



## ARTICLE / ARAŞTIRMA

# Neo-Liberal Urban Politics in the Historical Environment of Istanbul - The Issue of Gentrification

## *İstanbul Tarihi Alanda Neo-Liberal Kent Politikaları - Soylulaştırma Konusu*

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### ABSTRACT

This paper will focus on the renovation and regeneration projects, and also on the gentrification concept in regards to neoliberal urban politics in the historic neighbourhoods of Istanbul. How neoliberal urban politics affect the process of urban renovation and gentrification in historic neighbourhoods? Examining the diverse and complex relationships between regeneration, renovation projects and gentrification processes and in addition to these, one of the main aspects of the present study is to understand why in certain cities gentrification occurs after renovation and regeneration projects. To investigate these points, changes in Turkish economic and housing system will be studied to understand the dynamics that affect Istanbul. In this part, also, a particular attention will be provided to the gentrified neighbourhoods in the historic part of Istanbul. Before the 2000s, gentrification through private housing market was the case in Istanbul, but from the 2000s state-led gentrification started to become more common. The reason behind the increase of state intervention and involvement in gentrification from the 2000s will represent a key aspect to investigation.

### Introduction

This paper will focus on the renovation and regeneration projects, and also on the gentrification concept in regards to neoliberal urban politics in the historic neighbourhoods of Istanbul. Examining the diverse and complex relationships between regeneration, renovation projects and gentrification

### ÖZET

Bu makale yenileme ve dönüşüm projeleri odaklanırken aynı zamanda İstanbul'un tarihi mahallelerinde neoliberal kentsel politika açısından soylulaştırma kavramını araştıracaktır. Neoliberal kentsel politikalar, tarihi mahallelerde, kentsel yenileme ve soylulaştırma sürecini nasıl etkiler? Kentsel dönüşüm, yenileme projeleri ve soylulaştırma süreçleri arasındaki karmaşık ilişkiler ve buna ek olarak neden bazı durumlarda soylulaştırma yenileme dönüşüm projelerini takip etmekte olduğu araştırılacaktır. Bu noktaları anlamak için, Türkiye ekonomisi ve konut sistemindeki değişiklikler ve bu dinamiklerin İstanbul üzerindeki etkileri incelenecek ve bu bölümde, özellikle İstanbul'un tarihi soylulaştırılmış semtleri önem kazanacaktır. 2000'li yıllardan önce soylulaştırma sürecinin konut piyasası üzerinden gerçekleşmesi, ancak 2000'li yıllarla beraber bu sürecin daha çok devlet eliyle yapılan kentsel projelerle geliyor olması araştırmanın önemli konularından biridir.

processes and in addition to these, one of the main aspects of the present study is to understand why in certain cities gentrification occurs after renovation and regeneration projects.

To investigate these points, changes in Turkish economic and housing system will be studied to understand the dynamics that affect Istanbul. In this part, also, a particular attention will



be provided to the gentrified neighbourhoods in the historic part of Istanbul. Before the 2000s, gentrification through private housing market was the case in Istanbul, but from the 2000s state-led gentrification started to become more common. The reason behind the increase of state intervention and involvement in gentrification from the 2000s will represent a key aspect to investigation. Alternative policies and the obstacles that these policies are facing will be part of the conclusion.

This paper reports some results from PhD research on two neighbourhoods in 2013 including interviews with people living these neighbourhoods, academics and NGOs. The paper has sections on Turkish housing system, development in Istanbul and historic neighbourhoods of Istanbul. Finally the case studies will be investigated.

## Development of Turkey and Istanbul Since 1980

Republic of Turkey, firstly, was 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. After 1980s FBS sectors started to increase, but manufacturing sector did not decrease which was different from developed countries (see Sassen, 2001; Friedmann, 1986). 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. Since 1980's coup d'état, neo-liberal strategy of Turkish bourgeoisie and state led to:

- Wish to grow the FBS sector, and base it in Istanbul,
- Growth of powerful property/building sector.

With the rise of FBS, Istanbul's role in Turkish economy increased even more. 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.

To understand the consequences of gentrification it is important to explore neo-liberal politics in Turkish and Istanbul housing market. Turkish housing market has always had little social housing. This partly explains the growth of squatter areas in Istanbul. 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 De-

velopment 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 many laws enacted in mid 1980s, 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). There was another wave of migration, but this was different from the first wave, because this time migrants were Kurdish people who were forced to leave their environment because of military activities. These activities (not intentionally) affected the urban space and added into stream of migration into the city. The new migrants were not as lucky as the ones in the first phase of migration because of stricter policies against the construction of squatter houses related to the scarcity of urban land and increasing land rents as well as newly flourishing construction companies that were eager to invest in the construction sector, for the housing needs of middle and upper classes. Therefore, it can certainly be claimed that the cities are transforming into "spaces of hopelessness" for new comers, who have lost the opportunity and means of integration into urban areas, both through settlement and employment (Turkun, 2009b). This also led the new comers to move into existing built neighbourhoods, such as Tarlabasi.

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 many 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). 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 is highly affected from MHDA. 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. In Istanbul after this law some changes made in city layout:

- New CBDs (stretching out the CBD to the north of the city)
- Relocation of manufacturing (to the periphery)
- New residential and consumption spaces for professional.

Second law was also enabled on 2005 and it was called “The law about preservation and usage of the deteriorated 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 institutions are trying to use laws and regulations as a tool to get rid of all the “unwanted inhabitants” 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) and made MHDA's jurisdiction area bigger. Many chambers such as architects' chamber and civil engineers' chamber prepared

reports about the negative effects of this law. There is another law that makes the reasons for MHDA's establishment clear. It was enabled on 2004 and 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 (Yilmaz 2010).

In addition, in 2007, with a new law, about gecekondus 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 gecekondus all by itself (Turkun and Yapici 2009).

## Historic Neighbourhoods

Firstly, 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 (see Clay, 1979) on the historic part without any state intervention. These are gentrified areas during 1990s and they are called Kuzguncuk, Cihangir, Arnavutkoy and Galata districts. After the year 2000, in Turkey this situation changed and the districts such as Sulukule, Tarlabasi, Suleymaniye, Fener-Balat, Ayvansaray, 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 paper is to explore the reasons behind this change.



Figure 1. Istanbul map taken from <http://galeri.uludagsozluk.com/r/istanbul-haritas%C4%B1-133957/>

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, Arnavutköy are kind of urban focal points with unique characters and their distant intercourse even with the nearest settlement. Fener, Balat and Ayvansaray 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.

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 (see Istanbul pogrom, capital law). Besides this 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.

The picture above shows the districts all these historic neighbourhoods situated in. All of the neighbourhoods are located alongside the coastline and their land value is increasing day by day.

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, Arnavutköy, 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 common.

According to Behar, the appropriate word to define evolution of this process would be 'nostalgia' (Behar 2006). This means that, neighbourhoods that are gentrified or being gentrified used to be multicultural places. After 1980s, this character of the neighbourhoods fulfilled professional class's desire to create a new cultural identity (Aksoy 2001). Professional class workers class wanted to define themselves as the people who cherish and realize the multicultural past of Istanbul that has been an element of the international market economies (Oncu 1997).

Among the areas mentioned above Tarlabasi area and Galata area is chosen for the detailed examination. The reason for choosing Tarlabasi is that the renovation period is about to start and it is in the stage of displacement and gentrification.

This gentrification fully state influenced. Another reason for choosing this neighbourhood is that the neighbourhood is experiencing a renewal project that is solely being implemented by government. For that reason, the district is a perfect example of state-led gentrification. Most of the inhabitants who used to live in the project are evicted and this also shows the process of gentrification and consequences such as displacement in the neighbourhood. The reasons that are stated are making this area interesting and the area will be examined in details during the research.

Other area that is chosen for the second part of the study is the neighbourhood called Galata. The reason for choosing this area is because it was gentrified before the 2000s and the gentrification process was through housing market. By exploring this area it is possible to make comparisons and understand better the reasons for the change in urban policies and the tendency for the state-led gentrification in Istanbul. Another reason for choosing this area and the not the other areas that are also gentrified through housing market is that the process of gentrification is still continuing. It is possible to observe the process in motion and also it is easier to gather data for displaces in this area.

## Galata

Galata is a neighbourhood in the historic centre of Istanbul. It is an old Genoese quarter that is situated on the north shore of the Golden Horn. The area is situated up a hill that begins from the Golden Horn shore and going up until the Galata Tower (6th century) (Coskun and Yalcin 2007).

Galata used to have a busy trading district where it constitutes of the famous "the Banks Avenue". Besides this the district had a commerce are based on money transfer. Social, political and physical changes started to affect this neighbourhood after the year 1980. Nowadays, Galata Tower is still surrounded by residential masonry apartment from the beginning of the 20th century; however, the historic finance centre is no longer in the area (Oncel 2002). Owners of these mentioned buildings were Greek, Armenian and Jewish originated Turkish citizens, but after they left the area, the buildings were mostly purchased by immigrants from small Anatolian cities. They did not have the means the preserve these buildings according to their original plan and the changes they did were mostly in the interior of the buildings according to their needs. Especially the ground floors were turned into small shops or storage units dissimilar to their original form (Belge 2002).

A rehabilitation program prepared by Beyoğlu municipality started for Galata in the 1980s. According to this program, revaluation of this rundown neighbourhood was the priority. The reason for that is the location of Galata. Afterwards, artists, intellectuals, architects started to take interest in living in the area (Coskun and Yalcin 2007). They started to buy or rent from historical apartments, and renovated these

apartments according to their original form. With this, gentrification of Galata started. Gentrifiers in Galata were constituted of singles or childless couples either postponing having children or having children that had already left the family. Even though the prices have gone up dramatically since the 1980s, professional working class is still very much interested in living in Galata. This attention also brought various forms of service sector in the area such as cafes, bistros, fashion designers.

According to the fieldwork experience of the researcher (and according to the responses of the interviewees), 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 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. In the next stages interviews that are done in the district will be examined.

## Neighbourhood Interviews

18 interviews have been conducted in this area and these interviews are both with people who live there (tenants and owner-occupiers) and people who moved out from the area. Firstly, people who moved out from Galata were Jewish, Greek, Armenian minorities and they left because of the political events such as the Istanbul Pogrom and capital law in the late 50s. The ones that did not leave because of these reasons left because they did not like the new inhabitants as they were immigrants from Anatolia and Romanis, also they lost almost all of their old neighbours and connections. There are several issues to discuss:

- Thoughts of the ones who left
- Problems of the old inhabitants
- Problems of the new inhabitants

These problems will be explored in the next part of the study to give an insight of the gentrification that has happened and the living conditions in the neighbourhood.

## Thoughts of The Ones Who Left

People who left the area were firstly minorities who left for political reasons and most of them did not only leave Galata but also left Turkey. There are very few of them who still live in Istanbul. When asked why they left, the answer was that they lost all their neighbourhood, everyone left and they were not able to get along with the people who came from Anatolia. When asked if they would like to live in Galata right now. Their answer was "no". The reason is that Galata will never be the same as it was and they will never have their old

neighbourhood, so even though, now, the people from Anatolia mostly left, they are not pleased with the new comers. They do not miss Galata in present time, but they miss it as how it was 40-50 years ago. For that reason, people who left mostly feel resentment when they think about Galata. Even though the minorities who left the area due to political reasons before now have the chance to come back to Galata, but they choose not to. The reason is that they dislike the current culture of the neighbourhood.

## Problems of The Old Inhabitants

When asked to interviewees about the transformation that Galata experienced during the last 20-30 years, they talked about several changes in the neighbourhood. Mostly they were happy with the changes, because the neighbourhood was cleaner compared to past and they were also happy with the profile of new inhabitants. On the other hand, they were also concerned that with the increase in the population of foreigners (non-Turkish citizens), the culture of the neighbourhood and neighbourhood relations were lost. Also some of them were concerned that the area has been becoming more and more expensive and if it continues like this they cannot afford living in Galata.

In addition to that, even though they are happy with the new version of their neighbourhood, they do not socialize with the new inhabitants and they do not have any relationship besides seeing them around the neighbourhood. The old inhabitants are just pleased with the effect that the new comers create rather than having them as friends or neighbours.

Besides all of the above, there were also some interviewees who have been living in the area for generations (non minorities) and they were not pleased with any kind of change that Galata experienced. They were not happy with the inhabitants that have been living there for 20-30 years because they immigrated from Anatolia and they thought that these people did not fit in the area, and they were not happy with gentrifiers either. They think they do not know how to appreciate the historical heritage and take care of the houses or the historic environment as they should. Some of them see the gentrifiers as people who just have money but no respect.

## Problems of The New Inhabitants

The new inhabitants (gentrifiers) had several ideas about the neighbourhood. They were pleased to live in such an historical and centric neighbourhood, but they were not pleased with all the new comers that live in the area. Some of the interviewees also thought that, not all new comers know the value of the houses and the historical heritage that they live in. The reason some middle class or upper people move here just because the area is popular and it shows some kind of status to live in Galata.

Besides this, they were also unhappy with turning most of the places into hotels, cafes, art galleries or designer shops. They said that, it was only to make more profit in the area but with the increase in these commercial areas, Galata was losing its original features, because people who use the buildings for commercial reasons do not take care of them as they should.



Figure 2. Models for Tarlabasi Renewal Project taken from Gap Insaat.

There were some interviewees who were unhappy with the latest development plan prepared by the municipality because of the decision to open every empty spot for construction. They were concerned that this decision will harm the original form of the area.

## 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 Tarlabasi, people either have low-paid jobs in the service sector or work as a street vendors selling food. According to law 5366 enacted in 2005, which enables regeneration in historic areas, parts of Tarlabasi were declared “urban renewal” areas and the intention was to convert the district into place with hotels, shopping spaces and residences. This project was expected to trigger a complete physical change and gentrification in the area (Turkun, 2011). 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.

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 his-



Figure 3. Picture of Tarlabasi taken from <http://kamilpasha.com/?p=2585>.

torical 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). With the project this will not stay the same. There are some models that show the future Tarlabasi:

In the next stages interviews that are done in the district will be examined.

## Neighbourhood Interviews

In Tarlabasi, 15 interviews are conducted 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 conducted 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 behaviour of the police
- The process of eviction
- Possible future effects of the Tarlabasi Renewal Project

### The Behaviour 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 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, 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. Also, 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 no informative meeting was arranged by the municipality or any other establishment about the project before it started. All the information they had was rumours 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 had 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 was no solid compensation 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.”*

### Possible Future Effects of the Tarlabasi Renewal Project

When asked to inhabitants that if they think the project will affect them in any way, they 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 into the area. They say it is a good thing for the neighbourhood because the maintenance of the neighbourhood will be handled 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 asked about the possibility of remaining where they are, the inhabitants say that it seems like an utopian dream. 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. The 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.

Besides these neighbourhood interviews, there were also interviews conducted 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 behaviour of the municipality
- The legal act about the project
- Possible projects according to their professional opinion.

### The Behaviour of Municipality

As stated by the interviewees, the municipality was physically with the construction company which is responsible for constructing the new development. The municipality did not have any kind of compensation strategies 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.

In addition to that there was no survey or informative meeting for the current inhabitants that was arranged by the municipality. There was only one survey research about the cur-

rent 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.”*

Some rumours were claiming that this law was enabled exclusively for Tarlabasi, but it became the law that is used for almost all the urban renewal projects. Even though the project aims to conserve the historic areas, it is used usually to justify implementing renewal projects that has little to with the actual architectural character of the areas itself.

## 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 answers 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.

## Conclusion

This paper has examined two very different gentrifying historic neighbourhoods in Istanbul. In each we have seen substantial problems for the former inhabitants and, in Galata, for the new inhabitants. But these are very different between

the two cases.

Galata and its inhabitants experienced eviction twice: once because of the political events of the 1950s and then gentrification through housing market since the 1990s. There are two types of tension: between old inhabitants and among groups of the new inhabitants. (i) Even though there were not many forced evictions, there is tension 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. In addition to that, 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 resentment against all the people who have been living here. (ii) The second type of tension is between different groups in the current inhabitants of the area. There is 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 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. A third tension is between newcomers, hotel or café owners and the 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.

In contrast, in Tarlabasi the gentrification process is state-led. 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 unfair to the existing inhabitants. 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 legally challenged, because consultants gave the decisions that these buildings are to be demolished by only looking outside the buildings in only one block.

These summaries suggest seven conclusions about the research that was conducted:

1. When it comes to where state stands in these case studies, state has seen the profit that can be made by transforming historical areas through renovation and selling them to middle or upper class people. Two case studies show that the state

intervention in gentrification exists in any form of gentrification. On the other hand it is also clear that the intervention in classical gentrification is small compared to state-led gentrification. One reason for this increase in state intervention is that nowadays states act like private companies as well and especially local governments are in competition with other local governments and they behave like a private firm in a neo-liberal economy to create investment potentials and make profit. Construction sector is the easiest and most profitable sector to create investments. Besides this, socially, the reason of this increase in state intervention and the reason for projects like Tarlabasi to become more common rather than classical gentrification examples like Galata, is that gentrification following urban renovation is a very effective way to not only create property for the professional middle class but also change the class-cultural nature of inner Istanbul. Through these kinds of projects the state can decide who can live where and create a society according to its desires and aims.

The reasons led Galata to become getrified (being in the centre, having a multicultural history, historic houses) were not enough Tarlabasi to become gentrified without state intervention, or state did not have the time wait for Tarlabasi to become gentrified by itself. This can show that in a neo-liberal system local governments and states saw the advantages of gentrification and instead of waiting for ten or twenty years for a neighbourhood to be gentrified, they step in to make it happen with urban renovation and regeneration projects. In this sense, while Galata shows the previous form of gentrification and its effects on the society, Tarlabasi is the new form of gentrification (mostly in developing countries) with more extensive and brutal effects.

2. One can say, there is another reason why Tarlabasi was not able to experience classical gentrification. The common opinion is that Tarlabasi is so rundown and the inhabitants are from the very undesirable part of society, it is not possible for any middle class household to decide buying/renting a house to live there. It is a fact that the inhabitants of Tarlabasi were marginalized and they mostly constituted of Romanis and Kurdish immigrants. However, it is also a fact that the former (and some current) inhabitants of Galata were also Romanis and some Kurdish immigrants from Anatolia. During the interviews, several interviewees among gentrifiers stated that they were not bothered by their Romani neighbours; in fact, they enjoyed their traditions such as street weddings. This might mean that all the publicity about how unsafe, poor, dirty, undesirable Tarlabasi is led middle class people to stay away from this neighbourhood. It is also a fact that public amenities are not working, but this was also the situation in Galata 20-30 years ago and this did not stop middle class people to move in the area.

Demonizing the inhabitants of Tarlabasi led the neighbourhood to become more rundown and also it made it easy for local government to step in and prepare an urban renovation project for the "sake" of the inhabitants.

3. In addition to that, demonizing the inhabitants can also lead

the state to displace these people quite easily and without public resistance. Once the urban renovation project is implemented and all the current inhabitants are displaced, it will be possible to present a tension-free gentrified area to 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.

4. Nevertheless Galata case shows that there might be tension even amongst gentrifiers, and this tension can create pressure on the municipality. In Galata, because of the different plans of the new comers about Galata (on the one hand, some new comers demand better restoration and urban conservation projects, on the other hand, other new comers demand more hotels, cafes, bistros.. etc in the area), there is pressure on municipality.

5. 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, 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).

6. This situation leads two problems: (i) the expansion of the geography of gentrified neighbourhoods, gated communities, and prestigious business centres still put the pressure on the untransformed neighbourhoods around them, (ii) while this line of development increased the risks of social exclusion of the working class, social explosion, conflicts, inequality in the urban space that the city and city's inhabitants are exposed to today,

7. Finally, was that the only way for Tarlabasi? Local governments have enough source and effect on the public opinion to create a rehabilitation project that serves the inhabitants of the area, enables them to stay and solves many social and physical problems of the neighbourhood in the long-term. For Tarlabasi district a rehabilitation project could have been feasible economically and physically. The reason that the renewal project is being implemented is that it is driven by the demands of business and the middle class people rather than working class people.

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**Key words:** Gentrification; historic environment; neo-liberal urban politics; urban renewal; urban regeneration.

**Anahtar sözcükler:** Soylulastirma; kentsel koruma; neo-liberal kentsel politikalar; kentsel dönüşüm; kentsel yenileme.