

Executive Summary

The household survey upon which present report is based covered 2883 households drawn from the Colombo Metropolitan region. While most of the respondents were drawn from the Colombo district, some were drawn from the two adjoining districts, namely Gampaha and Kalutara. Chapter one of the report gives a breakdown of the sample and the overall methodology adapted in the study. As discussed there, a structured questionnaire was used to collect household data which was supplemented by qualitative information gathered by the field investigators.

In Chapter Two of the report, an attempt has been made to provide the socio-economic profile of the sample households. In doing so, attention is paid to the following key features: age and gender of the household heads, nature of the family, employment related conditions, marital status, ethnicity and education-related conditions of the household heads, land ownership, ownership of the household assets, and urban facilities available to the inhabitants in the Colombo metropolitan region.

Of the total number of families surveyed, 11.2 percent are identified as extended families. Thus, the traditional family type persists to a certain extent even under conditions of urbanization due to a number of reasons such as urban women leaving the country for employment abroad and urban residents having close ties with their rural relations.

Division of labor continues to be influenced by gender to a considerable extent as indicated by the fact that 12.5% of the sample is classified under the domestic category. These are women who stay at home and engage in domestic activities.

Of the household heads, 64.7 percent had reportedly walked to their respective schools. This fact attests to the fact that in the past, educational facilities had not been highly concentrated in the Colombo Municipal area.

Of the household heads, 50.4% work in their residential location. As for the mode of transport to work, 47.6% use the bus and further 28.6% walk to work. This shows decentralization of work in the Colombo metropolitan region making suburban centers as places of living and work for many inhabitants in the Colombo metropolitan region.

The fragmentation of land has reached an unpredictably high level, with 42.2% owning as small a land extent as between 0.25 and 5.0 perches. Land fragmentation is more intense in the Colombo Municipal area. This is no doubt a reflection of past policies which favored the regularization of squatter settlements by distributing small extents of land to the encroachers.

As for the households having home gardens, 61.3% do not possess any home gardens. The number in this category is higher in the Colombo Municipal area which shows less spacious, congested living in the city limits. As for household assets, television and

audio cassette recorders are more prevalent than video recorders, washing machines and air conditioners. Of the sample households, 41.6% own refrigerators which is, no doubt a very high rate for a poor country like Sri Lanka.

Ownership of motor cars, vans and motor cycles is low. The non-owners constitute 90.5 percent, 94.2 percent and 78.6 percent respectively. As a result, the pressure on private and public bus services and train services during peak hours reaches a very high level. On the other hand, given the high density of population in the Colombo Metropolitan region, also note numbers increased are quite high leading to traffic congestion in the city and suburbs.

Housing conditions in general appear to be satisfactory with 91.6% and 89.9% of houses being constructed with cement floors and brick walls respectively. Of the households 53.4 percent are located within less than ¼ Km distance to a motorable road. 60.6 percent of the households are located within less than 1 Km distance to an urban center. The availability of markets, hospitals, banks, police stations is also satisfactory. In other words, the Colombo metropolitan region could be seen as well served with satisfactory infra-structural facilities. However, the qualitative data collected shows that the maintenance of the available facilities is unsatisfactory, particularly minor roads and by-lanes running through residential areas.

In chapter 3, the socio-economic profile of the sample population is discussed with an analysis of the conditions related to age and sex distribution, marital status, ethnicity, religion, education, income and employment.

As for the age structure of the population, the proportion below 15 years of age is 13.9%, showing a decline in the number of dependent children. However, the proportion over 65 years is 8.8%. Sinhala, Buddhist population in the Colombo metropolitan region assumes dominance over other ethnic groups. 53.1% of the population has more than a secondary level education which can be considered satisfactory in a developing country. Education and income can be seen as positively correlated. Of the income earners 77.1 percent receive an income below Rs. 4000/- which is not much given the high cost of living in urban areas.

Of the employed population, 77.3 percent have their work place at a distance below 2 Km's. 69.5% of the employees walk to work. The rate of unemployment in the workforce is nearly 10 % which is close to the national average reported by the Central Bank.

In Chapter Four, an attempt has been made to examine the nature of the economic impact of liberalization. The areas that have been looked at are: employment structure, income distribution, property ownership, dynamics of the real estate market, population pressure on land, and economic use of house and property in the Colombo Metropolitan area.

Employment structure has been examined at two levels, first, the chief respondents occupational structure and then, that of the total sample of adult population analysed i.e.6662 persons.

At the level of the chief respondents, unemployment rate is recorded as 1.4%. It is noteworthy here that 12.4% of the respondents declare themselves as engaged in domestic work. These are mostly housewives. The largest single segment of the sample, i.e. 15% reports that they are employed in the service sector, but if one adds sales work, etc., the service sector's share may be much higher. It is also noteworthy that 10% of the respondents are retired but do not enjoy pension benefits and, therefore are dependent on their family members for sustenance.

There are significant variations within the employment structure. It is significant that about 75% of the unemployed belong to the age group 15-29 years. This conforms to the general pattern in the country. On the other hand, variations based on sex are also highly significant. Women are by and large confined to less lucrative jobs whereas men tend to predominate in professional, administrative and technical employment.

As for income distribution, it is noteworthy that the vast majority of respondents, over 80% are earning a monthly income of less than 6000 rupees. Those who earn more than 10,000 rupees per month constitute a tiny minority, less than 6% of the sample. This shows that income distribution is highly skewed; most people concentrate in the lower income levels. It is also noteworthy that most of the higher income earners are males.

The demand for urban property has increased over the last 20 years. Over 60% of the all land purchases has taken place over the last two decades. This has exerted considerable pressure on the existing land resources leading to land fragmentation. Naturally, the pressure has been much higher in the C.M.C area. The plot sizes here are much smaller than elsewhere. Over 80% of the plots are five perches or less. Corresponding figure for outer suburbs is 6.7%. It is very clear that the plot size increases as one moves away from the Colombo city limits.

There is a similar pattern with respect to home gardens. Most people in the C.M.C area (88.7%) do not have home gardens. This category decreases in size as one moves further away from the city i.e.13.9%in the outer suburbs. On the other hand, plot size also increases as one moves into suburbs and beyond.

An important feature of the urban property market is that most people who have urban property do not wish to sell their property. This figure is nearly 99%. In other words, only a tiny majority of people intend to sell. This shows how limited and static the urban property market is. It is important to note that the sample does not include urban developers whose business is to buy and sell property. Another important aspect of the urban real estate market is its predominantly informal nature. Most people who have purchased property have done so through informal contacts such as friends, relations and non- formal intermediaries. Only about 11% of the purchasers have used formal market channels.

And finally, let us look at various non-domestic purposes for which urban property is being used by the owners. It is noteworthy that only just over 5% of the sample report that they have used the house or land for income earning activities. These activities are diverse but mostly fall under service activities such as retail shops, education and beauty culture. Some have also used their property for home-based industries.

In Chapter Five spatial mobility is examined in terms of residential mobility of the inhabitants of the Colombo metropolitan region. In addition mobility has been studied with a focus on the island as a whole.

In regard to residential mobility, post 1977 period is characterised by a high rate of change of residences. However, the pattern of mobility indicates a significant bias towards mobility within Colombo metropolitan region. Economic liberalisation created not only new job opportunities but had an impact on the quality of urban infra-structure. But, spatial mobility appears to have been curtailed by the reluctance of many urban property owners to part with their land and houses.

Travel within Sri Lanka is mainly influenced by cultural values, though there are many who also travel for pleasure. Accordingly, urban residents resort to pilgrimages to cultural centers such as Anuradahapura, Polonnaruwa, Kandy and Kataragama. This internal mobility seems to be moving increasingly towards pleasure trips and trips to meet with friends and relations. The latter category is already significant.

In the Colombo metropolitan region, international mobility is also an important feature that deserves our attention. In this regard, nearly 13% of the households report overseas travel at least by one household member. 67% of these trips are employment related and travel to Middle East for employment figure prominently.

As for social relations in urban neighborhoods, it is significant that the majority of the respondents report that they are living among their relatives. Respondents in the Colombo Municipal area, over 60% report that they have relations in the neighborhoods. This proportion increases as one moves away from the city. In the outer suburbs, the proportion is as high as 81%. This is no doubt related to the fact that most people prefer to hold onto their ancestral property. On the other hand, the composition of the neighborhood is virtually the same in the city, immediate and intermediate suburbs indicating a much greater residential mobility there.

Apart from the above, attention has been paid in the Chapter to the nature of relationships of inhabitants with their neighbors. On that dimension close/friendly relations are reported by a majority, ranging from 65.6% to 83.3% from within the four locations studied. With regard to this aspect, neighborhood in intermediate suburbs serves better than other locations and the percentage of such relationships there amounts to 83.3.

As for the friendly relations, urban inhabitants tend to form about 60% of them from within the neighborhood itself. The remainder of such relationships emanate from

elsewhere in the city and out side the city. Thus, within the social structure of urban neighborhoods, friendly relations can be observed as an important component.

Of the relatives of respondents, 21.9 percent happen to live in districts other than Colombo. Of the respondents 45.7 percent make frequent visits to their relations. But the latter's reciprocation appears to be meagre, i.e. the percentage of relatives making frequent visits to respondents amount to 1.4 percent.

The last chapter of the report examines the respondents perception of the socio-economic changes brought about by the open economy. These changes are discussed under the following headings.

- a). Income opportunities
- b). Standard of living
- c). Changes in the locality
- d). Significant problems in the locality and the Colombo Metropolitan area.
- e). Nature of living environment
- f). Advantages and disadvantages of living environment

It is significant that about 66% of the respondents report new income opportunities over the last two decades. These income opportunities mainly relate to garment industry, retail trade and construction work. However, with regard to standard of living, only a tiny minority of 5% of the respondents say that the present situation is better than what it was about 15 years ago. While the vast majority report no appreciable change, a significant number of households (16%) complain that the situation is worse today. They cite economic difficulties as the reason for this situation.

As for the reported changes in the locality, mostly cited changes are the development of facilities and the growth of the city. When questioned about the significant problems in the locality and the city, respondents were quick to identify pollution, population growth and land related problems as most significant. People living in the immediate suburbs feel the pressure of population growth more frequently than elsewhere.

With regard to significant problems in the Colombo metropolitan region, the most commonly cited problem is traffic congestion, followed by population growth and overcrowding. A sizeable number also identify social problems as significant. It is significant that the overwhelming majority of respondents do not see any improvement in the living environment while 52% of the respondents do not see any significant change, nearly 40.7% say that the change has been for the worse. Only 9.5% of the respondents say that their living environment is better today. Many of them who report an improvement attribute it to better facilities and proximity to urban services. On the other hand, those who say that their living environment is 'worse', attribute it to pollution, overcrowding and social problems.

Concluding Remarks

The main purpose of the present study has been to examine the impact of economic liberalisation on the Colombo Metropolitan region in its various aspects. The underlying key hypothesis has been that, with the increasing significance of Colombo as the business centre in the liberalised economy of the country, the capital would act as a magnet attracting people from different parts of the country for residential and business purposes. This would naturally have an impact on the urban land market and other aspects of urban life.

It is significant that nearly 25% of the respondents currently resident in the Colombo district have originated from the other parts of the country. It is also significant that most of these people have changed their residence over the last two decades. Mobility pattern in the two adjoining districts is quite different. While Kalutara reports a negative growth, Gampaha shows a slightly greater number of current residents over those who were born there. This is not surprising given the fact that two Free Trade Zones are located in this district.

Another significant change that took place is the expansion of the urban property market. It is clear that the liberalised economy has had a major impact on the market. For instance, nearly 67% of the land purchases reported by the respondents have taken place over the last two decades.

It appears that the land market in the city and its immediate environs has reached a saturation point. Since urban property owners in general do not want to part with their property, there is no rapid change of hands. Given this situation, it is the private and public sector developers who contribute to the dynamism of the urban land market, not individual owners.

Increasing demand for land in and around Colombo coupled with rapidly rising land values has contributed to the fragmentation of plots of land. This is particularly so in the city and its immediate suburbs. Increasing population density, has led to various problems which the respondents have correctly identified, i. e. overcrowding, traffic congestion, pollution, lack of home gardens, etc.