

Planning dilemmas in deindustrialization process in İstanbul

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Abstract

The last two Master Plans of İstanbul Metropolitan Area targeted to transform İstanbul into a primary city as a cultural and financial center in its region, and a competitive city at the global level. This planning objective mandated to concentrate on the development of high-level services sector in some targeted sub-metropolitan areas while leaving low value-added and labor intensive industrial sectors outside the city limits. In this paper, the relationship between the ongoing industrial decentralization process and the vision of İstanbul Metropolitan Master Plan for 2023 are examined. As noted above in many parts of the city the existing industrial facilities with considerable employment bases, face pressure to relocate their facility to some selected Industrial Parks or in many cases to off-limits of the Metropolitan Area. However, those industrial areas to face relocation are located closely to residential areas where their major source of the workforce lives. The paper will examine the assumptions of the İstanbul Metropolitan Master Plan of 2009 on the transformation of industrial areas with reference to Halkalı Street Industrial districts. A critical assessment will be made on the role of the Master plan and local zoning plans on deindustrialization process and reactions of local industrial companies.

Keywords

Industrial decentralization, Urban transformation, İstanbul metropolitan master plan, Halkalı industrial area.



1. Introduction

Two of the most important transformations in large metropolitan cities in the world over the last thirty years have been the declining rate of industrial activity in total economic activity, and the rapid growth of the service sector. Due to the rapid increase in the freedom of movement of global capital and the relative abolition of spatial constraints in manufacturing industry production, industrial spaces, one of the basic economic functions of metropolitan cities, have changed considerably within existing spatial structures. As the main trigger of change, urban functions, such as housing, office and shopping areas, with the relative power to pay high land prices, began to settle in these areas. As a result opportunity created by the increased land prices in the regions where the urbanized areas have become advantageous over the infrastructure in time.

In almost all metropolitan development plans prepared for Istanbul city in the last five decades, transformation of the manufacturing industry sector into services and other sectors has been identified as one of the most important plan targets in terms of both economic output and employment to reach the higher value added economic activities in the city. In this study, the overtime transformation of a main inner city industrial zone in İstanbul Metropolitan Area will be examined in light of the latest 2009 İstanbul Metropolitan Plan decisions. It is argued that many manufacturing companies in İstanbul's inner city industrial zones have been forced to cease their manufacturing operations due not directly to the worsening respective market conditions only, but also due to the local governments' planning approach targets to transform industrial lands into more profitable urban functions such as residential complexes or shopping centers.

2. Objective of the study

In the developed industrial countries deindustrialization process mainly followed the results of the general market conditions. Except some high technology complexes, industrial areas in big cities mainly relocated their factories in their less developed regions

or other low industrialized countries. Low rates of labor cost and low environmental standards were main drivers of the relocation.

This article argues that, in İstanbul case, relocation of inner city industrial areas have been encouraged by local governments' lucrative zoning plan approaches in which land rents have been used as main financial tool to compensate the costs of the deindustrialization process. Contrary to the industrialized country cases, however, for many industrial areas in İstanbul, industrial establishments prefer to stay in their inner city location due to economic reasons.

Istanbul has been always the main industrial location of the country. By the mid-80s strong pull effect had been the main motivation for the urban and regional development plans for the last two decades. Even though there were plans to control the rapid urbanization of İstanbul, industrial accumulation continued to grow until the early 1990s.

In the post-1980 era Turkey's economy experienced a rapid transformation from inward looking to export oriented economy. In this process major industrial places in metropolitan cities showed a steady decrease in both relative labor share and total output (Doğruel and Doğruel, 2010). Main reason for the general decline in manufacturing in metropolitan areas was due to centripetal forces of neighboring cities and/or regions and increasing environmental concerns in inner cities.

After the mid-1990s, İstanbul started to experience rapid urban transformation and deindustrialization process with the increasing neo-liberal policies toward urban development. As in many cities around the world, urban policy makers emphasized significant roles to mega-projects by transforming former industrial spaces to sites with luxurious residences, gentrified neighborhoods, office towers, shopping complexes and the like (Bezmez, 2008). Even though urban transformation process in İstanbul resembles to many cases in other big cities of post-industrialized countries, deindustrialization process in İstanbul differs as its main causes are not the increasing labor and capital costs

but increasing economic opportunity in urban land due to high demand of inner city areas where already many industrial complexes were set up. In many instances, industrial complexes in inner areas were targeted as the new places for the regeneration of global real estate projects such as luxury residences, office places and shopping areas.

Halkalı Street industrial district is located in the western part of Istanbul near Küçükçekmece Lake. Along Halkalı Street there are numerous factories in textiles, metal, printing and leather. The nearby residential areas are also consist of low to middle-low income households with mostly low skilled laborforce.

This article explores the underlying reasons that explain the deindustrialization process in Istanbul after the start of heightened globalization period in mid-1990s. For this purpose, it examines the major planning decisions, key actors, their interest and the urban politics at district and city level. At the local level someface-to-face interviews were conducted with selected company owners on their reaction toward ongoing deindustrialization and regeneration process in Halkalı street district.

In the following section a short discussion will be made on general changes on the economic structure of cities. The fourth section briefly focuses on the urban transformation process in Istanbul. In the following section plans for the development of industry in Istanbul are examined in detail. The sixth section deals with the 2009 Istanbul Master Plan approach on deindustrialization process. 2009 Master Plan's particular emphasis on the deindustrialization process will be evaluated in the seventh section. As a case study, major reactions of local industrial companies on the local and master plan approaches for deindustrialization in Halkalı industrial area will be analyzed in the eighth part of the article. In the last part, a short evaluation of findings and discussion of the article will be made.

3. Economic transformation of the cities and spatial change

Especially after the 1960s, industrial enterprises located in the centers of big cities in industrialized countries caused large factories to move to sub-centers in the region and/or to less developed countries due to the increase in the production costs and the decline in profits. In this process which continued until the end of the 1970s, old urban centers with former industrial areas and workers' neighborhoods became depressed areas, and since then efforts to improve and rehabilitate the former industrial areas included transforming elements of physical, economic and social environment by building new affluent housing and business projects for the new users and in some rare cases, social projects for the workers of former industrial areas.

Since the beginning of the 1980s the most important changes that the metropolises of the world have been the given emphasis on the transition from industrial production to services and the finance sector in their urban planning schemes. As a result of the globalization and neo-liberal political thinking, the areas described as the depressed regions in the previous period emerged as new fields of development, thanks to the transportation / communication infrastructure advantages they have for the rising service sector functions. In the same period, the suburbanization tendency of middle-upper class residential areas has gradually decreased and new residential areas have begun to be concentrated vertically towards in the old urban centers where especially the services and cultural activities are concentrated.

On the one hand, from the beginning of the 1990s, the social and economic pattern in the living spaces where the urban centers and the old industrial areas are shaped as new areas of development of the service sector. On the other hand, households which excluded from the industrial sector in the areas of the historical city centers feel the pressure of increasing gentrification and endangered conditions in the social and economic pattern in their living areas.

On the subject, Sassen (2001, 2006),

Castells (1991, 1998) stated that major cities in the world are now entered a new structural transformation period with the new possibilities created by the communication and specialized services sectors on the road to becoming global cities. The fact that cities are now the centers of the production and consumption of cultural products rather than the production of objects (Pratt, 2008) suggest that the main factor that places cities in the global hierarchy within the existing social structure is now measured by the number of people employed in sectors called “creative industries” (Florida 2002, 2004), and competition in services sector in a global economic division of labor is increasingly intensifying (Friedmann, 1995).

In the process of economic change, one of the most significant transitions seen in the urban space was the transformation process of which has resulted in the abandonment of industry related urban areas such as important ports, storage, and processing activities. Similar changes appeared in later periods in the cities of less industrialized countries with that of the major cities in the capitalist western countries with advanced technology levels. In the meantime, in London’s Canary Wharf region, the Baltimore Port region, and the New York Greenwich region have experienced the related manufacturing industry increasingly heading into areas with cheaper workforces in neighboring and other countries. For the less developed countries however, the same phenomenon appeared as more towards the less developed regions of the same country.

One of the most significant sociological results of spatial changes resulting from the economic transformation in the urban areas is the experiment of the economic and social differentiation of the industrial sector employment from relatively more organized working class into that of a service sector based more on flexibility and individual ability. Due to the abandonment of the traditional places of production in the urban space, the problem of adaptation of existing industrial labor force to the new conditions are also gaining importance.

4. Urban transformation in Istanbul

As in many countries, there are also debates on the nature of urban transformation in Turkey in recent years. The nature of urban transformation differs among the countries in terms of the visions, goals and strategies envisaged and methods applied accordingly. Discussions are generally based on the fact that urban transformation should not be limited to the transformation of a pure physical location but must include cultural, social, economic and environmental features that cannot be separated from urban context (Şen, 2011).

Urban transformation in this context is expressed as a comprehensive vision and action aimed at providing a permanent solution to the economic, physical, social and environmental conditions of a changing region in order to solve urban problems (Thomas, 2003).

In this approach, the urban transformation is carried out in order to restore the worn-out, corrupt, ineffective, and economically disabled regions of the city. Parallel to the demand created by rapid urbanization and population growth, it is seen that with the effects of neoliberal globalization policies and increasing international real estate investments, in many industrial fields have entered into a rapid transformation process, even though they have not yet lost their economic significance in urban areas. Following the structural change of the city, with the effects of the increasing land value, those former industrial areas in the central areas became the leading urban transformation zones in particular. This increases the presence of privileged service sector, cultural capital and entrepreneurial activities in the inner urban space to replace the former industrial areas (Gökşen, 2015)

For Istanbul Metropolitan Area, early decisions about the decentralization of the industry started with the 1960 East Marmara Regional Plan. With the decentralization process accelerated in the 1970s and 1980s, the transfer of small industrial sites and organized industrial zones were aimed to clarify urban centers from industrial activities (Öktem, 2011).

Table 1. Sectoral distribution of employment in Turkey and İstanbul, 2004-2015. (Source: TURKSTAT, 2004-2015)

	TURKEY%			İSTANBUL %		
	Agriculture	Industry	Service	Agriculture	Industry	Service
2004	29,1	24,9	46,0	0,5	42,3	57,2
2006	24,0	26,8	49,8	0,4	41,4	58,2
2008	23,7	26,8	50,1	0,4	40,1	59,5
2010	25,2	26,2	48,6	0,4	39,9	59,6
2012	24,6	26,0	49,4	0,6	36,7	62,7
2015	20,6	27,2	52,2	0,5	36,2	63,1

With the decentralization targets of the industry, the factories in the Golden Horn and the Historical Peninsula in the 1980s were moved to İkitelli in the west of the city and Zeytinburnu-Kazlıçeşme Leather Industry to Kurtköy in the east. In that period, main motive for the deindustrialization was to relocate the production facilities in the inner urban areas that cause health and safety threats.

After the mid the 1990s however, as in the Büyükdere-Maslak example, it was in the form of decentralization of industries in the inner city, where the land value was as high as the existing industries voluntarily relocated themselves to exploit it by redeveloping lucrative projects like shopping malls, office complexes and high-rise residents.

The two most important factors that triggered the urban transformation policies in İstanbul are the efforts to minimize the destructive effects of a big earthquake on low-quality building stock and another one is the advantageous position of those areas in terms of infrastructural and transportation possibilities that resulted ever increasing demand from other sectors such as retail, luxury housing and offices (Tekeli, 2014).

5. Plans for the development of the industry in İstanbul

Historically İstanbul Metropolitan Area has been the epicenter of industrial sector in Turkey. For the last ten years or so the share of employment in

industry in Turkey increased slowly, while in the same period, employment in industry declined considerably in İstanbul. As of 2015, however, the ratio of employees in industry and services sectors in İstanbul have a much higher value than the average in Turkey in terms of total employment rates (Table 1).

Since 2004, the proportion of employees in the services has been increasing, while the share of workers in the industry has been decreasing steadily. Of the total 6 million registered employees in İstanbul as of 2015, approximately 2.160.000 employees work in the industry sector. Although the share of industrial employment in total employment decreased compared to the previous year, at the end of 2015 approximately 45,000 people were added to industrial employment in 2014 (TURKSTAT, 2015).

The first effort to develop the industry in İstanbul was with the Beyoğlu Master Plan. After took force in 1954, mainly Western parts of the city were chosen as new locations for industrial development in this plan. (Aysan, Dökmeçi, 1995). In 1965, İstanbul Industrial Master Plan and Implementation Report (İstanbul Sanayi Nazım Planı ve Uygulama Mevzuatı Raporu) was prepared and approved by the Metropolitan Municipality. This plan, which was referred to as the Industrial Master Plan of 1966, proposed total 1140 hectares of industrial areas in the mostly eastern part of the city.

With this plan, industrial areas in inner city areas like the Golden Horn and İstinye Bay were determined to be relocated elsewhere. In the 1960s, the second phenomenon that changed the shape of the urban space was the rapid urbanization in the form of “gecekondu” in the urban edges. As Illegal housing tenements, gecekondu usually choose nearby locations of the existing industrial establishments. With the increase of urban rent and higher costs of infrastructure, the tendency of large industry to spread around the city was supported by various encouragement measures and a major industrial axis toward eastern bounds of İstanbul in Anatolian side was proposed. While the main development was seen in the

vicinity of Anatolian side of the city, the industrial areas in the European side were also spanned more along the major highways towards west end of the city. .

By the late 1970s, however, it was observed that the industrial investments in the city tended to decrease and industrial companies opted to locate mostly in surrounding cities but not in the central places of the Istanbul Metropolitan Area (Yüzer, 2002).

In addition to the increase in land prices, the attractiveness of Organized Industrial Zones (OIZ), proximity to raw materials and markets, various incentive measures, and restrictions in environmental standards made relocation of inner city industries more straightforward.

Prepared after the rapid urbanization and industrialization period of the 1970s, the main purpose of the 1980 Metropolitan Master Plan was to create the necessary functions and services in the growth and development of the metropolis in line with the development of the country. It was envisaged that this plan would focus on decentralization of the polluting industries and development of more non-industrial areas in the city center.

The plan generally envisaged the acquisition of large industrial areas by public resources in the eastern end of the metropolitan area accordingly; and it was targeted that the total industrial workforce, which was 455.000 workers in 1980, would be realized as 710.000 in 1995. In the industrial development of Istanbul, it was particularly stated that labor-intensive industries with advanced technology and capital-intensive industries should be chosen, whereas industries with high energy and water consumption should be encouraged to select new places in the areas outside the city (IMP 1980 Report, 1980).

The purpose of the 1995 Master Plan was stated as: "In the period up to 2010, Istanbul; Cultural, and natural resources that it possess at universal level; similar to its historical cultural identity, has gained the status of a world city today. While growing and developing in harmony with the development of the country and the region; it aims to

Table 2. Condition of organized industrial zones in İstanbul, 2013. (Source: Ministry of Science, Industry and Technology, OIZ Data Base, 2013)

OIZs	Employees	Firms	Size/Ha	Capacity (%)
İkitelli	160000	26285	700	100
Istanbul Anadolu	5800	129	80	100
Istanbul Leather	5000	723	741	99
Istanbul Birlik	2350	63	51	100
Ist. Tuzla Chem.	3365	145	72	100
Istanbul Dudullu	28081	2313	265	100
Istanbul Tuzla	2660	70	60	100
Istanbul Beylikdüzü	20000	237	160	100
TOTAL	227256	29965	2129	Ort:100

take its place in the world metropolises status with its vibrant culture, science, arts, politics, trade, service sectors.

It was assumed that the metropolitan area population would rise from nine million to fourteen million people. The main goal of this plan was the formation of two wing centers to attract the urban functions in the east and west of the city to reduce the density in the central areas and decentralization of large industries to the areas outside the metropolitan area (Çakılcıoğlu, 2012).

Industrial areas in inner parts of both European and Anatolian sides were also defined as "areas to be transformed into service" (Ocakçı, 1989). The plan aimed to remove the manufacturing industry completely from historical parts of the city like Haliç, Bakırköy, Zeytinburnu and Eminönü as well. While individual industries were forced to remove from inner city, new organized industrial zones (OIZs) were established outskirts of the Istanbul Metropolitan area to contain both new demands and those relocated.

By the early 2000s, Beylikdüzü OIZ, Chemical Industries OIZ, Tuzla Marble OIZ, Tuzla Coating Chemicals OIZ and Istanbul OIZ started to operate with a total area of 420 hectares and a total working capacity of approximately of 39.000 employment. Those new

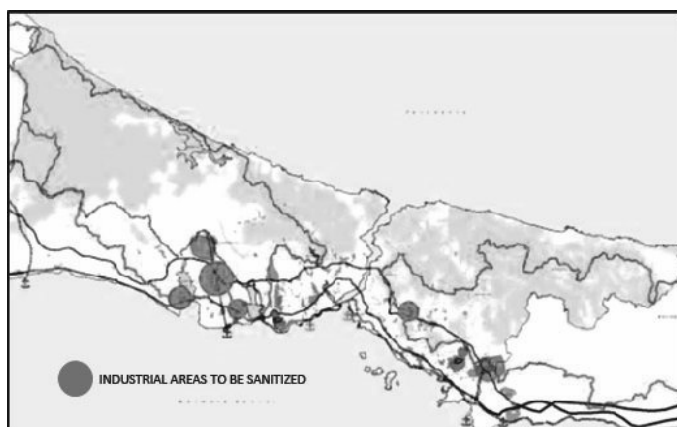


Figure 1. Industrial areas to be sanitized.

OSBs were acted as main containers of the large industrial enterprises in the city that formerly located in the central areas (Table 2).

Since the latest 2009 master plan of Istanbul is the only plan so far to describe the deindustrialization process particularly, the 2009 plan will be discussed in some more detailed fashion. In this plan, the transformation of the economic structure in Istanbul was aimed by the swift transition to a service-oriented economy in which finance, tourism and education were highlighted as the new economic foundations of a globalizing city. In this context, more emphasis was made to employ rapid structural change into the industries based on knowledge and technology and development of services and finance sectors.

When the latest Metropolitan Plan was approved in 2009, approximately 1.250.000 people were working in a total gross 10.476 hectares of the industrial area including OIZs in Istanbul. For the year 2023, the share of industrial workforce were expected to decrease to 25% of total employment in Istanbul and about 1.400.000 people would work in this sector. It is also foreseen that the industrial areas in the Gebze and Çerkezköy at the west and east ends of the city will have the capacity to accommodate a workforce of 450,000 people. Thus, an industrial workforce of 1.850.000 in total was projected by 2023 for both the metropolitan and its surrounding industrial areas (IMP 2009 Report, 2009).

In particular, the Plan assumed that the Organized Industrial Zones (OIZ),

which operates primarily in the city of Istanbul, will play an important role in the decentralization of the industrial enterprises in the city by solving their transportation and spatial problems. By using all OIZs at their full capacity it was envisaged that the OIZs in Istanbul would house an additional workforce of 197,000 people by the end of the plan period.

6. Plan approaches for the transition of the industry after 2009

Unlike the former metropolitan plans, the 2009 Istanbul Master Plan aimed to develop different planning policies for the industrial areas in the whole city. According to this plan, in order to increase the competitiveness of the industry without creating a risk to human and environmental conditions, it was necessary to support the transition to high value-added industrial production types that could compete in regional and global markets with the support of efficient logistics system and with the use of intensive RD technology (IMP Report, 2009).

The plan offered three different policy actions about industrial areas in Istanbul. The first group of industrial areas was defined as "Industrial Areas to be sanitized within its present Boundaries". These areas are about 530 ha in size and have a workforce of 191.227 people. It was envisaged that an additional workforce of 105,000 people could be added after the necessary sanitary and rehabilitation measurements were taken in these areas (Figure 1)

With this decision, it was aimed to solve the following five basic problems:

- Decentralization of industry within the environmentally fragile watershed areas,
- Improvement of physical conditions in squatter and in existing industrial areas,
- Providing qualified areas for new industries that may be located in the city in line with the vision, objectives, targets and strategies set out in the plan,
- Encouraging the use of advanced technology in production,
- With the establishment of logistic areas in and around Hadımköy Region, the effective cooperation of the logistic

infrastructure in the urban scale was planned to carry out to reduce the adverse effects of the cargo movement in Istanbul.

The second intervention type for the industrial areas in the Istanbul Metropolitan Area was formulated as “Areas with their capacity to be fully used”. The industrial areas that fall into this category were the areas that their capacity could be fully exploited by solving the existing problems that prevent the use of inert capacities of the OIZs in the Metropolitan Area. By providing the rehabilitation efforts to these areas and ensuring the necessary conditions (such as ease of transportation problems and inadequate infrastructure), it was aimed to reach a workforce capacity of approximately 386,000 persons in total (Figure 2).

The last type intervention area with industrial land use is defined as “Areas to be differentiated other than industrial function” in which enterprises might pose hazardous conditions for the city’s water basins (Mamunlu, 2009), forest, and agricultural resource areas. It was envisaged that approximately 922,274 persons employed in the total in those industrial areas to be differentiated and after the transition most of the companies in continue to operate in existing OIZs in Istanbul Metropolitan Area. It was envisaged that 465,025 of that workforce were employed in small-scale enterprises with 1-50 workforce sizes and that this workforce will be in the Metropolitan area. The remaining 457,249 of the workforce were employed in large-scale enterprises with more than 50 workers, were to decentralize from the Metropolitan area to the other cities in the region. According to this policy, on both sides of the Metropolitan area were planned for transition from industrial use to residential, services, shopping, offices and recreation (Figure 3).

7. Evaluation of the transformation process for the relocated industrial areas

The fact that many industrial enterprises operating in the above-mentioned areas are exposed to many costs related to the relocation of important industrial enterprises. The necessity

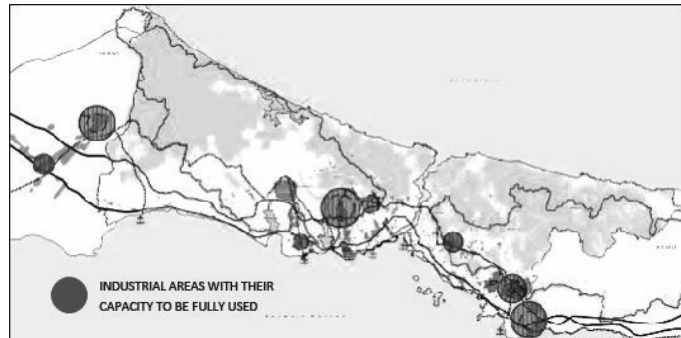


Figure 2. Industrial areas with their capacity fully used.

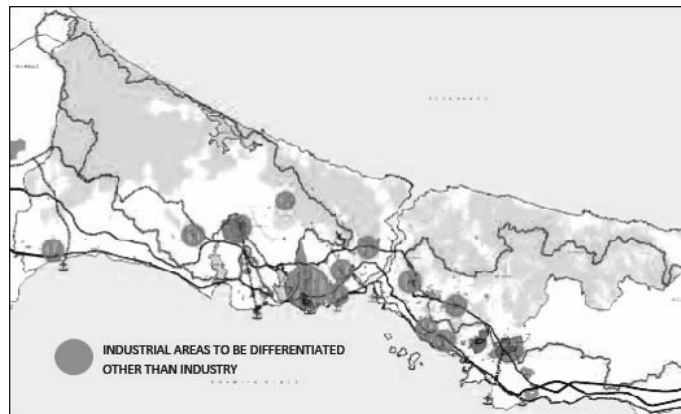


Figure 3. Industrial areas to be differentiated other than industrial function.

to depict the decentralization process more clearly in the plan became more important than the plan itself. The most important costs that involved in this period are related to relocation and reorganization of the firm in the new place. Another important issue is the employment capacity created by the firm and the costs associated with the resulting displacements. It has been determined that the chances of success of a multi-actor decentralization process, which fails to bring together professional organizations, local and central government bodies and financial institutions in a common process, were found to be low in the research studies carried out during the 2009 master plan studies.

For this reason, with the amendment made in 2011 on the Industrial Areas section of the plan, some new sections were added to place the decentralization process in a more flexible process. According to the new plan notes, industrial firms in the relocation areas would be able to continue their presence until they complete their economic life only if they not to expand beyond their

plots, continue to operate without creating environmental hazards and use appropriate technology. Industrial machinery and storage / logistics activities that meet the above conditions would be displaced to the proposed regions after finishing their economic life, except for agricultural-based industries. In this case, it was envisaged that the decentralization process would mainly be carried out from the point of time as a result of an “economic life” definition, which may vary depending on the subject of production and the condition of the individual firm. Here, the concept of “economic life” emerges as one of the most important problems in defining the process as it relates all parties involved in the process. The completion of the economic is related to the increase in the production cost due to the increase in the cost of labor and capital as well as wear and tear of the building, machinery, and equipment used by an enterprise for production that ultimately causes to operate below minimum profitability level. It is obvious, however, that the time interval estimated as the “economic life” can be relatively extended, as each production activity may go on its way to renew its machinery, equipment, and technology from time to time, in different ways. This is why uncertainties arise when managing the process of determining the “economic life” when the transformation would take place.

The related items in the section “Plan Implementation Tools and Action Program” which summarize the decentralization processes to be applied in the Industrial Areas as follows;

- Provision of infrastructure-ready land and incentives for energy support,
- Facilitating tax relief, transportation and other infrastructure completion, incentives, widespread customs services, etc. to encourage sectors to be directed to alternative areas recommended during the decentralization process,
- Cooperation with Istanbul Metropolitan Municipality, related local administrations, NGOs, and private investors during the decentralization process,
- Establishment of “Support Centers

for SME Decentralization” to finance decentralization in the district where direct decentralization may take place at the local level. Same organizations are expected to serve as advisory centers for the organizations in the new industrial zones,

- In order to facilitate transformation in the industrial zones creating transition models to determine the role of actors, financial dimensions of the replacement, the elaboration of the participation programs, and the implementation of the pilot projects to “ensure the industry to spontaneously leave the field by raising the land value”.

- Providing financial incentives for newly relocated companies by banks and NGOs such as TOBB, KOBİ Investments Incorporation A.Ş. And Credit Guarantee Fund, Industrial Development Bank of Turkey which mainly support small and medium sized companies in Turkey.

- Implementation of vocational training and workforce development programs for workers in the former industrial zones in case they could not effort to move to the new places where the relocation of industrial companies occur.

- In order to make new industrial areas attractive for investors, the unskilled workforce in these areas is trained in the leadership of non-governmental organizations.

It was emphasized that there was a need for establishing a multi-actor transformation model in the financial, bureaucratic and labor related issues related to the relocation process. Additionally using “economic life of the firm” as the main benchmarking tool for the relocation decision creates complexity as each firm’s individual life span may vary accordingly its nature of business. Thus, in the implementation phase of the relocation process, it is necessary to create strategic plan tools at the local level to protect the capacities of the firms of both total output and employment.

Even though the 2009 Master Plan envisages the details of relocation in industrial areas at the more locally implemented plan levels, as of this paper was written, there is no any clear plan approach for the transition period. It is

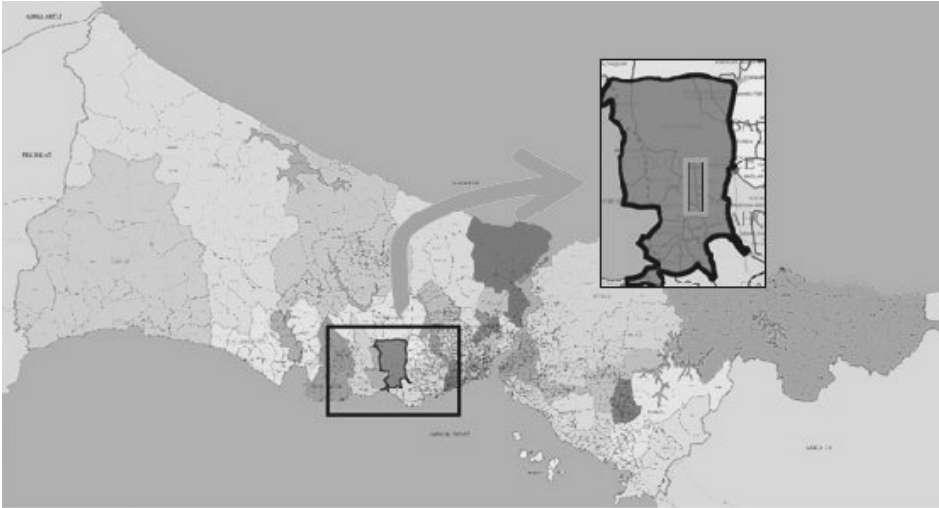


Figure 4. Location of Halkalı Street industrial zone in İstanbul metropolitan area.



Figure 5. Halkalı Street in 1970.



Figure 6. Halkalı Street in 1982.

expected that an increase in the land value would automatically push the industrial firms out of the areas and replace with residential projects, offices, shopping malls and recreational facilities. However as many of the firms use “economic life span” option to stay longer in their current location, in some cases big residential projects may locate amid on a fully functioning industrial enterprise.

8. Halkalı Street industrial district in transition

As an example for the above mentioned situation, one of the still functioning industrial area, Halkalı Street industrial district, was chosen to indi-

cate details and ground the claims of the industry. Halkalı Street industrial district is located in the western part of İstanbul near Küçükçekmece Lake. It stretches along 3 kilometers-long and originally houses around thirty fully functioned industrial plants in textiles, metal, printing and leather. In addition to small to medium sized factories and warehouses there are numerous storage and small mechanic shops in the area. The neighboring residential areas consist of low to middle-low income households with mostly low skilled workers and self-earning individuals (Figure 4).

Halkalı street industrial district is in the latest group of intervention areas



Figure 7. Halkalı Street in 2016.



Figure 8. 1/5000 scale Halkalı Street local zoning plan (2003).

in industrial zones in which industrial enterprises are expected to relocate elsewhere either in the metropolitan area or in other regions. It is located European side of the city and about in the middle of Küçükçekmece district.

With the 2009 Metropolitan plan targets, Küçükçekmece district in general was projected to become a sub-center where business, residential and shopping areas would be developed.

As early as in 1970s, there were only few factories and warehouses in the area and newly developing squatter houses were hardly visible around the

area (Figure 5).

In the early 1980s however, a major development was seen in the district and both the number of factories and residential areas were increased rapidly. There were still vacant places at the northern part of the area available for both new warehouses and homes in the area (Figure 6).

As of 2016 the Halkalı Industrial District was completely filled with factories and surrounding residential areas. In addition to low cost housing units, there were newly housing projects developed in the early 2010s. As a part of the new metropolitan development strategy some of the big chunks of old industrial areas were seen as new prestigious housing projects by both state and private owned building companies (Figure 7).

For the transition from industrial area to a prestigious residential site many local land use plans have been prepared for the Halkalı street industrial area. As early as 2003 there was a local land use planning decisions to force the factories relocate somewhere else without offering any transition plan. In this plan, all the factories in the area were considered relocated somewhere else and schools, green areas and residential areas were designed as if all the area was vacant (Figure 8).

However, due to reactions of the local industrial companies, just one year after the 2003 local plan, metropolitan municipality prepared a new plan in which industrial character of the area was reintroduced (Figure 9).

Halkalı industrial area became hotspot again after the ratification of Istanbul Master Plan in 2009. As Halkalı area and its surroundings were designated as “Watershed Protection Area”, all industrial establishments in the area were declared as “Industrial areas to be relocated elsewhere”. In light of the 2009 Istanbul Master Plan decisions, for the relocation process of the factories, the local land use plan in 2012 suggested that in the transition period a local company may stay in its existing place until the company’s “economic life span” is reached. However, all of the companies in the area have different technological levels in their production systems and thus life

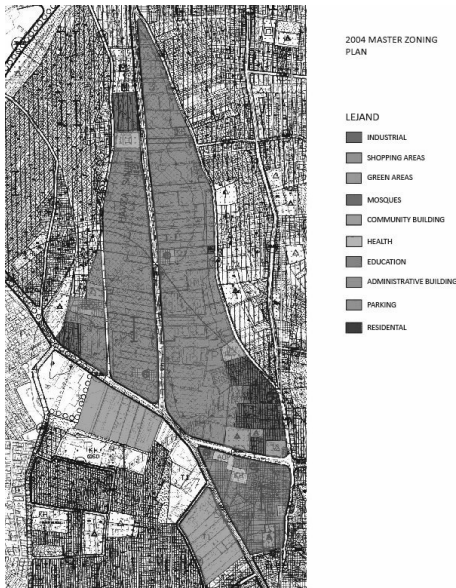


Figure 9. 1/5000 scale Halkalı Street local zoning plan (2004).

span of each company may differ accordingly (Figure 10).

In order to increase the attractiveness of the area, the district municipality suggested a new monorail transportation system which would stretch along Halkalı Street on the south-north direction. By making a revision on the 2012 land use plan, the metropolitan municipality approved the project in 2014 (Figure 11).

In many cases local factory owners went to courts and sued Küçükçekmece District Municipality and İstanbul Metropolitan Municipality on the grounds that planning targets of the recent local land use plans would make impossible the companies to operate regularly. For many cases, without a clear transition plan, companies that oppose transformation to other land use forms like business and housing stopped the municipalities' land use plan in legal grounds.

According to the president of Küçükçekmece Industrialists and Businessmen Association (KSİAD), in no cases the Metropolitan Municipality did consider the local production and employment capacity of the companies during the plan preparation process (Koparan, 2017). For him, currently around 24000 workers are employed in total 1.300.000 m² (130 Ha) industrial area and that means roughly 100000 people are attached to the area economically. It is estimated that about

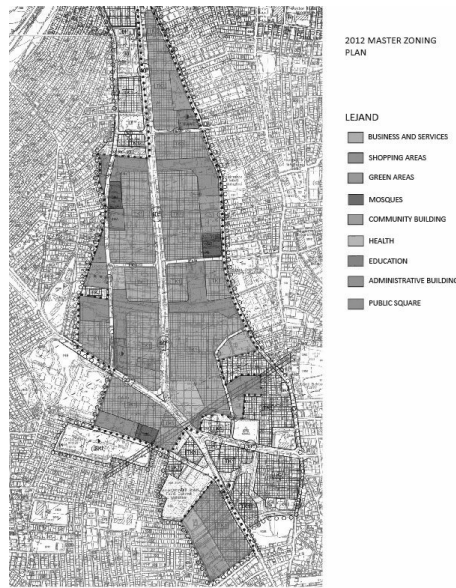


Figure 10. 1/5000 scale Halkalı Street local zoning plan (2012).

two thirds of workers live nearby housing areas. Then, in case the local industrial companies suddenly cease their operation, it would cause economic and social problems in the surrounding housing areas.

Members of the association demanded a clear transition plan, in which companies with local and global production connections would not lose their ground in fulfilling their respective contracts. Before ceasing the production in the current location, a new place in the metropolitan area is necessary to relocate the existing companies in advance to continue the production without an interruption.

Even though the 2009 Master Plan of İstanbul required the Metropolitan Municipality to prepare a detailed plan for the transformation period of the existing industrial companies in the similar areas of the Metropolitan Area, so far there is no sign of action in both at local and central government levels. According to the owners the factories on the Halkalı Industrial Area, both local and central governments prefer local factories to leave the area in order to fully exploit the advantage of high land rents. Transformation to business, shopping and residential forms of land use would make company owners to cease the production, of which in some cases lasted more than four decades. Among companies, there are high technology companies in defense

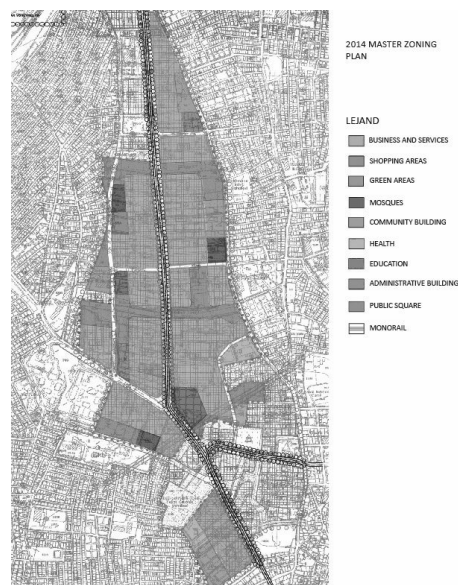


Figure 11. 1/5000 scale Halkalı Street local zoning plan (2014).

industries and one of the biggest leather goods fashion goods companies in Turkey which relocation process in short terms nearly impossible.

The biggest concern of the companies in the area is the lack of local government's interest in the economic and social importance of production facilities in the Halkalı district. Even though their companies operate under strict environmental and administrative conditions, they think with the preparation of local zoning plans that act as if there is no any factory on the ground, both metro and district municipalities assume non-industrial economic facilities would be more beneficial in the Metropolitan economy. It is estimated that the annual export revenue in 2016 was around 2.5 Billion USD in the area according to the association. For the industrialists in the area, an industrial zone should operate at least 45-50 years to benefit all the related parties. An urban transformation cycle in every 20 to 30 years in industrial zones is a burden for both general public and individual investors.

9. Discussion

In recent urban transformation literature neoliberal urban planning thought is seen as the manifestation of deindustrialization in big cities and new place making policies that encourages business, shopping and residential areas in the former industrial zones.

For the post-industrialist countries the deindustrialization process mainly ended up in the developing countries. However, for the newly industrializing countries like Turkey the deindustrialization process in big metropolitan areas is a new phenomenon still needs to be studied on it.

In Istanbul Metropolitan Area, for the last two master plans' targets about deindustrialization mainly concerned the relocation of industries under the pure market conditions, where the rising land rents would offset the relocation costs of the companies. However, it is seen that not all the inner city industrial areas fit this scheme. In case of presence of industrial areas with middle to large sized companies with higher technological levels this trade off would not work without economic and social frictions. In Halkalı Street case, transformation efforts in to non-industrial functions like services and residential areas has been started as early as 2003. In both Master and local level urban plans assumed relocation of the area industries would be possible by utilizing the advantages of urban land rents. However, as the industries located in the area demanded a detailed multi-actor plan for transition, both local and metropolitan municipalities denied a long-term commitment.

A solely land use planning approach in deindustrialization process without considering the economic and social importance of industrial establishments in the area is not creating intended results but some legal conflicts. Further study on the relocation process of industrial zones in similar conditions may open new opportunities to understand the phenomenon.

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