

## THE ISOLATION AND EXCLUSION OF THE POOR DURING THE URBAN TRANSFORMATION IN ISTANBUL: TARLABAŞI CASE

Ece Ceylan Baba

Assist. Prof. Dr., Bahcesehir University, Turkey, ece.ceylanbaba@bahcesehir.edu.tr

### Abstract

“Urban transformation” became an important component of the political discourse in Turkey after the 1999 Marmara Earthquake. However, the implementations of urban transformation in İstanbul dates further back. In 1970s, the decentralization of industry was included in the plans among the policies for the city. As a consequence of the neoliberal policies adopted by the Turkish government in the 1980s, urban transformation evolved hand in hand with the market economy. The relocation of the heavy industrial facilities out of the city and the transformation of historic urban centers and squatter areas were listed on the agenda. It was argued that urban transformation implementations would rehabilitate illegal settlements, the housing stock and urban environments of poor quality and the deteriorated historic urban fabric, paving the road to attract foreign investments and to create new employment opportunities. Within this context, İstanbul is envisioned to become a cultural, touristic and financial center.

Especially in the 1990s, as a result of a series of advances in the financial and real estate markets, capital gain in İstanbul became the most profitable realm of capital saving strategies in similarity to the global economy. High profit margins led to the demolition of the neighborhoods where land tenure was problematic and which inhabited economically disadvantaged groups. These neighborhoods were recreated to include office spaces, malls, hotels, restaurants, housing estates and residential towers for the attraction of the middle and upper-middle income groups. Similar to the rest of the world, such a process leads to the isolation and exclusion of the low-income inhabitants from the neighborhoods which are gentrified. Indeed, the majority of the inhabitants in the neighborhoods which undergo urban transformation have to sell their residences for extremely low prices, cannot afford to return back to the areas where they used to live; and therefore, are forced to relocate to the poorer neighborhoods on the peripheries of the city. Thus, cities are transformed into reserved islands, which are clearly split into parts by income groups, and structured to minimize the encounters of different socio-economic groups. Rather than protecting the public interest, urban transformation revolves around the forces of the market economy. This global trend can be clearly observed in İstanbul.

The urban transformation project implemented in Tarlabası is an illustrative example of the evacuation of the poor from their properties and their relocation to other distressed neighborhoods of the city. The transformation of Tarlabası, which turned into a slum due to the historic course of events despite its central location, ignited conflicts between the property owners in Tarlabası, and the municipality and contractor. During the trials of more than 500 lawsuits, both parties accused the other. The Chamber of Urban Planners, Chamber of Architects and many non-governmental organizations objected the project in Tarlabası and declared their point of view in favor of the property owners. After the 6-year-long legal struggle, the low-income property owners could not economically withstand the existing conditions; and they eventually had to settle for the extremely low prices offered by the municipality and contractor and relocate to the poorer neighborhoods on the peripheries of the city. Thus, low-income residents of Tarlabası were excluded and isolated from the city center, while the neighborhood was transformed into a focal point for middle and upper income groups and a high amount of capital gain was acquired.

**Keywords:** Urban Transformation, Urban Renewal, Tarlabası, İstanbul.

### MAIN TEXT

By the end of the Second World War, Turkey underwent a rapid urbanization, and this process had to be realized at the minimum cost as the capital accumulation in the country was extremely limited. Therefore, urbanization in Turkey and particularly in İstanbul comprised of squatters, which were erected to meet the immediate daily needs of the immigrants, instead of a process planned and organized by technocrats

(Tekeli, 2011, p.42). However, the prospering economy and increasing national income in the 21st century resulted in the expansion of the middle income group; and consequently, changed the perception of housing in the city. Consumers' increased demand for comfort in their residences and quest for expressing their social status through their housing type led to a change in the qualities of the houses that were in demand. In addition to comfort and social status, consumers also began to demand for security against the earthquake risk due to the devastating consequences of the 1999 Marmara Earthquake. Consequently, the housing demand in İstanbul shifted to the housing types which not only offered high standards in terms of social status and comfort but also were resistant against earthquake. The changes in the characteristics of the housing demand provided the induction that was necessary for the transformation of the squatter areas and earthquake-prone housing stock, which were the cost-effective products of the urbanization process of the 1950s İstanbul (Tekeli, 2014, p.xxii). This induction generated by the consumers also received favorable reactions from the producers mainly because of the fact that the construction industry could procure high margins of profit and capital gain in İstanbul. Consequently, by the 21st century İstanbul turned into a huge construction site. This new surge of construction was called as "urban transformation".

"Urban transformation" became an important component of the political discourse in Turkey after the 1999 Marmara Earthquake. However, the implementations of urban transformation in İstanbul dates further back. In 1970s, the decentralization of industry was included in the plans among the policies for the city. As a consequence of the neoliberal policies adopted by the Turkish government in the 1980s, urban transformation evolved hand in hand with the market economy. It was argued that urban transformation implementations would rehabilitate illegal settlements, the housing stock and urban environments of poor quality and the deteriorated historic urban fabric, paving the road to attract foreign investments and to create new employment opportunities. Thus, public authorities also joined the consumers and producers who were already enthusiastic about urban transformation in İstanbul. Within this context, Kadir Topbaş -the mayor of the İstanbul Metropolitan Municipality- announced that a major urban transformation will take place in İstanbul and a separate Urban Transformation Act was being drafted for the city. The Urban Transformation Act for İstanbul authorizes the İstanbul Metropolitan Municipality to directly take action against unplanned and illegal buildings. In addition, the mayor particularly emphasized that any action taken against these buildings would not oppress and distress citizens (Arkitera, 2006).

Despite all these statements, some of the urban transformation implementations in İstanbul caused suffering and aggrieving consequences for the inhabitants of the project sites. This predicament was caused by the emergence of interest groups and conflict of interests due to the high capital gain and these groups' inclination to serve in favor of the groups in possession of capital. Especially in the 1990s, as a result of a series of advances in the financial and real estate markets, capital gain in İstanbul became the most profitable realm of capital saving strategies in similarity to the global economy. High profit margins led to the demolition of the neighborhoods where land tenure was problematic and which inhabited economically disadvantaged groups. These neighborhoods were recreated to include office spaces, malls, hotels, restaurants, housing estates and residential towers for the attraction of the middle and upper-middle income groups. Similar to the rest of the world, such a process leads to the isolation and exclusion of the low-income inhabitants from the neighborhoods which are gentrified. Indeed, the majority of the inhabitants in the neighborhoods which undergo urban transformation have to sell their residences for extremely low prices, cannot afford to return back to the areas where they used to live; and therefore, are forced to relocate to the poorer neighborhoods on the peripheries of the city. Thus, cities are transformed into reserved islands, which are clearly split into parts by income groups, and structured to minimize the encounters of different socio-economic groups. Rather than protecting the public interest, urban transformation revolves around the forces of the market economy. This global trend can be clearly observed in İstanbul.

The urban transformation project implemented in Tarlabaşı is an illustrative model to the evacuation of the poor from their properties and their relocation to other distressed neighborhoods of the city. The transformation of Tarlabaşı, which turned into a slum due to the historic course of events despite its central location, ignited conflicts between the property owners in Tarlabaşı, and the alliance of the municipality and contractor. While the municipality claims that the project aims to restructure the neighborhood and raise its economic value, the property owners express that they were evacuated from the neighborhood of so many years without their will and without being compensated from the capital gain, which will be acquired through the urban transformation process. The evacuation of a significant number of the owners from their properties in Tarlabaşı sets an illustrative example to the isolation and exclusion of the low income groups in İstanbul.

Fig. 1. An example of the row houses in Tarlabası. (Before demolition)



Fig. 2. A sample of the housing stock in Tarlabası.



The “Act on the Preservation and Perpetuation of Historical and Cultural Assets”, which was enacted on 16.06.2005 and published in the Official Gazette on 05.07.2005, establishes the legal foundations of the evacuation of the property owners by the municipality (General Directorate of Land Registry and Cadastre, 2005). The act, which is also known as the “Beyoğlu Act”, defines a different legal framework for the areas that are declared to undergo urban transformation and forces property owners to choose from the alternatives offered. One of the most important implementation tools defined by this act in order to facilitate urban transformation is the assignment of the municipality with the “urgent expropriation” power in the event of any disagreement with the property owners (Türkün and Saroğlu, 2014, p.269-270). However, urgent expropriation was not referred to in the early stages of the transformation in Tarlabası, and the relation between the municipality and property owners was initially carried out through a discourse based on mutual benefit of the parties involved. Back then, the municipality announced that the World Bank provided a loan which will be used to renovate the buildings, and the municipality will provide financial support to property owners who do not have the means to renovate their buildings and the repayments will be structured in long-term (such as 10-15 years) installments (Kuyucu and Ünsal, 2008). In addition to these favorable financial conditions, the municipality justified the necessity for transformation under three headings; namely aesthetics, economic and social.



Fig. 3. Daily life in Tarlabası.

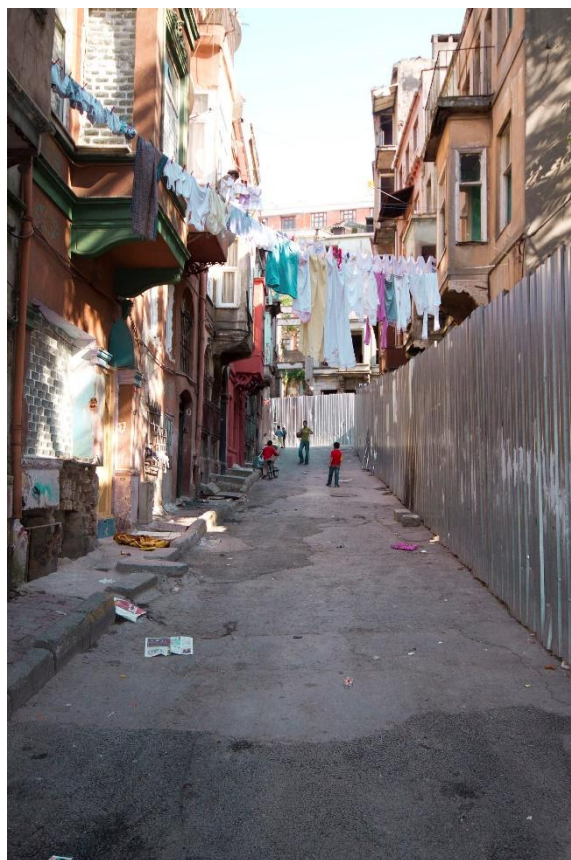


Fig. 4. Sample of the urban fabric in the Tarlabası urban renewal site before demolition.



Fig. 5. An evacuated street in Tarlabası during the renewal project.



The municipality argued that the building stock -which was in poor quality, unhealthy and dangerous due to aging and dilapidation- and the infrastructure would be completely renewed. The municipality's arguments imply that renovated buildings will be adequate for today's needs and standards, and the historic urban fabric in the neighborhood will be preserved.

Fig. 6. An evacuated street in Tarlabası.



Fig. 7. Daily life in the vital Tarlabası...



According to the municipality, the achievement of an aesthetic and contemporary appearance will directly lead to positive economic outcomes. Accordingly, Tarlabası Renewal Project will enable increase in the economic value of the area and constitute a significant opportunity to attract commercial activities based on the service industry. Future investments in tourism and service industries will lead to the economic revitalization of the project site and its vicinity.

According to the municipality, the economic improvement of Tarlabası will trigger social improvement. The municipality assures that it will be involved in the economic and social development of the neighborhood. Accordingly, Tarlabası Renewal Project will initiate change in the entire neighborhood and will constitute the first step taken towards the integration of the area, which has been stagnant. A social plan will be enacted by Beyoğlu Municipality and related actors, and it will enable the current residents of the neighborhood benefit from the value added and future employment opportunities in the neighborhood (Kentsel Dönüşüm Info, n.d.).

Fig. 8. Aerial view of the housing blocks included in the Tarlabası Renewal Project.





Although the project initially seemed like a win-win negotiation for all parties involved, the first disagreement emerged upon the offer made by GAP İnşaat (an affiliate of Çalık holding), which won the tender lodged by Beyoğlu Municipality, to the 278 property owners. GAP İnşaat's offer designated 58 percent of the existing construction area to the company and 42 percent to the property owners. However, after the renewal project is completed, there will be an increase in the buildings' number of floors, and this increase will provide added value in favor of the contractor. According to the current conditions, the surface area of Tarlabası Renewal Project site is 22 thousand square meters, and the total construction area (which is solely composed of residential units) reaches up to 64 thousand square meters. With the completion of the renewal project, the construction area will increase from 64 thousand square meters to 180 thousand square meters. In other words, the 42 percent offered to the property owners will be calculated according to the existing construction area (i.e. 64 thousand square meters) rather than the proposed construction area approved by the municipality (i.e. 180 thousand square meters) (Türkün and Sarıoğlu, 2014, p.278). Thus, disagreement emerged between the contractor and property owners. The municipality got involved in the process as a mediator. However, the settlement offer outlined by the municipality was also not to the satisfaction of the property owners. Indeed, the offers proposed to the property owners during negotiations were deemed to be extremely low. However, the municipality's announcement that "urgent expropriation" would be considered in the case that the property owners did not settle for what they were offered became the actual cause of distress. This attitude of the municipality was grounded on the "Beyoğlu Act", which was enacted in 2005.

Fig. 9. Demolition of the buildings in Tarlabası.



In order to comprehend how low the offers defined by the municipality are, it is sufficient to take a look at the newspapers of the time. According to the municipality's offer, Fatma Yalçın can choose between a 40-square-meter flat in the renewed site and an 85-square-meter flat in Küçükçekmece in return of her 75-square-meter flat in Tarlabası. Azize Dinler, the owner of a flat with 275-square-meter construction area, would receive a 40-square-meter flat in the Bayrampaşa TOKİ housing complex. Muhittin Acaray was offered a 51-square-meter flat in return of his building with 153-square-meter construction area. A 25-square-meter shop and a 40-square-meter basement office was offered to Namık Sönmez who owned an 8-story office building of 900 square meters of construction on the main artery. The municipality attempted to motivate the property owners by cutting off the power and water supply to their properties and "urgent expropriation" (Çakır, 2008).

Fig. 10. Tarlabası Urban Renewal Project, original urban fabric and new project site-1.



Fig. 11. Tarlabası Urban Renewal Project, original urban fabric and new project site-2.



Fig. 12. Tarlabası Urban Renewal Project, original urban fabric and new project site-3.



The initial efforts of the municipality were not sufficient to persuade any of the property owners; and therefore, "urgent expropriation", which was so far utilized as a warning to force the property owners settle, was put in place. Upon the failure to reach agreement, Beyoğlu Municipality sent notifications to the property owners to invite them for another round of negotiation and informed them that their properties would be "urgently expropriated" if a settlement was not reached. The property owners continued rejecting the offers made by the contractor and municipality. Consequently, Beyoğlu Municipality took the issue to the Civil Court of First Instance and had 71 buildings annotated as "unsalable". The court ruled to a new appraisal for the buildings, which decreased the buildings' values to half of what the municipality had offered during the



previous negotiations. Upon this judgment, almost 100 of the property owners were appalled and agreed to reach settlement on the terms offered by the municipality. However, 300 property owners objected and appealed to the Administrative Court for the cancellation of the expropriation of their properties (Türkün and Sarıoğlu, 2014, p.282). The case involved 164 properties whose owners stated that the practice of expropriation was unlawful. At the end of the trials, the Administrative Court ruled that the expropriations were indeed lawful. However, in 2014, the 6th Division of the Council of State reversed the Administrative Court's judgment (Anonymous, 2014). It is not yet clear how the judicial process will continue, and the property owners are getting prepared to file annulment and land registration suits for the return of their properties, which were unfairly and unlawfully expropriated.

Fig. 13. Tarlabası Urban Renewal Project, original urban fabric and new project site-4.



Fig. 14. Tarlabası Urban Renewal Project, original urban fabric and new project site-5.



The owners who sold their properties to GAP İnşaat after the municipality played the expropriation trump card express great discontent. The owner of a 150-square-meter flat on the project site is provided with a 46-square-meter flat and is indebted to pay 62 thousand Turkish liras. However, these property owners believe that they will not be able to continue living in the neighborhood under the current conditions, as they cannot afford paying the high fees for the new flats. They express their uproar: "They literally suggest us to clear off the way. I wonder if the government exists at all. Why doesn't anyone hear our cry?" (Türkün and Sarıoğlu, 2014, p.283).

The rental fees of the 100 flats, which are now owned by GAP İnşaat, were increased by 300 percent. The renters were informed with written warnings that they should immediately evacuate their houses due to demolition. They were also notified that in case they fail to pay their rental fee, which is now tripled, within three days after it is due, they will be deemed overdue. Thus, renters who cannot anymore afford to pay the rental fees in the neighborhood, were forced to relocate (Türkün and Sarıoğlu, 2014, p.283).

During the trials of more than 500 lawsuits, both parties accused the other. In March 2008, property owners, who believe that their rights were exploited, established the Solidarity Association for the Development of the Property Owners and Renters in Tarlabası (Gün, n.d.). The association has 430 members, of which 280 are property owners and 150 are renters. The lawsuits are usually filed by way of the association. The Chamber of Urban Planners, Chamber of Architects and many non-governmental organizations objected the project in Tarlabası and declared their point of view in favor of the property owners. The property owners in Tarlabası appealed to the European Court of Human Rights to demand for the urgent suspension of the expropriation of their properties (Anonymous, 2010).

As of today, the majority of the low-income property owners could not economically withstand the existing conditions; and they eventually had to settle for the extremely low prices offered by the municipality and contractor and relocate to the poorer neighborhoods on the peripheries of the city. Thus, low-income residents of Tarlabası were excluded and isolated from the city center, while the neighborhood was transformed into a focal point for middle and upper income groups and a high amount of capital gain was acquired.

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