



**CULTURE-LED REGENERATION'S CONTRIBUTION TO URBAN ECONOMIC
DEVELOPMENT:
THE CASE OF FENER-BALAT/ISTANBUL**

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MSc Urban Economic Development

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LIST OF ABBREVIATIONS

FBRP- Fener-Balat Rehabilitation Programme

GHCVP- Golden Horn Culture Valley Project

TURKSTAT- Turkish Statistical Institute

UNWTO- World Tourism Organisation

ABSTRACT

This thesis analyses the culture-led regeneration and its impact on economic development in cities with an empirical evidence of Istanbul Fener-Balat Regeneration Project. It is argued that under the impact of globalisation, culture seen as a driver of economic development and this reflected to regeneration policies and projects. Also, regeneration projects themselves, independent from the approaches, are accepted as resources for economic regeneration and development in cities. After putting the Fener-Balat Rehabilitation Programme in context with reference to Istanbul's economic development and Golden Horn Cultural Valley Project, economic impacts of FBRP were analysed in three steps as; "Analysis of training and re-skilling programme", "Analysis of property values in project area" and "Analysis of development of tourism sector in the district". These analyses were based on the research findings of a field study conducted in project area including 14 interviews, other academic researches and the official project reports. Resulting from this research, although the training and re-skilling programmes have impacted limited population, there are evidences of development of tourism sector and a dynamism in property values with completion of the FBRP. This research based on an empirical evidence of Istanbul, proves the relation between regeneration projects and their impacts on local economic development in areas under the effects of globalisation and deindustrialisation.

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INTRODUCTION

The global economic restructure beginning in the 1980s brought urban regeneration schemes to the agenda of city governments throughout the world to be used for achieving economic development objectives. One of these schemes, the culture-led regeneration approach uses culture as a driver for local economic development. This thesis analyses the relationship between culture-led urban regeneration and local economic development in cities. In other words, it seeks to answer whether the culture-led regeneration approach has a positive impact on local economic development. It is argued that the culture-led regeneration approach could contribute to local economic development through several tools. The analytical framework of this study is created from the findings in the literature about urban regeneration and its relationship with economic regeneration. Turok's, Hall and Barrett's and Evans' argued that culture-led regeneration could contribute to local economic development by training and reskilling of inhabitants, generating economic dynamism, increasing land and property values, economic development in service sectors. (Turok, 1992; Evans, 2005; Hall and Barrett, 2012)

By exploring the literature about culture-led regeneration and economic development in cities under the impacts of globalisation and deindustrialisation, this thesis creates a learning opportunity for understanding the regeneration initiatives which lead to economic development. Additionally, it explores culture's contribution to urban policy and regeneration schemes. It will identify lessons learned to improve the development of future culture-led regeneration policies. For this purpose, to find an empirical evidence to these arguments, a case study of the Fener-Balat Rehabilitation Programme in Istanbul will be used. The Fener Balat Rehabilitation Programme(FBRP), was developed based on the Declaration of Istanbul on Human Settlements of Habitat-II Conference and accepted as one of the pioneer projects in Turkey, aiming to create a regeneration model for other cities. 10 years after completion, lessons can be learned by analysing the economic impacts of such project. As the FBRP is within a historic city centre it will also provide useful lessons for historic city centres in other cities.

The research focuses on analysing economic impacts of the Fener-Balat Rehabilitation Programme. To conduct an in-depth analysis, the study first examines the urban regeneration project by its policy context, urban problems, stakeholders, funding, nature and overall impacts. This is followed by the economic impact analysis in 3 subsections:

- Analysis of training and re-skilling programme

- Analysis of property values in project area

- Analysis of development of tourism sector in the district.

In the last step this research will briefly evaluate the economic impacts by asking questions about the social, economic, environmental sustainability of the impacts.

The focus of this study is on economic impacts and the development of a specific sector of the economy in the project area. Although a brief evaluation of the economic impacts with regards to social and environmental impacts is included, the findings and results of this research will not include in-depth social and environmental analysis.

Following this introduction chapter, there are two further chapters. The first chapter covers the theoretical background and analytical framework of the research reviewing literature about the urban regeneration, culture-led regeneration and its relationship with economic development. The theoretical background will be discussed under 2 sub-sections of '1.1.1. Globalization and Economic Restructuring in Cities' and '1.1.2. Urban Regeneration and Economic Development'. Under the first sub-section, the discussions about globalization and its impact on the urban economy will be covered. The 'Urban Regeneration and Economic Development' subsection, will define urban regeneration, different approaches and their relationship with economic development, including discussion of culture-led urban regeneration. In this discussion, the relationship between culture and urban policy and the relationship of this approach with economic development will be included. The theoretical background is followed by the analytical framework of this study and the research methodology in the 2nd and 3rd sections.

The second chapter will provide the empirical evidence of this research using 3 sections of; 'Putting İstanbul in Context', 'Golden Horn& Fener-Balat Urban Regeneration Project' and 'Conclusion'. In the 2nd section there will be 3 subsections. The first subsection will provide information about Golden Horn Cultural Valley project which FBRP is a part of this bigger context. The second subsection covers the analysis of the FBRP. Last, the main research findings of this study will be analysed in the 3rd subsection. Finally, in the 3rd section of chapter-2, the conclusion based on the research findings will be discussed with respect to limitations of the study and future research suggestions identified.

CHAPTER 1: THEORETICAL BACKGROUND AND ANALYTICAL FRAMEWORK

This chapter describes the theoretical background, analytical framework and research methodology of this thesis.

1.1. ECONOMIC DEVELOPMENT AND URBAN REGENERATION

1.1.1. GLOBALIZATION AND ECONOMIC RESTRUCTURING IN CITIES

The 1980s are accepted as a milestone in the world's economic and spatial organization when Post-Fordist modes of production and consumption began to create an accumulation of the capital gained from the surplus value in industrialized cities. As a result, the search for profitable locations for capital investments and the internationalization of capital began. This globalization process triggered an international economic system with accelerated circulation of people, commodities, capital, identities through global spaces as well as the increasing mobility of ideologies, economic principles, policies and the lifestyles (Brenner and Theodore, 2008). This indicates the economic process of globalization has social, cultural, political dimensions and is tightly linked to the spread of neoliberalism.

Understanding the economic and spatial context created in cities, requires an explanation of economic restructuring, the spatial dynamics of globalisation and the role of 'local' in the context. The economic restructuring is defined by Kuznets (1973) as a shift from industry to services, adjustments in the extent of the productive units complemented by adjustments in economic firms and the status of labour (Dogruel, 2013). This restructuring and change in demand-supply conditions in post-industrial societies is also known as deindustrialisation where economic activity is focused on service provision.

With the increasing mobility of capital and the restructuring of economies, role of cities also changed. They became important nodes for global capital, consumers and a key command and control centre. Their importance increased with the rise of the knowledge-based economy which led to the rise of certain types of cities having significant role in organization of world economy like Friedmann's (1986), world city hypothesis and Sassen's (1991) global city (Bezmez, 2008a). These concepts tried to explain the urbanization processes in cities with economic forces. In world cities, they organize production and distribution, produce services which are required for this production in their economic and political impact area where diverse communities co-exist. For realizing this, specialization, differentiation and diversification in economy is required (Friedmann, 1986; Tekeli, 2013). It is also essential to support this structuring in cities with a complementary spatial organization.

Globalization does not create a prototype for spatial development nor for the spatial order of cities. Yet, because of deindustrialisation, the industrial production spaces in most cities become urban

shrinkage areas as they lose their function. Also, as cities become nodes for global capital, demand for new urban spaces increases which leads to commercial property development. The expectation of regenerating urban space, in line with this new demand and needs, creates a new urban-decision making process. Harvey (1989) has labelled this kind of transition in urban policy-making as “*a shift from urban managerialism to urban entrepreneurialism*”(Harvey, 1989: p.5). In this new urban decision-making perspective, local governments act like entrepreneurs in search of global capital, increasing the competitiveness of cities and becoming a world city. According to Harvey (1989), this approach to governance does not only concentrate on providing services, facilities, other assets to local community but also focuses on creating new methods for fostering local development in a globalized world (Bezmez, 2008a).

In this new role of cities and new way of urban policy-making, specifying the meaning and role of ‘local’ is essential. According to Tekeli (2013), protecting the diversity, culture and identity of local communities and for the reproduction of localities; globalization and localization should be simultaneous processes. There are 2 opposite views about this process. David Harvey and Manuel Castells argued that when a city is globalized or becomes a world city, it loses its identity because world cities represent movements of global capital, commodities and images; these inflows leak to localities and transform them. For them, local means culture, authenticity and identity which can be erased, marginalized by global and they should resist it. However, others counterargue that, seeing ‘local’ only as a ‘resistance against global’ means, local will be erased eventually. They suggest, the resistance could be factor for reproduction of local, gaining originality and development of culture. Local characteristics can increase the competitive advantage of cities as it contains tacit knowledge accrued over time. Localities that can conserve and reproduce the tacit knowledge can compete with others and can achieve world city vision (Tekeli, 2013).

1.1.2. URBAN REGENERATION AND ECONOMIC DEVELOPMENT

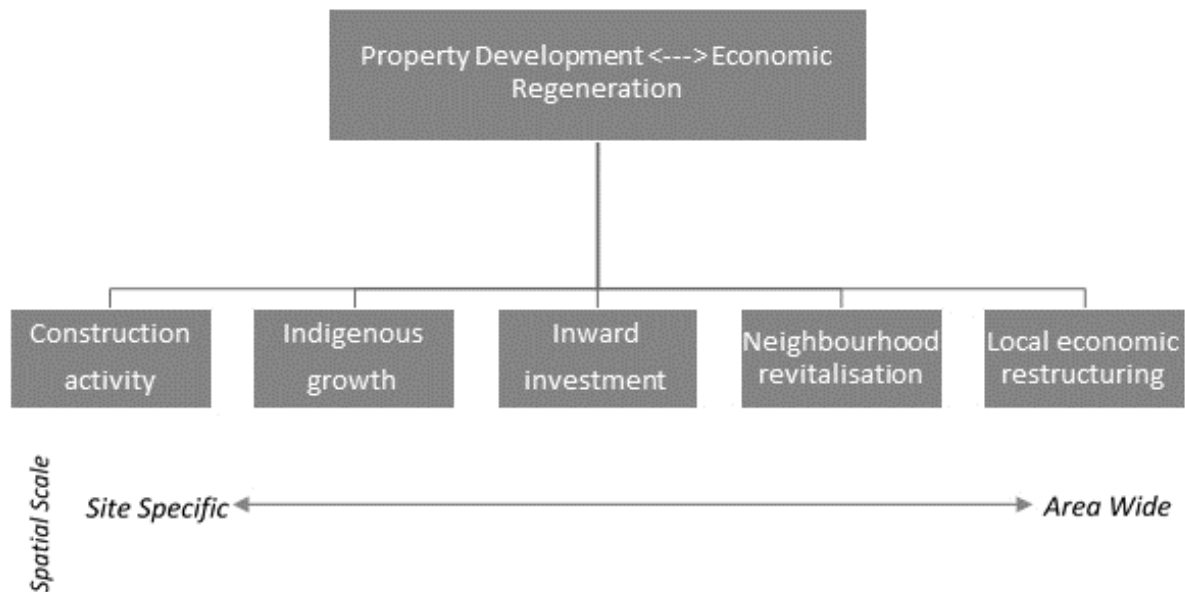
In light of globalisation and deindustrialisation, the restructuring of urban economies started where the growth of service industry and decline of old industrial areas in cities required new forms of urban spaces. In this respect, urban regeneration policy began to be used to improve the competitive position of cities in inter-urban competition by local governments(Neil, 2002).

There are multiple definitions for urban regeneration in the literature. One definition describes urban regeneration as a comprehensive, integrated vision and action that pursues resolving urban problems, improves the economic, physical, environmental and social milieu in an urban area that includes opportunities for enhancements and change(Roberts, Sykes and Granger, 2016). Evans (2005), described regeneration as “*transformation of a place—residential, commercial or open space—*

that has displayed the symptoms of physical, social and/or economic decline” (Evans, 2005: p.967). It is highlighted, urban regeneration aims to put social inclusion and liveability goals together with economic competitiveness and the growth agenda through physical regeneration. Couch and Fraser, (2003) described regeneration as the field of public policy concerned with economic growth, restoration of social functions, social inclusion and environmental quality, in the places where decline of economic activity, social dysfunction, exclusion and loss of environmental quality took place (Couch, Fraser and Percy, 2003). It can be concluded that urban regeneration is accepted as a comprehensive policy that integrates social, economic and physical regeneration goals in places where a need or an opportunity for a change and improvement exist.

As defined in literature, urban regeneration projects, although they were initially developed for a specific place, are designed for contributing to a wider scale of problems occurred in a city to foster local economic development (Turok, 1992). Turok (1992), developed a model for explaining this relationship of urban regeneration and economic development. As seen in Figure 1, property development via urban regeneration could contribute to economic regeneration in 5 ways. Within this framework, Turok argued, through physical regeneration, initially additional jobs and income could be created with construction-related activities in short term and at the regeneration sites. The physically regenerated environment with new layouts and modern buildings, offices that meet the infrastructural and telecommunication needs of firms could contribute to economic regeneration by accommodating the expansion of indigenous firms. This new accommodation opportunities can also attract additional inward investments to the area by offering several property initiatives for securing a level of building activity in the area for the future investments. At a larger scale, whole neighbourhood revitalization can attract more people and more investment. This can happen by creating positive externalities from physical upgrade of the districts thus changing the image and reputation of a neighbourhood. But this type of change should be supported by several schemes that include upskilling local people to help improve their ability to engage with the local labour market so that gentrification will not take place. Finally, property developments in urban regeneration areas can contribute to local economic restructuring where old industrial areas regenerated into places that fits the property and locational requirements of service industries (Turok, 1992).

FIGURE 1. RELATIONSHIP BETWEEN PROPERTY DEVELOPMENT AND ECONOMIC REGENERATION



Source: (Turok, 1992)

On the other hand, Hall and Barrett (2012), conceptualize the relationship between urban and economic regenerations as one of the four goals (Figure 2) of urban regeneration policy. According to study, the economic prospects of certain population can be achieved by labour creation, education, reskilling programmes of urban regeneration projects (Hall and Barrett, 2012).

FIGURE 2. GOALS OF URBAN REGENERATION

<i>Four Goals of Urban Regeneration</i>
• <i>Improvements to the physical environment (which have more recently come to focus on the promotion of environmental sustainability);</i>
• <i>Improvements to the quality of life of certain populations (through improvements to their living conditions or by improving local cultural activities or facilities);</i>
• <i>Improvements to the social welfare of certain populations (by improving the provision of basic welfare services);</i>
• <i>Enhancement of the economic prospects of certain populations (either through job creation or through education or reskilling programmes</i>

Source:(Hall and Barrett, 2012)

As Hall and Barrett underlined, there are different approaches, initiatives and/or policies in urban regeneration that put different drivers/forces at the heart of the policy or project itself. For instance, property-led urban regeneration can be defined as regeneration using property development as a key player. Turok (1992) described property development as “*assembly of finance, land, building materials and labour to produce or improve buildings for occupation and investment purposes.*” (Turok, 1992: p.362).

Another model, community-based regeneration, not only takes the regeneration of the capital asset base of property markets but it also takes 'quality of life' concept at the heart of regeneration policy. This approach, describes the urban regeneration as a 'process' that sustains the development of urban space and the quality of life; which is "*not polarized or segmented by area-based deprivation, poverty, and social exclusion, but which is integrated into mainstream developments*" (Deakin, 2009: p.95).

There are also different urban development models which can also diversify the urban regeneration approach. For instance, transit-oriented development(TOD), defined as a combination of suburban renewal, city revitalization, walkable neighbourhoods and regional planning, can also be a driver for the regeneration of areas around new transport development(Transit Oriented Development Institute, 2018).

Another approach, culture-led regeneration, is where 'culture' is accepted as a catalyst/driver in regeneration. As this thesis will focus on the culture-led urban regeneration approach, a detailed explanation of the approach will be covered in the following section.

1.1.2.1. CULTURE-LED URBAN REGENERATION

Culture and Urban Policy

To understand culture-led urban regeneration and its relationship to economic development, the definition of 'culture' and its meaning in urban policy context requires clarification. In the context of globalization, the definition of culture also evolves. According to Bocock (1992) as cited in Miles and Paddison (2005), the definition of culture shifted from 'cultivation of the land and mind' to 'social development, meanings, values, ways of life, production practices'. The new role of culture in urban policy is described as a tool for solving socio-economic problems and a resource for achieving social, economic, environmental development objectives.

An example of this new role of culture in cities is 'cultural forms of urban tourism'. However, some rephrased this new role as 'commodification of culture' and the spread of cultural capitalism(Miles and Paddison, 2005). Others conceptualize the new understanding of culture as a way of place-making and branding (*Kavaratzis, 2004; Hannigan, 2003; Ward, 1998; Hauben et al., 2002*). It is also highlighted that there is a risk of 'brand-decay' in cases where overconcentration on brand image occurred by reimagining and reinvestment in 'new' cultural facilities and experiences for maintaining visitors (Evans, 2005).

Others argue that culture is a resource for cities to enhance their competitive position in the global arena and a driver of economic growth by not only consuming or commodifying the local culture but reproducing it in an innovative and unique way (Evans, 2005; Tekeli, 2013).

Culture & Tourism Industry

As described before, culture is accepted as a resource for economic development contributing in different ways such as cultural tourism or cultural forms of urban tourism.

In this respect, cultural strategies and tourism become an essential component of local economies (Bezmez, 2008). To understand this relationship, a brief explanation of tourism industry focusing on 'cultural tourism' and its role in city economy will be presented. This will be followed by clarification of economic, environmental, social and cultural impacts of this industry.

Tourism is defined by UNWTO as *"a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. These people are called visitors and tourism has to do with their activities, some of which involve tourism expenditure."* (UNWTO,2018). Assessment of tourism industry's current position shows, it covers 10% of the world's GDP and 7% of exports (Figure 3). According to UNWTO, in terms of international tourist arrivals, the figures show an increase in both advanced and emerging economies since 2000. Especially since 2015 there is an increasing trend in demand for emerging economies (Figure 4).

FIGURE 3.CONTRIBUTION OF TOURISM INDUSTRY TO ECONOMY



© World Tourism Organization (UNWTO) July, 2017

Source: (UNWTO, 2018a)

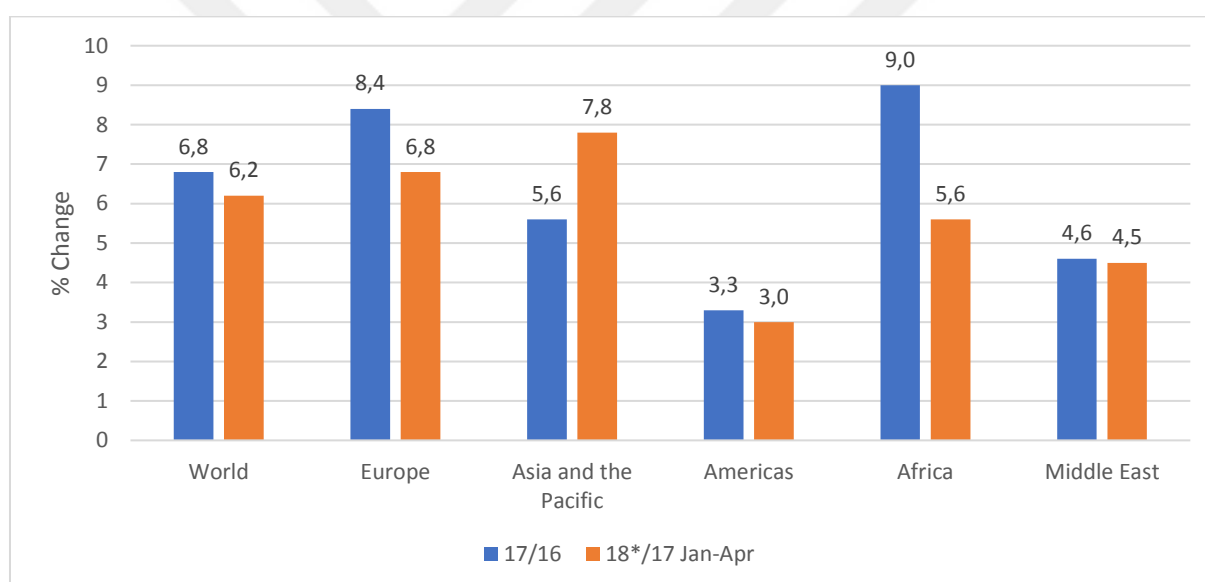
FIGURE 4. INTERNATIONAL TOURIST ARRIVALS

	<i>Full Year (million)</i>						<i>Share</i>	<i>Change</i>	
	<i>2000</i>	<i>2005</i>	<i>2010</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2017(%)</i>	<i>16/15</i>	<i>17/16</i>
World	680	809	952	1,195	1,239	1,323	100	3.7	3.7
Advanced Economies	430	469	515	655	685	725	54.8	4.7	4.7
Emerging Economies	250	339	437	540	554	597	45.2	2.5	7.9

Source:(UNWTO, 2018b)

Moreover, the recent numbers of international tourist arrivals for the first quarter of 2018, shows an increase of 6% compared to the same period in previous year which proves the increasing trend in tourism industry worldwide (Figure 5).

FIGURE 5. PERCENTAGE CHANGE IN INTERNATIONAL TOURIST ARRIVALS



Source: (UNWTO, 2018b)

The definition and perspective of the tourism industry also changed following the spread of the sustainable development agenda worldwide. Hence, tourism is described as “*Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities*” (UNWTO and UNEP, 2005; UNWTO, 2018c). In the context of sustainable development of the tourism industry, several new strategies were defined and/or redefined. In addition, growing awareness in the tourism sector and increased awareness of the potential of tourism activities in urban economic development resulted in diversification (Galdini, 2007). Eco-tourism, cultural tourism, agro-tourism, low season tourism are

examples of sustainable and diversified ways. As this thesis is about the culture-led regeneration and its impacts on urban economy, 'cultural (urban) tourism' will be the focus of the research.

First, cultural tourism is an essential part of urban tourism and since the 1980s, a widely supported tourism policy. As an increase in urban tourism activities changed the vacationing patterns into more frequent but shorter trips, this policy became the preferred type (Galdini, 2007; Gezici and Kerimoglu, 2010). For instance, the European Union recognise the importance of culture as part of its tourism experience and an element for improving the profile of Europe as an international destination (European Commission, 2018). According to the European Commission (2018), cultural tourism covers 40% of all European tourism and this is one of the reasons for the growing support for the development of the cultural tourism industry.

When the impacts of cultural tourism concerned, first, it is accepted as a driver for improving and promoting the city image. Galdini (2007), highlighted, the diversification created by urban tourism can trigger additional investments. For instance, if the development of cultural tourism is supported by upgrades in physical infrastructure, transportation infrastructure investments, restoration of heritage sites, historic city centres, this will be beneficial for both the industry and the local communities. It can also create new business opportunities. With a snowball effect, increased job generation triggers tax revenues which can sustain additional public investments. However, being a tourist attraction can lead to an excess demand for goods and services, physical assets like 'land and housing' in a specific area; which may also lead to higher living costs for the local community. Therefore, urban tourism also has social impacts on communities and society. Although it is argued that integration of culture with economic activity such as urban tourism, can create a feeling of identity for local communities; others argue it can commodify culture and homogenize communities while aiming to create a city image (Miles and Paddison, 2005; Galdini, 2007; Gezici and Kerimoglu, 2010; Gunay and Dokmeci, 2012).

Culture-led Regeneration and Economic Development

Culture is seen as a driver for economic development, whether as a resource to consume, as a tool for solving the problems of development or an asset to reproduce and compete with other cities. Within this context, 'culture-led regeneration' has different definitions in the literature. In defining culture-led regeneration, Pratt (2009), describes 2 dimensions. Bianchini & Parkinson and Paddison (as cited in Pratt, 2009), describe first dimension as constructing mainly high culture facilities to make the city attractive and well-known, where Harvey and Pine&Gilmore (as cited in Pratt, 2009) described regeneration of an area for creating an 'experience economy', where visitors and investors appreciate the unique place-based experiences like heritage or retail variety. The second dimension also

highlighted by Florida (as cited in Pratt, 2009) is regenerating an area to create physical and institutional environments that attracts the ‘creative class’.

On the other hand, Evans (2005) defines 3 models as, ‘culture-led regeneration’, ‘cultural regeneration’ and ‘culture and regeneration’, where cultural activity is embedded in the regeneration process. Culture-led regeneration is described as using cultural inputs such as events and flagship projects as the key element of urban regeneration. In the second model, cultural activities are seen not only as a catalyst, but also integrated into environmental, social, economic strategies of the project. In the ‘culture and regeneration’ model, cultural activities are not the core elements of strategic development or master planning stage in regeneration projects; instead several supporting programs designed by the regeneration authority itself or sometimes by the community are utilised.

Another definition by Craig-Smith & Fagence; Evans; Fainstein, and Hall (as cited in Gunay & Dokmeci, 2012) describes culture-led regeneration as *“a tool that boost local vibrancy and create sense of regional patriotism through the re-functioning of abandoned factories and warehouses, the rehabilitation of historic waterfront neighbourhoods and the branding of space”* where (local) governments are competing to attract people, capital and knowledge to flow into the post-industrial areas in the city (Gunay and Dokmeci, 2012: p.214).

Based on the literature reviewed, the definition of culture-led regeneration adopted for this thesis is, an approach to urban regeneration where local culture is used as a tool for development, reproduced while rehabilitating neighbourhoods and refunctioning abandoned areas in post-industrial zones to create places of attraction for global people, capital, knowledge.

As underlined in the previous section, independent of the approach, urban regeneration projects contribute to the economic development in cities. Evans (2005), defines culture’s contribution to regeneration under 3 categories as physical, and social economic regeneration. As seen in the Figure 6, by contributing to competitiveness and growth of the cities through different policy imperatives, culture contributes to economic regeneration (Evans, 2005).

FIGURE 6. AN OVERVIEW OF THE EVIDENCE OF CULTURE’S CONTRIBUTION TO REGENERATION

Physical regeneration	Economic regeneration	Social regeneration
<i>Policy imperatives:</i>		
Sustainable development	Competitiveness and growth	Social inclusion
• Land use, brownfield sites • Compact city • Design quality (CABE,2002) • Quality of Life and • Liveability	• Un/Employment, Job quality • Inward investment • Regional development • Wealth Creation	• Social cohesion • Neighbourhood Renewal • Health and Well-being • Identity • Social Capital

• Open space and amenity	• SMEs/micro-enterprises	• Governance
• Diversity (eco-, landscape)	• Innovation and Knowledge	• Localism/Governance
• Mixed-Use/Multi-Use	• Skills and Training	• Diversity
• Heritage conservation	• Clusters	• Heritage ('Common')
• Access and Mobility	• Trade Invisibles (e.g. tourism)	• Citizenship
• Town Centre revitalisation	• Evening Economy	

Tests and measurements

○ Quality of Life indicators	○ Income/spending in an area	○ Attendance/Participation
○ Design Quality Indicators	○ New and retained jobs	○ Crime rates/fear of crime
○ Reduced car-use	○ Employer (re)location	○ Health, referrals
○ Re-use of developed land	○ Public-private leverage/ROI	○ New community networks
○ Land/building occupation	○ Cost benefit analysis	○ Improved leisure options
○ Higher densities	○ Input-Output/Leakage	○ Lessened social isolation
○ Reduced vandalism	○ Additionality and substitution	○ Reduced truancy and anti-social behaviour
○ Listed buildings	○ Willingness to pay for	○ Volunteering
○ Conservation areas	○ cultural amenities/contingent valuation	○ Population growth
○ Public transport/usage	○ Multipliers—jobs, spending	

Examples of evidence of impacts

▪ Reuse of redundant buildings— studios, museum/gallery, venues	▪ Increased property values/rents (residential and business)	▪ A positive change in residents' perceptions of their area
▪ Increased public use of space— reduction in vandalism and an increased sense of safety	▪ Corporate involvement in the local cultural sector (leading to support in cash and in kind)	▪ Displacing crime and antisocial behaviour through cultural activity (for example, youth)
▪ Cultural facilities and workspace in mixed-use developments	▪ Higher resident and visitor spend arising from cultural activity (arts and cultural tourism)	▪ A clearer expression of individual and shared ideas and needs
▪ High density (live/work), reduce environmental impacts, such as transport/	▪ Job creation (direct, indirect, induced); enterprise (new	▪ Increase in volunteering and increased organizational capacity at a local level

traffic, pollution, health problems	firms/start-ups, turnover/ value added)	▪ A change in the image or reputation of a place or group of people
▪ The employment of artists on design and construction teams (Percent for Art)	▪ Employer location/retention; Retention of graduates in the area (including artists/ creatives)	▪ Stronger public–private–voluntary-sector partnerships
▪ Environmental improvements through public art and architecture	▪ A more diverse workforce (skills, social, gender and ethnic profile)	▪ Increased appreciation of the value and opportunities to take part in arts projects
▪ The incorporation of cultural considerations into local development plans (LPAC, 1990)	▪ Creative clusters and quarters;	▪ Higher educational attainment (in arts and ‘non-arts’ subjects)
▪ Accessibility (disability), public transport usage and safety	▪ Production chain, local economy and procurement; joint R&D	▪ Greater individual confidence and aspiration
▪ Heritage identity, stewardship, local distinctiveness/ vernacular	▪ Public–private–voluntary sector partnerships (‘mixed economy’)	
	▪ Investment (public–private sector leverage)	

Source:(Evans, 2005)

In the 1980s, implementation of the culture-led regeneration began in many cities. Many deindustrialized cities in Europe, designated as the ‘European Capital of Culture’ (like Istanbul, Genoa and others), experienced culture-led regeneration in historical industrial areas like port areas, waterfronts, historic centres. Furthermore, cities like London, began using this urban policy for creating cultural quarters by injecting culture into derelict parts of the city like Hoxton Square (Pratt, 2009). Other examples are the Bilbao Guggenheim Museum in Abandoibarra, the Wales Millennium Centre in Cardiff Bay, Thames Gateway in London (Gunay and Dokmeci, 2012).

Different case studies prove that culture can be accepted as a resource for re-building the identity and for economic restructuring in post-industrial cities.

Unfortunately, the culture-led regeneration approach does not always achieve its development goals. In some cases where integration of policies for achieving physical, economic, social regeneration goals are unbalanced or missing, projects can lead to unexpected or undesired results. For instance, if a culture-led regeneration project fails to meet the social regeneration goals due to inadequate participation of local communities, it may result in social exclusion of the local community. Lack of social inclusion and participation from the local community might have resulted in the creation

of spaces and cultural activities that attract only different income groups instead of local people. It may cause gentrification of the urban areas and displacement of communities. Also, as mentioned before, using culture as a commodity or a marketable and consumed economic asset, instead of supporting reproduction of local culture and identity via regeneration, can lead to creating urban spaces with high land values which again can result in displacement of local community, replacing them with higher income groups. To overcome these risks and achieve greater social inclusion, Newman and Mclean (1998) highlighted the power of culture, such as using heritage resources. According to them, cultural elements like art, have symbolic potential for heritage and identity, which can help reaching the goals of project. In that sense, according to Evans (2005), it is essential to develop an effective and 'sustainable' regeneration policy that attracts participation from local people. Gunay and Dokmeci (2012), clarified that culture-led regeneration should prioritize impacts in the quality of life, social cohesion, and community development for revitalization of cultural, social and political life of local communities (Gunay and Dokmeci, 2012).

1.2. ANALYTICAL FRAMEWORK

Based on literature reviewed, from the Turok's framework, analysing the neighbourhood revitalisation programme or economic restructuring will be a comprehensive method which can give area-wide economic impacts of urban regeneration projects (Figure 1). In addition, Hall and Barrett explained, urban regeneration projects can enhance the economic prospects of certain populations either through job creation or through education, reskilling programmes (Hall & Barrett, 2012). Whereas, to analyse the economic impacts of regeneration project, it is essential to analyse the urban regeneration project. In this sense, Hall and Barrett (2012), identify a framework with 12 analysis questions as in Figure 7.

FIGURE 7. FRAMEWORK BY HALL AND BARRETT FOR ANALYSIS OF URBAN REGENERATION

A framework for analysing urban regeneration: twelve key questions
Urban problems • What urban problem, or problems, have been identified? • What has been identified as the cause of the problem or problems? Policy contexts • What is the origin of the policy/programme/project? • What is the relationship to earlier approaches or those being implemented elsewhere?
Funding • Where does the funding for the policy/programme/project come from? • In what way is funding allocated?
Stakeholders • Who are the stakeholders involved? • What are the relationships between the stakeholders?
The nature of regeneration • In what ways does the policy/programme/project seek to achieve its aims? • What are the outcomes of the policy/programme/project?
Impacts of regeneration • What are the impacts of the policy/programme/project? • In what ways has the policy/programme/project been evaluated?

Source: (Hall and Barrett, 2012)

As this study focuses on the economic impacts on culture-led regeneration, the analysis should address the culture's contribution to economic regeneration. Indicated by Evans (2005), culture can contribute to competitiveness and growth policy of a project by supporting the development of the tourism sector. For measuring and analysing economic impacts, he identified several examples of evidence like; 'increased property values/rents', 'higher resident and visitor spend arising from cultural activity (arts and cultural tourism)'.

Finally, it is important to evaluate the impacts by considering the critics against culture-led regeneration for a deeper analysis, a wider perspective at the end so other cities, policy makers and local governments can learn from the experience of Istanbul.

Considering these, in the second chapter of this thesis where the analysis of empirical evidence will be covered, the following analytical framework will be used.

FRAMEWORK OF ANALYSIS

1st step: Analysis of urban regeneration project

2nd step: Analysis of economic impacts

- Analysis of training and re-skilling programme
- Analysis of property values in project area
- Analysis of development of tourism sector in the district
 - o Stakeholder Analysis
 - o Spatial Analysis

3rd step: Brief evaluation of the economic impacts by asking questions as;

- *Social sustainability*: Lead to gentrification in project area?
- *Economic sustainability*: Help/supported diversification of economy?
- *Environmental sustainability*: Brought improvements in infrastructure?

Source: Author

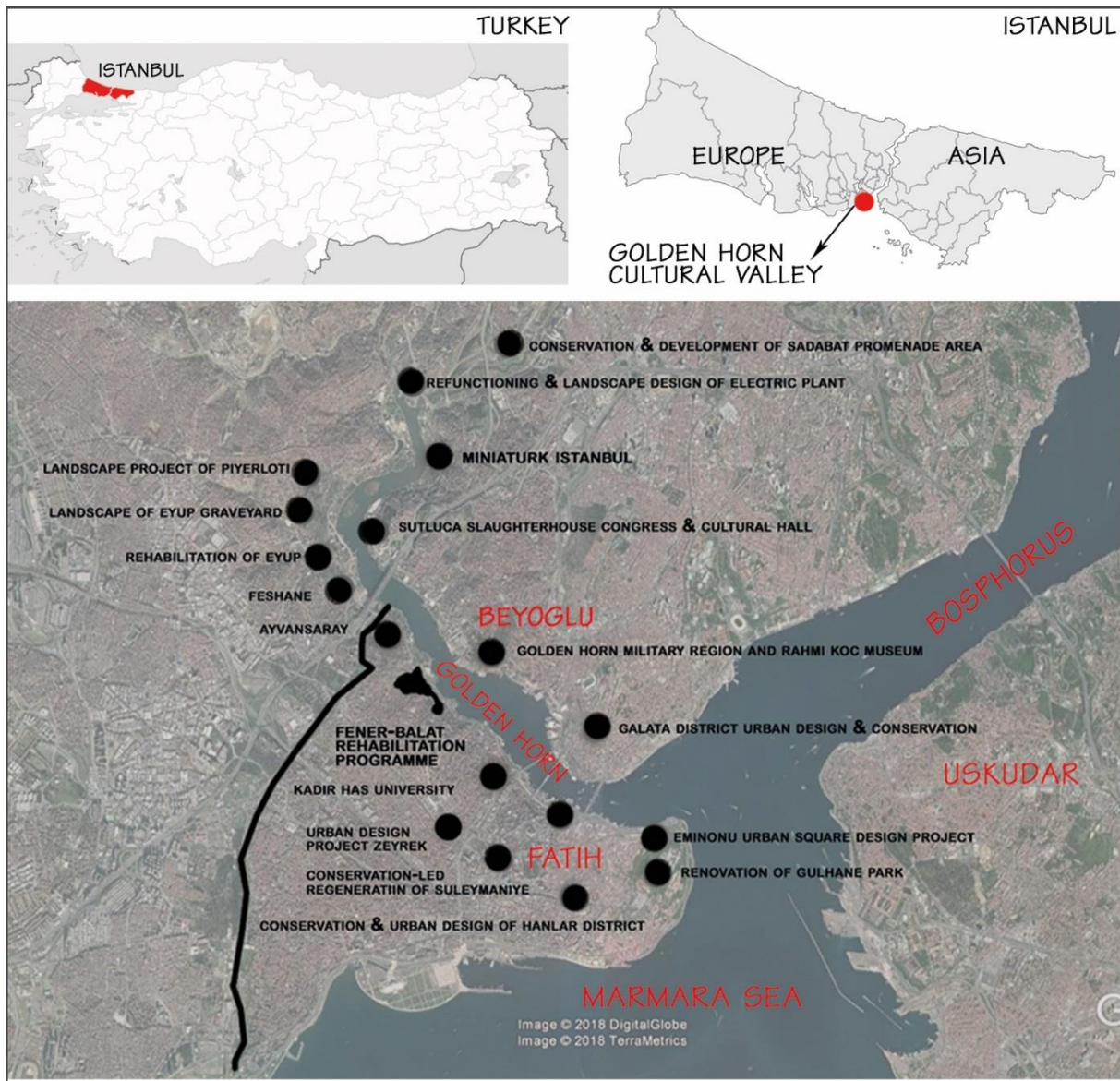
1.3. RESEARCH METHODOLOGY

From theoretical perspective covered in previous parts, the hypothesis was tested and analysed with empirical evidences from an urban regeneration project in Istanbul.

Istanbul was chosen for this research because Istanbul reflects the globalization of urban economy where the city mayor acted like entrepreneur; developed several regeneration projects to increase the competitiveness of the city and aimed to make Istanbul a 'world city' (Bezmez, 2008b; Gunay and Dokmeci, 2012). As a reflection of this, Golden Horn Culture Valley Project(GHCVP) was developed with multiple sub-projects.

The GHCVP covers many urban regeneration projects and claims to be one of the most comprehensive culture-led approaches in Turkey (Gunay and Dokmeci, 2012). However, the focus of this study is the Fener-Balat Regeneration Project, officially named as Fener-Balat Rehabilitation Programme(FBRP), one of the subprojects of GHCVP, was completed in 2008 which allows for the measurement of the economic impacts of the schemes with some reference to the larger GHCVP (Figure 8). Furthermore, this project was developed based on HABITAT-II Conference and accepted as one of the pioneer projects with an aim to create a regeneration model for other cities. 10 years after the completion, some lessons can be deduced by analysing the economic impacts of such a project.

FIGURE 8. GOLDEN HORN CULTURAL VALLEY PROJECT AND FENER BALAT REHABILITATION PROGRAMME



Source: Reproduced by Author based on (Gunay and Dokmeci, 2012)

1.3.1. DATA COLLECTION

To allow a comprehensive analysis of FBRP, the policy context, funding, stakeholders, nature of the project were identified and categorized using the project reports, European Union Reports and academic studies.

To analyse the economic impacts, the number of training, re-skilling programmes, the number of people trained were analysed using data from project reports and secondary resources including dissertations, academic journals. Data about change in the housing market dynamics and land-values were analysed by using data from secondary resources, the academic studies rather than primary research.

For the analysis of the tourism sector development, initially the data about tourism sector was collected and studied. In this respect, visitor numbers to museums and other cultural attractions, occupancy rates of hotels, information and data of the touristic tours to the project area after the completion were collected and analysed with comparison to overall trends in tourism in Istanbul.

In addition, spatial analysis was carried out to show the spatial distribution of touristic destinations and spatial development of tourism related businesses after the completion of the project. This part of the research was done by a field study in the project area aimed at the preparation of a map showing the current land-uses and functions of the buildings in the area. This work was analysed by official land-use maps and urban development plans.

However, because of the time and the data restrictions, inward investments related to culture and tourism industry, existence of other economic activities related with creative and cultural sectors like art galleries, firms of creative/culture industry, could not be analysed in this study.

Analysis of tourism sector was concluded by interviews with stakeholders representing the sector. This methodology was chosen resulting from an in-depth analysis of the literature about Fener-Balat district's tourism sector, where the author identified several information gaps. For instance, lack of information about number of tours organized to the area. Furthermore, although there are some studies focusing on culture-led regeneration and its effects on the economy of the district, they were lacking tourism development analysis or were carried just after the completion of the project so needed to be updated.

The respondents of the interviews in this research were selected to represent all the stakeholders in the project area as much as possible. Based on the response rates of all those contacted the field research included representatives as follows:

- 6 tour design-sales executives
- 1 owner of tourism agency / Honorary President of Cultural Tourism Committee of Association of Turkish Travel Agencies(ATTA)
- 1 Tour guide
- 2 café owners
- 1 hotel owner
- 1 Museum representative
- 1 Manager of Culture House
- 1 Official (ATTA)

Interviews were designed in a semi-structured format to enabling additional discussions with respondents. The questions covered information about their role, contribution to the tourism activity in area, their opinion about the FBRP and its impacts on economy and the community, the

problems/threats, potential/opportunities of the tourism activity in area, their insights and suggestions about the future of the district.

1.3.2. RESEARCH LIMITATIONS

This study analyses the economic impacts in Fener-Balat Rehabilitation Programme in Istanbul using a comprehensive approach, with the following limitations. Firstly, the analysis is based on a project in a specific area. Although it can give an idea or help develop a regeneration model for different locations, it does not account for the differing conditions of other sites. Second, this study solely focuses on economic impacts with some references to environmental and social impacts. To have a more comprehensive understanding of the overall impacts all three dimensions of social, economic, environmental impacts should be assessed. In this study, the analysis of the changes in housing market and land-values uses secondary data, this can be updated by having a field study and collecting primary data from official institutions. Finally, the data about travel agencies were collected from limited number of agencies, which can be updated with a more comprehensive analysis of all agencies related with the Fener-Balat tours.

CHAPTER 2: EMPIRICAL EVIDENCE: ISTANBUL FENER-BALAT CASE

In this chapter, a culture-led urban regeneration project in Istanbul, *Fener-Balat Case*, will be analysed as empirical evidence for economic impacts of culture-led regeneration. The first part, provides an outlook of Istanbul's economic and spatial development, explains the context of globalisation and economic restructuring in the city. In the second part, the analysis and the discussion of research findings about Fener-Balat Case are presented. The findings are analysed with reference to the theoretical information and framework of analysis provided in the Chapter-1. Finally, the summary of the research findings with concluding remarks based on limitations of this research and requirements for further research are given.

2.1. PUTTING ISTANBUL IN CONTEXT

Cities in Turkey started to compete in the global arena with neoliberal development policies beginning with 1980s. In this respect, local governments of Turkey's metropolitan cities started to act like entrepreneurs seeking accumulation of global capital to meet the new demands of the economy and new consumption patterns. Urban regeneration concept became a part of Turkish urban policy in the early 1990s for addressing urban problems associated with globalisation (Akkar Ercan, 2011). Urban policies focused on a revalorization process through the regeneration of old industrial areas, deteriorated urban landscapes and the rehabilitation or revitalization of neighbourhoods (Bezmez, 2008b).

In this context, in the late 1990s, the city government of Istanbul envisioned to create a world city image and increase the city's competitive advantage in the new global order (Gunay and Dokmeci, 2012). The idea for transforming Istanbul was, by using its locational advantage, promoting it as a regional hub in finance, logistics and tourism. To understand the regeneration policies in Istanbul beginning in the 1990s, it is crucial to understand the historical development of city, its spatial development and economic base.

Istanbul, at the second half of 19th century, by its locational advantage, was accepted as the nodal point of commercial and trade networks with Europe which connects it to other industrial cities globally. Yet, as Bezmez stated, the advantageous position of the city was lost in the 20th century with the 1st World War and restructuring of the country as it established itself as the Republic of Turkey. Until the 1980s, the city developed its economy mainly in the manufacturing industry. Beginning with 1980s, with the change of Turkey's import substitution economic policy to a more export-oriented economy and with the collapse of Soviet Union, an opportunity occurred for Istanbul to become a regional hub and a world city again (Bezmez, 2008a; Tekeli, 2013). The new vision for the city became

the core of the urban economic development policy of its local government. The urban economy started restructuring with industrial activities relocating to other cities around İstanbul. The old-industrial areas of city, became the focal point for many urban regeneration projects integrated with the new master plan of Istanbul which proposed new growth directions for the city. The historic city-centres were used as spaces of city-marketing. This development was also supported by Istanbul's being chosen as European Capital of Culture for 2010.

The spatial development and reformation of the macroform of the city was also affected by economic restructuring after the 1980s. The 'world city' vision of local government, resulted in the formation of new central business districts (CBD). To support this formation in terms of infrastructure; bridges connecting Europe and Asia continents and new ring roads were constructed. These improvements in physical infrastructure changed the accessibility of different segments of city and the understanding of centrality by making distances shorter and more accessible. On the other hand, the old business districts, especially the ones with manufacturing industries, became areas of urban shrinkage with the removal of these industries from city (Tekeli, 2013). Many urban regeneration projects were developed mainly in the historic-centres of Istanbul to change the urban fabric such as; Tarlabaşı Regeneration Project, Sulukule Regeneration Project, Golden Horn Cultural Valley Project and so on (Bezmez, 2008a; Gunay and Dokmeci, 2012).

Based on these changes, before moving on to the analysis of urban regeneration case, it is crucial to understand the economic base of the city.

Istanbul, holds 18.5% of Turkey's population and 21.1% of total employment, is known as the driver of economy in Turkey with its high levels of productivity growth and output numbers (TurkStat, 2018a, 2018c). Further, as seen in Figure 9, Istanbul's has 55% of the share of Turkey's financial services and 40% of business and personal services. It is stated in the latest regional plan of Istanbul, *"more than half of Turkey's 152 billion US dollars of exports originates from Istanbul and 57% of companies with international capital, and 38% of local companies, are in Istanbul."* (Istanbul Development Agency, 2016).

FIGURE 9. ISTANBUL'S SHARE OF NATIONAL GDP BY SECTOR

	1987	2000
Agriculture	1,4	0,7
Manufacturing	26,8	29,2
Construction	17,8	18,8
Trade	29,3	27,5
Transportation, communication	21,7	21,7
Financial services	43	55,2
Business and personal services	38,8	39,5
Total sectors	21	22,6
Public services	12,7	13,6
Private non-profit institutions	8,5	6,4
Import duties	26,7	21,7
GDP	20,7	22,1

Source: (OECD, 2008)

Now, to enable a better understanding of the culture-led regenerations' impacts on the tourism activity in Istanbul, the tourism sectors development for Turkey and Istanbul are briefly analysed.

Tourism is one of the driver sectors of the national economy of Turkey with its potentials of employment creation, foreign currency influx and attracting international investments while developing natural, archaeological and heritage sites with infrastructure investments. It was highlighted by OECD that, Turkey is one of the top second-tier world travel destinations with the largest number of both tourists and tourism receipts. Turkey's global position in the last 4 years can be seen in Figure 10.

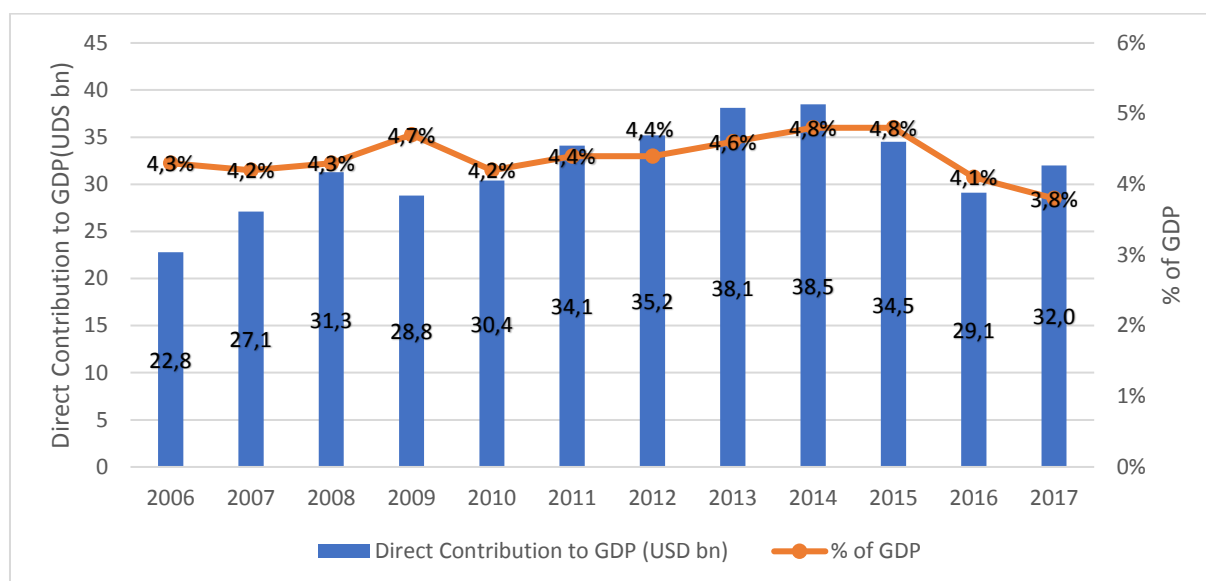
FIGURE 10. WORLD RANKING OF TURKEY (OUT OF 185 COUNTRIES)

	Absolute Size (in previous year)	Relative Size (Contribution to GDP in previous year)	Growth (Forecast)	Long-term Growth (Forecast in 10 years period)
2015	14	67	103	90
2016	14	61	152	119
2017	14	68	171	91
2018	14	70	85	103

Source: (World Travel and Tourism Council, 2015, 2016, 2017, 2018)

The share of tourism industry in Turkey's economy can be seen in Figure 11, where the share of tourism industry is between 3.8-4.8% of Turkey's GDP between 2006-2017.

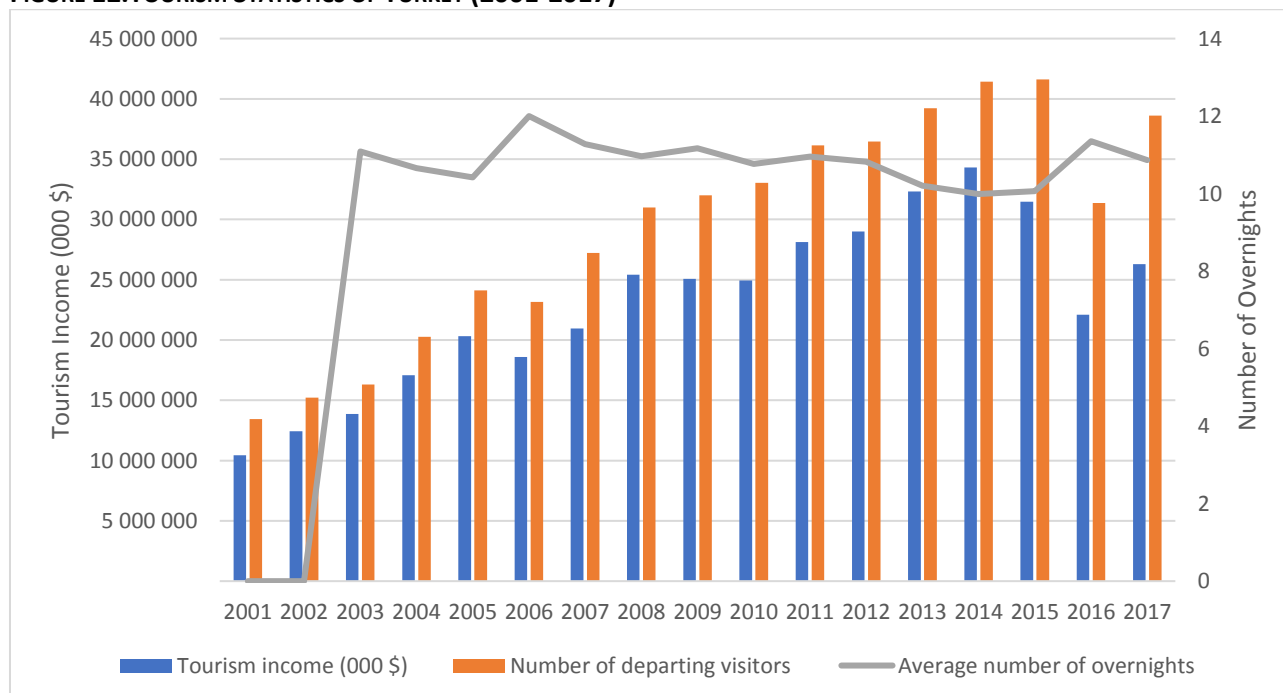
FIGURE 11. DIRECT CONTRIBUTION OF TOURISM INDUSTRY TO GDP



Source: World Travel & Tourism Council Economic Impact Turkey Reports (2006-2018)

The trend in the country's income generated from tourism can be seen in Figure 12 where the income and visitor numbers were mostly increasing from 2001 to 2015. The most dramatic decline was observed in 2016 when global terror attacks and political crisis in Middle East Region affected the tourism activities.

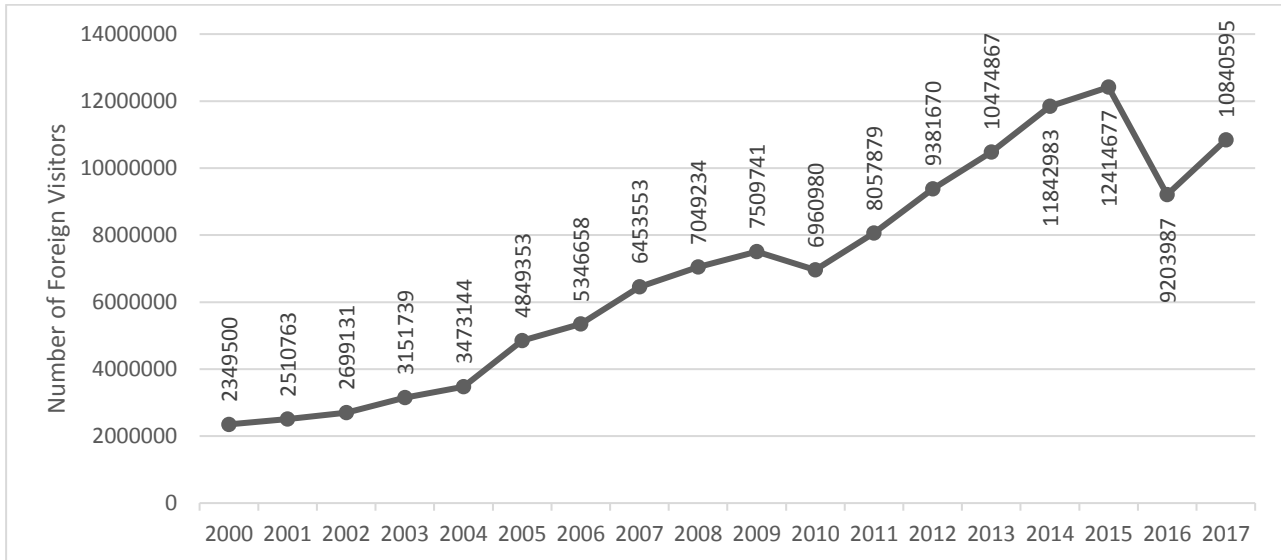
FIGURE 12. TOURISM STATISTICS OF TURKEY (2001-2017)



Source: (TurkStat, 2018d)

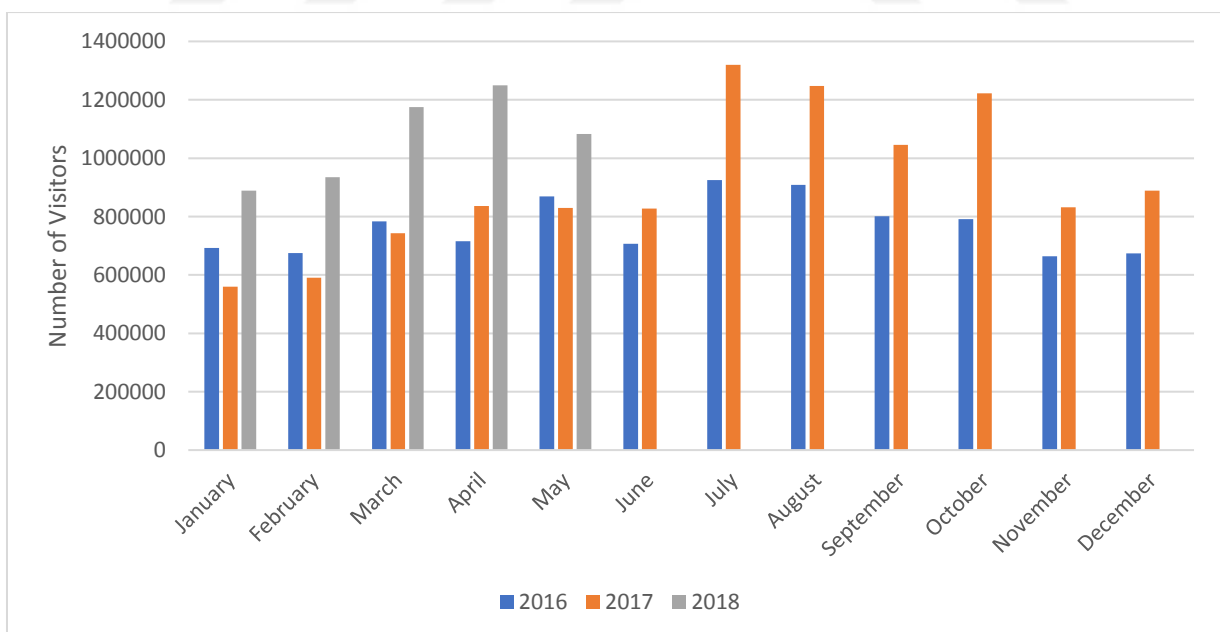
For Istanbul, as in Figure 13, there has been an upward trend in visitor numbers since 2015, like the Turkey's overall tourism profile. By also looking at the numbers of visitors in the first 6 months of 2018 as presented in Figure 14, there is an increasing demand in tourism when compared to the numbers in 2016 and 2017.

FIGURE 13. NUMBER OF FOREIGN VISITORS TO ISTANBUL



Source: (Istanbul Provincial Directorate of Culture And Tourism, 2018)

FIGURE 14. VISITOR NUMBERS PER MONTH BETWEEN 2016-2018



Source: (Istanbul Provincial Directorate of Culture And Tourism, 2018)

2.2. GOLDEN HORN & FENER-BALAT URBAN REGENERATION PROJECT

2.2.1. GOLDEN HORN CULTURAL VALLEY

Beginning in the 1980s while promoting Istanbul as a ‘world city’, many regeneration projects were launched as a response to shifts in the economy. As mentioned in the previous section, this resulted as a change in layout of city with new CBDs with skyscrapers, new residential zones to supply housing demand of newcomers-migrants(Keleş, 2003; Tekeli, 2013). In this respect, the waterfront of Istanbul, where old industrial activities were located, became subjected to regeneration policy of local government.

Golden Horn, a natural harbour, has long hosted industrial activities including but not limited to ship construction since the Ottoman Empire. It has since been a hub for commercial activities and an ideal location for small manufacturing establishments. 700 factories and more than 2,000 related businesses were settled in Golden Horn(Bezmez, 2008b).However, this industrial development resulted in pollution of water, an uncontrolled inflow of migrants and unplanned urbanization so the area became an urban shrinkage.

In response, in 1986, the city mayor developed the Golden Horn Waterfront Revitalization Project to transform this polluted industrial area into a cultural centre and creating a city image for Istanbul. As cited by Gunay and Dokmeci (2012), “Golden Horn Cultural Valley Project(GHCVP)” covers nearly 20 large and small-scale individual sub-projects varying from neighbourhood and landscape revitalization to individual building restorations (Figure 15).Fener-Balat Rehabilitation Program(FBRP) is a project in GHCVP.

FIGURE 15. EXAMPLES OF GOLDEN HORN CULTURAL VALLEY SUBPROJECTS



Source:

- 1-A View from “Merdivenli Yokus Street” - (Hurriyet Emlak, 2018)
- 1-B View of a Historic Building Before and After Restoration - (Gur, 2015)
- 1-C Social Centre - (Dinler, 2013)
- 2-A The Sadabat Park Project - (Öztürk, 2009)
- 2-B Views from Project Area - (Öztürk, 2009)
- 3-A Zoning Map of ‘Conservation of Hanlar District Project’ - (Akça, 2008)
- 3-B Aerial Photo of Hanlar District - (Akça, 2008)
- 3-C Before and After View of Balkapanı Han - (Akça, 2008)

2.2.2. FENER-BALAT REGENERATION PROJECT

Fener and Balat are adjacent neighbourhoods settled in Golden Horn coast on the historic peninsula of Istanbul. They have a multicultural character with a long history of people from different nations living in there. This multicultural character is also reflected in the urban fabric with historic buildings reflecting different architectural styles, a grid-iron plan and different religious buildings.

Until the 1990s, the main economic activity was related with industry and the port in Golden Horn. The industrialisation of the area resulted in lower rents and brought further migrants to the district. With the launch of GHCV in 1986, Balat Dock was demolished, this started the deindustrialisation of the area. With the demolition of the dock and removal of industry from the Golden Horn, the district became an urban shrinkage area needed an urgent intervention to conserve the heritage, urban fabric and multicultural structure.

Fener-Balat Rehabilitation Programme was developed in 1998, aimed to prioritize the needs of the local community and to design the project based on these needs. In the preparation phase, a field research was conducted including surveys with households, interviews with shops in the historic Balat-Market and structural analysis of buildings in the area. In 1998, the results and the design of the initial project was published in the feasibility report 'Rehabilitation of Balat and Fener Districts'.

For this study, the FBRB will be studied using the 12 questions of Hall and Barrett to understand the nature of the project in detail and to comprehensively analyse the impacts. This is addressed in the following section.

1- Urban Problems

Urban problems in the project area were identified based on field research and an in-depth analysis of community needs. The identified urban problems in order of importance were listed in Figure 16.

FIGURE 16. URBAN PROBLEMS

- 1- Improvement of comfort of dwellings*
- 2- Efforts to renew the infrastructure, the improvement of roads and the alleviation of the traffic problem*
- 3- Installation of natural gas system*
- 4- Restoration of old buildings*
- 5- Demolition of old buildings in inferior condition and their replacement with new buildings (assuming the inhabitants would be able to build in the area, at present facing drastic regulatory challenges regarding construction)*
- 6- Creating employment opportunities for young people who are not attending school*
- 7- Creation of parks and green spaces and ensuring a clean environment (collection of refuse, dustbins and junk)*
- 8- Finding a definitive solution for the clean-up of the Golden Horn*

Source: (Municipality of Fatih *et al.*, 1998)

Based on these issues, in the feasibility study, 4 goals were defined and reflected to four components of the implementation project as in Figure 17.

FIGURE 17. GOALS AND COMPONENTS OF PROJECT

GOALS	COMPONENTS OF IMPLEMENTATION PROJECT
1- Improvements of buildings	1- <i>Restoration of buildings</i>
2- Establishment of number of facilities in district	2- <i>Renovation of the historical Balat Market</i>
3- Forming an employment and vocational training activity	3- <i>Restoration of the Social Centre and Dimitri Kantemir House</i>
4- Rendering the district habitable through the amelioration of infrastructure and public services improvement of urban environment	4- <i>Solid Waste Disposal Centre</i>

Source: (Akkar Ercan, 2010; Aysev Deneç, 2014)

2- Policy Contexts

FBRP was developed based on the “Istanbul Declaration on Human Settlements” and Action Plan in Habitat-II, which aimed to be a pioneer project for Turkey, putting the community needs and participation at the heart, a model for future regeneration projects in heritage sites (Municipality of Fatih *et al.*, 1998).

3- Funding

The project was funded by a grant of €7 million with facilitation of UNESCO, agreement between parties of European Commission, Fatih Municipality, the Secretariat of the Treasury of the Turkish Republic (Akkar Ercan, 2010). In the Feasibility Report the budget was allocated to 5 spheres as in Figure 18.

FIGURE 18. BUDGET ALLOCATION

SPHERES	IMPLEMENTATION TOOL	AMOUNT OF BUDGET
Buildings	Building Restoration	€3,85 million
Social Equipment	Social Centres	€1 million
Infrastructure & Social Equipment	Balat Market	€150,000
Environmental Planning and the ambience of the city	Solid-Waste Management	€100,000
Administrative tools	Technical Assistance Team	€1,9 million

Source: (Municipality of Fatih *et al.*, 1998; Ahunbay, Dinçer and Şahin, 2016)

4- Stakeholders

The scheme was launched in January 2003 and completed in July 2008, was run by an international consortium(Akkan Ercan, 2010). The actors of the FBRP can be seen in the Figure 19.

FIGURE 19. ACTORS OF THE FENER-BALAT REHABILITATION PROJECT

ROLE OF STAKEHOLDER	
INITIATOR	European Union (Financer) and Fatih Municipality(Beneficiary)
FEASIBILITY STUDY	European Union, Fatih Municipality, French - Anatolian Research Institute, UNESCO and Fener Balat Association
CONSORTIUM	Foment Ciutat Vella SA (Spain), IMC (England), GRET (France), Foundation for the Support of Women's Work
IMPLEMENTATION	Fener Balat Rehabilitation Program / Technical Support Team (TST) / Contractor Firms
INTERFACE	Participation Forum
ADVISORY COMMITTEE	Relevant Ministries, European Commission, Fatih Municipality, Cultural Heritage Conservation Board, Neighbourhood Representatives, Technical Support Team
USER	Existing residents

Source: (Municipality of Fatih *et al.*, 1998; Aysev Deneç, 2014)

5- The Nature of Regeneration

The project was completed in June 2008, after 5-and-a-half-years. At the end of the project the outcomes of the 4 implementation stages were evaluated, in terms of the defined goals. Only 121 buildings were fully restored out of a goal to restore 225 buildings due to several reasons (Figure 20). Firstly, most of the budget was allocated to establishment and management of social centre, cost of technical assistance team and for the international experts. Secondly, the approval process of the

projects and agreement between authorities and property owners took a longer period than expected (Ahunbay, Dinger and Şahin, 2016).

FIGURE 20. NUMBERS OF BUILDINGS RESTORED

	Houses		Balat Market		Social Centres	
	Basic Repairs	Extensive Restoration	Basic Repairs	Extensive Restoration	7-8-9 Plot	Dimitri Kantemir House
1st stage	22	4	-	-	-	-
2nd stage	24	13	28	5	3	1
3rd stage	7	14	-	-	-	-
Total	53	31	28	5	3	1

Source: (Ahunbay, Dinger and Şahin, 2016)

As a part of the social rehabilitation, a multipurpose service centre for providing health and education services to women and young people in the district were designed. The establishment of centre was accepted as affirmative action of the project. However, when the implementation phase was completed, it was seen that the social centre could only serve to a limited number of the targeted population.

In building Solid Waste Disposal Centre and addressing the waste management problem in the district, improvements to waste collection services were made in collaboration with the Metropolitan Municipality and the Fatih Municipality. However, the disposal centre did not work as targeted since it did not match with the waste creation behaviour of inhabitants (Akkar Ercan, 2010; Aysev Deneç, 2014).

6- Impacts of regeneration

As mentioned, the objectives of the project were achieved but to different degrees, that resulted as different levels of impacts.

First, although they did not achieve aimed numbers in the physical regeneration, still it was completed without displacing any residents (Aysev Deneç, 2014). In terms of social impacts, through the creation of Social Centres, they provided vocational and reskilling educations for vulnerable groups living in the neighbourhood like children and women for increasing their participation to economic life. In terms of environmental impacts, the project succeeded in improving the public health conditions in public spaces, streets by improving the waste collection system.

Furthermore, the created programme was accepted as exemplary by international organizations like UNESCO by putting community needs into the project design with a participatory method. UNESCO claimed at the end, this project became a model for urban regeneration through community participation (UNESCO World Heritage Committee, 2008; Akkar Ercan, 2010).

Current Context of The District In 2018

Before moving on with the analysis of economic impacts, it is essential to show the current context of the project area after 2008 to 2018.

First, with latest regulation on district boundaries, Fener District became part of Balat neighbourhood (Figure 21).

FIGURE 21. MAP OF NEW BALAT DISTRICT BOUNDARIES AND 2ND FENER-BALAT REGENERATION PROJECT

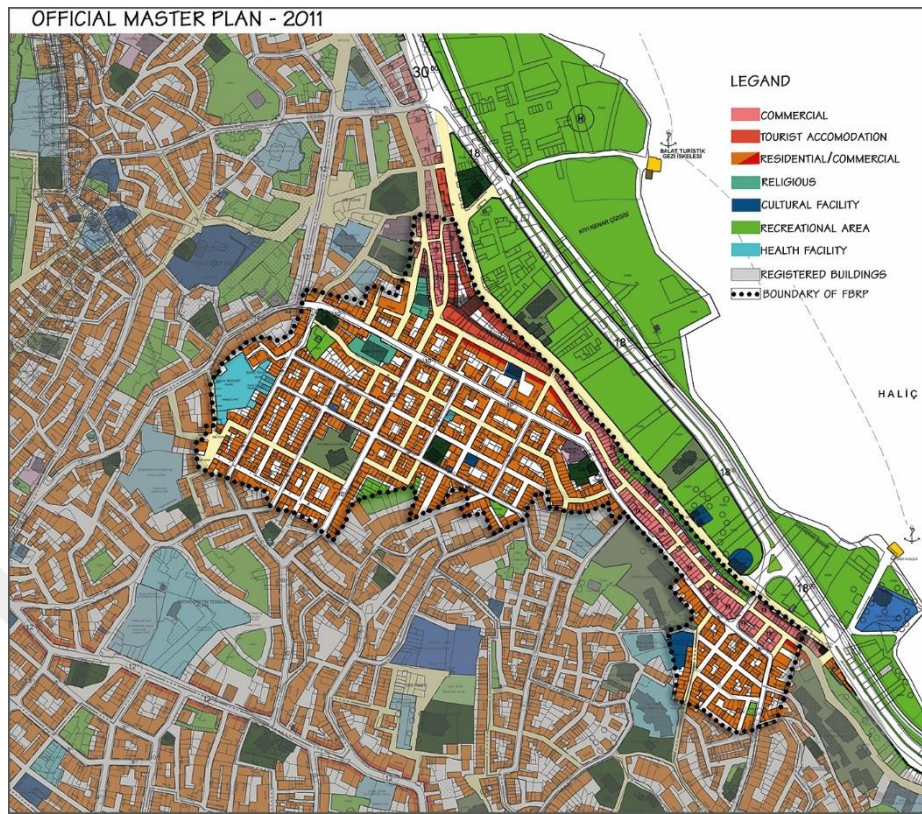


Source: Fatih Municipality City Guide (Municipality of Fatih, 2018)

Currently there are several urban developments and investments that affect future developments in the district like 'İstanbul Historic Peninsula Master Plan' and new transportation investments.

The master plan, approved in 2011 and in force since then, has 'Fener-Balat-Ayvansaray Regeneration' project as a major development project. However, since the Administration Court reached a decision to cancel the project in 2014 it has remained in suspense since (Dinler and Şahin, 2016). Also, there is a decision for the development of a tourist accommodation zone in the FBRP area which could positively affect the development of tourism in the district (Figure 22). This zone planned for developing new accommodation facilities like boutique hotels, guest houses integrated with other cultural facilities in the district (Istanbul Metropolitan Municipality, 2011).

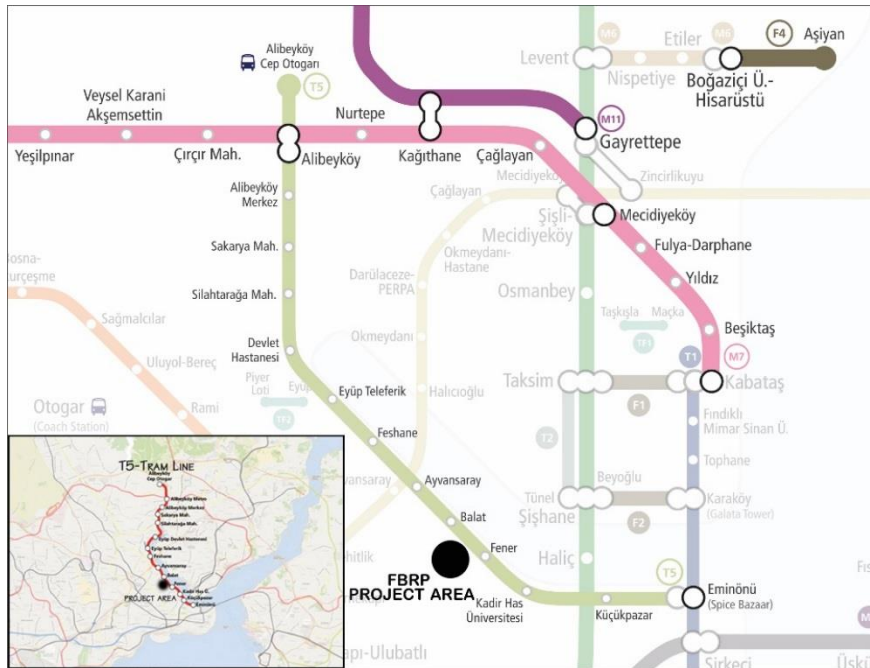
FIGURE 22. BALAT DISTRICT SECTION OF ISTANBUL HISTORIC PENINSULA MASTER PLAN



Source: (Istanbul Metropolitan Municipality, 2011)

In 2015, Istanbul Metropolitan Municipality launched the “T5-Eminönü-Alibeyköy Tram Line” project which is expected to be completed by early 2019 (Metro Istanbul, 2018). This 10.10 km long investment has 14 stops including 2 at Fener-Balat District. (Figure 23)

FIGURE 23. NEW TRAM LINE- T5



Source: (Metro Istanbul, 2018)

2.2.3. ANALYSIS OF ECONOMIC IMPACTS

The analysis of economic impacts, starts by analysing trainings, educational programmes to measure the enhancements of economic prospects of the local population. This will be followed by the analysis of the change in property values in project area. Finally, to complete the economic impact analysis, the sectoral development of tourism will be analysed.

2.2.3.1. Analysis of Training and Re-Skilling Programme

It has been argued that urban regeneration projects can enhance the economic prospects of certain populations either through job creation or through education, reskilling programmes (Hall and Barrett, 2012). Therefore, it is essential to observe and measure the educational programmes and their results in FBRP. To measure the results, in addition to academic researches, findings from 2 interviews with a café owner and social centre manager were used.

As reported in the feasibility study, there were limited or no employment opportunities, lack of vocational trainings and failures in education in the project area (Municipality of Fatih *et al.*, 1998). To overcome these problems and meet the demand, two multi-purpose social centres were established in the neighbourhood for serving mostly children, teenagers and women. The social centre includes a nursery, after-school training facility for teenagers, skilling programmes in mathematics, IT and English courses. Also, there was a psychological consultation service for teenagers. For women, there were seminars and training programs on literacy, handicrafts, education on personal hygiene, family planning, birth control, child development. Centres (later managed by several NGOs) provided services to limited population, approximately 350 people who used the educational and training facilities between 2005-2010 (Akkar Ercan, 2010).

In terms of increasing employment opportunities and job creation, some small business initiatives of women were supported. For the men in the district, the initiative made Turkish Contractors Union, the Balat Beautification Association, the Fener Volunteers Association, the Association of Conservation and Restoration Firms meet and organize courses about restoration of buildings and craftsmanship. As Akkar Ercan stated (2010) approximately 50 people were trained, 10 of whom worked on the restoration works in the district.

Balat Culture House and Café is social centre providing training and employment opportunities for local women in district. The Culture House was established in 2010 as a project of 'Turkish Soroptimist Clubs Federation'. The house serves home-made products of women trained by the café in commercial production and food engineering related subjects. Since the establishment, 17 women from the neighbourhood were trained. Although numbers fluctuate between peak and off-peak seasons, 10 women permanently work in two shifts for the Culture House. In the peak season, the number reaches up to 14 women (Administrative Manager, 2018). In their opinion, there is an

increasing interest from tourists to the district which positively contribute to their business and consequently to the employment of women.

A second interview was conducted with a different café owner who together with three other cafes in district, is part of Digital Marketing Business and Co-working space. The owner of the business stated; the business had two initial goals:

1. To start digitalization of the local businesses in the district.
2. To train local teenagers about computer 'coding'.

For the second goal, they provide free 2-step trainings about coding. They also provide computers in local internet café for children to use freely during the training. Within their training system, children who successfully complete the training, will have the opportunity to work with their digital marketing clients with above average salaries(Café Owner). Since they established their business in January 2018, 53 children have joined the training. 11 of them finished the 1st step but only 1 children continued to the 2nd step. This interview reflects the existence of innovative businesses in the district creating an opportunity for local businesses to transform their businesses by using digital marketing and provide new training and employment opportunities for teenagers.

2.2.3.2. Analysis of Property and Land Values in Project Area

Inflow of investments, additional retail investments and increasing land and property values are accepted as indicators of increasing economic dynamism created by culture-led urban regeneration(Gunay and Dokmeci, 2012; Gur, 2015). Therefore, the housing market and land values of Fener-Balat District are analysed to understand whether there is a development in local economy.

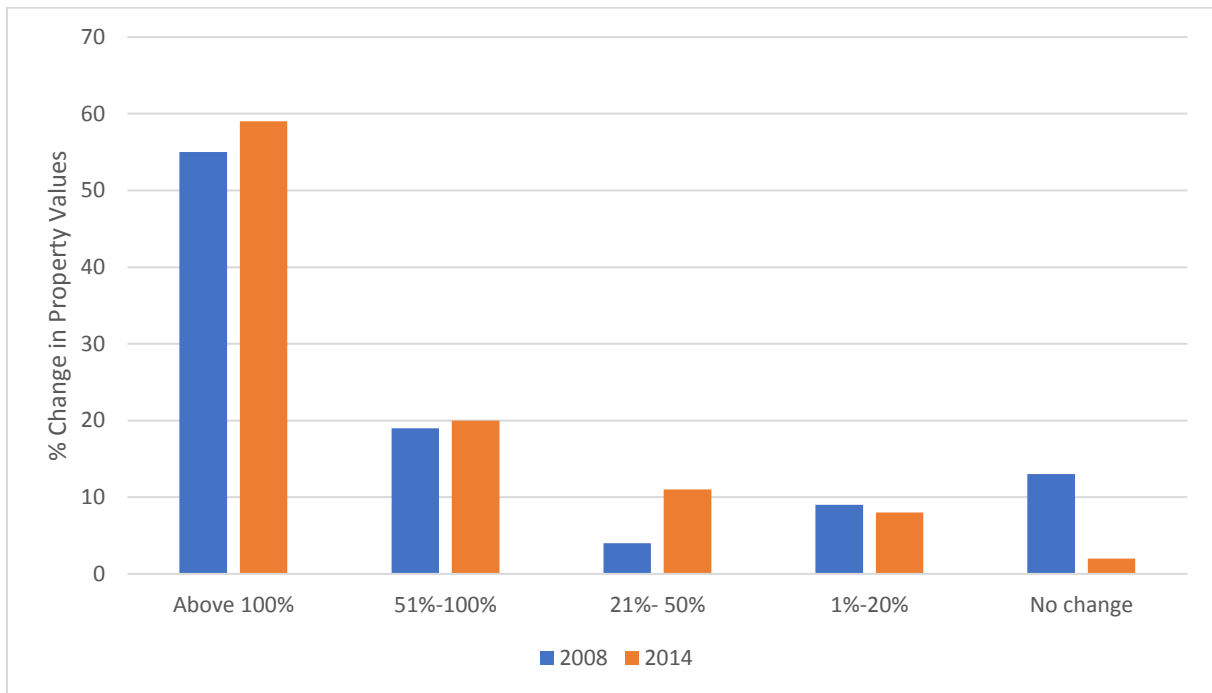
According to the analysis of property values in 1998, the housing values were between 106-175 ECU/m² where average sizes were 40-60 m². Values of offices were 109-125 ECU/m². The house rents were 5 to 20 Million oTL¹ where the minimum wage was 35,437,500 oTL ²(Municipality of Fatih *et al.*, 1998).

The property prices and rents were re-measured in 2008 and 2014 by surveys conducted in the district (Figure 24). According to these surveys, for 55% of the properties in 2008 and 59% of properties in 2014, property values have increased by more than 100%. This shows, increasing trend in prices after FBRP(Gur, 2015).

¹ Old Turkish Lira

² Official Gazette issue 31.07.1997 / 23066

FIGURE 24. CHANGE IN PROPERTY VALUES

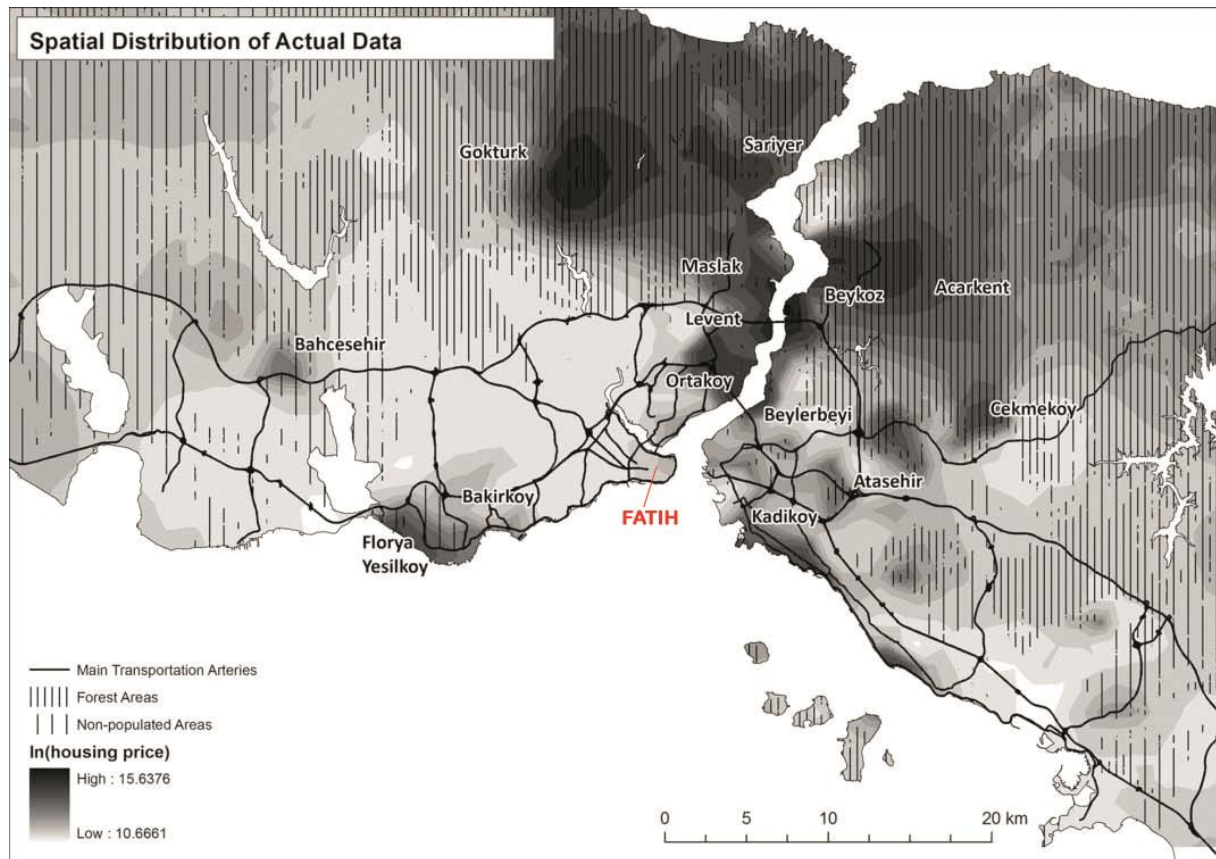


Source: (Gur, 2015)

Other research about land values by Gunay and Dokmeci (2012), also show a boost in land values in the district. According to this study, in Leblebiciler Street (where historic Balat-Market is located) 1 m² land's value is \$900, Vodina Street it is \$620. Moreover, the values of historic buildings are \$162,000-\$650,000. In terms of rents, the buildings that were restored have increased in price from 970\$/m² to 2600\$/m². As seen in research findings of Koramaz and Dokmeci (2012), which used property prices ranging from \$27,450 to \$5,000,000 with mean of \$321,210 and median of \$205,855; Fatih district has lower actual housing prices in Istanbul (Figure 25). In this respect, when the \$162,000-\$650,000 values compared to the property values in Istanbul and Fatih, the new values of properties in Fener-Balat are higher than the mean value.

Gunay and Dokmeci also stated, there is an increasing demand of new investments from real-estate companies. For instance, in 2011 100 buildings were purchased by two real-estate companies (Gunay and Dokmeci, 2012). All these mentioned changes prove the economic dynamism created in district.

FIGURE 25.SPATIAL DISTRIBUTION OF THE ACTUAL HOUSING PRICES



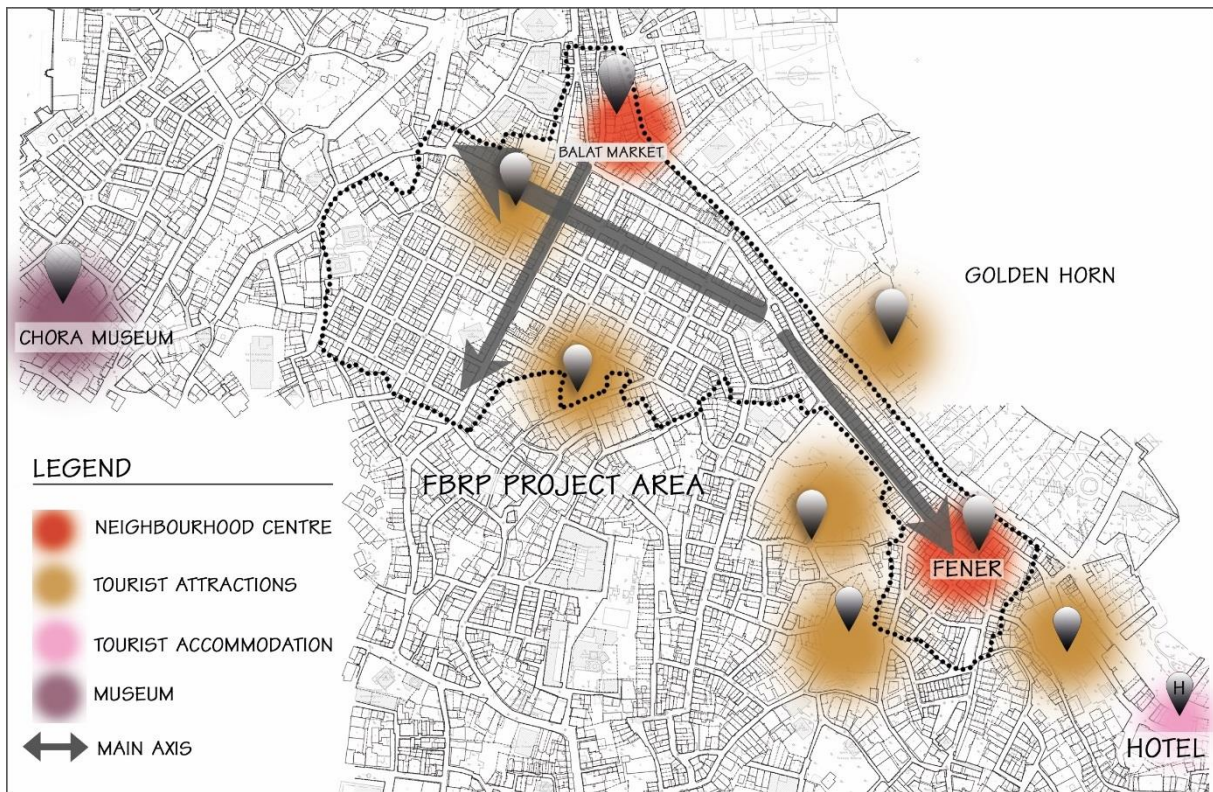
Source:(Koramaz and Dokmeci, 2012)

2.2.3.3. Analysis of Development of Tourism Sector in The District

In this part, the development of tourism sector will be analysed based on the identified stakeholders. In this analysis, the official statistics, findings and observations of the field research and the data gathered from interviews were used. The analysis starts with visitor numbers of museums near to the project area followed by the occupancy rates of the 1 hotel in the district (Figure 26). In addition to statistics, the views and concerns of the stakeholders are also reflected.

The study will be followed by the analysis of data from travel agencies and cafes. In this section, data gathered from the official institutes, academic resources will be integrated with findings of interviews. With respect to cafes and tourist attractions, spatial analysis was carried based on field research.

FIGURE 26. SITE ANALYSIS OF PROJECT AREA AND SURROUNDING



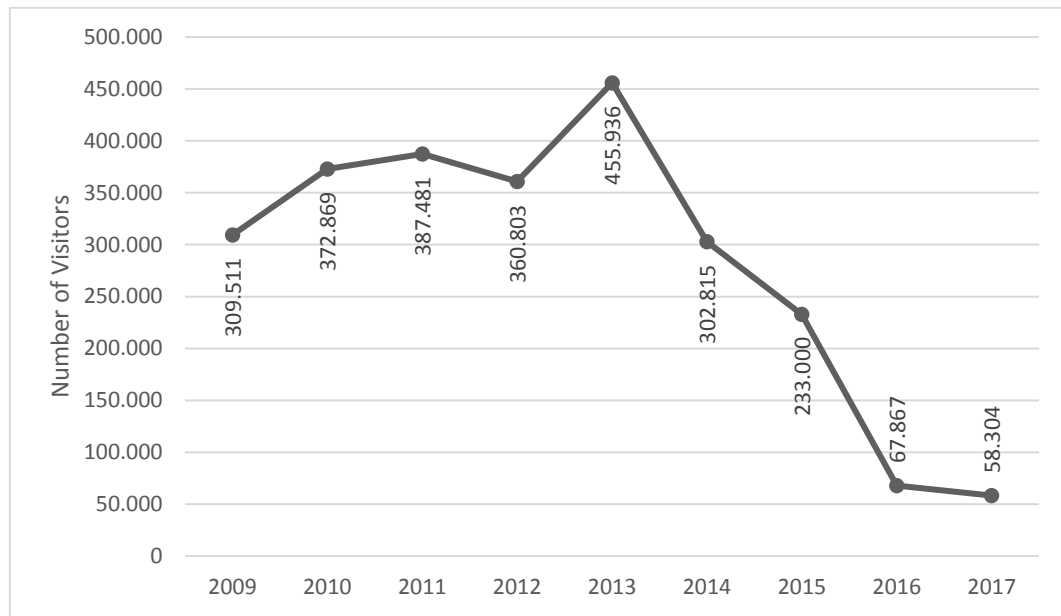
Source: Author

Museums

In Fener-Balat District, there are two museums near FBRP area. Although these museums are not included officially in the “Fener-Balat Tours”, many of the tours start from Kadir Has University Campus and the first stop is to visit the Rezan Has Museum. The Chora Museum is also part of several tours. In that respect, analysis of the visitor numbers can give some insights about development of the tourism in district.

Chora Museum was Istanbul’s most visited public museum between 2009-2011(TurkStat, 2018b). Although the trend changed after 2013, the most dramatic decrease was observed in 2016 (Figure 27). This downturn was also seen in the visitor numbers to Turkey and Istanbul (Figure 12 and Figure 13).

FIGURE 27. CHORA MUSEUM VISITOR NUMBERS

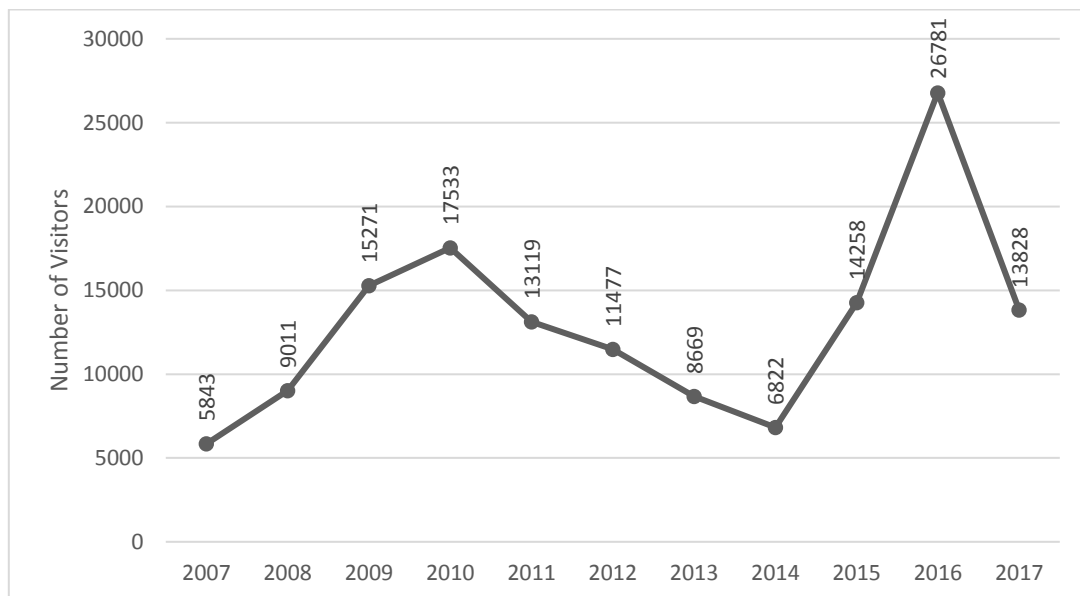


Source: (TurkStat, 2018b)

Rezan Has Museum, part of Kadir Has University, is located in the original building of the Cibali Tobacco and Cigarette Factory which was restored in 2002, as a part of GHCVP (Rezan Has Museum, 2018).

According to the data collected from the Museum Management, the upward trend in visitor numbers changed in 2010. Also, they highlighted that due to a temporary exhibition which stayed for a long period in 2013, the visitor numbers decreased. After refurbishment took place in 2014, there was again another upward trend in the number of visitors to museum (Figure 28).

FIGURE 28. REZAN HAS MUSEUM VISITOR NUMBERS



Source: Rezan Has Museum, 2018

Hotel

There is only 1 officially-registered hotel near the project area. According to information gathered from the hotel manager, it was opened in August 2013 with 16 bedrooms. Because of its close location to the Greek Orthodox Church the guests are mostly Greek or other foreigners. Until 2015, the hotel operated with almost 100% occupancy rate. Like the trend observed in museum visitor numbers, because of terror attacks in Istanbul, she claimed that, the occupancy rates in hotels decreased to 10% level, dismissals and even shut-down of several hotels were observed for the past 2 years. In their hotel, the rate dropped dramatically to 3-4% levels in 2015 and 2016(Figure 29).

FIGURE 29. OCCUPANCY RATES OF THE HOTEL

YEAR	OCCUPANCY RATE
2013	100%
2014	50%
2015	3-4%
2016	3-4%
2017	70%

Source: Hotel Management,2018

From the perspective of the manager, the main agenda of tourists preferring this district is visiting religious sites. The second reason for their visit is to experience the historic neighbourhood and to stay in a historic building.

Their main concern about the development of the tourism sector in the district is the need of increased accommodation capacities whilst solving the unregistered accommodation problem.

Travel Agency

To measure the demand of tourists to Fener-Balat, research was conducted based on data of the number of tours organized to Fener-Balat District. In-depth semi-structured interviews were also conducted with selected travel agencies to explore their perspective about FBRP's impact on the tourism sector and its contribution to the sector, as well as to understand their expectations, suggestions for the development of the local economy.

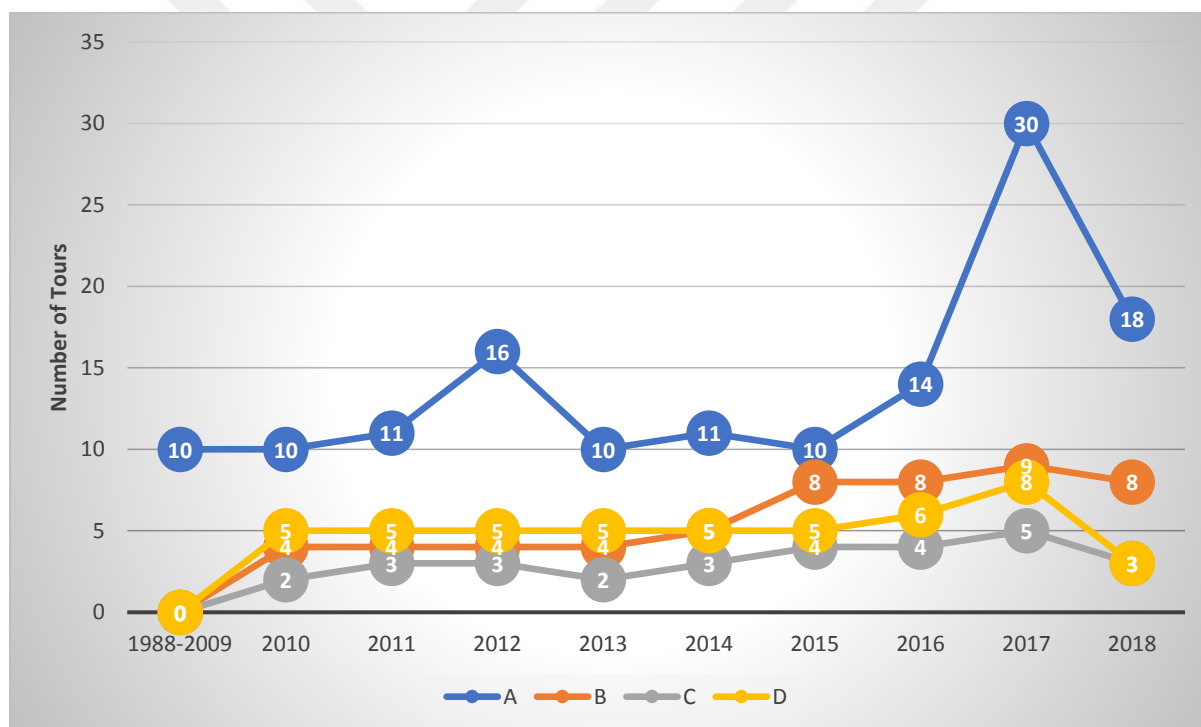
Although the data about 'number of tours organized to Fener-Balat District per year' was expected to be collected from Association of Turkish Travel Agency, result of the interview with them show, there is no such category of data collected. In response to the lack of official data, the research method was revised slightly, conducting interviews with well-known travel agencies that operate on a large scale. 7 travel agencies were contacted of which 4 travel agencies shared comprehensive and representative information about sector.

Agency-A is the first tour operator to the Fener-Balat District in 1988 hence they have been organizing tours for the longest period. The other three travel agencies have organized tours to Fener-Balat since 2010.

The tour capacity of the Agency-A averaged 20 people between 1988-2008 and around 30 people between 2008-2018(Travel Agency-A). Between 2010-2015, capacities are 30 people for Agency-B, 20 for Agency-C and 15 for Agency-D. After 2015, the average capacity of the tours is stated as 20 people by Agency B, C and D.

As seen in Figure 30, based on the data collected from agencies, Agency-A organized tours since 1988 and until 2010, 10 tours were organized per year. From 2015 there is an upward trend in tour numbers that is also justified with “increasing demand and curiosity about exploring Fener-Balat District” by travel agencies. All travel agencies stated that these are the numbers of public tours where additional private/closed tours organized with demand every year.

FIGURE 30. NUMBER OF TOURS PER YEAR³



Source: Data gathered from travel agencies A, B, C and D.

With regards to their views on FBRP, they emphasize; the restoration of the buildings positively contributes to tourism. They stated, the restored and renovated buildings and streets, encourage people to walk around, take photos and experience the local lifestyle in the neighbourhood. Also, with new cafes opened in the restored old buildings, the alternatives to spend time in the area increased. So, agencies extend the tour duration to allow visitors to enjoy the cafes, galleries and shops. It was

³ 2018 year reflects only 6 months period.

also stated; the newly opened cafes are more appealing to visitors than the local community where in some other cafes they can also experience local life. All the travel agencies include the “Balat Culture House- Vodina Café” for lunch to support local products and local women working, producing in the café.

For the future expectations and foresights, travel agencies explained; the interest of visitors to the district is expected to increase in near future. However, the capacity of cafes, shops, galleries are limited, and it will be a problem in coming years when the expected increase in the demand occurs. Over the longer period, they expect this demand to stabilize or decrease if the development of other facilities is not supported by additional public and private investments.

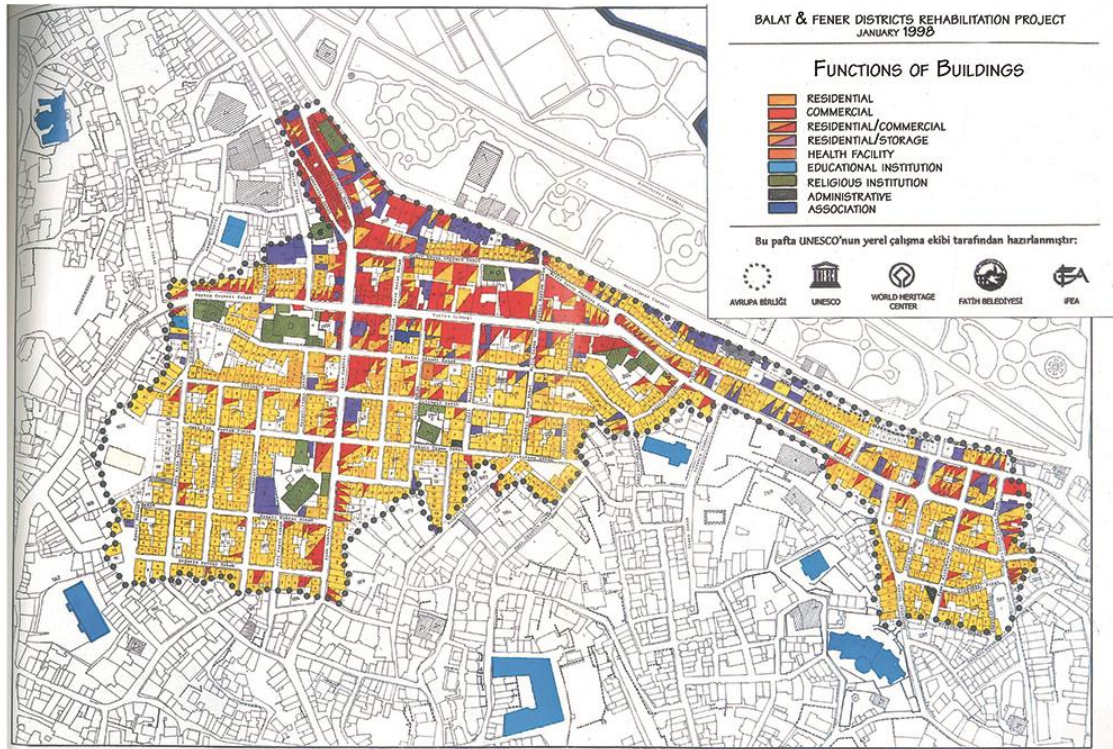
Cafés

In neighbourhood development, neighbourhood centres carry the main functions which serve the local community’s daily needs and demands like health, education facilities, market place, main streets includes service and trade facilities (Ersoy, 2009). As seen in the 1998-Land-use map, historic Balat-Market and the crosscutting streets of Vodina and Ayan serve as the centre and main streets for these 2 neighbourhoods (Figure 31).

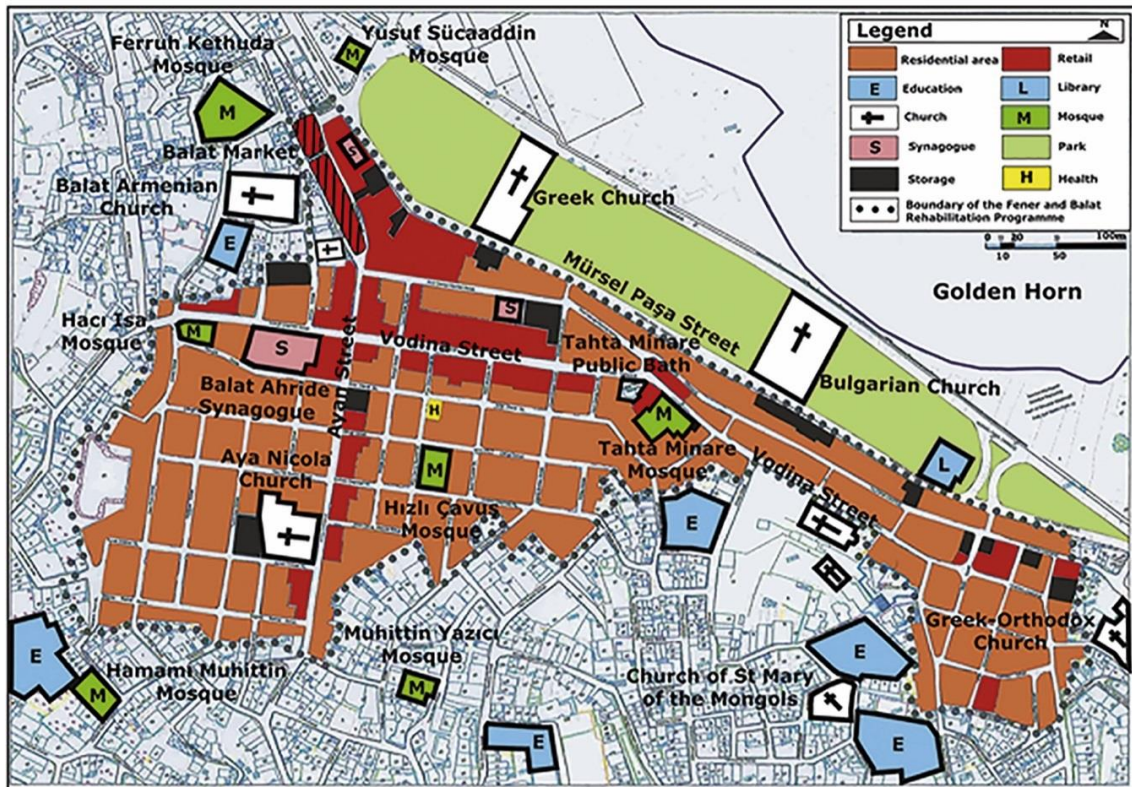
As indicated in the feasibility report, the two main economic activities in the district were, trade and craftsmanship. Vodina and Ayan streets are stated as the most dynamic trade axis where mostly furniture stores, restaurants and home appliances shops exist. In the whole project area, there were 338 commercial functions for mainly trade and service activities with home appliance shops, pharmacies and hardware stores covering 51% of the total. 33% of all commercial functions were service activities like hairdressers, tailors, repairman and restaurants serves mostly the local community (Municipality of Fatih *et al.*, 1998).

FIGURE 31. LAND USE MAPS 1998 & 2005

LAND-USE MAP 1998



LAND-USE MAP 2005



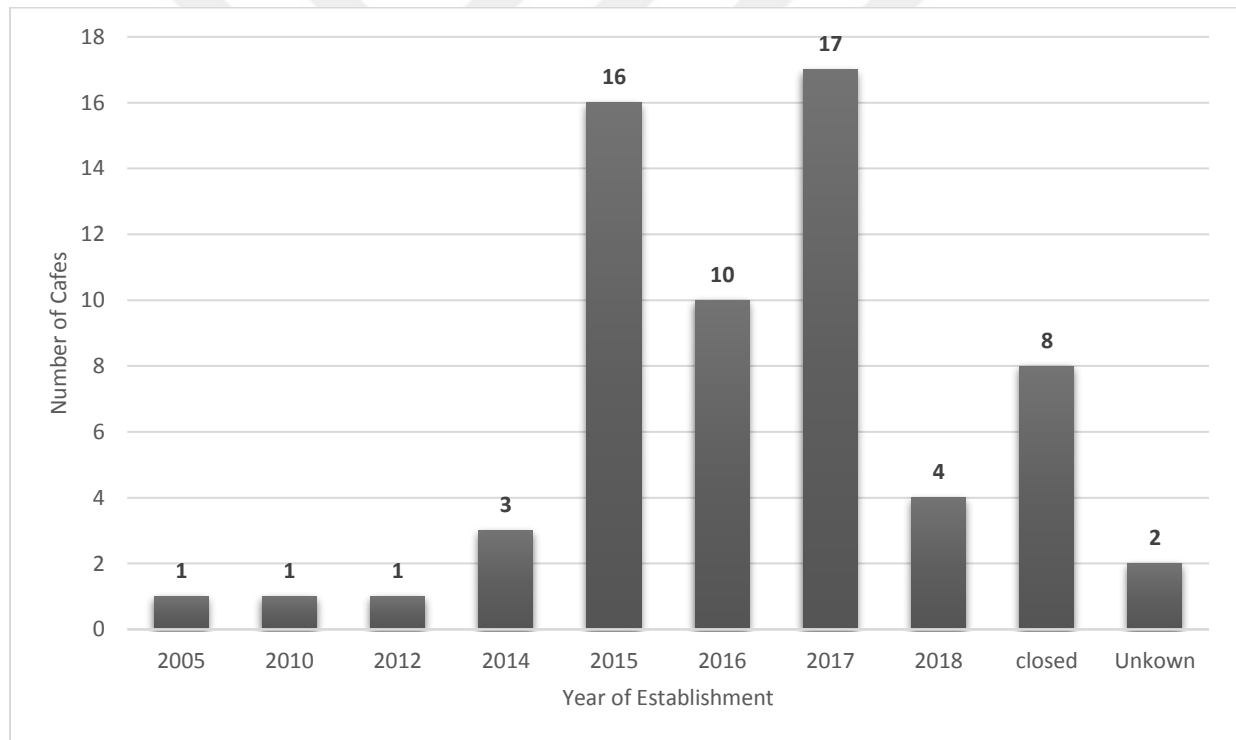
Source: At Top (Municipality of Fatih *et al.*, 1998) – At Bottom (Akkar Ercan, 2011)

It is argued; while regenerating old industrial districts and restructuring the economy with a shift from secondary to tertiary sector, the number of service businesses would increase to meet the new demand(Altıntaş, 2016; Erkan and Altıntaş, 2018). Based on this argument, it is expected that with the development of tourism industry in district after FBRP, there should be an increase in numbers of businesses like cafes, restaurants which serve not only the local community but also the visitors.

To find evidence, number of cafes and restaurants are chronologically and spatially analysed. In this analysis in addition to information gathered from academic researches, a field research was conducted for collecting primary data by observing the area and having interviews.

First, based on the study of Altıntaş (2016), which includes the field research of the FBRP area between March 2013- December 2016, the list of cafes was updated with data gathered from the field and the websites of the businesses by author. This data⁴ was analysed chronologically, and results are shown in Figure 32.

FIGURE 32. NUMBER OF CAFES BY YEAR OF ESTABLISHMENT



Source: Updated by author based on (Altıntaş, 2016)

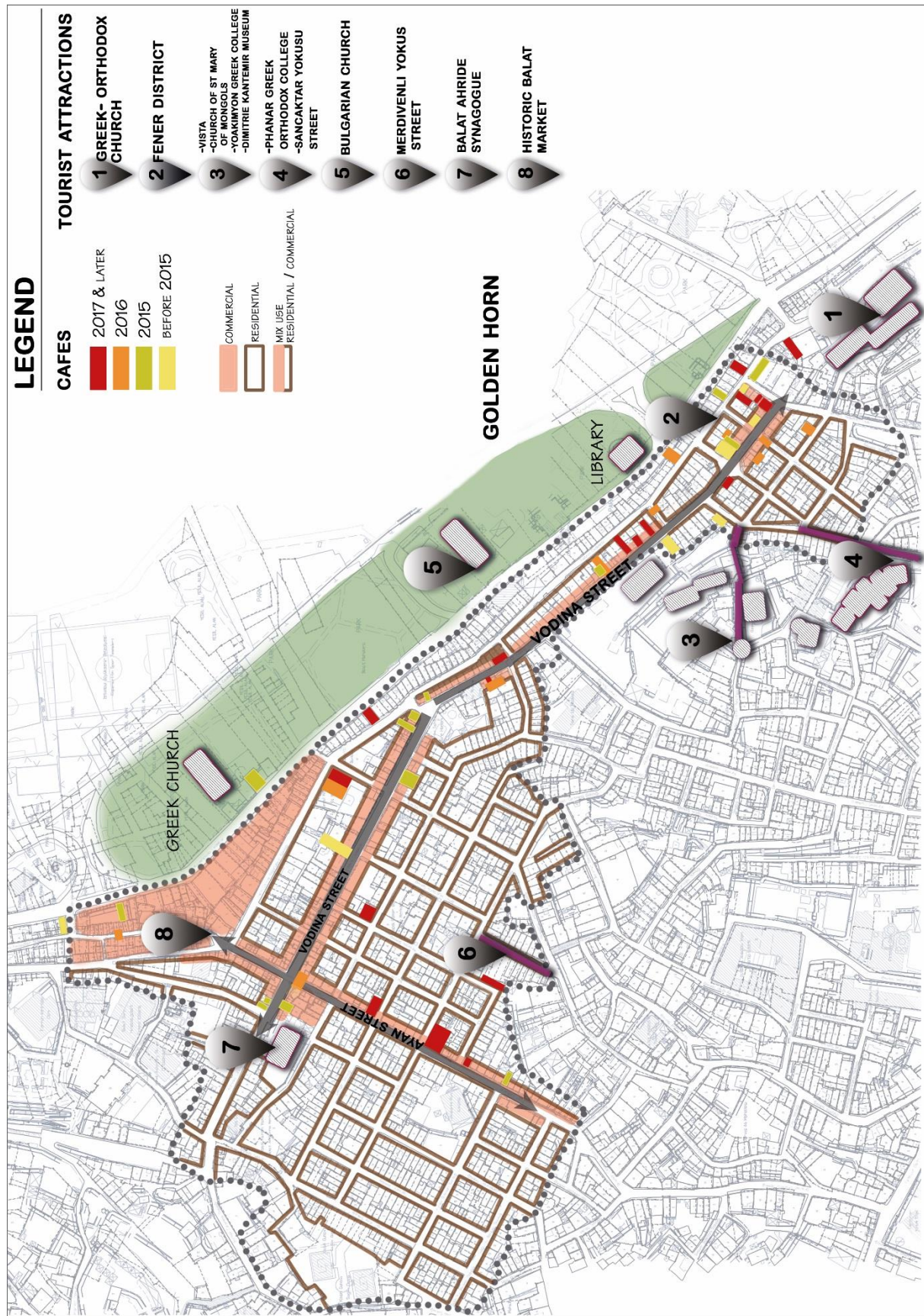
As seen in the Figure 32, there were 63 cafes in Fener-Balat project area, 8 of them are permanently closed now. 2015 and 2017 are significant in numbers of newly opened cafes. Also, it is essential to clarify that the ownerships of 2 cafes opened in 2016 changed and these are re-opened in 2017, but they are included in 10 cafes shown in 2016.

⁴ For the full list of the cafes and restaurants see Appendix-B.

Secondly, the data about cafes are also analysed spatially to show the chronological development of cafes in the district. As seen in the map in Figure 33, the distribution of the cafes is mainly in line with the neighbourhood's commercial route and co-exist with the other commercial functions that serve specially the local community. Also, there is a tendency of opening new cafes close to tourist attractions.



FIGURE 33. SPATIAL ANALYSIS OF CAFES AND TOURISTIC DESTINATIONS



Source: Produced by author

2.2.3.4. Evaluation of The Findings

The research findings shown in the previous sections provide evidence that, the FBRP affected the local economy by providing training and re-skilling opportunities, with an inflow of property investments and development of the tourism sector in the area. Still, it is vital to evaluate these findings to understand whether they have sustainable impact on economic development or not.

The vocational training and reskilling programs of the project obviously had a direct impact on the local community. However, programmes were criticised due to the scale and extent. Akkar-Ercan (2011) stated, scope of the employment strategy of FBRP was too narrow as strategies for improving education, public health, spatial and social safety were not included. Also, concerning the training opportunities provided by Balat Culture House and other private initiatives, although it is an evidence of the continuity of training opportunities for local people, the scale and extent of vocational trainings were still very limited as approximately only 2 women were trained per year in Culture House.

In the first place, the increased property and land values had limited negative social impact on the local community. As it was obliged by the project initiative, private owners of historic buildings neither could sell their houses nor could increase the rents above inflation rate during a period of five years after they are given back the houses to the owners(Akkar Ercan, 2010). However, due to new property investments by big real-estate companies there have been new comers to the district. Gur highlighted *“old and new residents in Fener-Balat have not yet created an interacting neighbourhood”*(Gur, 2015: p.243). This fragmented life could lead to gentrification of local community by leading them to leave the district and result in the removal of local identity and culture.

Secondly, economic diversification is also needed for the economic impacts of the FBRP to sustain the future economic developments. In terms of diversification, this thesis does not cover any study about existence of other industries in the area. Yet, the research findings about new establishments in project area which have multi-purposes, give the idea that there exists a potential for economic diversification in future. The multi-purpose businesses that cover Digital Marketing, Co-working Space, Café functions, could support diversification process in two ways. Firstly, the training of local community in high-skill areas like “coding” could lead to diversification of the workforce in area. Secondly, the effort of companies for transforming local business to E-commerce could also have a positive impact on economic development.

Finally, there are new transportation investments to the area, called “Eminönü-Alibeyköy Tram Line”. This investment could bring positive impacts on development of local community by increasing the accessibility of the area and increasing the connectedness of the local people with surrounding areas.

2.3. CONCLUSION

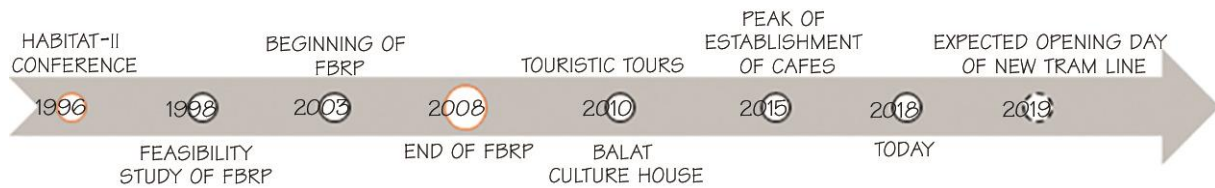
Culture-led regeneration policies have an impact on local economic development. As seen by the case of Fener-Balat in Istanbul, the regeneration of old-industrial areas using culture as a catalyst, could affect the development of economy by development of service industries like tourism, creating economic vitality with increased land and property values and by providing vocational training and reskilling programmes for inhabitants.

The findings of the analysis of economic impacts of FBRP show, the regeneration project have limited impact on changing the human capital in area in terms of trainings and skilling. However, the new opportunities arising in the district with some private investments, such as Digital Marketing, Co-working Space concept businesses, could contribute to reskilling of local community especially the youth.

In addition, the economic vitality created by property investments can be accepted as an economic impact of the regeneration project. However as mentioned in the evaluation section, it is essential to assess the social impacts of this dynamism. As stated before, FBRP had some measures to minimize the negative social impacts, primarily by enforcing property owners not to increase rents or not to exchange property with speculations for the first 5 years after the completion of project. But as this period is now over, the effects of increasing property values and impacts on local community should be analysed critically in terms of gentrification effects.

From the analysis of the stakeholders involved in tourism, it is concluded that FBRP has a positive impact on development of tourism businesses. Yet, due to nature of the sector it is highly affected by terror attacks, natural disasters. The analysis of travel agencies shows; with transformation of the district, many tourist attractions were created in the area for walking or photography tours. This was reflected as increased interest in the district and demand for tours especially since 2010. Moreover, travel agencies are expecting increasing demand in the following 5 years. For the long-term, they highlighted several threats and risks which should be considered by authorities. The analysis of the cafes shows, since 2015, there is an increasing supply of service sector in the district which indicates demand of visitors for services is increasing. Also, the spatial distribution of the cafes analysed, matches with the tourist attractions which are visited in official tours. This proves the fact, the regenerated areas in the district become areas of attraction and places for new business investments.

FIGURE 34. TIMELINE OF RESEARCH FINDINGS



Source: Author

As summarized in Figure 34, these findings from analysis of economic impacts of FBRP, contributes to the literature about culture-led urban regeneration theories and its impacts on urban economic development. Also, for policy makers, the analysis about tourism industry with stakeholders' involvement could contribute to local tourism policy development.

In the end, the initial insights about the research subject mostly match with the findings of the research. However due to time limitations and because of the scope of the research some perspectives were not covered in detail. The environmental and social impacts of the FBRP and tourism development needs to be further studied. More, the findings from the field study creates question marks and new opportunities for future research about this case. Future research can be conducted about the existence of three similar innovative enterprises in such a small district. This can also contribute to the literature about the economic restructuring and diversification of economy in the regenerated area.

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APPENDICES

A- BACKGROUND DOCUMENTS OF FENER-BALAT REHABILITATION PROGRAMME

URBAN DATA OF FENER-BALAT REHABILITATION PROGRAMME AREA

The perimeter of the study

- 16.2 hectares of which 14.1 are plots and 2.1 are roads
- 1401 plots
- 1267 buildings

Population

- 12,000 inhabitants
- 4.5 inhabitants per household
- 750 inhabitants/hectare (as opposed to 350 inhabitants in the Fatih district)
- Division of property: 60% of tenants, 40% of property-holders, 45% joint ownerships (half of which have two property holders)
- 11% illiterates (5% of men, 19% of women)
- 16% self-taught people in Balat-Fener as opposed to 3.5 in the city of Istanbul (as of 1990)

Functions

- 3,143 activities, facilities and lodgings of which 14 are facilities
- 341 are premises for various activities (55 crafts, 175 commercial and 11 service buildings)
- 2,567 lodgings
- 208 empty premises

Areas classified as cultural heritage

- 12 classified monuments
- 508 classified buildings
- 693 buildings dating from before 1930

Buildings

- 21 ruins
- 157 buildings substantive rehabilitation (13%)
- 365 buildings requiring medium rehabilitation (30%)
- 376 buildings light maintenance (31%)
- 304 buildings in good condition (26%) of which
- 125 are recent constructions
- 68 buildings that are entirely vacant (5.4% of all the buildings)
- 124 buildings that are partly empty (9.7% of the total buildings)

Source: (Municipality of Fatih *et al.*, 1998)

B- RESEARCH FINDINGS AND INTERVIEWS

This section covers the research findings from field study which took place in June 2018 and summaries of the interviews conducted by author and reflects the views and comments of interviewees only.

B-1. RESEARCH FINDINGS

A field research was conducted in Fener-Balat District for gathering data about cafes in the neighbourhood. The aim was to collect information about the location of the cafes and the establishment years. The data gathered by author later compared and combined by the research findings of Altıntaş which covers a field research of the FBRP area between March 2013- December 2016 (Altıntaş,2016).

LIST OF CAFES AND RESTAURANTS IN PROJECT AREA

NAME OF CAFÉ	YEAR of ESTABLISHMENT	LOCATION (name of street)
Afilli Cezve	2012	Balat Kapısı
Antik Balat Kafe	Unknown	Leblebiciler
<i>Art & Books Coffee- CLOSED</i>	2015	Vodina
Aşk- ı Ruba	2015	Kürkçüçeşme
Aziz Cafe Balat	2015	Yıldırım
Balatistan	2015	Vodina
Balat Kadraj Kafe	2015	Kürkçüçeşme
<i>Balat Kafe İstanbul- CLOSED</i>	2013	Merdivenli Yokuş
Balat Residence Kafe	2015	Vodina
<i>Byzas Cafe - CLOSED</i>	Unknown	Yıldırım
Cafe Pavita	2016	Kireçhane
Cafe Vodina	2010	Vodina
Çayada	2015	Mürselpaşa
Coffee Department	2015	Kürkçüçeşme
Cooklife	2015 (different café, 2005-2015)	Vodina
Cumbalı	2015	Kürkçüçeşme
Dimitri Candemir	2014	Sancaktar Yokuş
<i>Dimmela - CLOSED</i>	Unknown	Yıldırım
Domino Cafe &Kitchen	2015	Vodina
Fanaraki Rooms & Cafe	2016	Kireçhane
GABO- CHANGED	2015	Vodina

Galeri Eksen Balat Art	2015	Ayan
Gezegen Sahaf Cafe - <i>CHANGED</i>	2016	Vodina
<i>Hobbit House Balat -CLOSED</i>	2016	Yıldırım
İncir Ağacı Kahvesi	Unknown	Merdivenli Mektep
<i>İstanbul Kafe - CLOSED</i>	2015	Vodina
Karaköy Kahve Balat	2015	Mürselpaşa
Kavaz Cafe	2015	Vodina
<i>Lokal Fener Kafe - CLOSED</i>	Unknown	Vodina
Ma'ide	2015	Yıldırım
Maison Balat Antique & Coffee	2016	Vodina
Makam- ı Balat	2016	Ayan
<i>Masmavi -CLOSED</i>	Unknown	Yıldırım
Café Naftalin	2014	Yıldırım
Nakış Kafe	2016	Yıldırım
Narissa	2015	Vodina
Olmadık Projeler Atölyesi & Coworking Space*	2017	Hızırçavuş Mescidi
Patika	2016	Camcı Çeşmesi
Rico Balat	2016	Çiçekli Bostan
Saklı Bahçe	2014	Vodina
Tin Café- CHANGED	2016	Rendeci
Vanilla	2015	Vodina
Tevafuk Cafe	2017	Vodina
Balat Kapı – (Different name before)	2017	Yıldırım
Neva Coffee & Co.	2017	Vodina
Mitis Mantı ve Café – (Different name before)	2017	Vodina
Brew Cofeeworks	2017	Yıldırım
Cafesehrengiz	2017	Vodina
Coza Café & Coworking Space*	2018	Camcı Çeşmesi

Taş Café-Gallery	2017	Yıldırım
Kat Balat	2018	Yıldırım
Fida Café – (Different name before)	2017	Vodina
Vintage Café & Restaurant	2017	Vodina
Pop’s Balat & Coworking Space*	2017	Ayan
Balat Coffee & Guide*	2017	Ayan
Demlik Cafe	2017	Ayan
Pianto Coffee	2017	Hızır Çavuş Mescidi
Nest Café Balat	2018	Vodina
1453 Çay Evi	2016	Vodina
More Cafe	2018	Vodina
Kontrast Restaurant	2017	Yıldırım
Dudika Café & Restaurant	2017	Çiçekli Bostan
Nostalji Seksenler Cafe	2017	Hızır Çavuş Köprübaşı

Source: Updated by author based on (Altıntaş, 2016)

B-2. INTERVIEWS

1. Official from Association of Turkish Travel Agencies (ATTA) (25/06/2018)

This interview was conducted for collecting the data about tourism activity of travel agencies in Turkey. In the meeting, data indicating “number of travel agencies which organize touristic tours to Fener-Balat District”, “number of tours organized per year” and “number of people buy the touristic tour to Fener-Balat District” were aimed to collected from the Association. However, it was explained by the official of Association, there is only the data about registered travel agencies and their classification but no information about their yearly activities, turnover of population attending to specific tours.

2. Interviews with Travel Agencies (25-29/06/2018)

Interviews were conducted with 6 Tour Design-Sales Executives, 1 owner, 1 tour guide. The aim of the interviews was to collect the data about the number of tours organized to Fener-Balat District and insights of the travel agencies about tourism activity in Golden Horn and Fener-Balat Neighbourhood.

Q- Their role and contribution to economic activity in district:

The agency A is known to be the first one to organize touristic tour to Fener-Balat Neighbourhood on 12th of November 1988 named as “Golden Horn Tour” covering Cibali-Fener-Balat-Ayvansaray route.

It was an extraordinary move 20 years ago and there were no other official tours between 1988-1998. Since 2010, the numbers of both official and informal tours are increasing. Those tours are mostly chosen by domestic tourists. Especially beginning from 2015 the demand to Fener-Balat-Ayvansaray Tours is increasing.

The direct contribution of the tours to economy are mostly by the spending of visitors in cafes, restaurants and the tips given to the people responsible from churches and mosques in the district. But when compared to 20 years ago, there were no place for having a lunch during the tours but now there were plenty of options for visitors to spend time in the district as the demand increased. This can be accepted as an indirect effect of the tours to the economy.

Q- Opinions about the regeneration project:

Tour Design-Sales Executive-C: The Fener Balat Rehabilitation Programme created new urban spaces that adapt to the local culture when compared to other regeneration examples from Istanbul like Sulukule or Karaköy-known as a negative example with high levels of gentrification. By the help of those new urban spaces there are increased and positive interaction of local people of neighbourhood and visitors or new comers. Especially the restoration of Historic Balat Market has a positive impact on both local economic activity and for a tourist attraction. In the Market, people can experience the local culture.

Owner of Travel Agency-A/ Honorary President of Cultural Tourism Committee of Association of Turkish Travel Agencies(ATTa): The FBRP mostly created an enthusiasm for property developers or land-owners as it creates increased rents.

Tour Guide: The FBRP creates a vibrancy in the economy in neighbourhood. However, it is still limited to a small area only in the main axis of Vodina Street and Ayan Street where most of the cafes, restaurants, galleries and shops settled.

Q- Problems/threats and potential/opportunities of the tourism activity in area:

The neighbourhood with characteristic urban spaces and historic buildings used by film industry as a scene in many films and TV shows. As those TV shows were very popular, there is high level of interest of people to visit the locations they saw on the TV.

In the last 5 years, the impact of social media is very high for the publicity of the neighbourhood. Many of the visitors saw the famous streets and buildings on the social media and ask for a tour.

The restoration of the Bulgarian Church also created vibrancy and increasing demand to see the neighbourhood.

One of the advantage of the neighbourhood is there is a demand for tours in all seasons as the life in the neighbourhood is vibrant both in summer and winter.

One of the issue in the neighbourhood is there are no places for hosting large group of people. There is only Balat Culture House where large group of people can have lunch in the neighbourhood.

Q- Future of the industry:

The interest of visitors is increasing since 2015. As a result, the number of tours organized was increased but also there are many people who visit the neighbourhood individually. The newly opened facilities like galleries and cafes are appealing to wide range of people from different age groups. However, for this increasing interest to sustain in the future, the capacities of cafes, restaurants and shops should be increased.

3. Manager of Balat Culture House (03/07/2018)

Q- Their role and contribution to economic activity in district:

The Balat Culture House was established in 2010 as a project of 'Turkish Soroptimist Clubs Federation'. The goals of Culture House are;

- Supporting the socio-economic development in Balat neighbourhood,
- Providing vocational training to women and girls in the neighbourhood,
- Creating employment opportunities within the Culture House for the women and girls trained.
- Place for experiencing the local culture, market for products of women for tourists and visitors.

The culture House have become a lunch time and local product shopping destination for most of the tours organized by travel agencies.

Women, who receive trainings about commercial production and food engineering related subjects, can start producing several local home-made products such as jams, Turkish Ravioli(*Manti*). 17 women were trained in total and 10 are women permanently working in 2 shifts for the Culture House and Café. In the peak times of the year when visitors to café and demand for home-made products increase, number of women goes up to 14. Also, those women sometimes work in production for other cafes in the neighbourhood.

Q- Opinions about the regeneration project:

People living in the neighbourhood are not the property owners, but the tenants are very changeable since the FBRP. This dynamism has a positive impact on the economic activities as it creates a continuous demand for services.

Q- Problems/threats and potential/opportunities of the tourism activity in area:

continuous and Increasing demand, creates job opportunities for local women who did not have the skills for employment or who had other restrictions such as family related obligations (taking care of children at home, not allowed for working by their husbands) or the skills for employment.

4. Café owners (25-29/06/2018)

In addition to the interview with Balat Culture House-Vodina Café manager, 2 interviews were conducted with other 2 café owners. 1 of the cafés (Café A) is located near Balat Market and opened in 2015 and the other one (Café B) is in Fener established in 2018. And Café A is only a coffee shop whereas the Café B is part of Digital Marketing Business and Co-working space similar with 3 other cafes in the neighbourhood.

Q- Their role and contribution to tourism activity in district:

Cafe Owner A: The café owner A is from the neighbourhood since his childhood. He defined himself as local business owner. As the interest to this neighbourhood increase in recent years many coffee shops were established similar with his café. However, most of the visitors prefer just walking around and taking pictures instead of visiting cafes, shops or galleries. Most of the customers prefer the café because they hear it about from social media.

Café Owner B: The aim of this establishment is to create a working ecosystem in the district in digital marketing sector. Café is part of this working space and open to both the members of coworking space and visitors. They prefer hiring young people from the neighbourhood and train them especially in English language. Beside this their business have 2 goals as;

- To start digitalization of the local businesses in the district.
- To train local teenagers about computer 'coding'.

By this trainings and digitalization of businesses they want to contribute local economic development.

Q- Opinions about the regeneration project:

Cafe Owner A: The FBRP creates a dynamism in neighbourhood at the very beginning but after a while the interest of investors decreased.

Café Owner B: The FBRP creates urban spaces that have high visibility in social media. The Fener-Balat name almost become a brand in social media. Many people are curious about exploring the neighbourhood life here. This also resulted as film industry's involvement as they prefer shooting movies and TV shows in the district.

Q- Future of the industry:

Café Owner B: In the coming 5 years there will be an increase in the demand of visitors and tourists with help of social media. In addition, the new Tram Line which is expected to open in 2019 would create an economic dynamism with more visitors and tourists visiting the area. Yet, there are very limited services in the neighbourhood such as very few shops where visitors can buy souvenirs or local products.

5. Hotel Manager (03/07/2018)

Q- Their role and contribution to tourism activity in district:

This hotel is the closest registered tourist accommodation in Fener-Balat district. It was located in 4 historic buildings which was opened in August 2013 after a restoration work. This hotel has 16 rooms and a restaurant.

Due to the terror attacks in Turkey and in the world in 2015, the expected levels of business could not be achieved. In 2018, a recovery was observed in terms of tourism activity, yet the demand is below the expected levels.

Majority of the guests of this hotel are foreign tourists especially Greek, who come to the district for visiting the Greek Orthodox Church and other churches nearby. The second reason of guests' preference is for experiencing the historic neighbourhood and architecture by staying in a historic building.

Q- Problems/threats and potential/opportunities of the tourism activity in area:

One of the problems in the tourism sector in district is limited number of accommodation opportunities. On the other hand, there are many non-registered hostels and daily rented rooms which also creates safety problems.

Another issue is the distance and low levels of accessibility to the neighbourhood compared to other touristic destinations in Istanbul such as Taksim, Sultan Ahmet or Eminönü.

Q- Future of the industry:

When the current situation of the occupancy rates of hotel analysed, there is an upward trend compared to 2015-2017. The expectations are mostly positive for the coming years with the opening of new tram line which will make the district more accessible.

6. Museum Representative. Interview by author (09/07/2018)

An interview was conducted with a representative of Rezan Has Museum. The aim of the interview was to collect the data about the visitor numbers and insights of the museum about tourism activity in Golden Horn and Fener-Balat Neighbourhood.

Q- The contribution of the museum to tourism activity:

The “Rezan Has Museum” is in the Kadir Has University. The building of the museum is originally a Tobacco and Cigarette Factory that reflects the old industrial activities in the Golden Horn and was restored by the university as a part of Golden Horn Culture Valley program. The museum is not officially included in any tours organized by travel agencies.

Q- The evaluation of tourism potential and the cultural activities in the museum:

Visitor numbers to the museum were mostly affected by the content and the duration of the exhibitions. The downturn trend in the numbers seen in 2013 was due to the exhibition which was displayed for a long time. General restoration works in the museum, restoration, inventory process and conservation studies of the new exhibition took a longer than expected time which postponed the opening of new exhibition in 2014. This period also reflected to decrease in visitor numbers.

Concerning the general downturn trend in tourism in Turkey beginning with 2015, the museum was also implicitly affected.

C- PHOTOS FROM FIELD STUDY

All photos were taken by author during the field research in Fener-Balat neighbourhood in Istanbul.

VIEWS FROM SOME OF THE TOURISM RELATED BUSINESSES



STREET WITH CAFES AND HISTORIC BUILDINGS



MAN SELLING ANTIQUES

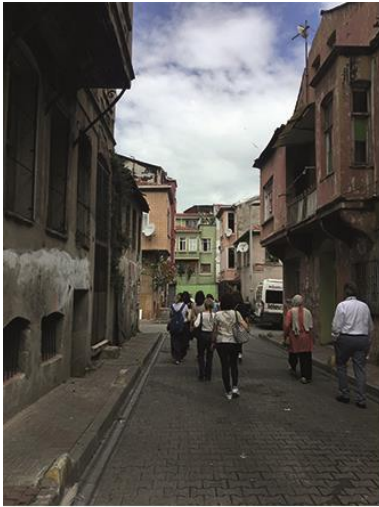


A CAFE AND A LOCAL BARBER SHOP



SOUVENIR SHOP

VIEWS FROM SOME OF THE PLACES VISITED IN A TOURISTIC TOUR



HISTORIC BUILDINGS



CAFES AND ANTIQUE SHOPS



CAFES, ANTIQUE SHOPS,
ATTRACTION SPOT FOR VISITORS



VISTA & ATTRACTION
SPOT FOR VISITORS



HISTORIC BUILDINGS &
LOCAL CULTURE OF COMMUNITY



HISTORIC BALAT MARKET