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Varied Manifestations of Urban Neo-Liberalism in Istanbul.

Business Improvement Districts, Gentrification and the Commodification of Beyoglu Historical Center

PhD CANDIDATE
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PhD Thesis submitted
First version October 31, 2016
Revised version January 23, 2017

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GRAN SASSO SCIENCE INSTITUTE
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ABBREVIATIONS

ANAP: Motherland Party
AKP: Justice and Development Party
BID: Business Improvement District
CBD: Central Business District
EU: European Union
ICOMOS: International Council on Monuments and Sites.
IKSV: Istanbul Culture Art Foundation
IMF: The International Monetary Fund
NATO: The North Atlantic Treaty Organization
NGO: Non-Governmental Organization
OECD: The Organization for Economic Cooperation and Development
RP: Welfare Party
TL: Turkish Lira
TOKI: Mass Housing Administration
TTHIA: Talimhane Tourism Hotels & Investors Association

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ABSTRACT

Since the post-80s era, Istanbul has become an important geographical target for various neoliberal policy experiments. Notably, from the beginning of 2000s, this process shifted into high gear in terms of speed, scale and forms under the impetus of new actors, changing power dynamics and interests. However, concepts such as "urban neoliberalism" and "gentrification", which are employed to describe the urban transformation in various Anglophone cities, are not completely adequate and relevant for comprehending Istanbul's transformation process. More specifically, this thesis contends that any explanatory framework of urban restructuring, which is formed by endless re-theorization of neoliberalism, gentrification and BIDs, can not be taken granted in the case of Istanbul. For this reason, this thesis tries to explore the variegated forms of unfolding neoliberalism and gentrification by addressing two case studies and concepts: An informal business improvement district in Talimhane and state-led gentrification of Istiklal Street. Mixed methods, including literature review, government documents, reports and newspaper analysis and semi-structured interviews, were adopted as a means of incorporating above mentioned assertions into this dissertation. Analysis and findings have affirmed how a distinct form urban re-making taking place in Istanbul in two ways. Firstly, a new form of neoliberal urban governance, an informal BID, emerged without any legal framework thanks to the series of informal and piecemeal arrangements. Secondly, in the case of Istiklal Street, strong and authoritarian government and urban policies enabled state-led gentrification, which is characterized by a high degree of discretionality, continuity, and lack of transparency and participation, by mobilizing ad hoc law, institutions, and mechanisms, and also by passing preservation and planning institutions and regulations. At a more general level, this thesis argues that, through their contextual pathway, particularities and heterogeneous actors; planetary urbanization unfolds differently in different localities. While the dissertation offers some answers to questions of "how", "in which ways and forms" neoliberalism is transforming Istanbul, it also seeks to make an empirical and conceptual contribution to critical studies on urban neoliberalism and gentrification.

Keywords: neoliberalism, gentrification, state-led gentrification, business improvement districts, Talimhane, Istiklal Street, Istanbul

INTRODUCTION

UNDERSTANDING VARIEGATED URBAN NEOLIBERALISM

It has been largely acknowledged that cities have become the central knots of the remaking of sociopolitical and economic urban spaces as a result of the reinforced siege of "actually existing neoliberalism" (Brenner et al., 2010; Brenner & Theodore, 2002; Harvey, 2007a, 2007b). While Harvey (2007, p. 2) defines neoliberalism as "a theory of political economic practices that proposes that human well-being can best be advanced by liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets and free trade", Peck (2013, p. 13) refuses to cage the notion from a constructivist perspective, instead asserting that neoliberalism is never-ending, global, and can adapt itself to every condition and geography, stating: "neoliberalism defies explanation in terms of fixed coordinates". Whether it is a macro framework explanation like Harvey's or fluid as Peck's, many researchers have taken the notion of neoliberalism as granted and disputable so that, in many studies, neoliberalism is represented as "deus ex machina", which used an acquiescing explanatory framework for any transformation forces ranging from business improvement districts to mega projects and gentrification (Le Galès, 2016). To elucidate this matter, it would be useful to examine the example of gentrification. The term, first coined by Ruth Glass in 1964 to capture the class change and rehabilitation of old housing stock in the inner city of London, has evolved over time. Eventually, it began to be defined as "the knife edge of neoliberal urbanism" (Hackworth, 2007, p. 192) by its association with new global neoliberal urban policy strategies and "different levels and kinds of state involvement" (Smith & Williams, 2013, p. 23). However, as Hackworth (2007, p. 11) suggests, "neoliberalism, like many other ism, is a highly contingent process that manifests itself, and is experienced differently, across space. The geography of neoliberalism is much more complicated than the idea of neoliberalism. Using neoliberalism as an all-encompassing tool not only weakens the theory by limiting it but also runs the risk of generalizing and perplexing the discovery of urban change. Thus, to understand the "variegated neoliberalism" (Brenner et al., 2010) without ignoring the previous researches which explain the capacity of this powerful ideology by stressing increasing competition, power of elites, privatization, state interference and authority, inequality,

surveillance, minimum welfare, and marginalization of democracy and transparency, we should explore the "path depended trajectory" of neoliberalism by focusing on distinctive politico-ideological shifts, stakes, mechanisms, and extant institutional orders and their limits (Aalbers, 2013; Peck, Theodore, & Brenner, 2013; Rossi & Vanolo, 2011). This is also important, as neoliberalism does not work analytically in many geographies as it works in English-speaking countries. While these geographies try to stay in the game of "world cities" by following the rules of global capitalism, they also have to adapt their trajectories contingent on specific local historical, socioeconomic, and political pathways, which in turn produces a socioeconomic, political project that embraces the imperatives of economic growth and authoritarianism as the main drivers of change in urban space. This is also the case for Istanbul.

URBAN NEOLIBERALISM IN THE CONTEXT OF ISTANBUL

The 1980s, during which several economic, spatial, and sociopolitical changes and breaks took place, represent a threshold for Turkey. After the military's coup d'état on September 12, 1980, Turkey started to practice "free economy and strong state politics" to construct an authoritarian neoliberal state under the watch and directives of international institutions like IMF and World Bank (Dinçer, 2011; Lovering & Türkmen, 2011). The impact of this neoliberal restructuring in the post-1980 era in Turkey is most visible in Istanbul. The idea of "Global Istanbul" and "World City" came on the agenda in the early 1980s. With this objective, Istanbul wanted to be transformed into an international trade, finance, culture, and tourism center. In order to accomplish this goal, starting in the '80s, urbanization and urban policies underwent a significant change (Karaman, 2008; Keyder, 2005a; Keyder, 1999). In an attempt to construct entrepreneurial and competitive urban policy, and in the interest of new actors wishing to take advantage of urban speculations and significantly increased profits, the state embraced a more responsive and interventionist approach. In line with this approach, several structural and institutional reforms, such as the 1984 Local Government Reform, which decentralized the power of central government and the foundation of the Mass Housing Administration (TOKI) were implemented. Additionally, thanks to the active involvement of the state as the market facilitator,

privatization programs, tourism-led revitalization projects, and transformations of historical urban centers were launched to upgrade the tier of Istanbul in competition with other world cities (Enlil, 2011; Öktem, 2011).

From the beginning of the 2000s and onwards, the commodification process of Istanbul continued with rules and at a different pace. Coming to power after the major economic crisis of 2001, the Justice and Development Party (AKP) became the radical changer of Turkish society and politics. This change not only included strong reconfiguration of socioeconomic, political, and cultural structures, but also the building of a new specific authoritarian neoliberal hegemony. While AKP attempted to overcome the obstacles to create this new kind of governance, it also obtained a new construction-based, internal-market-oriented economic strategy. AKP's construction-based economic growth has two main features. The first is "to create and distribute spaces that had not been commodified so far: spaces below and above buildings, former industrial sites, state-owned land, forest areas around the city, historic and gecekondu neighbourhoods" (Cavuşoğlu & Strutz, 2014, p. 146) and paving the way for this mission through a series of legal and institutional reforms. The second one is reshaping the urban space in line with the conservative ethos and creating a state-oriented and compliant capital group. In line with the new urban agenda, first, several urban infrastructure development projects were planned. Accordingly, metro lines were expanded, a second airport was constructed, a third airport is planned and its construction started, and new roads that connect the center with peripheries were built. The new implemented infrastructure projects not only increased the land prices but also created new lands for speculation, gentrification, and displacement (Bartu Candan & Kolluoğlu, 2008). In addition to infrastructure projects, new laws (see for instance, Law on Conservation of Deteriorating Historic and Cultural Property through Renewal and Re-use, Law No. 5366; Municipality Law, Law No. 5393; 5998, Law on the Transformation of Areas under Disaster Risk, Law No. 6306) and institutional reforms–reconfiguration, such as forming new ministries like the Ministry of Environment and Urbanization, that concomitantly decentralize and centralize the planning power, were put in practice. In this context, many large-scale projects, some planned by world-class architects like Zaha Hadid and Ken Yeang, including waterfront redevelopment, like the Kanalistanbul, Galataport, and Haydarpasa projects; luxury hotels; and urban transformation projects were implemented in the city center (Aksoy, 2012; Keyder, 2005b; Türkün, 2011).

Although these neoliberal goals and transformation of urban land seem very similar to the other neoliberal development processes around the world, the ways and instruments that enabled this neoliberal transformation make Istanbul's urban neoliberalism a particular example. Firstly, disparately from Anglophone examples, in which market forces have the predominant role and the state has the role of supporter of the private sector by creating best conditions for market forces to operate freely, Istanbul's neoliberalism is a product of state policies, interest, and involvement in order to consolidate its power. The role of the market is rather limited in this process, and its freedom is highly subjected to the permission of the state. The Turkish state's powerful role also gives neoliberalism limitless character. Apart from the state's entrepreneurial tendencies, the mentioned feature of neoliberalism facilitated and mobilized by informal and formal interventions, such as new laws and institutions, in addition to aiding the state's ability to shut down any opposition with combined help of police force, judiciary, and the media. While Istanbul has been following a very similar route to other global city candidates in the world in economic terms, the transformation of the city into "a collection of gentrified spaces" (Aksoy, 2008, p. 79) for the use of more affluent populations, spatial segregation and social polarization brought with the globalization, and the mechanisms that reinforce these polarizations, started to change the socioeconomic structure of these areas. In other words, it opened them up to the inevitable outcome of spatial and social segregation and displacement.

RESEARCH QUESTIONS

While the above-mentioned general framework of the neoliberalization history of Istanbul gives a general idea about the new Istanbul project, does it really go beyond the problem of neoliberalism which is "omnipresent, promiscuous and omnipotent" (Clarke, 2008, p. 135)? To explore the substantial and particular characteristics of neoliberalism in Istanbul, we should challenge the transcendentalism tendency of neoliberalism and be clearer about this pervasive complex and evolutionary process by discussing the contingent multi-layered pathway, which is shaped by mechanisms, existing and changing institutions, the interplay of local and global forces, and the formation and conflict of interests. This thesis echoes this argument and aims to contribute to the debate of neoliberalism

by exploring different manifestations of neoliberalism and its particularities, contradictions, and limits on the urban space of Istanbul by asking these questions:

1. In what ways has neoliberalism unfolded in Istanbul?

2. How have neoliberal shifts from the 1980s to the present day implemented and changed the urban space of Istanbul?

3. What are the main forms of urban neoliberalism in Istanbul?

4. What are the main causalities, characteristics, and particularities of Istanbul's neoliberalism that differentiate it from the dominant explanatory frameworks of Anglophone neoliberalism?

SCOPE AND STRUCTURE OF THESIS

In order to answer these questions and explore the non-linear process of variables of actually existing neoliberalism, I examined the various empirical fragments, which are gentrification, BID and state-led gentrification that exist in Istanbul under three main headings:

i. Unfolding Neoliberal Urbanism and Gentrification in the Context of Istanbul: A Literature Review

ii. Emerging Forms of Neoliberal Governance on Public Space: An Informal Business Improvement District in Istanbul

iii. Changing State of Gentrification: State-Led Gentrification of Istiklal Street

Apart from the introduction, this thesis is divided into three papers. Following the introduction, the first paper is a literature review on neoliberal urbanization and gentrification of Istanbul, as the 1980s. This section presents a review of studies concerning the gentrification processes of Istanbul and gives an overall picture of gentrification by investigating the local causes, conditions, and effects of gentrification on a number of different neighborhoods in

the city during the transition from an industrial to a globalized post-industrial economy under the local political, historical, and socioeconomic circumstances. While this paper tries to manifest the particular path of the gentrification processes of Istanbul, it also points out the urgent need to disentangle Turkish scholars from Western explanatory tools and offers instead a relational perspective that manifests conjectural and contingent paths of the commodification of space, unequal power relations, and the critical role of the state. Moreover, this literature review could be seen as introductory research, aimed at seeing the gaps and tendencies of the general research framework of Istanbul neoliberal transformation, which can guide the further research. Subsequent to the literature review, the neoliberal urbanization of Istanbul is discussed and explored, focusing on two transformative notions: business improvement districts and state-led gentrification.

The second paper investigates the birth and evolution of a Business Improvement District (BID) in Talimhane, Istanbul, which is the first case of the use of this instrument of neoliberal governance in the city. The distinctive nature of the Talimhane BID consists in the fact that, as there is no legal framework regulating the implementation of BIDs in Turkey, it has been developed through a series of informal and piecemeal arrangements. The chapter first reviews the evolution, characteristics, and criticalities of BIDs. It then focuses on the case study of this 'informal BID' in Talimhane, analyzing its origins, characteristics, and outcomes, together with the unstable and changing relationships between the private association managing the BID and local authorities. The informal nature of this BID is particularly stressed as a key factor in understanding its features, outcomes, and possible evolution.

The third paper deals with the radical shift in the process of gentrification by demonstrating the working of neoliberalism. The study is based on the case of Istiklal Street as an emblematic example of state-led gentrification. Using data collected through interviews and archive inquiries, the paper provides insight into preconditions, mechanisms, dynamics, and the motivation of the state that facilitates this sociopolitical and spatial process. It is argued that while state-led gentrification of Istiklal Street shares some features of global gentrification stories, as demonstrated in Anglophone literature, it is also very locally embedded and indigenous. It is a product of strong and authoritarian state urban policies. The findings suggest that the proactive government-enabled gentrification, which is characterized by a high degree of informality, continuity, and lack of transparency and participation, by mobilizing ad hoc law, institutions, and mechanisms, and also by passing preservation and

planning institutions and regulations. Exploring the gentrification process of Istiklal Street also helps to expand existing literature by resorting to non-Anglophone empirics.

METHODOLOGY

Global phenomena like neoliberalism and gentrification are a part of global processes and are intimately connected to the restructuring of the global economy and culture. However, as Sassen (1990: 103) stated, “Localized forms are, in good part, what globalization is about”, and these global phenomena do not process and play out in one uniform way. For this reason, as Yin (2003) defined “an empirical inquiry that investigates a real life phenomenon within its real life context”, a case study approach is the most logical choice for understanding the localized form of neoliberalism and gentrification. Thus, in order to open up the black box of neoliberal transformation and gentrification in Istanbul by exploring the context-dependent variations with different socioeconomic and spatial realities, this thesis deploys the case study approach. Moreover, this thesis uses the Beyoğlu district, and the Talimahane neighborhood and Istiklal Street, which are also located in the Beyoğlu district, as case studies, as they are the variegated manifestations and most visible reflectors, however less studied, of unfolding neoliberalism and gentrification.

Both qualitative and quantitative analysis is used in this thesis in order to explore the mentioned processes. This analysis is conducted to let contextual unpredictable data, which induce neoliberalism and gentrification, to gain momentum by its particularities and circumstances in a particular place, to enrich urban theory. However, this does not mean ignoring the existing literature; conversely, the well-documented studies will be the most helpful guides to decide what to look at to understand how gentrification operated in one particular time period and place. Thus, the first paper uses literature review as the methodology by relying on academic research, newspaper articles, and government reports. I have reviewed the existing literature to get acquainted with the process of the neoliberalization of Istanbul and to try to understand the causes, characteristics, impacts, and various actors of transformation.

For the case studies of my second and third paper, I started the exploration process by archival research through reviewing and analyzing government documents, reports, newspapers, blogs,

books, and research papers. As both case study areas, Talimhane and Istiklal Street, are not areas that have been researched in detail before, this was an important qualitative component in order to construct an explanatory framework and nuanced understandings the researcher possesses of the socio-spatial, economic, and political processes that are going on both areas. Especially for the second case study, Istiklal Street, because of data inadequacy, I had to scan the Cumhuriyet and Hurriyet newspapers, which are two big, old newspapers of Turkey, starting from 1980. Moreover, once again, as a result of inadequate statistical data, capital influx and business changes of Istiklal Street after 2000s are documented through photos gathered from Google, Yandex and personal archives of several people.

My primary method for exploring the neoliberal transformation was semi-structured interviews with open-ended questions. In order to fill the gap that was impossible to cover by archive studies, to understand the inner workings and unknown realities, and to grasp the different views and interests, semi-structured interviews played a crucial role. Especially for countries like Turkey, in which urban transformation processes are shaped by a high level of informality and hidden networks, semi-structured interviews work as the basic tool for cutting the Gordian knot of thorny urban changes. Although the reliability of the study was dependent on choosing the right key actors–those with first-hand, particular knowledge and who reflect varying perspectives so that they provide insight on the process–and the participants' honesty while answering the open-ended interview questions concerning neoliberal transformation and gentrification processes, the semi-structured interview format might have improved the accuracy of the data collection process. For the Talimahane case study, I interviewed the key actors below between November 2013 and November 2015: the representative of Talimhane Touristic Hotels & Investors Association, Governmental Institutions such as representatives Istanbul Greater Municipality, mukhtar of Talimhane, Beyoğlu Police Force and representative of a private security firm. For the third paper, I conducted interviews between May-August 2016. The key actors were identified and classified in this manner: the owners of displaced enterprises, governmental Institutions Representative such as Istanbul Greater Municipality, Beyoğlu Municipality, Ministry of Tourism and Culture and others institutions like representative of Chamber of Architects, representative of Urban Planners and representative of Activist Group (Beyoğlu Bizim).

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CHAPTER 1

Unfolding Neoliberal Urbanism and Gentrification in the Context of Istanbul: A Literature Review

INTRODUCTION

"The terrain of the inner city is valuable again, perversely profitable"
(Smith, 1996, p. 6)

As Neil Smith put forward several years ago, urban space became the important nodes of economic growth and commodification as a result of the "wide ranging, transformative impacts" (Brenner & Theodore, 2002, p. 363) of neoliberalism, and gentrification is accepted as one of the major manifestation of both this process and neoliberalism (Atkinson & Bridge, 2004; Glass, 1964; Smith, 2002). To understand this "consummate expression of an emerging neoliberal urbanism" (Smith, 2002, p.440), there is a huge amount of literature that offers casual explanations, which sometimes in battle, ranging from social capital preferences and changing occupations to global capital and the profitability potential of urban land (see among many others: Hackworth & Smith, 2001; Hamnett, 1991; Ley, 1996; Smith, 1996, 2002; Zukin, 1987). Although all these explanations had utility and relevance for gentrification research, the aforementioned explanations became outdated and fell short in explaining the current phase due to the perpetual shift in actors, causes and conditions (Lees, 2000, 2012). Hence, the phenomena mutated from "piecemeal process in inner cities into a large scale urban strategy" (Uitermark et al., 2007, p. 126), which is induced and regulated by the state towards a process that can be described as state-led gentrification. Thus, keeping in mind that the gentrification phenomenon is subject to change both temporally and spatially, this paper subscribes to a broader, more recent, and de-territorialized definition of gentrification:

> *"Gentrification is a process involving a change in the population of land-users such that the new users are of a higher socio-economic status than the previous users, together with an associated change in the built environment through a reinvestment in fixed capital. The greater the difference in socio-economic status, the more noticeable the process, not least because the more powerful the new users are, the more marked will be the concomitant change in the built environment. It does not matter where, it does not matter when. Any process of change fitting this description is, to my understanding, gentrification" (Clark, 2005, p. 258)*

Apart from conceptual controversies of gentrification, the geographies of gentrification, which gentrification scholars focused on and the literature is rooted in, are also contentious. Until recently, instead of adopting a comprehensive and comparative approach not framed by dictation (dominance, elitism) of Western notions, the emergence of gentrification in other geographies is attempted to be explained, in through a way of colonization, by asserting the process of moving beyond well- known world cities of global north to small urban centers and large cities of developing countries. This kind of attempt to explore and "grips with persistently diverse but increasingly interconnected trajectories of socio-spatial change (Hart, 2004)" (Lees et al,, 2016, p. 13) of the non-Anglophone world by the "fragmentary analytic tool" (Lefebvre, 2003, p. 29) of Anglophone cities not only ignored the peculiarities of gentrification processes in the "other" geographies of gentrification but also necessitated a shift to a focus on those cities which have a limited presence in gentrification literature.

Istanbul is one of those geographies. The city, which is the largest city in Turkey in terms of population, economic activities, and extent of hinterland, entered into a process of urban transformation and gentrification in the early 1980s. However, the inquiries and studies about the restructuring process within the framework of the concept of gentrification has begun quite recently (Ergun, 2004; Islam, 2005, 2010; Islam & Enlil, 2006; Potuoğlu-Cook, 2006; Sakızlıoğlu & Uitermark, 2014; Şen, 2005, 2011; Soytemel & Şen, 2014; Uzun, 2003; Uzun, 2001; Uzun, 2013). Although the content of gentrification concept and the adaptation of this phenomenon has been opened for discussion along with those researches, there are still many to question and discover to "grip on the contextual peculiarities, not only to do justice to the context, but also to potentially amend the existing theories of global gentrification" (Islam & Sakızlıoğlu, 2015, p. 248)

Within this context, the purpose of this study is to critically review the studies and conceptualization of gentrification as a way of understanding the particularities and contextual causalities that are "influenced by a set of ongoing and historical contingencies of economic processes, socio-political relations, cultural norms and regulatory systems" (Lees et al., 2016, p. 28). In order to accomplish this goal, the paper focuses on Istanbul and particularly varied examples in Beyoğlu neighborhood (Figure 1), as a "symbolic asset in the cause of global positioning, solicitation, and marketing" (Aksoy, 2011, p. 4).

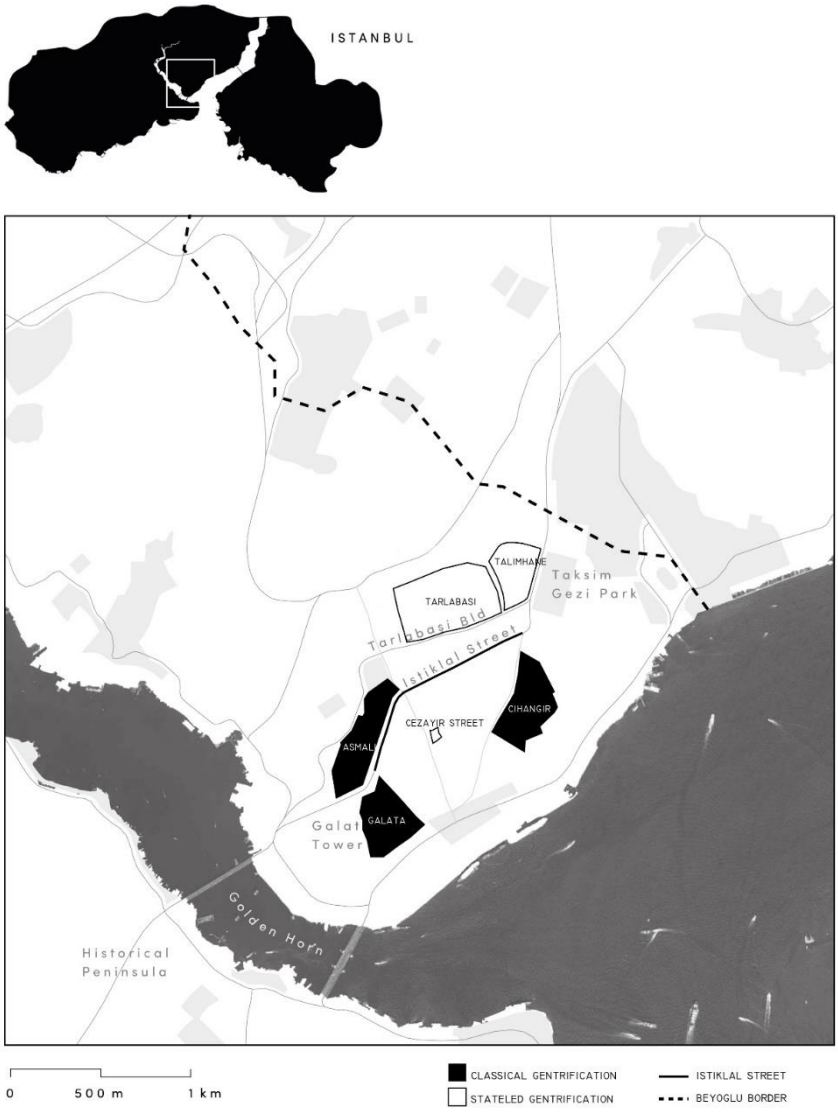

FIGURE 1 –Location and gentrified neighborhoods in Beyoğlu. Source: drawn by author

The exploration is based on two mainstream classifications -classical and state-led gentrification- with the beginning of the 2000s taken as the breaking point, to reflect different state involvement, urban policy and gentrification dynamics in the context of neoliberal urban transformation. Following the introduction, the second chapter focuses on macro socioeconomic transformations and the classical gentrification processes of Istanbul in which "(individual) pioneer gentrifiers risked their capital (for renovating old assets) and tamed the frontier for corporate capital (and state)"(Lees et al., 2016, p. 14). The second chapter will explore the process of state-led gentrification of Istanbul in a period that can be labeled as the new era, with rapid transformations because of the huge economic growth at a global scale and strong urban policy change with a one-party ruling regime. Finally, the paper summarizes key findings and draws conclusions about the gentrification process in Istanbul and its spatial and socioeconomic effects in the city.

CLASSICAL GENTRIFICATION IN ISTANBUL UP TO THE 2000s

In this section, the conditions that have led to the emergence of classical gentrification in until the beginning of 2000s, the formation of the spaces, which can be gentrified, the emergence of the new gentrifier class, and the gentrification processes in Istanbul will be examined.

FORMATION OF THE GENTRIFIABLE SPACES

Bearguard (1986) points out that gentrifiable spaces are needed in order to realize gentrification as well as the necessity of the emergence of gentrifiable houses and the existence of the inhabitants of those houses who can be easily displaced or relocated in order for those spaces to emerge. Istanbul with its historical housing stock, which was occupied by easily displaceable lower income population, fitted this definition. Apart from the existence of historical housing stock, the factors that enabled the formation of gentrifiable spaces are twofold: 1) the departure of the wealthy non- Muslim owners of

the housing stock in the 50's and 60's 2) the invasion of this housing stock by low-income immigrant groups after the 60's.

Istanbul's housing stock that have been built towards the end of the 19th and the beginning of the 20th century in neighborhoods such as Arnavutkoy, Kuzguncuk, Cihangir, and Galata is the source of the initial stage of gentrification. As both Çelik (1993) and Keyder (1999) state, these neighborhoods were mostly housed by minorities, especially Greeks, Jews, Armenians, and European foreigners, who have formed not only the upper/middle social class, but also the cosmopolitan identity of the city. At the second half of the 20th century, the minorities and foreigners have begun to leave the country and their homes as a result of the disappearance of economic opportunities from which they could benefit and the rising political pressures aiming to expel the non-Muslim population from the country[1] (Islam, 2010; Uzun, 2001).

As Uzun (2013) explains, Istanbul, which has lost the power that it previously had, entered into a period of economic and demographical stagnation as a result of the foundation of the Republic of Turkey and the transference of the capital to Ankara in 1923. Istanbul began exiting this state of stagnation with the help of rapid urbanization. This period also coincided with the period of departure of the non-Muslims and minorities, and intensive wave of immigration to Istanbul from the rural regions because of the employment opportunities that arose as a result of rapid industrialization and urbanization. The abandoned neighborhoods of non-Muslim population occupied by these immigrants (Islam, 2005).

In her studies, Şen (2005, 2011) states that the vacated houses were occupied by the new immigrant groups who had come to the city as a result of the growing need of cheap labor for industrial jobs in the '60s and '70s. Furthermore, the new owners of the residential properties could not afford the maintenance and reparation expenses, and this process has led to deterioration of these neighborhoods. In short, the demographic and social transformation that these neighborhoods have undergone have led to the devaluation of these neighborhoods. These neighborhoods have transformed into areas that are suitable for gentrification, with their

[1] Among the political pressures that had driven the middle- and upper-middle-class minorities out were the imposition of an enormous wealth levy on non-Muslim businessmen of the city in 1942, the riot which destroyed Greek property in 1955–related to the Cyprus conflict between Turkey and Greece, and the legislation requiring the departure of those with Greek citizenship in 1964. This political environment mostly affected Greek citizens. Jews, on the other hand, had generally left their habitats following the establishment of the state of Israel in 1948 and its offering of citizenship to Jews across the world (Dökmeci & Çıracı, 1990).

shattered, cheap housing stock and inhabitants who could easily be displaced.

THE FORMATION OF THE NEW GENTRIFIER CLASS

Hamnett (1991) has attributed two reasons to the formation of the new gentrifiers: 1) the emergence of the new professionals, administrative jobs; and 2) different cultural characteristics and consumption habits of that class. This definition is important in respect to understanding the new gentrifiers in Istanbul. Radical socio-economic transformations have taken place in Turkey, especially in Istanbul, after the 1980s as a result of the articulation of the national market to the global market and the domination of the economy by free market conditions (Karaman, 2008; Keyder, 2005).

The first leg of Turkey's transformation after 1980 is the decisions of October 24, 1980, and the three-year standby agreement made with the IMF and World Bank in June. Economic policies of national development, domestic production of imported goods, and industrialization were abandoned, and the country was introduced to free market economics with the October 24 Stability Package, which was suitable for the capitalist system and competitive market economy and prepared with IMF prescriptions that mapped an economic transformation relying on exports and private investment (Boratav, 2008).

In addition to the economic directives that came into effect, ‘80s also marked the strongest change of political currents in Turkey. With the military coup d’état of September 12, 1980, and the new constitution, the authority of syndicates and left-wing politics were limited, which eliminated obstacles to the adoption of the package IMF prepared in June 1980. During the 3.5-year military rule, rigid precautions were taken to keep the new economic policies, adopted by the military rule, stable. With the new constitution prepared by the military regime in 1982, the possibilities of political participation and political democracy narrowed dramatically. While trying to create a ‘sacred’ and ‘untouchable’ state with legal terms such as: ‘the national security’, ‘public order’, ‘public morality’, and ‘survival of state’, all societal powers and class identities are attempted to be depoliticized by imposing the idea of ‘virtuous virtues of individuals’ (Akça, 2014; Yalman, 2002). Sönmez (2009, p. 27) summarizes the politics of the period as follows:

> "The Stability Package and the structural compliance program matches the opinions and recommendations of IMF, the World Bank, and OECD. The program aimed to eliminate instability in markets, breaking the inflationary pressure as well as removing the imbalance in the country's debt balance, and targeted privatizing the economy by constraining the size of the public sector over medium and long term, providing freedom in foreign trade and capital movements in line with the strategy to open-up to the outside."

The radical economic transformation directed by institutions such as IMF and the World Bank did not slow down during the Motherland Party (ANAP) rule between 1983 and 1989. With the importance it placed on neoliberalism and conservatism, the government tried to transform the society into a disciplined market society. Trying to construct an 'authoritarian static' neoliberal state, first Prime Minister Ozal centralized all economic power and decision-making processes by bypassing the traditional bureaucracy and realizing ad-hoc mechanisms using tools like governmental decrees, extra-budgetary funds and creating new institutions like Undersecretariat of Foreign Trade and Treasury. With these changes, the prime ministry started to control 75% of total funds without any legal and bureaucratic control (Bekmen, 2015). While trying to practice construct populist 'free economy and strong state' politics, an 'export oriented accumulation strategy' was adopted. Several incentive policies like tax rebates, preferential loans, and credits were used to support export-oriented capital (Akca, 2015). ANAP also used a Turkish-Islamic synthesis to gain the consent for the neoliberal project. To overcome the class debates and new low industrial wages, the importance of nation, religion, and family are imposed. Additionally, with the economic liberalization, new sectors like banking, media, and advertising flourished and created new job opportunities for white-collar workers. This new high-standard professional and managerial workforce not only created a new patterns of consumption but also added a new segment to the middle class. Turkey's exports rose from $2.9 billion to $12.9 billion in this time period (Sönmez, 2010). The volume of imports increased from $7.9 billion USD to $11.4 billion USD, while the volume of exports increased from $2.9 billion USD to $31.3 billion USD from 1980-2001 in Turkey. On the other hand, the amount of foreign investments in the country has increased from $97 million USD to $2.7 billion USD. This growth of the economy manifests itself in the number of foreign capital companies which are active in the country. The number of foreign companies, which were 78 in 1980, reached 5841 in the year 2001. What is more important than the indicators, that point out economic growth are, the changes in the composition

of the investments that had an influence on the socio-economic structure. Out of the investments that have been realized during this period, the share of the industrial sector has dropped to 91.5% from 45.2%, while the share of the service sector has increased from 8.5% to 48.3% (SIS, 2001, 2002).
Istanbul, which has a share of 9.3% and 46.6% in the imports and exports of the country, respectively, has been the city which has been most affected by the economic changes that have taken place in Turkey. As of 1997, 58.1% of the foreign capital companies and 98% of the banking and financial services based on foreign capital are located in Istanbul (SIS, 2002). The composition of the economy and the structure of employment have also changed as a result of the investments that have been realized. While the share of the industrial labor force has dropped from 34.4% to 32.2% between the years 1980-2000, the service sector, in which 800.930 people were working in the year 1980, has begun growing rapidly and reached 1.289.447 people in 1990 and 1.851.030 in 2000. In addition, the number of scientific and technical professionals rose from 128.000 in 1980 to 237.000 in 1990 and 394.000 in 2000 (SIS 1983, 1993, 2002).

Behar (2006), Soytemel and Şen (2014) highlight that the changing structure of employment, the growth in the service, media and advertisement sectors, and the free circulation of Western values and consumer products has caused a significant change in the cultural habits in Istanbul. This change projected itself on courses of action of the above-mentioned new middle class. This new middle class, who is described as 'foreigners' and 'well educated locals' by Behar and Perouse (2006), is formed by people "who have different lifestyles and who are able to appraise opportunities in the housing market" (Behar and Perouse, 2006, p.32). Additionally, Ilkucan delineates these frontier gentrifiers as artists, students and academicians that are "considered to be members of consumption communities who would like to distinguish themselves from the traditional middle classes" (Soytemel and Şen, 2014, p. 78). The frontier gentrifiers later followed by 'investor gentrifiers' who value cultural capital and are "more risk averse in their residential choices" (Ilkucan, 2004, p.74). The demands, consumption ideologies and new lifestyle of gentrifiers also manifested itself spatially. The number of shopping malls, department stores in which global brands are sold, hypermarkets, fast-food chains, bars, restaurants, nightclubs, theaters, and music, jazz, and film festivals has increased. The data given above reflects the transformations in the economic and sociocultural structure of the city up to the beginning of 2000s and helps us to understand the dynamics that led to the emergence of the gentrification.

CLASSICAL GENTRIFICATION IN ISTANBUL IN THE CONTEXT OF BEYOĞLU

Istanbul became acquainted with gentrification from the beginning of the 1980s, with the gentrification Arnavutkoy, Kuzguncuk, and Ortakoy neighborhoods, which are located on the Bosphorus coast and have historical and architectural value. All these neighborhoods had a cosmopolitan socioeconomic structure in which the Muslims and non-Muslims had lived together since the beginning of the 20th century. However, following the immigration of the non-Muslim population–notably Greeks, Armenians, and Jews–from Istanbul in the first half of the 20th century, these quarters had incurred an intensive migration from the Black Sea region and Eastern Turkey, beginning in the 1960s. These abandoned houses of non-Muslims, which were filled with low income immigrated families, failed to meet the expectations of the new users, as they had a small architectural structure and limited usage space. In addition, the poor owners could not cover the maintenance expenses of these houses, which resulted in physical decay and devaluation. In the end, it was inevitable for these neighborhoods, which are close to central business districts, to be gentrified in the form of housing renovation by the members of the newly emerged middle class that is formed by the professionals from the information, media, and service sectors. However, the challenging aspects of the "Bosphorus Development Law", which was enacted in 1983 and "outlawed any new construction", has slowed the process of gentrification in these neighborhoods and restricted the process of the displacement of the previous inhabitants. To summarize, the gentrification observed in these three neighborhoods first began with individual initiatives and remained limited and gentle (Behar, 2006; Ergun, 2004; Şen, 2005).

Following the first signs of gentrification in Bosphorus, gentrification processes started to be observed in Beyoğlu, which hosts a large number of entertainment and cultural activities, in the '90s. According to Islam and Sakizligolu (2014), the impetus behind this gentrification process was the change in Istiklal Street, which slowly regained its popularity as the cultural and entertainment hub of Istanbul with the help of pedestrianization in 1990. In particular, the Cihangir, Asmalimescit, and Galata neighborhoods, which are located around Istiklal Street were greatly affected by this change. As Behar (2006) explains, Asmalimescit went through a similar process as Ortaköy; because of the abandonment of the area by non-Muslims and displacement of the immigrating low-income groups. The district had to undergo another process called housing gentrification; then, hosted commercial activities and night clubs also experienced commercial gentrification because of its close

proximity to Istiklal Avenue. The negative results such as traffic, parking, and noise problems caused by the commercial gentrification made the housing gentrifiers leave the neighborhood.

On the other hand, according to Ergun (2004) and Şen (2005), what was dominant in the Galata and Cihangir neighborhoods was the housing gentrification. However, the gentrification patterns and speeds in those two areas were quite different. As identified in Şen's (2005) and Behar's (2006) researches, the buildings constructed with a European style in the 19th century in Cihangir formed a quite advantageous district compared to the other parts of the neighborhood in terms of urban outlook. It was mostly occupied by the bourgeoisie minority, Levantines, and foreign merchants as well as consulate staff. Cihangir was a very populated residential area, with its numerous stone buildings constructed in the early 20th century (Figure 2). After hosting so called marginal groups such as gays and transvestites in the '80s, thanks the increasing rent and housing prices, the neighborhood started to be inhabited by the upper middle class from the beginning of '90s. Besides, the students studying and academicians teaching in the colleges surrounding this location, and artists working nearby started to prefer this district to settle. The 'neighborhood spirit' resulted from the activities of the Cihangir Beautification Association, which was founded in 1995, also increased the attractiveness of the area. Cihangir became an elite district, where it was quite possible to run into a famous actor, movie maker, painter, or man of letters any time on the streets, and also became a symbol of the 'bohemian lifestyle' in Istanbul; furthermore, because of this distinction, it was named as the 'Republic of Cihangir' back then.

FIGURE 2 – Gentrified buildings in Cihangir. Source: Photos taken by author

Islam (2005) claims that, the speed and level of gentrification in Galata were slower than the one in Cihangir as a result of the waste

and pollution caused by small-scale manufacturing plants, warehouses, and commercial units that started to operate at the houses in this district which were abandoned by the non-Muslims. Both Şen (2005) and Islam (2005) explain the other factor of the slow gentrification as the forced immigrant population, who moved to Istanbul after 1990 as a result of terrorism acts in the east part of Turkey and settled in Galata. Despite all these negative elements, the stock of high-ceiling houses in Galata, which have great historical and architectural value, attracted the attention of the architects and artists in particular (Figure 3). The gentrifiers, who started to purchase and rent houses in the area, used the houses both as an atelier and residence. Following the first traces of the gentrification, the media staff, lawyers, and academics became the other gentrifiers in the neighborhood. The real-estate prices and the gentrification rate in Galata increased rapidly during this period. The increasing demand caused an increase in the number of businesses, such as cafés, bars, and restaurants addressing the new middle class right at and around the Galata Tower, in addition to the gentrified houses (Islam & Enlil, 2006; Şen, 2005).

FIGURE 3 – Gentrified buildings in Galata. Source: Photos taken by author

STATE-LED GENTRIFICATION IN ISTANBUL IN THE 2000s

Following the politic and economic fractures after 1980s, Istanbul underwent a new round of gentrification in the 2000s. While the period before the 2000s may be thought of as a preparation period

for a neoliberal urbanization phase, the period after the 2000s is the neoliberal urbanization phase, where different actors emerged and the profit and entrepreneurial power of capital and state were maximized. After the 2000s, the state put its priority on urban restructuring not only because of its emphasis on the integration of the EU and global economies but also because of the local economic conditions that make the construction sector the main engine of that growth. For this purpose, several projects have been lunched in the name of 'Urban Transformation/Regeneration' to create a "World City." Istanbul was strongly affected by such changes.

THE CONDITIONS FORMING THE STATE-LED GENTRIFICATION IN THE 2000s

After the 2001 economic and political crises, the Justice and Development Party (AKP) came to power as a non-coalition government with 65% of the seats in parliament. AKP's rare and exceptional performance continued until now. Behind AKPs success, there is the synthesis of neoliberalism, conservatism, and authoritarian populism. This synthesis not only unifies the fragmented power blocs of Turkey but also manufactures the consent of different classes. To achieve this, AKP implemented both economic and sociopolitical reforms. AKP, which claimed to isolate itself from its religious roots, verified this assertion starting from the new neoliberal economic policy (Çavuşoğlu, 2014).

AKP continued the transition to a 'Strong Economy' program that had been implemented with guidance from the IMF, and the three-year standby agreement with the IMF in 2003 signaled that the neoliberal structural compliance program would continue in a more rigid and comprehensive manner. The agreement focused on directives that would facilitate privatization and the flow of foreign capital into the country (Buğra & Savaşkan, 2014).

Acting as a bridge for Turkey, which has been trying to open up to the global world since the '80s, Istanbul's ongoing growth and development rate accelerated even more in the 2000s. The annual growth of the Turkish economy averaged 7% between 2002 and 2007, and the gross national product increased from $350 billion to $850 billion in the same period. Especially in 2003, along with the Foreign Direct Investment Law no. 4785, that was set to facilitate the investment process for foreigners in the country, the economic volume of the country started to grow even more. While the number of the international companies operating in Turkey was 5438 in

2002, with this new law, it increased to 18.308 in 2007 and reached 30.507 in 2012. Istanbul hosts 56.7% of such investments or, in other words, 17.305 of the foreign companies in 2012. These companies are mostly grouped into three sectors. These are wholesale and retail trade (6.319), the manufacturing industry (2.808), and real-estate renting and business operations (2.673). Another indicator for economic transformation in Istanbul is the changes in the distribution rates concerning operating companies. The rate of the service sector which was 13.6% with 119.993 companies in 1992 increased to 23.8% with 423.284 companies in 2002 and reached 27.1% with 802.683 companies in 2007. The effect of changing numbers in the service sector can also be observed in employment numbers in this sector; the 1.851.030 people working in the year 2000 has grown rapidly and reached 3.750.000 in 2010. What needs to be highlighted in this distribution is the province's involvement in the global flows and real estate sector's significant share in the sectoral distributions, which can also be considered as an indicator of gentrification (Under secretariat of Treasury, 2005, 2006, 2007, 2008, 2010, 2012).

In this period, there were important spatial changes in addition to economic developments. As Aksoy (2010, 2012) found out, investments made on transport infrastructure became especially prominent. The Istanbul Metropolitan Municipality spent half of its budget on the transport investments between the years of 2004 and 2009. These projects are the MARMARAY project, which is a tube tunnel project along Bosphorus Strait, new metro lines, and underground tunnels built in the old city center. In addition, Kurtulus (2011) reveals the fact that the vacant areas in the city started to be filled up one by one via development of the transportation networks. Growth in number of the shopping malls is a result of this sprawl in this transportation network. Number of shopping malls reached to 150 from 41 by 2010. In the residential zones, there has been an important increase in gated housing as a status and consumption model. While the number of gated housing was 49 in 2000, it was increased to 180 in 2003 and to 1000 in 2010. During this period, apart from the increased number of gated housing, gentrification was affected considerably from the increased number of public lands, which are permitted for construction, in addition to intense transformation and renewal of the existing environment.

CONTEMPORARY GENTRIFIERS

One of the most important reasons that differentiate the gentrification processes occurred in Istanbul from the beginning of the 2000s, is new actors that are taking part in the process. Especially after 2005, the participation and leading of different levels of the state became more convenient and easy via legal regulations, institutional reforms, and new legislations; big capital groups have taken on a crucial role in the practice of gentrification and increased their activity through partnerships that they established among each other (Aksoy, 2010; Islam, 2010, 2009; Karaman, 2008; Keyder, 2005; Uzun, 2013).

The first legislation that was highly influential on gentrification consisted of the changes in institutional reforms regulating the relationship between central and local governments. As Karaman and Islam (2012) note, municipalities, one of the new gentrifiers, generally adopted pro-gentrification policies via the logic of increasing boom in the city and decreasing demands for social services offered by the public, and thus, their own responsibilities. Before 2005, the municipalities in Istanbul did not directly intervene in the gentrification process, in other words, they were the passive actors of the process via providing bureaucratic conveniences to actors of gentrification in the '80s and '90s. As a result of the changes in municipal laws (which numbered 5216 and 5393 in 2004 and 2005, respectively), municipalities were given more resources and authority, and representatives of private enterprises were placed in governance units of municipalities. This process may also be called AKP-style municipalization, and is described as follows by Şengül (2009, p.150):

> "Municipalities under AKP's governance have participated in the urbanization of capital in a much more decisive manner in several ways compared to previous municipal governments. AKP municipalities follow these policies decisively by using external loans, privatization, and applications that do not consider the inhabitants of cities."

Following the change in municipal law, as can be traced through examples like Sulukule and Tarlabaşı, the municipalities gained the authority to intervene into the gentrification processes directly by adopting "urbanization and development projects in order to reconstruct and restore the ruined parts of the city" (Islam, 2010; Sakizlioğlu, 2014).

While decentralization tendencies of urban planning and gentrification actors was put in practice via municipal laws, the tutelage power of the central government over the local government and urban issues were increased concomitantly with the institutional arrangements either by establishment or reconfiguration. For example, with the establishment of ministries, such as the Ministry of Environment and Urbanization, and the reconfiguration of central institutions, such as the Mass Housing Development Administration (TOKI), different governmental bodies gained authorities to encourage and even implement gentrification through urban transformation projects.

In this period, TOKI, which was established in 1984 for producing social housing, became the main actor of the gentrification. After the legal arrangements in 2004, it started to work as the main revenue creator without any financial or any judicial control. With the new legal arrangements, TOKI was authorized (i) to establish a company carrying out activity in the housing or to be partners with existing companies, (ii) to develop projects directly or via participation inside and outside Turkey, (iii) to give credit directly for the transformation of slums and renovation of historical buildings, (iv) and when necessary, to subsidize in interest of these credits and to has the right to buy public lands without any charge by approval of the Prime Minister. After 2004, TOKI not only participated in the housing projects, but also became the constructor of office spaces, shopping malls, mosques, hospitals, and infrastructure projects. Apart from being the main actor of reproducing and redistributing space, TOKI also has another important task, which is to support the firms that are a part of new Islamic capital such as Kuzu, Tasyapi, Albayrak, and Calik by subcontracting. As a result of its monolithic hegemony, TOKI also became the main actor of unfair and biased competition, which is against the nature of neo-liberalism (Cavuşoğlu & Strutz, 2014; Islam & Sakızlıoğlu, 2015). As Ozdemir's study (2011) shows, TOKI, which implemented 250 projects and constructed 120,000 housing units in Istanbul, started to serve as a private and large company in time thanks to authorities it gained. It is considered as an important contemporary gentrifier, especially in the city with economic opportunities that it provided alone or through partnerships with 206 partnership agreements with the private sector.

Apart from institutional arrangements, the commodification of urban space through empowerment of state is enabled by a body of law. The first legislation permitting the gentrification and transformation of urban areas is Law 5366 (Conservation of Deteriorating Historic and Cultural Property through Renewal and Re-use). With this law,

local authorities were enabled to designate deteriorated and protected historical areas as “renewal areas” with the approval and final decision of the Council of Ministers. Additionally, thanks to this law, conservation boards, which were identified as the main obstacles of possible future transformation projects, were bypassed with the establishment of conservation boards for renewal areas. Law 5366 not only gave authority to municipalities for urgent expropriation but also encouraged the revaluation of central areas of Istanbul by total demolishing and reconstructing. Another law permitting the next phase of gentrification is Law 6306 (Law on Transformation of Disaster-Risk Areas), passed in 2012. According to this law, the central government has authority to declare any building at risk, and according to the governmental decision, the risky buildings are going to be demolished and rebuilt again. The importance and danger of this law is it that it avoids any right of owners and dispels any legal rights to protect their property against demolition. The owners can only sue for higher compensation, which they will receive from the government as expropriation price of their property. Apart from the changing laws directly related to urban transformation, laws related to tenant and property owner rights also played a crucial role during this process. According to Law 6098 (Turkish Law of Obligations), enacted in 2012, there is neither a maximum nor a minimum limit for the rent prices nor the direct rent control; additionally, the new legal arrangement gives the right to the landlords to ask for the eviction of tenants, who have been using the property for more than ten years, without providing any reason. With this new regulation, the sustainability of old, small businesses is substantially imperiled (Cavuşoğlu & Strutz, 2014; Türkün, 2011).

With the changing institutional and legal framework; institutional, legal and economic barriers that formerly brought to a halt the gentrification of urban space were eliminated, but also different levels of state with its widening authority became the main actor of gentrification.

STATE-LED GENTRIFICATION IN THE CONTEXT OF BEYOĞLU

In the 2000s, with the help of gentrification centered alterations in urban policy and the institutional framework, the state’s role in the gentrification process and the pace and form of gentrification evolved significantly. Despite the fact that the state is heavily involved within the process of gentrification from the beginning of the 2000s as the supporter of private sector, as well as a facilitator and initiator of the private-led urban projects, after the introduction

of a series of laws, especially Law 5366, its involvement in gentrification has gone a step further. The state became the main actor of gentrification in Istanbul, which became more aggressive and effective as a neoliberal transformative power. This necessitates dividing the discussion of the gentrification processes of the 2000s into two sub-sections: the state as the facilitator and the state as the main actor.

State as the Initiator of Gentrification

The gentrification, which was automatically realized via spontaneous initiatives before the 2000s, started to evolve into a process in which the state played an initiator role by creating the best conditions to enable gentrification and the private sector to operate effectively. In this period, gentrification, which formed through formal or informal, public- private partnerships, rose to street scale. This new gentrification process was observed effectively in Beyoğlu. Especially in Galata, where gentrification started slowly in the scale of housing, evolved with the emergence of opportunist large real estate investors. As Uzun (2013, p. 251) explains: "The driving force behind the gentrification-led property sales became a materialistic one that was motivated by the desire to earn profit instead of the desire to live in a historical area close to cultural activities. According to Şen's study (2005), the large investors, who systematically bought properties from the neighborhood, restored, and then marketed them to high-income groups, caused the change in the speed and expanded scale of the gentrification in Galata.

Another example from Beyoğlu, 'French Street' Project can be termed within this context. By being the first street-scale gentrification example in Istanbul, the project was initiated in 2004 along Cezayir (Algeria) Street of Beyoğlu (Figure 4). The street was previously inhabited by a Greek population, was then later occupied by lower income immigrant Romans and Kurds. The street's housing stock housed these groups until a private developer, the owner of Afitas Real Estate Agency, bought all properties on the street to create a 'French Street' consisting of restaurants and bars. Istanbul Metropolitan Municipality and Beyoğlu Municipality provided legal and bureaucratic conveniences to carry out the project by including it within the scope of the project entitled "Beautiful Beyoğlu." The original name of the street, Cezayir Street, which was not compatible with the anticipated elite image of the street, was gentrified as well because a bohemian aura demanded to be created, and was changed to "French Street." (Erek, 2007; Koksal, 2004). Moreover, as Şen's study (2005) demonstrates; 54 families who were members of low-

income groups were obliged to move from the houses where they lived without taking any social and financial support as a result of gentrification of the street.

FIGURE 4 – Gentrification in Cezayir Street. Source: Photos taken by author.

State as the Main Actor of Gentrification

As stated before, gentrification in Istanbul mutated in terms of scale, actors, and locations as a result of a series of legal and institutional reforms. Among all of them, "Law on Conservation of Deteriorating Historic and Cultural Property through Renewal and Re-use", numbered 5366, which was implemented in 2005 by the Council of Ministers, gave great authorities to the municipalities on urban transformation and caused an uncommon increase in the speed and scale of the gentrification. Thanks to newly gained authorities and liberty, the state triggered the gentrification processes in the areas where the transformation had not yet started or that did not have any potential for initiating said gentrification process.

After the law entered into force, the Municipality announced a range of areas in Beyoğlu, which has a significant part of the urban protected areas in Istanbul, as urban renewal/regeneration areas. The most remarkable one among these projects is the transformation project in Tarlabaşı that was planned in partnership with the Municipality, TOKI and Çalık Holding. Tarlabaşı, which is an old non-Muslim neighborhood, is located in the northern part of Beyoğlu on the European side of Istanbul. After the flight of the non-Muslim population, the neighborhood housed rural immigrants and, concomitantly, with the disinvestment of the state; entered the stagnation period. Especially after the opening of Tarlabaşı

Boulevard in the late 1980s, Tarlabaşı lost the connection with Beyoğlu, particularly with Istiklal Street which is the main cultural and entertainment axis of Istanbul. Consequently, with the increasing disparity with adjacent neighborhoods (such as Cihangir, Galata, Asmalimescit) that were experiencing gentrification in '90s, Tarlabaşı marginalized and decayed progressively (Enlil, 2000; Sakızlıoğlu, 2014). Tarlabaşı, which generally consists of buildings built on small parcels, partially registered and corroded, hosted the population composed of poor, uneducated immigrants, refugees, and marginalized people (Figure 5).

FIGURE 5 – View from Tarlabaşı. Source: Istanbul Photography Archive.

After the enactment of Law 5366, Tarlabaşı designated as one the six renewal areas in Beyoğlu (Decision no: 10172, 20.02.2006). After the designation, in 2006, Beyoğlu Municipality initiated the project titled "Tarlabaşı 360" to transform the area, that was associated with a scary, excluded, and crime-related life, into a more secure, better and livable neighborhood, and to integrate it with the city. Çalık Holding, which has an annual return of $2 billion, won the project by tender. Covering an area of approximately 20.000 square meters with 278 buildings, the project, which is based on a model of public–private partnership, aimed to create "Champs- Elysees of Istanbul" (GAP, n.d.) and bring the cultural heritage back through construction of luxurious residential and commercial buildings and hotels (Sakızlıoğlu, 2014; Islam and Sakızlıoğlu, 2015).

A period of two years was given to 444 title owners to evacuate their houses and working places, and two alternatives were offered to the

property owners to be liquidated from the area. The first one of these alternatives was to settle into houses built by TOKI at the boundaries of Istanbul with paying so-called low advance payments, and the second alternative was to accept expropriated price. Research by Sakızlıoğlu and Uitermark (2014) found out that 210 buildings, claimed for restoration, were nearly evacuated in 2012. A major part of proprietors sold their houses because of government pressure, and 144 property owners were engaged in a lawsuit with project partners after getting the expropriation notices. In Tarlabaşı, where sales transactions were initiated before completing the project, the square meter price of new houses is reached to 7.500 dollars (Sakızlıoğlu, 2014). Given the fact that a five-story registered building was expropriated for 30.000 dollars according to rules defined by the state, it is definite that the purpose of the transformation and gentrification is not to miss the opportunity of "widening rent gap" rather than "regeneration". In the end, the majority of residents were subjected to forced eviction without adequate notice or providing any legal remedies. The ones that accepted to buy TOKI houses in the peripheries of Istanbul, could not manage to pay the instalments and moved back to Tarlabaşı or adjacent neighborhoods (Islam & Sakızlıoğlu, 2015).

Furthermore, anti-gentrification strategies and movements in this round of gentrification caused unexpected reactions in Istanbul, where before the 2000s; there was not any serious social organization or urban movement culture (Figure 6).

FIGURE 6 – Demonstrations in Tarlabaşı. Source: Yasar Adanalı.

As Sakızlıoğlu and Uitermark (2014) indicate, in Tarlabaşı, which is one of the first places that experienced state-led gentrification, following the notice of the transformation project, the local community gathered and established the "Association for Reconstruction of Proprietors and Tenants of Tarlabaşı" as a reaction. Afterward, many voluntary lawyers, academicians, Human Rights Associations, chambers, and NGOs carried out legal actions, different activities and organizations to block the project. Although the project could not be brought to a halt, a significant delay and ground for a new struggle or social movement tradition were established.

DISCUSSION: ISTANBUL'S GENTRIFICATION: A SIMPLE REPLICA OF ANGLO-SAXON KIND OF GENTRIFICATION?

The majority of gentrification researchers in Turkey has mostly used existing conceptual toolboxes like stage or wave models for exploring the dynamics of gentrification processes in Istanbul and simply tried to show the identical qualities of the process with the Anglophone world by focusing on "core elements" of gentrification. This makes this paper question if the gentrification processes in Istanbul are a simple replica of gentrification processes of cities like New York or London or if a "particular path of endogenous gentrification" is simply overshadowed by misusing the gentrification as an analytical tool?

As demonstrated in section two, Turkish scholars who explored the gentrification theory from Anglo-Saxon literature tried to identify Istanbul's gentrification in the comparable areas to Western examples. Although neighborhoods like Kuzguncuk and Cihangir have common characteristics, like existing historical building stock and potential rent gap, gentrification dynamics in the '80s and '90s did not all stem from industrial decentralization and depopulation of historical city centers as happened in Anglo-Saxon cities. The areas that were subjected to gentrification in this time period were populated by the minorities, who formed the upper/middle social class. However, during the second half of the 19th century, the minorities and foreigners began to leave the country and their homes as a result of the disappearance of the economic opportunities, from

which they could benefit, and the rising political pressures aiming to expel the non-Muslim population out of the country. This time period also coincided with the rapid industrialization of Istanbul. As a result of two concomitant events and an intensive wave of immigration from the rural regions, because of the employment opportunities, abandoned quarters and houses of the non-Muslims were invaded by new poor immigrant groups. This process was also partly because of the populist state and political discourse that was unable to provide housing for newcomers and condone the invasion in the exchange of promising votes.

In addition, the gentrification processes in Istanbul, after 2000, contest the idea of third-wave gentrification that is contextualized in Anglo-Saxon studies "as a justification to obey market forces and private sector entrepreneurialism." (Wyly and Hammel, 2005, p. 35) Although there is an existing blueprint of capitalist logic, inequality, and aggressive neoliberal and zero tolerance gentrification policies, the process of gentrification, which is embedded in local context, is much more complex. In the case of Istanbul, similar to cities in Korea and Chile, the state is in the center of the gentrification process. The state not only shifted and implemented the gentrification urban policies but also directed and intensified the process by producing the gentrifiable building stock and shaping the demand for gentrification. Of course, special power conditions of current government, which has been a single-party government for 14 years, and strong control over different levels of governance, bureaucracy, and private sector made this shift in gentrification in the 2000s possible. Thus, although globalization and neoliberalism has certain effects on the rise of the new middle class and forming the new capitalist urban transformation logic, Istanbul's gentrification history could be regarded as a relatively endogenous process.

CONCLUSIONS

Recently expanding gentrification literature shed light on the complexity of gentrification by exploring the contextual speculative urbanization, power structures, different cultures, and penetration of global forces into the different geographies. This fruitful expansion of critical elements and different manifestations of gentrification not only helps us to understand the importance of local context but also facilitate the proclamation of the theoretical

freedom of 'other' geographies of gentrification. In this vein, this literature review can be regarded as the first step in exploring the place specificity of Istanbul's gentrification.

This paper shows that since the 1980s, neoliberalism unfolded in many ways in Turkey, especially in Istanbul, which has been trying to articulate world market. As a result of changing socioeconomic policies and capitalist relation of production, new consumption patterns and new economic classes have emerged. These changes could be noted as the initiator of one of the most effective transformative power of urban space: gentrification. The first sign of gentrification in the '80s, which was motivated by high environmental amenities such as historical value and pleasant landscape, was in the form of housing gentrification. Gentrification in the '90s, similarly to in the '80s, was directed by new consumption habits of the new middle class and intense cultural and leisure activities in the historical center. Gentrification in the '80s and '90s was limited and gentle due to the legal and institutional barriers such as conservation boards. However, the gentrification process in Istanbul evolved in the 2000s. Gentrification in this time period was initiated and characterized by different levels of state with the help of new legal arrangements and institutional reforms. Gentrification in the 2000s became very aggressive with the changing scale of the process from street to neighborhood level. Concomitantly, certain level of resistance against social policies and city movements, which cannot be reckoned in the '80s and '90s, were raised in this period. The process of gentrification in Istanbul could not have been consolidated without the presence of coherent and perpetual harmony of different levels of governance and bureaucracy. This also proves the importance of investigating and identifying contingent and contextual dynamics in any given locality.

As mentioned before, gentrification research in Turkey has become popular in the last two decades but is still very limited. This is partly because of the inadequacy of available data and compelling bureaucratic procedures for accessing the data, but above all, this problem is related to using incompetent Western analytical tools and methodologies to explore gentrification in Istanbul. As this literature review shows, there is an urgent need for a more grounded approach, both for gentrification studies in Istanbul and for constantly redefined gentrification theory. Gentrification researchers in Istanbul need to disentangle themselves from narratives and have to offer a relational perspective that manifests conjectural and contingent path of the commodification of space, unequal power relations, and critical role of the state. In doing so, we do not fall into the trap of simple assumptions that "over- generalize distinctive

urban processes under the label of gentrification." (Shin et al., 2016, p. 456).

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CHAPTER 2 (Published at Urban Geography, doi: 10.1080/02723638.2017.1395611)

Emerging Forms of Neoliberal Governance On Public Space: An Informal Business Improvement District in Istanbul

INTRODUCTION: THE PRIVATE GOVERNANCE OF PUBLIC SPACE

In past decades, urban redevelopment and revitalization projects centred on the creation of new 'live-work-play' and safe-clean public spaces in order to attract business headquarters, advanced services and foreigner investors, as well as flows of tourists and consumers, have become an international mantra for coping with many declining urban areas (particularly central ones). The success of these projects has been increasingly linked to the driving role of private actors, in a framework of local government budget shortages (Bradley, Hall, & Harrison, 2002; Fainstein, 1994; Philo & Kearns, 1993; Savitch & Kantor, 1995).

In this context, the Business Improvement District (BID) has emerged as one of the possible instruments available to public authorities and private stakeholders. Generally speaking, a BID is a form of governance that allows private actors to manage directly several aspects of the daily life (such as cleaning, lighting, and security) of a defined (public) area of a city instead of the municipality.

BIDs spread firstly (and mostly) in the US, and then in the UK; hence, the international literature focuses almost exclusively on those contexts. Far less attention has been paid to Southern Mediterranean countries, and to Turkey in particular. This is also due to the fact that BIDs – as well as other trends typical of urban neoliberalisation – seem, at a first glance, not yet fully settled in Turkey. However, on closer examination, it emerges that the situation has started to change in recent years. As we will argue in this paper, something very similar to a US BID appeared in Istanbul a few years ago, in the district of Talimhane. However, in Turkey there is no legal framework regulating the implementation of a formal BID; hence,

what emerged was a sort of 'informal BID': it had all the constitutive characteristics of a BID, but it was implemented through a series of diversified, informal and piecemeal arrangements.

This article investigates the birth and the evolution of this first informal BID in Istanbul, the purpose being to contribute to the ongoing discussion on the evolution and migration of this instrument of urban governance. To this end, the first section conducts a critical review of the genesis, features and outcomes of BIDs. The second section presents the Talimhane case in Istanbul, and the third one analyses the development of the BID in the area. Similarities and differences between the Talimhane case and other cases of BIDs around the world are then discussed.

BUSINESS IMPROVEMENT DISTRICTS: AN OVERVIEW

DEFINITIONS, ORIGINS, AND FEATURES

As a complex and still evolving phenomenon, there is no standard and shared definition of BIDs in the literature[2]. However, generally speaking, we may say that the expression 'Business Improvement District' refers to a circumscribed urban area, hosting mainly commercial activities, where a private model of governance is in force. A BID is usually managed and financed by business and property owners, with the permission – and, sometimes, also with the support and participation – of public authorities. It aims chiefly at local improvements, usually enhancement of the quality of public space and services, and promotion of the area. These activities can be performed in addition or in place of those provided by the public authorities.

According to Ward and Cook (2014), it is possible to identify three main spheres of activities which characterize BIDs: first, public space

[2] A quite convincing definition is provided by Hoyt (2004), who stated that a BID identifies "a flexible form of governance that allows participants to craft solutions in a way that is sensitive to the local context and where state and local funding is limited. The model provides an opportunity for multiple stakeholders to organize, operate with autonomy, and manage programs to improve the physical, economic, and social conditions within their geographical jurisdiction" (p.3).

cleaning and maintenance, in terms of providing basic services and monitoring the appearance of the streetscape; second, securing public spaces and businesses, often with private security guards and surveillance technologies; third, marketing and branding the area, both inside and outside the city.

From this point of view, BIDs can be identified as part of the larger phenomenon of private government (Baer & Feiock, 2005; Helsley & Strange, 1998).[3] The expression 'private government' refers to

> "the system of non-public actions and organizations that are subtle, less visible, and less accountable to the electorate than public government but which exercise political power, solve public and private problems, distribute resources in local community settings, and feed information back into the system of public decision making" (Mendel, 2010, p. 727).

Although it is possible to argue that the BID concept borrows some elements from medieval Europe, in which merchant guilds or associations voluntarily provided basic security and maintenance services to market places (Milgrom & North, 1990), BIDs in the current form appeared in the 1970s. They emerged as schemes to revitalize downtowns which had lost their attractiveness and vitality (Mitchell, 2001), in particular in a context in which local authorities were no longer effectively able to provide some public services due to economic shortage. In such areas, local businesses started spontaneously to organise themselves in order to manage the area in which their activities were located. Initially, this happened mainly in a quasi-informal and weakly structured way through private agreements and arrangements of different sorts among the participants. Soon, however, public regulations and formal partnerships with local authorities legitimized and routinized this institution (Peyroux, Pütz, & Glasze, 2012).

The first case of a BID can be probably identified in a business quarter in Toronto, Canada, in 1970. However, it was particularly in the United States that this instrument found fertile ground. A first US BID was established in downtown New Orleans in 1975; then, in the late 1980s and 1990s, BIDs mushroomed: the estimated number of BIDs in the US has recently reached more than 1,000 (Becker, 2012; De Magalhães, 2012). To be noted is that BIDs in the US vary in their structure, form, features, and functions. These differences are echoed in the names that they acquire: for instance, they have

[3] See also the concept of contractual communities (Moroni, 2014).

been termed 'special improvement districts' in New Jersey, 'parking and business improvement associations' in Washington DC, 'improvement districts for enhanced municipal services' in Arizona, and 'self-supported municipal improvement districts' in Iowa (Lorlene Hoyt, 2004; Lorlene Hoyt, 2006; Mitchell, 1999; Morcol, Hoyt, Meek, & Zimmermann, 2008).
In Europe, BIDs first appeared in the UK at the beginning of the 2000s (Cook, 2009; Dawkins & Grail, 2007; Ward, 2006). They then spread to several other European countries. Today they exist in France, Germany and the Netherlands, for instance. Note also that BIDs have recently started mushrooming in other parts of the world, such as Japan and South Africa (MacLeod & Ward, 2002; Peyroux, 2012; Ward, 2007). This spread is probably due to several concomitant factors; among them, the promotional activities of national and international organizations such as the International Downtown Association (www.ida-downtown.org), the adaptability of this form of private governance to different contexts with similar problems, the fact that BIDs fit perfectly with hegemonic neoliberal narratives such as the entrepreneurial city (Lorlene Hoyt, 2006; Peyroux, 2012; Peyroux et al., 2012).

According to the context in which they are located, BIDs differ in their nature and features. However, there are five main elements that usually characterize them. First, defined boundaries: all BIDs are responsible for governing a defined area; this implies that, even though the size of BIDs varies, their borders are always explicitly defined. Second, self-financing: BIDs receive most of their funding in the form of fixed fees or ad hoc contributions from the business or property owners in the BID area. Third, voluntary adherence: the members join the BID voluntarily on the basis of some expected benefits. Fourth, private governance over public space: although BIDs are always somehow connected to public authorities, a central role is played by private stakeholders, which have a direct role in the management and provision of public space and services.[4] Fifth, economic rationale for private benefits: even though many BIDs are legally categorized as private non-profit organizations, they are clearly driven by the economic interests of the private stakeholders involved – which is why they are sometimes defined as privatized and market-oriented policy tools (Mitchell, 1999; Ward, 2005; MacDonald, 2000; Mitchell, 2008; Briffault, 2010; Peyroux, Putz & Glasze, 2012; Ward & Cook, 2014).

[4] In some cities, like New York, BIDs are mainly private sector initiatives; in other cities like London, Tokyo and Hamburg, they take the form of public-private partnerships (Steel & Symes, 2005). Generally speaking, BIDs in the majority of European countries are characterized by a more proactive role of the public sector than their equivalents in the US (Hoyt, 2006). Note that there are few cases in which the initiative is funded solely by the public sector (Hoyt & Glopal-Agge 2007).

CRITICISMS

Even if positions on BIDs are quite different and sometimes conflicting within the academic community, generally speaking the majority of scholars tend to consider BIDs to be an outcome of neoliberalism (see, among many others: Briffault, 1999; Cook, 2009; Hochleutner, 2003; Lorlene Hoyt, 2005, 2006; Lorlene Hoyt & Gopal-Agge, 2007; Justice & Skelcher, 2009; Marquardt & Füller, 2012; Morçöl & Wolf, 2010; Peyroux, 2012; Peyroux et al., 2012; Ward, 2006, 2007; Ward & Cook, 2014; Wolf, 2006). A lack of accountability and the privatization of public space are two specific criticisms usually stressed with reference to them.

In regard to the issue of accountability, common criticisms are that BIDs give voting rights and decision-making power on several public aspects of an urban area only to business or property owners, instead of publicly-elected representatives. According to some scholars, this increases the risk that the needs of local people may be ignored, and of discrimination against 'undesired' groups (for instance, because they are seen as bothering business activities, e.g. in the case of homeless people) (Hoyt, 2006; Morçöl & Wolf, 2010; Ward & Cook, 2014). A reply to this criticism is that elected representatives have not been 'robbed' of their power to decide; rather, they have consciously and voluntarily chosen to relinquish it, and to delegate (partial) governance of the area to the BID on their behalf. Some crucial issues, from this point of view, are the following: do elected representatives have legitimacy to confer governance of a city portion to a private body? Are the public advantages of the BID (for instance, improvement of the physical environment and the creation of new jobs) sufficient to justify the devolution to a private body? What powers and prerogatives can be devolved to the BID, and what should be kept in public hands? (Briffault, 1999; Cook, 2009; De Magalhães, 2012; Heather, 1996; Lorlene Hoyt & Gopal-Agge, 2007; Levy, 2001; Marquardt & Füller, 2012; Morcol et al., 2008; Morçöl & Wolf, 2010).

Privatization is the second main source of criticism for BIDs among many researchers. It is sometimes linked to a question of equity: BIDs are viewed as means for a privatization of public space which harms the less well-off in particular (Zukin, 1995; Mallet, 1995; Hoyt & Glopal-Agge, 2007). Let us consider the issue in detail. One of the main declared aims of BIDs is to create a 'safe and clean environment'. However, the concept of a clean and safe environment usually encompasses not only the provision of security services (such as private security guards patrolling the public space and surveillance CCTVs), but also the prevention of activities which may

damage businesses, such as skateboarding, begging, and other so-called 'anti-social behaviours'. This often results in exclusionist policies towards undesired groups, with the consequent creation of a sterilized and homogeneous place where the free accessibility of public space is restricted and the diversity of street life is damaged (Marquardt & Füller, 2012; Minton, 2006; Peyroux et al., 2012; Zukin, 1995). In short, BIDs are seen as transforming public city centres into new luxury shopping malls at the expense of the fundamental and constitutive characteristics of public spaces (De Magalhães, 2012; Lorlene Hoyt & Gopal-Agge, 2007; Mallett, 1994; Morcol et al., 2008). This is why BIDs are deemed a paradigmatic component of urban neoliberalism, a way to promote the creeping gentrification, sanitation, and commodification of central areas (Marquardt & Füller, 2012; Steel & Symes, 2005; Ward, 2006).

Some possible replies to these criticisms are the following. For instance, BID advocates argue that the beautification and safety of streets are not negative actions per se, and they are certainly important for attracting all categories of people, not just the better-off (and they are appreciated by all of them). In their opinion, commodification and sterilization are weak and ideological notions: "Were our city centers more authentic when they were abandoned at night with graffiti and plagued by crime?" (Levy, 2001, p. 127). Also new job opportunities created for the benefit of unskilled members of society are stressed (Lorlene Hoyt & Gopal-Agge, 2007; Levy, 2001; Steel & Symes, 2005). Consider also that claiming that a BID is a new form of shopping centre is, strictly speaking, not completely correct: shopping centres can quite strictly control and select customer access and behaviours because of the private ownership of their spaces (Askin, 1997; Chiodelli & Moroni, 2015; Sisk, 2006). By contrast, BIDs do not have these rights when they are created on a public area. In this case, they remain under the jurisdiction of municipalities, and democratic activities like free speech and political demonstrations are usually not forbidden within their confines.[5]

[5] There are few cases in which limitations on these rights have been enforced (MacDonald, 1996; Warner et al., 2002).

THE TRANSFORMATION OF TALIMHANE IN THE CHANGING ISTANBUL

Although Istanbul is not the capital city of Turkey, it can be considered the country's main city from an economic, cultural and demographic viewpoint.[6] Its growth dates in particular to the period after the Second World War, even if it was after the 1980s that its (spatial, demographic and economic) expansion mainly accelerated. The recent expansion of Istanbul is also due to the efforts of national and local governments to transform it into a sort of new global city (Keyder & Öncü, 1994) through the promotion of a number of large urban regeneration projects that have changed the physiognomy of the city (Enlil, 2000; Gunay, 2010; Keyder, 1999). A prominent role in this regard has been played also by the current government, which has been run by the Justice and Development Party since 2002: in the past fifteen years, it has launched many large-scale projects, including waterfront developments, luxury hotel districts, and urban revitalization projects.

These transformations have taken place in particular in the Historical Peninsula, Haliç and Beyoğlu districts. The case of the Taksim area in the Beyoğlu district is paradigmatic. Here, in the past two decades, many tourism and cultural activities have clustered, in particular along the axis of Istiklal Street, as part of a larger process of spatial and social transformation involving the area (Berköz, 1991, 2000; Özdemir, 2000; Tokatli & Boyaci, 1999). Also the neighbourhood of Talimhane, close to Taksim Square, has been affected by this transformation process.

Talimhane is a neighbourhood in the district of Beyoğlu lying to the north of Taksim Avenue, at the point where Cumhuriyet Avenue and Tarlabaşı (Refik Saydam Avenue) intersect. It is located in a very central area of the city, well connected to the other key parts of Istanbul by public transport and a dense network of roads (Figure 1).

[6] Today Istanbul has around 14 million inhabitants.

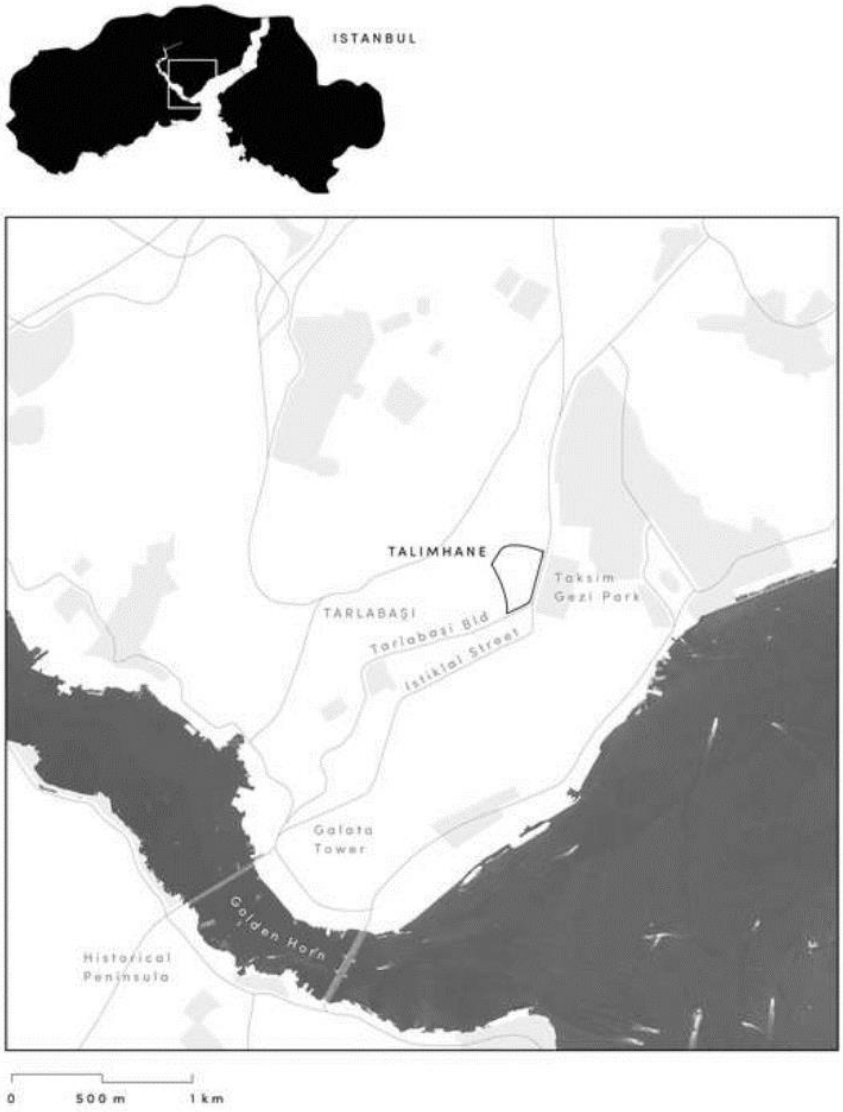

FIGURE 1 – Location of Talimhane. Source: drawn by the author

Talimhane has been principally a residential neighbourhood since the post-war period (Akın, 1998; Polat & Polat, 2006).The first residents of the area were mostly affluent Greeks and Armenians, who settled there at the beginning of the twentieth century, in sumptuous large houses. These Art Deco and modernist buildings still characterize the neighbourhood, providing it with high architectural quality (Figure 2).

FIGURE 2 –Talimhane apartments built at the beginning of the twentieth century. Source: Photo taken by author

However, these first residents were forced to leave Turkey by the 6-7 September incidents of 1955.[7] After those events, low-income population from Turkish rural areas in particular started to move into the abandoned residences (Polvan & Yönet, 2010). During 1960s and 1970s the quality of the area gradually worsened: several 'unwanted activities' (such as car repair workshops) arose in the neighbourhood, and crime rates increased. These induced the wealthier residents to sell their properties and move to other areas

[7] The events of September 1955, which were related to disputes in Cyprus, resulted from (false) claims that Atatürk's birthplace in Thessaloniki had been deliberately damaged by the Greeks. This excuse was used to justify orchestrated anti-Greek attacks on people and property, mostly in Istanbul, leading to ethnic cleansing (Polvan and Yönet, 2010).

of Istanbul, such as Şişli, Nişantaşı or the Anatolian side of the city. They were replaced by a new wave of low-income, low-skilled and poorly-educated people coming from the eastern and south-eastern parts of Turkey. From the 1960s to the 1990s, therefore, despite different flows of people from and to the area, Talimhane remained essentially a residential area, hosting low-class people in particular (Sönmez, 2009). Beginning in the 1990s, however, large-scale changes transformed Talimhane, detaching it from its previous role as a residential area for low-income people.

The triggering event of the area's transformation into an affluent commercial district can be identified in the 1988 opening of Tarlabaşı Boulevard (Figure 1), which connected Istanbul's historic peninsula with Talimhane and Taksim Square. The boulevard cut off the adjacent Tarlabaşı quarter and its surroundings from commercial portions around Taksim Square. In the newly-separated Tarlabaşı quarter, informal activities, drug dealing, and petty crime flourished. By contrast, on the southern side of the boulevard, a large pedestrianisation and revitalization project for Istiklal Avenue led to a radical and rapid change of the area, greatly increasing the number of cultural, economic and commercial activities located there (Enlil, 2000; Tekeli, 1994).

In 1992, Talimhane was one on the portions of Tarlabaşı which attracted the attention of the municipality (due both to its good connections with the rest of the city and its historical-architectural value), which decided to transform it into a sort of business district with a specific focus on tourism. The first public initiative in this regard was its designation as a 'hotel district' by the Council of Ministers in 1987. [8] This designation of Talimhane as a hotel zone triggered the process of social and spatial transformation of the area: housing started to be replaced with hotels, commercial units and offices. Consider that, according to municipal land use data, in 1955 almost all of the buildings in Talimhane were utilized as houses. In 1993, few banks, shops and offices, together with a number of warehouses and artisanal workshops, were recorded in the area; five hotels existed at that time. Ten years later, in 2003, tourism functions were largely dominant, with 17 hotels and many shops; on the contrary, poor functions such as warehouses and artisanal workshops had almost completely disappeared (IBB, 1955, 1993, 2003).

[8] A few years later, Talimhane was also declared an "urban protected area" by the Cultural and Natural Heritage Conservation Board of Istanbul (decision number 11,437, 7 July 1993). Further decisions (see for instance Decision No. 663, in the 1999) reinforced its character as a protected area in terms of architectural heritage. As a consequence, every change in the physical aspect of the buildings is subject to severe limitations and must be approved by the Conservation Board (Özden, 2008; Polat & Polat, 2006).

The last major public measure transforming the area has been the 2004 “Beyoğlu Talimhane Area Front Rehabilitation, Urban Design Implementation Project”, promoted by the Istanbul-Metropolitan Municipality and the Beyoğlu Municipality. Intended mainly to meet the accommodation needs of the Istanbul NATO Summit in 2005, the project comprised a series of physical measures aimed at increasing security, accessibility, preventing the deterioration of individual buildings, eliminating illegal activities and informal parking lots, and providing high-quality public space for outdoor activities. Its core was the pedestrianisation of the Talimhane area. Access by car to the entire area was severely limited, and urban furniture and pavements were renovated in order to facilitate pedestrian circulation (IBB, 2004a).

After the completion of this last project, the urban profile of Talimhane changed definitively. Although the purpose of the “Beyoğlu Talimhane Area Front Rehabilitation Urban Design Implementation Project” was only the physical rehabilitation of the area (IBB, 2004b), its outcomes were much larger: in fact, the project contributed to the area’s definitive change in terms of activities and users. Moreover, as we shall argue in the next section, the revitalization project paved the way to the creation of an informal Business Improvement District (IBB, 2004b).

In less than two decades car repair workshops, cargo companies and other small workshops, which had been operating in Talimhane since the 1970s, disappeared. The same applies to housing units for low-income people. All these activities were progressively replaced by hotels, cafés, restaurants, souvenir shops, and upper-middle class apartments (Akın, 2005).

Today, Talimhane continues to move along its development trajectory as a tourist area, serving in particular affluent tourists and consumers (Esmer, 2015).[9] This is also related to the fact that it was launched as the “new Shanzelize Street” by the Mayor of the Istanbul Greater Municipality, and also used in Beyoğlu Municipality commercials as an example of a successful urban transformation (Esmer, 2013; IBB, 2004b). Consequently, land prices in the area continued to rise, reaching around 80,000 euros per square metre in 2015 (Esmer, 2015).

[9] Note that, in very recent years, the tourist profile has started to change from European to Arabic tourists, and room prices have fallen greatly (by around one third) because of the opening of new branded hotels such as Hilton and Marriot in close proximity (Esmer, 2015).

AN INFORMAL BID IN ISTANBUL: THE TALIMHANE TOURISM HOTELS & INVESTORS ASSOCIATION

After completion of the Beyoğlu Talimhane rehabilitation project in 2005, in order to strengthen the emerging touristic vocation of the area and to prevent the re-emergence of security and social problems, several hotel owners in the Talimhane neighbourhood established the "Talimhane Tourism Hotels & Investors Association" [TTHIA] (Figure 3).

The TTHIA is a non-profit organization whose requirement of membership is ownership of a hotel or business in Talimhane (Charter of TTHIA, 2005). The official purpose of the association is to promote its members' interests through the management of the area, including infrastructure, security, repair and, most importantly, the socio-economic and cultural improvement of Talimhane; this can be achieved through partnerships with public authorities, NGOs and other private institutions on specific projects (Charter of TTHIA, 2005). Today, the TTHIA is composed of 32 hotel owners. All of them have the same right to vote in the association's decisions (all the decisions of the association need an absolute majority of votes).

The Association's source of income consists solely of membership fees and contributions related to specific activities, projects or initiatives. The membership fee is very low: it comprises an entry fee (around 180 euros) and an annual fee (around 70 euros). Contributions for specific activities are on the contrary more significant, and they are divided among the members according to each hotel's number of stars and rooms. To gain an idea, consider that the association's budget for the 8 years from 2005 to 2013 was around 6.6 million euros. The Association's budget for 2014 was around 720,000 euros (Esmer, 2013, 2015).

FIGURE 3 –Hotels which are members of TTHIA, the are managed by association, and other hotels in the district. Source: drawn by author

Generally speaking, it is possible to identify three main fields of activity by the association: first, management of public space; second, promotion of the area and organization of special events; third, lobbying.

The association's main field of activity is the management of public space. This comprises both the maintenance and repair of public furniture and infrastructure (such as street lights, pavements and electrical infrastructure) and security (Charter of TTHIA, 2005; Esmer, 2009, 2013). The latter is particularly important: almost half of the TTHIA's annual budget, amounting to around 300,000 euros per year, is devoted to security services. Security services are provided by a private company, Akdeniz Güvenlik [Mediterranean

Security], which employs around 30 people in the area. Mediterranean Security private guards operate in close cooperation with the municipal police. Generally speaking, private guards in Istanbul are not allowed to operate in public spaces. However, to overcome this obstacle, under an informal agreement with Beyoğlu Municipality, Mediterranean Security guards operate in Talimhane wearing the uniform of the municipal police. In this way, they were initially allowed to patrol public spaces, despite some limitations on their activities (for instance, they needed the support of official police officers to issue fines or track 'suspicious' acts and people) (M.O., 2014). This cooperation, however, was interrupted after the protest of Gezi Park in summer 2013. In fact, some hotels in Talimhane offered protection to many protestors from the violent police attacks. In revenge, according to Esmer (2015), the Turkish President Tayyip Erdogan asked local authorities to halt all ongoing projects, support and cooperation that the public authorities had with the association.[10] This also concerned security matters: from 2014, the private guards employed by the association were no longer allowed to patrol public spaces in Talimhane (M.O., 2014). Hence, private guards were stationed in front of hotel premises, and they could no longer intervene in the public space. Recently, the security of the area has been strengthened with CCTV cameras installed by the TTHIA.

The association's second main area of operation is place branding and the promotion of public events. This latter activity is usually undertaken in cooperation with the Beyoğlu Municipality. As this is one of the few pedestrianized areas in this portion of the city, activities like free public concerts and festivals (e.g., New Year street parties or the opening party of the Istanbul Film Festival), in Beyoğlu municipality very often take place in the Talimhane area. The TTHIA contributes in various ways to these events, for instance by providing free accommodation for artists during festivals, and organizing free Ramadan Iftar suppers on behalf of the Beyoğlu Municipality (Esmer, 2009, 2013, 2015).

The association's third activity is lobbying, with particular regard to building and planning issues. The first case of close interaction between the association and the municipality took place in 2005 during the last phase of implementation of the Beyoğlu Talimhane Rehabilitation Urban Project: in fact, decisions about the area's pedestrianisation and accessibility were negotiated with the association (Esmer, 2009). Also a land use plan with a tourism

[10] However, the president of the Talimhane Tourism Association declared himself confident about the possibility of resuming close cooperation with public the authorities, also thanks to important association members close to President Erdogan (Esmer, 2015).

function designation for Talimhane, issued by the municipality in 2009, was informally negotiated with the representatives of the association. Note also that, in past years, several building violations related to hotels premises were detected in the area (for instance, unauthorized additions or façade modifications in several hotels), but the public authorities never took legal action against those violations – probably because of the connections between the association and the municipality. In this case, too, the situation changed after the Gezi Park events, and in the past two years the Beyoğlu Municipality has fined several hotels for these violations (Esmer, 2015). A similar situation applies in the case of building permits. According to the law, new hotel and commercial building projects can only start after receiving approval from both the Conservation Board and the local municipality. However, the large majority of current hotel building projects have received only the approval of the Beyoğlu Municipality, which makes the legal status of ongoing projects questionable (Solano, Geambazu, Soltanzadeh, Swangpol, & Mohyeldin, 2014). Once again, this is the result of the lobbying activities of the TTHIA, which has succeeded in finding a way to obtain more straightforward approval of its members' building projects (Esmer, 2013). At the same time, this exposes these hotels to the risk of 'blackmail' by the Beyoğlu Municipality, which, in this way, increases its political control over the TTHIA and the area.

DISCUSSION: AN EMERGING BID IN ISTANBUL?

The description of the characteristics and activities of the Talimhane Tourism Hotels & Investors Associations raises the following question: is Talimhane an emerging business improvement district in Istanbul?

In Section 2 we stressed that, generally speaking, BIDs are characterized by five main features. All these features fit with the case of the Talimhane Tourism Association. First, although the Association does not manage a clearly specified and formalized territory, the area on which it focuses can be easily identified. Second, it is entirely self-financed by the owners of the hotels belonging to the association. Third, these owners joined the association voluntarily to obtain the benefits expected for their businesses from the association's operation. Fourth, the association manages various aspects of public spaces in Talimhane, sometimes

in the stead of the municipality (as in the case of repairing public furniture), sometimes supplementing the municipality's action (as in the case of private security). Fifth, the Association's actions are almost always connected, directly or indirectly, to economic benefits for its members.

The main difference with respect to several international BIDs is that, in the case of Talimhane, there is no legal framework establishing the constitution of the BID: hence the relationship with the public authorities rests only on informal, temporary and ad hoc agreements. This situation of informality becomes the arena in which asymmetric and changing power relations appears. On the one hand, this informality enables the TTHIA to obtain, through negotiations with the local authorities, some privileges to which it was not formally entitled, such as private patrolling of the public space, or having a voice in some urban rehabilitation projects in the area. On the other hand, this informality enables the public authorities to exercise their political control over the association (and, through it, over the area). This was made clear by the events of Gezi Park; due to the support for the demonstrators by some hotel owners, the public authorities suddenly cancelled various privileges granted to the association in previous years, and started meticulously to exercise all their legal powers in reprisal (in the case of legal action against building violations). This highlights how problems of accountability are even greater in the case of an informal BID. Since no official decision to devolve some public functions and powers to a private body has been taken by the public authority, it is not clear who must be accountable and responsible for the governance of public space in the area. As we have seen, this informality is becoming increasingly problematic for the association itself, since the public authorities retain the power to revoke their concessions unilaterally as a means to exercise their pressure and control over the association. From this point of view, the formalization of the BID is a possible way to enhance the transparency and accountability of governance in the Talimhane area, to the benefit of both the TTHIA and the public.

The case of Talimhane recalls other criticisms made of many BIDs around the world. This relates in particular to questions of selective improvement and creeping gentrification (Lees, 2000, 2003). The operation of the BID, together with the outcomes of the above-mentioned revitalization projects, has created a rift in the neighbourhood. This rift is both spatial and social. The improvement of the area's physical conditions – which must be recognized as an evident success of the BID's initiatives – has been very selective, and has not concerned the western part of the neighbourhood, which is still a derelict residential zone, inhabited mostly by poor people.

Many houses suffer from overcrowding: they are inhabited simultaneously by several families, which frequently struggle with unemployment or work in the informal sector (e.g. selling water or flowers on the streets of Taksim and Talimhane); the area is characterized by petty crime, low urban quality and poor public services (Sönmez, 2009). Although the residents of the western part – and also the few people still residing in the eastern one – live a few meters from the hotel district, they do not use it in their everyday lives: their needs and lifestyles are very different from those of people visiting the area (both tourists and local people), and they are not meet by the businesses located there (hotels, luxury eating and drinking places, fancy shops). Nor has the area's renovation benefited them in terms of new jobs created in the Talimhane district because the majority of low-skill people working in hotels, bars and restaurants are not local residents (Esmer, 2013). Moreover, there is also the possibility that the success of East Talimhane may lead to its spatial expansion either for public interventions similar to the Talimhane Rehabilitation Project or for a 'spontaneous' progressive gentrification: in this case, the western part of the neighbourhood will be at risk of being subject to a process of transformation with harsh social consequences for its inhabitants similar to those experienced by East Talimhane.

At the same time, to be noted is that a significant process of sanitization has not yet occurred. In fact, the impact of securisation on the area has been quite mild: few security cameras have been installed in the area, and the operation of private guards – also for the above-mentioned recent problems with the local police – is very limited. The Talimhane Tourism Association, for instance, would like to exclude beggars from the area because they are deemed to damage its image. However, the only thing that the association has been able to do is photograph them and report them to the Beyoğlu police, who, in return, reply that they can only impose a 30 euro fine (which neither acts as a deterrent nor keeps beggars away from Talimhane) (Esmer, 2013).

CONCLUSIONS

"Cities became increasingly important geographical targets and institutional laboratories for a variety of neoliberal policy experiments." (Brenner & Theodore, 2002, p. 21). The case of Talimhane, Istanbul, is paradigmatic. An instrument of the private

governance of public space, which was born and developed in North America, has recently arisen in a Mediterranean country where neoliberal urban policies appeared not long ago. In arising in Turkey, the Business Improvement District took advantage of some features of Turkish urban governance. This refers to two closely interrelated aspects: the informality of relations between public authorities and private stakeholders; and the public power's strong (and sometimes oppressive) control over the public space. As stressed in the previous sections, the lack of a formal legal framework for the establishment and operation of the BID has increased the field of action of private governance over public space. This extends to sectors which it would not be entitled to control, such as the private patrolling of public spaces. At the same time, this regime of informality augments the margins of control and discretionality of public authorities. The privileges granted to the TTHIA have been withdrawn (and, probably, were also given) as a means to exercise political control over the activities of the TTHIA and, through it, over the space of Talimhane, as testified by the reprisal against the association subsequent to the support given by some hotel owners to the Gezi Park protesters.

Our analysis of the informal BID in Talimhane shows the versatility of this instrument of neoliberal governance. Its spread in so many different countries may be due also to its flexibility, which enables it to respond to complex, multifaceted and changing needs of urban governance in different contexts. In the case of Talimhane, the BID responds simultaneously to the needs of several actors: the Istanbul-Metropolitan Municipality, which wants to transform several central portions of the city in order to market Istanbul as a global city; the Municipality of Beyoğlu, which wants to reduce its expenditure on the management of public space in a period of financial austerity; the hotel owners in Talimhane, who want to manage privately the area in which their activities are located for the benefit of their businesses; some public bodies which want to strengthen their control over the public space as a means to exercise their control over public life in Turkey.

More research is needed to understand fully the characteristics, outcomes, evolution and peculiarities of neoliberal urban governance in Istanbul (and in Turkey in general): How do the distinctive (institutional, political, and cultural) features of the Turkish context (for instance, the informality of private-public relations and the high degree of political control over urban measures) interact with BIDs and other similar instruments of neoliberal governance born and developed mainly in very different environments? How and to what extent does this interaction re-

shape the mentioned instruments in directions different from the evolutionary trajectories observed in other cities? A diachronic analysis of the evolution of the Talimhane case, together with exploration of similar cases in Istanbul and other Turkish cities, could provide interesting insights on this issue.

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CHAPTER 3

Changing State of Gentrification: State-Led Gentrification of Istiklal Street

INTRODUCTION

According to Pareto (1968, p.36) "[h]istory of man is the history of the continuous replacement of certain elites: as one ascends another declines." The history of man, today, is the history of a continuous power struggle and survival contest of different actors on urban space against gentrification. Gentrification, which is a unique phenomenon that can describe and comprise the process of socio-economic and spatial change and struggle, as well as displacement and exclusion, is described as a process that "produce space for a more affluent class of people than currently occupied spaces" (Smith, 2000, p.294). The term, which was coined nearly 50 years ago, accumulated a great deal of "theoretical baggage" (Lees, 2008) within this time period as it has been conceptualized and re-conceptualized several times (see Smith, 1979, 1996; Ley, 1986, 1996; Zukin, 1987). This 'theoretical baggage', in Lees' (2008) words, has kept the scholars within the usual suspect causes of gentrification. Thus, the gentrification research "entrenched binaries of supply/demand and culture/economy" (Wyly & Hammel, 2008, p. 2643). However, as an evolutionary concept, gentrification mutated through different directions in terms of actors, scale, forms, and location, and this necessitates movement beyond the mentioned (dominant) explanations and exploration of the inner mechanisms and working of the process by focusing on interests, power struggles, and maneuvers of different actors. One of the ways that gentrification is mutated is 'state-led gentrification', in which urban space is re-structured by urban policies and regulatory frameworks that is designed and implemented by the state that enforces gentrification as a continuum of "global urban strategy" (Smith, 2002).

Until the beginning of the 2000s, the studies focusing on the role of the state and policy and its relation with gentrification was limited except for some notable exceptions (Hartman, 1984; Marcuse, Smith, & Williams, 1986). Despite the fact that the state and public

policy have always been an inextricable part of gentrification processes, either by assisting, stimulating, or encouraging it (Hamnett, 1973; Lees, 2003a, 2003b; Smith, 1979; Wyly & Hammel, 1999; Zukin, 1989), the changing form of state involvement in the gentrification process towards becoming "fully and informatively incorporated in the public policy" (Lees & Ley, 2008, p. 2380) led urban scholars to rethink 'contemporary' gentrification and dig into the ways in which state-led gentrification emerged (Davidson & Lees, 2005, 2010; Hackworth & Smith, 2001; He, 2007; Lees et al., 2016; Uitermark et al., 2007).

Although, many scholars agreed that state-led gentrification has become a global neo-liberal policy experiment at an abstract level, there are still grey areas, and gaps exist in the theory in terms of which, why, and how state actors were involved in the process of gentrification in 'different geographies of gentrification' (Doucet et al., 2011; Lees, 2000, 2012; Lees et al., 2010; Teernstra, 2015). Firstly, the dominance and "asymmetrical ignorance" (Robinson, 2003, p. 275) of the Western theoretical compass dooms scholars to be washed away by theoretical reflexivity and commitment by underestimating the "interdependence (all places)" and "uniqueness of all individual places" (Massey, 1993, p. 64). However, gentrification is "not a force that has travelled or diffused outwards from a certain center towards global peripheries, it is a phenomenon that cities worldwide have experienced and experiencing through different type of urban restructuring" (Lees et al., 2016, p. 5). Thus following dominant explanatory causes of gentrification by using the Anglo-Saxon template "to determine the status of gentrification elsewhere" (Shin & Kim, 2016, p. 540) not only overgeneralizes the process but also overshadows the 'diverse ways' of inner workings of gentrification.

Secondly, today, gentrification is becoming "less about predefined loci, morphological attributes and scales, but more about a process that depends on the contextual reconfiguration of state policies and embedded class and power relations" (Lees et al., 2016, p. 33). These state policies and power configurations are formed by context-based, multi-layered state structures with different, sometimes-opposing, actors and institutions. However, we often visualize and speak of the "state" as one group of actors and view its involvement and role in gentrification in a homogenized and global way (Teernstra, 2015). This leads to a misinterpretation of gentrification. Therefore, to understand the context-based state-led gentrification, we should carefully examine the contextual contingent relations, goals, power balances, hierarchies, and networks of various actors, which produces focus on temporal and spatial features of the system, and

carefully examine the various actors and their networks, goals, and interests. The context-based specifications create different kinds of state-led gentrification processes in different geographies. In short, to trace this complex phenomenon and understand the ways it unfolds and sustains, a special attention should be paid to contextual contingent necessary relations, power balances, and hierarchies by asking the 'how' question.

In an attempt to follow the above-mentioned remarks, this paper focuses on state-led gentrification in Istiklal Street, Istanbul; a case study, which has a relatively limited inquiry, and goes beyond the usual suspects of the Western world and gentrification literature. The changing state of state-led gentrification of Istiklal Street after the 2000s is going to be explored by responding how gentrification is unfolding in the 2000s by exploring the changing process, actors, and their power relation. Following Harvey's call (2005) for bottom-up theorizing, this exploration does not simply map actors of gentrification but goes beyond by examining their networks, nature and practice of power. The paper is divided into four sections. The first section explores the evolution of gentrification in Istanbul, especially focusing on the key characteristics of state-led gentrification. The second section provides an overview of spatial and socioeconomic declining and revitalization processes of the most prominent street of Istanbul. The following section will demonstrate how different actors and their power relations and networks shaped the state-led gentrification process of Istiklal Street in the 2000s through two contentious projects: the Demirören Shopping Mall and the Grand Pera Shopping Mall (Emek Theater). The final section brings together the findings and offers some conclusions regarding the characteristics of gentrification phenomena in Istanbul to expand the gentrification debate.

STATE-LED GENTRIFICATION IN ISTANBUL

Since the 1980s, cities in Turkey, especially major cities such as Istanbul, have become the targets and laboratories of gentrification and neoliberal policy experiments of both liberal and conservative governments. The gentrification processes in Istanbul in the '80s and '90s, which was in the form of rehabilitation of existing (inhabited) housing stock by middle class, was sporadic, slow, and gentle because of a populist political conjecture and legal and economic obstacles. The process started to evolve into a new form: state-led

gentrification at the beginning of the 2000s, with changing role and goals of the state, increasing global and national commercial interests, and emerging modes of accumulation (Ergun, 2004; Islam & Sakızlıoğlu, 2015; Şen, 2005; Soytemel, 2015; Uzun, 2013).

"I am a political trader, so to speak, I am responsible for marketing my country." (Erdoğan, retrieved from Zelvi, 2005). The words of President Erdogan summarize the logic behind the gentrification processes in the 2000s. After the 2001 crisis, the Justice and Development Party (AKP) came to power as a non-coalition government and began a quest for quick neo-liberal strategies for economic recovery and integration into the global markets. The solution was building the economy on the construction sector and reproducing urban space not only for high rates of economic growth but also for reconstructing and sustaining the space with conservative ethos to consolidate its neo-liberal hegemony (Çavuşoğlu, 2011; Çavuşoğlu & Strutz, 2014). In this way, Istanbul, with its not fully commodified space and speculative rent gap, became the main source of capital investment. However, the government was not satisfied with the sufficiency of newly adopted policies on attracting the 'globally circulating capital' and foreign investment, which in turn intensified the "roll out neoliberalism" strategies. Thus, after the 2004 municipal elections, in which AKP started to rule most of the municipal districts and gained enormous political power, the state took the lead and became the main actor of the new neo-liberal accumulation model. In this context, for paving the way for the commodification of urban space and gentrification, a series of legal and institutional reforms have been implemented to form the legal and organizational base of the future gentrification projects (Enlil, 2011; Kuyucu & Ünsal, 2010; Türkün, 2011).

State institutions were re-organized, planning rights concomitantly were decentralized and centralized depending on the obstacles that must be overcome in order to implement the neoliberal urban agenda. While governmental bodies like the Ministry of Tourism and Culture and the Ministry of Environment and Planning were established and gained authority to designate urban transformation projects; institutions like the Mass Housing Administration (TOKI), which was established in 1984 for housing production for low-income segments of the population, transformed into an independent institution that "takes on a variety of roles, from constructor and developer to planning authority, often in cooperation with private sector subcontractors" (Çavuşoğlu & Strutz,

2014, p.147) through a series of legal changes.[11] With these legal changes, TOKI not only exempted from any taxes, or legal or financial control but also absolved from any control by any state agency, institution or the court of auditors. Thanks to widening authority and power, TOKI became the main instrument for revenue creation by developing and constructing office spaces, shopping malls, mosques, hospitals, and infrastructure projects through public-private and public-public partnerships (Karaman, 2008, 2013b; Türkün, 2011; Özdemir, 2011). Additionally, district and metropolitan municipalities were given more resources and authority to designate and implement urban transformation projects through a series of legal changes. Especially Municipal Law No.5393 gave right to implement urban transformation/renewal projects to municipalities (Enlil, 2011; Türkün, 2011).

Furthermore, a whole new body of laws (see for instance the Law on Conservation of Deteriorating Historic and Cultural Property through Renewal and Re-use Law No. 5366; Municipality Law, Law No. 5393; 5998, the Law on the Transformation of Areas under Disaster Risk, Law No. 6306) were implemented to clear the obstacles that prevent the commodification of non-commodified spaces and to enable gentrification. Among the mentioned laws, the most important ones that enabled the strong state-led gentrification in the historical city center are Law no. 5366 (Conservation of Deteriorating Historic and Cultural Property through Renewal and Re-use), Law no. 6306 (Law on the Transformation of Areas under Disaster Risk), and Law 6098 (Turkish Law of Obligations) (Gunay, 2013; Türkün, 2011, 2014).

Law 5366 enabled municipalities to designate historical areas as "renewal areas" within their jurisdiction. After getting the approval of a new special renewal board and cabinet, municipalities were given responsibility to plan the renewal projects with changing functions like trade, culture, and tourism. This law also "enabled municipalities urgently expropriate the property of any owner of a historic or heritage-listed building" (Cavuşoğlu & Strutz, 2014, p. 146) in order to implement projects without any delay. Additionally, all costs related to transformation processes are exempted from taxes and duties, which reduce the costs by 35%. This law also encouraged cooperation between the public and private sectors and is highly disputed because it lacks any kind of explanation on what criteria this judgment of renewal is based on. Neighborhoods like Sulukule and Tarlabaşı gentrified thanks to this law (Dinçer, 2011; Karaman & Islam, 2012; Uysal, 2012).

[11] With Law 2985, Law 4966 and Law 5162, TOKI gained wide range of duties and power (Türkün, 2011, Özdemir, 2011).

According to Law 6306, which was passed in 2012, the central government has authority to declare any building at risk and, depending on governmental decision, the risky buildings will be demolished and rebuild again. The importance and danger of this law is it that it avoids any right of owners and dispels any legal rights to protect their property against demolition. The owners only can sue for higher compensation, which they will receive from the government as expropriation price for their property (Karaman, 2013a; Türkün, 2011).

Lastly, with Law 6098 enacted in 2012, there is neither a maximum nor a minimum limit for either the rent prices or the direct rent control; additionally, the new legal arrangement gives the right to the landlords to ask for eviction of tenants who have been using the property for more than ten years, without providing any reason. With this new regulation, the sustainability of old, small businesses is substantially imperiled.

As a result, the legal and institutional reforms to form new urban agenda have been transformed into instruments to "accumulate by dispossession" (Harvey, 2007), to overcome all legal barriers, and not to stop their aggressive gentrification processes during times of conflicts with local governments and property owners. The historical center of Istanbul was planned to be gentrified and redesigned through the total demolition, reconstruction and displacement of unwanted groups by different levels of the state. Decisions related to future of urban spaces have been left to a nexus that formed according to interest of private sector, urban elites and state. In light of given information, it would not be wrong to claim that the new gentrification process in 2000s that materialized through top-down implementations of state differs from the previous processes, which were initiated by high-income groups and took place in the housing scale. In the next section, the manifestations of this state-led process on Istiklal Street will be explored.

TRANSFORMATION OF ISTIKLAL STREET UNTIL THE 2000s

"Pera and Galata, the only busy quarters of Constantinople, are of no land of all lands" (Elliot, 1893, p. 34). Although Elliott's description dates back to Ottoman times, it also represents Beyoğlu's current

state and its multi-layered historical and cultural identity. Over almost 800 years, Beyoğlu and Pera have been reproduced many times by different interests under the name of identity. This quality of the historical part of Istanbul not only stems from the interesting hybridity of nationalism, religion, globalism, and neo-liberalism. In this vein, Grand Rue Pera/Istiklal Street (Figure 1), which is the main node of mentioned hybridity, has always been the main indicator and reflector of endless reproduction of urban space and culture.

FIGURE 1 – Location of Istiklal Street. Source: drawn by the author.

Istiklal Street is an approximately 2 km street in the Beyoğlu neıghborhood and connects the main squares and nodes of Beyoğlu such as Taksim, Galata, and Tunnel Square. The establishment of the first settlement in Beyoğlu dates back to the 13th century by the Genoese Trading Colony. At that time, most of the Beyoğlu and Istiklal Street were lands of vineyards and orchards. After the Ottoman conquest of Istanbul, thanks to the increasing trade between Ottomans and Europe states and given advantages to foreign traders, both Levantine population and businesses increased

dramatically in Istanbul. As the structure of the first settlement's area prevented the businesses from extending, from the 17th century onwards, newly established businesses started to move towards and along the main artery, which is called Grand Rue Pera (Figure 2).

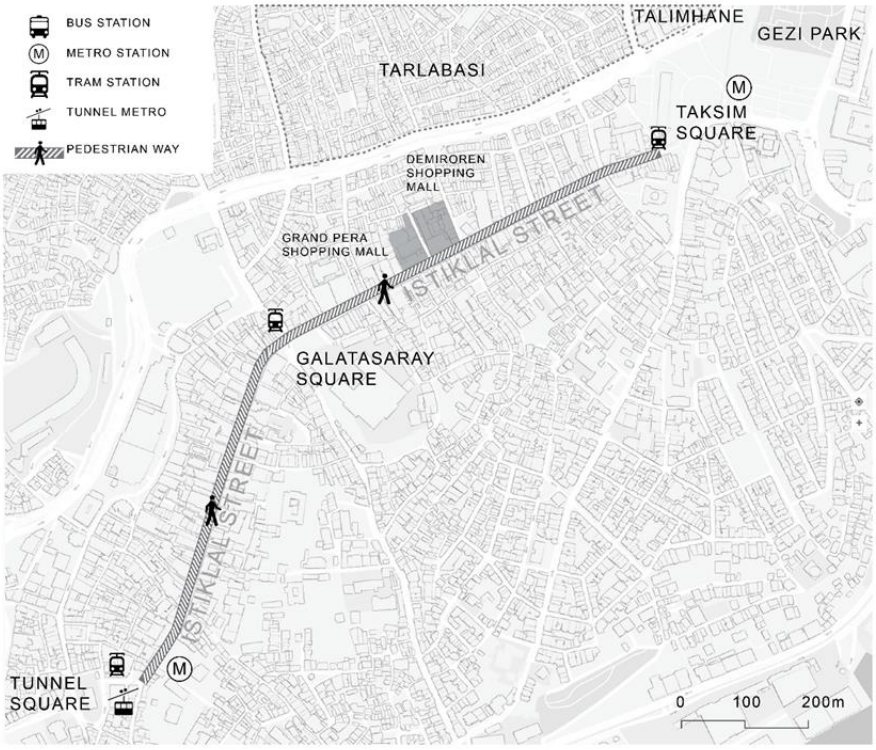

FIGURE 2 – Istiklal Street. Source: drawn by author.

After the 17th century, many embassies such as the French, Russian, and British embassies and their communities were all concentrated on this street. These groups not only brought their architectural forms but also their culture, lifestyle, and religious landscape. By the end of the 19th century, Grand Rue Pera became the main culture, entertainment and trade center of the city. This heterogenic microcosm became the home of theaters, concerts, coffees, night clubs, restaurants, department stores, photograph studios, perfumeries, and bookstores (Akın, 1998; Çelik, 1993; Dokmeci & Ciraci, 1990). The modernization and bourgeoisement of the urban landscape and the emergence of new consumption possibilities also changed the way people use urban space and their social attitudes. As Sandıkcı (2015, p. 4) explains, "with the changing physical landscape, new forms of urban sociability—walking in the Grand Rue de Pera, sitting at cafes, shopping at bon marchés or just window shopping—flourished." In order to respond to the needs of these groups and their social life, the first municipality was founded in

1855 under the name of “6th Department”[12]. In addition, the third subway in the world after New York and London entered into service. While Ottoman elites and reformists were integrated into the social life within the area, conservative ones condemned this immoral lifestyle, street and urban life (Akın, 1998; Çelik, 1993) (Figure 3).

FIGURE 3 – Istiklal Street in 1906. Source: http://eskiesvaplarim.com/istiklal-caddesi-1905/

[12] The name of the newly formed municipality was based on the fact that the municipal unit known as "Sixeme arrondissement" (6th Borough) in Paris was the most prosperous district of the city, and Beyoğlu took this borough as an example (Akın, 1998; Çelik, 1993).

With the proclamation of the Turkish Republic in 1923, Istanbul lost its importance, as Ankara became the new capital. As the city was representing Ottoman's decadent past, it was seen as a threat to the newly constituted pure nationalistic Turkish identity. Although Grand Rue de Pera managed to keep its European identity, consumption patterns, and hierarchy as the prominent street of the city until the 1960s, the Turkification and dereliction of the street gradually took place. First, as a result of language campaigns, the Greek name of the street, Grand Rue de Pera, changed into a Turkish name: Istiklal (Independence) Street.[13] Later, due to the Wealth Levy and the September 6-7 incidents[14], the Armenians, Greeks and Jewish population, and their multi-cultural heterogenic structure vanished. In the 1960s, the abandoned buildings by non-Muslim population were filled by rural migrants who came to Istanbul as a result of rapid industrialization, and sexually and ethnically marginalized groups illegally or with cheap rent prices. As a result of the changing population and socioeconomic marginalization at the end of the 1970s, many luxury shops, restaurants, cafes like club Serkildoryan, Lebnon, Markiz, Baylan and Parisienne Patisseries and Naum Opera closed down or re-located (Akın, 1998; Bartu, 1999). The consumption patterns changed, and the street became famous with its brothels, drugs, crime, porn movie cinemas, beer houses, seedy nightlife, and shops selling cheap goods. In short, as Gulersoy (1990) describes it, "the wine culture transformed into bear (arabesque) culture" and the echoes of this transformation were very visible on the urban space.

The 1980s represented a threshold for both Istanbul and Turkey thanks to the radical neo-liberal transformation processes. From the second half of the 1980s, transforming and integrating Istanbul into the network of "World Cities" through a series of urban renewal projects became one of the biggest goals of the country (Keyder & Öncü, 1994). Rehabilitating and cleaning the so-called "Lahmacun Republic" of Istanbul: Istiklal Street was an important part of this transformation. A group of artists, actors, writers, journalists, and

[13] During the nation building stage after 1923, demographic engineering was designed to construct the pure Turkish nationalist identity. As a part of this process, many Greek, Armenian, and Bulgarian names of streets, cities, and villages were changed into the Turkish names by the Expert Commission for Name Change (Koralturk 2003, Öktem, 2008)

[14] Among the political pressures that had driven the middle and upper-middle class minorities out were the imposition of an enormous wealth levy on non-Muslim businessmen of the city in 1942, the riot which destroyed Greek property in 1955— related to the Cyprus conflict between Turkey and Greece, and the legislation requiring the departure of those with Greek citizenship in 1964. This political environment mostly affected Greek citizens. Jews, on the other hand, had generally left their habitats following the establishment of the state of Israel in 1948 and its offering citizenship to Jews across the world.

business owners formed the 'Beyoğlu Beatification and Preservation Association' in 1985 with the support and supervision of Beyoğlu and Istanbul Greater Municipality. The aim of the association was to "restore its prestige and transform it into a European Street that was yearning for" (Hakko, 1986), in other words, transform the street into a "clean art, culture and consumption center" (Sözen, 1990). To achieve this, the association participated in and influenced all decision-making processes related to the area's physical and social change. According to Dalan (1988), who was the mayor of Istanbul Greater Municipality between 1984 and 1989, this cooperation was a part of increasing urban consciousness in which "Istanbulians started to adopt Istanbul as inside of their home". However, this limited overview was criticized by many scholars (Demir, 1990; Kahraman, 1986) by arguing that this 'social myopia' and 'fake nostalgia', which is disconnected from urban and historical context, was overshadowing main arguments, like: who is the real owner of the urban space, what is the real identity of Beyoğlu, and for whom we should transform the urban space? Arguably, Istanbul elites and the state turned a deaf ear to these criticisms and pursued the common interest. In tune with planned urbanity, the first plans to pedestrianize the street and traffic configuration were formed in 1984 (see above Figure 2). However, the implementation of the plan started in March 1990, with big celebrations filled with concerts, street theaters, and photography exhibitions. Moreover, a nostalgic tramway started to run in the street in the same year (Akın, 1998; Bartu, 1999). (Figure 4)

Apart from physical interventions, many sociocultural activities like book fares, Christmas celebrations, movie festivals, and annual dinners for beautifying Beyoğlu started to be organized. Additionally, a monumental public sculpture competition on the theme of recent beautification and renewal attempts had been set up by Vakko, which was one of the most luxurious shops on Istiklal Street (Vakko, 1986). In the beginning of the '90s, cinemas screening porn movies were shut down by the municipality. Many confection ateliers, spare-part sellers, beerhouses and brothels were displaced by newly opened cafes, restaurants, art galleries, bookstores and theaters (Akın, 1998; Sandıkcı, 2015). Mainstream media also celebrated and promoted the transformation by using headlines like: "Beyoğlu, always moving forward" (Kültür Servisi, 1989), "Beyoğlu, cheerful" (Aydın, 1992), and "Beyoğlu, sparkling" (Istanbul Haber Servisi, 1990). Many artists, writers, and journalists moved back to Beyoğlu. People started to spend more time in the street both day and night. Istiklal Street turned into a tourist zone with its hybrid but "sanitized" usages. Change in the urban fabric and socio-economic structure also echoed in the growth of land prices. Land prices raised

from 3 TL/m2 to 20 TL/m2 between the period 1986-1990 (Dokmeci et al., 2007).

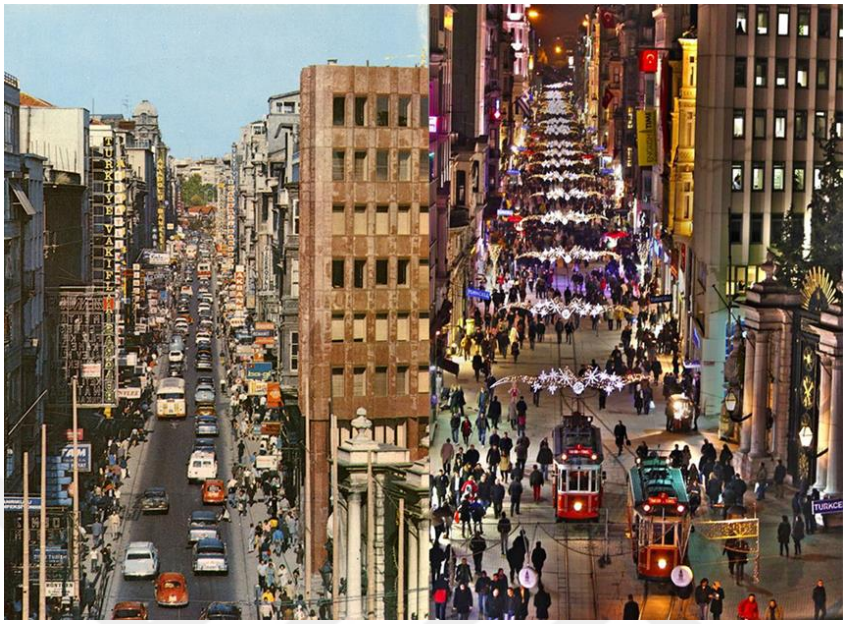

FIGURE 4 – Istiklal Street before and after pedestrianization. Source: Istanbul photo archive.

In the mid-90s, Beyoğlu and Istanbul became the battlefield of ideologies and politics. During the 1994 local elections, hushed-up subjects of the 80s such as the identity and owners of Beyoğlu became the focal and decisive argument of campaigns of political parties. The anti-globalization Islamist party– the Welfare Party (RP)–based its campaign on the ones that were excluded and neglected from the World City project and claimed to re-conquer Istanbul with "the real owners of Istanbul". According to Aknar (1994), the triumph of the Islamic Party at elections by gaining control of both the Greater and Beyoğlu Municipalities, shocked and terrified not only seculars but also business owners in Beyoğlu. As Beyoğlu was a "den of disease" and a "place where contemporary urban problems emerged" for conservatives, it was a must to clean Beyoğlu to reconquer Istanbul. Although the Mayor of Beyoğlu declared many times that they will respect and embrace the cosmopolitanism, the following years witnessed the strategic battles of different groups to reclaim Beyoğlu (Bora, 1999; Sandıkcı, 2015). First, Mayor of Beyoğlu ordered the removal of table sets on the pavement of the street and put curtains on the windows of restaurants to hide alcohol consumption. In response, secularists and owners of the restaurants protested experienced oppression by

drinking alcohol outside and claimed it is a right of the usage of public space (Başlangıç, 1994). Later, municipal police ordered the lottery retailers not to sell lottery tickets, claiming that it is a sin, and the same police ordered newspaper vendors not to sell magazines like Playboy and Penthouse, asserting the same reason (Aydın, 1994; Istanbul Haber Servisi, 1994). The last but very major power battle in the '90s among these opposing groups and ideologies was on the construction of a mosque and Islamic center in the Taksim Square. According to Tayyip Erdogan, who was the mayor of the Greater Municipality of Istanbul between 1994-1998, building a mosque was (is) "a must since tourists that visit Taksim should feel that they are in an Islamic city" (Bora, 1995). For seculars, it was "the identity pitched battle in Taksim" (Bartu, 1999, p. 55). The conflict was put aside until the mid-2000s with the intervention of financial institutions and central government, as it would create controversies over Turkey's membership in the EU (Bora, 1999).

Although conservative cleaning attempts of Istiklal Street intensified the tension over public space, it could not stop the neoliberal urbanization processes. Land use of street changed officially by the local government, and residential usage was completely wiped out. The blooming of new restaurants, coffees, bars, and galleries, especially between Galata and Tunnel Plaza, continued. For instance, after the opening of Babylon nightclub in 1999 and its follower enterprises, Asmalımescit, part of Istiklal Street, became famous as "Istanbul's Soho", in which one could chill out and meet artists and intellectuals in many blogs and newspapers (Bayraktar, 1999; Yener, 2009). This period also dates the emergence of first but very limited global chains like McDonalds and Pizza Hut. Additionally, a new metro line that connects Taksim Square with northern CBD opened in 2000. As a result of the above-mentioned urbanization processes, increasing speculative interest, and demand, land prices, which were 20 TL/m^2 in 1990, reached 3000 TL/m^2 in the beginning of the 2000s (Dokmeci et al., 2007). Although the combat of different ideologies looked as if Istiklal Street was troubled by "irreconcilable social dualism" of modernism and conservatism, it continued to be a "third space" (Soja, 1996) with its contradictory and complex "radical openness" in which "everything can be found" and coexist with endless political strategies and contingencies (Bartu, 1999; Sandıkcı, 2015; Yumul, 2009). Despite these radical changes and ideological battles, the street succeeded to balance culture, and commercial and entertainment structures and, most importantly, it managed to preserve cosmopolitan and democratic identity with bohemian, provincial, rock, gay, and resistance culture, from which constant political protestors were simultaneously visible, until the beginning of the 2000s.

STATE- LED GENTRIFICATION IN THE 2000s: ISTIKLAL STYLE

Beyoğlu's cosmopolitan and democratic identity, which, was preserved until the beginning of 2000s, started to be challenged with the dynamics of new ideologies, state's ambitions, urban policies and entrepreneurial interests that also amount to state-led gentrification process. After the 2004 municipal elections, which AKP won in Beyoğlu and many other municipalities in Istanbul, a dominant policy vision to attract and open the street to the market has been set up. The aim of the metropolitan and local municipality was to transform Istiklal Street into a "graceful, high-quality and orderly" "beautiful European Street" (Topbaş, 2005). As can be understood from the multi-layered description of mayor, the objective for the future of Istiklal Street was beyond the physical beautification, and to attract capital, it was essential to discipline the socioeconomic life of the street, which was ambiguous with its intertwined formal and informal relations, and marginal and undesired population.

To achieve the ambitions of the state, several cultural and physical beatification projects were initiated. Additionally, to prepare the street for the coming wave of investment infrastructure projects planned and implemented. A new metro station at Tunnel Square was opened to increase the accessibility from Northern CBD. To beautify the street, cobblestone pavements, which were a very famous nostalgic element of the street, were replaced with granite to make the street "more elegant". The trees on the street were uprooted to allow pedestrians to walk more freely; in other words, according to the new capital logic, it was to not block the window shopping of potential customers. Additionally, as part of the "Beautiful Beyoğlu Project", store plates were replaced with standardized gold print and walnut wood plates (Adanalı, 2011; Dokmeci et al., 2007).

The new round of gentrification of Istiklal Street was not driven solely by physical beautification; newly initiated cultural strategy was also mobilized. Local and central authorities initiated several cultural projects to boost Istiklal's overall identity and appearance to attract investors and visitors. Erdogan, who was the prime minister between 2003-2014, suggested transforming the Beyoğlu neighborhood into a culture and museum island. Projects like a $500 million cultural complex designed by Frank Gehry became the hot topic for newspaper headlines. Major banks like Garanti, Akbank, and Yapi Kredi, and corporations like Sabanci, Koc, and Borusan

opened art galleries along the street. These spaces were actively used in the “city branding” and “image marketing” programs like the 2010 European Cultural Capital Project to show off Istanbul’s cultural assets and resources (Aksoy, 2008, 2010a).

Additionally, as a part of the Beyoğlu Tourism Development Program (2004), journalists, TV programmers and tourism writers, who could contribute to promotion of “new product”, were invited to areas as a part of image marketing process. The new policy fructified, the street started to appear in international publications. For instance, in 2005, Newsweek magazine featured the area by using these words: “is a good metaphor for Istanbul as a whole, it showcases all that’s original and vibrant in the city The melting pot, Istiklal Street is a genuine enough” (Owen and Foroohar, 2005, p. 32). Also The New York Times, in 2005, described Beyoğlu and Istiklal as: “ground zero seems to be here in Beyoğlu, perhaps the only genuine Bohemian neighborhood in all the Muslim Middle East” (Smith, 2005). Moreover, as planned at the Tourism Development Project, several cultural programs such as the Pera Festival, the Beyoğlu Festival, and the Turkish Movies Festivals launched to enrich the cultural scene of Istiklal Street (B. Municipality, 2004).

Another facet of this neoliberal “taking and “making” urban space process was to discipline and sanitize the street by clearing everything that is not acceptable and risky for capital hegemony and newly redefined AKP’s conservative moral and cultural norms. At this point, it should be noted that AKP’s strategy to use religion-based conservative discourses for reorganizing urban space was different from the conservative tendencies of the ‘90s. While in the ‘90s, conservatism aimed to reconquer the urban space to make religious inclination more visible and tangible, in the 2000s, conservatism has been used as a tool to produce consent both for discriminative urban policies and overcoming opposition for commodifying urban space. By using state apartheid violence, surveillance, and control mechanisms, the so called ‘dangerous marginal groups’ including as transvestites, drug users, streetwalkers and homeless people (B. Municipality, 2004), cleaned out of the street and were annihilated from the public eye. Moreover, the municipality banned the street musicians that make music without official permission from municipality. To reinforce the safe and clean image of the street and to domesticate urban life, right to protest on the street restricted. The peaceful protestors and political activists that sell political newspapers were cleared away from the street by “cool” Mini Cooper user police forces (Adanalı, 2011; Eder & Öz, 2015; Sandıkcı, 2015). Later, especially after the Demirören and Grand Pera projects, which will be discussed later, and the Gezi Park Protests, the police

deployed the street permanently and became an ordinary part of public life as a part of repressive control and authoritarian command.

Apart from disciplining the street, the state prepared the street for next rounds of investment by clearing away the limitations like challenging restoration and conservation policies, institutions that prevent implementation of the profitable projects and state-led gentrification. To sustain the neo-liberal project and to clear the obstacles, the central government intervened the process officially by designating series of legal and regulatory changes (see section "State-led gentrification in Istanbul" for more detailed information-related mentioned laws). For example, as the case studies Demirören and Grand Pera Shopping Malls will illustrate in the next section, with the special planning tool called 'renewal areas', the historic areas, where construction is restricted, are opened to gentrification.

State-led neoliberal projects and public policies, which aimed to attract big local and foreign capital, managed to arouse the interest of market dynamics dramatically. It was the time, the state managed to induce investors and developers, who had been waiting for better capital return with widened rent gap, for urban land and property sales and purchases. For local capital and elites, the interest on Istiklal Street was more than financial investment which catapulted them into another tier of prestige (Aksakal, 2012). After 2005, International firms like Dutch Vast Ned, British-based Eastern European Property Fund and Fairmont Properties showed their interest in the street by purchasing several properties. For instance, the total investment of Vast Ned Company on the street was worth 207 million TL (90 million euros). They also signed long-term leases with companies like H&M and Zara with the properties they purchased (Eastern European Property Fund Limited, 2014; Vastned Retail, 2010, 2012). Additionally, international big brands prompted to invest in real estates on the street. To illustrate, Mango bought a building, which was hosting a local municipal bookshop, from Istanbul Metropolitan Municipality for 40 million TL (20 million euros) in 2010. In addition, big local capital such as Demsa, Bilgili, Profilo and Dogus Group started to purchase properties in the area ("Kültür sanat" 2012).

The efforts of the state to gentrify Istiklal Street fructified the purpose and the street, which was the third most expensive street in Turkey after Nisantasi and Bagdat Street in the beginning of 2000s, became the most expensive street in Turkey and 20th in the world in terms of rent prices in 2015 (JLL, 2015). According to a Cushman & Walkfield Report (2015), it ranked as the second global location in the world that is showing the strongest growth. Rent prices of the

street rose from 225 TL/sqm ($150/sqm) in 2010 to 756 TL/sqm ($280/sqm) in 2015. In addition, as the research found out, the land prices, which were 5.000 TL/m² in 2005, reached 64.500 TL/m² in 2016 (Dokmeci et al., 2007) (Figure 5). As stated at the Capital Mortgage Magazine (2012), a building that was worth 1.4 million TL ($1 million dollars) in 2004, was purchased for 27 million TL ($15 million dollars) in 2012.

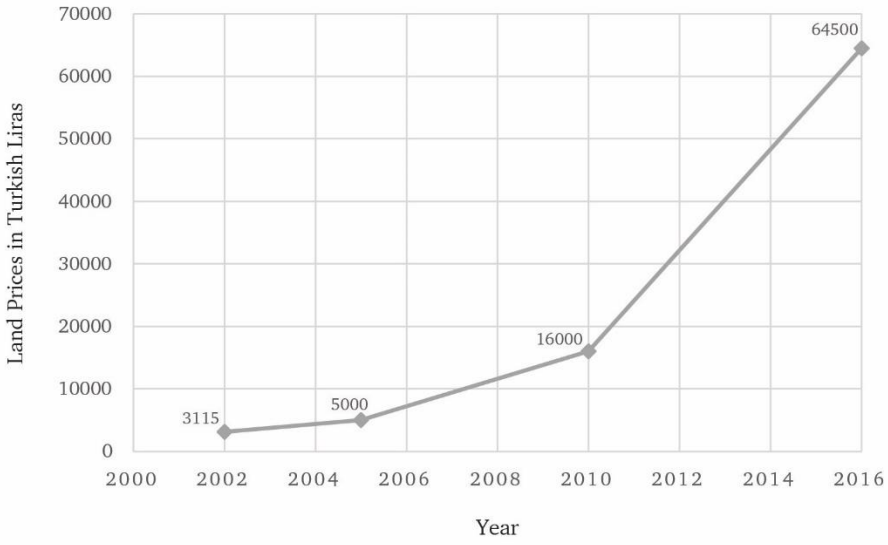

FIGURE 5 – Changing Land Prices of Istiklal Street. Source: drawn by author

Non-continuity and non-longevity of most of the local businesses are another results of state-led gentrification process of Istiklal Street. As the research shows, due to the increasing rent prices and forced evictions, only 14% of the businesses, which were operating on the street in 2004, are still on the street today. Also nearly half of the businesses that were occupying the street in 2011, have managed to survive until now. This gradual change also affected many local and iconic historical music shops, bookstores, antique shops, cinemas, patisseries, and cafes that forged the Beyoğlu identity and culture. Businesses like Emek Theater, Inci Patisserie, and Pandora Bookshop, which are not compliant with capitalist values, contributes to global image-making, or stands as an obstacle for market forces, is labeled as unnecessary and have been displaced. According to the research, the number of businesses, which formed an essential part of the Beyoğlu culture, dropped from 35 in 2004, to 25 in 2011 and then to 17 in 2016. In addition, other small businesses, which could not keep pace with the transformation process, have been replaced by, global and local chains like Mango, Zara, Camper, and Tommy Hilfiger. As this research found out, the

number international business brand stores increase from 10 in 2004 to 31 in 2011 and reached 40 in 2016. Additionally, the number of national chains, which was 14 in 2004, increased to 44 in 2011 and to 50 by 2016.

To understand the state-led gentrification of Istiklal Street more broadly, it is a must to link and explore the process in relation to changing definitions of 'new cultural values' that is based on increasing authoritarianism. With satisfying numbers of "state-led project", state's neo-liberal urban policies not only became very powerful but also very aggressive. The "grand transformation" as Mayor of Beyoğlu calls it, started to coerce boundaries of gentrification in Istiklal Street. Neoliberal dreams of state started to materialize the impossible and irrational. Even shopping mall projects, a major symbol of urban neoliberalism, started to emerge in the neoliberal agenda as the latest product of state-led gentrification. In the next section, these shopping mall projects, Demirören Shopping Mall and Grand Pera Shopping Mall, will be explored in order to shed light on setting up, actors, power relation, and myriad maneuvers in the process of the realization of state-led gentrification.

THE CASE OF DEMİRÖREN SHOPPING MALL

Demirören Shopping Mall, which is positioned in the center of the first half of Istiklal Street, is surrounded by three very important monumental and historical buildings of Beyoğlu: Aga Mosque, Cercle D'Orient, and Surp Asdvadzadzin Catholic Church (see Figure 2 above). One of the most illustrative questions that alert and explain the Demirören Shopping Mall and its problematic consequences was asked years before the implementation of the project: "My question is to Erdogan Demirören (the Founder of Demirören Group that owns the shopping mall) , what are your plans for two important cinemas of Istanbul? Why are you keeping them closed?" (Dorsay, 1988). This question, which was asked in a 1988 newspaper article examining the cultural life of Istiklal Street, remained unanswered until 2006. Apart from the few shops, Demirören Group, one of the leading and largest conglomerates of Turkey, decided to keep the cinemas, and the building they are located in, dysfunctional. Then news broke out in 2006 stating: "Virgin Media in Turkey with Demirören Group" (Hatısaru, 2006). After the news, speculations related to a new shopping mall started, and the intention behind the non-functioning buildings revealed. In June 2006, the official announcement about the shopping mall, which costs 96 million TL

($64 million euros), has been made by claiming that “a small Istiklal Street for young people” (Demirören, n.d.) Although the official announcement was realized in 2006, the “secret” planning process of it dates back to 2004 (Hatısaru, 2006).

Mall Project started to be implemented after the approval of the 1st Conservation Board of Istanbul.[15] According to measures defined by the board, the height of the new shopping mall could not be more than the height of the registered building next to it, which is the Cercle D’Orient (the project related to this building will be discussed in the next sub-section). The board also requested from the Demirören Group to forward the concept project to properly evaluate the conformity of the project to planning regulations. In 2005, both the conservation board and the Beyoğlu Municipality approved the project. As soon as the construction started in 2005, the Demioren Group appealed for a change in the plans of the project for an increase in the construction area. Upon the refusal by the conservation board, the project temporarily stopped. Solving the problem between the private sector and conservation board was beyond the local municipality’s authority, so in order to clear the obstacles, central government took the lead, enacted the Law 5366 and declared the project area as “renewal area” (Decision no: 10172, 20.02.2006). Following the declaration, the authority of supervision of the project passed from the Conservation Board to the newly established state-led gentrification apparatus: ‘Renewal Board’ (Yapıcı, 2012).

With this new decision, the project area, which was 19.000 sqm in the original plan, increased to 38.000 sqm. In addition, the height of the building, which was 19.5m above ground and -10m under the ground, was raised to 28.10m aboveground and -28m underground (Figure 6). While the construction continued behind blind walls, Demirören Group expanded the project area illegally with the purchase of two additional adjacent parcels and appealed for a revision in the project to legalize the illegal expansions of both height and area. However, the Renewal Board did not find the proposed extension acceptable and requested a revision to verify the adherence to the planning regulations by using the historical records. As Representative of Chamber of Architects (2016) informs Demirören Group solved the problem by getting a report from Yildiz Technical University, which was prepared with alleged fake photos and allowed a height increase up to 32.60m. Interestingly, the Renewal Board accepted the report and approved all changes in the

[15] According to the Law on the Protection of Cultural and Natural Assets in 1983 (Law no. 2863), the approval of the Conservation Board has to be obtained for physical interventions and functional changes in registered buildings and conservation sites.

project in September 2010 under the name of “façade renovation” (Yapıcı, 2012).

FIGURE 6 –Height Violation of Demirören Shopping Mall. Source: adapted by author from http://radikal.com.tr.

While legitimacy attempts were tolerated and attempted to be covered by the state and its institutions, other illegalities started to be committed concomitantly. The registered buildings on newly added parcels were destroyed illegally in order to increase the consumption spaces. Although the perfect process of give and take between the board and private stakeholders was working coherently, a surprising rift emerged between alliances after a site visit of board members of the Renewal Board, which was under the observation of the Chamber of Architects, in November 2011. As reported by representative of the Chamber of Architects (2016), during the visit, private sector representatives, who were aware of the illegalities, first tried to bribe then to threaten the representative of the Chamber of Architects not to go the court. After the site visit, Renewal Board suddenly started the notice the violations and illegalities of the project and prepared an unexpected report. According to the report, the board ordered a stop to construction and to demolish the redundant building and façade components that were built by courtesy of Renewal Board. Additionally, making an official

complaint for Beyoglu Municipality's high-ranking officials and stakeholders of the shopping mall was decided. With this decision, the Renewal Board not only demonstrated the discretionary and illegality of its previous decisions but also created a legal ambiguity in which both private sector and state had a chance to justify themselves by hiding behind the old decisions of the renewal board (Yapıcı, 2012; Chamber of Architects representative, personal communication, July 12, 2016).

However, Beyoğlu municipality paid no attention to decisions of the board, and the construction continued without any interruption. Simultaneously, the case became very popular, and the illegalities of both project and process started to appear in politically impartial newspapers such as Cumhuriyet and Radikal. With the help of a series of news, the project started to generate strong negative reactions among the public sphere, resulting in opening the black box of the gentrification. The process became very interesting given the fact that actors of the project started to contest with each other to justify their part. The Minister of Culture and Tourism accepted the violations and immediately opened an investigation (Can, 2010b). Mayor of Beyoğlu tried to transfer the responsibility by stating that "The responsible ones for the projects are renewal board and owners. Of course, we would be unhappy if there is a violation…this building was caked with dirt for many years. Were the people, who are complaining about the project, happy about the old condition of the building?" (Can, 2010a). The owner of the Demirören Shopping Mall also claimed that they did nothing illegal and added: "whatever we do, we do it with the approval of the Renewal board. There is only one problem related to project, the stones that are covering the building are too white". (Aktuğ, 2010). The irresponsible and frivolous responses of both the mayor and the owner of Demirören is important for understanding the past and projecting the future of the state-led gentrification. Despite the board's decision, neither the local municipality nor the metropolitan municipality took any action to stop construction or to demolish the illegal parts. In the meantime, the investigation report completed and ordered the demolition of one-third of the building, and the Ministry of Culture and Tourism initiated a legal proceedings against the board members, the Beyoğlu Municipality, and the owners of Demirören Shopping Mall. Ironically, the minister was demoted after initiating the court process (Gunay, Former Minister of Culture and Tourism, personal communication, June 9, 2016)

Demirören Shopping Mall was opened in March 2011 in a great hustle to take a part in the Shopping Fest with the attendance of Cristiano Ronaldo. It should also be noted that the shopping mall

opened without a license. After the public opening, it was revealed that the last two floors would be used as a hotel. Apart from the Mama Shelter Hotel and restaurant designed by Philippe Starck, 41 other brands, like Gap, Virgin Media, Sephora, and Guess, were opened, as well as a chain of a restaurant owned by the Mayor of Istanbul Metropolitan Municipality. Additionally and interestingly, the owner of the shopping mall, who was also the president of Besiktas Football Club, gave away one of the footballers of Besiktas to Istanbul Municipality Football Club for free and paid his yearly income, which was worth 10 million euros (Altaylı, 2011). It should also be noted that Demirören Group is also the owner of the two biggest newspapers in Turkey, Vatan and Milliyet, and they are famous for being the advocates of the current government.

The shopping mall is still open with illegal additions and still does not have a license. All the defendants were acquitted with the help of last minute changes in planning regulations. Following Smith's (2000) definition of gentrification above, the Demirören project is the most salient example to track the enablement of the gentrification of Istiklal Street for more powerful and higher economic status users by the state. According to the Representatives of Chamber of Architects and Urban Planners (2016), the strong relationship between the private stakeholders and the central government makes the project and state-led gentrification possible (personal communication, June 12-13, 2016). However, according to Gunay, Former Minister of Culture and Tourism, the problem is also related to local governments. "Due to the different causes, such as the lack of urban consciousness, instead of collaborating with NGOs, chambers, or boards, they prefer to collaborate with investors. As a result of this, they don't implement court orders" (personal communication, June 9, 2016). For one reason or another, the state-led gentrification facilitated through the strong cooperation between local and central governments and investors, which materialized through either enactment of laws and institutions or through tolerating and outlawing the illicit actions. The process, which inhibited the objection right of businesses subjected to forced eviction, caused displacement and increasing rent gap. From the state's point of view, the "exchange value" of this shopping mall is more than just producing "higher and better" urban spaces, it is also an instrument to reinforce the "historical bloc" by pulling the strings the of private sector.

THE CASE OF GRAND PERA SHOPPING MALL

The gentrification weapon continued its urban crimes to homogenize Istiklal Street in the interest of capital and the next target was to build another shopping mall by demolishing Cercle d'Orient (Serkildoryan) building complex, which was composed of three historic and public assets (see Figure 2 above). This building complex was very important to Beyoğlu not only because it was the scarce representative of the area's historical multicultural past, with its lots like Emek Movie Theater, Ruya Movie Theater, Inci Patisserie and Rebul Pharmacy, but also, it was one of the most important and unique examples of Levantine Architecture of the 19th century with its baroque and rococo style (Akın, 1998) (Figure 7).

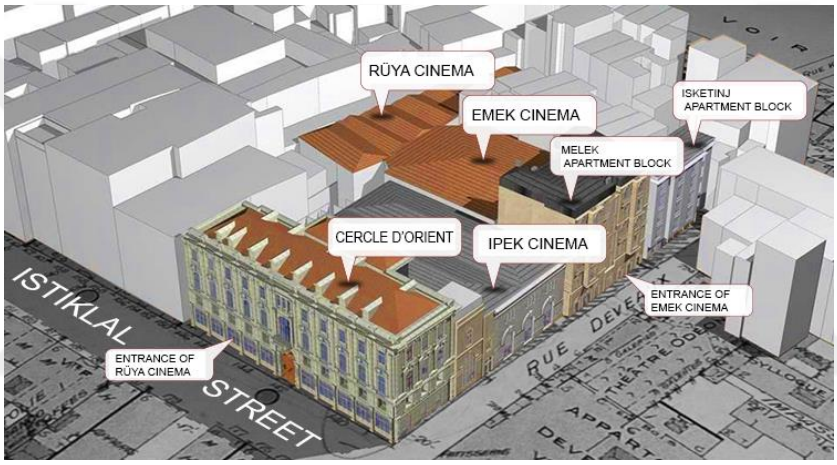

FIGURE 7 –Building Complex of Grand Pera Shopping Mall. Source: adapted by author from http://www.emekhepimizin.com.

The gentrification process, accompanied with this neoliberal destruction, started in 1983. The building complex was lent to Kamer Construction Company for 25 years for shopping and business center project with a build-operate-transfer model by Turkish Social Security Institution (Özyurt, 2012). However, the project was first sued by business owners and then came to a halt because of the illegalities, such as not receiving permission from the Ministry of Culture and Tourism, during the lending procedure. According to court order, the project would be against the public interest and the principles of urban heritage and conservation. These obstacles were cleared away with a magical state tool, and the project area was declared as 'Renewal Area' (Decision no: 10172, 20.06.2006) by the Council of Ministers in 2006, so the privatization process of a public asset was started. The construction company prepared the new concept project. According to the project, Serkildoryan was proposed to be re-built according to its original plan, the other two buildings

would be demolished and replaced by a new complex to host cinemas, restaurants and Madame Tussauds Museum. Additionally, Emek Theater, which is one the oldest movie theaters in Istanbul and a flagship venue of every movie festival, would be demolished; or in other words, it would be "moved" to the fourth floor of a newly designed building (Chamber of Architects, 2013, Chamber of Architects representative, personal communication, July 12, 2016).

Although the plans of the project were not publicized or shared with the public or Chamber of Architects until now, the company's strategy is to use words like "moving" or "temporary closure" in order to hide real action: destruction of the historic asset and creating a "fake and glittery replica" (Eder & Öz, 2015, p. 297). In the meantime, the construction company requested a report from Istanbul Technical University to justify the demolition of registered buildings by alleging the structural problems of the buildings and moving the Emek Theater as the restoration strategy. The event that put the legitimacy of the report under question was the promotion of Kutgun Eyupgiller, the author of the report, as a consultant for the restoration of the project (Chamber of Architects representative, personal communication, July 12, 2016). Additionally, a retired professor who has no authority to sign or prepare any official document on behalf of the university, signed the report as one of the authority (Chamber of Architects, 2013). Despite the legitimacy problems of both report and plan, the renewal board approved the plan. Following the approval, the Chamber of Architects appealed the court and argued that the destruction of the buildings in the name of restoration was not compatible with conservation laws and public interest. The court ordered a stay of execution and asked for another expert report that was composed of the views of three experts (Chamber of Architects, 2013). Two experts advised to stop the project as the it was not in-line with the urban and cultural fabric of Istiklal Street. The other expert, who was later promoted to be the head member of the conservation board, expressed his positive view on the appropriateness of the project. Although the majority of experts were against the project, the court, whose judiciary committee changed after the decision of stay of execution, based its decision on the positive report and decided to annul the stay (Chamber of Architects, 2013; Eren et al., 2011) .

During this process, Istanbul Culture Art Foundation (IKSV) proposed to develop an art island to save Emek Theater. The proposal built upon the justification that:

> "We don't believe the project will contribute to Istanbul's art and cultural life, there is a need of new solution…we spent

> time trying to understand what is being done and why. Yet there is no transparent process, the details should have been shared and constructive criticism should have been taken into account…we should remember, these buildings are owned by public" (Akgün, 2011).

The proposal of IKSV was refused both by Beyoğlu Municipality and Construction Company. The owner of the company replied: "We don't share such an idea, we respect them but they can't possess" (Akkoc, 2012). After this comment, the interest of IKSV, which depends upon governmental funding, has shifted from public interest to 'passive interest' by staying out of the project.

Parallel to the legal battle process, with the support of different national and international organizations like ICOMOS[16], Turkish Film Critics Association (SIYAD) and Taksim Dayanismasi, which include professionals, artists, and journalists, the project initiated a unique resistance to neoliberal processes and gentrification. Many protests took place at Istiklal Street with the motto: "Emek is ours, Istanbul is ours". ICOMOS made a declaration stating that:

> "The implementation, which abandons the principles of conservation of historic urban fabric and buildings, for the interest of short term financial gains, is against the public interest. Beyoğlu's historic identity, building stock and architectural character should be respected and unique components of it like Emek Theater should be protected carefully" (ICOMOS, 2010).

While the protests gained considerable support, the Ministry of Culture and Tourism, Beyoğlu Municipality, and the construction company tried to stigmatize both actors and building complex by stating: "they have to obey the order of the court" or "it's full of dirt and filthy, there is nothing to protect apart from the decorations" (Kural, 2012). In line with these comments, the municipality opened the way for demolition by permitting the construction license in February 2013. Following this, the Chamber of Architects again sued the Ministry and Municipality to cancel the license. The construction company, which didn't want to lose any more time and money, started to displace the resistant historical businesses like Inci Patisserie and Rebul Pharmacy by using Law 6098 (Ince, 2012).

While the legal procedure continued, two buildings and Emek Theater were demolished illegally in May 2013. The court reopened

[16] ICOMOS is a non-governmental international organisation dedicated to the conservation of the world's monuments and sites (ICOMOS, n.d.)

the case and issued another stay of execution. However, given the evidence of the Demirören case, the municipality did not enforce the judgment and the construction continued (Chamber of Architects representative, personal communication, July 12, 2016). Moreover, the Mayor of Beyoğlu did not hesitate to promote the project on the municipality website and in the newspapers. Mayor Demircan (2016) stated that "Thanks to our president and government, with Law 5366, we are happy and honored to launch an iconic building in Beyoğlu…With this building Beyoğlu is entering another phase". In addition, the partner of the company (2016), who was also Vice Minister of Economy, claimed that they would resurrect the Beyoğlu spirit with a new building complex, a newly built Emek Theater, and a very respected Madame Tussaud Museum. He also explained the aim of the state and private sector by saying: "This building will be the role model for the transformation of Beyoğlu" ("İşte pırıl" 2016).

Whilst the municipality and investors were in a race to ennoble the project, an Istanbul attorney opened a juridical investigation to the owners of company, the Mayor of Beyoğlu, and the vice mayors. Nevertheless, this did not stop the construction process, and the shopping mall with its famous museum and cinemas will be opened in December 2016. Once again, the legal ambiguity "enabled the authorities to play the game on their terms giving them both edge and flexibility in applying rules" (Eder & Öz, 2015, p. 297). The existence of a strong intervention of state, cooperation between local, central government and the private sector, their informal relationships and lack of law enforcement, once again enabled implementation of state-led gentrification through a shopping mall project. If there is a usage of state power, it must be for the public interest; however, as this process clearly illustrates, the state's projection for the future of the street is quite the opposite. As the owner of Inci Patisserie (2011) explains: "we are not closing down, they are displacing us…they are trying to change the identity of Beyoğlu…Beyoğlu's culture is demolished." Istiklal Street is one step closer to being an open shopping mall without identity and memory. Therefore, although the actors of the historic bloc seem to be the winner of the process, the project will be one of the biggest political, social, and artistic failures of all times.

ISTANBUL'S INTERPRETATION OF THE CONCEPT OF STATE-LED GENTRIFICATION: THE VIEW FROM ISTIKLAL STREET

Like many cities around the world, Istanbul is also experiencing a gentrification process that is producing urban space for the expansion of capitalism. Although gentrification is assumed to be the product of the market economy and increasing dominance of the private sector, in which state action is limited, this paper shows gentrification and "urban change in Istanbul is directed and shaped by state" (Türkün, 2011, p. 69). First, both central and local government's entrepreneurial and construction-oriented urban policy strategy created enough elbowroom to exploit urban space for both developers and state institutions. Multiple amendments were made in public policy and institutional framework in order to "form the legal and organizational basis of future urban transformation projects" (Islam & Sakızlıoğlu, 2015, p.250) and (state-led) gentrification. Second, gentrification and urban transformations started after ad hoc institutions, laws, and mechanisms are mobilized. Legal and economic barriers that hinder gentrification, such as heavy bureaucracy and revenue creation, were cleared away by these interventions. Third, proactive government role ensured the flexibility of the private sector by guaranteeing that every obstacle is bypassable by using informal and formal mechanisms such as relieving the preservation and planning regulations or enabling the displacement. Lastly, the nature of the neoliberal economic context is shaped by the state according to political connections and networks instead of free market competition. In other words, arbitrary market conditions and competition are created by the state and in doing so the state "acquired a monopoly position through which it can direct the market" (Çavuşoğlu & Strutz, 2014, p.148).

This process, at an abstract level, unfolds with "heightened involvement" and leadership of the state. However, this paper on the place specificity of state-led gentrification in Istanbul contests the idea that Istanbul is simply mimicking the state-led gentrification processes of the Anglo-Saxon world. Therefore, it is crucial to understand the context-based differences in order to expand our understanding of the complexities of gentrification.

The distinctive features why Istanbul's, specifically Istiklal Street's, 'successful state-led gentrification' constitutes a crucial case for exploring the context and inner workings of this neoliberal process

are threefold: high degree of discretionality, lack of transparency and participation and continuity.

First, high degree of discretionality is embedded in the process from the beginning till the end, and this feature facilitates the state-led gentrification in terms of cleaning the legal obstacles and trying to make a fait accompli of a contested situation. Special planning tools, like Law 5366, that pave the way for gentrification, have "no objective criteria to designate areas" as renewal areas. This makes us question why and how certain areas are chosen to be the candidates of gentrification. For instance, when I asked both the Metropolitan and Beyoğlu Municipalities the criteria for declaring the two case study areas as the renewal area, they failed to give any concrete data and used negative generic words like 'dirty' and 'unsustainable' to justify the act. Additionally, the blurry boundary between private actors and the state and the existence of an informal and discretionary relationship between state and private sector forced us to interrogate the legitimacy of projects and state-led gentrification. In the case of Istiklal Street, it is impossible to understand the acts of both the Metropolitan and Beyoğlu Municipality, which did not implement the court order to demolish the one-third of the building, in addition to allowing the opening and working of the shopping mall in the absence of a license, without considering the close relationship between the Demirören Group and the AKP Government. In addition, as in the case of the Grand Pera Shopping Mall, whether or not the vice minister, who also happened to be the partner of Kamer Construction Company, used his authority to overcome the legal obstacles like changing the judges of the court that ordered the stay of execution. These ambiguities and discretionary power of different levels of the state are not only useful for disciplining the private sector to keep it in the historical bloc, but also in creating space for maneuvering and acting according to case and obstacle.

Secondly, the lack of transparency and participation is both a problem and facilitator of state-led gentrification. In both cases, both organizations like the Chamber of Architects and the Chamber of Urban Planners, and businesses, which are located in and around the project area, did not have any information about the projects until the details were revealed in the newspapers. In the case of Demirören Shopping Mall, for plans and the project agenda were asked by both Chamber of Architects and businesses, but Demirören Group and the municipality refused to share it. The interview with the representative of Beyoğlu Municipality revealed the logic behind this situation. According to him, the transparency and participation are impossible in these kinds of projects for two reasons. First, "the

demands of business owners are too much and never ending and this makes the process much more complex and unsolvable." Additionally, "the organizations like Chamber of Architects object all projects even without checking them because of the dissent in political ideology. I am not saying all projects are right for public interest but the chamber of architects is not willing to find a common ground as well. They sue the projects immediately, and it takes ages to implement projects" (personal communication, June 13, 2016). Whether these claims are true or not, it is a fact that the lack of participation and transparency not only puts the accountability of state and democracy of state-led gentrification process under question but also, as a strategy, provides the state with the opportunity to implement the projects in a short time by bypassing any objections.

The last distinctive feature and essence of "successful" state-led gentrification is the "continuity". The investment structure and legal and institutional setup and strategies, which shape the geography of gentrification, "displays a certain degree of continuity in terms of social policy scope and key emphasis" (Shin & Kim, 2016). This was possible because of the single party power and control of different level governance, bureaucracy, and private stakeholders. If any part of this fails, the process of gentrification will be interrupted. Therefore, any kind of treat that has potential or intent to break this continuity tried to be taken out of the system. As the case study Demirören Shopping Mall shows, the Minister of Culture and Tourism, who contested the illegalities of the project by opening an investigation and initiating a legal battle with Beyoğlu Municipality, was demoted from the cabinet immediately so as not to break the continuity of the state-led gentrification of Istiklal Street (Gunay, personal communication, 23 May, 2016). On the other hand, any professional organization or institution, which challenged the gentrification process by lawsuits, protests, and press conferences, faced possible negative repercussions from the state. For example, the state tried to curb the authority of the Chamber of Architects by trying to change its official status and minimizing its power through several implementations such as removing its role in approving plans and restraining its right to open lawsuits against controversial projects.

CONCLUSIONS

In an attempt to overcome the bias of gentrification research, which is "often tautological and stuck in a definitional quagmire because what was meant by gentrification (globally) eluded broad consensus" (Wyly and Hammel, 2001, p. 213) of Anglophone dominancy, this paper tried to illustrate the contextual particularities and inner workings of gentrification that is further reaching than Anglophone understanding of state-led gentrification would allow. By doing so, this paper tried to augment the gentrification theory by exploring the state-led gentrification process of Istiklal Street in the context of neoliberal urbanism in which the state plays the role of "consummate agent–rather than a regulator of–the market" (Smith, 2002, p. 427).

This paper's findings proved the importance of studying peculiarities, "evolution and nature of governance networks" to grasp the inner workings of gentrification. In the case of Istiklal Street, aggressive state-led transformation stemmed from the nexus of global and authoritarian ambitions of state, both to reinforce their power and to increase urban rant. The analysis of two contentious projects demonstrates that institutional and legal obstacles for generating gentrification were cleared away by the interventionist state. The gentrification of Istiklal Street is shaped by "highly asymmetrical" and transgressive power relations and networks. The economic interest of powerful elites and state materialized, sometimes informally, through mobilization of legal, informal, coercive and financial power of state. State-led gentrification is also connected to the deployment of zero tolerance policies and discipline of every kind of resistance and opposition-creator mechanisms and actors in order to stay hegemonic.

Although there are context-based particularities in the way of producing state-led gentrification, the damages, vulnerabilities, and negative outcomes of neoliberalism are the same everywhere. As verified in the case study, Istiklal Street is the perfect example of a state-led gentrification process in which displacement, increasing rent gap, and reproducing the urban space for more affluent users occurred. State intervention seems persistent and the winner on the ground for now. So the question now is, what will be the future of Istiklal Street? Throughout its history, the street has been a diverse place and "enclave of differences and otherness." As the pressure of neoliberal policies and state-led gentrification increased, the distinctive nature of the street began to be challenged by

commodification and a speculative rent gap. Decisions related to the future of urban spaces have been left to a nexus that formed according to interests of the private sector, urban elites, and state. Many small and historical businesses, cinemas, theaters, and bookshops were either displaced by or could not survive on the battlefield of state-led gentrification. 'Right to the Istiklal Street' is becoming "merely a right of access to what the property speculators and state planners define" (Harvey, 2003, p. 941). However, a strong resistance to gentrification, as in the Gezi Park Protests and the Emek Protests, and the existence of a few places that still belong to Istiklal's particular character, gives us hope to survive. "If urban world has been imagined and made then it can be re-imagined and remade" (Harvey, 2003, p. 941).

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AGENDA FOR FUTURE RESEARCH

The aim of this thesis was to contribute to both urban neoliberalism and gentrification literature by exploring the different manifestations of neoliberalism, its pathway, and its particularities in the context of Istanbul. Although this thesis provides a significant insight into inner workings, contradictions, and limits of variegated neoliberal urbanism processes in Istanbul, it is not without limitations. A number of caveats need to be noted regarding this thesis for alerting future studies.

As with any field study, "research design is necessarily emergent rather than predetermined" (Singleton & Bruce, 1999). As Kim England (1994, p. 81) recognizes in relation to her own research, "The openness and culturally constructed nature of the social world, peppered with contradictions and complexities, needs to be embraced, not dismissed". This means that 'the field' is constantly changing and that researchers may find that they have to maneuver around unexpected circumstances. This is certainly the case with this thesis. Although at the moment both case study areas are under neoliberal pressure, very fragile economic and political conditions may change the current situation very quickly.

One reason for this research limitation is the inadequate information and quantitative data that could be provided by the Turkish Statistical Institute. For example, the data related to land prices, housing, rent prices, and changing land usage and occupations do not exist; additionally, the information based on census data only exists from 1980-2007. In addition, while socioeconomic data at a city level exists for each year, it is not possible to get data at a neighborhood level; the long additionally compelling bureaucratic procedure for accessing data makes the process more difficult for researchers. Under these circumstances, it is hard to make complete descriptive analyses for urban neoliberalism and gentrification processes in Istanbul.

Another important point that can limit the study is the character of neoliberalism and gentrification in Turkey which high levels of informality, illegality, and inequality have embedded in the process. Conducting interviews in neoliberal urbanism and gentrification research is crucial because the voices of those affected (positively and negatively) and the ones that directed the process must be captured in order to obtain a full understanding of the process. Recently, however, increasing the interest of both academia and

business circles, and speculations on Beyoğlu district, make gentrifier powerful private sector and state actors very uncomfortable. As a part of "don't tell, don't ask" psychology, it is not very easy to break their silence. For instance, although requested many times, the owners of the two contentious shopping mall projects refused to agree to an interview. Even if the absence of some voices could be regarded as a limit of this study at first glance, it could also be reckoned as the proof of the mentioned qualities of the neoliberal urban transformation process.

Apart from its limitations, this thesis addresses a number of gaps that need to be explored. These gaps also raise awareness for future research. Firstly, although this thesis places specificity of neoliberal urbanization through conducting research on BID and gentrification, there is a tendency in Turkish academia to analyze Turkish cases by using the dominant explanatory framework of the Anglophone world, and these results in overshadowing the contextual diversity and generalizing the complex process of urban change. In other words, using BID and gentrification as generic analytical tools to understand socioeconomic and political transformations of urban land could limit the real understanding of processes if the dialogue between theory and reality on the ground does not exist. Thus, in Turkish academia, we urgently need more refined studies that are built with a grounded or bottom-up approach.

Secondly, the findings of this thesis affirm the state's role as the game changer and most important actor of neoliberal transformation and gentrification. Although the changing role of the state could partly be grasped by tracing the changing legal regulations and institutions, the inside story of the evolving role of the state in the process cannot be fully figured out without discovering and integrating the power, state, "the interchangeable use of formality and informality" and illegality relationship. This again points to the need for a bottom-up approach by asking "how are gentrification and neoliberalism enacted?" instead of just asking "what are the consequences of neoliberalism and gentrification?"

Another important issue that should be pointed out is the inadequate representation of gentrification. Gentrification always seems to start with discussions on housing, and especially in Turkish academia, the housing gentrification discussions are confined to classical gentrification of historical city centers**.** However, if we really want to understand the neoliberal urbanization, we should expand the scope of research in terms of both geography and theory. For example, although the importance of commercial gentrification is emphasized many times in important academic studies (see Bridge & Dowling,

2001; Deener, 2007; Doucet, 2009) the studies examining this notion are very limited. For the Istanbul context, the great transformation in neighborhoods like Bagdat Street and the Moda neighborhood need to be explored by focusing on the commercial gentrification. Additionally, in order to capture the emerging form of urban change, the maturation and mutation of neoliberalism and gentrification should be taken into consideration. One of the ways gentrification mutated is through "new build gentrification". Although there are many neighborhoods in Istanbul, both in the center and periphery, such as Acibadem and Cekmekoy, there are no studies examining the process in the context of new build gentrification. In order to obtain a comprehensive understanding of changing urban dynamics in Istanbul, there is an urgent need of research on these areas and new forms of urban change within this context. Moreover, although this thesis provides Istanbul as the case study of Turkish context, there is still need of other examples to understand the unfolding neoliberalism and gentrification on a national scale. This means we need to start interrogating other cities of Turkey, like Ankara and Izmir, by asking: "Are the processes and dynamics of urban neoliberalism and gentrification encompassing the other cities of Turkey? If not, what are the particularities of each city?"

Finally, while these interrogations and deliberations on both the effects and causes of neoliberalism on urban spaces have a great importance for the maturation of theories and in widening the horizons for future studies, the notion of academic exploration goes beyond this. It should also guide and pave the way for producing policy in order to minimize the negative effects of neoliberalism and gentrification. Therefore, it is crucial to draw attention to the ones that are subjected to inequality and displacement during this commodification process.

APPENDIX

Documentation of shops in Istiklal Street between 2004-2016

2004	2011	2016
French Institute	French Institute	French Institute
Biblo Galeri	Ist Restaurant	Empty
Akbank	Aksanat Culture Center	Aksanat Culture Center
Bereket Halk Doner Restaurant	Bereket Halk Doner Restaurant	Bereket Halk Doner Restaurant
Ekmek Arasi Restaurant	Borsa Restaurant	Borsa Restaurant
Non-existing building	Starbucks	Starbucks
Fun City Game Center	Top Shop Clothing	Starbucks
Piknik Piyaz Kofte Restaurant	Kiki Riki Clothing	Kiki Riki Clothing
Clothing Shop	Erol Giyim Clothing	Golden Rose Cosmetics
FBI Clothing	Miss Point Clothing	Sunglasses Hut
Ziraat Bank	Ziraat Bank	Ziraat Bank
Kiz Teknik Olgunlasma Enst.	Kiz Teknik Olgunlasma Enst.	Construction
Halk Bank	LTB Clothing	LTB Clothing
Koton Clothing	Koton Clothing	GS Store
Benetton	Benetton	Koton Clothing
Kigili Clothing	Kigili Clothing	Vodafone
Pizza Hut	Pizza Hut	Pizza Hut
Yapi Kredi Bank	Yapi Kredi Bank	Yapi Kredi Bank
Aperatif Kiosk	Aperatif Chocolate Shop	Aperatif Chocolate Shop
MN Cafe Brasserie	MN Cafe Brasserie	MN Cafe Brasserie
Goya Shoe Store	Simer Restaurant	Simer Restaurant
Polo Clothing	Polo Garage Clothing	Polo Grage Clothing
Freddy Clothing	Bargello Parfumery	Bargello Parfumery
Lord Shoe Shop	L'Adresse de Parfumery	L'Adresse de Parfumery
Afacan Restaurant	Afacan Restaurant	Construction
Cavit Baby Clothing	Feme & Belle Accessories	Construction
Sohret Dried Fruit Seller	Meshur Beyoglu Chocolate Shop	Bolci Beyoglu Chocolate Shop
Rebul Pharmacy	Rebul Pharmacy	Construction
Aga Mosque	Aga Mosque	Aga Mosque
Ronaldi Clothing	Demiroren Shopping Mall (GAP)	Demiroren Shopping Mall (GAP)
Virginie Clothing	Demiroren Shopping Mall (GAP)	Demiroren Shopping Mall (GAP)
Saray Restaurant	Demiroren Shopping Mall (GAP)	Demiroren Shopping Mall (GAP)
Vacant	Demiroren Shopping Mall (GAP)	Demiroren Shopping Mall (GAP)
Vacant	Demiroren Shopping Mall (GAP)	Demiroren Shopping Mall (GAP)
Vacant	Demiroren Shopping Mall (GAP)	Demiroren Shopping Mall (GAP)
Hamlet Bookshop	Demiroren Shopping Mall (GAP)	Demiroren Shopping Mall (GAP)
Vacant	Demiroren Shopping Mall (GAP)	Demiroren Shopping Mall (GAP)
Berbal Saten Underwear	Miss Claire Underwear	Pera Shopping Mall
Riga Clothing	Vacant	Pera Shopping Mall
Izzet Kundura	Vacant	Pera Shopping Mall
Pasalar Leather Shop	Pasalar Leather Shop	Pera Shopping Mall
Picasso Shoe Store	Costumier	Pera Shopping Mall
SESAM	SESAM	Pera Shopping Mall
Hobby (kemer, cuzdan)	Vacant	Pera Shopping Mall
Belita Clothing	Belita Clothing	Pera Shopping Mall
Inci Patisserie	Inci Patisserie	Pera Shopping Mall
Ruya Cinema	Vacant	Pera Shopping Mall
Flash Shoe Store	Flash Shoe Store	Pera Shopping Mall
Mim Shoe Store	Greek Consulate	Greek Consulate
Vacant	Greek Consulate	Greek Consulate
Ertan Shoe Store	Greek Consulate	Greek Consulate

Desa Leather Shop	Desa Leather Shop	Desa Leather Shop
Beyoglu Cinema	Beyoglu Cinema	Beyoglu Cinema
Metropol Bookshop	Erkul Cosmetics	Munhasir Resturant
Clothing Shop	OXXO Clothing	OXXO Clothing
Hatemoglu Clothing	LC Waikiki Clothing	LC Waikiki Clothing
Swatch	LC Waikiki Clothing	LC Waikiki Clothing
Stones Clothing	Vodafone	Vodafone
Halk Bank	Halk Bank	Halk Bank
Mudurnu Chicken Restaurant	Mac Cosmetics	Mac Cosmetics
Raksotek Bookshop	Greyder Shoe Store	Greyder Shoe Store
Sormen Clothing	Surmen Sport Store	Pop icon Tshirt
Erol Clothing magaza	Erol Clothing	Erol Clothing
Deri Show Leather	Erbil Suel Shoe Store	Pasalar Shoe Store
Vakifbank	Vakifbank	Vakifbank
Otantik Restaurant	Otantik Restaurant	Otantik Restaurant
Cicek Passage	Cicek Passage	Cicek Passage
Sarabi	Hotic Shoe Store	Hotic Shoe Store
Dore Ayyakabi	Flower Shoe Store	Flower Shoe Store
Matras Deri	Coquet Accesorise	Arabian Oud
Hamurabi Pastry Shop	Hamurabi Pastry Shop	Hamurabi Pastry Shop
Kagi Clothing	Kagi Cafe	Ayla Tantuni Restaurant
Ender Clothing	Ender Clothing	Mc Donalds
Burger King	Burger King	Burger King
Beyoglu Han Giris	Beyoglu Han Giris	Beyoglu Han Giris
Mado Ice Cream	Six Accecorise	Six Accecorise
Vacant	Galatasaray Art Center	Galatasaray Art Center
Sabah Bookhop	Corner Gift Shop	Corner Gift Shop
Vacant	Hard Rock Cafe	Hard Rock Cafe
Misirli Clothing	Insan Bookshop	Insan Bookshop
Zero Point Clothing	Turkcell	Turkcell
Erol Tekstil	Nursace Shoe Store	Nursace Shoe Store
Turkcell	Ozsut Patisserie	Ozsut Patisserie
Mercer	Simit Sarayi Patisserie	Ttnet Avea
Imren Game Center	Ecoll Clothing	Lefon Clothing
Aznavur Passage	Aznavur Passage	Aznavur Passage
Derpa Shoe Store	Accessorize	Flormar
Safak Elektronik	Hasan Usta Patisserie	Hasan Usta Patisserie
Pera Music Shop	Hasan Usta Patisserie	Hasan Usta Patisserie
Sanzelize Club	Club Salsanat	Salsanat club
Danisman Gecidi	Danismend Gecidi	Danismend Gecidi
Sok magaza Clothing	Konak Kebap Restaurant	Konak Kebap Restaurant
Lottery Shop	Lottery Shop	Lottery Shop
Galatasaray Khan	Galatasaray Khan	Galatasaray Khan
Ipek Mercent	Ipek Mercent	Ipek Mercent
Scholtzsy's deli	Koska Dessert Shop	Koska Dessert Shop
Non-existing building	Seven Hill Clothing	Vacant
Non-existing building	Codentry Clothing	ADL Isik Clothing
Barcelona Cafe	Barcelona Cafe	Greyder Shoe Store
Kusam Shoe Store	& style Clothing	Poletta Shoe Store
Haci Resul Mercent	Haci Resul Mercent	Vacant
Green Cats Clothing	Garanti ATM	Garanti ATM
Clothing Magazasi	Party 21 Clothing	Bolci Beyoglu Cikolaticisi
Elhamra Cinema	Elhamra Club Bar	Elhamra Club Bar
Ipeker Mercent	Avea	Bambi Shoe Store

Piknik Restaurant	Vacant	Columbia Clothing
Atak Clothing	Starbucks	Starbucks
Semsi Clothing	Inci Shoe Store	Atasun Optik
Lion Clothing	Elle Shoe Store	Elle Shoe Store
Vacant	Garanti Gallery	Garanti Gallery
Akar Clothing	Mete Atak Clothing	Mete Clothing
Migfer bar restaurant	Gloria Jeans cafe	Odakule Bistro
Vacant	Collezione	Collezione
Turkiye Is Bank	Turkiye Is Bank	Turkiye Is Bank
Non-existing building	Istanbul Bookshop	Burger King
Kifidis Shoe Store	Kifidis Shoe Store	Kifidis Shoe Store
Turkcell	Turkcell	Turkcell
Pasabahce Glassware	Pasabahce Glassware	Vacant
Gino Cafe Pub	Fashion Republic	Sneaker more
Cerci Clothing	Charly Temmel Ice cream	Vacant
Emlak Bank Art Galley	Mek Med Kebap Restaurant	Koton Clothing
Unal Clothing	Clothing	Vacant
Ada Bookshop	Ada Bookshop	Non-existing building
Vacant	Borusan Music Center	Borusan Music Center
Sultanahmet Halk Restaurant	Borusan Music Center	Borusan Music Center
Saray Clothing	Calzedonia	Calzedonia
Goral Clothing	Italyan Ice-Cream	Italian Ice Cream
Galeri 44 tekstil	Tramway Cafe	Tramway Cafe
Bayraktar Currency Exchange	Bayraktar Currency Exchange	Bayraktar Currency Exchange
Mink Leather	Sultan Ahmet Koftecisi Restaurant	Pirola Restaurant
Esko Music	Adidas	Mado Ice Cream
Serkan Underwear	Gerfloor Construction	Tefal Design
Markiz Cafe	Yemek Klubu Restaurant	Yemek Klubu Restaurant
Leke Jeans	Mavi Music	Mavi Music
Clothing Magazasi	Turkcell	Turkcell
Clothing Magazasi	Columbia	Columbia Clothing
Unknown	Ilke Kundura	Ilke Kundura
Unknown	Fotis Florist	Fotis Florist
Unknown	Koska	Koska
Unknown	Gift Shop	Construction
Unknown	Vacant	Construction
Unknown	Myth Arts	Construction
Unknown	Snr Accessory	Construction
Unknown	Istiklal Pharmacy	Construction
Unknown	Vacant	Construction
Unknown	Aba Clothing	Construction
Ziraat Bank Art Gallery	Ziraat Bank Art Gallery	Ziraat Bank Art Gallery
Vacant	Car Park	Car Park
Durum Kiosk	Giolitti Ice Cream	Cremeria Maria Ice Crean
kaffee haus		

Funda Underwear	Swatch	Camper
Halil&Cupido Clothing	Levis	Levis
Mephisto Bookshop	Saray Restaurant	Saray Restaurant
Gulaydin Jeweler	Saray Restaurant	Saray Restaurant
Saray Underwear	Cobalt Shirt	Tudors Shirt
Alkazar Cinema	Alkazar Cinema	Vacant
Emlak Bank	Nike	Nike
Garanti Bank	Garanti Gallery	Garanti Bank
Sporland Shop	Sporland Shop	Sporland Shop
Vacant	&Style Clothing	Turkcell
Young&Sport Clothing	Mado	Mado
Kip Clothing	Mavi Jeans	Mavi Jeans
Mephisto Bookshop	Mephisto Bookshop	Mephisto Bookshop
Gutan Shoe Store	FLO Shoe Store	FLO Shoe Store
Haci Salih Restaurant	FLO Shoe Store	FLO Shoe Store
Ferit Shoe Store	FLO Shoe Store	FLO Shoe Store
Franguli Jeweler	d&p Parfumery	d&p Parfumery
Berry Clothing	Patso 7 Food Kiosk	Kasap Doner Restaurant
Yusuf Shoe Store	Mimal Concept	YEYE Currency Exchange
Atlas Cinema	Atlas Cinema	Atlas Cinema
Barbel Underwear	Sirin Accessory	Sirin Accessory
Hala Manti Restaurant	Bursa Izgara Restaurant	Bursa Izgara Restaurant
Turkiye Is Bank	Turkiye Is Bank	Turkiye Is Bank
Akbank	Akbank	Akbank
Playland Kiyafet Clothing	Hala Manti Restaurant	Tugba Lokum Dessert Shop
Beyim Kiyafet Clothing	Beyim Kiyafet Clothing	Tugba Lokum Dessert Shop
Edo Cafe	TEB Bank	TEB Bank
Golden Shoes	SNR Shop	SNR shop
Istavrit Bookshop	Nordsee Restaurant	Baydoner Iskender Restaurant
Cetinkaya Department Store	Cetinkaya Department Store	Cetinkaya Department Store
Vakif Bank	Cetinkaya Department Store	Cetinkaya Department Store
Seker Bank	De Facto Clothing	De Facto Clothing
CATS Clothing	Kemal Tanca Shoe Store	Kemal Tanca Shoe Store
Efor Clothing	My Diamond Jeweler	Ayze Diamond Jeweler
Function Clothing	Tekin Acar Cosmetic	Samsung
Konak Kebap Restaurant	Mavi Jeans	Mavi Jeans
Pamuk Bank	Finans Bank	Finans Bank
Yapi Kredi Bookshop	Yapi Kredi Bookshop	Construction
Yapi Kredi Bank	Yapi Kredi Bank	Yapi Kredi Bankasi
Yapi Kredi Culture and Art	Vacant	Zara
Tore Bravo Restaurant	House Cafe	House Cafe /kapandi
C21 Sport Clothing	Golden Rose Kozmetik	Gratis
Vacant	Vacant	Vacant
Clothing Magazasi	Shikir Clothing	Tommy Hilfiger
Beyoglu Sel Bookshop	Patata Restaurant	Tudors Shirt
Ak Kristal Gift Shop	Ak Kristal Gift Shop	Flower Shoe Store
Ebrusan Stationary	Borek Center	Borek Center
Afacan Burger Pizza	Piknik Kofte Restaurant	Piknik Kofte Restaurant
Ozan Clothing	Zero Point Clothing	Zero Point Clothing
Lider Clothing	J.Key Clothing	US POLO ASSN
Suzer Clothing	Penti	Penti

Gallery Mayer	Dilek Patisserie	Vacant
Unitel Techno Market	Dilek Patisserie	Dilek Patisserie
Mc Donalds	Dilek Patisserie	Dilek Patisserie
Beko White Goods	Koc University	YKY Bookshop
Ziraat Bank	Ziraat Bank	Ziraat Bank
Okay Clothing	Patatos Food Kiosk	Patatos Food Kiosk
Panter Stationary	Panter Stationary	Panter Stationary
Panter Fur Shop	Panter Gift Shop	Via Pera Gift Shop
Boutique Ozgur	Boutique Ozgur	Yves Roche
Ladyman Clothing	Midpoint Restaurant	Midpoint Restaurant
Kostum Beyoglu	Vacant	Mavi Jeans
Turkcell	Salad Station	Mavi Jeans
Istanbul Bookshop	Istanbul Bookshop	Mango
Breket Foodland	Antakya Bufe	Antakya Bufe
Elvan Leather	Cika Canta	Cika Canta
Tatbak Dried Fruits	Istiklal Dried Fruits	Istiklal Dried Fruits
Robinson C. 389 Bookshop	Robinson C. 389 Bookshop	Pandora Accessorize
Vacant	Antique Store	Vacant
Altug Music Shop	New Balance	New Balance
Denizler Bookshop	Denizler Bookshop	Denizler Bookshop
Ender Clothing	Ender Canta	Ender Shoes
Mayis Cini	Mayis Jeweler	Vivaldi Waffle
Non-existing building	Vacant	Ravouna Cafe
Non-existing building	Lacoste	Super Step
Non-existing building	Camper	Camper
Ideal Leather Shop	Gold Store Jeweler	Gold Store
Ozcicek Dried Fruits	Ozcicek Dried Fruits	Ozcicek Dried Fruits
Super Leather Shop	Hotic Shoe Store	Hotic Shoe Store
Koc Bank	Arter Art Center	Arter Art Center
Borusan Art Center	Borusan Art Center	Hungary Art Center
Lila Cafe	Mavi Jeans	Kasap Doner Restaurant
Aba Clothing	Ozsut	Kofteci Ramiz Restaurant
Church	Church	Church
Kelebek Corsets	Kelebek Corsets	Vacant
Auro Jeweler	Dilim Dried Fruits	Golden Rose Cosmetics
Dilim Dried Fruits	So Chic	Golden Rose Cosmetics
Beyoglu Mun. Art Center	Beyoglu Mun. Art Center	Beyoglu Mun. Art Center
Russian Consulate	Russian Consulate	Russian Consulate
Richmond Otel	Richmond Otel	Richmond Otel
Cafe Lebon	Bershka	Bershka
Marmaris Bufe	Marmaris Bufe	Marmaris Bufe
Foks Fur Shop	Gratis Cosmetics	Gratis Cosmetics
Lebon Patisserie	Lebon Patisserie	Lebon Patisserie
Armada Kofte Piyaz	Armada Restaurant	Armada Restaurant
Dunya Bookshop	Starbucks	Starbucks
Vacant	Vacant	Vacant
Kitabi Mukaddes Kitap	Bible Society	Kitabi Mukaddes
Turk Alman Bookshop	Turk Alman Bookshop	Turk Alman Bookshop/Cafe
Consulate	Consulate	Consulate
The Four Season Restaurant	Gloria Jeans	Shake and Shack Hamburger
Ozcicek Dried Fruits	Ozcicek Dried Fruits	Ozcicek Dried Fruits

Metri Bookshop	Vacant	La Fresca
Baklavaci Elifoglu	Konak Kebap Restaurant	Konak Kebap Restaurant
Tuna Cafeteria	Konak Kebap Restaurant	Konak Kebap Restaurant
Murat Sezen Guitar Shop	Dukkan Burger	Garda Shoes