Neo–Liberal urban Politics in the Historical Environment of Istanbul – The Issue of Gentrification*

1. Introduction

The nature of the 'urban regeneration' initiatives of the state has some impacts on the poor and on the historic built environment. These impacts have some physical consequences such as gentrification, which is a very good example of neoliberalism on urban areas. Gentrification has also links to the 'internationalisation' and 'financialisation' of Istanbul, as well as the state's project on this. These projects are leading to an increase in professional middle class people wanting to live in the inner historic areas of the city. Also, these projects are part of other major initiatives to restructure Istanbul which can lead to eviction of the inner gecekondus or deteriorated areas in the historic peninsula; expansion of the CBDs; mall and upper class housing; removal of manufacturing factories and their workers to the periphery.

The term gentrification has been widely used, but from 1960s until now the description of the concept changed a lot. While in the case of London in the 1960s gentrification was a relatively marginal process on the market executed by urban pioneers, today it is a multi-faceted, but globally institutionalized strategy of urban regeneration (Smith 2002).

Gentrification has always been an important and popular research issue, but most of the research that is done about gentrification is about developed countries. Even though in the past gentrification was a phenomenon only for the developed cities, now it is more worldwide. Developing countries are also facing the process of gentrification and its consequences. The research will contribute to theorising and understanding the process of gentrification in regards to neoliberal urban politics in the historic neighbourhoods and also the consequences of gentrification particularly in historic environment.

Gentrification has been mostly used with the word social mix. On the other hand when one examines the neighbourhoods that are gentrified, it is clear that gentrification did not lead to social mix, it rather led to social polarization which is a consequence take mostly comes from neo-liberal politics that operated on urban places. Marginalisation is considered the main cause behind the observed social polarization with a growing share at both income extremes; a rising number of excluded at the other end of scale. Differences between the poorest and most affluent areas have unmistakably grown. Because of the income hierarchy, there is a composition which is linked to polarization in the housing market (Anderson 2002). This polarization is linked to changes in housing demand leading to a gentrification of parts of the inner city and to a concentration of the less skilled in the less desirable parts of the housing market. Thus, occupational polarization is accompanied by growing social, tenural and ethnic segregation.

* This paper is submitted for a chapter of a book entitled Neoliberal Urbanization: Intersections, Articulations and Compositions.
State-led gentrification is also an important issue that is going to be considered in the research. The reason for that, particularly, in developing countries rather than gentrification thorough housing market, state-led gentrification has occurred. One of the reasons for that could be that the state started to see gentrification as a good way of applying neo-liberal urban policies in the inner city and satisfy its middle and upper class people. While doing that, neglecting working class and poor inhabitants’ needs can cause various social problems such as displacement and social polarization. In this research this problems are to be investigated. If gentrification is something that is coming from globalisation that means that the role of national state is minimizing and for that reason it should be said they do not have that much role in gentrification but local governments and district level governments are gaining importance in this case because there are precisely the local urban policies – besides the global economic flows and the national policies- which can determine whether an area with a considerable rent gap will be gentrified or not (Jelinek 2011).

The paper has sections on explaining the economic and socio-economic impacts of gentrification on national and city level. World cities theory, rise of the FBS and manufacturing will be discussed in the first part. The concept of gentrification will be examined and it will be followed by Turkish housing system. Finally the case studies will be investigated.

2. World Cities and Changes in the Global Economy

2.1 World Cities

In this section world cities concept will be examined in relation to developed countries, developing countries and big cities in these countries. The reason for that, the research will be about Istanbul and recently, the state’s urban policies about the city were mainly about making Istanbul a world city. For that firstly world cities concept will be examined and then rise of FBS, the shift from manufacturing to FBS sectors and finally how these concepts affected developing country big cities will be examined.

According to Friedmann (1986) the world city concept is about the spatial organization of the new international division of labour. It concerns with the contradictory relations between production in the era of global management and the political determination of territorial interests. It is helpful to understand what happens in major global cities of the world economy and political conflicts in these cities. Although it cannot predict the outcomes of these struggles, it does suggest their common origins in the global system of market relations.

Following this argument according to Friedmann (1986) there are several related theses to world cities concept:

- The form and extent of a city’s integration with the world economy, and the functions assigned to the city in the new spatial division of labour, will be decisive for any structural changes occurring within it.
- Key cities throughout the world are used by global capital as ‘basing points’ in the spatial organization and articulation of production and markets. The resulting linkages make it possible to arrange world cities into a complex spatial hierarchy.
- The global control functions of world cities are directly reflected in the structure and
dynamics of their production sectors and employment.

- World cities are major sites for the concentration and accumulation of international capital.
- World cities are points of destination for large numbers of both domestic and/or international migrants.
- World city formation brings into focus the major contradictions of industrial capitalism among them spatial and class polarization.
- World city growth generates social costs at rates that tend to exceed the fiscal capacity of the state.

Other than Friedmann’s (1986) discussion of "the world city hypothesis"; there are other important contributions to world cities concept such as Sassen's (1990) pioneering study of New York, London, and Tokyo; and King's (1991b) study of colonial urban systems. The specificity of places and the apparent tendency toward convergence within certain socioeconomic and institutional arenas have been important to world cities theory. They generally incorporate elements of individualizing and universalizing comparative strategies as well.

According to Knox there can be three key conclusions of the world cities research can be summarized as:

- World cities consist of regional, national and international economies into a global economy. They serve as the organizing parts of a global economic system.
- World cities can be arranged hierarchically, mostly according to their economic power and competition between world cities. Cities can rise and fall through the hierarchy, and their position is determined by the relative balance of global, national and regional influence.
- Many regions are excluded from the space of global capitalism and also from the hierarchy of world cities: they can be seen as economically irrelevant (Knox 1995)

Even though the world city hierarchy has been mostly based on a series of criteria, including national standing, location of state and interstate agencies and cultural functions, the primary criteria in this framework is economic – as Friedmann (1986) notes: ‘The economic variable is likely to be decisive for all attempts at explanation’. This became more visible in the world cities approach, especially as the approach has been closely relevant to world-systems theory, and as more recent research has focused on explaining transnational business connections which determinates the top rank in world cities, labelled ‘global cities’ (Beaverstock et al. 1999; Sassen 2001).

In the world cities with economic changes and the shift to FBS sectors, urban space started to include prestige buildings, skyscrapers. Also with the increase in management and finance employment, high wage employment and the increase in consumer services followed. FBS has usually been come with massive increase in consumer services (Sassen 2001). New kind of culture in urban areas and change in consuming preferences has emerged. The terms “trendy” and the “taste-maker” emerge as a new social types carrying a new social function.

There are three sectors that are mostly affecting world cities and these sectors are: finance
and business services (FBS), manufacturing and tourism. These sectors will be examined more during the research.

### 2.2 Rise of FBS

When it comes to the world cities approach, the rise of FBS and globalization industrial change from manufacturing to finance and business service should be examined to explain the process. This change is very important in the history of globalization. Global cities emerged when, in the 1970s, the global financial system expanded dramatically and foreign direct investment was dominated, not by capital invested directly in productive functions, but rather by capital moving into and between capital markets (Smith 2002).

The world-wide growth of FBS was much more visible in developed countries and this growth also contributed a lot to world city theory. It was one of the criteria to define world cities (growth in FBS). World cities concept highly centred on FBS sectors and even forms of manufacturing and also services have inputs of both goods and services; such as an automobile manufacturer should buy legal services, advertising, banking, and public relations inputs, just like security firms must purchase software and equipment to perform their job (Walker 1985; Coffey and Polese 1989). The major components of the FBS sector are (Bryson et al. 2004):

- Finance, insurance and real estate (FIRE), including commercial and investment banking, insurance of all types, and the commercial and residential real estate industry.
- Business services subsume legal services, advertising, engineering and architecture, public relations accounting, research and development and consulting. Many producer services also serve final demand, such as attorneys that cater to both commercial clients and individuals.

There are four main sectors within the economic system. Activities related to natural resources such as agriculture, fishing, mining or oil extraction, form the primary sector. Much of the output from the primary sector has limited use and value until it has been transformed in some way to become part of usable goods. Even if this primary sector takes place near the source, it needs a secondary sector or manufacturing (therefore requiring transfer between point x and point y). The products created by manufacturing processes may be immediately suitable for final use by consumers or may be components of other final products (Daniels 2001). After that, they will have to be distributed to the places and markets to be consumed or purchased. This is the role of the tertiary sector, which includes wholesale and retail trade, transportation, entertainment and personal services.

Improvements in communication and transportation and their connection with computer services since the 1980s have transformed the secondary and tertiary sectors. Producers improved the international market according to consumer’s preferences and the growth of international purchasing via the Internet is most symbolic of this change. There is also a quaternary sector that meet special requirements or need of sub-group of individuals or firms within economy. This includes banking, finance, business services, the media, insurance and administration. These are activities that assemble, transmit and process the
information and knowledge that is required by the other three sectors to enable them to adjust effectively and efficiently to the changing social, economic, and geographical parameters of doing parameters of doing business in the twenty-first century (Daniels 2001).

There has been a decline especially in primary sectors but for manufacturing sectors, they changed location rather than declining. It is true that employment in FBS sectors increased dramatically especially in CBDs, but manufacturing sector sustained themselves, too and they just replaced their institutions (to developing countries, other cities in developed countries or periphery of big cities in developing countries). This transition in economy had some consequences. As Amin and Thrift (1994) stated:

“First, there has been marked increase in the power of finance over production. Finance capital now takes many forms and moves almost seamlessly and with great speed across the globe, especially between the world’s financial markets centring on stock and other exchanges. Electronic trading has ensured volatile and fast moving financial markets that can transform (either positively or negatively) the economic prospects of companies and, more importantly, of national or regional economies overnight”.

In addition, there are consequences, related to flow of capital and knowledge. Knowledge became pivotal as a factor of production. Since knowledge, its creation and exchange, is embodied in people rather than machines, economic welfare relies more on producing an educated and skilled workforce. Technology has become transnationalized especially amongst knowledge-intensive activities such as financial services or telecommunications, but as Daniels (2001) states: “This does not necessarily mean better access to the factors of production; the increased complexity of the opportunities so created means that only those producers and institutions with the resources to manage technology can really take advantage”. Globalization of technology and the mobility of financial capital has been accompanied by global oligopolies such as Microsoft for computer operating systems and software. Another consequence of “going global” that a lot of agreements that concerns economic activities are in hands of transnational institutions (not in individual nations). Examples include the IMF, the United Nations Conference on Trade and Development (UNCTAD), the World Trade Organization (WTO), or the Organization for Economic Co-operation and Development (OECD) (Amin and Thrift 1994). Last but not least, these symptoms of globalization present themselves as new (global) economic geographies. These have been characterized in various ways, including the centralization of economic power in global cities (Sassen 1991), as a borderless global economy (Ohmae 1990), as a space of flows (Catells 1989), or as a new global division of labour (Dicken 1992).

There are many factors that needs to be considered to understand the flow of capital around globe. First, through the 1980s and 1990s, different governments and international institutions, like the International Monetary Fund (IMF), have pursued neoliberal free market policies and encouraged the deregulation of financial markets (by eliminating exchange and capital controls) and the liberalization of flows of capital across national borders (Pollard 2001).

All the changes in the economy and flow of capital made some changes in urban space and these changes varied from country to country, but especially whether it is a developed or a
developing country. These also connected to world cities theory, because the tendency has been to categorize cities into a hierarchy, in which world cities are at the top of the tree of influence. This approach has shaped cities around the world within the world cities literature. With the criteria that are mentioned in the beginning certain cities are identified, labelled, processed and places in a hierarchy with very little attentiveness to the diverse experiences of that city (Short et al. 1996).

Even though in the concept it seems like developing countries do not have much to contribute, developing countries also can contribute to world cities approach and the rise of FBS sectors. Of course most of the cities are not categorized in world cities diagrams. Rather than that they are seen as manufacturing destinations for developed countries.

One can agree that global links and power relations are changing and inequalities and poverty shape the quality of these changes but claiming poor cities and countries are not contributing too much to global economy is completely an another thing. Even though some poor cities or countries are claimed to be irrelevant, the global economy is very significant in shaping and fortunes of these cities. In order to understand the urbanisation in any kind of city, it is important to examine its connection with the global economy, as well as the social, cultural and historical legacies that each country carries into the era of globalisation (Shatkin 1998).

There were some urban development initiatives at the end of the 1990s and they have dovetailed with substantial administrative decentralization in poorer countries to produce a set of policy proposals focusing on promoting urban economic development at a local level. These initiatives are also reinforced by a growing awareness of the competitive role of cities across the world in the global economy (Wolfensohn 1999; Stren 2001).

In addition to all that stated above, shift from manufacturing to FBS is affected from deregulation which came with neo-liberal policies. Deregulation – the lifting of state controls on many industries – has increased the uncertainty faced by many firms, and has had significant impacts on the profitability, industrial organisation, and spatial structure of numerous sectors (Bryson et al. 2004). To negotiate these environmental complexities, firms need other people to collect vast amount of information and make strategic decisions: clerical workers to assist with big amount of paperwork; researchers to study market demand and create new products; advertisers and sales people to market their products and vast amount of people to engage in public relations, accountancy, legal work and financial experts to assist very complicated decision-making environment. Unlike income-based or demographic arguments, this approach has the added appeal of explaining the growth in producer services, the most rapidly growing part of the economy of most developed countries.

2.3 Manufacturing

It is stated that even the increase in FBS sector employment, it has not been a global decline in manufacturing. It rather shifted from first world countries to third world countries. This shift had some effects on the geography of economy and urban space. In third world countries there was a visible increase in finance sectors, but this does not lead manufacturing sectors to leave big cities like they did in developed countries. It can be said that the shift from manufacturing to finance sector is not complete and big cities in developing countries still
have lots of the manufacturing service, nevertheless, the growth in FBS sectors cannot be denied in these cities. For example in Turkey, Istanbul is still the biggest manufacturing centre in the country. This means that in third world countries, manufacturing sector is still located in largest cities. Because of the lack of services (infrastructure, sufficient employment, housing.. etc) this growth may bring some problems. As opposed to that in first world countries, manufacturing sector declined in CBDs, but high skill manufacturing still remains in the same country, but moves out from big cities to cheaper locations. Of course a lot of manufacturing sector also moved to third world countries.

Manufacturing and FBS are among the sectors that affected the most economy in world cities. How these sectors perform in relation to world cities and the internal economic conditions in these cities will be examined more in the next sections.

2.4 World Cities in relation to World Economies

The driving force of world city growth is found in a small number of rapidly expanding sectors such as FBS and tourism. In relation to these sectors, major importance attaches to corporate headquarters, international finance, global transport and communications; and high level business services, such as advertising, accounting, insurance and legal (Friedmann 1986). An important ancillary function of world cities is ideological penetration and control. New York and Los Angeles, London and Paris, and to a lesser degree Tokyo, are centres for the production and dissemination of information, news, entertainment and other cultural artifacts. When it comes to occupations, world cities are concerned with dichotomized labour force: a high percentage of professional workers in control functions and on the other hand there is a big army of low-skilled workers engaged in manufacturing, personal services, hotels and tourist and entertainment industries that serves to mostly professional worker or upper classes (Sassen 1984). In the semi-periphery, with its rapidly multiplying rural population, large numbers of unskilled workers migrate to world city locations in their respective countries in search of livelihood. Because the ‘modern’ sector is incapable of absorbing more than a small fraction of this human mass, a large ‘informal’ sector of microscopic survival activities has evolved (Kannappan 1983). Because of these inequalities in world cities that is mostly created by all the control functions that has been going on the world cities economy, there has been an income polarization between these high skilled workers and low-paid workers and this polarization had some effects on urban space in world cities.

3. Concept of gentrification

In the second section, FBS sectors and the shift from manufacturing to finance sectors were discussed. These are some dynamics that can affect gentrification process and they can lead to gentrification in some cases. With the change in the economic policies, there can also be change in built environment. There has been a shift in the housing stock residential area.

Preferences of middle-class people started to shift from suburbs to inner city areas that are mostly working class residential areas. This shift in the preferences can be one of the things that affect the process of gentrification. In this case, gentrification is more than just global accumulation of capital, it is also affected by preferences and shift in social dynamics.
Examining only the economic part of gentrification could result in only explaining the supply part of gentrification. This can lead to ignoring the demand part of gentrification and a research that is not explaining the demand side can be considered as incomplete. Afterwards the classical gentrification and state-led gentrification will be examined to give an insight about the effects of the gentrification concept.

3.1 Supply and Demand Aspects of Gentrification

To understand the process of gentrification well, it can be divided into demand aspect and supply aspect explanations. The supply aspect argument is that actors invest in a neighbourhood in a way which capitalises on the value of latent characteristics of that area, the market value of which was not previously fully realised. An example is Neil Smith’s rent gap thesis (Smith, 1987). An example of a rent gap is when an area in the inner city becomes more valuable and development arises around it, providing easier connections to service benefits (Webb, 2010).

To explain it better, if we look at the supply aspect explanations we can talk more about economic explanations such as the rent gap explanation. It is one of the explanations for the process of gentrification as the product of investment and disinvestment in the urban land and housing market. With time, development in the urban land and expansion create a tension between ‘capitalized ground rent’ the economic return from the rights to use land with its present use and ‘potential ground rent’ the return that could be earned if the land were used at its optimal highest use. As the gap between potential and capitalized ground rent gets bigger, pressure for land use change increases; residential gentrification is one way of closing the rent gap.

Gentrification’s importance is linked to the process of urban restructuring, regeneration and uneven development in the urban land. It also explains well the economic aspects of housing policy to some extent. Following Harvey (1978), Smith also states that such changes and problems can result in a shift of capital investment to the built environment. For that reason, one of the most profitable opportunities is the deprived and devalorized neighbourhoods where capitalized ground rent is significantly less than the potential ground rent (Smith, 1982).

In effect, gentrification is a conjuncture of both these structural forces necessary for its general form, and the contingent forces that make it appear at distinct points in time and in adverse ways in certain cities and not others (Althusser 1977; Beaugregard 1984).

Other than these supply aspect explanations, there are also demand aspect explanations and in spite of all the economic effects and explanations, gentrification should not be considered as solely a facet of capital accumulation. Demand aspect explanations suggest that processes of economic restructuring and changing cultural attitudes and preferences might create additional demand for the housing and neighbourhood offer of a specific location (Webb 2010). An example of this explanation could be a shift of city’s economy from blue collar to white collar, and the of white collar workers to live closely to inner city. A different example might be a positive cultural revalorisation by those on higher incomes of particular features of Victorian housing (Webb 2010). Gentrification have then looked at the factors which have
catalysed market adjustments, in terms of capital and population, in areas affected by supply and demand forces. The presence of artists, for example has been identified as one of these catalysts, attracting higher income households by increasing the cultural offer of a neighbourhood (Ley 2003).

The demand part firstly working class people who are already living in the potential gentrification areas and professional gentrifiers. The demand for inexpensive housing is not something new, nor is the existence of politically and socially vulnerable social groups. However the existence of professional and single households in city centres has become more and more popular in the last few decades. More importantly, the gentrifiers are often provide the motivations and aspirations that shape the process of gentrification (Beauregard 1984). Without this group the whole process ceases to exist.

In the end gentrification does not consist of only supply or only demand aspects that are examined above. Gentrification is both supply and demand, because it is obvious that a process would be incomplete if it consist of only one aspect.

3.2 Classical Gentrification

The term gentrification was first coined by the British sociologist Ruth Glass in 1964. Ruth Glass was a Marxist, a refugee from Nazi Germany, and one of the pioneers of urban sociology in Europe. Glass used this term to describe new processes such as urban change that affected inner London; the changes that were described are now known as ‘classical gentrification’ (Lees and Wyly 2008):

One by one, many of the working class quarters in London have been invaded by the middle class – upper and lower. Shabby, modest mews and cottages – two rooms up and two down – have been taken over, when their leases have expired, and have become elegant, expensive period which were used as lodging houses or were otherwise in multiple occupation have been upgraded once again. The current social status and values of such dwellings are frequently in inverse relation to their status, and in any case enormously inflated by comparison with previous levels in their neighbourhoods. Once this process of gentrification starts in a district it goes on rapidly until all or most of the original working class occupiers are displaced and the social character of the district is changed (Glass 1964).

Gentrification began before the term was coined, and Neil Smith gives Haussmann’s Paris one of the very first examples of gentrification. Haussmann demolished the residential areas that poor people were living in, displaced them to make room for city’s now popular boulevards. The new residences became the most exclusive ones in the city. On the other hand gentrification (classical gentrification) emerged in post-war advanced capitalist cities in the 1950s. Disinvested inner-city neighbourhoods are upgraded by pioneer gentrifiers and the indigenous residents are displaced. Working class housing becomes middle class housing.

Post-war urban renewal meant the bulldozing of old neighbourhoods, to be replaced by modern housing and highways. As the destruction got bigger so did the reaction against it. At the beginning protestors were mainly historians and architects, but in time, young, middle class people joined this movement. In addition, back-to-city movement is a way of expressing gentrification. With this movement going back to the deprived, historic parts of city;
presented as something that is part of urban conservation process which is true to some extent, but back-to-city movement is also used to hide the consequences of gentrification. The term gentrification has been widely used but from 1960s till now the description of the concept changed a lot (Smith 2002).

To understand the history of the classical gentrification process, a model was created. It was developed in 70s and 80s and it explains the process from pioneer gentrification to maturing gentrification (Lees and Wyly 2008):

Stage 1
A small group of risk-oblivious people move in and renovate properties for their own use. At this stage there is little public attention and displacement, because the new comers mostly take vacant houses. First group of new comers are mostly design professionals who usually have the skill, time and ability to undertake extensive rehabilitation.

Stage 2
Some of the same type of people move in and renovate the houses for their own use. Small scale speculators may renovate few houses in visible locations. Some displacement occurs, because vacant houses are getting rare.

Stage 3
At this stage major media or official interest is directed to the neighbourhood. Urban renewal may begin. Prices begin to increase rapidly and displacement continues. New comers start to see the area as investment. Tension between old residents and gentry begin to emerge. Protective or defensive actions against crime are taken. If the new comers have less tolerance the tension between gentry and old inhabitants becomes serious.

Stage 4
A larger number of properties gentrified, and the middle class continues to come. At this stage the new comers become more business and managerial middle class. Efforts may be made to win historic district designation. Buildings that have been held for speculation appear on the market. Small specialized retail and professional services begin to emerge. Displacement now affects not only renters but some home owners as well.

The model that is stated above is not very useful to understand the 90s, but it is necessary to understand the process of gentrification before 90s and there are still some similar things that are happening in the gentrified areas. In 1990s negative effects of gentrification started to become obvious.

Gentrifiers use different ways to modify or renovate their commodity. Part of these repairs were afforded by loans and mortgages. With these loans and mortgages it can be said that there were there ways of renovating:

- The transfer of the property from working class to middle class can be mediated by developers who buy the buildings and improves it before selling. Typically, a private developer can rehabilitate a group of properties or an entire street, usually with the help of real estate agents, or the state may declare an area urban regeneration site and
encourage private (institutional) as well as public investment (Merrett 1976).

- Prospective owner-occupiers buy a house, do its rehabilitation by themselves or with a construction mortgage or loan, after that they finish the work using only their own labour. When all the work is finished, they may sell to another as a commodity (Smith 1979).

- When an owner purchases a new property and employs a developer to renew it, this is called unmediated renovation. This type of renovation like the two other ones is a linear process: purchase, rehabilitation, payment, habitation (Smith 1979). Under the present organization of the building trade, the labourer is paid by the capitalist builder and appears, therefore, to produce a commodity for him; a commodity (the rehabilitation) which the builder simply resells to the willing consumer (owner of the original structure). So willing, indeed, is the consumer, that he or she has bought the commodity before the labourer has had the chance to perfect it.

To be able to understand the whole process of gentrification social dynamics between working class and the gentrifiers should be examined. This way the reasons for the demand part of gentrification and their effect on the housing space can be discussed. In the research that is going to be conducted in Istanbul. These issues will be examined in the historic part of the city. In the following section state-led gentrification will be examined to show the concept that is adopted lately mostly in developing countries.

### 3.3 State-led Gentrification

Gentrification had evolved since 1990s for the cities around the world into an urban strategy for local governments with private capital. All around Europe and US gentrification started through housing market more than a state policy. The state provided some help for the gentrifiers such as loans for renovating the houses. However, most of the time gentrification has been a process through private market and minimum state intervention in developed countries.

The difference between classical gentrification and state-led gentrification are the factors that trigger change in the built environment. Classical gentrification research defines changes that occur as a result of the actions of individuals and private firms. Within these actions, patterns exist which reflect wider changes in the way societies work and live. These changes occur within both private and social housing and it is also important that inequalities in demand are a feature of social housing. The economic part of classical gentrification literature has been largely concerned with the capital-driven processes affecting the private sector. Classical gentrification is simply the social and economic forces that sometimes make it possible for actors to generate profits by investing in previously disinvested residential areas (Webb 2010). The more recent research into state-led gentrification applies gentrification ideas to processes of reinvestment that are taking place as a part of more complex changes in urban space. Unlike classical gentrification research, these processes of urban change cannot be fully ascribed to socially and economically driven changes in the private sector: they incorporate a significant element of government policy. In state-led gentrification instead of economic processes driving urban change, the state is driving urban change and co-operating with private developers to deliver their plans (Cameron 2003).
State-led gentrification is an action that is encouraging higher income populations to move into lower income areas. The majority of academics with interests in this area argue that the core motivation driving states is now a desire to facilitate the making of profits from the refashioning of urban environments for higher income groups (Lees 2009; Smith 2002; Glynn 2008). The claim here, that states now regulate the market. The dominant argument is that the way states regulate the market has changed over the last thirty years or so. They now mimic and support market processes; they try to work with and expand markets rather than attempting to constrain their negative effects with measures to redistribute income and provide welfare (Weber 2002; Moulaert 2000).

This transformation of gentrification from a little piece of urban land in inner cities to large scale urban strategies forces one to develop new concepts for the role of governance networks (Slater et al. 2004; Weesep 1994). Hackworth and Smith (2001) indicating that the role of the state depends on a number of factors. They demonstrate that, paradoxically, the state is increasingly involved in gentrification in a time of `privatisation':

``First, continued deregulation has placed even more pressure on local states to actively pursue redevelopment and gentrification as ways of generating tax revenue. Second, the diffusion of gentrification into more remote portions of the urban landscape poses profit risks that are beyond the capacity of individual capitalists to manage. Third, the larger shift towards post-Keynesian governance has unhinged the state from the project of social reproduction and as such, measures to protect the working class are more easily contested''.

Following this logic, observers argue that excuses that are used such as generating social order to make gentrification process run smoothly, eventually harm the interest of poor inhabitants and these actions are seen as attempts to take back the city for middle-class and to increase the profit margins of developers and the tax bases of local governments (Smith 1996). According to this view, the state acts in the interests of professional workers and legitimates itself by stigmatising the victims of its policies (Smith 1999). Explanations that focus not entirely on capital flows might be more appropriate, and arguments that regard gentrification as the outcome of changing lifestyles and of the emergence of new groups of urban consumers (Ley 1996) may be helpful to understand the process. Even though some academics such as Neil Smith mostly focus on supply aspect of gentrification, it should be noted that even in state-led gentrification the demand aspect is very important.

The process of state-led gentrification has its price. Displacement, for instance, has become increasingly common. Another problematic aspect of state-led gentrification is that the flow of middle class residents does not increase social cohesion, on the contrary, it creates tension between the new and the old inhabitants of the neighbourhood (Beckhoven and Kempen 2003; Veldboer et al 2002). There is evidence that these consequences are taking place in certain third world cities such as Istanbul, Mumbai (Mckinsey1996;Harris 2008). After the urban renovation and renewal projects current inhabitants are being displaced by the state. In some cases they are being moved to periphery of the city and in other cases they are not provided with a house. Because of the lack of infrastructure, unemployment and poverty in cities in third world cities, these kind of urban policies tend to increase these problems. State-led gentrification tends to create efficient housing for middle class people in the inner city at
the expense of poor inhabitants requirements.

This can lead us to the point that state uses urban regeneration usually to sugarcoat gentrification. In the proposed research state-led gentrification and private gentrification will be examined through neighbourhoods in Istanbul. For that reason understanding the housing system and economy in Istanbul and in Turkey context is important. In the next section Turkish economic, political and housing system will be examined.

4. Neighbourhood Change in Istanbul

4.1 Economic and industrial changes in Turkey and Istanbul

Turkey, firstly, started as an agricultural country, but after 1950s increase in manufacturing sector started to be visible. Similar to other countries with the industrialization, importance of agriculture decreased and manufacturing sector started to become more important. Different from developed countries after 1980s FBS sectors started to increase, but manufacturing sector did not decreased. In the major cities in Turkey, besides the increasing finance, real estate and business sector, manufacturing sector still preserves its importance. Even though some of the manufacturing were decentralized, the presence and effect of the sector is still important. In this section firstly, the sectors that are stated above will be explored to gain a better understanding into Turkey’s and Istanbul’s changing economic situation.

To be able to understand the consequences of gentrification it is important to explore neoliberal politics in Turkish and Istanbul housing market.

4.2 Turkish and Istanbul Housing Market

Since the 1920s, there has not been a good housing policy because of financial and institutional problems and weaknesses. Another important point is that the housing policy did not have a social aspect and the housing for low-income was not considered in housing policies. Some measures were taken to solve the acute problems of certain groups in some localities, such as constructing houses for civil servants especially after Ankara was proclaimed as the capital city in the 1920s as well as houses for immigrants mostly from east Europe or houses built for the victims of natural disasters (Turkun 2011).

In some periods, there were some attempts to support cooperative housing for workers by means of credits provided by the Real Estate and Credit Banks founded in 1926 and 1946 respectively. These banks were basically founded to provide the financial and institutional set up to solve the housing problems of especially unprotected low-income people by using the state resources; however, they were insufficient in serving this purpose (Tekeli 1982). In 1945 Social Security Institution started to give credits to workers’ housing cooperatives but unfortunately this could be supplied to limited number of people who were part of the security system. In 1958 Ministry of Development and Real Estate was established to provide housing for low-income people with reasonable prices and in 1951, the Law of Local Governments (Law No. 5656) gave municipalities the responsibility to produce the necessary housing. However, all the things that are done for low-income housing wasn’t enough because these measures were only realized in a few cases and it wasn’t efficient for all the migrants from rural areas. For that reason the construction of squatter houses (“gecekondu”) on state land or shared parcels has been revealed by academics (Turkun and Yapici 2009a;
To be able to understand the concept of “gecekondu” the changes in the metropolitan centres should be described. In order to understand high rate of urbanization and the expanding squatter housing areas (“gecekondus”), urbanization should be analyzed with respect to the capitalist development process in an underdeveloped economy. It can be said that urban areas perform the function of forming and reproducing capital and labour power. In the reproduction of the labour power, housing has a function of determining the price of labour power in the market and low cost housing enables keeping the cost of reproduction of labour low without transferring the limited capital that can be used for capitalistic investments to housing investments (Tekeli 1982). Therefore, squatter housing is an interesting solution for low-cost housing for workers, who provide the necessary reserve labour force for the industrial sector (Senyapılı 1992). In early 1970s, one third of the urban population lived in squatter housing areas and this share was higher in big metropolitan cities; for example, in Ankara the share of people living in squatter housing areas constituted the two-thirds of urban population (Turkun 2011).

It can be stated that in the period 1920-1980, when considered together with the economic policies, housing policies were never in favour of low-income people who are not capable of accessing housing market, for that reason between 1950-1970, squatter housing gained momentum and became the basic housing opportunity for the urban poor. Due to the increasing number of migrants in metropolitan cities and their political power in affecting the elections, various measures were taken to integrate them into the system by giving their houses legal status in especially election periods (Turkun 2011). Therefore, most of the squatter houses constructed in this period became low quality apartment housing blocks.

However, the statuses of squatter housing areas established after 1970s show variations and pose a more problematic situation. After the second half of 1970s, the squatter housing districts were mainly founded with the support of left-wing political social movements defending the right to housing. The land invaded by particular people (sometime mafia-type organizations) or agricultural land bought cheaply by some capital owners were divided and sold to migrants on a shared title-deed basis. In those years, local governments demolished the housing blocks and some fierce confrontations which sometimes led to death between the police and the inhabitants happened (Aslan 2004). Although after 1980s, various laws were issued to give those houses a legal status by distributing pre-title deeds, which would be converted into official title-deeds after the completion of development plans, it is still the case that in many housing areas, people are very vulnerable in the face of new neo-liberal housing policies and the ambiguous legal status of their houses (Turkun 2011).

It was realized that investing on land was something that could bring high profits and between 1980s and 1990s, there has been consistent discussions about urban policies related to low-income housing. Central and local authorities were explaining squatter housing in relation to the economic situation of the inhabitants and Mass Housing Development Administration (MHDA) was founded in 1984 to solve the housing problems of low-income people by encouraging the establishment of housing cooperatives supported by cheap credits (Turkun 2011). Also there were lots of laws that were enacted in mid 1980s and they were
about exemptions to squatter housing owners, they were giving them pre-title deeds to be converted into official title-deeds after the development plans were prepared. The idea behind these developments was to open these areas to the market and with that transforming them, but this led to increase in rent gaining potential of these houses and people tended to increase the rents through house ownership instead of claiming for the right to housing.

From the 1990s, the squatter house owners started to convert their houses into low-quality apartment blocks, sometimes for the use of their children and sometimes be rented for extra income. These were realized before the development plans were prepared so this now constitutes a very important to be solved for many squatter housing districts (Turkun 2011).

In the 2000s these developments about squatter housing changed direction and the tone of the state claimed that people who are living in the squatters were invaders and the districts were claimed to be the reason for increased crime rate, people who are living there were the criminals in this logic. The authorities started to say that urban regeneration/transformation was needed in squatter housing and in the historic districts which were invaded by the urban poor. There were lots of laws enacted to make these transformations happen and the justifications of these laws were “organized and planned development” or the danger of earthquake but it is seen that the legal framework for the realization of individual urban regeneration projects is attempted to be created against the idea of comprehensive planning and urbanization (Turkun 2011). It is clear that areas that were declared as urban regeneration/renewal areas are either historic districts or squatter housing districts that now become valuable urban land.

In addition, housing sector as stated above is highly affected from MHDA. After 1980s, there were laws and regulations that helped MHDA gained the power it has nowadays. One of these laws is the Municipality law that was enabled on 2005. With this law the city and province municipalities in Turkey gained the power to create urban regeneration and development projects.

Second law was also enabled on 2005 and it was called “The law about preservation and usage of the detoriated historical and cultural monuments”. This law allowed MHDA to perform urban regeneration projects in historic environment and displace people who are living there to periphery of the city (Yilmaz 2010).

Third bill was enabled on 2006 and it was about urban regeneration areas, but because of the reaction from chambers and NGOs it was never applied. The bill was clearly supported by MHDA and Istanbul Metropolitan Municipality (IMM) and this is a proof that these public intitituions are trying to use laws and regulations as a tool to get rid of all the “unwanted inhabitabitans” in the city (Yilmaz 2010).

Lastly, on 2008 an omnibus law that made it possible to do changes about some laws and regulations was enabled. This law made changes in 27 laws (Turkun and Yapici 2009). This law made MHDA’s jurisdiction area bigger and a lot of chambers such as architects’ chamber and civil engineers’ chamber prepared reports about the negative effects of this law.

There is another law that makes reasons for MHDA’s establishment clear. It was enabled on 2004 and it was called “mass housing law”. According to this law MHDA is not only
responsible from mass housing but also responsible from renovations and regenerations in urban areas, creating job opportunities (Yılmaz 2010).

In addition, in 2007, with a new law, about gecekondu were all left to MHDA’s responsibility. Also the authority to take the land that belongs to the state without any charge (with the approval of prime minister) was given to MHDA. With all the laws that are stated above, MHDA gained the power to deal with gecekondu all by itself (Turkun and Yapıcı 2009).

4.3 State’s Role in Transformation of Istanbul

IMM and Turkish Government started big urban projects to increase Istanbul’s role as a world city. For that reason FBS sectors were encouraged and especially in inner Istanbul, finance and real estate sectors started to take a lot of space. Istanbul European Cultural City event was also seen as a chance to increase Istanbul’s role as a world city. These urban policies have effects in urban space and poor inhabitants’ areas.

After the 1990s, people who are living in squatter areas started to be addressed as invaders and criminals and with these excuses the state started to kick these people out of their houses. Demolishing of gecekondu started to be part of daily life and state presented these demolishing as cleaning up the area. Both state officials and local authorities started to pronounce the necessity of urban regeneration/transformation in squatter housing areas as well as historic urban areas which are usually inhabited by the urban poor (Turkun 2011). It is observed that areas which were declared as “urban regeneration/renewal areas” are the either historic areas where there are restrictions on construction rights or squatter housing districts which have now become valuable urban land due the urban growth around these areas (Turkun 2009).

In addition to all the things that are stated above, Istanbul was very suitable for all kinds of urban projects and developments. For that reason the state started to intervene more and more and with local authorities the central tried to replace people from their living environment. When local authorities were not enough central state stepped in. State encouraged the neoliberal policies that help the gentrification process to operate. This means that by doing that state in favour of these processes, the urban regeneration projects and the professional workers class (Sen 2011).

In the next section gentrification after urban renewal and regeneration will be investigated.

5. The Inner City Neighbourhoods of Istanbul Being ‘Regenerated’

As Turkun (2011) says it; “the procedure in “regeneration/renewal/transformation” projects is almost the same in all over Turkey: first, the central institutions estimate the value of the deteriorated flats and the newly constructed ones either in the same district or somewhere else. Next, the house owners have to decide whether to sell the flat at the estimated price to the construction company or accept to pay the difference between the price of the new and old flats by means of loans from banks. This system is especially very problematic when the decisions about transformation are given in a top-down manner and the timing of transformation is decided on by the central and local authorities, without the consent of the inhabitants. In most of the cases, these transformations lead to dramatic rent increases and the
current inhabitants are incapable of paying the resulting increase in new buildings; therefore, they usually do not have any other chance other than moving to new apartments in the periphery, for which they have to pay the long-term loans to the banks. The result is usually loss of jobs and their supporting social relationships and naturally their houses if they are not able to pay the loans to the banks, especially in high unemployment periods.”

In Istanbul, when it comes to the housing projects it is observed that the outcomes are job losses, financial difficulties, not being able to adjust the new neighbourhood, coming back to the city but with less money.

With gentrification lifestyle of the neighbourhood started to change and the old inhabitants of the gentrified districts started to sell their residences, because they were not able to afford the new housing and the moved to another part of the city (Sen 2006). The districts they were moving to, were places where they have their relatives. For that reason in a way they went to a similar lifestyle they had before.

Firstly, it should be made clear that all the gentrification areas that are going to be explored were for middle or upper class people. The intention has never been to create any kind of social or low-income housing. There are two types of sites that are going to be discussed. The first type is the gentrification on the historic part without any state intervention. These ones are gentrified areas during 1990s and they are called Kuzguncuk, Cihangir, Arnavutköy and Galata districts. All these three districts were gentrified without state intervention but after 2000s in Turkey this situation changed and the districts such as Sulukule, Tarlabasi, Suleymaniye, Fener-Balat, Ayyansaray, Kumkapi had some kind of state intervention. Especially Sulukule is a complete example of state intervention and displacement of all the inhabitants. One of the objectives of this research is to explore the reasons behind this change.

![Fig. 5.1](http://galeri.uludag.edu.tr/istanbul-map.png)
5.1 Neighbourhood Gentrification Through Market

Neighbourhoods that were gentrified through housing market will be examined and Galata district will be investigated in details.

5.1.1 Kuzguncuk

Kuzguncuk is a district on the Asian side of Istanbul. It used to be a village along the Bosphorus. The boundaries of the settlement have naturally been built by the hills on three sides of Icadiye Street. All these topographical elements have in time helped to build a rather introverted and sheltered atmosphere which is today dominant in Kuzguncuk (Coskun and Yalcin 2007).

With the non-Muslim community starting to move out of the area because of the political issues (Events of September 6-7, 1955) the texture of Kuzguncuk changed. At the end of the 1970s, the well-known Turkish architect Cengiz Bektas bought a house in the area. Such an act may be considered as a change that can initiate the process called gentrification. Bektas was followed by friends who wanted to buy property at Kuzguncuk. Slowly, the district became popular and was a place preferred by architects, artists and writers. The Bosphorus Improvement Bill that was enacted in 1983 assured that historical houses in the area would be under preservation. However, this bill made it harder for historical houses to change owners or to be renovated. As a result of that the buildings started to deteriorate (Uzun 2001).

Unlike urban renewal projects, the process of gentrification depends on mostly personal investments in this area. These investments consist of rehabilitation and renovation. Rehabilitation of infrastructure is mostly done by local authorities but the speed of these rehabilitations mostly depends on the process of gentrification (Uzun 2001; Gurler 2003).

5.1.2 Galata

Galata is a district in the historical centre of Istanbul, it is also an old Geneiose quarter and located on the north shore of the Golden Horn. The topography of the area is a steep slope beginning from the Golden Horn shore rising up to a hill which ends with the Galata Tower (Coskun and Yalcin 2007).

In the past, down on the seaside, there used to be a busy trade region; whereas on the halfway to the hill, on the famous “the Banks Avenue” there was another commerce area based on money transfer. This historic finance centre was affected by the transformation in the city centre after the 1920s and it started to deteriorate. Social and physical changes after the year 1980 affected all commercial and residential areas. Today the residential blocks surrounding the Galata Tower are still masonry apartment buildings built at the beginning of the 20th century (Oncel 2002). Owners of these buildings were non-Muslim citizens but after the sale of the buildings, new residents mainly consisted of immigrants from small Anatolian cities. They did not hesitate to change the interior of these buildings to make them fit to their own needs. The ground floors have been functioned as small workshops and storage areas unlike to their original use (Belge 2002).

For Galata district there was a rehabilitation program and some rehabilitation projects started from the 1980s by Beyoglu Municipality. These projects showed the first attempts to revalue
this dilapidated area. Because Galata is so much in the ‘core’ of Istanbul, artists, architects and people from different other occupations as well showed great interest in settling on this district. They started to buy or rent flats from these nice apartment buildings with high ceilings and a beautiful view of the city. Gentrifiers in Galata were mostly singles or childless couples that were either postponing child bearing or having adult children that had already left the family. Another variable was the high rates of unmarried couples living together. Although the prices today are much higher than the beginning (the 1980s) more people including scholars, journalists, writers are keen on living in Galata. New cafes and restaurants are opening up, people have carried their offices to this area. The restored interiors, buildings and the care given by the local authorities to the public area affect the neighbourhood in a positive way.

Victims of the gentrification process were mostly tenants. Thirty percent of the buildings that were gentrified used to be occupied by tenants and it was stated that some buildings that the gentrifiers bought were empty so this could mean that former tenants in those buildings were evicted so that the landlords could sell their property easily. Another outcome of the gentrification in this area has been the rise of land prices. Because of that, the former inhabitants of the district cannot afford living in Galata anymore so they have been forced to change locations.

5.1.3 Cihangir

The scholar couple Beril-Okctay Anilanmert who first preferred to settle on this area were later followed by others. Cihangir’s location and the characteristics of its architecture, as well as its nearness to some universities with architecture and fine arts faculties played a major role when this choice was formed. Although during gentrification period the composition of the inhabitants has obviously changed, there hasn’t been any functional change in the buildings. The buildings are today still used for residential purposes. With the positive influences of the “Cihangir Beautification Foundation” which was founded in 1995, the regeneration activities in the neighbourhood finally get rid of its individualism and gains a rather organized structure. As Cihangir gets more popular each day among Istanbul dwellers, the rent prices start to rise (Dincer et al 2008).

In Cihangir, we are now confronted with a gentrifier and a gentrified profile and the individual and organized investors are eager to serve to this tendency which still continues today.

5.1.4 Arnavutkoy

After non-muslim people left the area immigrants from Anatolia came here and because of their poverty they weren’t able to take care of the historic environment and the buildings. 1980s a series of forceful bureaucratic applications –with conservation purposes- were effectuated and the houses started to be restored done after another. But within the frame of the dominant atmosphere of that period this new act served the new middle class to take hold of the residential area where once the poor used to live. This ‘new’ class has made a dream real which was almost impossible to the poor people of the district. The gentrification of Arnavutkoy is generally framed by a young middle class who work usually in finance,
advertising or education and can afford their lives themselves. They are in search of a residential area reflecting their choices shaped around a longing of a multi-cultural past (Dincer et al 2008).

5.2 Neighbourhood Through State-led Gentrification

Neighbourhoods that were gentrified by state intervention will be examined and Tarlabası district will be investigated in details.

5.2.1 Sulukule

There are some researches that say that gypsies settled this area around 1054 from India and ones that settled here in the Byzantine period were blamed to practise wizardry and fortune telling for that reason they were kicked out of the walls of Istanbul. After the conquest of Istanbul by Fatih Sultan Mehmet in order to enliven the area some gypsies who came to Istanbul started to settle here, too and gypsies established the Ottoman military band and most popular musicians were from this district.

After the establishment of Republic of Turkey there were some institutions that were established here and they were called “entertainment house”. They were described as places with women who play instruments, sing and dance.

The most glorious years of Sulukule were 1950s and 1960s. The entertainment houses were very popular on those years but then in the Menderes (Adnan Menderes – former prime minister of Turkey) period those houses were closed or demolished and they destroyed half of Sulukule.

In order to keep Sulukule the way it was an association was established and it was called “Sulukule Tourism and Preservation Association”. On 1985 people who live in Sulukule applied to Ministry of Tourism for a project called “Show Houses” and the project were accepted so They opened these houses but on 1994 with the new mayor all these show/entertainment houses were shut down and 3500 people lost their jobs. This event led to deterioration in Sulukule.

Now with the latest regeneration and government-led gentrification projects all inhabitants kicked out of the district and they were forced to live in the periphery of the city. But they couldn’t adopt to those places so they went back to city centre and became more poorer as a result of displacement.

The Sulukule renewal project aimed to cover an area of nine hectares with 12 blocks and 382 plots. Within this zone, 42 buildings were to be conserved. The neighbourhood is situated within the boundaries of the Istanbul City Walls, an area that has been on the World Heritage List since 1985. Given this status, the project came in for heavily criticism for its design.

The municipality reckons that 20% of properties were exchanged. The project involves the demolition of the entire area and the construction of new, high-quality housing stock. The new apartment units will be sold to existing owners if they accept to pay the difference between the current value of their property (calculated by the municipality) and the cost of the newly constructed unit in monthly payments of approximately Euro200–250 over a period of 15 years (Dincer et al 2008).
5.2.2 Tarlabasi

Tarlabasi is a very problematic area with respect to both physical and social environment. The most disadvantaged segments of the population inhabit the district, including Kurdish people from the southeast, Romanis, foreign immigrants as well as a gay and transsexual community. In this district the people either work in the service sector in the touristic places nearby for very low wages or as street vendors selling food produced in small workshops in the district. According to law 5366 enacted in 2005, which enables regeneration in historic areas, some parts of Tarlabasi were declared as “urban renewal” areas and it was intended to convert the buildings into hotels, shopping spaces and residences. This initial stimulus was expected to trigger a complete physical change and gentrification in the area.

The people living in the area, faced with the pressure of the local municipality and the construction company to sell the buildings or flats at very low prices under threat of expropriation, found a neighbourhood association of house owners and tenants to defend their rights. In the district, the owners in particular are very aware of the high rent potential of their properties, while the prices offered by the construction company are very low. They prefer to improve their places, and receiving the rent increases themselves. On the other hand, the project aims to convert the area completely to be used by the richest segments of the population and tourists to achieve the highest returns, so the construction company does not want to compromise on these terms. Under these conditions, the inhabitants of the district, having been exposed to unjust treatment and pressure, have developed a negative attitude towards the current urban regeneration attempts. This is especially true for the tenants, who are under the greatest threat of displacement. When we analyze the data in this area, it is seen that 36.4% of the households think that urban regeneration will mean the eviction of inhabitants or transfer of rent to various people but 28.7% think that it will improve the physical conditions. Because the district has a very cosmopolitan character, sometimes the conflicts between different groups lead to the perception that regeneration will solve the conflicts in the district by evicting the “unwanted groups”. The answers related to the negative aspects of regeneration reflect the fears of people very clearly. 29.4% of households think that they cannot afford additional payments, 30.9% think they would lose their social ties and 43.1% think they would lose their jobs. The same percentage thinks that it is impossible to find a house for rent at these prices. Under these conditions, it is observed that people trust the neighbourhood association to a great extent; 66.7% of the households said that they are trying to defend their rights in cooperation with the association. On the other hand, they feel that the cooperation between the inhabitants is weak because of inadequate information and the existence of different groups with different property rights, economic and social conditions and concerns.

The Tarlabasi renewal area consists of nine blocks and 278 lots. In this project, 70% of which is made up of listed structures, all buildings are to be demolished regardless of their historical value but their original facades will be reconstructed. The interior space will be reorganized to fit new uses. Courtyards will be created by decreasing the depth of the buildings. The space lost will be offset by constructing extra floors. To create a safe environment, buildings will be accessed from the interior courtyards, rather than from the street. Parking garages will
be built under the buildings (Dincer et al. 2008).

Above we can see two pictures from the part of the Tarlabası district. The one on the left is dated back from the 40s and the one of the right belongs to present day. It is clear that Some parts of Tarlabası had already been demolished for expanding the main road but even for now the district looks similar to before. With the project this will not stay the same. There are some models that show the future Tarlabası:

**Fig.5.4** Tarlabası map taken from Ataturk Library and Istanbul Metropolitan Municipality

**Fig.5.5** Models for Tarlabası Renewal Project taken from Gap Insaat
These models have nothing to do with Tarlabasi now:

Neighbourhood Interviews

In Tarlabasi, 15 interviews are done with the people who are living in the neighbourhood. The project area is almost empty and people who live there are all displaced. For that reason, interviews are done with people who are living next to the project area. %80 of the people who are living there are tenants. Firstly, tenants that the researcher tried to talk, refused to participate to the research. They were afraid that their name or identity would be exposed. Among the people who agreed to participate, there were similar problems. These problems briefly were:

- The behavior of the police
- The process of eviction
- Possible future effects of the Tarlabasi Renewal Project
- Increasing crime rate

These problems will be explored in the next part of the study to give an insight of the effects of the project and the living conditions in the neighbourhood.
The behavior of the police

The inhabitants were afraid of the police force that has been operating in the neighbourhood. Their complaints were that the police force was not working for them but working against them. One of the interviewees stated that:

“I was in jail for 16 months for a crime that I did not commit. After these 16 months I was found innocent but no one can give me back the time I spent inside, and all this happened just because one police officer thought that I did something wrong. They do not care about people who live here they just take it for granted that we are all criminals.”

In addition to that, some of the inhabitants complained that police took a part in the process of eviction for the people who used to live in the project area. In some cases it has been stated that police used force to evict people from their places or harassed them by patrolling in the neighbourhood and searching people in a way that the inhabitants described offensive. It is also stated that the police gave to the inhabitants of the neighbourhood no chance to defend themselves before they were searched or taken to the police station.

The Process of Eviction

Inhabitants said that they did not have an informative meeting by the municipality or any other establishment about the project before it started. All the information they had was rumors they heard. Some of the inhabitants who had relatives that had been evicted from the project area stated that the payments from the municipality for buying the houses were under the market value and the money that people received were not enough for starting another life in anywhere in Istanbul:

“My sister was living in the project area which is empty now. She a flat and a shop under the flat. They gave her only 70,000 TL (Turkish Liras) for both of them. Considering how much they are going to sell those apartments for it is really unfair.”

In addition to that, there wasn’t any solid program for the tenants who were living in the area. One of the former tenants stated that:

“We were living in the project area. One day we received a news saying that they are gonna demolish all these buildings and we have to leave in a week. We barely found another close to the neighbourhood, but I do not know what we could do I have not found this place.”

When asked if they received any kind of help from the municipality, the reply was:

“We received 500 TL from the municipality but nothing else.”

Possible Future Effects of The Tarlabası Renewal Project

When asked to inhabitants that if they think the project will affect them in any way, the answered that they think they will be evicted one way or another, too. Most of the people think the area will be more expensive and richer people will move in to the area. They say it is a good think for the neighbourhood because the maintenance of the neighbourhood will be done better because of the change of the inhabitants profile, but they do think they will have to move out because they will not be wanted in the neighbourhood.
When it comes to keeping current inhabitants in their places, it seems like an utopic dream to the inhabitants. They are aware that they are not wanted in the area once the renovation is complete. They do not have any kind of idea that they would be able stay.

Some of the inhabitants are angry about this situation when they think about it. Because they think that it is not fair to displace them from their own neighbourhood only for the sake of profit and they say that they are not all criminals. Rest of them accept the fact that they are not wanted and they do not even think about another way of handling the social part of the project.

Increasing Crime Rate

One of the justifications of the project by some academics and municipality were getting rid of the crime in the neighbourhood. The problematic part of this justification was all the people who are living in the area were to be shown as criminals and the only solutions is to displace them from the neighbourhood.

However, during the interviews in the area, it is noted that the crime rate was increasing because of the demolishment of the buildings and the empty buildings after the eviction of the people in the project area. It is stated by the interviewees that criminals such as drug dealers use these empty buildings and the police do not do much about it. In addition to that, there is always someone fighting on the streets during the nights and these fights increased with the application of the project (eviction, demolishment) in the area, most of the inhabitants are trying to ignore these fights and are bothered by it. When asked if they consulted to the police, the answers were either the police do not do anything to stop these or inhabitants do not actually call the police because they do not trust that the police would be helpful for their problem.

Besides these neighbourhood interviews, there were also interviews done with the academics and NGOs that are interested in Tarlabasi Renewal Project. These interviews were mostly about how the project operated. When asked to the interviewees to summarize the project, the advantages and disadvantages of the project and how it should have been according to their professional idea, their answers were directing to several points such as:

- The behavior of the municipality
- The legal act about the project
- Possible future effects of the project
- Possible projects according to their professional opinion

The Behavior of Municipality

As stated by the interviewees, the municipality was physically next to the construction company which is responsible for constructing the new development. The municipality did not have any kind of policies to soften the process of displacement and clearly never had any plans to keep current inhabitants in their places.

Besides these, in the acquisition process, municipality did not give the market value but they bought the flats from the owners below its market value. As it stated above there was also nothing planned for the tenants who were living in the project area.
In addition to that there was no survey or informative meeting for the current inhabitants that is done by the municipality. There was only one survey research about the current inhabitants and that was performed by the construction company independent from the municipality and the aim for it was to justify the social consequences of the project rather than creating policies for the displaces.

The Legal Act About The Project

The law that is used for the project is Law no. 5366 and this law’s aim states that:

“The object of this Act is by reconstruction and restoration in line with the progress of the area of zones which are registered and declared as SIT (Conservation) areas by boards of conservation of cultural and natural assets which have been worn down and tending to lose their characteristics, by metropolitan municipalities, district and first level municipalities within the boundaries of metropolitan municipalities, provincial and district municipalities and municipalities with populations over 50,000 and outside the scopes of authority of such municipalities by provincial special administrations, formation of residence, commerce, cultural, tourism and social facility areas in such zones, taking of measures against the risks of natural disasters and restoration and conservation of and use by living in historical and cultural immovable assets.”

There are also some thought about the law that it is enabled for Tarlabası but it became the law that is used almost all the urban renewal projects. Even though the project aims to conserve the historic areas it is used usually used to justify declare historic areas as renewal areas and implementing renewal projects that has little to with the actual architectural character of the areas itself.

Possible Future Effects of the Project

When asked about the future effects of the project and whether it is going to create a wave of gentrification or not, there were several answers. The common answer is that it is going to influence following renewal projects or a classic gentrification. Classic gentrification in the sense of, there will be middle class people who will buy the houses surrounding the project area and renovate them with their own possibilities. Other answers talk about new renewal projects in other parts of Tarlabası following the same logic of the current project. There are also some answers talking about the end of this urban renewal projects. At the moment besides Tarlabası Renewal Projects, there are a lot of renewal projects in and out of the historical parts of Istanbul. Considering this wave of projects, one of the answers is that these projects will fail miserably and this failure can even lead to an economic crisis. However, even though it is reasonable to think that in developing country like Turkey all these projects cannot find that many middle or upper class buyer, it seems that Tarlabası will not be the end of this urban renewal wave.

When it comes to displaces, all the interviewees think that there will not be any kind of policies for displacement and the eviction period will continue as it is at the moment. Even though there will be other projects, current inhabitants will not be able to stay.

Possible Projects According to Their Professional Opinion

When asked to the interviewees what could have been done with the project according to
their professional opinions, the answer were:

- Policies about displacement process, rather than solely eviction,
- Rent helps for at least a year for the tenants,
- No project, but only rehabilitating the area for the current inhabitants and creating social policies for the poor inhabitants to improve their life and decrease crime rate,
- Properly renovated buildings according to their original form instead of demolishing all the area and creating a non-historical housing stock,
- Social housing for the people who are living in the project area.

These are the common answers that were given by the interviewees. Afterwards the second case study, Galata neighbourhood, will be explored to see the differences in the renovation and gentrification process between Tarlabasi. With the findings it is aimed that the reason for the increase in state-led gentrification in Istanbul will be investigated.

5.2.3 Suleymaniye

The Suleymaniye quarter was originally developed in the sixteenth century as a quarter for the Muslim clergy (ulema), focused on the Suleymaniye mosque and surrounding buildings (kulliye). The Suleymaniye quarter lies in the recently designated Historical Peninsula of Istanbul overlooking the Golden Horn, and was until relatively recently a residential area for the higher echelons of society. Through the early twentieth century, upper-income groups abandoned Suleymaniye in favour of more modern apartment buildings being built elsewhere. In the 1950s Suleymaniye became a popular settlement area for migrants from Anatolia.

Most criticism has focused on the purchase of real estate within the Suleymaniye renewal area by the Istanbul Housing, Planning, Industry and Trade Corporation (KIPTAS, an offshoot of Istanbul Metropolitan Municipality). How these properties were purchased for very low sums prior to the designation of this area as a renewal area has yet to be explained. KIPTAS’s attitude towards the historical environment in its projects is also seen as inconsiderate and insensitive (Dincer 2009).

Fener-Balat

A UNESCO project begun in the mid-1990s led to the development of a wider project in which the local Fatih Municipality took the leading role (Fatih Municipality 1998). Criticisms of the proposal led to it being put out to the private sector. Private investors took 59% of the shares, with local property owners holding 42% under the terms provided by Law 5366. The project was designed around the principles that the Fener-Balat area contains a number of historical buildings, but many have suffered long neglect, and the area is in the earthquake risk zone. It was therefore decided that the project should aims to demolish all structures, irrespective of their historical character. They will then be reconstructed, keeping the original facades, but allowing for two or three buildings behind these to be connected.

The renovation of Fener-Balat district contains four different sections: restoration, social centers, renovation of the historical Balat market and solid waste management. The restoration project was completed on 2008 and during this process 121 buildings were restorated, two social centers were built.
One of the aims in the renovation project was to create jobs for the local people but this aim wasn’t fulfilled instead the construction firm which was doing the restoration employed foreigner workers for cheap working force.

When we think about the heritage of Fener –Balat district it can be said that there are 11 listed monuments, 195 listed buildings and 25 proposed listed buildings. Ownership rights of the current inhabitants weren’t very important through the renovation project and that means that displacement of the current inhabitants after the renovation project will be a matter of discussion. Especially the rights of tenants weren’t even discussed at all through the project. There are some non-govermental organizations in the area to protect the rights of current inhabitants.

5.2.4 Aypadın

In the regeneration projects municipality is asking the owners whether they can restorate their houses or not if they (almost all of them cannot afford the expenses) cannot offered 245 thousand Turkish liras to the current inhabitants for their houses and after that municipality is offering new houses in the periphery of Istanbul.

5.2.5 Kumkapı

All the taverns of Kumkapı shared one common feature which is that they use the old buildings from former Greek inhabitants. On 1994 Kumkapı was pedestrianized and more taverns were opened in the area. Now as a regeneration act they are trying the move the historical fish market out of this district and move more profitable touristic institutions into the area.

6. Conclusion

Firstly, all these areas are in different locations of Istanbul but one thing they have in common is that they are all historic settlements. In Cihangir and Galata cases, their nearness to Beyoğlu, the cultural and finance centre of the city has always been influential. For small seaside settlements on Bosphorus such as Kuzguncuk, Arnautköy are kind of urban focal points with unique characters and their distant intercourse even with the nearest settlement. Fener, Balat and Aypadın are also seaside settlements but even though they are located in the historical peninsula they do not have that much connection with the rest of the historical peninsula.

All the places mentioned above are related with the physical characteristics of where they are located. There are many listed buildings in all areas and they are unique examples of residential architecture. In addition to that all the houses timber or masonry, were built by non-muslim wealthy communities and deserted because of political reasons. Besides these the motivation of gentrification process in these neighbourhoods is not place-related. The motivation is mostly what the place means. In other words, memories which belong to this particular place are the main motivation of gentrification.

Chronologically, Kuzguncuk would be the first to experience gentrification process. In addition to that gentrification process does not happen in one particular time or period of time. This means that the gentrification process is a long-term and irregular process. For each
settlement there are different processes that are being followed. On the other hand, some of the settlement such as Kuzguncuk, Arnavutkoy, Cihangir and Galata were gentrified through housing market without state intervention and other settlements such as Tarlabasi, Sulukule, Fener-Balat, Ayvansaray and Kumkapi have been gentrified by state intervention after the 2000s. This can mean that time or changed politics about the gentrification process during time. In Turkey it is possible to say that after the year 2000 state-led gentrification became more popular.

According to Behar, if one of the words can be used to describe the process this would absolutely be ‘nostalgia’ (Behar 2006). This statement can mean that all of the neighbourhoods that were subject to gentrification were in fact characterized by a multicultural society. After the year 1980s this feature of the settlements met the desire of the professional class who was trying to have a new cultural identity related with the place (Aksoy 2001). This professional workers class, wanted to distinguish themselves from the others realized the multicultural past of Istanbul which was on the threshold of opening to international market economies (Oncu 1997).

When it comes to Tarlabasi, it is clear that the gentrification process is solely state-led gentrification. There was not any kind of intention to keep the current inhabitants in their places or even give them a proper chance to stay in the area after the project. Besides this, also the displacement process was not handled properly. The prices that have been paid for the former owners were below market value and also there were no plans for the tenants. In addition to that, time given to the tenants for moving elsewhere was not efficient (only one week in some cases). It is also known that the historical buildings are being demolished and according to the project, the new buildings have nothing to do with the old ones. The technical report that made possible for listed buildings to be demolished was also sued and it is stated in that report that the consultants gave the decisions that these buildings are to be demolished by only looking outside the buildings in only one block.

Galata is a very interesting area as its inhabitants experienced eviction twice. Once because of the political events stated above and then gentrification thorough housing market. Even though there were not many forced evictions, it is possible to detect many kind of tensions between the current inhabitants of the area. There is a slight tension between the old inhabitants and the foreigners that moved to area recently. Even though they get along, they do think the foreigners are corrupting their neighbourhood culture but at the same time they are grateful to their moving to the area, because the municipality is working better in the area since they moved in. There is also another tension between new comers. The ones that moved in because they cherish the historical heritage of the area are not pleased with the ones who moved here only because the area is popular. They think they are harming the historical heritage of the area. There is also another tension between newcomers, hotel or café owners between municipality. Because with the latest development plan every lot is open to construction and some inhabitants think this as well will harm the historical heritage and the hotel or café owners are not pleased because the municipality is no longer giving out licences to sell alcohol legally. Another tension is between the ones who lived here generations before the first eviction and rest of the inhabitants. Oldest inhabitants think none of the people are
suited to live here since they do not know how to take care of the area or understand the real historical value of the area. Lastly, there is some tension between people (mostly minorities) who moved out from the area but still working in the area and all of the inhabitants. Because they feel like they are exiled from the area, they have some resent against all the people who have been living here.

Tarlabasi and Galata are two closely located areas that are being gentrified differently and it is possible to say that even though Tarlabasi is experiencing a much more cruel transformation also Galata has a lot of tensions because of this social mix that gentrification is proposing. When it comes to where state stands in these case studies, clearly state has seen the profit that can be made by transforming historical areas through renovation and selling them to middle or upper class people. For that reason, rehabilitations made by gentrifiers are becoming urban renewal projects prepared by the state and the social relations and dynamics are being disregarded to present a tension-free gentrified area for the new comers. In that case classic gentrification that offers, glorious buildings of the history and social mix is becoming a different concept under the name of state-led gentrification.

Putting all these points together, under the neoliberal policies, transformation of Istanbul was highly uneven, piecemeal, and speculative. As Turel et al. (2006) discuss it; this speculative urbanization was mostly shaped by market dynamics, ad hoc solutions of different actors with different stakes in the city, urban coalitions, informalities and political balances between different layers of central and urban governments rather than being dependent on strategic plans, programs. Given this, state and state agencies have been crucial actors in this transformation still maneuvering the excessive growth of the city and leading the unequal distribution of the urban rents among different social classes through various mechanisms. As Kurtulus puts it clearly, this neoliberal urbanization experience was marked by the transfer of resources from lower to upper classes and from public to private sector (Kurtulus 2006). While this line of development increased the urban and environment risks that the city and city dwellers are exposed to today, the expansion of the geography of gentrified neighborhoods, gated communities, prestigious business centers still put the pressure on the untransformed neighborhoods around them.

References


in a world-system, Routledge, London.


Turkun, A. 2011 “Urban Regeneration and Hegemonic Power Relations”. International Planning Studies, 16:1, 61-72


