

LECTURES

Capital City Resurgent: İstanbul since the 1980s*

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This talk is about the stages of urban transformation in İstanbul since the 1980s. The choice of the period relates to the general framework of “globalization” within which most transformations during the last quarter of century can be better understood. Of course, globalization is not an external factor which configures local developments. It is received, and negotiated with in evolving local accommodations. It introduces new constraints and new opportunities; and, it is within this newly structured space that local (national and municipal) initiatives gain meaning. It is especially the undertakings of the state—its legislation and policies relating to urban development—which impact urban fortunes. As we will see, however, urban politics and municipal governance have gained a certain autonomy during this period, rendering city entrepreneurship and urban coalitions in search of global positioning of the city more important.

Any such discussion of a city like İstanbul, which is being written up as a success story, necessarily refers to the literature on global cities. There is, in fact, a good number of studies on İstanbul's achievements and potential in this vein, talking about the share the city captures of global capital and tourist movements, of world diplomatic activity, of regional command positions. The general idea in these studies is that urban resurgence may be correlated directly with cities acquiring good positions in networks, not only of commodity chains, but also of consumption and cultural networks. Command positions require a certain type of service employment, implying that particular kinds of service workers, professionals, finance sector and business sector employees play leading roles. In order to attract these types of labor, but also a high level of tourism, the city has to offer a sophisticated level of consumption in shopping malls, restaurants, and cultural industries.

This description sidesteps a crucial requirement of the transformation in the direction of global city status. A city like İstanbul, aspiring to become more central in intensified transnational networks, needs to overhaul its physical aspect; it has to create an entire new level of built environment. New spaces have to be produced through the interaction of

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politics, economic flows, and social experience. This production of space requires the availability of land as a malleable commodity. Urban growth means urban *development*, in the sense that developers have to participate in the activity. As more sophisticated and differentiated functions are called for, a greater commodification of land becomes a necessity. Developers have to be able to see land as a commodity that can be bought and sold, considered as private property, developed according to known rules, and speculated with as an asset whose price changes. It is crucial to trace the process of this commodification in the case of İstanbul because, as in many peripheral environments, the legal dimensions of property on land were often vague, uncertain, and risky.

Before I embark on the story of globalization, I would like to explain my title. Of course, İstanbul is not the capital of Turkey, although it had served as a capital city of empires for almost sixteen centuries before the formation of the new Republic. For the founders of the new Republic, İstanbul represented various facets of the past that they would rather do without. They thought of the city as the epitome of the *ancien régime*: corrupt, full of intrigue, identified with the Byzantine and Ottoman past of elite excess and, of course, too Islamic. It was cosmopolitan and home to non-nationals and foreigners. It had to be cleansed in order to satisfy Ankara's standards of purity of ideal. Against this background of high purpose, championing of İstanbul would always be suspect; favoring of the imperial capital would have to be surreptitious because it would be interpreted as a dilution of nationalist fervor. This tension between Ankara and İstanbul was not resolved until the 1980s when Turkey perforce adopted a policy of economic opening and the weight of the liberal economy decisively shifted toward the old capital. Along with an expanding export economy, the financial sector started to grow and the first glimmers of the city orienting itself to the global arena became visible. Under the new regime presided over by Prime Minister Turgut Özal (1983-1989), municipalities were given more autonomy and their budgets increased. İstanbul was allowed to chart its own course in terms of infrastructure and productive investment.

It was Özal's untrammelled love of the market and private enterprise that aggravated the tension between the nationalist old guard in Ankara, manning the ministries, the judiciary and the military, and the new generation of businessmen in İstanbul. The urban legend that the pro-market government wanted to move the capital to İstanbul dates from this time when İstanbul's economy started to pull away from the rest of the country in terms of its regional and global connections. Fortunately for the old guard the Özal years were followed by more than a decade of ambiguous policies which succeeded only in generating uncertainty and crises. Coalition governments resented the imposition of the Washington consensus as policy but were stymied in their efforts to find alternative avenues. Legislative reform was avoided; global links continued to grow but in an informal and haphazard manner, and in fits and starts. It was not until the massive currency crisis of 2001 that Ankara bureaucrats were forced to accept the legal framework of reform. The current government, Justice and Development Party (AKP), inherited the achievements of the crisis doctors when they won the elections in 2002. Their neo-liberal convictions were served well by the shock-doctrine approach that had brought in the required changes for full global opening.

As is well known AKP's leader and the prime minister of the single-party government has been Tayyip Erdoğan, the former mayor of İstanbul. This was the first time that a popular *local* politician, who had personally received more votes than any other politician, had been elected prime minister. Symbolically, Erdoğan's prime ministry would seem to be a conquest of the Republican capital in the steppes by the new denizens of the old imperial city. One

could speculate that Erdoğan's İstanbul links, as much as his supposed anti-secularism, caused Ankara statesmen to panic and to try to block his election, albeit without success.

This unease with İstanbul's rise has surfaced again recently in the nationalists' scare that AKP was stealthily planning to bring İstanbul back as the capital of the country. The occasion was a plan to establish a financial center in the city to claim a regional position as a global banking and finance node. This project would include the moving of the Central Bank from Ankara to İstanbul. Nationalists identified the proposed move as a first step in dethroning Ankara and in the realization of a secret agenda to bring back the imperial capital. Once again, İstanbul was identified with the global and the cosmopolitan undermining the ideal of national community represented by Ankara. This particular project has been quietly forgotten since the crisis of 2008.

Of course, the nationalists are correct, not in their paranoia about the formal institution of İstanbul as the capital city but in their identification of the new centrality of the old capital which provides the momentum for change in the entire country. In fact, those politicians who attempted to change the country in its political and social orientation have had to start their project with İstanbul; in other words, the city has often been the object of planned and deliberate transformation which was supposed to spearhead changes in the country as a whole. I can only cite the section headings here of the steps in this story.

The end of the Republican era in İstanbul, and in Turkey more generally, came with the change in government in 1950. The single-party was replaced by a relatively more liberal Democrat Party which received most of its votes from the peasantry. Prime Minister Menderes ushered in a new electoral populism which quickly translated to an implicit support of migration from the villages to cities, and primarily to İstanbul. From the point of view of the city this meant that migrants would be given the opportunity to reach the new neighborhoods of settlement and would be permitted to occupy land illegally. In terms of the physical planning of the urban environment, the crucial factor was the access to the parts of the city from new settlement areas to where employment would be expected. With his program of tearing down old neighborhoods and building roads Menderes achieved two things. First, he cleared the dense fabric of residential neighborhoods which had primarily been the habitats of the remaining non-Muslim population. This was the case in the coast road (the Sahil Yolu traversing the Marmara coast from Sirkeci to Zeytinburnu, disintegrating neighborhoods such as Kumkapı and Samatya on its way) and the thoroughfares within the Old City (Vatan and Millet *cadde*'s and Atatürk Bulvarı). Secondly, the new roads, especially the one connecting the old city to the suburbs toward the airport (which came to be known as the E-5), conveniently reached the newly forming *gecekondu* areas. The first shantytown of renown, which came to be identified with the culture brought to the elite city by the yobs of Anatolia, was Zeytinburnu, now a lower-middle class district very much in the center of the city, then, however, the site of the first shanties.

Menderes's vision was certainly not globalizing. It was, however, developmentalist and seemed to recognize that İstanbul had to occupy the dominant position in the political economy of national development. In effect, the population of the city doubled from the 1950s to the 1960s and its fledgling private sector provided the groundwork for import-substituting industrialization which would attain its maturity in the subsequent decade. The growth of the city during this period was haphazard, conforming to the image that has gained currency of the oil blot that spreads following unknowable contours. Shantytowns developed where it was easiest to occupy and to build, industry was located where it was easiest to

pollute. By the mid-1970s, with a population close to four million, İstanbul was a grimy, unkempt, and dark third-world metropolis where even the neighborhoods of the wealthy suffered from insufficient infrastructure and gloomy facades.

It was the crisis of national development and the liberalism brought in after the 1980 coup by a World Bank veteran, that changed all this and set İstanbul out on a route to global marketing. Turgut Özal brought Bedrettin Dalan as the mayor who remained as the unchallenged boss of the city and imprinted the urban space with a radically new conception. Dalan's projects were as radical as Haussmann in Paris or Moses in New York. He cut through the old fabric of the city with his new boulevards, tore down the old manufacturing districts around the Golden Horn, built new parks and water-front spaces, created incentives for industry to move out of the city to the periphery beyond the urban area. After Dalan's rebuilding, İstanbul became ready for the next stage of spatial transformation, much more in line with the requirements of the new global era.

The realization of Dalan's blueprint was interrupted during the 1990s, because of a rebirth of populism both in Ankara in the new coalitions that formed short-lived governments which spent their energy in resisting the imposition of neo-liberalism; and in İstanbul with the election of a new mayor who proceeded to revive the policies of accommodation of immigrants. In 1994, the current prime minister of Turkey, Tayyip Erdoğan, became İstanbul's mayor. He, and his subsequent stand-ins attempted to revive the momentum of Dalan's vision, but the project of the global city had to be left on the back burner: the economy was crisis prone, politics was full of uncertainty. There was only a trickle of foreign investment, and that only in finance and "hot money," seeking quick returns and always ready to run away. Legislative and institutional accommodation of a globalizing initiative was not forthcoming. Nonetheless, new markets emerged; there was a much higher volume of travel especially by the citizens of former Soviet-bloc countries; and İstanbul gained a new kind of centrality almost in spite of the absence of official projects. Once again, it was the biggest change in Turkey's political history, the elections of 2002 that brought the "moderate" Islamic party to power in a single-party government, which focused Ankara's attention on the potential role that could be played by İstanbul's resources.

İstanbul's population was close to the 10 million mark when AKP came to power, or 15% of the total population of the country. Before, as mayor, Erdoğan had declared his dissatisfaction with the policies that had permitted the massive migration into the city, proposing that there should be a tax to make the city prohibitively expensive. Since this was legally and politically impossible, AKP's policies had to be content with introducing the untrammelled workings of the market to the shaping of İstanbul's social space. AKP was fully committed to neo-liberal policies, implying that they assessed the role that could be played by the city in the perspective of attracting business and investment. This meant that the developments of the 1990s which had been tentative, and in some cases not fully above-board, could now be institutionalized. With the new legislation following the massive economic crisis of 2001, Ankara had to agree to a series of reforms which made the integration of the economy into global networks of capital flows more stable. Now, the spatial dimension had to conform to the new demands. The kind of physical development required for foreign investment, new business services sectors, real estate investments for upscale residences, luxury shopping and leisure, had to be accommodated with more certainty. The city had to look clean and ordered for tourists, with hotels, cultural centers, congress venues, museums and restaurants.

It should be remembered that the period of this re-building coincided with the great credit expansion of the last decade, thus allowing developers, construction companies and architectural firms to find the funds they needed. In terms of political accommodation, what the government had to supply was stability and the legal background to investment in land and urban development. Erdoğan's government was singularly successful in providing this background. As the expansion of the city since the 1960s had been an unregulated process, driven mostly by the informal occupation of public land and by residential construction on former agricultural land, a new approach which would strengthen the legal grounding of the expansionary momentum would be required. The solution that they arrived at had the virtue of cleaning up the city as well, through a program of urban regeneration. A newly empowered agency, the Mass Housing Administration (TOKİ) was mandated to tear down the remaining shantytowns in the visible areas of the city, using various pretexts such as protection of heritage, absence of earthquake preparedness, environment and creation of green zones. The occupiers would be given flats in mass housing built in peripheral areas, often distant and inconvenient to the pushed-out beneficiaries.

Urban regeneration which aimed to clean up the visible aspect of the center city was only one dimension of the social polarization that inevitably followed economic liberalism. Another dimension was ethnic: the most recent immigrants into İstanbul were poor Kurdish peasants, driven out of their lands by the war that was taking place between the Turkish army and the Kurdish insurgency in the eastern and southeastern regions of the country. They arrived without much network support at a time when employment for the unskilled was diminishing and land occupation was no longer permitted. Instead of being able to invest in the informal construction of own-housing, they had to rent in poor and distant neighborhoods, thus creating a *banlieue*-type segregation, with all its political ramification. The city's success in upgrading itself added to its dividedness and to the exclusion of its newest immigrants.

In order to fulfill its duties TOKİ had the right to take over public land, and build middle-class housing on it so it could raise the funds with which to undertake mass housing to be sold at a subsidy. Some of the land would also be transferred to the contracting construction companies for them to develop. New zoning measures permitted the available funds to be channeled into high-rise business towers, imparting a new skyline to the city, especially on the highlands between Taksim and Maslak. Thus, the physical appearance of the city has changed over the last decade: the central districts have improved immeasurably in their appearance: all the buildings are finished, roads and sidewalks are in good shape, cafes and restaurants and attractive shops abound. There are a large number of malls, hotels, and business towers in the immediate surrounding areas. Adjacent to these, and especially between the old beltway and the new one (connecting roads to the first and the second bridges over the Bosphorus respectively) are middle-class residential developments. Some of these are relatively well-appointed, with attractive landscaping and gated self-sufficiency, incorporating schools, leisure and shopping. Others are more modest. On the outer zone from the new built environment of business and residence are found the mass housing projects, pushed to the edges of the sprawling city.

It should be mentioned that, as in all cities that receive a share of the global wealth, there has also been considerable investment in the old neighborhoods that could boast of some cultural cachet. Urban regeneration projects feed into this gentrification and neighborhoods around the Beyoğlu area, along the Bosphorus, and increasingly within the Old City, now participate in this transformation. What these new social spaces (new developments and cleaned-up and gentrified districts of the center city) leave behind are the old shantytown neighborhoods

which had been converted to ramshackle apartment buildings during the previous era, mostly in the 1980s. These are now the most depressed areas of habitation in the city. Their population density decreases as inhabitants who can afford it move to new housing. Given the haphazard development of streets, squares and public spaces, the infrastructure is insufficient and upgrading extremely difficult.

In addition to the movement of capital and commodities, of refracted styles of business and residence, shopping and leisure, İstanbul's transformation over the last decade has owed much to the movement of people. Numbers of tourists and foreign residents have increased and with them the city became a presence in the global imaginary. As we know, one of the selling points of İstanbul has always been its ambiguous standing. What has come to be known as the "bridge metaphor"—signifying an early formulation of being in-between (East and West, Asia and Europe, North and South)—was tired and insufficiently defined. In the contemporary, post-Cold War world where those dichotomies had lost their sharp boundaries and hybridity was cherished, a new image would better serve the ambitious agenda of the city's promoters in attracting money and people. A coherent narrative that resonated with the prevalent global flavor would contribute to the project. In this attempt to convert history and culture to marketable commodity İstanbul confronted an embarrassment of riches. The new urban coalition—the city government, real estate concerns, the bourgeoisie in its manifold manifestations, and the top echelons of the civil society, including the media and the city-boostering foundations funded by businessmen—strived to market the city along expected lines: the historical heritage of the city as well as its cultural and culinary riches were highlighted, along with the promotion of dozens of music, art, and film festivals, new museums and exhibits, which all referenced the master narrative of İstanbul's incomparable historical wealth.

All urban growth coalitions strive to attract flows of capital and people along similar dimensions. In this competition, the hammering together of a defining theme is a necessary but conflictual process, where the archeological layers of a city's many incarnations are alternative candidates for foregrounding. In İstanbul too, various projects and imaginaries whose object is to represent the city in a particular manner, highlighting specific features of a complex history, vied for providing the key to the narrative. The Byzantine city of the classicists who wanted to emphasize the geographical heritage of the land competed with the Islamic city of the devout. According to the latter İstanbul was the capital that the Prophet had promised to the believers. In the attempt to mobilize cultural heritage, the Turkish city of the Republic was too narrow a reference and would not have much drawing power, especially since the Republic treated İstanbul with coldness and disdain, until the 1980s. The secular elite would not play along with an agenda to reconfigure the Ottoman heritage into Islamic sites of visitation; and the classicist vision had no social support.

The compromise that was negotiated had the advantage of accommodating competing claims: İstanbul was presented as the Ottoman capital of many cultures. An inclusive Ottomanism was concocted, a re-imagined rubric encompassing the imperial heritage that the city could boast of. Both the ruling political party with its Islamist background, and the city's bourgeoisie would be happy with this solution. The elite were happy to display their mansions and collections of *objets* dating from the Empire; churches and synagogues were carefully restored along with mosques and civil architecture. Ottoman art of the nineteenth century became a staple in the new museums where exhibits helped establish that the multicultural Ottoman elite had been very much engaged with European art, music, and literature. Gentrifiers lovingly restored İstanbul's nineteenth-century, westernized

neighborhoods. This was a new representation of the city in which the peripheral modernity of the Empire seamlessly flowed into an aspired status in contemporary global space. What it achieved was a narrative that could be easily appropriated by the global media, the art world, and taste makers who helped put İstanbul on the map—of investors, discerning tourists, curators of exhibits, real-estate developers, buyers of residences in “in” cities of the world, and sundry consumers of culture. Ironically, the successful branding of the city had to refer to its being the capital—the cosmopolitan capital city of an empire that the Turkish nation-state had carefully tried to leave in the shadows.

Global cities are all capital cities in some sense: they perform functions of centrality and command which often have an impact reaching wider than the political borders within which they are located. Thus, İstanbul has reasserted its central place and is now essential as the focus of Turkey’s agenda as a global player. This status could not be achieved solely on the basis of market success; institutions that guaranteed stability and continuity were necessary, especially because the urban space had to be re-constructed. With the attraction of capital flows, finance, and transnational investment, the city was physically re-structured. With the negotiated settlement that led to an agreement on how the city would be branded, the urban elite and the municipal administration were able to form a coalition with the Ankara government that permitted the realization of a unified agenda. In these times of the rule of the market where success is attained through outcompeting possible rivals, the global-city project of İstanbul has been an unarguable success.