

Colombo's "fastest growing tourism" status obtained at the poor's expense

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MasterCard's latest Global Destination Cities Index has ranked Colombo, the Sri Lankan capital, as the world's fastest growing tourist destination. Based on data collected since 2009, Colombo scored a cumulative annual growth rate of 21 percent, ahead of the second and third cities—Chengdu, in China, and Abu Dhabi, in the United Arab Emirates—which scored 20.7 and 20.4 respectively.

The MasterCard Index (MCI) is based on the number of international visitors to 132 cities and how much they spend during their visit. What the index does not reveal is that Colombo's "fastest growing" status was a result of the eviction of thousands of poor families to make way for high-rise commercial buildings, luxury hotels, condominiums and leisure parks.

Former President Mahinda Rajapakse seized on the news, declaring it to be "my government's achievement" and one that gave him a "tremendous pride." He said that after the war against the Liberation Tigers of Tamil Eelam (LTTE) his government embarked on an "ambitious program to uplift the city of Colombo." The priority areas, he said, included the clearing of waterways, flood prevention, slum clearance, new housing estates, improved garbage collection and the construction of new parks and walkways.

Colombo city's development program was assigned to his brother, the then defence secretary Gotabhaya Rajapakse. The former defence secretary also said he was "truly delighted" with the city's ranking.

Former President Rajapakse and his brother are cynically covering up both the ruthless methods employed to carry out this "development work" and the interests that benefited from it. Following its bloody victory over the separatist LTTE, Rajapakse's government declared "economic war" against workers

and the poor. It vowed to convert Colombo into a major South Asia commercial hub, attracting international investors and wealthy tourists.

The government and media claimed that Colombo's inner-city slums and the poor themselves were responsible for floods and various other social evils. Plans were made to evict about 135,000 families and demolish their homes, supposedly to beautify the city. Poor families were promised high-rise flats with better facilities. In order to crush any popular opposition to the program, former President Rajapakse placed the Urban Development Authority (UDA) and the Land Reclamation and Development Board, two civilian agencies, under the defence ministry.

The World Bank backed the program and provided a \$US223 million low-interest loan to the Metro Colombo Urban Development Project. Roads and canals were developed and historical buildings, such as Dutch Hospital, Independence Arcade and the Race Course, restored and refurbished.

Thousands of poor families have been evicted over the past six years, including from Slave Island, Fort, Vanathmulla, Dematagoda, Narahenpita and Bluemendhal. Most of those evicted lost their livelihoods as well as their homes. Those who resisted were forcibly removed by police commandos and on some occasions by the military.

The Board of Investment handed some of the real estate over to foreign corporations and large Sri Lankan corporations on 99-year leases. India's Krrish Group was awarded land in central Colombo for "multi-million dollar luxury mixed-use re-development." According to the Centre for Policy Alternatives, Krrish paid just 5 billion rupees (\$US38 million) for a 99-year lease. The company was also given a 10-year income tax holiday, a concessionary 6 percent tax for the

following 15 years, tax-free shareholder dividends for 11 years, and exemptions from a range of other taxes, duties and levies.

The Chinese Avic International Corporation announced a \$300-million project to build luxury houses. The government also gave the Indian-based TATA Housing Development Company eight acres from Slave Island. TATA promised to invest \$406 million and allocate five acres for businesses and three acres for housing those evicted. While the UDA ordered 456 families and 90 commercial property owners to vacate the area allocated for this project, the construction of homes for the evicted has stopped.

What has happened to those evicted? The few low-income housing projects promised by Rajapakse's government were either abandoned or never completed. In fact, there has never been a serious plan to provide enough homes for the evicted families.

While the defence ministry web site claims that "over 1,500 high-quality housing units have been provided to the public," these low-cost homes are sub-standard and have very small rooms. Most of the evicted families have been forced into so-called temporary settlements, consisting of wooden huts without any basic facilities. These include the Nagalagam Street camp in Totalanga and a camp in Weligodawatta, another Colombo suburb, where evictees have been living since 2010.

Several hundred families were given new government-built high-rise apartments in Dematagoda. These flats, however, are only 400 square feet and developed cracks in the walls and floor after just one year. There is no proper garbage collection system and the public areas and walls are extremely dirty. Residents complain that several lifts constantly break down.

While the city is ranked as MasterCard's fastest growing destination for tourists, this is the reality facing Colombo's urban poor (see: "Evicted Colombo shanty dwellers face desperate situation").

Mahinda Rajapakse is planning to run as a prime ministerial candidate in the August 17 general election. He is desperately attempting to use the MCI report to bolster his electoral chances. Thousands of workers and urban poor, however, rejected Rajapakse in the January 8 presidential election in protest against the evictions and many other social attacks.

Both President Maithripala Sirisena, who was health minister in Rajapakse's regime, and the then opposition

United National Party (UNP) approved the previous government's Colombo development plans. The UNP's public criticisms of aspects of the project were aimed at cynically exploiting the discontent among workers and poor.

The current UNP-led government, which was appointed by Sirisena after January's presidential election, has not carried forward the Colombo "beautification" program over recent months, only because it faces national elections. Whichever government takes office following next month's scheduled general election will soon resume the Colombo development project, in line with the agenda of international finance capital.



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