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ISTANBUL IN A GLOBAL CONTEXT

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By the standards of neo-liberal globalisation, Istanbul is a success story. It is a business platform for the transnational corporate elite as well as a playing field for the cosmopolitan consumers of global lifestyles. There are blocks of newly erected high-rise office buildings, luxury residential compounds and towers, dozens of shopping centres offering an exclusive shopping 'experience'. The city has been successful in showcasing its unrivalled cultural heritage, attracting a growing number of tourists. Its central areas have been beautified to offer the trimmings of global lifestyles. The gentrification of Beyoğlu and the historic peninsula, and the re-building of the waterfront around the Golden Horn have created new spaces of leisure and culture. Luxury hotels and world-class restaurants open every week, occupancy rates are high as international meetings and congresses proliferate, the nightlife and culinary delights are legendary. This is not an entirely skewed picture. Despite complaints from the locals, Istanbul's entire urban area looks more 'finished' than before: roads are paved, new city parks have multiplied and municipal services function relatively well throughout the city.

This achievement is due in large part to the current structure of the world economy favouring the resurgence of the metropolis. Since the 1980s the control and management functions of global capital shifted to the great cities of the world. Speculative investment surged, making urban real estate development a leading sector. This political economic shift does not explain Istanbul's performance on its own: the world economy may provide an opportunity but projects of the globalising elite cannot always be implemented. In fact, until the 1990s it looked as if Istanbul would miss the boat. Caught between a political class committed to populist modernisation and a timid bourgeoisie reluctant to alienate Ankara's bureaucracy, actors in the city were unable to mobilise significant resources for global success. Things changed, howev-

er, when the conservative-Islamic AKP (Justice and Development) party – which won the 1994 local elections thanks to support from rural immigrants in peripheral neighbourhoods – proved to be surprisingly pro-business. In abandoning traditional populism they started looking for new ways to market the city; their adoption of the neo-liberal discourse found a perfect fit in projects preparing the city for showcase on the global stage.

Istanbul's accomplishment may in large measure be attributed to the coherence of the urban coalitions' project to upgrade the city's image and marketing potential in the eyes of a footloose global demand for investment, culture, or leisure. Since the mid-1990s, Istanbul has been a one-party city – an unusual continuity given the political instability that characterised the period after 1960. Initially, the election of Taysip Erdoğan as mayor was considered by the secularist elite in Ankara as an act of rebellion to be punished. This in turn fed into the estrangement between the national capital in the steppes and the imperial city, but the rift was soon mended. Especially after the successful liberalisation of the Turkish economy, it was understood that the city served as the gateway to the country and perhaps to the greater region. And this crucial role could not be jeopardised. Thus the newfound understanding with Ankara facilitated the transition from an informal, unstructured and insufficiently institutionalised globalisation towards a more formal and deliberate platform which invited agents of global networks into the city. Following the political ascendancy of AKP to central government in 2002, the former Mayor of Istanbul (now the Prime Minister) reinforced this strategy to position Istanbul on the global stage.

Official initiatives, such as a series of high-profile international meetings and conferences, were an important dimension of this project. More crucial,

however, was the government's desire to attract global flows to the city since Istanbul's economic success would endorse claims for their liberal vision.

Willing partners, the city's bourgeoisie benefited from business initiatives and land development, mobilising a newfound interest in philanthropy. Ongoing series of art exhibitions, festivals of film, theatre, jazz, and classical music, on a scale that rivals that of any large European city, have been initiated by non-profit private foundations. Such endeavours have secured the willing cooperation of both the central and city governments: the most recent instance is the selection of Istanbul as 2010 Cultural Capital of Europe, the achievement of yet another public/private partnership.

Nonetheless, there is one group, the migrants of the last two decades, who have borne the brunt of this newly created wealth, especially because their chances to access self-made housing have all but collapsed. No longer able to build a *gecekondu*, recent migrants have been relegated to marginality in derelict neighbourhoods. More recently, they have been joined by the displaced population of inner-city squatters targeted by the new 'Urban Transformation' law (Law 5366), which was designed to clean the city by razing unsightly neighbourhoods in core areas. Now, with the global crisis and economic downturn, the trickle down in the form of personal service employment also threatens to dry up. When unskilled jobs are harder to find, and wages that will sustain livelihood are a rarity, poverty becomes more visible. That this deprivation coincides with the ethnic and social background of recent migrants – Kurdish migrants displaced from their villages due to the war, the Roma population of Sulukule threatened by 'Urban Transformation', refugees from African countries – has led to more than income polarisation and poverty. It has created social, cultural, and spatial exclusion, and perhaps a permanent sub-proletariat.

In a city where more than half the buildings were constructed illegally and where population growth was accommodated through informal production of housing, the end of populism served to announce that land had finally become a commodity. With it came the message that revenue rather than the opportunity to maximise political patronage should underlie policy. As a commodity, land became the fa-

voured object of speculation – often in huge developments determining the spatial expansion of the city. Public sector infrastructure projects and motorway construction blazed the path, as in the residential and business development around TEM, the Trans-European Motorway. The central government's Mass Housing Administration (TOKI) participated in this development by creating high-rise residential units for low-income groups in the far peripheries of the city. Roads connecting to the anticipated third bridge over the Bosphorus will likely create another axis of expansion North of the city.

For most of its modern history, Istanbul's spatial momentum has been determined by its population growth. Immigrants had to be accommodated even if their houses were illegal. Municipal services, schools, transport and public parks followed settlements, creating relatively decent, if uninspiring neighbourhoods. Then, as permits were obtained and shacks were turned into brick and mortar apartment buildings, the initial *gecekondu* housing was consolidated. Finally, some of the occupants could leave the old neighbourhoods and opt for middle-class residential developments. Real estate has always punctuated the stages of social and cultural transformation.

The current crisis, however, exhibits a less benign aspect of this spatial expansion in the form of real estate development fuelled by the global wave of speculative investment. Coalitions formed during the last 15 years facilitated and profited from this development; the financial explosion that accompanied economic growth contributed to it. As a result, Istanbul ended up with an enormous bubble of excess real estate – office buildings, shopping centres, and middle-class residential developments – just as occurred in East Asian cities prior to the 1997 financial crisis and the United States in the run up to the 2008 global economic collapse. These new developments broke fresh ground in the perimeter of the settled city, creating an extensive new sprawl with the hope of continued expansion. The bursting of the bubble in the credit market, however, has dashed the dream. There is likely to be a long wait before the existing stock finds utilisation through attrition, upgrading and expansion. The danger is that the cessation of new construction and land development will rob the city of its major motor of growth in terms of absorbing investment and creating employment, leading to an unavoidable period of relative stagnation.

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