-nine year multipurpose development project—the diversion of Sri Lanka’s longest river, the Mahaweli, to irrigate areas receiving low rainfall, and also produce hydropower.

Finally, carrying out a program to build 100,000 houses in six years followed by a One Million Houses Program, largely based on the provision of state support for self-builders. It is important to note that the total population of Sri Lanka is eighteen million people.

Over and above these and many other smaller scale projects which it carried out, the state has also stimulated private investment through the removal of legal and administrative constraints, provision of fiscal incentives, and the privatization of state corporations. As anticipated, these state policies and programs caused a building boom in the 1980s. The heightened construction activity transformed the colonial landscape which, till then, had largely survived for three decades.

## Centralization Within Separation

The new landscape of Sri Lanka produced through these policies and projects demonstrates the separation of the state and the economy, or the “national/political” space from the “capitalist/economic” space, as well as the decentralization of some major functions located in Colombo—understood as the municipal area. This separation and decentralization are best expressed in the separate location of governmental and administrative complexes in the outskirts of Colombo, at Kotte, and the business district in the fort area. Moreover, the privatization of state corporations has changed the ownership of many of their headquarters located in Colombo, from state to private. At the same time, Colombo’s boundaries have been expanded and redefined as Greater Colombo and the Colombo Metropolitan area.<sup>6</sup> Further evidence of the state’s drive to centralize the institutions of the society and relocate their command functions in Colombo can be found in the arenas of production and cultural activity. What we see here is, therefore, a strategy to separate and replenish key institutions of the society, such as the government and controlling organizations of the economy, in order to

reorganize them into a new social and spatial order centralized on Colombo.

Colombo’s political and economic command capability and cultural supremacy over the former Crown colony of Ceylon was a British colonial production. The strategy of European colonizers was to establish a “colonial port city” in Colombo and then spread outward, incorporating the island into its sphere of domination. Colombo was therefore the node from which imperial power and European capitalist culture diffused over the territory, and channeled economic gains from, and domination over, the colony back to the metropole. Colombo continued to be the center of political and economic command functions and capitalist culture in post-colonial Ceylon. The name Ceylon also continued until 1972, when it was made a republic and the name was changed to Sri Lanka.

The decolonization of Ceylon, however, not only enabled the indigenous cultures and religions to play a prominent role in the society, but also revived historic ethno-religious centers—the Buddhists in Kandy and Hindus in Jaffna—producing a multicentered cultural arena. Until the 1980s, governments reinforced this multicentric cultural and spatial formation. Not only did the cabinet members of the new governments make a pilgrimage to the Temple of the Tooth Relic of Buddha at Kandy, but also the first executive President, J.R. Jayawardene, in 1978 opted to address the nation from the octagonal podium of the temple where kings used to address the “citizens.”

His successor, R. Premadasa, who was also the Prime Minister under President Jayawardene, however, attempted to promote the Buddhist temple at Gangaramaya, Colombo, to a “national” level by, among other things, holding an annual procession comparable to the one held at Kandy. Attempts to advance Colombo to a significant ethno-religious center have not been limited to Singhalese-Buddhists, but can also be seen among Hindu-Tamil elites and middle classes of Colombo. Although certain Tamil militant groups have been fighting for over a decade to separate the north and the east of Sri Lanka, areas furthest from Colombo, into a new Tamil state, the Hindu temple at Wellawatta, Colombo, has also acquired a great importance among Hindu temples of the island. It is, therefore, the elite of Colombo—the power elites,<sup>7</sup> capitalists, and the upper middle class—of perhaps all ethno-religious groups that have striven to construct a more central cultural role for Colombo. Such drive has certainly produced tensions between the desire of the capitalist classes to incorporate cultural activity into its political economy centered upon Colombo, and those who strive to preserve ethno-religious identities based upon historic centers located in the hinterland.

In regard to production processes, the colonial economy of Ceylon had been constructed as one part of the division of labor of the British Empire, acting as a plantation producer,<sup>8</sup> with the main export earner, tea plantations, located in the central highlands. From the late 1950s to late 1970s, however, the nationalist-socialist governments reacted against the domination of private as well as foreign capital. The nationalization of foreign banks and oil companies like Shell,

Esso, and Caltex that began in the late 1950s was followed by the appropriation of British-owned tea estates in 1976. Anti-imperialist and non-aligned political positions, as well as proto-import substitution and industrialization economic policies followed by these governments did promote industries, but these were state run and dispersed throughout the island. The main exports, however, continued to be plantation crops, and the landscape of production largely remained intact.

Government policies after 1977, however, enabled the garment industry<sup>9</sup> in the Export Processing Zones, to surpass tea as the main export earner, in 1988. This change concentrated the production system in the enterprise zones of Greater Colombo, administered by the Greater Colombo Economic Commission, replacing the dominating position of plantations in the economy by industry. The introduction of such zones in the late 1970s, however, has reintroduced foreign enclaves, in the form of compounds, with fences around them: not plantation but industrial space, not British-owned but South Korean- and Taiwanese- owned, not in the central highlands but near the Colombo International Airport.

With regard to economic command functions, the nationalist-socialist governments nationalizing private enterprises merged economic and political command functions, agglomerating them in the hands of the state, particularly the state corporations and departments of which the headquarters were located in Colombo. In the 1980s, the privatization of many state corporations and the invigoration of the business district represented by the emerging high rise skyline, established the fort area as the main economic command center. Since foreign capital was invited to occupy this central space, economic command functions were not only centralized in Colombo, but were also passed over to foreign banks and corporations.

Finally, this process of centralization culminated at the level of government. The establishment of an Executive Presidency, concentrating political power in the President's office, strongly demonstrates the government's drive to centralize command functions of key social institutions. Moreover, the replacement of the former Prime Minister directly responsible to the legislature, with a Presidency that stands above all social, political, and economic institutions of the country, indicates the government's desire to organize a supreme command center.

## Integration in Dispersal

I would go a step further and argue that the state's activity in the hinterland, for example, as with the Mahaweli Project, and the housing programs, was largely an attempt to expand the domain of the centralized structure discussed earlier, into more closely integrating the hinterland.

Agriculture in Ceylon, mainly the production of the staple food of rice, was largely neglected during the period of the British Empire, of which the main rice producer was Burma.

After the demise of the Empire, its economy fell into the hands of new, individual states. Responding to the financial burden of importing rice, the post-colonial governments of Ceylon embarked on a revitalization of the ancient irrigation structures which had been abandoned for centuries under the imperial regime. The new settlements in both revitalized and newly constructed irrigation schemes in the rural areas, begun only at the latter stages of colonial rule and continued by post-colonial governments, were appropriately called "colonies." These projects, which constituted a "national plan," continued to transform outlying rural areas into social, political, and economic hinterlands of Colombo. The Mahaweli Project was the largest of these, aimed at making Sri Lanka self-sufficient in rice, as a strategy within a large program to produce a cheaper labor force and entice foreign capital to invest in Sri Lanka.

Housing programs also highlighted the rural housing component through the theme of "Village Reawakening." The transition from the 100,000 Houses Program to the One Million Houses Program also meant a transition from providing state built housing, largely in the cities, to the provision of support for self-builders in the whole national territory. This small support also indicates the state's withdrawal from housing and the acceptance of housing conditions that were previously defined as below standard.

Both the acceleration of the Mahaweli Project in 1977, and the launching of massive housing programs can therefore be viewed, among other things, as attempts to exploit human and territorial resources to expand the base of cheap labor and serve foreign investors, mainly in the Export Processing Zones and the business district. The wide national coverage of these projects therefore indicate the close integration of those areas and population in restructuring the national social and spatial order.

## New Orientation?

What we see here is a strategy of both decentralization and recentralization. It was a selective decentralization of institutions, such as the Parliament, and activities, such as production, outside the old boundaries of Colombo, simultaneously expanding the city boundaries to incorporate those activities which renewed its centrality. Moreover, the expansion of government programs to support activities such as agriculture and housing was, at the same time, the strategy to closely integrate the "outlying areas" to the centralized national spatial structure.

The crisis the governments of the 1980s have responded to was both national and global. Nationally, as mentioned above, the nationalist-socialist governments had sufficiently ruined the capitalist structures that any significant capitalist activity would have needed to rebuild a new social and spatial order. The magnitude of such a need and the government's use of the opportunity to enhance the prospects for capital are expressed in the pretentious programs of the 1980s, mentioned



earlier, that transformed the whole post-colonial landscape. Internationally, the state policies constituted a response to the down turn in the world-economy from the 1970s, which had also brought stagnation to the Sri Lankan economy. They also demonstrate the state making use of the expansion in its "room for maneuvering" for individual states due to the fall of US hegemony and domination, a condition which had also increased the capacity of various international and intranational groups to bargain.

The state's initiative, therefore, did not go uncontested, having to be negotiated at both intranational and supranational levels. Nationally, the state's attempt to renew Colombo's political centrality, only achieved after independence, and integrate the outlying areas more closely was, ironically, challenged by the Tamil separatist movements operating in the north and the east, and another guerrilla movement operating in the rest of the island from the mid 1980s.<sup>10</sup> The development of Colombo as the locus of political negotiations—the principal place where political parties debate and discuss their differences regarding political conflicts—was a colonial goal attained only after decolonization. Colonial struggles with the local Ceylonese largely took place outside Colombo, in the remote areas. Both peasant resistance at the beginning of colonialism and the Socialist-led anti-colonial struggles at the end were also waged in the central highlands and the plantations. With independence, once again, Colombo restored its long time colonialist-capitalist goal. Until the mid 1970s, the final stages of political negotiations largely took place in the House of Representatives—later, the National State Assembly, built in high-imperial style.

Both these movements refused to participate in the parliamentary process. Instead of negotiating in Colombo, representatives of both movements have invited the state to their territory to negotiate on their terms, but with arms. Tamil separatism had not only hampered the state's focus on the economy, elevating the ethnic strife to a priority in the national political agenda, but has also made territorial integrity an issue requiring the state to increase its military expenses annually to reproduce it. These movements have, therefore, challenged not only Colombo's role as the locus of political negotiation, but also its territorial domain.

Internationally, too, the state's initiative was caught in a paradox. On the one hand, foreign capital, mainly US and European, has been reluctant to invest in a country known for its strong socialist-nationalist movements and governments. Paradoxically, despite supporting the state's "brave" move to create conditions conducive to foreign investment, the lending agencies have attempted to capture this opportunity in order to dictate conditions and to incorporate the state programs into theirs. For example, although the government has privatized a large proportion of state corporations and agencies, the IMF continued to demand further privatization, including the two state-run banks, the devaluation of the currency, and the curtailing of welfare as conditions for the granting of loans.

Furthermore, these negotiations have transformed the whole orientation of Sri Lankan society and space within a larger world spatial system. During colonial rule, instead of competing with British capital, like in India, Ceylonese capitalists surreptitiously sneaked into the British dominated plantation economy. This process produced a British oriented Ceylonese capitalist class which peacefully coexisted with the British planters, and shared their values. Despite the postcolonial Sri Lankan refusal to participate in Cold War politics, and the attempt to construct an identity of non-alignment, Sri Lanka, even under nationalist-socialist governments, always maintained a close relationship with Britain, particularly through the British Commonwealth.

Making Sri Lanka a republic and severing the vestiges of colonial power in 1972, together with the nationalization of British owned plantations in 1976 have, however, been a major blow for the Sri Lankan plantation capitalist class. Estates owned by nationals were also restricted by a ceiling on land ownership imposed in 1972 and the nationalization of company-held estates in 1976. Changing its old British orientation, the United National Party government of 1977 looked towards the United States for help in reconstructing favorable conditions for capital in Sri Lanka, and also anticipated more US and western European interest in the enterprise zones and continued to depend on the World Bank and the IMF for loans.

The new British focus on Europe, the weakening of the US economy and power worldwide, the inflow of capital from South Korea and Taiwan, the importation of commodities from Japan, and the entry of banks from the Middle East and Malaysia have, however, done much to reorient Sri Lanka towards east Asia. In regard to the immediate region, although Sri Lanka and India have maintained good political and economic relations, south Asian cooperation has been limited, largely due to the presence of a US ally in the region, Pakistan. From the late 1980s, however, not only is the South Asian Association for Regional Cooperation (SAARC) functioning, but those countries are becoming closer. Shifts in the orientation of Sri Lanka also demonstrate, and are facilitated by, the parallel process of formulating new east Asian and south Asian world-regions.

As much as the demise of the structure of the post-war world economy has paved the way for "Third World" states to achieve their long-struggled "economic development," the decline of the cultural hegemony has opened up space for national expression. Highlighting their concern for national expression, the state moved the seat of government away from this 'colonial' area to a former Sri Lankan seat of power right outside the city. This move can be seen as an outcome of globalization,<sup>11</sup> understood as the increasing consciousness of the world becoming a single place, and a process that has made national identity an important national concern. In this way, the Sri Lankan state instituted both a CBD in an *international* mode and a Parliament in a *national* mode.

## Conclusions

In short, what we see in the transformation of Colombo's urban form in the 1980s is a profound restructuring of the social and spatial order as well as the political, economic, and even cultural orientation of Sri Lanka. Government programs of the 1980s that initiated such transformation were largely a response, nationally, to the weakening of capitalist structures and, internationally, to a down turn in the world-economy. Concurrently, the leaders were also committed to the re-inscribing of national identity in an increasingly homogenizing world. The demise of the extant world political order, and US hegemony, produced favorable conditions for the national programs to succeed. The transformation of Colombo's urban form can, therefore, be best understood in relation to these global conditions and transformations, and the transformation of the national social and spatial order, of which Colombo has been a part.

## Notes

- <sup>1</sup> For an elaboration of the process of "indigenization," see Perera, *Society and Space*, 1998, Chapter Four.
- <sup>2</sup> For an elaboration of the process of "nationalization" of space, see Perera, *Society and Space*, 1998, Chapter Five.
- <sup>3</sup> Marga Institute, *Housing Development in Sri Lanka 1971–81* (Colombo: Marga Institute, 1986), 142–3.
- <sup>4</sup> See, Manuel Castells and Jeff Henderson, "Techno-Economic Restructuring, Socio-Political Processes and Spatial Transformation: A Global Perspective," in Jeff Henderson and Manuel Castells eds. *Global Restructuring and Territorial Development* (London: Sage, 1987), 1–3; Anthony D. King, *Urbanism, Colonialism, and the World-Economy: Cultural and Spatial Foundations of the World Urban System* (London: Routledge, 1990), 69; Nihal Perera, "Exploring Colombo: The Relevance of a Knowledge of New York," in *Re-Presenting the City: Ethnicity, Capital, and Culture in the 21st Century Metropolis*, ed., Anthony D. King (London: Macmillan, 1996).
- <sup>5</sup> See Immanuel Wallerstein, "The Three Instances of Hegemony in the History of Capitalist World-Economy," in *The Politics of the World-Economy: The States, the Movements, and the Civilizations*, (Cambridge: Cambridge University Press, 1988), 37–46; and Giovanni Arrighi, "Three Hegemonies of Historical Capitalism," *Review XIII* (Summer 1990): 365–408.
- <sup>6</sup> I have derived "Greater Colombo" from the name of the state agency that administers the Export Processing Zones: "Greater Colombo Economic Commission," and Colombo Metropolitan Area from the terminology of the Colombo Master Plan Project. Although they are not identical, and not so concretely defined as the municipal limits, both these new names indicate the expansion of the boundaries of

Colombo.

- <sup>7</sup> See Charles Wright Mills, *Power, Politics, and People: The collected Essays of C. Wright Mills* (Oxford: Oxford University Press, 1963).
- <sup>8</sup> Of coffee in the second half of the nineteenth century, and tea, rubber, and coconut in the twentieth century.
- <sup>9</sup> See, Perera, "Exploring Colombo 1996"; Michael Davenport and Sheila Page, *Europe: 1992 and the Developing World* (London: Overseas Development Institute, 1991), 95–6.
- <sup>10</sup> The Janata Vimukti Peramuna also waged an attack on the state in 1971, but were defeated. Their second major operation lasted throughout the second half of the 1980s.
- <sup>11</sup> I am drawing on Robertson's notion of globalization. See Roland Robertson, *Globalization: Social Theory and Global Culture* (Newbury Park, CA: Sage, 1992). See also Stuart Hall, "The Local and the Global: Globalization and Ethnicity," in Anthony D. King, ed. *Culture, Globalization and the World-System: Contemporary Conditions for the Representation of Identity*: 19–39 (Binghamton, NY: Department of Art History, State University of New York at Binghamton, and London: Macmillan Education, 1991); "Old and New Identities, Old and New Ethnicities," in *Ibid*: 41–68.

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