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Carleton University

**“A la Turca” Ways in Neo-liberal Times: A Political Economy of Turkey’s New
State Spaces**

A thesis submitted to
the Faculty of Graduate Studies and Research
in partial fulfillment of
the requirements for the degree of
Master of Arts

Institute of Political Economy

by Evren Tok, BA

Ottawa, Ontario

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Abstract

This thesis examines the transformation of informal housing settlements, namely the *gecekondus* (squatters) of Turkey. The main thrust of the thesis is that the *gecekondu* phenomenon could be understood as an expression of a double movement process, understood in Polanyian terms. The new forms of regulation that the state exerted on *gecekondu* land had the result of producing a new and dynamic social welfare effect. I illustrate this historically; I argue that *gecekondus* of the pre-1980 period represent an articulation of the counter movement of the society as a response to the economic policies of the state formulated around the import substituting industrialisation strategy. The occupation of public land and the construction of illegal housing units by the immigrants have served to protect the livelihood of the society and maintain its social cohesion. The *gecekondu* areas, during the period of 1960-1980, grew into the communal space where social cohesion has been built, not only between the newcomers and the existing urban population, but also among the immigrants who formed the *gecekondu* settlements around their ethnic and geographical origin, gaining the nature of “communal spaces.” In this study, it is shown that the state’s response to this phenomenon, especially during the post-1980 period, has been to regulate the land use of *gecekondu* areas, submerging this regulation process into the rising neo-liberal accumulation strategy, and the hegemonic project based on neo-liberal populism, turning the *gecekondu* land into “new state spaces.” Consequently, this thesis shows that even though neo-liberalism brought various limitations and substantially diminished the state’s capacity to maneuver, in the Turkish case, the state intervened in the highly dynamic informal spaces, especially in the big metropolitan cities to compensate for the deficiency of the formal social security mechanism and welfare provisions especially in the case of housing.

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To Ella, Tuncer and Hayrunissa

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Chapter 1

Introduction

In parallel to what has been observed in the most rapidly and intensively growing third world global cities, Istanbul has a large portion of its population living in illegal housing.¹ As Keyder argues, what is meant by illegality is not straight forward. Sometimes it means non-regulation and lack of supervision by the state institutions; in other cases it refers to occupation of public land belonging to private owners or violation of zoning regulations.² As migrants come into cities with hopes of finding a job, they also look for alternatives for solving their housing needs. Since the early 1950s, the increase of squatter settlements on the outskirts of major urban centers has become common in the entire developing world - the *kampungs* of Jakarta, *baladis* of Cairo, *favelas* of Brazil, *villas miseria* of Buenos Aires, *colonias populares* of Mexico City and *gecekondus* of Istanbul.

This thesis looks at such housing structures, namely gecekondus, of Istanbul as a primary component of the informal sector, which significantly contributed to the maintenance of social cohesion during Turkey's neo-liberal era. In the mid 1980s, when a neo-liberal policy package was established, there was very little room in it for social security provisions. The main objective of the reform was defined in terms of radically reducing the economic role of the state to make the market the primary mechanism of

¹ Please refer to appendix 1.

² Caglar Keyder, "Liberalization from Above and the Future of the Informal Sector, Land, Shelter and Informality in the Periphery," in (ed.) Faruk Tabak, *Informalization: Process and Structure*, (Baltimore: John Hopkins University Press, 2000). 150-160.

resource allocation. Structural adjustments, including price deregulation, deregulation of foreign exchange rates, interest rates, trade liberalization and also liberalization of short term capital movements brought not only increasing growth rates and dynamism to the Turkish economy, but also instability, risk and severe financial crises.

The liberalization efforts and the financial crises it brought in train exerted a significant pressure on the society, especially because the period from 1980s to 2000 also coincided with a dramatic increase in urban population with the number of people living in urban areas rising from 44 to 74 percent of the total population of Turkey. The Turkish state was not in a position to address the housing needs of the newcomers. In Turkey, especially Istanbul, the most densely populated city, this problem has not been resolved via formal redistributive processes. Instead, *gecekondu* has appeared as a crucial mechanism of integration in the urban society.

In fact the emergence of the *gecekondu* phenomenon in Turkey dates back to the mid 1950s. Starting in the early 1950s, Turkey began to experience a series of transformations in socio-economic and political terms. The instigator of these transformations was Marshall Aid which supported the mechanization of agriculture. Moreover, industrialization based on import substitution (ISI), which required massive amount of labour in both public enterprises and private sector, marked the start of a rapid urbanization process in Turkey. As the massive amount of people started to migrate from the rural areas to the urban (especially Istanbul), this pressure saturated the limited urban housing stock. Moreover, the majority of the migrants could not afford to buy or rent homes. Their solution was to occupy/invoke the peripheral lands. These were often under public ownership by the state regulated through central, regional or local municipalities.

The period between 1950 and 1980 could be considered as the innocent period of *gecekondus*, as a spontaneous solution by poor urban migrants to meet their shelter needs. The immigrants lived in the barracks that they constructed and there was no differentiation between the invader, constructor and user. The key aspect of the state's policy to this situation was to accept the *gecekondus* as the only practical way to cope with unmet housing needs. This alternative took the pressure off the state to invest more in housing. Therefore, one can claim that the state left the *gecekondu* dwellers to their own fate. In other words, as some scholars pointed out, this attitude could be identified as "permissive squatter policies" which set the stage for the *gecekondus* to produce their own communal space.

As for the characteristics of this communal space, cooperation during the invasion and also other reciprocal activities after establishment could be conceived as constructing an informal safety net by the migrants. One can see these safety nets in Polanyian terms as "networks of reciprocity." They were based on feelings of co-locality, shared ethnic background, religion, and/or family bonds and kinship. These networks were functional because they were providing initial guidance to new immigrants, such as support in occupying land, construction as well as helping them adapting the urban life, even providing job opportunities either in the formal sector or the informal sector. The nature of these favors for the most part depended on connections such as family, kinship, ethnic background, religion or shared place of origin. It is also worth noting that, one of the characteristics of these networks mobilized in the *gecekondus* was the maintenance of organic relations with the other family members or other relatives. Sending goods such as fruits and pulse was common. Moreover, these links also helped orient new immigrants

prior to immigration so that they were not left with squatting strangers, but rather with people who they had relation with through different social bonds.

There was no systematic state policy towards them except turning a blind eye to the informalities/illegalities which were vital for the dwellers' socialization of their costs of reproduction. Not only were they marginalized because of their geographical location vis-à-vis the city, but also because of their rural background, cultural values and socio-economic status. Even the state's "permissive policy" was based on non-interference in the *gecekondus* in order to contain them as excluded, marginalized and outsider. This situation, however, did not prevent the state from manipulating this vulnerability of the *gecekondu* dwellers for populist purposes. Permissive policies, and even some effort to bring social services such as water, electricity i.e. to the *gecekondus*, were seen as a reward from the state's point of view so that the *gecekondus* would support the populist political parties in the elections.

Generally, the *gecekondu* phenomenon was manifestation of the failure of the Turkish urbanization experience and the consequences of this failure were most obvious in the case of Istanbul. Doubtlessly, the emergence of the *gecekondu* phenomenon and its intensification evolved around the broader socio-economic and political dynamics of the ISI period continued until 1980. Accordingly, the same dynamics were influential in shaping the state's strategies towards *gecekondus*. The 1980s brought not only a change in the economic regime of Turkey from inward oriented ISI strategy to a market oriented liberalization guided by an ambitious neo-liberal strategy. This transition also had controversial impacts on the pace and patterns of urbanization. The new economic

policies modified the social balance, introducing an unprecedented income-polarization and transformed the urbanization pattern deeply. But how did it take place?

With the adoption of the neo-liberal policies in the 1980s, the state's perception of the *gecekondus*, and also *gecekondu* land, began to be transformed, too. In contrast to the approach in the pre-1980 period, the state tended to intervene in the *gecekondu* space and compensate the various losers of the neo-liberal reforms by distributing the *gecekondu* land. Decaying social services and the retrenchment of the Turkish welfare regime led the state to develop (spatial) strategies on the *gecekondu* land in the form of incentives to very different social interests, such as *gecekondus*, middle income groups and also big capital. In this thesis, I considered this neo-liberal regulation/intervention to *gecekondus* as the first part of Polanyi's "Double Movement," during which the state intervenes by creating rules, passing laws and regulations to establish the pre-requisites for the functioning of the self-regulating market.

In The Great Transformation, Polanyi argued that "*Laissez-faire* was planned, but planning was not." In the case of Turkey, "*Laissez-faire* was planned" part applied successfully by the state's intervention in the *gecekondu* space, which took place through passing laws and legalization of *gecekondus*. There were five laws passed by the Ozal government (March 1983, March 1984, December 1984, May 1986 and May 1987), the most important and path breaking of these being the one of May 1986, law number 2981. While the other laws aimed at legalizing the illegal housing structures by overlooking their illegal status, the law number 2981 went beyond the other laws by allowing for up to four storey buildings in the *gecekondu* land. On the one hand, these laws would work as a subsidy to private capital in the sense that with the adoption of the neo-liberal

policies, the private sector started to seek new areas for capital accumulation (such as real estate). The incentives facilitated the entry of large-scale private construction firms into the housing market. The peripheral land on the outskirts of the city, which was mostly occupied by the *gecekondus*, was suitable for this purpose. The municipalities' marketing of this land to big construction companies (representing the big holding companies most of the time) marked the end of new squatting opportunities for the new comers.

On the other hand, the law permitting *gecekondus* to upgrade their constructions up to four storey buildings, meant the commercialization of *gecekondus*. Gradually, those who hold the land at first place begin to construct more than they needed for themselves in order to earn rent income from the new comers. This period more or less marked the end of the initial *gecekondu* understanding - the *gecekondu* is no longer a barrack built by/for inhabitants but multi-storey buildings constructed by special firms with the purpose of resale. As a result, the nature of the initial innocent *gecekondu*'s had been transformed. Furthermore, the existing *gecekondu* population diversified – *gecekondu* renters, *gecekondu* owners, owners of multiple *gecekondus*, those with titles, those without. It was almost impossible for the new comers, or the new poor to settle in the new land at the periphery, in other words, as Erder argues, “they were not rich enough to inhabit *gecekondu*.³

This thesis will argue the state's intervention in the *gecekondu* land through the creation of incentives for the existing *gecekondu* dwellers, was a way of re-distributing urban rent. In a way, commercialization of *gecekondu* land and construction of multi-storey buildings supported Turkey's welfare regime and maintained social cohesion by

³ Sema Erder, *Istanbul'a bir Kent Kondu: Umraniye (A City Built in Istanbul: Umraniye)*, (Istanbul: Iletisim Publishing, 1997), 112-3

not only allowing some *gecekondu* dwellers to make money through commercializing their *gecekondus*, but also by increasing cheaper stock of housing available in the periphery of the cities to new comers, including the workers and other middle class strata, who experienced significant real income losses in the neo-liberal era.

The migration and settlement scheme, referred as “poverty-in-turn” in the literature, became such that the early arrived migrant groups and the groups with a privileged position in the city got wealthier by standing upon the backs of late migrant and unprivileged groups. In other words, this situation has also meant the transfer of poverty by occupying, selling and parcelling of land.

It is important to note that the state’s strategies on the *gecekondu* land not only created incentives for the *gecekondu* dwellers to commercialize their *gecekondus* by upgrading or selling, but also changed the nature of social relations. While the social relations in the *gecekondus* in the pre-1980 era and early 1980s were characterized by networks of reciprocity, conditioned by family, kinship, ethnic background and religious connections, when the commercialization of *gecekondus* started after post-1980s, these networks started to lose their strength due to parcelling of *gecekondu* land into smaller pieces and construction of apartment buildings instead of communal barracks. What is more, since some of the *gecekondu* dwellers had the chance to sell their land, or rent some of the apartments in the building, any immigrant could be the buyer in this informal market for housing. Therefore, consolidation of some networks of reciprocity in the same area was no longer a characteristic of *gecekondus*. The ones who had a privileged status in the poverty-in-turns (the ones getting richer) even preferred to change their location

from *gecekondus* to city centers or other neighborhoods as a result of their upward mobility in their socio-economic status.

The impacts of the commercialization /neo-liberal regulation of *gecekondu* land, however, were diverse. It would not be fair to immediately conclude that the impacts of commercialization had homogeneous consequences on the *gecekondu* people. On the one hand, some of the *gecekondu* dwellers were able to upgrade their socio-economic status by benefiting from the rent created on their land, which became possible through commercialization. On the other hand, the increasing dominance of the market (exchange) relations had negative impacts on the nature of the already established network relations in the *gecekondu* districts.

Not surprisingly, the already established network relations were key in shaping the second part of Polanyi's Double Movement (countermovement), during which the most negatively influenced ones by the neo-liberal regulation of the *gecekondu* land had started to find ways to protect their livelihoods by engaging in the more radicalized networks, which can be seen as the continuation of the earlier networks. This issue is well articulated by Burawoy, as he argues, Polanyi underestimated pre-existing social supports that people carried with them into the new market society:

Today we have to correct Polanyi by saying that the context of industrialization, and in particular attempts at the commodification of labor, set the stage for class mobilization, but it was the preexisting community that shaped the drama that would unfold, and indeed whether there would be any drama at all.⁴

⁴ Michael Burawoy, "For a Sociological Marxism: The Complementary Convergence of Antonio Gramsci and Karl Polanyi," Politics and Society, Vol. 31 No.2 June 2003, 220-223.

In order to theorize the impacts of commercialization of *gecekondus* and dissolution of networks of reciprocity, the concept of ‘reciprocity’ as one of the three forms of integration (along with redistribution and exchange) will be borrowed from Polanyi. Through a critical re-reading of Polanyi’s depiction of a particular type of ‘reciprocity,’ this thesis will dispute his characterization and argue that one can find different forms of reciprocity by bringing a moral dimension. The case of housing in Turkey illustrates how the nature of reciprocity, which also defined the nature of *gecekondus*, has changed through state’s successive attempts to create incentives in favor of commercialization in the neo-liberal era.

After examining the Polanyian concepts of double movement and reciprocity, the rest of the first chapter will probe the concept of state as the key figure behind the transformation of the nature of *gecekondus* as well as the nature of reciprocity, and propose that while the *gecekondus* could be characterized as communal spaces before mid 1980s, the post mid 1980s represent a “state space” in Brenner’s conceptualization of state space in integral sense, which refers to the “territory-, place-, and scale specific ways in which state institutions are mobilized to regulate social relations and influence their locational geographies.” Therefore, according to Brenner, state policies modify or transform social conditions in different places, spaces and scales through spatial targeting.⁵

Unlike 1960s and 1970s, *gecekondus* became the arena for the state’s strategies to distribute urban rent and compensate for the retreat of the state in the provision of social services, by creating incentives in the *gecekondu* land. Thus, the state’s involvement in

⁵ Neil Brenner, *New State Spaces*, (Oxford: Oxford University Press, 2004), 80.

the *gecekondus* and the drives to regulate and manipulate them through legalization and commercialization marked a strong contrast with its approach in the earlier periods.. In order to substantiate these claims, chapter 3 and chapter 4 will focus on pre 1980 and post 1980 periods respectively

Chapter 2

Double Movement, Networks of Reciprocity and New State Spaces

Karl Polanyi's analysis of the 19th century double movement is still relevant in understanding contemporary developments. Polanyi's recognition that the potential of unfettered market processes to lead to their own destruction which societies try to counteract gives us important hints for analyzing recent neo-liberal experiences of developing countries.

This chapter will employ some of the key theoretical insights of Polanyi, such as the double movement, forms of integration (reciprocity, redistribution and exchange) and social embeddedness. Inspired by Polanyi's discussion of the "place of economy in society," this chapter will elaborate on these concepts to lay the basis for understanding the double movement experienced in Turkey's neo-liberal era since the 1980s. In doing so, I will examine changing relations between the forms of integration as such. My objective will be to build on Polanyi's depiction of the double movement and forms of integration by arguing that in third world contexts like Turkey, the line between networks of reciprocity and formal redistribution is not clear. Rather, the first supports the second. It will further be shown that Polanyi's famous phrase, "Laissez Faire was planned, but planning was not" aptly applies in the Turkish case

A critical re-reading of Polanyi, one which takes into account the forms of integration and double movement together, is then necessary in order to have a better understanding of the Turkish neo-liberal experience, during which networks of reciprocity in the urban lands, such as Istanbul were of crucial significance in maintaining

social cohesion in the second part of the double movement (counter movement). Now, the task at hand is to draw the theoretical frame by employing Polanyi's above mentioned key insights and then locate Turkey's welfare regime in this picture.

Bringing a Polanyian Perspective

In The Great Transformation, Polanyi offers a critical examination of the form of industrial capitalism which originated in England in the early part of the Nineteenth Century. While Karl Marx was critical of capitalism because of its exploitation of workers, Polanyi emphasized the dehumanizing cultural consequences of the free market system. The self regulating market meant the "disembedding" of the economic relations from the social sphere. Even more threatening was the decoupling of the economic and social sphere, creating broad "cultural alienation among workers and owners, and leaving society and the natural environment without protection."⁶

Polanyi's concern was not the market mechanism in itself. Distinguishing between a market system and a market society, he was critical of a market economy unconstrained by social intervention, and operating according to its own law of supply and demand. He argued that the Nineteenth Century self-regulating market system was "a stark utopia...[which] could not exist for any length of time without annihilating the human and natural substance of society."⁷ Thus, in reaction to the abstract and homogenizing forces of marketisation, society would develop various new ways to re-embed economic life in society and nature. In other words, the self regulating market society was an unrealizable and impossible utopia, which would result in the demolition

⁶ Gregory Baum, Karl Polanyi on Ethics and Economics, (Montreal: McGill-Queens University Press, 1996), p.4

⁷ Karl Polanyi, The Great Transformation, (Boston, Beacon Press, 1944), p.3

of society. Because the self regulating market is not compatible with a sustainable social arrangement, the extension of markets into other domains of the social triggers a countermovement to protect society. The response of society to the self-regulating market economy, is Polanyi's thesis, the "counter movement". As Polanyi argues,

For a century the dynamics of modern society were governed by a double movement: the market expanded continuously but this movement was met by a counter movement checking the expansion in definite directions. Vital though such a countermovement was for the protection of the society, in the last analysis it was incompatible with the self regulation of the market and thus with the market system itself.⁸

There are two levels of argument here. The first is more of a moral argument. According to Polanyi, it is immoral to treat nature and human beings as objects whose price will be determined in the market. The immediate motive of the self-regulating markets is to turn human beings and the natural environment into pure commodities. The second is based on the main actor of the double movement, namely the state. Even though the societal response is important, it was indirect and the protection of the livelihoods and the spontaneous counter movement were given shape through the national state. Consequently, for Polanyi the national state was the key actor in the creation of self-regulating markets and also facilitated the adaptation to the market mentality; paradoxically the state then played a very crucial role under massive social pressure by protecting the society and containing the market.

According to Polanyi, the market society was the result of an important institutional change, the creation of fictitious commodities and the separation of the

⁸ Polanyi, 139-140.

economic from the political sphere. Within the self regulating market, we face only two “economic” motives, basically the hope of gain and the fear of hunger. Although markets have existed in all kinds of societies, the motive of gain and fear of hunger have never been the pre-eminent driving forces of community production. No human community can exist without a functioning market apparatus, but in the market society, this instrument is under the hegemony of the market. The immediate consequence of the disembedded economic sphere is to make the rest of the society solely dependent on one sphere. In this kind of a society, not only are the social classes dominated by the laws of supply and demand for labor, land and capital, but also other social institutions, such as marriage and family become the servants of the market. This is what Polanyi calls the “market mentality.”⁹

The broader implication of the domination of market mentality indicated the subordination of society to economy instead of vice versa and therefore, commodification of labor as well as land and money referred to the atomization of society, in which the profit motive and fear of starvation become the main pillars of this process. This situation represents the obsolescence of the older forms of existence based on reciprocity. More specifically, for Polanyi, “non-contractual organization of kinship, neighborhood, profession, and creed were to be liquidated since they claimed the allegiance of the individual and thus restrained his freedom.”¹⁰ Hence, the first pre-requisite for institutionalizing the market system is to demolish the old institutions and bonds of the society. Nevertheless, the commodification of land, labor and money, the relative pre-eminence of the market mentality and rationalization, and the atomization of individuals

⁹ Polanyi, 2001, 172-3

¹⁰ Ibid, 163.

trigger the “self-protection” of the society in response, the counter movement to ‘re-embed’ the market. As Gregory Baum notes, the double movement is the “self-organization of society, sometimes with the help of the government, sometimes in spite of it, to protect people and land against the disintegrating forces of the market system.”¹¹

Double Movement and State Action

In the Great Transformation, Polanyi saw the nation-state as the main institutional actor of the double movement. ... Since Polanyi’s starting point was society, and his concern was market society, he saw the national state as an arbitrator capable of counterbalancing the dehumanizing and annihilating nature of the market and protecting the livelihood of the society. Hence Polanyi assigned a critical role to the state in the dynamics of the double movement. In fact, for Polanyi, both the expansion of the market and the defensive action contained certain amount of state action.¹²

[...] free markets could never have come into being merely by allowing things to take their course...The road to the free markets were kept open by an enormous increase in continuous, centrally organized and controlled interventionism. To make Adam Smith’s ‘simple and natural liberty’ with the needs of human society was a complicated affair.¹³

Moreover, Polanyi’s emphasis on the emergence and maintenance of *laissez faire* and his insistence that “laissez-faire was planned, but planning was not” also gives us similar hints.¹⁴ The nature of the ‘double movement’ opens the door to an increase in the administrative functions of the state to handle the negative repercussions of the self-regulating market.

¹¹ Baum, 55.

¹² The market mentality has two important tenets, these are basically the economic fallacy and the rationality assumption

¹³ Polanyi, 130.

¹⁴ Polanyi, 2001: 147.

Within the nations we are witnessing a development under which the economic system ceases to lay down the law to society and the primacy of that society over that system is secured. This may happen in a great variety of ways, democratic or aristocratic, constitutionalist and authoritarian, perhaps even in a fashion as yet utterly unforeseen. But the outcome is common to them all; the market system will no longer be self-regulating, even in principle.¹⁵

Polanyi devoted significant effort to negating the liberals' claim of collectivist conspiracy, i.e. their focus on the organized and planned intervention to the economy, and by this way damaged the functioning of the self-regulating market, which was supposed to keep its balance in a spontaneous manner.¹⁶

Polanyi relied on the national state as an overseer to resolve the tension between the self-regulating market and the society. To be sure, state intervention came in response to social pressures to protect the lives and livelihoods of people. This pressure was, however, indirect, and realized through state action. As Ayse Bugra argues, the double movement characterized the role of the state to establish and contain the market within the nineteenth century civilization.¹⁷

Polanyi's critical observation, which is "*laissez-faire* was planned, but planning was not" is an illuminating way to substantiate his concept of "Double Movement." As Polanyi argued, *laissez-faire* became the dominant ideology in Europe since the late 18th

¹⁵ Polanyi, 1944; 251.

¹⁶ Polanyi builds upon his critique of the liberal claim of anti-liberal or collectivist conspiracy in four ways. First he acknowledges the amazing diversity of the matters on which action was taken. Here he refers to Herbert Spencer and provides anecdotal evidence of various acts in a variety of areas multiple areas like mining, irrigation and torture. Second, the shift from liberal to collectivist solutions sometimes occurred in a very short period of time, even unconsciously. The third, and most convincing of all, is that cross country comparison shows that countries with different ideological and political configurations established convergent patterns. Finally, Polanyi underlined the restrictions on the self regulating market that are, paradoxically, initiated by the economic liberals.

¹⁷ Ayse Bugra, "Political and Moral Implications of Reciprocity Networks in Modern Societies," in Adaman, F. and Devine, P. Economy and Society, Money, Capitalism and Transition, 2001, p. 383

century, and later the foundation of the liberal economic order prevailing in the 19th century. Either *laissez-faire* or the liberal order were seen as products of the natural evolution of modern society. As Polanyi put it, “[The] whole social philosophy [of economic liberals] hinges on the idea that *laissez-faire* was a natural development, while subsequent anti *laissez-faire* legislation was the result of a purposeful action on the part of the opponents of liberal principles.”¹⁸ Polanyi then rejected the fallacy of such a liberal wisdom by pointing out the “unnatural” character of both *laissez-faire* and the liberal economic order and the spontaneous nature of the initiatives taken by society to restrict the functioning of the market to protect itself of its adverse effects:

There was nothing natural about *laissez-faire*: free markets could never have come into being merely by allowing things to take their course. Just as cotton manufactures were created by the help of protective tariffs, export bounties, and indirect wage subsidies, *laissez-faire* was enforced by the state”.... “subsequent restrictions on *laissez-faire* started in a spontaneous way. *Laissez-faire* was planned; planning was not.¹⁹

The first part of the phrase means that in order for the self-regulating market to get going, the state has to intervene by creating rules, such as property rights, anti-trust laws, laws that permit enclosures and in general laws that establish the background for the commodification process. The second part of the phrase, “planning was not” - refers to the second part of the double movement. That is, that in response to the destruction wrought by the creation of the “free” market, particularly the commodification of land, labour, and money, people mobilize politically to roll back the impact of the market, and get the state to introduce laws to protect land, labour, and money. For instance, the

¹⁸ Polanyi, Great Transformation, 141.

¹⁹ Polanyi, 139-140.

capitalist revolution in England was facilitated by the intervention of the state in creating property rights, etc. This led to the destruction of communities, cultural degradation, horrific working hours and conditions, child labour so and so forth. In response, people mobilized to demand things like an end to child labour, ameliorations in the working hours, and environmental regulation preventing factory pollution.

The above mentioned dynamics could be successfully applied to the case of Turkey's neo-liberal experience. The neo-liberal regulation of the *gecekondus* could be seen as an example of at least the first part of the double movement - that state regulation, giving people title to their *gecekondu* land through passing *Gecekondu Laws*, which created market relations in a place where they hadn't existed before the neo-liberal era. "*Laissez-faire* was planned" applied in this case, because market relations were introduced by the state in this case by introducing property rights - whereas before, people squatted on the *gecekondu* land and these dynamics were outside of the market mechanism.

The neo-liberal regulation of the *gecekondus* and the state's efforts to intervene this space had some significant impacts on the societal dynamics within the *gecekondu* districts. These impacts were crucial in shaping the other part of the "double movement" taking place and in response to neo-liberalism, people were mobilizing in various ways. This involved building on pre-existing networks as Burawoy argues, or it also meant that those networks exist, but are actually their nature has changed considerably - the mafia, religious networks and networks of market exploitation. As it will be elaborated in the next chapters, the already established networks, based on ethnicity, common place of origin, family-kinship bonds and religion were quite influential in Turkey's post-1950

history, during which Turkey has experienced a rapid urbanization process and neo-liberal restructuring. The next subsection will bring a re-reading of Polanyi's arguments on the forms of social integration, which are reciprocity, redistribution and exchange. How does Polanyi see them and how could they be theoretically analyzed and stretched to explain the Turkish double movement?

Forms of Integration: Reciprocity, Redistribution and Exchange

As ways of mapping the material means within a society, Polanyi introduced three forms of integration: reciprocity, redistribution and exchange. The functioning of these necessitates the existence of symmetry, centricity and market respectively. Polanyi considered the economy in its substantive sense, as "an instituted process of interaction between man and his environment, which results in a continuous supply of want satisfying material needs".²⁰ According to Polanyi, "[t]he human economy is embedded and enmeshed in institutions, economic and non – economic."²¹ For this reason the inclusion of the non-economic was vital. What were then the elements that were sustaining unity and stability in this substantive understanding of the economy?

For Polanyi, the way the economy is embedded in a given society can be analyzed by looking at the relative importance played by the integrating principles of exchange, redistribution and reciprocity in the allocation of resources. Polanyi speaks of three forms of integration through the economy acquires unity and stability - reciprocity,

²⁰ George, Dalton, Primitive, Archaic and Modern Economies, Essays of Karl Polanyi, (New York: Anchor Books, 1968), p.149.

²¹ Bob, Jessop "The Social Embeddedness of the Economy and its Implications for Economic Governance," in F. Adamant and P. Levine, Economy and Society, Money, Capitalism and Transition, (Montréal: Black Rose Books, 2001), p. 194.

redistribution and (market) exchange. In a narrow sense, reciprocity denotes movements between correlative points of symmetrical groupings (e.g., segmentary kinship groups); redistribution designates appropriational movements toward a center and out of it again (allocative centre linked to the state) and exchange refers to movements taking place as between hands under a market system. All three forms of integration may be simultaneously operative, but one of them may be dominant over others. Thus, among the three forms of integration, just as in the 19th century, neo-liberal globalization has elevated the exchange form at the expense of the other two.

In a broader sense, exchange refers to the non-enduring and non-binding relations between anonymous individuals in competitive markets. Redistribution characterizes the role that the state plays in the economy via taxation and government spending. Exchange and redistribution acquire their significance in the formal and legally binding context of market allocation and state intervention. Reciprocity is by nature personal and informal. In general, relations of reciprocity follow the family metaphor in their different manifestations among neighbors, religious or ethnic community members, or even in mafiosi type networks.

This theoretical approach reflects Polanyi's understanding of the nineteenth century market economy as a unique and unnatural phenomenon. This position approaches the market society as a series of self regulating markets. To develop this idea, Polanyi makes a qualitative differentiation between exchange on the one hand and, redistribution and reciprocity on the other. The supporting institutional patterns of redistribution and reciprocity are not only economic in nature, but also they exist independent of the economical roles they play. The market, however, is only economic.

These economic relations of reciprocity and redistribution are also embedded in social networks, however market relations have detrimental effects. Thus, when resource allocation mechanism totally depends on the self regulating markets, the economy starts to become disembeded from society because in this setting the market economy leads to the commodification of land, labour and money. According to Polanyi, this occurs through intervention and it has disruptive effects on the social fabric. As a result, exchange cannot be the basis for social integration and it has to be supported with the other two forms of integration.²²

The interrelation between the three forms of integration is a point of debate.²³ Yet most agree that the interrelation between the forms of integration and their institutional patterns should not be seen mechanically, just as Schaniel and Neale suggest.²⁴ Although each form of integration can function only if it is promoted by a certain institutional structure, the nature of these structures as socio-cultural settings will vary across time and place. The relative weights of reciprocity, redistribution and exchange are subject to variation. Thus, this thesis complies with the broad consensus in the literature: even if we theorize self-regulating markets as ideal types in Polanyian sense, markets can only

²² Primo Cella's work is of interest here. Cella approaches the three different forms of integration as different forms of economic allocation. According to him, the forms of integration identify the types of institutional patterns that manage the participants of the economic process. Reciprocity as a mode of unwritten non-contractual social pressure derives from the behavioral expectations imposed by family, community and solidarity networks. In "redistribution," however, sanctions derive from the formal mechanism (legal and bureaucratic) imposed by the political authorities. In "exchange" behavior is motivated by individual interest, and any conflict is being solved by the price mechanism. This clarification brings us the question of transition between these forms.

²³ Ayse Bugra, Enzo Mingione, Fragmented Societies: A Sociology of Economic Life beyond the Market Paradigm. (Oxford: Basic Blackwell, 1991, Marchall Sahlins, Stone Age Economics. (Chicago: Aldine Publishing Co. 1972).

²⁴ William, C. Schaniel and Neale Walter, "Karl Polanyi's Forms of Integration as Ways of Mapping," Journal of Economic Issues, 34, no.1 (March 2000), 89-104.

operate with the socio-economic constraints and presence of other two forms of integration, namely redistribution and reciprocity.

The dependence of exchange on the other forms of integration leads us to the interrelation between forms of integration. In contrast to Polanyi's analysis, which asserts a clear distinction between the principles of 'reciprocity and redistribution' and 'exchange', I propose to see the forms of integration without drawing sharp boundaries between them.

The role of reciprocity is closely related to the other forms. They all co-exist in society in a given period even if they have different weights. According to Polanyi, the forms of integration do not refer to the stages of development, but rather "several subordinate forms may be present alongside the dominant one, which may itself reoccur after a temporary eclipse."²⁵ What is even more relevant for our purposes is that reciprocity, the dominant form in tribal societies can manifest itself in various forms in contemporary times. Polanyi explicitly recognizes this "reciprocity, which plays a dominant part in most tribal communities" is re-introduced on a large scale in the twentieth century.²⁶

These observations can help us to develop a better understanding of the counter movements in the age of globalization. In the Great Transformation, Polanyi discussed the double movement almost exclusively at the scale of nation-state. For Polanyi the entity that was protecting itself from the seductive market system in the early 19th century

²⁵ Karl Polanyi, Livelihood of Man, (New York: Academic Press, 1977), 42

²⁶ Polanyi, Livelihood of Man, 43.

and early 20th century was in general national societies, organized under nation-states.²⁷ In other words, the state protected societies from the forces of seductive market. The rise of the welfare states in the Western world and planned development programs of various third world countries are two examples of this.

Some look for ways to reinvigorate the state as an answer, but there are other ways that work as a cushioning mechanism in response to the negative effects of the neo-liberal reforms. Thus, the task at hand is to conceive the double movement in a different way, in which reciprocity plays a much more critical and determining role. In other words, more than ever, the fragile balance of the state, society and market - in which the role of the state is limited and the solutions of the market mechanism have proven to be corrupt - is leading us to look more closely to the societal dynamics and mechanisms that mitigate the destructive effects of the market mechanism and complement the state's formal redistributive mechanism. Hence, going beyond Polanyi's clear-cut distinction between reciprocity and redistribution and recognizing the significance of the reciprocity networks in supporting the state's redistributive mechanism is an important step towards understanding the contemporary double movements.

In the literature on Polanyi, it is possible to see the contemplation of the rise of the reciprocity and society's resistance to the market forces. For instance, in his influential study called "The Next Transformation," Alain Lipietz argues that the root of the current economic crisis is the crisis of labor. He criticizes the ideology of *liberal productivism*, that was followed by the Reagan and Thatcher administrations, Western European governments and international economic institutions like the IMF and the

²⁷ Beverly Silver and Giovanni Arrighi, "Polanyi's Double Movement: The Bell Epoques of British and U.S. Hegemony Compared," Politics and Society, Vol.31, No.2 June 2003, 325-355.

OECD. While Lipietz perceives *liberal productivism* as a backlash from the “Great Transformation,” he also asserts that the “the flaws of this paradigm could be cured by a new progress of society against the self-regulating market.”²⁸ But, how could this happen? While redistribution in different forms, fascist, communist and social democratic, was a response to the crisis of the 1930s, the rise of reciprocity could be seen as a response going beyond the solutions of the state (Keynesians) and market (Neoliberal).²⁹

In Godbout’s discussion of the state as a self-regulating agent, he argues that the state like the market, became more and more detached from the society and the centralized state redistribution became disembedded from society. Godbout’s main problematic is the tendency of both the state and the market to become self-regulating and fail to secure social cohesion. For Godbout, the self-regulatory role of the state might be detrimental to the society because its “search for legitimacy and community roots may lead the state to try and control communities, define norms and values from outside, and eventually replace social networks and reciprocity relations” that constitute the substance of the social fabric in Polanyian sense.³⁰ Even though for Godbout the market is different from the state in the sense that it is value-free and does not impose direct goals on the society, it is hegemonic and ideological and its sole objective is to impose one dominant value, namely the paradigm of growth. Thus, the key question raised by Godbout is this: If neither the state nor the market can deal with the tension between state-market and

²⁸ Alain Lipietz, “The Next Transformation,” in Michele Cangiani, The Milano Papers, (Montréal, BlackRose Publications, 1997), 127

²⁹ Bjorn Hettne, “The Contemporary Crisis: The Rise of Reciprocity,” in (ed.) Kari Polanyi-Lewitt, The Life and Work of Karl Polanyi, (Montréal: BlackRose Publications, 1990), 212-20.

³⁰ Jacques Godbout, “The Self-Regulating State,” in (eds.) Marguerite Mendell and Daniel Salée, The Legacy of Karl Polanyi, (New York: St. Martins Press), 119-133.

society, then where do we need to look for the solution? For Godbout, the solution is the democratic and communitarian side of the state. In addition to the market and the state, there are reciprocity and social networks, which “are places where not only goods and services circulate, but emotions as well.”³¹

A New Role for the State?

Polanyi finished the Great Transformation with the dilemma between state planning and freedom. He acknowledged that when the state planning, regulation and control become a necessity, this threatens the human freedom. At the same time, he recognized the freedoms inherent in the market economy.³² Moreover, state planning and regulation were vital in order to spread these liberties to society, yet posed a danger to the livelihood of the society. Polanyi did not provide concrete answers to this dilemma, but left us with some interesting questions as well as valuable hints about the solution of this dilemma. In his words;

Every move toward integration in society should thus be accompanied by an increase of freedom; moves toward planning should comprise the strengthening of the rights of the individual in the society. His indefensible rights must be enforceable under the law even against the supreme powers, whether they be personal or anonymous. The true answer to the threat of bureaucracy as a source of abuse of power is to create spheres of arbitrary freedom protected by unbreakable rules.³³

For however generously devolution of power is practiced, there will be strengthening of power at the center, and, therefore danger to the individual freedom. This is true in respect to the organs of the democratic communities themselves, as well as the professional and trade unions...³⁴

³¹ Polanyi, 1957: 219

³² ibid, 127.

³³ Polanyi 2001: 264.

³⁴ Polanyi 2001: 264.

Polanyi leaves us in a very critical point. One alternative is to ask: if democratic institutions and the state apparatus fail to provide these spheres, then which social forces, social bonds or social networks are responsible to sustain and protect those spheres? The second alternative centered on the concept of contractual freedom, derives from the market and as it has been indicated by Polanyi many times, this kind of a freedom cannot be the foundation of the society.

Any decent individual could imagine himself free from all responsibility for acts of compulsion on the part of a state, which he, personally, rejected; or for economic suffering in society from which he personally, had not benefited. He was “paving his way,” was “in nobody’s debt,” and was entangled in the evil of power and economic value.³⁵

There has never been any society in which the individuals are “in nobody’s debt.” This false assumption emerged as a result of the liberal economy, and yet this was the result of the market perspective to society, “which equated economics with contractual relationships and contractual relationships with freedom.”³⁶

Despite liberal ideology’s suggestion that “society as a whole remains invisible,” it is possible to see the disguised non-utilitarian side of the society, in which social bonds are developed and freedom is limited on a voluntary basis. These relations are not based on contractual relations, but on reciprocity and moral obligation. Can such social networks contribute to the contemporary conception double movement? What of the repressive nature of the community based reciprocal relations? To what extent can we expect protection from communitarian institutions? It should be noted that there are two organizing / integrating mechanisms for Polanyi, economic liberalism and social

³⁵ Polanyi, 2001: 266.

³⁶ Ibid., 267.

protection. The counter movement of society does not have to be protectionist. The threat to freedom when the Great Transformation was written has changed and is still changing. Society, as a result, is employing new forms of social networks, new bonds and transforming existing social institutions.

While Polanyi relied on a “strong” state, capable of managing the tension between different classes, its reasons for protecting society were more than its need for self-legitimation. Even though state social protection was not compatible with the underlying logic of the market economy, Polanyi recognized the “precariousness of market social arrangements that constantly impel new kinds of state action to stabilize economy and society.”³⁷ Hence, it necessitated a new social dynamic, where the place of individual in the society is redefined independent of the market. Polanyi makes it clear that the design of the new social order should not be based on the laws of market exchange; rather it should be grounded with a viable society in accordance with the modern values of freedom and equality.³⁸

Another interesting and also relevant approach could be found in the French Regulation School’s analysis. According to the Regulation approach, each regime of accumulation is identified with a specific mode of accumulation which defines the market and non-market forms of resource allocation that take place within the society. Thus, the bulk of the analyses focused on the crucial role played by the welfare state as defining the entitlements both to the consumers and producers. Nevertheless, the attempts of the Regulation School to extend these analyses to the late industrializing countries were less

³⁷ Block, F., “Contradictions of Self Regulating Markets”, in Mendell, M. and Salée D. *The Legacy of Karl Polanyi*, New York: St. Martin’s Press, 1991, 69-70.??

³⁸ Ibid, 387.

successful because the role of the state in the latter context has been different. No doubt, the state was intervening in a significant manner, but this intervention was also leaving a large area of social regulation to non-market mechanisms, mainly networks of social relations. If we put it differently, the principle of reciprocity played a very crucial role in defining the place of economy in the society in the late industrializing Third World settings.

For example, the Asian model of development is a crucial case in showing the embeddedness of economy in institutions that encourage and maintain personal ties in their cultural specificity. Thus, studies on the successful network structure of Asian economies indicate the crucial function of the reciprocity networks in the non-Western contexts. Studies on the informal economies in economic development literature indicate similar tendencies. Thus, informal economies as areas where people look for satisfying their needs outside of the formal, legally bounded process of exchange and redistribution take responsibility in maintaining social cohesion in these contexts.

Obviously, a direct comparison between the Asian cases and the role of informal economy in the second and third world countries would be misleading. While the Asian cases illustrate a viable alternative economic order, the cases of Turkey and Latin America seem to be a short term fix to a systemic problem. In her work on Mexico and Chile, Larissa Lomnitz argues that the informal sector in the Third world emerged as a response to decaying state capacity, which seemed to be incapable of satisfying people's needs.³⁹ It is possible to suggest that the significance of the reciprocity networks in these

³⁹ Larissa Lomnitz, "Reciprocity and Informal Economy in Latin America." in McRobbie, K and Polanyi Lewitt, *K Karl Polanyi in Vienna*, (Montréal: Black Rose Publications, 2000), 247-250.

cases also led to the informalization of the formal redistributive mechanism. Hence, a reappraisal of the way reciprocity complements the existing redistributive mechanisms and operates as an integrating mechanism by distinguishing between the forms of reciprocity relations with different moral implications is urgent.

The way I will take the concept of reciprocity will be different than Polanyi's. There is no doubt that Polanyi's understanding of reciprocity mostly depends on his anthropological findings, and conceives reciprocity as a social integration mechanism. I agree that reciprocity is still a vital social process in modern societies, but I suggest that we have to look at the changing nature of the reciprocities that find existence in diverse forms at different scales. Rather than conceiving reciprocity as a static form that is frozen in the history, we can unpack it and look at it as dynamic form, which supports / interacts other forms of integration such as redistribution and exchange. I think bringing a continuum of forms of reciprocity is vital here. What Polanyi conceives as a form of integration is in fact a specific kind of reciprocity, which is generalized reciprocity, as characterized by the principle of generosity. At the same time, there is negative reciprocity, which refers to the appropriations and transactions directed at a net utilitarian advantage. Negative reciprocity can be seen as an attempt to maximize the unearned increment. In contrary to negative reciprocity, generalized reciprocity can give way to redistribution in the sense that non-formalized relations of generalized reciprocity can create a de facto social welfare based on moral legitimacy. Before getting into the moral legitimacy dimension, how can we define reciprocity and differentiate negative and positive facets?

As opposed to the definitions of reciprocity which treat reciprocity as a norm or as an innate cultural predisposition. I prefer approaching Polanyi's reciprocity as a strategy "that individuals rationally display in order to achieve a certain objective which can be related to the maintenance of the group," which is "functionally conceived as norm enforcement mechanism." This approach simply outlays the tendency of the individuals to exhibit a cooperative behavior, which at the end contributes to the provision of the public good if they perceive that others will also contribute (meaning positive reciprocity) and they tend to lower their contribution or even stop contributing when they feel that their efforts are not being shared by the others (negative reciprocity). These two facets of reciprocity in fact points out the tendency of the reciprocity, as a form of integration in Polanyi's framework as being a double edge sword. In other words, in some contexts it can explain the sustainability of the high level of individual contributions to the creation of communal services (in the sense of public goods) and in some in contexts it explains its decay.⁴⁰

In some contexts, in which redistributive processes are not institutionalized in a rule based system, but rather involve relations that take place within the informal networks of reciprocity, the moral relativity might lead to situations in which these networks might lose their legitimacy and generate negative social consequences, which we call negative reciprocities. In other words, even though Polanyi characterizes reciprocity as one of the integration mechanisms in the society, one needs to recognize the spectrum of reciprocities which imply a moral ranking.

⁴⁰ Helena Lopes and Joao Rodrigues, "Incentives, Motivations and Social Dilemmas-Implications for Public Policy," Paper presented at the international conference called Economic Policies in the New Millennium at the University of Coimbra, 16-17 April 2004, 7-8.

Housing is an illuminating area in order to see the above mentioned forms of reciprocity because the need for shelter is universally recognized as a need whose satisfaction should not totally left to the market mechanism. Put differently, the housing sector can be seen as a moral economy and its principles cannot be totally determined by the market forces. Even in most liberal economies, the state has played a crucial role in satisfying this need through formal mechanisms. This is an example of institutionalized manifestation of generalized reciprocity, which leads to a formal redistribution system. Those who cannot satisfy their needs in the market are entitled to the generosity of the community. Nevertheless, entitlement to the generosity of the community might take different aspects. In some contexts, especially in the cases of developing contexts, formal state redistributive practices are supported by informal reciprocity networks.

In the subsequent chapters, I will develop these ideas by examining the informal/illegal squatters, called *gecekondus* mobilized in the informal sector in Turkey, which became the socially accepted way of providing shelter for the urban poor. The Turkish case will show that the role of the state remained quite significant in shaping the housing sector especially in the neo-liberal era. If we go back to the forms of reciprocity, the Turkish case also shows that development of *gecekondus* took place on a moral basis that reflected the social legitimacy of the need for shelter in Turkey's rapid urbanization era. Nevertheless, after the state's successive efforts to regulate and manipulate these settlements, the initial socially recognized legitimacy; generalized reciprocity had turned into a different form of behavior characterized by the maximization of the unearned increment, which we call negative reciprocity.

Going beyond Polanyi's State

Polanyi's insights and assumptions regarding the role of the national state in his characterization of the Double Movement are useful. Nevertheless, the role of the national state in a modern society is more complex than what Polanyi envisages. One way to grasp the complexity of the contemporary double movements and the role of the state in the Third world developing country settings is to look at the changing nature of the strategies and the state's socio-spatial arrangements to protect the livelihood of the people from the destabilizing influences of the neo-liberal policies.

Brenner's conceptualization of the "State Spaces" is a very illuminative way to probe the concept of the state. It can be used to illustrate the shifts, changing policy regimes and the manifestation of those changes on the privileging of certain spaces (spatial privileging) in Turkey's neo-liberal era. Moreover, by offering a multi-scalar research design and focusing on the rescaling of the state, this will also be a neat extension to Polanyi's argument. Thus, recognition of new state spaces in a sense allows us to go beyond Polanyi's analysis and reject "...reconceptualization of entrenched understandings of space as a fixed, pre-given container or platform for social relations."⁴¹

We can extend Polanyi's notion of the importance of the state (*Laissez-faire* planned) in creating market relations by using Brenner. Brenner, like Polanyi, argued about the importance of the state to the creation of neo-liberalism; but unlike Polanyi, he focused on the rescaling of the state and the impact this had on the production of space. In other words, he added a spatial dimension to the role of the state, which Polanyi did

⁴¹ Neil Brenner, New State Spaces: Urban Governance and the Rescaling of the Statehood, (Oxford: Oxford University Press, 2004), 29.

not spend much time on. In the Turkish case, the production of “New State Spaces” in Brenner’s terminology took place on the *gecekondus* and the state passed number of laws to regulate this space and commodify the *gecekondu* land, which have been illegally appropriated by the immigrants since 1950s. By establishing the conditions to regulate and create a market on this land, Turkish national state pursued state spatial strategies on this land to enhance the accumulation of capital (real estate sector) and also establish a hegemonic project. The nature of the hegemonic project depended on Ozal’s neo-liberal populism, which is going to be elaborated further in the next chapter. First, how does Brenner conceptualize “New State Spaces?”

Theoretical Foundations of New State Spaces

Brenner’s definition of state spaces is quite complex. The basic reason that he draws heavily on Jessop’s strategic relational approach to his conceptualisation of the state, and he combines this analysis with the literature on human geography and political economy of scale. My objective for employing Brenner’s conceptualization of State Spaces is twofold: first to provide a theoretical background to the transformation of *gecekondus* in the neo-liberal era, during which, I argue, the *gecekondus* were transformed from community into state spaces, and secondly to better illustrate the transformation of the role of the Turkish nation-state and its spatial strategies in the neo-liberal era by focusing our attention on some of the key concepts that have been discussed intensively in the political economy of scale literature, such as “hollowing out” of the state argument.

Brenner conceptualizes state space as an ongoing process of change, a polymorphic geographical form and a multi-scalar structure rather than only a national

organization. What is relevant for our purposes are the first and last aspects of state space. A proper understanding of state space urges us to analyze the production of state space as an arena for continually evolving strategies. Hence, the spaces of state power are actively produced and transformed through state strategies and sociopolitical struggles through different institutions at multiple scales. As Brenner puts,

State space in an integral sense refers to the territory-, place- and scale-specific ways in which state institutions are mobilized to regulate social relations and influence their locational geographies. This aspect of state space refers, most centrally, to the changing geographies of state intervention into socioeconomic processes within a given territorial jurisdiction. Each historical formation of state spatiality is associated with policy frameworks that target specific jurisdictions, places and scales as focal points for state regulation, public investments, and financial aid. Through this process of spatial targeting, state institutions attempt, for instance to enhance territorially specific locational assets, to accelerate the circulation of capital, to reproduce labour force, to address place specific socio-economic problems and to maintain territorial cohesion within and among diverse centers of economic growth and population growth.⁴²

Thus, in a broader sense state space could be understood as the state's ability to manipulate certain spaces, places and scales through spatial targeting and various strategies. In other words, state space refers to the arena on which the state systematically intervenes in the socio-spatial processes, privileges some actors, or even in some cases creates new actors and by this way the state aims to solve tensions in the society. What determines the primacy of certain spaces, scales and places over others? And does this indicate the organizational and functional unity of the state?

⁴² Neil Brenner, 78.

Defining the state as an institutionally specific form of social relations, Jessop sees the state as the site, generator and product of strategies.⁴³ This tripartite understanding of the state tells us that the formation of state strategies and their implementation through state institutions is not a homogeneous process. Instead the organizational structure and functional unity of the state is not fixed, but rather is an outcome of sociopolitical struggles between various social forces, actors and interests. One aspect of the ongoing sociopolitical struggles between different social forces is related to the endowment of the state with selectivity, which is the tendency of the state to privilege certain social forces, interests and actors over others.

The operation of state as the site, generator and product of strategies reflects the tension, contestation and praxis between social forces, the state is able to alter the balance / dynamics among them through strategic selectivity. This means that state strategies exert pressure on the state institutions by molding them in a particular form of socioeconomic intervention. Because state strategies are endowed with selectivity, some social forces are privileged “in the struggle to influence the state’s evolving role in regulating the circuit of capital and in the establishment of hegemony”⁴⁴ which indicates that state’s selectivity and privileging in turn influences the state and its institutions.

What does state selectivity subsume in terms of state spaces? In other words what is the spatial manifestation of the general foundations of the strategic relational approach to state theory? How can they be related to the accumulation strategies and hegemonic projects? As Brenner argues, state strategies mobilize state institutions to promote

⁴³ Bob Jessop, State Theory: Putting Capitalist States in their Place, (Pennsylvania: Pennsylvania University Press, 1990), 260.

⁴⁴ Ibid 196 -219.

particular forms of socioeconomic intervention, and the target of the state strategies is the circuit of capital and civil society. Hence, the state's regulation of capital and manipulation of the balance of forces in the civil society may end up with outcomes such as new accumulation strategies and hegemonic projects. In general, one can claim that accumulation strategies and hegemonic projects go hand in hand.

Since the state is the generator of strategies, it may play an essential role in enabling societal forces to mobilize particular accumulation strategies and/or hegemonic projects. The nature of the state, in other words, the selectivity of the state is closely related to the form of accumulation strategies and hegemonic projects. As Brenner suggests, there is the spatial dimension for state's selectivity. The state not only privileges private capital or the interests of capital in general in the creation and implementation of policies, but the state also privileges certain scales, places and spaces for the sake of accumulation strategies and hegemonic projects. Therefore, each accumulation regime and hegemonic project requires the state to have a specific / subtle approach to space. The privileging of space produced by the state also changes in different accumulation strategies and hegemonic projects. The state tries to manipulate / target different geographies of accumulation and regulation within a state's territory, and the state's spatially selective strategies by privileging certain geographies reinforce / deepen accumulation strategies and hegemonic projects.

Furthermore, a state's spatial strategies depend on the capacity of the state institutions. State institutions are crucial in the elaboration of accumulation strategies and political struggle through reshaping the geographies of capital accumulation and hegemonic projects. As Brenner argues, a state's spatial strategies manifest themselves

through various policy measures such as labor market policies, economic development initiatives, urban policies and housing policies. Thus, state space becomes the systematically created/privileged space through a state's institutionally-based spatial strategies.⁴⁵ Therefore one can define state spaces as the geographies for the implementation of state spatial strategies which does not necessarily assume a pre-given scale, space or place. Rather, state spatial strategies have impacts at diverse scales and locations. Manifestation of the state's spatial strategies at multiple scales could be explained by the 'hollowing out' of the state argument. With this term, Jessop argues that some of the state's capacities were being transferred to other scales such as international bodies, regional or local level inside the state and horizontal networks of power that bypass states and interlink localities in several societies.⁴⁶ This process, however, does not only mean that nation state is totally losing its influence. Rather, "it still remains crucial as an institutional site and discursive framework..."⁴⁷

To clarify, what were the spatial implications of the accumulation strategy and the hegemonic project of the pre-1980 period in Turkey and how did it change in the post-1980 period? In other words, how did the spatial implications of the hegemonic project and accumulation strategy in Turkey in both periods differed? The accumulation strategy in the 1950-1980 era in Turkey was at the national level (very much conditioned from the Kemalist modernization project of the early Republican times dating back to mid-1920s), and involved mechanization of agriculture, industrialization based on import substitution (ISI) and incentives for rapid urbanization to keep the system alive. As I will demonstrate

⁴⁵ Brenner, New State Spaces, 92-93.

⁴⁶ Bob Jessop, "Towards a Schumpeterian Welfare State? Preliminary Remarks on Post-Fordist Political Economy," Studies in Political Economy, 40, 1993, 10.

⁴⁷ Ibid, 10.

in the next chapters. the hegemonic project on the other hand was based on populist policies “to secure the support of all significant social forces and that the hegemonic force is bound in the long term to be an economically dominant class or class fraction rather than a subordinate class or non-class force.”⁴⁸ In the case of Turkey, to a great extent, the populist measures during the ISI period targeted the industrial workers as both for their significance in the supply side as well as the demand side for the sake of keeping domestic demand high to keep the ISI strategy in order. At the same time, one aspect of the populist policies was to foster urbanization (thus rural to urban migration) and “turning a blind eye” to the illegal occupations of public land by the migrants. In other words, this was the non-policy of the state towards *gecekondu* as opposed to the increasing urban population.

The state’s approach to *gecekondu* land began to change in relation to the change in accumulation strategy via export orientation in accordance to the neo-liberal reforms implemented by the Ozal government. This time, neo-liberal populism of Ozal was the substance of the hegemonic project of the post-1980s. One critical aspect of this hegemonic project was the inclusive approach towards the *gecekondu* population, who used to be marginalized and excluded from system. Interestingly, *gecekondu* land was seen versatile from the state. Firstly, it was seen as a site of compensating the “losers” of the neo-liberal reforms and incorporate the *gecekondu* migrants themselves, who were “the other” of the previous system. Coincidentally, real estate development on *gecekondu* land was seen as a site for domestic and international capitalists to satisfy the

⁴⁸ Bob Jessop. State Theory: Putting Capitalist States in Their Place, 211.

housing/consumption needs of the nouveau riche, indicating that *gecekondu* land also became the sphere for accumulation of capital on the part of the big Turkish capitalists.

While Brenner talks about the promotion of key cities as centers of competitiveness, and how city regions “become key institutional sites in which a major rescaling of national state power has been unfolding,”⁴⁹ my focus will be on the changing treatment of the *gecekondus* and explain the dynamics of state’s spatial strategies towards the *gecekondus* and how they became state spaces in the post-1980s, while they were more or less communal spaces in the pre-1980s. The next chapter will be looking at this change by comparing the pre and post 1980s and introduce the Turkish welfare regime as well as the new forms of citizenship models emerging in the *gecekondus*.

⁴⁹ Brenner, 3.

Chapter 3

Gecekondus as New State Spaces: Neo-liberal Populism and Changing Forms of Citizenship

Since understanding the change in state spaces is the key objective in this thesis, this chapter will put special attention on the emergence of neo-liberal populism as a combination of economic liberalism and political populism.¹ This will inevitably call for a comparatively informed analysis taking into account the experiences of some Latin American countries. The comparative nature will let us see that there is an affinity between neo-liberalism and populism. This affinity, however, tells us much about the changing representation channels of the state, which established the basis for the state intervention on space. More specifically, it is the informal *gecekondu* spaces that we are looking at. The re-scaling of the Turkish state in the neo-liberal era, through decentralization and increasing prominence of municipalities, municipal leaders and majors especially in the major urban centers such as Istanbul, deeply influenced the dynamics of the social and economical relations on the *gecekondu* spaces.

While the classical populist policies of 1950-1980 era did not intend to intervene the *gecekondu* spaces and permitting the informal networks of reciprocity based on kinship, ethnicity, religion and place of origin (*gecekondu* space as community spaces), the neo-populist policies of the post 1980s systematically intervened in the *gecekondu* spaces through legalizing and formalizing them as well as providing the incentives to commercialize these spaces. As a result, the *gecekondu* space came to be seen as an

¹ What I mean by populism is clearly explained by Kurt Weyland. "Multidimensional notions define populism through a combination of political, economic, social and cultural characteristics. They, thus tie populist politics to certain socioeconomic structures, advances in social mobilization and deep seated cultural values or to a combination of such factors." For details, Kurt Weyland, "Neoliberal Populism in Latin America and Eastern Europe," *Comparative Politics*, Vol. 31, No.4 (Jul. 1999), 379-401.

instrument for the state to distribute urban rent. In this way, *Gecekondu* spaces became the arena for the state's spatial strategies as the state privileged some social groups, interests and actors over others (*Gecekondu* space as state spaces). This situation paradoxically created a *de facto* redistribution mechanism through the redistribution of the urban rent. Nevertheless, this version of populism, characterized as the "neo-liberal populism" extended market relations in the communal spaces of *gecekondus* in ways that they hadn't existed before, but it was popular with the masses because it gave them a stake in their land. While this advantaged some, and increased the overall supply of housing, it nevertheless marketized reciprocity based network relations, and disadvantaged others, especially the ones who migrated lately.

This chapter will start with a discussion on the characteristics and main pillars of the Turkish welfare regime to understand the deficiency/failure in the formal mechanisms, which led the migrants and urban poor to look for informal solutions to compensate for the lack of formal mechanisms. After that, the next sub-section will be approaching the *gecekondu* phenomenon within the formal (national) / substantive citizenship axis and argue that as in the case of Brazil, *gecekondus* in Turkey have been for a long time being excluded and marginalized from the system. Unlike Brazil in which incorporation of the barrios happened through a democratic struggle and in the form of service provision to the former outsiders by the state, efforts to include the *gecekondus* in the formal system took place through the neo-liberal populism of Ozal government. The remaining part of the chapter will be looking at the transformation of the *gecekondus* from communal to state spaces in Brenner's terms to understand the dynamics of the new urban citizenship.

Informal Networks *Gecekondus* and the Turkish Welfare Regime

Increasing size and scope of the informal activities in the metropolitan centers of Turkey (mostly Istanbul and Ankara) were not only covering illicit / illegal economic activities, drug trade, etc. Informal housing structures were the primary component of the informal economy not only by being a solution to the housing needs of the urban poor, but also containing networks of reciprocity as substitutes for the lack of formal security systems. Given the indirect and minimalist nature of the Turkish welfare regime and its even limited capacity during the neo-liberal era, the revival and maintenance of the reciprocity networks were essential for the state in the sense that the formation of them could be converted into economic assets. Thus, given the functionality of these networks primarily based on kinship, ethnicity, ‘neighborliness’ and migrating from the same place, one needs to examine the strategies pursued by the Turkish state in order to understand the significance and vitality of these reciprocity networks which were embedded in long term social relations.

In order to put the above mentioned dynamics in context, a brief overview of the Turkish welfare regime by putting more emphasis on its transformation is necessary. Rather than a descriptive analysis, one needs to make a theoretically and comparatively informed analysis in order to better decipher Istanbul’s special status among the third-world metropoles in providing favorable conditions to the immigrants (mostly urban poor) to successfully integrate into the city during the neo-liberal era. In addition the Turkish welfare regime is an interesting case in showing the loose boundaries between the state’s formal redistribution mechanism and the functionality of reciprocity networks in maintaining social cohesion especially in the major urban areas such as Istanbul.

The concept of a welfare regime is defined in terms of the different roles that institutions such as the state, the family and the labor market play in sustaining the livelihood of the individual in society. Esping-Andersen, who introduced this concept, defined three types of welfare regimes in the developed Western countries: The market centered Anglo-Saxon model; the Conservative model, which is institutionalized on the basis of employment status and the supporting role of the family; and the North European model, in which state policies based on equal citizenship are significant. According to Esping-Andersen, these three models faced different problems as a result of (1) demographic trends in relation to the aging population and changes in the family structure, (2) the rise of service economies, (3) the shift from Fordism to Post-Fordism and finally (4) the increasing forces of globalization and international competition.⁵¹

Esping-Andersen attracted significant attention as well as criticism. The major criticism from our standpoint is that Southern European countries do not fit these, but rather constitute a different, fourth type of welfare regime. According to this argument, the structure of employment, the nature of formal social security system, the extent of social security coverage, the peculiar characteristics of the relationship between the state and citizen, employment and other opportunities provided through informal networks were crucial issues in considering the Southern European welfare regime.

According to Ferrera and Saraceno, we can define this welfare regime as follows: a large portion of undocumented labor, informal ways of income generation especially casual labor; a social security system with corporatist tendencies, composed of a

⁵¹ Gosta Esping-Andersen, The Three Worlds of Welfare Capitalism, (Cambridge: Polity Press, 1990), 26-29.

fragmented system, in which social rights are un equally distributed and universal social insurance is absent; the limited role of the state within the formal social security system, but in contrary the state playing a significant role in terms of generating particularistic mechanisms in which patronage networks play a key role; absence of social policies in combating poverty; and finally the importance of family, local government, communitarian networks (based on religion, ethnicity, citizenry, etc.) local institutions in promoting individual and help them survive during the downtimes.⁵²

Many of these properties, generally associated with the South European welfare regimes are also characteristic of the situation in Turkey. Some of the studies by Gough and Saraceno examined Turkish welfare regime as a Southern European welfare regime.⁵³ It should also be mentioned that, in addition to the similarities between Turkish and South European welfare states, a balanced analysis should also include the *differences*. In Southern European countries, important social policy reforms have been discussed and put into effect in the recent period. Indeed, there were significant structural changes behind these reforms, such as increasing pace of rural-urban migration, the advent of flexible production relations in the industrial structure, declining opportunities of industrial employment in the context of changes towards post industrial society that have taken place simultaneously with de-ruralization, the problems caused by increasing globalization, so and so forth. As a result social policy reforms were proposed in order to prevent the threat of social exclusion. During the 1980s, these issues were discussed extensively, and a new period of social reform has begun, in which the challenges

⁵² Chiara Saraceno, Social Assistance Dynamics in Europe National and Local Poverty Regimes (2002; Bristol: The Policy Press)

⁵³ Ian Gough, "Social Assistance in Southern Europe", South European Society and Politics, 1(1) (1996), 5-17.

presented by the changes in the labor market and family structures were tried to be confronted by the conception of "social Europe".

When it is suggested that Turkey's traditional welfare regime resembles the Southern European type, we should also take into consideration the properties of formal social policy institutions and informal integration mechanisms.

The formal social security system in Turkey is composed of the Retirement Chest (Emekli Sandigi, covering state employees), Social Insurance Institution (covering private workers), Bag-Kur (covering self-employed) and some other career related insurance funds. This system, which combines the management of both retirement and health insurance, leads to extreme inequalities, in which both pensions and access to medical care reflect differences in job status. The lack of universal health insurance that covers all citizens also decreases the financial and managerial effectiveness of health services that are offered under the umbrella of different retirement plans.

When we look at the working population in Turkey, we see that 9% is covered under the Retirement Chest, 23% in the Institution of Social Insurance and 13% with Bag-Kur. Other than some portion of the population insured privately, the remaining 55% of the population is not registered with any social security institution.⁵⁴

Obviously, the population outside of the formal social security system is an important problem for Turkey. Moreover, the importance of the problem is also related with the nature of relationship between the formal and informal sector in the sense that until the end of 1980s, employment with social coverage (formal employment) was the

⁵⁴ State Statistics Institute (DIE), Labour Statistics, (1998-1999, Ankara), 50-60.

usual norm in the private and public sector. According to the expectations, increasing number of workers in the informal sector would gradually become formally employed. Nevertheless, this situation began to change especially towards the end of the 1980s because of increasing size and scope of home work and sub-contracting relations.

Until recently, social policy measures in Turkey were limited to labor market regulation and the social security system involving pension benefits and health care. Assistance to people who have never formally worked and could not support themselves did not occupy a serious space in the budget, nor at social reforms. The reason was not that poverty and social exclusion did not constitute a significant problem in Turkey, as it was in the other developing Third world contexts such as Latin America or even in developed country contexts such as within European states. The primary reason that poverty was not considered as a problem requiring political intervention in Turkey is that there were a set of mechanisms preventing long term poverty in Turkey's welfare regime. These mechanisms quite successfully helped migrants to integrate in the urban setting after living in poverty for a temporary amount of time and therefore prevent social exclusion.

New inhabitants of the city do usually have an access to a network of family members, or co-locals (people from the same town or origin) or common ethnic backgrounds. These networks were crucial in terms of finding *gecekondu* land and beginning of construction. As we described in the previous chapter, after a certain period of time *gecekondu* owner had the opportunity to enlarge the *gecekondu* and rent some parts to the new comers and have some additional income. In addition to the informal settlement, setting up a business or finding jobs in the formal sector depended on the

support mechanisms provided by the same networks. Hence, mechanisms outside the formal realm such as family, kinship and co-local solidarity were very important, and it was even possible to receive health care through the insurance policy of a family member even for individuals employed in the informal sector.

National vs Substantive Citizenship: New Urban Citizenship among *Gecekondus*

The nature of citizenship in some of the contemporary developing country settings can be better understood by looking at the interaction between the state capacity and the context of reciprocity relations. Hence, the nature of membership in reciprocity networks and the functions it fulfills draws the boundaries of state intervention in determining people's livelihood. Different forms of membership in closed, organic communities are assigned an important role in providing economic security to its members, and in that regard this seems to be compatible with the arguments on the retreat of the state and the expansion of the market.

These observations take us back to the relationship between the principles of reciprocity and redistribution. The redefinition of redistribution as the institutionalization of reciprocity relations, whose dynamics are determined by society specific factors is perfectly compatible with the conceptualization of state as the arbitrator of the right of the individual to appeal to the generosity of the community to satisfy needs. Hence, informal and interpersonal relationships / ties based on kinship, religion, ethnicity and place of origin can be ways for the development of new citizenships. Now, one need to be specific and selective in terms of explaining the nature of the development of new citizenships, which I argue is an important aspect of the welfare regimes in developing countries under neo-liberal policies.

Inspired by James Holston's seminal work called "Urban Citizenship and Globalization,"⁵⁵ I suggest that cities and metropolitan regions can be seen as the places where the new citizenships manifest themselves in various forms. Thus, as Holston mentions, "cities make the consequences of global capitalism and migration a lived experience for masses of people, manifest in urban service and resource distributions, job opportunities, and economic crises." Urban land, paradoxically becomes the arena for the people to find diverse opportunities to address inequities and lack / insufficiency of formal welfare measures. As Holston suggests, people become active citizens by developing new sources of rights and forms of citizenship and therefore, their experience in the city becomes the context and substance of their new forms of citizenship.

These new emergent forms do not necessarily mean the negation of formal (national) citizenship. Instead, it is a reformulation of the national (formal) citizenship. He further argues that urban citizens experience a substantive citizenship, rather than the formal one. The way Holston sees formal and substantive forms of citizenship is of crucial significance here. In his framework, there does not have to be a complementary relationship between formal status of citizenship and substantive rights people exercise. In other words, formal citizenship does not necessarily guarantee the conditions for substantive citizenship. In relation to what I have argued regarding the relation between reciprocal networks and formal redistribution mechanism of the state, from the perspective of the urban poor in the developing world context, the formal citizenship in the state may not be an effective way for inclusion and participation. In contrary, substantive citizenship, even though it does not have any formal standing,

⁵⁵ James Holston, "Urban Citizenship and Globalization," in Global City-Regions, ed. Allen J. Scott, (Oxford: Oxford University Press, 2001), 333.

"it is a de facto regime of new rights and identities...having no formal status per se, urban citizenship is all substance and symbol...rather than homogenize and dematerialize difference to arrive at a formal (national) identity, urban citizenship takes as its substance the heterogeneity and materiality of urban experience."⁵⁶

The new emergent forms of citizenships manifesting themselves in the cities and major urban centers are also closely related with the welfare regimes of the developing countries under the pressure of the neo-liberal programs implemented through the international bodies such as IMF and World Bank. In other words, cities and metropolitan regions and the reciprocity networks created by the urban poor in these places (most of whom are the immigrants) in order to fight poverty and survive were the context and substance of citizenship for them. The state's social welfare programmes (state redistribution mechanism), which have been fulfilling the substance of citizenship were no longer sufficient to maintain social cohesion especially in the urban areas, where decline in net wages, increasing income inequalities, increasingly uneven income distribution and most importantly increasing urban poverty have been observed in their extreme forms.

As mentioned in the introduction part, specific attention is going to be paid to Istanbul, as the historical capital of Ottoman Empire and Turkey. Istanbul accounts for half of Turkey's economic activities and is also the most densely populated city of Turkey, hosting 12 million residents, approximately half of the urban population and 20% of total population in Turkey. Naturally, some of the structural changes going on in the world today are also manifesting themselves in Istanbul and some of the socioeconomic characteristics of Istanbul are also shared by the other cities of the developing Third

⁵⁶ James Holston, "Urban Citizenship and Globalization," 326.

World countries. As I have mentioned in the introduction part, Istanbul is not the only city in Turkey receiving migration and experiencing urbanization, however it could be claimed that Istanbul appears to be a laboratory where different forms of social change manifest themselves in extreme forms.

Gecekondus in the city were the basis for the new citizenship mobilizations and also for a conception of citizenship based on urban residence. Paradoxically, these informal settlements functioned as a mechanism for maintaining social cohesion in the neo-liberal era and it could further be argued that they came to be seen as a part of the Turkish welfare regime. Nobody can deny the existence of the *gecekondus* and their position in the urbanization experience of Turkey since 1950s, however, understanding the change in the perceptions and functionality of *gecekondus* in Turkey's modern history is vital in order to grasp the *gecekondus* as alternative informal welfare mechanism in the neo-liberal era.

A comparative approach at this point would be quite illuminating. Both in Holston's treatment of the case of Brazil and the Turkish urbanization experience reflect some similarities as well as contrasts which are related with the new emerging citizenship models in both cases. Both in Turkey and Brazil, migrants from the rural areas to the major urban centers have not been considered as part of the national social citizenship regimes established after the 1950s. The immigrants were more or less the marginalized, excluded outsiders of both systems. While the *gecekondus* were the manifestations of this marginalization in Turkey by pointing out the illegal and irregular housing settlements built on the land owned by the state, their counterpart in Brazil were the barrios. Nevertheless, how did their marginalized status begin to change in both contexts? Put

differently, how did both systems work in determining who the “insiders” are and outsiders” of the system are.

As Holston argues, when the state or state institutions such as city governments respond to illegal residence, their policies may lead to new legal regimes that justify the new urban citizenships. As a result, new forms of citizenship might be generated as in the cases of Brazil and Turkey. The way these new forms of urban citizenships generated in Turkey and Brazil happened in quite different trajectories. As Holston explains in the case of Brazil’s barrios, from the early 1950s to the early 1980s, a restrictive citizenship consisting of a set of state sponsored social rights focusing on labour was prevailing. Therefore, the Brazilian citizenship was more or less defined within the “boundaries of the state and amounted to privileges of particular labour categories rather than common rights of membership in the nation.”⁵⁷ Similar to the Turkish case, the rest of the population was not able to attribute any meaning to citizenship other than an empty category.

Unlike the Turkish case, democracy began to appear in the late 1970s into Brazil’s developed center and unurbanized periphery as a force of change. There were three elements behind this change: an interclass coalition opposing to military, a trade union movement and new social movements of the urban poor demanding new rights to the city. The urban poor’s demand mostly focused on the inadequacies and disabilities of their residential conditions. As Holston argues, they demanded amelioration (in the sense of more urban looking) of their neighborhoods and pressured the state to satisfy their needs for infrastructure and housing. As a result, they gained access to local health

⁵⁷ Holston, 337.

services, schools and child care. This meant that the experience of illegality through residential patterns in the urban periphery of São Paulo “motivated the people to redress the disabilities and injustices of illegal residence by making these very conditions the substance of their demands for a more just redistribution of society’s resources.”⁵⁸ In other words, the response of the poor of the São Paulo could be seen as an establishment of a space of opposition, confronting to the old culture of citizenship based on exclusion and marginalization from the cosmopolitan modernity.

The development of new forms of urban citizenship in the gecekondus of Turkey, most of which were located in Istanbul, occurred in a quite different way. In contrast to the empowerment of gecekondu people as in the case of barrios, the establishment of the new forms of citizenship in gecekondus took place by the neo-liberal populist policies pursued by the Ozal government. In other words, as opposed to the dynamics of the 1950-1980 era in Turkey, during which the ISI policies and classical populist policies dominated the state’s approach to gecekondus and excluded them. The post-1980s’ dynamics based on neo-liberal ideology not only witnessed the co-existence of the neo-liberal policies and neo-populist policies, but also, as an extension of the neo-liberal populist policies, new state (spatial) strategies to the gecekondus to include them in the system. The rest of the chapter will portray this change.

In order to illustrate this argument, I will focus on two periods from Turkey’s recent history, the ISI period of 1960-80 and neo-liberal period of post 1980, which refer to different accumulation regimes with different state spatial strategies on *gecekondus*. The State’s perception towards *gecekondus* has changed radically between these two eras

⁵⁸ Holston, 339.

and the reason for this change cannot be studied separately from the broader political economy and the particular dynamics of the ISI period and neo-liberal era. As demonstrated below, while the *gecekondus* during the ISI period could be seen as community spaces, they have been transformed into state spaces during the neo-liberal era and becoming an important, albeit informal part of the Turkish welfare regime.

Paradoxes of (Rapid) Turkish Urbanization: Pre-1980s

Even though Turkish modern history starts from the early 1920s, the buoyant increase in urban population and the intensification of the urbanization process coincides with post 1950s. A student working on Turkish economy, politics or urbanization easily identifies two different patterns during this period. The first is the import substituting industrialization (ISI) period of the pre-1980s based on high levels of protection and inward oriented economic growth and the neo-liberal period of the post-1980s, based on the liberalization of the Turkish economy. Bringing a detailed comparison of these two periods is definitely beyond the scope of this chapter; however by looking at the general logic and characteristics of the periods, one can diagnose the state's radically changing approach to space, particularly on *gecekondus* and finally changing community spaces to state spaces.

Import substituting industrialization was the dominant form of accumulation strategy, from 1950s to 1980s, it was based upon a national economy, functioned around the internal market. This period consisted of diverse policies to protect the national economy and the state attempted to influence the pattern of industrialization through an extensive set of instruments such as tariff and quota restrictions on imports, controls over capital account, overvalued exchange rates and also low interest loans and subsidies

provided by the State Economic Enterprises (SEEs). A large public enterprise sector existed and it provided subsidized inputs to private industry and concentrated more in the manufacture of consumer goods and durables. Heavy protectionism was the *sine quo non* of the ISI period and it was the national bourgeoisie who was protected from foreign competition and found itself in a very profitable circumstances of production. As a result of the state's selectivity and privileging the interests of the national bourgeoisie, they were able to construct a domestic market and the state protected the interests of these groups through providing subsidized inputs and isolating them from foreign competition. This bourgeoisie was not in a position to survive on its own if it had not received any lift from the state. In other words, ISI could be seen as a state project, which tried to create national bourgeoisie in developing country contexts. Heavy reliance on the state inevitably made the national bourgeoisie ideologically dependent to the state.

One key precondition for the sustainability and profitability of the inward oriented ISI strategy was to generate sufficient demand for the domestic production. Again, another vital role played by the state was to take the necessary steps in order to enlarge the domestic market and the optimal state strategy was to the increase (or at least maintain) the purchasing power of consumers. Similar to the regulations regarding the welfare state in the Western world, Turkish state played a key role by maintaining real wage increases, union rights, education and health services to the workers, as well as various ameliorations for retirement and job security. ISI period of Turkey depended on the consensus between classes, social groups and other interests. In other words it was a broad societal coalition which enabled this primarily state sponsored strategy. It was state

sponsored not only because of the state's efforts to control the bourgeoisie, but also its role as a referee in the Turkish society.

The State's role as a referee during the ISI era also encompassed spatial strategies. In contrast to the above mentioned developments, there was no systematic attempt to support the housing needs of the middle class and better-off workers. Instead, the housing needs of the middle classes were resolved in the market through the build & sell formula. This system relied on the contract between the landowner and the constructor, and according to this contract the latter was building an apartment on the land of the former, with the pledge of giving him a number of flats from the future building.

Another way of creating a strong domestic market was to reap the benefits of the urbanization process which involved an intensive migration process from rural areas to urban centers in the sense that this process was expected to generate demand for the commodities destined for the domestic market. Starting from 1950s, in relation with the impacts of the Marshall aid, Turkey witnessed the beginning of an important geographical mobility due to the "agricultural mechanization that had driven some of the former share croppers out of the countryside and more importantly new-found economic vitality of the towns promised more remunerative employment."⁵⁹ Nevertheless, unlike the middle class and better-off workers, the urban poor were not in a position to solve their housing needs within the market conditions.

The new migrant population in major urban centers was not only crucial for the demand side, but also for production. Along with the urbanization process, industrialization was keeping its pace. Urbanization not only represented a geographical

⁵⁹ Keyder 1987, 135

mobility, but also social and economical mobility because the migrants were able to find jobs inside the industrial sector, or in its periphery. Also, a growing service sector was creating new opportunities for the urban migrants. Their employment was not only limited to the formal channels. The pace of migration was higher than the industrialization and economic development, and the potential for the industrial sector to absorb the new migrants was decreasing. As Kiray states, in the decade of 1970s, the industrial development was 8% over five years, on the other hand migration to the urban centers was approximately 18% over five years. This imbalance inevitably fostered the emergence of an informal sector responding to the need for employment. Similarly, the lack of state support led the migrants to find solutions to their housing problems through informal and mostly illegal ways. More precisely, self-help squatter dwellings on the outskirts of major urban centers became the manifestation of Turkey's unhealthy urbanization experience.

Gecekondus as Community Spaces: From ISI Populism to Neo-liberal Reforms

Turkish version of the urban squatters in metropolitan areas such as Istanbul and Ankara were baptized as *gecekondu*, literally “barrack built overnight.” According to the Dictionary of Town-Planning, *gecekondu* is “the form of habitat constructed by the poor or low income households whose shelter needs are not fulfilled by the public authorities, against the norms of construction and town planning and on the real estate belonging public or private entities.”⁶⁰ The first *gecekondu* settlement in Istanbul was constructed in 1947 at Zeytinburnu, and additional squatters joined to the outskirts of the city. According to Oktay Ekinci, the estimated rate of illegal/informal housing in Istanbul

⁶⁰ Rusen Keles, *Urbanization, Housing and Gecekondu*, (Istanbul: Imge Publishing, 1980), 48.

Metropolitan area is 65%. But, what were the elements which made this kind of an urbanization pattern possible? This rate of squatter housing depended on a harmonious coexistence between a continuous rural to urban migration, an insufficient housing supply and finally populist policies which preferred to turn a blind eye to land invasions by the immigrants. Thus, the period from the early 1950s until the beginning of 1980s could be considered as the innocent period of the *gecekondus*, which represented a spontaneous solution of the poor migrants for their shelter needs.

Similar to what Abu-Lughod describes in the case of Egypt, the first contact in the migration process was the relative or a friend from the original village. Most occasions, social proximity between the occupiers depended on ethnicity, kinship and common place of origin. In other words squatting was not a solitary affair; people did not enter into these adventures with strangers.⁶¹ Use value was more important than exchange value because the occupier, constructor and user were all the same people. The entire process was beyond the scope of the market. Networks of reciprocity were created on the *gecekondu* land, worked as an informal safety net. Hence, one can claim that *gecekondus* could be seen as community spaces, on which communitarian feelings and reciprocity networks were exercised.

Shift to Neo-liberalism and the Question of Populism

The 1980s brought a radical change in the economic regime of Turkey and the urbanization regime has also been affected considerably. In contrast to the ISI period, the new neo-liberal era changed “the incentives away from archetypal import-substitution

⁶¹ Rusen Keles, “The Effects of External Migration on Regional Development in Turkey,” Paper Presented At the Conference on National and Regional Development in the Mediterranean Basin, St. Aidan’s College, University of Durham, April 13-17, 1982.

under state direction toward export orientation with an overall emphasis on market oriented policies.⁶² Development based on export, decreasing agricultural subsidies, liberalization of imports, freezing of worker's wages, suspension of union activities and eventually the liberalization of financial markets best characterize the neo-liberal era. The adoption of these neo-liberal policies in the 1980s also changed the perceptions of the state to space, especially the *gecekondus*.

Under the neo-liberal accumulation strategy, and the policies associated with it, private capital started to seek new areas for capital accumulation. As in the ISI period, protecting the interests of domestic capital was a priority for the state. Unlike the ISI period, during which the state pursued a passive policy towards the *gecekondus* by letting them occupy public land, however, the neo-liberal era required new spatial policies towards the *gecekondus* because urbanization and rural to urban migration was still ongoing. Thus, the combination of privileging the interests of capital and the continuation of the populist policies towards the *gecekondus* as in the ISI era necessitated the state to intervene the *gecekondu* land through passing various amnesty laws.

The neo-liberal era also marked a rupture point from the ISI period in terms of the radical change in state's spatial strategy towards *gecekondus*. The spatial strategy in the ISI period was initially turning a blind eye to the land invasions and construction of squatter settlements. Although they were not recognized legally, in later stages the state also provided services such as water, electricity and sanitation. The ultimate objective of the state was to attract votes through these populist policies. One can claim that there is

⁶² Fikret Senses, The Recent Industrialization Experience of Turkey, (New York: Greenwood Press, 1994), 51.

an interesting continuity between the populist policies of the ISI period and the policies implemented under the neo-liberal reforms.

The shift from the inward oriented ISI accumulation strategy, which was based on strengthening the domestic bourgeoisie and establish the ground for a populist hegemonic project pointed out an outward oriented market based neo-liberal accumulation strategy did not put an end to the populist legacy of the ISI period. In Turkey and in many Latin American countries political populism and neo-liberalism coexisted. The increasing unexpected affinities between classical populism and neo-liberalism led to the emergence of a new concept called neo-liberal populism. One of the motivations of the IMF and World Bank based structural adjustment programs was to limit the populist practices, nepotism and clientelism. Nevertheless, essential characteristics of populism remained strong throughout the stabilization programs, suggesting that neo-liberal reform agenda can reinforce and perpetuate the existing populist policies and as Eder mentions, populist tendencies could arise within – rather than against – a neo-liberal project.⁶³

As in Fujimori's Peru (1990-2000), Collor's Brazil (1990-1992), Menem's Argentina (1989-1999) neo-liberal policies existed along with populist strategies. More than that, neo-liberal packages also created a fertile ground for populism. As Pereria explains,

Since the neo-liberal strategy entails different social costs, reforms tend to be initiated from above and launched by surprise, independent of public opinion and without the participation of organized political forces. Reforms tend to be adopted by decree or rammed through legislature without modifications that would reflect diversity of interests and

⁶³ Mine Eder, "Globalization versus Populism: A False Dichotomy," Paper Prepared for the Second ECPR General Conference, Marburg, Germany, 18-21 September, 2003, 2-3.

opinions. The political style of implementation tends to be autocratic: governments seek to demobilize their supporters rather than compromise the reform program through public consultation. In the end the society is taught that it can vote, not choose, legislatures are trained to think that they have no role to play in policy elaboration; nascent political parties, trade unions and other organizations are taught that their votes do not count...hence Washington consensus reforms tend to undermine representative institutions, to personalize politics and to generate a climate in which politics becomes reduced to quick fixes or to search for redemption. Even if neo-liberal packages makes good economics, they are likely to generate voodoo politics.⁶⁴

Hence, neo-liberalism can encourage rather than inhibit populist behavior. While neo-liberalism is thought to be completely against rent-seeking behavior and redistributive functions, the latter can be compatible with neo-liberal policies. Obviously one cannot reduce the emergence of populist policies simply to the implementation of neo-liberal policies. Instead a complete account has to take into account the state capacity in relation to de-institutionalization and the weakening of representative institutions, despite neat correlations between neo-liberalism and populism, to have a better understanding of why populism was able to survive under neo-liberalism in countries like Turkey, Brazil, Argentina, Mexico and Peru.

Therefore, rather than looking at the roots of populist policies under neo-liberal programs and bringing a detailed historical dimension, an analysis based on looking at the commonalities and divergences of neo-liberal populism from its predecessor classical populism is a better way of understanding the change in state's approach to *gecekondu*.

Definitions of populism usually emphasize its political side, and define it as a political strategy. In this definition the key explanatory variable is the characteristics of

⁶⁴ Bresser Pereria, "Populism and Economic Policy in Brazil," Journal of Interamerican Studies and World Affairs, 33(2), 1991, 4-5.

the leader. Nevertheless, socioeconomic characteristics could also be added to this political concept. The nature of populism varies depending on its mass constituency. Generally populist leaders focus their attention on a certain social strata available for populist mobilization. Thus, classical populists such as Juan Peron in Argentina, focused more on urban workers and lower middle classes. In contrary, the neo-liberal populists of the 1990s, Garcia in Peru, Collor in Brazil and Ozal in Turkey sought support among the urban informal sector. In this way, classical populists differ significantly from the neo-liberal populists.⁶⁵

Special appeals of the neo-liberal populists to the informal sector deserve attention. Neo-liberal populists tried to increase their mass political support base through appealing to the main victims of the previous ISI development model. As mentioned before, ISI provided benefits to a certain social strata, such as industrial working class. As it has been observed in the case of Turkey, job creation in the industrial sector was limited and the ongoing urbanization process was keeping the migration rate to the major urban centers high. This situation resulted with the emergence of a very dynamic informal sector along with the formal sector and large numbers of people ended up with finding their needs in the informal sector. Unlike classical populists, neo-liberal populists focused on these strata, who were excluded from the formal economy and lack strong organizations to assert their full rights of citizenship. Neo-liberal populists, similar to classical populists aimed to incorporate a heterogeneous mass of people who were excluded from the development model. Both in the Turkish and the Latin American

⁶⁵ Kurt Weyland, 2-6.

cases, neo-liberal populists saw the unorganized marginal mass in the informal sector as the primary reservoir of people ready for populist mobilization.

Thus, a growing informal sector was first of all a cure to the limited job creation in industry. A growing informal economy would not only help the marginalized urban poor to find survival mechanisms such as income earning activities unregulated by the state, street vending, performing services without legal rights, and most importantly illegal/informal housing. A growing informal sector also meant a popular base and electoral support for neo-liberal populists. The emphasis of neo-liberal populists on the marginalized urban poor points out some of the transformations within the state mechanism. Through which channels and representative institutions did the state pursue strategies and intervened the informal sector?

The neo-liberal experience of Turkey in the post 1980 period reflects interesting insights regarding this state transformation. In order for the neo-liberal Ozal government to implement populist policies, there was a need to reorganize the state apparatus. Similar to classical populism, a top-down state centered approach was applied. In other words, there was a trend towards centralizing power and enacting policy in an autocratic manner and this situation concentrated on enormous amount of influence in the political leader.

Ozal's priority was the speedy implementation of market-oriented reforms. It was important in this respect that decisions be taken quickly and to bypass democratic processes such as the constraints imposed by bureaucratic and parliamentary norms was vital. For this reason, Özal preferred a decision-making style based on Cabinet Decrees. A total of 629 governmental decrees with the power of law have been passed since 1980,

with a majority of these were passed during the Özal years. Not surprisingly, these decrees were as equally important in the Latin American cases.

Similarly, Özal preferred flexibility in government spending decisions. Indeed, one of the striking landmarks of the 1980s involved the proliferation of extra-budgetary funds (EBFs). For example, Mass Housing and Public Transportation Funds became an important medium of government spending. In retrospect, however, the proliferation of the EBFs during the Özal era helped to introduce a number of important distortions in the system resulting in arbitrary spending decisions based on political patronage. Furthermore, the widespread use of EBFs progressively undermined financial discipline which constituted one of the central pillars on which the success of the neo-liberal program depended.

Given his discontent with the etatist mind-set of classical bureaucracy, Ozal's approach also involved creating new layers of bureaucracy such as the Privatization administration, the Under-secretariat of Treasury and Foreign Trade and so on rather than trying to implement such key elements of reform such as privatization and trade liberalization through the existing set of bureaucratic organizations such as the State Planning Organization or the Ministry of Finance. One major benefit associated with Özal's bureaucratic restructuring involved the inflow of a select group of young, highly trained and internationally oriented bureaucrats to the high echelons of economic bureaucracy. Often referred as "Özal's princes" in popular discourse, this new elite possessed the kind of expertise needed in the age of financial globalization and injected a considerable degree of dynamism into the bureaucratic decision-making process.

From Jessop's perspective, these efforts to reorganize the state apparatus could be seen as the hollowing out of the Turkish national state. Through bureaucratic restructuring and the emergence of a new bureaucratic elite, called "Princes of Ozal", the national state's capacities to project power within its borders began to diminish and some state capacities were transferred to local level, such as city governments and municipalities. Nevertheless, the latter's capacity to maneuver was very low and these sub-national scales / actors were totally dependent on Ozal's central authority. Unlike Jessop's characterization, the decentralization efforts of the Ozal government in fact did not blur the boundaries of the state and replace centralized coordination. As Bugra argues, the market based reforms and the attempts to transform the state apparatus did not lead to the retreat of the state. Rather, it brought about a centralization of the decision making and undermined the legal and bureaucratic institutions. Nevertheless, this did not imply in anyway a decline in the significance of the state. Paradoxically the national state remained the central scale of decision and policy making, maybe more significantly than any other period in the Republican era.⁶⁶

Gecekondus as State Spaces

If the characterization of *gecekondus* as community spaces during the ISI era reflects the state's non-interventionist stance to these informal and illegal settlements, what can one grasp of the state strategies towards *gecekondus* in the neo-liberal era? Generally the state's approach to *gecekondus* in the neo-liberal era reflected the overall strategies pursued by the Ozal government. The approach of Ozal' government to

⁶⁶ Ayse Bugra, State and Business in Modern Turkey: A Comparative Study, (New York: State University of New York Press, 1994), 264.

gecekondu land reflected its neo-liberal populist policies. On the one hand, the implementation of market based reforms, privatization and liberalization efforts were enabled increasing returns from *gecekondu* land. This basically meant that these spaces could be used for the sake of capitalist enlargement rather than being occupied by migrants. Thus, they could be used for productive investment. On the other hand, by demolishing *gecekondus* and privatizing these spaces the implementation of this policy would have higher social costs. *Gecekondus* were the manifestation of Turkey's urbanization failure, but in the last analysis they were also the part of the solution to the housing problem and, more importantly, worked as a safety net.

The state's strategy towards *gecekondus* was aimed at both of the objectives mentioned above. Contrary to the ISI period, *gecekondus* became the focal point of the state. During the neo-liberal era, many laws were passed regarding the regulation of *gecekondus*, and through these laws the state started to formally recognize them through distributing land titles. Furthermore, through amnesty laws, the state allowed for the reconstruction and conversion of existing *gecekondus* to multiple story apartment blocs. At the same time the state was downloading more responsibilities to the municipalities in order to manipulate the *gecekondu* land in a more organized way. One aspect of the state's populist strategy during this period was to distribute rent through urban land and municipalities were the key institutions for achieving this objective. During the Ozal government, some powers of the central government were transferred to the municipalities especially in the areas of urban construction and land development activities. In other words, the state was playing a key role in promoting, animating, mediating socio-spatial transformations and hosting the arenas of rescaling processes.

State institutions such as municipalities were gaining important roles in this rescaling process.

Nevertheless, the above mentioned downloading of some state capacities and responsibilities did not in fact mean a more decentralized structure. In contrast, it created a more hierarchical structure because the municipal leaders and majors were strictly depended on the Ozal's directives. From a different perspective, this decentralization experience was in a way aimed to regulate local more and control. The decentralization efforts even started at the time of the military coup, and the purpose was to increase the control over society at the local level.

The manifestation of liberalization efforts and internalizing the capitalist logic were required opening of new land for legal construction. This also created incentives for the capitalist organizations and increasing number of 'big' construction firms. While the earlier phases of housing market in Istanbul consisted of the dominance of small and medium sized capital, the new trend was the relaxation of regulations and clarifying the feasibility of construction on this land. Moreover, with parallel integration of the banking sector into the global markets, high profits in the construction sector of Istanbul became an attraction of international investment funds. Foreign contractor firms initiated joint ventures with their Turkish counterparts and in order to obtain some portion of the construction projects, they have guaranteed credit from the foreign markets denominated in US dollars. Hence, the housing market of Istanbul became the combination of political corruption, capitalist enlargement and international finance.

Both marketing *gecekondu* land and the laws that were legally recognized *gecekondus* and resulted in the commercialization of them. The commercialization of

gecekondus eventually changed the relationship between the *gecekondu* dweller and the space. Before, it was a space for the dweller to inhabitate, establish a social life, participate in reciprocal activities within the same neighborhood and help new immigrant fellows for a temporary period of time. In contrast, *gecekondus* now became private properties, it became a commodity that could be bought and sold. Through new zoning regulations and reconstruction plans, municipalities exerted a significant control on the *gecekondu* land. It was almost impossible for the new migrants to occupy new land. Nevertheless, the existing *gecekondu* land was offering new alternatives in this respect.

Now it was not only the use value, but also the exchange value that became important. Once the *gecekondus* were formalized and the owner had the title, then it was possible to upgrade it on their own by building additional floors, or selling it to another party, like a contractor or even mafia.⁶⁷ Existing *gecekondu* space was able to absorb more demand and given the fact that migration was still keeping its pace, this was a seemingly positive development. The impacts of commercialization were not homogeneous. While some of the *gecekondu* owners, mostly the initial migrants (occupiers), increased their socio-economic status through this process and some of them became extremely rich by selling their land. What this basically tells us is that commercialization of *gecekondus* and diversification of the *gecekondu* people also meant the dissolution of reciprocal relations among *gecekondu* neighborhoods based on kinship, ethnicity, religion and co-locality.

Remembering Brenner's conceptualization of state space 'as an arena, medium and outcome of spatially selective political strategies', defining *gecekondus* as new state spaces, as opposed to the community spaces of the ISI period would be a legitimate

⁶⁷ In some cases they were identical

claim. In other words, it could be suggested that *gecekondus*, once ignored by the state, became the areas of active state intervention in relation to the changing accumulation strategies.

This process could be read as the state's spatial strategy towards urban land in order to distribute rent. Given the limited capacity of the state to deliver formal services to the urban population under neo-liberal restructuring, this de facto distribution of urban rent became an alternative redistribution mechanism. The state was the facilitator of the commercialization and marketing of the *gecekondu* space by using the municipalities as the key implementers of the centralized policies. This was the spatial aspect of the neo-liberal populism, and as mentioned before satisfying the new urban poor was a prerequisite for the sustainability of the market based reforms.

The State's changing approach to space and altering of the dynamics in the *gecekondus* not only constituted the interventionist nature of the Turkish national state, but also the formalization of *gecekondus* and the distribution of legal titles. This process had deep impacts on the nature of citizenship as well. Once *gecekondus* were formalized, the nature of substantive citizenship - as I have discussed in the previous chapter by using Holston's distinction between substantive citizenship and formal citizenship - has been transformed. What was the substance of citizenship for *gecekondu* dwellers, and what has changed in the neo-liberal era?

During the ISI period, *gecekondu* people did not have any formal status regarding their land, they were only inhabitants of the land they have occupied illegally and for this reason they had modest demands on the state. They were consumers and also producers. Some portion of the *gecekondu* population had the opportunity to find jobs in industry,

and the conditions of the ISI period were quite favorable in terms of job vacancies in state economic enterprises and the factories of the national bourgeoisie. They were also vital in the demand side because the sustainability of the ISI regime was depending on high levels of demand for domestic production. They were voters with clear demands. Socially they were not covered in any insurance by the state. They were culturally ‘the other’. They were still continuing their rural patterns and they were seen as backward and culturally inferior. This was also explaining their spatial segregation from the city and living on the *gecekondus* located on the outskirts of the city. Hence, their experience in the city, their engagement with various networks of reciprocity based on religion, ethnicity and co-locality and satisfying their needs in the informal realm without any support from state through these networks were making the substance of their urban citizenship. Their cultural and social exclusion as well as state’s ignorance was the basis of the reciprocity networks they were building and their position in these networks were also defining their substantive citizenship.

In the neo-liberal era, in accordance with the picture drawn above, one aspect of the substantive citizenship *gecekondu* people were pursuing has changed dramatically. As a result of the spatial strategies on the *gecekondu* land and their formalization process, *gecekondu* dwellers acquired land titles. Now, they were legally recognized entities and their titles became an important aspect of their urban citizenship. Since they had the right to buy and sell their land, this enabled them to enjoy upward socio-economic mobility. While their formal citizenship as a national citizen did not mean anything for them initially and their urban citizenship which was materialized in the *gecekondus* was

dominant, they have experienced erosion in their substantive citizenship in the neo-liberal era.

Therefore, the state's neo-liberal populist strategies ended up with the transformation of community spaces to state spaces. Two strategically selective spatial strategies were pursued by the Ozal government, the first one was formalizing and legalizing *gecekondus* by distributing land titles and the second one was to market peripheral land around *gecekondus* through municipalities. Both of these strategies indicated the increasing involvement of the state on the *gecekondu* space. Through these strategies, *gecekondus* became the arena for state's political, social and economical strategies and interestingly neo-liberal populism was the common denominator for all of them.

As mentioned earlier, one of the pillars of neo-liberal populism was to extend constituency through targeting the urban poor. In the case of Turkey, since *gecekondus* were the spatial manifestation of urbanization, developing new strategies to them were urgent. Moreover, *gecekondus* became the new geographies of state intervention. state institutions such as municipalities were mobilized in order to address socio-economic problems such as housing. In addition through spatial targeting, and again through municipal apparatus, the Turkish state attempted to accelerate the expansion of capital in Istanbul's *gecekondu* space. Therefore through these mechanisms and processes, the Turkish state was able to regulate social relations in the *gecekondus* and influence their locational geographies. In conclusion, as one can conceptualize *gecekondus* today as state spaces in Turkey's neo-liberal era unlike community spaces of the ISI period.

Chapter 4

Gecekondus in the Pre-1980s

An understanding of the transformation of the nature of *gecekondus* from “community spaces” to “state spaces” in the neo-liberal era requires a prior grasp of the socio-economic and political context prior to transformation. The emergence of *gecekondus* in Turkey’s big urban centers such as Istanbul and Ankara dates back to the beginning of 1950s. The adoption of multiparty political system and the Democrat Party’s emphasis on liberal policies had deep impacts on the political economy of Turkey through industrialization based on the import of foreign capital and technology as well as strengthened political ties with the US and the integration of Turkey into the capitalist world economy. One aspect and result of these transformations was the migration of large number of peasants from villages to the cities in need of a livelihood. Hence, 1950s witnessed a very intensive urbanization of Turkish society.

In other words, one cannot analyze the *gecekondus* and their economical, social and political significance in Turkey’s recent history by detaching them from the broader political economy of Turkey. The objective of this chapter is to describe and analyze the *gecekondu* phenomenon of the pre-1980 era.

In contrast to the role attributed to the *gecekondus* in the post 1980 period, what were their functions during this period?, What was the approach of the state to the *gecekondu* phenomenon and what was the locus of *gecekondus* in Turkish society, especially as far as we are concerned with the Turkish welfare regime? And what aspects of *gecekondus* changed during the post 1980 era and what aspects remained the same? These are the questions which we will be dealing with in the remainder of this chapter.

Kemalist Modernization Project

As Keyman quotes from Feroz Ahmad, “Turkey did not rise like phoenix-like out of the ashes of the Ottoman Empire. It was made in the image of the Kemalist elite which won the national struggle against foreign invaders and the old regime.”⁶⁸ In the process of the making of the modern Turkey, Westernization of the Turkish nation became the focal point of Kemalist reforms. This involved creating an independent nation-state; development through industrialization and also the establishment of a secular national identity. But what were the instruments in order to fulfill these prerequisites? The basic principles of Kemalism shed us light on this issue.

The Kemalist modernization project had six interrelated principles; these were nationalism, republicanism, etatism, secularism, populism and revolutionism-reformism. In Keyman’s terms, republicanism defined the nation-state “as impersonal rule, which was contextualized as national sovereignty through nationalism.”⁶⁹ Republicanism and its definition of the nation-state created the political image of the new Kemalist elite. Moreover, what gave specificity to the Kemalist principles was its populist character. While the republicanism, nationalism and etatism reflected the acceptance of dominance of the West, the populist character of the Kemalist reforms was a rejection of the West by denying the class based social formation. In other words, populism meant the non-class character of the Turkish society and defined people as an organic unit based on the solidarity of the whole nation.⁷⁰

⁶⁸ Faruz Ahmad, The Making of Modern Turkey, (London: Routledge, 1993), 23.

⁶⁹ Fuat Keyman, “Globalization, Civil Society and Islam: The Question of Democracy in Turkey,” in Globalizing Institutions: Case studies in regulation and innovation, eds J.Jenson & B. De Sousa Santos (Hampshire: Ashgate, 2000), 216-220.

⁷⁰ Caglar Keyder, “Whither the Project of Modernity? Turkey in the 1990s,” in Rethinking Modernity and National Identity in Turkey, eds Sibel Bozdogan and Resat Kasaba, (Seattle and London: University of Washington Press, 1997), 38-40.

As for the remaining two principles, secularism and reformism were crucial in the construction of the Turkish national identity by making it compatible with the other principles. Especially, secularism was central to the determination of who is included and who is excluded from the organic unity. In other words, Kemalist modernization project with its accumulation strategy based on ISI policies could also be considered as a populist hegemonic project in the sense that through secularism, Kemalist nationalism commenced the dichotomization between the Self and the Other.⁷¹ On the one hand, the Self represented the populist based national identity which meant the unity of the non-class based identity; on the other hand the other represented the subjugated Muslim identity which was seen as non-modern, backward and non-progressive.⁷²

It is also possible to argue that this dichotomization had different versions during Turkey's history and especially starting with the urbanization process and the emergence of *gecekondus*, one can find different versions of "otherization" in different periods of Turkey.

Before getting into that, I will briefly analyze the period 1923-1946, during which the Kemalist principles were first put into practice. While doing that, among the six principles of Kemalist modernization project, I will put special emphasis on etatism to make a bridge between the characterization of periods and also the urbanization processes and its inevitable manifestation in *gecekondus*.

⁷¹ Resat Kasaba, "Kemalist Certainties and Modern Ambiguities," in Rethinking Modernity and National Identity in Turkey, eds Sibel Bozdogan and Resat Kasaba, (Seattle and London: University of Washington Press, 1997), 17-18.

⁷² Keyman, 221.

1923-1946 Etatist Era

Turkish Republic between 1923 and 1946 was dominated by the single party rule of the Republican People Party (CHP). This era is best characterized by the state's strong control as well as central planning. In some respects this was an inevitable fact for the new Turkish Republic because of starting its development trajectory from a position of major weakness, namely the virtual absence of an indigenous entrepreneurial elite, in other words domestic national bourgeoisie.⁷³ In fact this was not surprising because it was reflected a continuity with the Ottoman social stratification. Due to the peculiar structure of Ottoman society, the Turkish elite occupied top positions in the bureaucracy and military, however business and commercial activities were mostly relegated to the Armenian, Jewish and Greek communities. Mass migrations after the war of independence, however, 1920s marked a reduction in the minority population and also pointed out the weak entrepreneurial base.⁷⁴

The lack of bourgeoisie forced the state to create the bourgeoisie role. As in some of the Latin American countries, trade links with the external world were eliminated and an import-substitution strategy in basic consumer goods industries in a predominantly primary exporting economy was launched. Moreover, strong state control also manifested itself in the establishment of key state economic enterprises (SEEs). Along with the efforts of the state, private enterprise began to develop but this happened in the orbit of the state and through intensively contracting with the state. This specific phase in Turkish

⁷³ Ziya Onis, State and Market, The Political Economy of Turkey in Comparative Perspective, (Istanbul: Bogazici University Press, 1999), 460-462.

⁷⁴ Caglar Keyder, State and Class in Turkey: A Study in Capitalist Development, (London: Verso, 1987), 64.

history was called "etatism" and it was accepted as the strategy to be pursued for economic development in this period. Etatism is understood as "the emergence of the state as a pioneer and director of industrial activity, in the interests of national development and national defense in a country where private enterprise and capital are too weak to do anything effective."⁷⁵

Mustafa Kemal [Ataturk] defined etatism as "a system peculiar to Turkey, which has evolved from the principle of the private activity of the individual, but places on the state responsibility for the national economy... to do quickly things, which have not been done throughout centuries in the Turkish Motherland by individual or private activity. It is a system different from liberalism."⁷⁶ In accordance with the definitions mentioned above, Mustafa Kemal [Ataturk]'s definition reflected the urgent need to create a national bourgeoisie. In this respect, Kemalist modernization project was also a societal engineering project. It was believed that the state apparatus was a legitimate means to be used as leverage in the creation of the national bourgeoisie and put an end to the dominance of Jewish, Armenian and Christian capital in the domestic economy.

The first Economic Congress of the Republic was held in Izmir and this congress focused the disadvantaged situation of the private capital in the domestic economy. Lack of capital accumulation in the private sector, risk and uncertainty in some sectors, lack of infrastructure and lack of entrepreneurial skill and experience were diagnosed as the basic deficiencies. These deficiencies, however, could not have been left to the market; instead systematic government intervention was necessary. Interestingly, in the early Republican

⁷⁵ Can Aktan, "Turkey: From Inward Oriented Etatism to Outward Looking Liberal Strategy," available at <http://www.canaktan.org>

⁷⁶ Herslag, Z.Y., "Ataturk's Etatism," in Ataturk and the Modernization of Turkey, eds, Jacop M. Kanda (The Netherlands: West View Press, 1984), 176.

period, many statesmen had an active interest in business life and according to this mindset, business activity was another (additional) way of serving the country. The Republican People's Party (CHP), which had been established by the nation's founder Mustafa Kemal [Ataturk] had strong roots in the military, the bureaucratic elite as well as landlords. After all, Mustafa Kemal [Ataturk] and his close associates in the governmental circle were among the founders of the Is Bankasi (Isbank) with other businessmen and politicians. This was a quasi-public bank and its basic duty was to extend credits to various sectors such as mining, industry, commerce etc.⁷⁷

In addition to the foundation of Isbank as a source for credit lines, there were some other crucial steps that have been taken in the Izmir Economic Congress. Again, these steps were pointing toward the central role of the state in the industrialization process. They were basically, extending credit for private entrepreneurs, subsidized land to individuals for the establishments of industrial facilities, enacting laws concerning the encouragement of private sector activities, protecting domestic industry against outside competition. In order to put these goals into practice and make them feasible, on May 28, 1927, the government enacted the Law for the encouragement of Industry to foster and initiate private sector activities.⁷⁸ This law permitted giving public lands free of charge up to 10 hectares to entrepreneurs for the construction of plant or facilities and also private businesses were exempted from the payment of taxes such as immovable property tax,

⁷⁷ Ayse Bugra, State and Business in Turkey: A Comparative Study, (Albany: State University of New York Press, 1994), 42-46.

⁷⁸ Korkut Boratav, "Kemalist Economic Policies and Etatism", in Ataturk: Founder of a Modern State, eds Ali Kazancýgil and Ergun Ozbudun, (London: C. Hurst Company, 1981), 26.

land tax etc. Moreover, according to the law, industrial enterprises could (may) be granted subsidies up to 10% of their yearly output value.⁷⁹

The establishment of the Isbank and the other developments mentioned above were clear indications of the strong state involvement in the economy. What is more, it was also an interesting case in terms of showing the close relationship between the state and the business, and state's privileging of the domestic bourgeoisie not only in the early Republican era, but also in the later stages of Turkey's modernization experience especially during the ISI era of the 1960-1980.

The Estatist drive of the 1930s came to a sudden halt with the onset of the Second World War. Even though Turkey did not participate in the war, the mobilization of labor and resources for war preparation had detrimental effects on economic activity and 1940s proved to be a lost decade for Turkey. Nonetheless, the capital accumulation process continued during the early 1940s, as these years were characterized by severe shortages of basic commodities.⁸⁰

Welfare under Single Party Government and Urbanization of the Nation-State

The Turkish modernization project and Mustafa Kemal [Ataturk]'s republic were forged in a largely rural society and as explained earlier, state strategies were formulated to create a national bourgeoisie and strengthen the domestic private capital. From the beginning of the Turkish republic, industrialization has been the key to modernization.

⁷⁹ Boratav, 27.

⁸⁰ Onis, 465.

Almost all of the governments in Turkish history emphasized industrial expansion over agricultural development.⁸¹

Nonetheless, the proportion of population engaged in farming far exceeded that employed in the industry and this fact was a stimulating factor for the state's special emphasis on urbanization and its equation with modernization. Starting from the early Republican times, cities were seen as the economic and social vanguard of a modernized society.⁸²

Until 1950s, the rate of urbanization was quite low and, with the exception of Ankara, (the current capital city of the Turkish Republic), there were not many urban planning projects. Sengul defines this period as the "urbanization of the nation-state" and argues that the development of Ankara as opposed to the cosmopolitan character of Istanbul inherited from the Ottoman past symbolized the new Turkey. While Istanbul was seen as the symbol of the old regime, Ankara represented the Anatolia as the new homeland for Turkish Republic. This duality between Istanbul and Ankara has been successfully used by the new Kemalist elite who insisted on the development of Ankara despite various disadvantages due to location and potential. In other words, Ankara was the spatial manifestation of the Kemalist modernization project and also the construction of the new Turkish identity.⁸³

⁸¹ The power bloc, initially, included the land lords. however, later on this bloc fell and they lent their support to dp after 1946. hence, the turn back to agricultural expansion of 1950 s has much to do with this – it is exactly then the dissolution of the rural labour power starts, because of mechanisation of agriculture).

⁸² The huge development project of Ankara as the state space is worth mentioning here: also see sengul, 2001 where the emphasis on the urbanisation of the state – relate it to the state space question , where the legitimate space is the once constructed by the state! so gecekondu has no place in here. in ankara, the case of Ulus vs Kizilay as two different city centres, Ulus serving the poor and gecekondu, Kizilay serving the middle class and higher – now further differentiating and de-centralising.

⁸³ Tarik Sengul, Kentsel Celiski ve Siyaset (Urban Contradiction and Politics), (WALD: Istanbul, 2001), 68-72.

Beyond urban development projects for Ankara and extension of rail system, urbanization was not seen as vital as industrialization. Cities grew slowly before 1950 and urban population increased from 2.2 million to 3.9 million between 1927 and 1950. In contrast, the rural population at the same time increased from 11.4 million to 17.1 million. Urban growth was 2.4 percent and urban share of population during this period increased from 16.4 percent to 18.5 percent between 1927 and 1950.⁸⁴ When compared with the post 1950s period, these figures were not indicating a rapid urbanization process. Given the intensive industrialization efforts of the new Turkish Republic through building public economic enterprises, drives towards the creation of a national bourgeoisie, limited urbanization experience and the obvious domination of the agrarian population especially in Anatolia, how was the approach of the Kemalist modernization project to the social welfare under single party government of the CHP?

Since the new republic commenced with an ambitious objective of building a nation-state on the basis of a capitalist production pattern and targeted to develop a national industry, there was an urgent need to regulate working conditions and maintain its sustainability. This was a priority in the sense that the logic of the 'etatist' era necessitated the establishment of public enterprises to foster industrialization and also helped the development of the national bourgeoisie through supporting them via subsidized inputs from the state economic enterprises.

During this era, social policy was seen as a compensatory mechanism for the economic policies. Between 1923 and 1946, approximately 20 pension funds were established which targeted state employees. This situation also reflected the

⁸⁴ Michael Danielson and Rusen Keles, The Politics of Rapid Urbanization: Government and Growth in Modern Turkey, (New York, London: Holmes and Meier, 1985), 27-29.

discriminatory nature of the policies pursued by the single party government. These funds favored the civil-military servants and were paid directly from the budget, canceling the need for the premiums and contributions made by the employees. Accordingly, expenses regarding worker's health and other treatments were covered under these funds.⁸⁵

The basic mindset of the policy makers in the 'etatist' era was not the maintenance of job security and improvement of social provisions, but instead to preserve the sustainability of the work and regulation of the working conditions using a corporatist, non-class based approach. As a result of the rise of Fascism in Europe, the state put into effect new regulations to prevent any social instability, and for this reason passed very harsh and rigid laws. The most dramatic aspect was the ban on union's activity, worker's associations and massive acts by the workers.⁸⁶

The law passed in 1936 was the first one in its kind and this law was the first labour law in Turkish history. By this law, the principles regarding the foundations of social insurance were determined but they were left to the consent of the governments. Also, this law limited official working time to eight hours a week. Yet, this limitation did not correspondence with real life. In general, the social policies of the early republican period were definitely insufficient and except some of the developments, the basic motivation of the state was to leave the agrarians and poor to the traditional self-help and solidarity mechanisms.

⁸⁵ Songul Sallan Gul, *Sosyal Devlet Bitti, Yasasin Piyasa!* (Welfare State Came to an End, Long Live the Market!), (Istanbul: Etik Yayınlari, 2004),264-5.

⁸⁶ Keyder, State and Class, 36-37.

Political Economy of Turkey in the 1950-1980 Era: Rapid Urbanization and the Emergence of the *Gecekondus*

Serif Mardin's classic center-periphery model has been one of the most influential analyses of the political system in Turkey. According to Mardin, Turkish politics from as early as the Ottoman Empire has been shaped by a strong state at the center and the public on the periphery. The transition from a single party system to a competitive electoral system occurred with the formation of the Democrat Party in 1946. Until 1973, Turkish politics could be characterized as a stable two party dominant system, in which the Democrat Party represented the periphery (rural peasants and farmers) and Republican People's Party represented the bureaucratic center.⁸⁷

In late 1940s two events altered the fate of Turkey's political economy: the United States-sponsored Marshall Plan and the transition to a multi-party regime, which eventually brought the Democrat Party to power in 1950s. The impacts of the former were straight forward - mechanization of agriculture, introduction of tractors in rural areas and the structural interventions in agriculture, which were largely supported by the Marshall Plan. Tractors, by reducing the need for agricultural labor, left a huge rural population unemployed. The other turning point was the economic and political liberalization process through the transition to a multi-party regime.

The transition to democracy also signified a shift towards more economically liberal policies. Trade liberalization, an emphasis on agriculture and infrastructural development, and the encouragement of foreign capital emerged as the central pillars of the new economic strategy. Increasing capital inflows from the USA along with the

⁸⁷ Serif Mardin, 59.

Marshall Aid, and the foundation of new state economic enterprises were two novel characteristics of the era. While the state's involvement in the economy expanded through new SEEs, the direction of the state involvement in the economy also changed. After 1950s, private industry was increasingly concentrated in the production of final goods, while the SEEs were given the role of producing key inputs for intermediate and final goods produced by the private sector. Thus this represented the transformation of state's role in the economy from a leadership position to a supportive role, by subsidizing the provision of basic inputs and the key infrastructure, such as a new road network and irrigation and dam system.⁸⁸ As we will see later, the location decisions for the new SEEs, as well as for private investments were critical for the urbanization patterns in big cities.

Both liberalization efforts and transformations in the agriculture sector could be seen as part of the Democrat Party's campaign for modernization and development. As an extension to these developments, a major consequence of this campaign was acceleration of (depended on) urbanization, which was considered as essential to the modernization process. In contrast to the 1923-1950 period, after 1950 urban growth accelerated sharply. Over 3.3 million people were added to the urban population during the 1950s. Turkey became one of the most rapidly urbanizing countries in the world and between 1950 and 1980 the average annual increase of the urban population was %5.7. By 1980 more than five times as many people lived in cities and towns as had in 1950. Before 1950, only Ankara was expanding, but for reasons mentioned before, the new capital was favored with the lion's share of national resources devoted to modern city services. Nonetheless, massive migration in the post 1950s with the promise of industrial

⁸⁸ Onis, 461.

development and economic opportunities in the cities began to influence the bigger cities of Turkey, especially Istanbul.

Turkish society and political system, as well as the welfare system were unprepared for this massive pace of urbanization. As a result, urbanization became both a blessing and also a burden. On a scale never encountered before, essential services had to be provided, people and goods moved and urban new comers housed. The problems in the cities became national issues and the political system started to cope with the new realities of a rapidly enlarging urban electorate and increasing demands for social services.⁸⁹

Especially in the case of Istanbul, the immediate consequences of the urbanization were felt especially in the housing sector. As the urban population grew, the housing stock did not keep up with the demands of the newcomers. Between 1950-65, the average housing need in Istanbul was about 20,000 units annually. But the new housing stock satisfied only half of this need. The housing shortfalls were compensated through squatter settlements. Thus, during the Democrat Party rule in the 1950s, the periphery transformed itself from a rural peasant population to an urban squatter population. According to the estimates, the squatter population in Istanbul increased from 4.6% of the city population in 1950 to 33% of that in 1963. These settlements grew uncontrollably in areas surrounding Istanbul and were considered as cluster communities in which residents with family, village and regional ties located in the same areas, and maintaining strong social bonds. In the case of Istanbul the choice of land to occupy was also affected by the availability of industry in the surrounding areas. The squatters settled near factories that provided jobs.

⁸⁹ Danielson and Keles, 42-43.

Before getting into the nature and characteristic of the *gecekondus* in the 1950-1980, let us first look at the responses coming from the state in terms of generating social welfare provisions in general and housing policies in particular and see how the state tried to cope with the massive urbanization process

Social Welfare Provisions in 1950-1980 Period

1950-1980 period in fact witnessed the establishment of the social security institutions, which I sketched in chapter one. These were Retirement Chest, covering all state employees; Social Insurance Institution (SSK), covering all private sector workers; and Bag-kur, covering self-employed workers. In addition, the Independents Fund was established for peasants mostly, but its scope was limited. These institutions, except the one for peasants still function and constitute the bone of the contemporary Turkish welfare regime. Not surprisingly, the bulk of the reforms in this period targeted the middle class and better-off workers (both in the increasing number of SEEs and also growing scope of private business) due to their key position in the ISI strategy.⁹⁰

The 1961 Constitution, which was prepared after the 1960 military coup clearly stated that sustainable economic development could only be achieved through widening the scope of the social insurance institutions and also promotion of social justice in all aspects. In that regard, satisfying the new emerging large industrial working class was important for the state to keep economic development going. For this purpose, 1961 constitution enabled many social benefits for them, such as more bargaining power, maternity benefits and extra allowances. In other words, the state tried to re-distribute the benefits of the ISI towards the working class. Moreover, unions started to play a more

⁹⁰ Sallan Gul, 266.

significant role. There was no doubt that 1960s and 1970s also pointed out the drives towards full-employment and there were crucial efforts to achieve this goal. Nevertheless, the employment policies were far from being conscious attempts of Keynesianism. They were more likely to be end products of a politicized process.⁹¹ The recruitment of the SEEs was a highly politicized process and the immediate result was over-employment in many of them. This was definitely putting a very high responsibility, as well as burden on the public sector.⁹² As most would argue, this picture portrayed the role of the state as referee in the Turkish society.

Despite the establishment of key institutions and the state's enthusiasm to play the role of a referee in the Turkish society, some external factors deeply influenced the welfare structure such as;

- Increasing rate of urbanization, and the massive flow of immigrants it had brought in train to the big cities,
- Reduced levels of external financial aid due to the termination of the Marshall program, cutting down of the credits provided by the IMF.
- decline in the number of people migrating to European countries, especially Germany (who sent their savings in foreign exchange to Turkey)
- and finally increasing economic instability in the world markets, due to the volatility in the price of oil.

It was no coincidence that in the 1970s, while the number of people covered under the SSK and Bag-Kur increased considerably, the incompatibility and lack of coordination

⁹¹ Sallan Gul, 267.

⁹² In analyzing the Turkish welfare system and the employment goals and performance of the Turkish state, one needs to take into account the massive immigration of Turkish workers to Germany at the beginning of 1970s and onwards.

and collaboration between programs and institutions got worse. For this reason, in 1974, in order to coordinate programs and institution as well as to increase their effectiveness, Ministry of Social Insurance was founded. According to the law passed in the same year, Turkish welfare system composed of two groups, the Social Insurance system and Public Social Security Provisions. On the one hand, the Social Insurance system covered all three institutions - the Retirement Chest, the Bag-Kur and the SSK. On the other hand, the Public Social Security provisions encompassed social services in health, education, housing and social assistance for veterans, widows and children without families. To sum up, in year 1978, the total number of Turkish citizens under coverage increased to 4.5 million people, and when their dependents were taken into account, this number was 19.2 million. In other words, 44% of total population was covered under this social insurance scheme.⁹³

In general, a proper understanding of the development of social security in Turkey would tell us that even though the role of public social security institutions and services were seemingly active, the institutional infrastructure was extremely weak and disorganized and the Turkish system ended up with the inflation of institutions which have inconsistent norms and structures, which do not reflect any organizational coherence. Even though the number of people insured is substantial, their portion of the national income was relatively low. Moreover, the tax burden on middle and lower income groups was extremely high. In addition, there were many who were not covered by any of those schemes, such as temporary workers, small peasantry and most importantly, bulk of the immigrants in the big cities. In addition, there were no regulations or even attempts to establish an unemployment insurance scheme. Also, the

⁹³ Sallan Gul, 272.

situation of social insurance premiums reflected some of the deficiencies of the system. For instance, in Turkey the amount of social insurance premiums is linked to the dependent's income from the social security system. As Talas argued, this situation made the system difficult to supervise and as for the old age security, it created more and more formalities and increasing bureaucracy.

To illustrate, when the expenses of the SSK is analyzed in years 1974 and 1975, it is seen that 17% of the SSK's expenses was allocated for health services, but 48% for personnel and administration expenses. This basically showed that the social security scheme in Turkey had become increasingly bureaucratized. While the number of insured increased, the amount of resources from the budget decreased relatively and the premiums paid remained extremely low. Let us look more closely at the housing component of the welfare regime and create a background for our analysis of the *gecekondus*.

Turkish Welfare Regime under Pressure: The Case of Housing

What was happening on the housing front? What was the state's approach to the massive immigration in cities and was there a planned government program toward controlling increasing urbanization and intensive geographical relocation dislocation in the country?

The Turkish constitution of 1961 states that "the state shall take measures to meet the housing needs of the poor and low income families."⁹⁴ Nonetheless, this promise did not really correspond to in reality and for the vast majority of the new urban population; indeed this promise has never been met. State housing provisions were extremely limited for the poor and public provisions accounted for less than 10% of total investment. Most

⁹⁴ Article 49 of Turkish Constitution of 1961.

of these funds benefited middle class urban dwellers. At the same time, the Turkish state chose not to control the massive development of squatter housing. In fact there were legislative attempts to prevent squatting, but they were not enforced. Moreover, growing number of squatters made them an important constituency that was difficult to ignore. Especially prior to elections, there was a surge of squatters who sought to take advantage of their electoral significance.

As a result, rapid urban growth created needs for housing that could not be met by the public or the private sector. Buoyant demand for housing was a significant pressure on the prices for housing. As mentioned above, these demands for housing have not been matched by the state's efforts to provide shelter. During the 1950s and 1960s, as a result of the influx of squatters, the Democrat Party did not enforce housing policies or any planning initiatives towards *gecekondus* during their dominance in the parliament. As Oktay Ekinci mentions

In Western societies when the migration to the cities started, planning appeared as a necessity. In Turkey, when the migration started, planning was abandoned, because the politicians in concert with the factory owners allowed the migrants to settle any way they wanted around the newly formed factories . . . Everyone could put a factory where ever they wanted and those who worked at the factories could settle around the factories every which way. This meant a lack of planning . . . Planning brings limitations . . . Planning gives direction. Yet, limitations and control conflict with the liberal political thought that supports an attitude of, “let them build; let them do.” Therefore, [the Democrat Party cadres] gave up planning and the slogan of the politicians of this era was “we want pilaf, not plan.” Even though the [CHP] Republican cadres were insistent on planning, after 1946, the liberal politicians [of the Democrat Party] used this slogan. The process of acceptance of unplanned development of squatter

settlements began. Over time, it reached such points that the illegal settlements in the city surpassed the legal housing.⁹⁵

Yet, this process as described by Ekinci found its full expression during the post-1960 era characterised by ISI period. This period was marked by a strong state centred drive for industrialisation. Besides, the devotion of a considerable amount of resources to this strategy, left fewer resources available for provision of housing in the urban areas.

Housing was given low priority during the rapid urbanization process and the Turkish state, as a continuation to the tradition from the early Republican period, chose to devote the majority of resources / investments on industrial development. Moreover, the strong support of the Democrat Party government to the private sector resulted in an increase in the apartment-house building by the small and medium sized constructors in the domestic market, but the amount of sources to the lower cost housing. Interestingly, starting from the beginning of 1960s, when Turkey started to implement ISI strategy again the amount of investment for housing in each plan decreased further. The first development plan for 1963 to 1967 stated that housing investments are unproductive and investment for housing of total investment dropped from 24% in 1963 to 19% in 1967. When reached 1980s, this percentage was 18%.⁹⁶

State investment for housing did take not only the form of direct investment. In fact, direct expenditure on housing accounted for only %5 of total housing investment. In addition, there were also some mechanisms for indirect housing investment, such as housing credit programs through Real Estate Bank (Emlak Kredi Bankasi) and Social

⁹⁵ Oktay Ekinci, *Istanbul'u Sarsan 10 Yıl: 1983-1993 (10 Years which Shaked Istanbul: 1983-1993)*, (Istanbul, Cagdas Publishers, 1997), 36-7.

⁹⁶ Danielson and Keles, 156-7.

Insurance Agency (SSK). Nevertheless, these programs were not for the urban poor and did not support low income housing. Instead, they were served the needs of the middle income group. In fact the planned development of Ankara until 1950s was mostly achieved through the channeling of public investments to the public housing programs. Nevertheless, limited public investment, especially in big centers like Istanbul, prevented the state from controlling the momentum of pathologic settlements.⁹⁷

One can argue that the motivation of the state was to automatically transfer this responsibility to the market and expect that the newcomers could satisfy their needs within the market conditions. But, at this time, the state is expected to control land use and building controls in order to protect private land. Paradoxically, none of these have been the issue in Turkey. Weak public regulation and limited enforcement of building controls were two important reasons behind this phenomenon. The arguments regarding private housing was not a grounded argument. Initially, it was thought that private housing could be shaped through shifting private investment to low income housing rather than luxury dwellings. The First Five Year Plan also stated that housing sector should not be a profit making arena and added that housing should be seen as a social service. But none of the tendencies in fact worked. The penetration of private business to the housing market did not happen because the level of profitability was low and the Turkish state did not force the private builders to undertake unprofitable investments.⁹⁸ Furthermore, as mentioned before, the state was unwilling to make the investments necessary for housing to be a social service.

⁹⁷ Tulay Arin, "The Poverty of Social Security: The Welfare Regime in Turkey," in The Ravages of Neoliberalism: Economy, Society and Gender in Turkey, eds. Neseçan Balkan and Sungur Savran (New York: Nova, 2002), 76-78.

⁹⁸ Mubecel Kiray, Kentlesme Yazilari (Writings on Urbanization), (Istanbul: Baglam Yayınlari, 2003), 95-100

As a result, neither the state's control and regulation was sufficient, nor did the private housing end up being the direction. Ultimately and paradoxically, government housing policies had substantial impacts on the pattern of development in the cities of Turkey and these impacts were relatively more obvious in Istanbul. The key aspect of the state's policy was to accept the *gecekondus* as the only practical way to cope with the unmet housing needs and even increasing shortages in the future. This alternative definitely took the pressure off from the state to invest more in housing. Therefore, one can rightly claim that the state's responsiveness to urban poor's housing need totally faded away and left the *gecekondu* dwellers to their own fate. In other words, as some scholars pointed out, this attitude could be identified as "permissive squatter policies," which increased the momentum of migration and the political influence of the urban poor. While the state perceived the *gecekondus* totally outside of the system and provided no benefits, they were politically "in" because of their high voting potential, and they were the unseen result of the state's official housing policy depicted above.

The Nature of Squatters in the Pre-1980s: *Gecekondus* as Community Spaces

Etymologically, the term *gecekondu* has its origin in the rapid construction process. Gece in Turkish means "night" and kondu is most likely to be translated as "landed," suggesting the quick construction process. Thus, *gecekondu* means "landed over night." In fact, the concept of *gecekondu* has a broader scope than what it resonates as a housing settlement. In fact, as Karpat states

It is in essence a legal definition that describes a makeshift, uncomfortable hut erected overnight on land owned by the state, municipality or individuals in defiance of the building codes and property rights. The definition is limited strictly to

urban space and the building itself and disregards entirely the complex human factors of which the dwelling is just a symptom.⁹⁹

Thus, the term “*gecekondu*” as understood in legal terms does not capture the complexity of the migration process adequately. This is key in understanding the *gecekondu* process because most often the geographical preference of migrants in occupying land and also the construction process depend on the networks that were in effect before and after immigration. In other words, invasion of land has been shaped through some social bonds among the urban dwellers. For instance coming from a certain location (village) influenced the geographical preference for invasion. Being physically close to the people who are from the same place, cooperating with them during the invasion and also other reciprocal activities after establishment conceived as a safety net by the migrants. In addition to the common place of origin, ethnic background, religion, family bonds and kinship influenced the pattern of *gecekondus*.

The nature of invaded/occupied land by the immigrants was a big question mark. New immigrants were the ones most likely to be living illegally. The definition of “illegal”, however, was not always clear. Sometimes it referred to not being properly regulated by the prevailing state rules. Nonetheless, mostly it defined construction on public land or private land and a de facto squatting.¹⁰⁰ More commonly, it was the public

⁹⁹ Kemal Karpat, “The Genesis of the *Gecekondu*: The Rural Migration and Urbanization,” *European Journal of Turkish Studies*, available at <http://www.ejts.org>

¹⁰⁰. Caglar Keyder, “Liberalization from Above and the Future of the Informal Sector, Land, Shelter and Informality in the Periphery,” in (ed.) Faruk Tabak, *Informalization: Process and Structure*, (Baltimore: John Hopkins University Press, 2000). 150-155.

land belonging to the state that has been occupied. As Bugra argues, these lands were seen as “commons” and occupied by immigrants.¹⁰¹

Housing has been an investment for the new comers by generating a stream of income for the immigrants, showing the commercial (exchange) value of the *gecekondus* which was not the issue during the pre-1980 period. Nevertheless, it should be noted that the earlier immigrants had reaped the benefits of this investment more than the late comers due to decreasing land to occupy and spatial transformations of Istanbul as a global city. Investment proceeded in many stages, at first occupation of the land, then construction. Construction was a never ending process for *gecekondus*. All these stages secured outside the scope of the formally regulated economy. At the time of moving in, the building may lack windows, plumbing and plastered walls. The construction mainly drew on the labor of family members and neighbors whose services could be reciprocated. The entire process was carried out in the social realm, outside the influence of the market. A high degree of embeddedness is an integral element of this social process. In the case of housing, where people feel the need for solidarity and reciprocity, the insurance provided by the networks of reciprocity (which I prefer to use interchangeably with social networks) was crucial and operated during all stages of the process.

This starts with the occupation or the acquisition of the land. Individuals do not start this process with a stranger, rather networks based on ethnicity, common place of origin or kinship played an important role. In general, new immigrants to the city were drawn to the neighborhoods of the earlier arrivals (according to their social proximity)

¹⁰¹ Ayse Bugra, “The Place of the Economy in Turkish Society,” South Atlantic Quarterly 102: 2/3 Spring Summer 2003, 12-15.

and thus became easily integrated into their networks, thereby gaining assistance in extending the area of habitation.¹⁰²

As argued by Keyder, “the new emerging neighborhood continued to maintain a scheme for the production of use value and exchange value alike.”¹⁰³ This was somehow one of the most distinctive and insightful characteristics of the *gecekondus* in the pre 1980 era. The occupier, builder and the user were the same people. There was not any motivation to sell or rent their dwellings. Thus, the *gecekondus* had no exchange value and these settlements were more or less a safety bulb for dwellers, indicating their attachment to the city. The physical closeness and the necessity to engage in joint work led the dwellers to engage in more reciprocal activities.

Therefore, it is not only the construction of the physical space that constituted the informal side of the story, but also, when the houses are inhabited, the same environment provided a social framework for further informal activity based on reciprocal ties. Improvements to shelter, construction and maintenance of gardens and domestic animals as well as baby sitting and child care (as for their social existence) definitely required reciprocity. Hence, this socially constructed space facilitated became the reproduction of informalities. Moreover, *gecekondus* become the places where socialization of costs of reproduction occurs.

The state’s approach to the *gecekondus* was to turn a blind eye to the illegal invasion of land and informal activities and leave the squatters to their own devices. This illegal status prevented the *gecekondu* population think from exercise their rights as citizens. In fact, as argued before, it was the state’s solution to Turkey’s urbanization

¹⁰² Keyder, 156.

¹⁰³ Keyder, 158.

failure. Moreover, transferring the duties of the Turkish welfare state to the people / networks of reciprocity in the *gecekondus* reflected some economic relations as well. Both the state and the private sector, especially the manufacturing industry conceived, these massive immigrants as a reserve labour force, useful for reducing wages and unionization. The private sector in general benefited from the informal character of the *gecekondus* because they did not have to pay for social security. As a result, the state further turned a blind eye to the *gecekondus* not only for its own purposes, such as preventing the formation of a strong organized working class as in the Western countries, but also serve the interests of the capital.

Gecekondu people were the outsiders from the state's perspective and the best way to maintain them in the informal realm as outsiders was to use the populist policies such as allowing illegalities in exchange to the votes coming from the *gecekondus*. In other words, as long as their survival is maintained, there would not be an issue in state's side. Thus, this indirect support to *gecekondus* was seen as inevitable to avoid its social costs. It became common practice for the politicians to distribute titles and services to the squatters before elections despite the frustration and opposition by the bureaucrats who favored more planning and regulatory enforcement. In that regard, the Democrat Party was the strongest Party in terms of collecting the *gecekondu* votes. They were able to capitalize on their role as the representatives of the "periphery" and used opportunistic policies and incorporating populist ideology to maintain the support of the squatters.¹⁰⁴

¹⁰⁴ Bugra, 17.

As expected by many in 1965, the voters in *gecekondu* settlements voted for the Democrat Party's successor, the Justice Party¹⁰⁵ at a rate of 51% as opposed to 26% for the CHP. Interestingly, the comparative numbers for the non-squatter settlements was 42% for Justice Party and 37% for the CHP, which meant that the Justice Party was extremely strong in the squatter areas. During the 1960s, the populist policies of the Justice Party were rewarded by the squatters who were permitted to build their settlements and to establish their communities. Even in some cases, they have been provided schools, transportation and some other social services. Nevertheless, the sole objective of these concessions was to contain them as outsiders. *Gecekondu* dwellers were not able to exercise their broader rights (to be included under a social program, social security, utilize more from the opportunities in the city), and as I will explain later, they were mostly seen as the marginalized, inferior and rural 'other'. As mentioned before, their existence in the city as invaders and the state's strategy towards them made the *gecekondu* dwellers to feel guilty and their demand as citizens of Turkish Republic eliminated. To have found an accommodation in the city was the biggest reward for them and the only way for them to keep their position was to vote for the parties who promise

¹⁰⁵ Even though there was some volatility within the political system as a result of threats from the military, the squatters were continuously represented by the Democrat Party throughout this period. In 1960, the military intervened in response to Democrat Party policies that they saw as anti-democratic and anti-secular. Democrat Party supporters were consolidating the party's power by suppressing freedoms of expression and limiting the ability of the CHP to campaign before the election through the use of vigilante threats. There was also discontent among many military officers about the many concessions made to the United States by the DP. The Turkish military had long been strong defenders of Atatürk's reforms, based on secularism, anti-colonialism, statism and Westernization through independent means. They felt that they could not stand by while these ideals were being compromised by the policies of the Democrat Party. Yet, despite this military intervention and a brief loss of power by the Democrat Party, they were able to reemerge under a new name, the Justice Party (*Adalet Partisi*-AP), with their ties to the squatters intact. Provided that they avoided a strong ideological identification opposed by the military such as that of communism, fascism or Islamic fundamentalism, the DP/AP could continue to exist and to maintain their accommodation of the urban poor (Sunar 1996, 144-5).

them to retain their *gecekondus* and maybe provide some social services. In that regard, until 1970s the Justice Party was the most favored Party by the *gecekondus*.

The electoral success of the Justice Party in the squatters started to decline in the 1970s. There were two interrelated reasons. The first was related with the overall economic situation of Turkey. The only way for the Justice Party to sustain its clientele was to keep the promises (or even increase them through time) but these promises required sufficient amount of dedication of resources.¹⁰⁶ The second and more relevant reason for our purposes in Justice Party period was related with the recognition of squatter housing as a separate item under Turkish law. Between 1965 and 1969, many laws passed by the parliament and especially the one in year 1966, which is still valid, was the one which recognized and defined *gecekondus* for first time in Turkish history. This law portrayed the illegal and informal nature of the *gecekondus* and proved the reluctance of the state to resolve the squatter problem. This law was also known as the law number 775 (the *Gecekondu* Law) and the primary objective of this law was to improve or eliminate existing squatters and prevent the ones from being built.¹⁰⁷

Even though the initial objective was to solve the squatter problems, the law created more confusion than clarity. The law created a division among the squatters - which were to be demolished and left out and which ones were to be legalized and recognized was the critical part of the implementation process. The only way for eliminating some of the squatters was to find another place to move the *gecekondu* dwellers, otherwise there was no point in demolishing them. Hence, the implementation

¹⁰⁶ Economical decline in 1968 was one of the most severe in Turkish history. The GDP level declined approximately 14%.

¹⁰⁷ Kemal Karpat, The *Gecekondu*: Rural Migration and Urbanization, (Cambridge: Cambridge University Press, 1976), 78-82.

of this ambitious law necessitated close collaboration, cooperation and coordination between central government and also municipalities. Nevertheless, given the limited resources, clientelistic relations and some of the grey areas in the law, the implementation of this law was almost impossible. The law represented a comprehensive attempt, but it demanded close inspection and supervision in the *gecekondu* areas to identify and categorize them. Moreover, the municipalities did not have enough resources to meet the requirements of the law. Besides, there were not enough funds for satisfying the housing needs through public housing.

This law had dramatical consequences for the Justice Party because even though this law reflected the populist orientation of the Party by securing their constituency through developing some of the *gecekondus* that are worth to upgrade and relocating others who were living in desperate *gecekondus* and facing risks such as flood and landslide. Nonetheless, the reception of this law and its partial implementation was not welcomed by the *gecekondus*. As it can be seen in the results of the elections in the 1969, the squatters started to punish the Justice Party due to its inability to perform its patronage duties.¹⁰⁸

The Justice Party's drive to better mobilize the *gecekondus* through *Gecekondu* Laws ended up with a more volatile voting pattern and this situation proved that legally incorporating the marginalized *gecekondus* was not a desirable strategy to maximize political gain

¹⁰⁸ As a result, the change in the political behavior of the *gecekondus* had some impacts on the party system. The first consequence was the shift of squatter votes from the Justice Party to the other smaller parties created an unstable political party system, in which no single party was able to dominate the parliament. The second consequence was related with the CHP. The results showed that unless the CHP change their representation base and adopt a more incorporating populist agenda, they were unlikely to collect votes from the periphery – the *gecekondus*.

Legalization and relocation of some of the *gecekondus* would definitely have detrimental impacts on their voting base. *Gecekondus* were the ones whose votes most matter, not their other characteristics and the conditions they were living in. Thus, the *gecekondu* people, who were totally beyond the scope of the Turkish welfare regime, socially and culturally excluded and economically the most vulnerable to be exploited by the state and the private business had some capacity to maneuver through benefiting from party politics. The promises of the populist agendas of the political parties influenced their voting pattern rather than their political choice. In this respect, they were still the exploited segment; because, although they were numerically a significant constituency, their voting potential was only enabling them to maintain or even reinforce their excluded situation.

The period between 1970 and 1980 was even more favorable for *gecekondus* in terms of maintaining their settlements benefiting from party politics. Turkish political system changed considerably in 1970s, and new competition started among the parties for the votes from the “periphery”-the *gecekondus*. Even though different governments were formed by different political parties with different ideological backgrounds such as nationalist, Islamist and Liberal, in reality all of them had a common denominator, a populist agenda, especially towards the *gecekondus*. The political parties wanted to appeal opportunistically to the squatters to survive under the volatile party system.¹⁰⁹

¹⁰⁹ While the Justice Party and the CHP once battled for the votes in the periphery, the nationalist, Islamist and other political parties also began to take more support from the squatters. The CHP and the Islamist Nationalist Salvation Party (MSP) formed a coalition government in 1973 and they tried to reverse the Justice Party's *Gecekondu Law*, which was *de jure* an ambitious goal, but *de facto* has never been implemented to a full extend. In addition, another important aspect of their populist discourse was the declaration of general amnesty for all prisoners in celebration of the 50th anniversary of the Turkish Republic. Moreover, the crimes of those who built housing illegally were included in this amnesty as well.

The decade of the 1970s marked a period of transition for Turkish political institutions. The ad hoc enforcement of laws and few even spoke of more systematic planning for housing development. The CHP, the only party that had not condoned the ad hoc enforcement of the laws and advocated more planning ended up with joining the political parties with opportunistic policy making strategies. Thus, the squatters did not have to make commitment to any political party as they did during the 1960s, the stable two party period. They could take advantage of the competition among the parties in order to preserve their status.

The end of the 1970s also signaled the exhaustion of ISI policies and the economical crises were more or less the primary reason behind the volatility. Politically, the volatility was so severe that between 1977 and 1980, there were four different governments with several coalition partners, none of which succeeded in keeping the ‘vote of confidence’ more than a few months. In 1979, the GDP fell 1 percent¹¹⁰ and the government was almost on the verge of defaulting on its international loans. Within this economical and political instability, what was happening in the societal realm, how were the *gecekondus* seen and how were they perceived in the society? In addition to the *gecekondu*-state and political parties triangle, I guess this aspect is an important one in understanding the transition to neo-liberal policies after the military coup in 1980.

Gecekondus in Turkish Society: How were they perceived?

In the early 1960s, the situation of the *gecekondus* was understood through the uni-linear approach of the modernization theory. According to this approach, most believed that rural migrants would be assimilated into the modern urban population by

¹¹⁰ This was the first negative growth since 1969.

discarding their rural ways of life and values. In other words, the transition of *gecekondu* population from rural to urban was one of the major consensus points:

The *Gecekondu* family, having one end in the village and the other in the city, displays the characteristics of a transitional family (Yasa, 1970, 10)...Since the *gecekondu* family has not finished the adaptation process, and has not reached the level of urban families, it faces material and emotional problems (Yasa, 1970, 14)...*Gecekondu* person, while on the one hand tries to grow vegetables and trees in his garden like in the village, on the other hand, hopes to become a worker in a factory in the city (Yasa, 1970, 15)...When we talk about *gecekondu* family, we understand an unhappy family, which emerged under the social structural conditions of a particular period and which is expected to disappear after a while, thus its presence will be short lived compared to the history of the society (Yasa, 1970, 17).¹¹¹

According to this approach, these people were unable to free themselves from their rural backgrounds. Thus, there was a tendency in the society to evaluate the *gecekondus* as a homogeneous entity and with their not urbanized characteristics.

This situation can also be seen as an extension of the “otherization” process which has been started at the beginnings of the Kemalist modernization project. *Gecekondu* population was seen as the rural other and the only way to stop being the other was to discard their rurality. In other words, the city has been regarded as the superior to the country in Turkish context, since the Ottoman period

When compared to the 1950s, the “otherness” of the *gecekondus* increased even further during the 1960s and 1970s. The civic rights movements in the West in the 1960s as a critique of the type of economic development led by the US began to influence the Turkish society. Political groups especially of Marxist origin brought harsh criticisms to

¹¹¹ Ibrahim Yasa, *Gecekondu Ailesi: Gecis Halinde bir Aile Tipolojisi* (*Gecekondu Family: A Family Typology in Transition*, AUSBF Journal, 25, 9-18

the Turkish system due to its class inequalities. These groups were sympathetic to the poor and more specifically the *gecekondus*.

By the 1970s, Turkish society witnessed a dramatic polarization and conflict. The oil crisis hit Turkish ISI strategy deeply because Turkey was an oil importing country. Deteriorating economic conditions due to the inefficiency of the ISI, increasing current account deficit and trade deficit also pointed out the further appreciation of the exchange rate. In addition to the intensifying economic problems, as mentioned in the previous section, there was volatility in the political system. The negative picture in both economic and political realms further triggered the pessimism and discomfort in the Turkish society. The leftist groups mobilized intensively in the universities. In addition, *gecekondus* came to be seen as the hope of the leftists and became the arena for radical politics. The *gecekondus*, who were dominated by the leftist groups were also known as “rescued regions,” meaning that neither the state nor its institution could enter.

As opposed to the emergence of the radical leftists, ultranationalists emerged as a strong force and the polarization and violence between two pushed the Turkish society in a crisis. At the end, in order to put an end to anarchy and establish order, the military intervened on 12 September 1980 and a new period opened in Turkish modern history.

Chapter 5

Gecekondus in the Post 1980s

The post-1980 era constitutes a turning point in modern Turkish political economy. The 1980s witnessed radical transformations in Turkish economy as well as Turkish welfare regime and also society. These transformations were launched with the implementation of the neo-liberal policy package initiated/devised by Turgut Ozal, who was the Undersecretary of the State Planning Organization during the rule of the Prime Minister Suleyman Demirel (in coordination with the IMF). The decisions of January 24 (1980) represented the end of the state protectionism and the beginning of liberal market economy era. The new era put an end to the ISI strategies of the previous era and changed the incentives toward export orientation with an overall emphasis on market oriented reforms as “development based on exportation.” This era was characterized by privatization, reduction in social welfare expenses and of agricultural subsidies, liberalization of imports, freezing of workers’ wages, suspension the union activities and the liberalization of the financial markets.¹

The objective of this chapter is locate the gecekondu phenomenon within this transformation and explain the change in the nature of the gecekondus in this era. The previous chapter explained the gecekondus as communal spaces, to a large extent ignored by the state and marginalized from the urban society. In other words, the state’s capacity and willingness to regulate this space was quite low because during the ISI period, most of the resources were being allocated for industrialization. The other reason was the

¹ Sinan Kaygalak, “New Urban Poverty, Migration and Spatial Concentration of Poverty,” Praxis, No.2 Spring 2001, 128.

Justice Party's opportunistic/populist approach to the gecekondus in the sense that maintaining gecekondus as outsiders and marginalized rather than integrating them into the urban would maximize the political gains. The approach of the neo-liberal Ozal government to the gecekondus was different. In keeping with his deep commitment to market oriented reforms and privatization, Ozal believed that there could be better use of the gecekondu land not only for satisfying the existing dwellers and keep their voting potential, but also to create further room for the new immigrants, compensate for the lessening welfare expenses and open up new spaces for capital accumulation.

As a result of the neo-liberal populist strategies pursued by the Ozal government, the nature of the gecekondu land were transformed into a state space. Through key laws and regulations, Ozal set the stage for the commercialization of the *gecekondus*. The state's drive to regulate *gecekondu* space had controversial results on the urbanization process. Through the commercialization of the gecekondus, some dwellers had significant gains experiencing an upward socio-economic mobility which enabled them to join the lower middle or middle class. Nonetheless, these spatial strategies left the remaining huge amount of gecekondu population extremely vulnerable because the networks of reciprocity which worked as a safety net before, were transformed into more exclusionary radical networks by Islamist or leftist groups— as in the case of Gazi District in Istanbul. Thus, the integration of the new immigrants to these radicalized networks was almost impossible. The introduction of exchange relations through commercialization on top of pre-existing reciprocity relations damaged the nature of gecekondus as communal spaces.

1980 Military *Coup d'Etat* and Afterwards: The Background of Ozal's New Right

During the late 1970s, Turkey faced what may be one of the deepest political and socio-economic crises of its republican history. The crisis was primarily a crisis of balance of payments (same as the previous crises), but this time additional exogenous factors such as the oil crisis and the crisis of the Western economies exacerbated the situation. Hence, the crisis of the 1970s had serious ramifications on the relations between capital and labour as well. The indicators of the crisis were not only limited to rising inflation and aggravating foreign exchange difficulties, but also included growing social unrest and political violence, the paralysis of the bureaucracy and other institutions of the state due to the political conflicts between the fragmented parties of the right and the centre-left. Yet the prolonged crisis of the late-1970s would coincide with the intensification of social conflicts that would ring alarm bells for the representatives of the Turkish bourgeoisie, along with the military, that the social order was under threat. As Yalman argues, "in Gramscian terms, the whole process thus signified that the crisis in question was a crisis of hegemony, and *ipso facto* a crisis of the state."¹¹³ Consequently, the early 1980s witnessed a crucial turning point in Turkey's socio-economic and political development process and January 24, 1980 structural adjustment programme and the September 12, military *coup d'etat* became the linchpins of the socio-economic and the political restructuring in Turkey.

¹¹³ Galip Yalman, "The Turkish State and Bourgeoisie in Historical Perspective: A Relativist Paradigm or Panoply of Hegemonic Strategies?" in Balkan & Savran (eds.), The Politics of Permanent Crisis: Class, Ideology and State in Turkey, (New York: Nova Science Publishers, 2002), 89-90.

Eight months before the coup, on January 1980, Turgut Ozal a bureaucrat of the Demirel government, devised neo-liberal policy measures in cooperation with the IMF.¹¹⁴ Nonetheless, it was not that easy to implement these policies in a fragmented and volatile political party system. Policies such as the reduction of state spending, reform of the state owned industries, devaluation of the Turkish lira were unpopular strategies among the public. These reforms would have detrimental impacts on large segments of the society, from rural peasants to government employees, domestic industrial workers to urban squatters and moreover, they would mean loss of votes from the periphery.

Increasing polarization and discontent in the Turkish society as well as political and economical volatility ended up with the coup of September 12, 1980. All politicians were jailed and banned from politics. In contrast to the experiences of the Latin American countries such as Brazil, Argentina and Venezuela, however, the military did not have an interest in staying in office for a long period of time. Ozal remained in his role as the economic advisor to the military government, laying the background for his future career. The main goal of the military was to establish the political, economical and social structure of the country, and thus put an end to the chaotic environment. The military, therefore, came to power with two overriding objectives, the first one was to tame the political left and trade unions by applying harsh measures and the second objective was to continue with the process of economic restructuring so as to maintain the support of the Western capitalist countries in general and the Bretton Woods institutions in particular.

¹¹⁴ This programme went beyond standard stabilisation and to achieve structural adjustment by changing the development strategy that it followed for several decades. In other words, the programme was said to signify a radical change both in the mode of articulation of the Turkish economy with the world economy and in the nature of state-economy relationship prevalent within the social formation

The return to electoral politics occurred in 1983. After the elections of the 1983, Turgut Özal's Motherland Party (*Anavatan Partisi*, ANAP), was the only one that had a chance for winning.¹¹⁵ In fact, it would not be fair to claim that 2 years of military government totally disappeared from the Turkish political scene right after the elections of the 1983. In fact, both the military government era and the following Ozal decade could be seen in a continuum. The military remained a key overseer in Turkey, because the implementation of the reforms in coordination with the IMF and the World Bank would not have been feasible unless the restructuring of the Turkish economy, as well as the rescaling of the state were secured through repression of class conflicts and societal discontent.

As mentioned above, the program which was devised on the 24th of January 1980 was more than a typical structural adjustment programme. It signified a radical change either in the “mode of articulation of the Turkish economy with the world economy and in the nature of state-economy relationship prevalent within the social formation.” Nevertheless, given the political and economical conditions the country was in, this kind of a wide spread reorganization of the economy would not be feasible unless the state sustained its hegemony over the classes. For this reason, the 1980 coup was not only a change in the political regime but also a change in the “form of the state,” which sustained / legitimized itself with the authoritarian constitution of 1982. What was the change in the state form and what does it refer to in the Turkish context? Simply, the change in the state form meant the change in the balance of class forces in the society,

¹¹⁵ The other two political parties were affiliated with the military and bureaucratic “center.” The Nationalist Democracy Party (MDP) “openly endorsed General Kenan Evren, the leader of the junta and the Populist Party (HP) was intended to be the loyal opposition.” Ozal was not the intended leadership choice of the outgoing military.

which happened in tandem with the state, which is seen as the arena for power relations. In other words, the post 1980s presented the restructuring of the Turkish state and this restructuring had also some implications for the restructuring of the state-society relations.¹¹⁶ During the course of the 1970s, as an extension to the increasing rights of the workers and their key role in the ISI process as elaborated in the previous chapter, the organized working class started to challenge the power of the capital, as well as the constitutional power of the state. To sum up, the 1961 constitution which granted several rights and freedoms to the working class has been replaced with the 1982 constitution. 1982 constitution brought severe limitations to the working class and almost reversed the economic as well as political gains they have gained during the course of 1960s and 1970s.¹¹⁷

Thus the structural adjustment program before the coup initially called for the resolution of the crisis of the state form due to the radicalization of the labour. The repression of the labour was seen vital to the full implementation of the neo-liberal reforms brought to the agenda by Ozal right after the January 24th decisions. The main objective was to convince the masses that unless there was a major break from the recent past, there would be no way to overcome the country's crisis the country was in. Hence, the tenets of the new accumulation strategy relied on the neo-liberal agenda of Ozal.

¹¹⁶ Yalman, "The Turkish State and Bourgeoisie in Historical Perspective: A Relativist Paradigm or Panoply of Hegemonic Strategies?" 95.

¹¹⁷ Within that strategy, collective bargaining is not prohibited but decentralised. Strikes are rendered as ineffective as possible by various limitations introduced in the legislation such as scheduling of strikes beforehand. Many sectors of the economy are designated as .strategic. thereby prohibiting any kind of industrial action in those sectors. And the formation of new unions is encouraged to weaken the bargaining power of the existing ones. though the left-wing trade union confederation (DISK) of the pre-coup era was considered as .outlawed. throughout the decade. Moreover, whilst collective bargaining process has been decentralised from the workers. end, it has been strictly centralised from the other end as demanded by the employers. unions since the pre-military *coup* days

Regarding the break with the past, there were two key premises: (1) full conformity to the imperatives of neo-liberal political economy and negation of welfarism and egalitarian income distribution and (2) the promise of separating political considerations from economic policy making.

Some Observations on the Neo-liberal Populism of Ozal

The implementation of the neo-liberal reforms, including trade liberalization, opening of the capital account to international financial flows, privatization of SEEs and Ozal's overall pro-market ideology found expression within the above mentioned framework. Even though Ozal declared full conformity to the understanding of the economy in technical terms, his approach included some non-heterodox elements as well. His commitment to neo-liberal policies aimed at establishing international confidence in the Turkish economic arena. Thus, he aimed to secure a good deal with the international financial community and sustain close co-operation between the IMF and the World Bank as the providers of massive financial support for Turkey.

Ozal was undoubtedly a believer and supporter of economic liberalism. Yet, his brand of liberalism contained a number of unorthodox elements, judged by the standards of liberalism that dominate economic and political discourse in advanced democracies. There was however a certain similarity with his neo-populist counterparts in Latin America, such as Carlos Menem. His style of governance was characterized by weak commitment to democracy, institutions and the rule of law. Ozal's project of popular capitalism, through measures such as mass housing projects, sale of revenue sharing certificates and high interests for the savings of small investors, managed to incorporate

with considerable success the middle strata of the Turkish public as key stake-holders in a Thatcher-style project of popular capitalism.¹¹⁸

An important pillar of Ozal's project was his attempt to reinforce the ideological hegemony of the bourgeoisie by de-emphasising the class divisions in the society. The coinage of the term *orta direk* (i.e. the main pillar, or establishing a broader middle class), described the social basis of the party. It was a deliberately ambiguous term purporting to encompass as many sections of the society as possible. It is important to note that the rhetoric of *orta direk* was quite useful and functional at a time when the wage and salary earners were in a desperate situation due to their falling real wages. A series of "adjustment" policies were put into effect to cushion the severity of the reforms and also create a societal consensus in order to prove that the distributional impacts of the Ozal's policies were in fact not detrimental. This drive can also be seen as an extension of the dominant neo-liberal ideology in the sense that Ozal's innovative policies had the ideological purpose of contributing to the processes of atomization, leaving individuals on their own faith instead of expecting favors from the state.

No doubt, the achievement of these objectives could only be possible through variety of clientelist networks and informal safety nets. Clientelist networks in the municipalities played a significant role in providing compensatory mechanisms. Similar measures were also relevant for the urban poor living in *gecekondus* through property titles. For the wage and salary earners, VAT (Value Added Tax) rebates represented a crucial step in mitigating the drastic and continuous decrease in real wages and increasing unemployment. As Yalman and Boratav indicate, the political significance of these kinds

¹¹⁸ Onis, 21.

of favors to the orta direk was “to enhance the success of the hegemonic strategy, once again without necessitating short term sacrifices on the part of the Turkish bourgeoisie.”¹¹⁹

This situation marked the state’s reluctance, but at the same time willingness to defer some of its responsibilities in social welfare to the third sector, including all sorts of informal networks, safety nets, voluntary organizations and civil society in general. Rather than compensating through state’s social welfare provisions, Ortak Direk could be supported through various alternative societal welfare mechanisms. One aspect of this policy was to be more tolerant to the religious groups and Islamic networks. In fact there were two motivations behind supporting them. The first one originated with the military’s effort to support religious groups and give them more room for maneuver in the political and social realms (in contradiction to secularism) to prevent the resurgence of the radical leftist groups. At the same time, I believe more important than the initial one, Islamic values and virtues have always been important components of the social and cultural fabric in Turkey, and in Ozal’s mindset, these could work as a cushioning mechanism to lessen the severity of the neo-liberal reforms. As Erdogan puts,

Although as prime minister Ozal’s liberalism in terms of economic policies did not reflect in political realm in same degree, his concept of state was considerably liberal in terms of the goals of state and the relationship between individual and state, and he had a tolerant attitude toward Islam. These facts contributed to the development of civil-societal activities, especially among Islamists, in post-1984 years. During his presidency, Ozal challenged the official Kemalist ideals and introduced new issues to the public debate-issues that up to his

¹¹⁹ Korkut Boratav and Galip Yalman, “A Study in the Political economy of Structural Adjustment: Workers and Peasants during a Major Reorientation of Economic Policies: Turkey, 1980-1987., Research paper prepared for International Development Research Center (IDRC), Canada, 1989, 12-13.

time had been considered forbidden subjects to discuss. For example, he questioned the appropriateness of the state having an ideology, of the military controlling the policy of nation and of the Kurdish policy followed by previous governments. Moreover, being a devout Muslim, Ozal helped to change the official hostile policy toward Islam and religious people and normalized access of religious people to civil service jobs.¹²⁰

Sometimes, the "exceptional" appearance of the appearance of Islam in public and political realms is attributed to the government's favored conduct towards Islamic groups and activities: "Turgut Ozal... wanted to promote Islam in the country. Indeed, in forming the Motherland Party, he chose 'fundamentalists' as partners in early 1980s. Ozal saw himself as the person who could promote fundamentalism in the country...":¹²¹ A new social class grew as a result of the conscious efforts of Islamicists in the Motherland party government who provided the Islamicist bourgeoisie access to credit from official sources and many such firms benefited significantly from state-directed patronage and these companies, in turn, financially backed Islamist movements.¹²² To sum up, religious motives and their long standing significance in Ottoman and Turkish history were successfully used by the Ozal government and Islamic capital as well as Islamic networks through municipalities, which were seen as part of the hegemonic project.

Social Welfare under Ozalite Years

Looking at the change in the Turkish welfare state offers insights into Ozal's neo-liberal populism as well as his definition of *orta direk*, as the societal basis of the Motherland Party. The basic assumption behind Ozal's policy formation of Ozal and his

¹²⁰ Mustafa Erdogan, "Islam in Turkish Politics: Turkey's Quest for Democracy without Islam," Association for Liberal Thinking, Working Paper, 02/02/2005, 8-10.

¹²¹ Ayse Bugra, "Labour , Capital and Religion: Harmony and Conflict Among the Constituency of Political Islam in Turkey," *Middle Eastern Studies*, 38(2).

¹²² Erdogan 13.

neo-liberal creed had always taken for granted the potentials in the developing informal economy since the ISI period, as well as the society's potential to benefit from the networks and opportunities available in the informal realm. In other words, by creating sufficiently grey areas in the system, Ozal government assumed that society would establish its own welfare. In other words, the existence of social knowledge regarding the alternative social welfare mechanisms within the 'society' and also between the 'state and society' assured the state that the negative ramifications of the neo-liberal policies would be compensated and would not create social instability. For example, as an important dimension of the welfare mechanisms in the society, Ozal emphasized the role of the family insistently more than the individual. Many times he stated that family is the most important pillar of the social welfare in Turkey and added that in addition to the family solidarity, traditional social solidarity institutions should be provided more incentives. Within this mentality, Ozal government tried to shape the existing social welfare system in Turkey and privileged the free market system through promoting domestic entrepreneurs.

Transformations in the institutional structure and functioning of the Turkish welfare system, which is composed of both social security system (Bagkur, Retirement Chest and SSK) and public social security provisions both reflected the Ozal's restructuring attempts on these institutions. Not surprisingly, Ozal benefited from the a-political environment maintained by the military through suspension of unions, freezing of wages, banned trade associations and elimination of any kind of opposition in the system. Ozal's move was to get rid of the highly bureaucratic structure of the social security system. His basic motivation was to cut the managerial costs and indexation of

premiums to the inflation rate, as well as to create a more efficient system in terms of receiving premiums on a regular basis. One of his most striking initiatives was to support the entrepreneurial class and increase their rights in the social security system. While the regulation regarding Bag-Kur (self employed entrepreneurs) in 1970s did not include Bagkur dependents under any health coverage, in 1985, through law number 3235, they became eligible for health services. This was an important step for small entrepreneurs. In fact, this law also benefited the artisans and craftsmen, which were seen as part of the orta direk by Ozal. Nonetheless, despite a few and pragmatist developments in the social security system, as a result of the neo-liberal reforms, wage and salary earners experienced a 20% decrease in their incomes.¹²³

Even though Ozal declared that the number of employees in the public sector SEEs was going to be reduced in accordance to the neo-liberal reforms, he pursued populist¹²⁴ and pragmatist policies before the 1987 elections and interestingly between 1986-7, employment in the SEEs increased by 120.7%.¹²⁵ Doubtlessly, as a result of these policies, public expenditure increased significantly and in 1990, public expenditures constituted approximately 20% of the GNP of Turkey.¹²⁶

During Ozal's era, in addition to the financial problems experienced in the social security system due to the inefficiencies regarding collection of premiums,¹²⁷ another

¹²³ Tulay Arin, "The Poverty of Social Security: The Welfare Regime in Turkey," in The Ravages of Neo-Liberalism: Economy, Society and Gender in Turkey, eds. Nesecan Balkan and Sungur Savran (New York: Nova, 2002), 76-78.

¹²⁴ As explained in chapter 2, in fact this reflected Ozal's neo-liberal populist tendencies, continuation of populist policies within the neo-liberal program.

¹²⁵ While this number was 117.7% for male workers, it was 281% for female workers.

¹²⁶ Employment in the private sector also increased, but in a more moderate manner.

¹²⁷ Both in SSK and Bagkur, the employers were reluctant to pay the premiums. As a result, the state was compensating the deficit. But, as a result, the quality of the service was decreasing and these institutions were experiencing a deep bottleneck. Ozal did not take any steps in order to solve this problem.

negative aspect was the increasing de-unionization of the workers under social security system. In fact, the 1982 constitution brought many limitations for the union activities and these were supported through wage policies. Under Ozal's government, as an extension to the de-unionization activities, DISK (Confederation of Revolutionary Workers' Unions) was closed and many union offices were confiscated, union rights were banned or lost their functionality. While the number of unionized workers was 5.7 million and number of workers under SSK was 2.2 million before the 1980 coup, in 1990 these figures were 3.5 million for SSK workers and 1.9 for unionized workers. Obviously, the decrease in the number of unionized workers was dramatic.

Developments in the public social security provisions also reflected the neo-liberal tendencies of Ozal. On the one hand, it was believed that in areas such as health, education and social assistance, the state should step back and open the door to the privatization of these services. On the other hand, since public services have for a long time been provided by the state to strengthen the free market system. Until 1980s, the state's assistance and provision of public services had a negative impact on the private capital accumulation process. Nevertheless, Ozal was a strong opponent to this mindset. Inspired by Milton Friedman's thoughts, Ozal tried to create a public consensus to eliminate the minimum wage, by claiming that it leads to high unemployment.¹²⁸ This initiative met with tremendous public opposition, especially by the trade and artisan associations and unions (even though they were limited). Thus, Ozal had to take this suggestion back and assert that unemployment problem is going to be solved through supporting entrepreneurial class and achieving economic growth.

¹²⁸ Songul Sallan Gul, *Sosyal Devlet Bitti, Yasasin Piyasa!* (Welfare State Came to an End, Long Live the Market!), (Istanbul: Etik Yayınlari, 2004), 291.

Developments in the public social security provisions also reflected Ozal's special emphasis and support towards the Orta Direk. For instance, since public employees were considered as the center of the orta direk, in Ozal's second government program, he included a specific support mechanism called "family support scheme," which aimed to support the 'non-working' partner in the family. Also, in 1989, a new program called "child support" and approximately 1.3 million public employees benefited from this program. In contrast the percentage of social assistance under total expenditure decreased from 3.5 in 1980 to 2.2 in 1986. Moreover, given the fact that approximately 96% of all social expenditures are allocated to the retirement benefits, during Ozal's term, in accordance with the neo-liberal policies, the retirement age was increased in SSK workers from 51.2 to 53.8.¹²⁹

Key areas under public social security provisions such as education, health and housing were initially negatively affected from the Ozal's policies. In the case of education, starting from 1980, the amount of resources allocated for education decreased. Instead, Ozal government created incentives for the privatization of education. In 1986, the first private university, called Bilkent University has been founded by İhsan Dogramaci. Until 1990, the share of education under the development plans decreased and Ozal permitted the mobilization of religious foundations and sects in building private education facilities. In the case of health, there were similar tendencies. While the public investments in health decreased considerably, the role of the private sector increased gradually in health services. Between 1982-1990, health expenditures in the budget

¹²⁹ Sallan Gul, 292-3.

decreased from 4.2% to 2%. Moreover, the number of people benefiting from the health services increased from 16 million to 27 million during the same era.

Briefly, Ozal's neo-liberal measures successfully benefited from the ambiguous, malfunctioning and contradictory natures of the Turkish welfare regime. The system was ambiguous because there was a lack of coordination and harmony among the institutions and they were very prone to manipulation as well as politicization. Thus Ozal preferred to support some key segments of his social constituency through this system. It was definitely a pragmatist and practical way in the sense that there was no time and available resources as well as ideological opening in neo-liberalism favoring the redesigning and restructuring of the existing system. The system was malfunctioning and contradictory in many ways. For instance, 90% of the entire population was covered by one of the central social insurance funds (either personally or as dependents except for the state employees and unionized workers whose premiums have been deduced automatically). But, as for the employers and self-employed, their premiums for social insurance increased dramatically because of increasing inflation and they ended up with not paying contributions for their workers. Similarly, self-employed people under Bag-Kur started not to pay their premiums on a regular basis even though it was compulsory.

I think this is one of the best examples of the populist nature of the Ozal's reforms which created grey areas and incentives for the people to manipulate these grey areas. For Ozal, rather than bringing direct social services, laws could be passed or even bypassed in order to invigorate the alternative societal welfare mechanisms. As mentioned before, this was more like a silent contract between the state and the society and also within the society. In this way, the Orta Direk could be protected and kind of social unrest would

have been prevented despite the fact that people were worse off. In fact, Ozal's approach to housing reflects how the state benefited from the existing housing patterns, gecekondus, which have been formed during the rapid urbanization of the ISI period. Ozal's approach contained key state spatial strategies, which targeted the urban poor's gecekondus, as one segment of the Orta Direk which has a significant voting potential. Now let us see analyze the manifestation of Ozal's neo-liberal populism in the gecekondus and how the state was able to manipulate and regulate this space as a way of distributing urban rent not only to the gecekondu dwellers but also to the Orta Direk and also the increasing domination of the big capital.

From Communal Spaces to State Spaces

What was the implication of Ozal's policies for the gecekondus and the housing market? The neo-liberal policies and populist tendencies together ended up with the transformation of the nature and the function of gecekondus. But, how did this transformation occur? One way to have more control, regulation and intervention on the gecekondu land was to decentralize the existing centralized state apparatus and better utilize the municipalities. In fact, decentralization efforts started when Ozal was serving as the minister of economy of the transitional government of the military period. While implementing the neo-liberal policies, the military government also imposed a plan to decentralize Turkish governance. They created a system for the local election of mayors and the development of administrative capacity building for the municipalities. As Keles argues,

T]he recent reorganization in metropolitan areas did not achieve very well its major goals which consisted of providing a more efficient local administration in Istanbul, Ankara, and Izmir, and increasing public participation which is a fundamental component of democracy. The inability to reach these objectives was due to the excessively centralized character of the Turkish administrative system and not because of the intentions of the reformers who were in fact firmly determined to decentralize the system. Despite the fact that locally elected city councils were established and separate mayors were elected in these sub-units, the power to allocate the resources remained with the central government and its representatives in the field.¹³⁰

To reiterate, as argued by Keles, decentralization efforts did not lead to what Jessop would call the “hollowing out” of the nation-state. City mayors and municipal leaders gained more authority and responsibility, but their capacity to maneuver was still limited. They were still dependent on the political party organization, and beyond that they were still on the orbit of the central government.

The importance of the decentralization process was that unlike the governments of the 1960s and 1970s, Ozal government chose to intervene in the gecekondus and the most efficient way was to collaborate more with the city mayor and municipal leaders, who were strictly dependent on the central government. In other words, through decentralization, state regulation on the gecekondu land would be much effective. Moreover, decentralization could also be seen as a reflection of the state’s concern to secure the implementation of the laws and to redistribute urban rent more efficiently to different social groups, such as gecekondus, middle classes and big construction companies.

¹³⁰ Ruşen Keleş, Kentleşme Politikası (Policy of Urbanisation), (İmge, Ankara, 2004), 46-50, My translation.

There were several dynamics behind the state's desire to intervene the gecekondu land. Firstly, even though in a slowed down version, urbanization process was still on. In 1985, approximately 50% of Istanbul's population was living in gecekondus and this percentage even increased further during the course of 1980s and in 1990, it was 65%.¹³¹ Ozal defined the urban poor living in gecekondus as a part of the Orta Direk. As an important group of the "periphery," gecekondus and new immigrants were holding significant voting potential. For this reason, these groups should have been kept happy and their housing need had to be met soon.

Secondly, Mass Housing and Investment Administration (MHIA) has been founded in 1984 and the main target of this institution was to provide subsidized credit to the "cooperatives." Cooperatives were mainly the formal housing policy of the state for the middle income groups. By subscribing and paying premiums on a regular basis, middle income groups had the opportunity to own an apartment in one of the cooperatives. The 1980s were seen as the cooperative decade and it is estimated that of the total number of housing cooperatives between 1941 and 1991, 79% originated from the post 1980 era. It is not so easy to claim that cooperatives worked for the desired purposes. Even though the state channeled huge sums of resources to cooperatives, there was neither any systematic supervision, nor any regulation of the expenditures and productivity of the cooperatives. They were most of the time managed by inexperienced people. As Pinarcioglu and Isik argue, the explosion of cooperatives especially during the second half of 1980s could be conceived as the state's support for the middle income

¹³¹ Ayse Bugra, "Immoral Economy of Housing in Turkey," International Journal of Urban and Regional Research, December 1998, vol. 22, no. 4, pp. 301-303.

groups through distributing urban rent. Thus, the state believed that the middle income groups' economic losses could be compensated indirectly in the housing market.¹³²

The implication of this policy for the gecekondu land was that the cheap peripheral land on the outskirts of the cities (especially Istanbul), in which gecekondu settlements were densely populated, became an attractive space for the construction of cooperatives. Obviously, this created a further pressure on the gecekondu land available for the new immigrants to occupy as happened during the 1960s and 1970s. As an outcome of the decentralization and increasing instrumentality of the municipalities, gecekondu land belonging to the public, not yet inhabited, began to be marketized to the cooperatives.

Thirdly, cooperatives were not the only factor which increased pressure on the gecekondus. Private investors were also eligible for the subsidized credit. Through municipal land development and construction plans, which were originally designed to cover irregular settlements, uninhabited peripheral land, including forests and water reservoirs, began to be marketed to the big construction companies. The priority of these big construction firms (representing big capital) was to serve the demands of the *nouveau riche* in their housing preferences and in general consumption patterns. Thus, peripheral gecekondu land on the outskirts of the city has now begun to be marketed to construct isolated, gated and high security luxurious housing complexes for the *nouveau riche* and furthermore five star hotels, shopping malls and trade and exhibitions centers.

¹³² In fact, this was not only limited to the middle income groups, but also to the urban poor and also nouveau rich, hence increasing dominance of big capital.

What was the Ozal governments' approach to the existing gecekondu land which was even under more pressure because of new immigrants? Similar to the subsidized land which was commercialized and marketed to the cooperatives and big construction companies, the state's solution was to create the suitable conditions for the commercialization of gecekondus. Let us firstly see how this happened and then look at the repercussions of this strategy.

Legalization and Commercialization of Gecekondus

In fact, the state's approach to gecekondu reflected Ozal's commitment to the neo-liberal ideology. As opposed to ideology of the ISI era, Ozal defined the gecekondu land as a commodity, which can be bought and sold in the market. In order to increase the efficiency of the gecekondu, Ozal believed that it should first be legalized and then commercialized. In this way, he aimed to achieve several objectives, conforming to the neo-liberal ideals and to the new populism. Ozal proposed and implemented several new amnesties packaged under a neo-liberal agenda. He knew that he needed to keep the "periphery" happy in order to be elected. Therefore, he chose opportunistic / pragmatic policies regarding the squatters just like his predecessors. The combination of opportunistic housing reforms and neo-liberal policies were implemented in such a way that it left some people rich from their squatter land speculations and investments while leaving others out of this rent distribution process completely.

The first action of the ANAP government regarding the squatters was to extend the squatter amnesty law that the military government had passed in 1983. The new squatter amnesty Law Number 2981 passed less than a year after the military's amnesty. Ozal thus sent a clear signal to the *gecekondus* that he had no intention of punishing them

for the unrealistic filing deadline and stringent code requirements included in the previous military's amnesty. Law Number 2981 gave the squatters another chance to seek formal recognition of their homes. The government started to hand out Title Appropriation Certificates (*Tapu Tahsis Belgesi*), documents that are given to geckondus who reside on public property, which, if approved, entitles them to a plot of land. The document was distributed as an entitlement and later would turn into a title when the municipalities finished their master plans for the cities. The geckondus settled on public land were entitled to up to 400 square meters (4300 square feet) of land to be granted by the authority of the municipal or provincial government.

Like the others before it, this law was not adequately implemented. The process was bureaucratic and cumbersome. There was a requirement that plans made by sub-municipalities and the metropolitan municipalities would have to be approved by the provincial governors and then sent to the Ministry of Reconstruction and Resettlement to be approved before any squatter could legally obtain their titles. Although, the Title Appropriation Certificates were important in guaranteeing rights to land, they were not a guarantee of the right to the particular land the squatters were living on. The squatters had to wait for years before finalizing their title transactions with the government under this new law.

To decrease pressure in the housing market due to increasing migration and also spatial transformations within the city, a new construction law took away the authority of approval for planning from the central government and gave it to local elected government in 1986. The logic behind the new policy was to make the system more

efficient and market friendly through decentralization. The mastermind behind the laws passed at the time was İbrahim Özdemir. He defined their intentions:

The construction law from the 1950s governed Turkey centrally. Let us say that you were going to build four buildings. This could be a business or an apartment unit. If it got approval by the municipality, it would go to the Ministry of Reconstruction and Resettlement. They had planning units there and they had to take those plans, do its research, and had a waiting period. If you did not know someone there, sometimes it would take years to get the final approval. We thought this was the reason for unscrupulous development and squatting in Turkey. I directed the study [for the proposal] on new construction laws [during the 1980s]. We took all the authority from the central government and gave it to the elected mayors and councils of the municipalities. There was such a [negative] reaction [to decentralization] then. Because, construction has profiteering and money involved with it, they said there would be bribery and fraud. Our response was that up until then there was a small group of people [in the central government] who had control over this process and they worked behind closed doors. Instead, we are giving the authority to elected officials who have the actual mandate from the people to manage planning.¹³³

Under the leadership of Özdemir, ANAP government, passed additional laws in 1986 and 1987 (Laws Number 3290 and 3366) giving the squatters on public land their titles without waiting for the planning to be finished, provided that they paid land fees to the municipalities. The biggest benefit for the squatters was that when they obtained this title they had the possibility to obtain permission to build an apartment complex up to four stories high on their land, after a development plan had been prepared by the municipality. These laws passed under the ANAP government not only promoted decentralization, but also gave the squatters with these certificates certain upward mobility.

¹³³ Ilgu Ozler, "Squatters Stand Up!" Paper Presented at the Koc University, January, 2003.

These laws passed under the ANAP government had two major effects. First, these laws gave more power to the local authorities to enforce rules and regulations. The intention was to make the system more efficient. This allowed local forces of the national political parties to provide services directly to the squatters in order to get their support. For example, in Ankara, while new illegal establishments declined in number relative to those in Istanbul, but the ad hoc process of the system was not altered. According to the Director of the Metropolitan Municipality Planning Division in Ankara:

after 1986 illegal building has been negligible . . . Those that are illegal appear when people build additional floors to their homes in order to accommodate family members. However, those are caught, documented and fined. They have a demolition order against them. Yet, [the municipality] cannot demolish them . . . The problem is that the planning law have given rights up to four stories. He builds two stories. Yet, the city's master plan and his building do not match [with the extra floor that he had built]. This is not Istanbul. In Istanbul, these problems are very different. When they make the plans there, there are pressures on the municipalities. Here the citizens did not put any pressure . . . Because, their biggest need was to own the land that they lived on. This law provided more than that; therefore, the citizens did not have a reason for quarrel. For the squatters, first goal is to own the land they live on. Now, the second goal is in the long run to have a land that will bring in more profits economically. Even though the public did not ask for profits, the municipal council members demonstrated to the public what the public did not perceive. [The technical staff] made plans allowing up to two floors but the municipal council members gave permission for three or four stories. They raised their hands [voting] to look sweet to the public.¹³⁴

The law not only legalized the squatter housing, but also created an environment in which some squatters could profit by converting their original homes into condominiums, by giving their land to professional developers in return of up to 50% of the apartment units

¹³⁴Ilgu Ozler, "Squatters Stand Up!" Paper Presented at the Koc University, January, 2003.

of that building. In Ankara, the local council members gave the squatters more than they had asked for when they made the housing plan. The local politicians wanted to collect support for the political parties to the dismay and opposition of the technocrats. They were given permissions to build up to four stories even where the urban plans would not allow for such developments.

A second and related effect of the law has been on the relationship between the current and future squatters. The government declared that the squatter housing built after 1985 would not be given amnesty under any circumstances. Since the last amnesty, those squatters who obtain titles and the developers who convert their property into condominiums have had an interest in selling or renting the property, while potential squatters want access to land. This creates a division of interests between the two groups weakening the common interest between the old and potential squatters in terms of what they want from the government. It also creates a self-check mechanism where the older squatters prevent new squatting.

Yet, these laws have had differential outcomes in Istanbul and Ankara. While Ankara has ample land faced a slower rate of immigration, in Istanbul there is an increasing demand for land with shrinking supply. In Ankara, the self-check control mechanisms started to function as old squatters and profiteers controlled the ownership of the land. In İstanbul, however, other forces took effect in controlling land market. Murat Karayalçın, an ex-mayor of Ankara from the center-left, reflects that it is the old squatters that control squatting in Ankara, as opposed to the mafia in İstanbul:¹³⁵

[mafia] is not as developed [in Ankara] but it is in İstanbul where the profits are very high. The gecekondus

¹³⁵ This term is loosely used among Turks to define individuals or groups who develop, sell, rent and protect illegal land in the cities.

are no longer built for the purposes of housing a citizen without a home. No one can build a squatter home any more at will. Not because the government stops you, but because the mafia will stop you. Mafia draws up the plots, and even does the zoning. They do very interesting work. They provide protection and use guns against the law enforcement. They have an incredible organization. These results are natural in Istanbul. [In order to stop profiteering] you can either recover the profits or divide them up among the people or you can diminish profits by increasing the supply of land. This is what we did in Ankara. We have a tradition in Ankara among the Mayors. Ankara needs 25 thousand homes per year. We developed land in Ankara that would meet the demand of 25 thousand and prepared the lots with different development projects. This is why there is not much profiteering in Ankara and there is in Istanbul¹³⁶

In Istanbul, because of the limited supply of land and high migration into the city, old squatters and other illegal developers rather than individual squatters have been able to take control of the land and they sell the land or rent it to new arrivals. A different type of squatter arises from this process where the invader, builder and the occupant are no longer the same person.¹³⁷

“Poverty in Turns” (rotating poverty) and the Consequences of Commercialization

Commercialization of gecekondus had many effects on the nature of the gecekondus. Initially, it created a mechanism, which was called “poverty in turns” by Pinarcioglu and Isik¹³⁸ in order to explain the coping mechanisms of the urban poor, and

¹³⁶ Sule Ozler, “Squatters Stand Up!” Paper Presented at the Koc University, January, 2003.

¹³⁷ Sema Erder, *Istanbul'a Bir Kent-Kondu (A City Built in Istanbul)*, (Iletisim Yayıncılık: İstanbul, 1990), 260-3.

¹³⁸ Melih Pinarcioglu and Oguz Isik, *Nobetlese Yoksulluk (Poverty in Turn)*, (Iletisim Yayıncılık: İstanbul, 2000)

later intensively borrowed by the other scholars who studied the *gecekondu* phenomenon in Turkey.

While the initial *gecekondu* dwellers were much more flexible in terms occupying land, reaping the benefits of larger amount of land and gardens, producing their own vegetables and even feeding their animals, increasing *gecekondu* population and the relative decline of available *gecekondu* land on the outskirts of the city caused an increasing demand and the new comers had less and less opportunities to have their own *gecekondus*. As Bugra indicates, the initial instigator of the commercialization is the increasing percentage of tenants on the *gecekondu* land. For Istanbul, this was 24.3% at the end of 1980s and beginning of the 1990s, but it increased to 32.2% in the midst of 1990s.¹³⁹ Another indicator was that even though some of the late migrants had the opportunity to have their own land, this did not happen in the same way as it did for the second and third wave of immigrants. In contrary, as Karayalcin indicated above, they had to buy the same land from a real estate agent (most of which were under the control of the land mafia) or from a person who initially appropriated it.

In very simple terms, the poverty-in-turns was a partnership among the migrants trying to survive in the city. More precisely, it was a relational network between the initial *gecekondu* dwellers who have more privileged and advantaged positions and the late comers, who were more vulnerable to the uncertainties and complexities of the city life. In that regard ‘poverty-in-turns’ was a relational network and also a strategy pursued by the initial dwellers to transfer their poverty to the new comers. These networks, in essence, were based on unequal power relationships and commercialization of them made

29 Bugra, 307.

these asymmetric relations more obvious. Poverty-in-turns was a strategy to share poverty, but as mentioned before, not all the groups reaped the benefits on an equal basis.¹⁴⁰

The networks of reciprocity during the 1960s and 1970s, even in the early 1980s provided the necessary space for the migrants to struggle in the informal sphere because of their low possibility of getting into the formal mechanisms. Nonetheless, through commercialization of *gecekondus*, these reciprocity networks which used to reflect the communal nature of the *gecekondus* based on solidarity have begun to be transformed, too. The initial horizontal relations among the *gecekondu* people turned out to be a hierarchical one, because *gecekondus* started to be seen not only as shelters, but also as a mechanism to earn money and increase socio-economic status.

In order to benefit more from the increasing rent, the *gecekondu* owners had an incentive to upgrade their dwellings and sell them (mostly to the mafia), or rent them to the new comers. Even some of the *gecekondu* owners preferred to demolish their *gecekondus* altogether and build an apartment building instead, so that they could rent to more amount of people. This situation inevitably caused a decline in the environmental quality of the *gecekondu* land, however beyond that the perception of *gecekondus* as a shelter that play an important role in the integration of migrants to the city has changed considerably and *gecekondus* came to be seen as an instrument to control some of the urban rent.

¹⁴⁰ During the second half of the 1980s, Kurds experienced a forced migration and when they migrated to big cities, they didn't come up with the same opportunities as the initial dwellers did.

To sum up, one can claim that transformation of the nature of gecekondus reflected the transformative capacity of the neo-liberal reforms implemented under Ozal government. For the early immigrants, commercialization of gecekondus, as well as getting titles for them definitely put them in a privileged position. By selling their property or building an apartment and renting some rooms to the new comers, they were able to increase their socio-economic status. These incentives were also pointing out the increasing importance of maximization of individual gains over other bonds mentioned earlier, which kept the networks of reciprocity alive. In other words, while the initial dwellers increased their socio-economic status and integrated themselves to the middle income group (Ozal's orta direk), the ones who entered the networks in the later stages had no more chance to articulate themselves to the remaining networks. There were two dimensions for this, firstly the earlier networks were no longer open to new comers because the initial gecekondu land was now converted into smaller units in the form of upgraded buildings, apartments and condominiums consisted of different "individuals" or "families" who do not have any dependence to each other than being neighbors. The second aspects reason was the increasing radicalization of some networks by some religious sects or political groups, who were extremely inward-oriented and the new comers were pushed to submit themselves into the control of such more hierachal social networks to be able to survive and receive the social support in a built/social environment much dominated by the harsh realities of market economy.

In other words, the Turkish case showed that non-formalized relations of generalized reciprocity might turn into negative reciprocity networks and moreover, the latter is likely to extend to the realm of the market and lead to an emergence of a

particular ‘immoral economy’ framework. Thus, instead of the membership in the reciprocity networks defining the substance of the (urban) citizenship as it has happened during the course of 1960s, 70s and early 80s, in the late 1980s and early 1990s, land title started to define a formal citizenship, which signaled the end of the dweller’s attachment to the gecekondu and provided opportunity for upward socio-economic mobility. nevertheless, this upward mobility happened through an immoral mechanism, which we refer as negative reciprocity and the drive towards maximization of material gain in this process depended on unequal power relations between different actors, such as early gecekondu dwellers who invaded public land who got titles through populist policies and received material benefits through exchanging this land in the market; land mafia who became interested in the increasing urban rent in the gecekondu areas and started to dominate the market for gecekondu by purchasing from the initial dwellers, occupying new public land and building apartments; and finally the new immigrants who were left vulnerable to poverty because of the decaying networks of reciprocity and increasing difficulties to find a shelter in the city and facing mafiosi or more hierarchical relations to survive.

To summarize, during the neo-liberal period of Turkey, gecekondus have been transformed from communal spaces to state spaces indicating that, unlike their ignored, marginalized and communal nature during 1960s and 1970s, gecekondus became the policy arena for the state’s neo-liberal populist strategies. Both neo-liberal and populist policies had deep impacts on the nature of the gecekondus, meaning that the initial generalized reciprocity based on social legitimacy transformed into a negative reciprocity due to the commercialization of gecekondus.

Chapter 6

Conclusion

This thesis is situated in the literature which focuses on the impacts of neo-liberalism on societies. Implementation of neo-liberal restructuring programs based on market oriented liberalization reforms, by the developing countries not only rendered the economies vulnerable to the financial crises due to the volatility of the capital flows such as Turkey, but also exerted a pressure on the society because of the limitations on the social services and expenditures in the IMF programmes.

The capacity of the Turkish state to provide welfare benefits and social programs for its citizens has never reached the levels of the welfare regimes in the Western world. Furthermore, the welfare regime of Turkey has experienced a further retrenchment due to the successive IMF based austerity programs during the 1980s and 1990s. Nevertheless, unlike some of the Latin American countries such as Argentina, which experienced massive revolts, protests and civic unrest after the devastating crises of 2000 and 2001, social cohesion in Turkey has remained stable despite deteriorating socio-economic indicators and macroeconomic variables, such as increasing income gap, decreasing GDP per capita, decreasing real wages and increasing poverty. This thesis looked at the dynamics behind this situation more specifically in the case of illegal housing in Turkey's big cities such as Istanbul, Ankara and Izmir.

Gecekondus has been visible on the outskirts of cities since Turkey's initial encounter with rapid urbanization process during the course of 1950s. This period could be characterized as the innocent period of gecekondus. Squatting on the public land was

officially a crime; but from the state's point of view, there was no other alternative other than turning a blind eye to the illegalities and informalities exercised by the *gecekondus* because of potential social costs. Marginalized from the urban society both in terms of their life styles and their rural background, early *gecekondu* dwellers stayed segregated from the city life and inhabited the peripheral land on the outskirts of the cities, on which they produced their own communal space. One striking characteristic of this communal space was the intensity of reciprocal activities among the *gecekondu* dwellers during the occupation, construction and later stages of their experience in urban land. The networks based on family and kinship relations, ethnic background, common place of origin and neighborliness reinforced more reciprocal activities and solidarity in the *gecekondus*. The marginalized outsiders in the city, they were the manifestation of Turkey's urbanization failure.

The Turkish state's 'permissive policies' during 1960's and 1970's reflected populist tendencies as increasing number of *gecekondu* dwellers became a significant voting potential. There was no systematic state strategy towards *gecekondus* other than ignorance and allowing them continuing their subsistence in their communal space. Classical populist moves, such as allowing more land invasions by the immigrants and bringing some social services such as sanitation, electricity and water on the eve of elections were common. This was considered sufficient to buy their votes.

What has changed in 1980s, during when the Ozal government started to implement neo-liberal reforms? Unlike the attitude of the state towards *gecekondus* in the pre 1980 period, the Turkish state's strategy towards the *gecekondus* turned part of a broader neo-liberal populist ideology. The second half of the 1980s witnessed several

laws pertaining to the legal status of *gecekondus*. By passing these laws, the state tried to serve two objectives, one neo-liberal, the other populist. While the first one served the large holdings and their construction firms who were seeking new spaces for capital accumulation, the second one served the *gecekondu* dwellers, allowing them to upgrade their irregular settlements up to four storey buildings. Thus, the state opened the door for commercialization of *gecekondus*. By selling *gecekondus* to construction firms or upgrading the existing *gecekondus*, supply began to exceed demand and a market emerged for *gecekondu* housing, which could serve the new immigrants as well as the other inhabitants in the city.

The neo-liberal regulation of *gecekondu* land and creation of market relations can be seen as the application of the first half of Polanyi's one of famous phrases, which is "*Laissez-faire* was planned, but planning was not." The state's spatial strategies on the *gecekondu* land worked for two purposes. First, it facilitated the increase of accumulation of capital, and second promoted Ozal's hegemonic project by creating a rupture among the *gecekondu* dwellers, some of whom joined the middle income groups after commercialization of their land. Nevertheless, the ones who were not as fortunate as the earlier migrants were marginalized further and joined even more radicalized Islamic networks.

The first chapter reflected the inadequacy of Polanyi's characterization of the forms of integration to explain the above mentioned situation. The positive side of the *gecekondu* phenomenon indicated that, especially in Turkey's post-1950 history, in contrast to Polanyi's characterization of the three forms of integration (reciprocity, redistribution and exchange) which sets sharp boundaries between them, the *gecekondu*

phenomenon in Turkey showed that these forms of integration not only exist simultaneously with different proportions in every society, in fact they also interact with each other. As in the case of Turkey, the formal redistribution system supported by the networks of reciprocity in the informal realm during 1960s and 1970s and became a cushioning mechanism to the rapid, unprecedented urbanization process in Turkey. Moreover, in the neo-liberal period, in addition to the existing networks which have played a crucial role in protecting livelihood of the society, they have also begun to be transformed. The emergence of exchange relations in the housing market for *gecekondu* led to more individualization through substitution of some *gecekondus* with apartment buildings and parcellation of the communal space into smaller units. As I have argued this became a supplementary mechanism to the formal welfare regime of Turkey by providing subsidized housing opportunities to new comers and the losers of neo-liberalism in the city.

As an extension to the commercialization and legalization of the *gecekondu* land through state strategies, the state also influenced the internal dynamics of the networks of reciprocity. The state's spatial strategies towards the informal land were changing the nature of the communal space to a state space on which "non-contractual organization of kinship, neighborhood, profession, and creed were to be liquidated since they claimed the allegiance of the individual and thus restrained his freedom."¹⁴¹ In other words, while the initial conception of *gecekondus* was characterized by strong social ties between dwellers and the networks of reciprocity, through the state's involvement and commercialization,

¹⁴¹ Polanyi, 163.

gecekondus started to be populated by individuals, who were identified with their titles for their land.

The negative side of the story tells us that the decaying strength of the networks of reciprocity on the *gecekondus* did not provide the same opportunities to all *gecekondus* dwellers. As explained in chapter 4, the earlier dwellers obtained the largest share, whereas the ones who integrated the system in the later stages only benefited from low rents and employment opportunities in the informal sector according to the networks established in terms of hometown, religious identity or ethnicity. Moreover, the increasing rent in the informal housing market led to the emergence of land mafia as well and through occupying inhabited land or buying *gecekondu* land from the dwellers. Many immigrants had to deal with the mafia in order to buy or occupy *gecekondu* land in the later stages of *gecekondu* phenomenon in Turkey. What was unfortunate was that this was indicating the transformation of initial networks of reciprocity as a way of social integration, to negative reciprocity on the *gecekondu* lands due to commercialization.

By using Brenner's terminology, chapter 2 proposed to define *gecekondus* as state spaces, and given that the state's role was extremely significant in transforming the nature of *gecekondus* as well as transforming the nature of reciprocity relations, this is a fair claim according to Brenner's definition. *Gecekondus* as the arena for state's policies in the informal realm and supporting –or according to some scholars even replacing - the formal welfare mechanism became a state space, which is regulated by the state. Being a state space also meant that, in countries like Turkey, the insufficient state capacity in providing a formal redistribution system could be supported by different forms of reciprocity. It should, however, be noted that forms of reciprocity can only support the

formal mechanism on a temporary basis. Even though *gecekondus* could be defined as state's spaces in Brenner's terms, the potential of *gecekondus* to further resist and provide livelihood in different forms is not guaranteed. Even though both the rapid urbanization and the neo-liberal periods were handled through the potentials in the informal realm, the current situation shows the urgent need for social policy to alleviate new forms of poverty.

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Appendix A-1
Transformation of Gecekondus from Communal Spaces to State Spaces

	before mid 1980s	after mid 1980s (neo-liberal period)
	communal spaces	→ state spaces
nature of the gecekondu spaces	non-commercialized use value>exchange value occupier, builder and user are same	commercialized, exchange value>use value occupier, builder and user are differentiated (the gecekondu settler becomes a buyer from these private entrepreneurs)
actors on gecekondu spaces	rural immigrants, seen as the other, who do not belong to the city, coming from similar locations (neighbourhoods formed on the basis of the geographical and ethnic origin)	rather than the other, began to be seen as potential entrepreneurs (poverty in turns), middle class workers and public employees, upper middle and upper classes (new riches), (especially with the transformation of the land occupied by first wave of immigrants into multi-storey apartment buildings) + (the second generation is more actively involved in urban life)
nature and scale of capital involved in development	small & medium sized entrepreneurs + the gecekondu settlers themselves	big capital (either individual entrepreneurs or large scale construction firms)
instruments for state (spatial) strategy	ignorance, relative social stability during isi period.	decentralization (municipalities as key actors) passing gecekondu amnesty laws to create new incentives on gecekondu land (gecekondu amnesty laws)

Appendix A-2
A Spectrum of Political Parties in Turkey

Center Left	Center Right	Radical Right
CHP= Republican People's Party (1930-present), also used SODEP. and SHP	DP = Democrat Party (1946-1960), AP= Justice Party (1961-1980)	MHP= Nationalist Action Party (nationalist) (1969-present) with interruption
HP = Populist Party (1983-87)	ANAP= Motherland Party (1983-Present)	MSP = National Salvation Party (Islamist, populist) (1973-1980), RP = Welfare Party (Islamist, populist) (1983-1997), FP=Virtue Party (Islamist, populist) (1997-2001)
SODEP = Social Democracy Party(1983-87)	DYP = True Path Party (1987-Present)	AKP=Justice and Development Party (2001-present), moved to center-right after 2002 elections
SHP=Social Democratic Populist Party		SP=Felicity Party (2001-Present)
DSP = Democratic Left Party (1987-present)		

Appendix A-3
Urban and Rural Population

YIL YEARS	Toplam Nüfus Total Population	Kent Nüfusu (1) Urban Population (1)	Kent Nüfus Oranı (%) Proportion of Urban Population (%)	Kır Nüfusu Rural Population	Kır Nüfus Oranı (%) Proportion of Rural Population (%)
1970	35,605,176	10,221,530	28.7	25,383,646	71.3
1975	40,347,719	13,271,801	32.9	27,075,918	67.1
1980	44,736,957	16,064,681	35.9	28,672,276	64.1
1980	50,664,458	23,238,030	45.9	27,426,428	54.1
1990	56,473,035	28,958,300	51.3	27,514,735	48.7
2000	67,420,000	39,815,727	59.1	27,604,273	40.9
2001	68,529,000	40,881,741	59.6	27,647,259	40.4
2002	69,626,000	41,953,824	60.2	27,672,176	39.8
2003	70,712,000	43,033,989	60.8	27,678,011	39.2

Source: State Planning Organization, Turkish Economy in Numbers: Developments between 1980-2001 and Expectations for 2002-2005. SPO Web Site available at <http://www.dpt.gov.tr>

Table Four - The Population Covered by Social Insurance Programs (1950-2002)

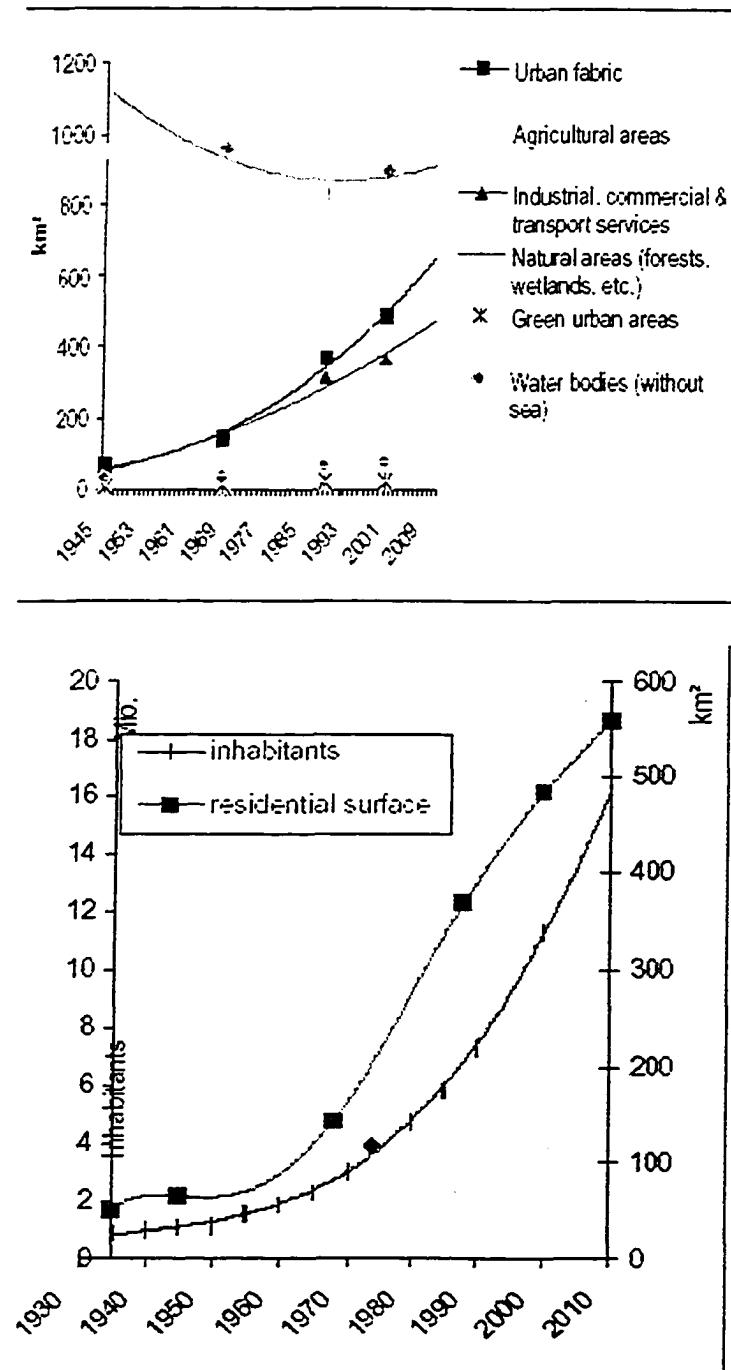
INSTITUTIONS	1950	1960	1965	1970	1975	1980	1985	1990
I. THE PENSION FUND IN TOTAL	841,342	1,612,385	2,485,488	3,300,481	4,413,901	5,384,620	5,795,647	6,445,900
1. Active Insured	199,825	359,303	548,383	823,829	1,092,000	1,325,000	1,400,000	1,560,000
2. Pensioners (retired, invalid, widow, widower, orphan)	9,302	61,862	96,286	180,895	340,699	454,016	597,207	706,202
3. Dependents (1)	632,215	1,191,220	1,840,819	2,295,757	2,981,202	3,605,604	3,798,440	4,179,698
II. THE SOCIAL INSURANCE INSTITUTION IN TOTAL	-	-	3,835,055	5,783,854	8,236,422	10,674,172	13,576,258	19,487,970
1. Active Insured	-	-	895,802	1,313,500	1,823,338	2,204,807	2,607,865	3,286,929
2. Voluntary Active Insured (2)	-	-	-	-	-	-	-	300,000
3. Active Insured in Agriculture	-	-	-	-	-	-	18,300	74,407
4. Pensioners (retired, invalid, widow, widower, orphan)	-	-	54,590	145,446	289,870	635,815	1,070,681	1,596,634
5. Dependents (1)	-	-	2,884,663	4,324,908	6,123,214	7,833,550	9,879,412	14,230,000
III. THE SOCIAL SECURITY INSTITUTION OF CRAFTSMEN, TRADESMEN AND OTHER SELF-EMPLOYED IN TOTAL	-	-	-	-	3,270,570	4,540,317	8,000,756	11,332,686
1. Active Insured	-	-	-	-	816,555	1,100,500	1,681,747	1,967,379
2. Voluntary Active Insured	-	-	-	-	-	-	-	106,019
3. Active Insured in Agriculture	-	-	-	-	-	-	244,818	752,075
4. Pensioners (retired, invalid, widow, widower, orphan)	-	-	-	-	4,350	138,317	294,496	595,889
5. Dependents (1)	-	-	-	-	2,449,665	3,301,500	5,779,695	7,911,324
IV. THE PRIVATE FUNDS IN TOTAL	-	-	48,280	84,490	115,872	196,130	288,977	312,186
1. Active Insured	-	-	20,000	35,000	48,000	77,737	76,778	84,072
2. Pensioners (retired, invalid, widow, widower, orphan)	-	-	-	-	-	11,943	21,230	32,409
3. Dependents(1)	-	-	28,280	49,490	67,872	106,450	190,969	195,705
V. GENERAL TOTAL	841,342	1,612,385	6,368,822	9,168,825	16,036,765	20,795,239	27,661,638	37,578,742
1. Active Insured	199,825	359,303	1,464,185	2,172,329	3,779,893	4,708,044	5,766,390	6,898,380
2. Voluntary Active Insured	-	-	-	-	-	-	-	406,019
3. Active Insured in Agriculture	-	-	-	-	-	-	263,118	826,482
4. Total Active Insured	199,825	359,303	1,464,185	2,172,329	3,779,893	4,708,044	6,029,508	8,130,881
5. Pensioners (retired, invalid, widow, widower, orphan)	9,302	61,862	150,876	326,341	634,919	1,240,091	1,983,614	2,931,134
6. Dependents (1)	632,215	1,191,220	4,753,761	6,670,155	11,621,953	14,847,104	19,648,516	26,516,727
VI. RATIO OF INSURED POPULATION (%)	4.0	5.8	20.3	25.8	39.7	46.5	54.6	66.3
VII. TOTAL POPULATION	20,947,188	27,754,820	31,391,421	35,605,176	40,347,719	44,736,957	50,664,458	56,709,000

Source: State Planning Organization
<http://www.dpt.gov.tr>

Table Four Continued

INSTITUTIONS	1995	1996	1997	1998	1999	2000	2001	2002
I. THE PENSION FUND IN TOTAL	8,123,887	8,787,671	8,944,002	9,243,704	9,475,573	9,765,851	10,137,494	10,698,540
1. Active Insured	1,880,437	1,963,751	1,994,509	2,071,867	2,118,085	2,163,698	2,236,050	2,372,777
2. Pensioners (retired, invalid, widow, widower, orphan)	952,360	1,048,211	1,114,480	1,172,741	1,239,314	1,296,935	1,355,558	1,408,941
3. Dependents (1)	5,291,090	5,775,709	5,835,013	5,999,096	6,118,174	6,305,218	6,545,886	6,916,822
II. THE SOCIAL INSURANCE INSTITUTION IN TOTAL	28,523,960	30,362,125	32,515,321	34,571,903	32,810,829	34,139,311	33,140,109	35,261,104
1. Active Insured	4,208,761	4,483,684	4,862,178	5,323,434	5,030,732	5,283,234	4,913,939	5,256,741
2. Voluntary Active Insured (2)	980,841	1,055,513	1,031,714	910,343	901,265	843,957	888,675	942,024
3. Active Insured in Agriculture	253,463	244,232	246,401	228,343	193,826	184,675	142,306	149,163
4. Pensioners (retired, invalid, widow, widower, orphan)	2,337,755	2,539,696	2,731,793	2,930,752	3,148,826	3,339,327	3,560,638	3,747,573
5. Dependents (1)	20,743,140	22,039,000	23,643,235	25,179,031	23,536,180	24,488,118	23,634,551	25,165,603
III. THE SOCIAL SECURITY INSTITUTION OF CRAFTSMEN, TRADESMEN AND OTHER SELF-EMPLOYED IN TOTAL (3)	11,832,714	11,823,316	12,679,890	13,220,024	13,899,982	15,036,318	15,281,654	15,547,991
1. Active Insured	1,791,246	1,766,809	1,873,497	1,911,259	1,939,593	2,181,586	2,198,200	2,192,555
2. Voluntary Active Insured	78,973	87,351	129,050	200,676	264,284	254,960	249,306	237,801
3. Active Insured in Agriculture	799,132	796,805	802,343	796,564	860,742	876,148	889,149	890,976
4. Pensioners (retired, invalid, widow, widower, orphan)	880,820	947,038	1,032,342	1,104,614	1,179,817	1,277,444	1,343,840	1,393,670
5. Dependents (1)	8,282,543	8,225,313	8,842,658	9,206,911	9,655,546	10,446,180	10,601,159	10,832,989
IV. THE PRIVATE FUNDS IN TOTAL	291,247	308,023	315,007	318,085	332,870	323,569	322,688	324,302
1. Active Insured	70,854	71,465	74,479	77,526	78,861	78,495	73,090	71,641
2. Pensioners (retired, invalid, widow, widower, orphan)	51,948	58,744	53,058	65,757	69,428	71,266	75,162	77,738
3. Dependents(1)	168,445	177,814	187,470	174,802	184,581	173,808	174,436	174,923
V. GENERAL TOTAL	48,771,808	51,281,135	54,454,220	57,353,716	56,519,254	59,265,049	58,881,945	61,831,936
1. Active Insured	7,951,298	8,285,709	8,804,663	9,384,086	9,167,271	9,707,013	9,421,279	9,893,714
2. Voluntary Active Insured	1,059,814	1,142,864	1,160,764	1,111,019	1,165,549	1,098,917	1,137,981	1,179,825
3. Active Insured in Agriculture	1,052,595	1,041,037	1,048,744	1,024,907	1,054,568	1,060,823	1,031,455	1,040,139
4. Total Active Insured	10,063,707	10,469,610	11,014,171	11,520,012	11,387,388	11,866,753	11,590,715	12,113,678
5. Pensioners (retired, invalid, widow, widower, orphan)	4,222,883	4,593,689	4,931,673	5,273,864	5,637,385	5,984,972	6,335,198	6,627,922
6. Dependents (1)	34,485,218	36,217,836	38,508,376	40,559,840	39,494,481	41,413,324	40,956,032	43,090,336
VI. RATIO OF INSURED POPULATION (%)	82.1	82.3	85.8	88.8	86.0	88.6	86.6	89.5
VII. TOTAL POPULATION	62,304,000	63,443,000	64,584,000	65,723,000	66,856,000	67,975,000	69,079,000	70,171,000

Appendix B
Urbanization Patterns in Istanbul-Turkey in Historical Perspective



Source: Gerhard Kemper, Orhan Altan, Murat Celikoyan, Carlo Lavalle, Luca Demicheli, Land Use Dynamics of Istanbul: 1945-2000, internet source available at <http://www.ggs-speyer.de/Moland-Istanbul-ggsV2.PDF>

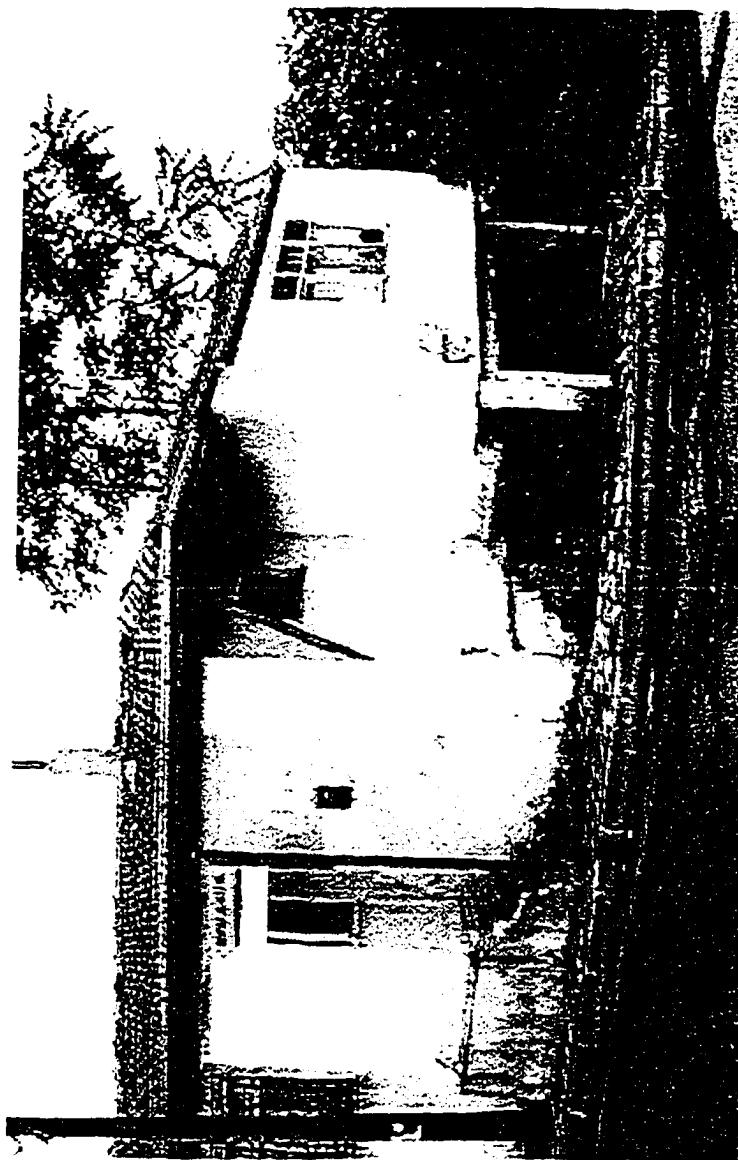
Appendix C

Photograph 1: Early Gecekondus, Rumelihisari Istanbul



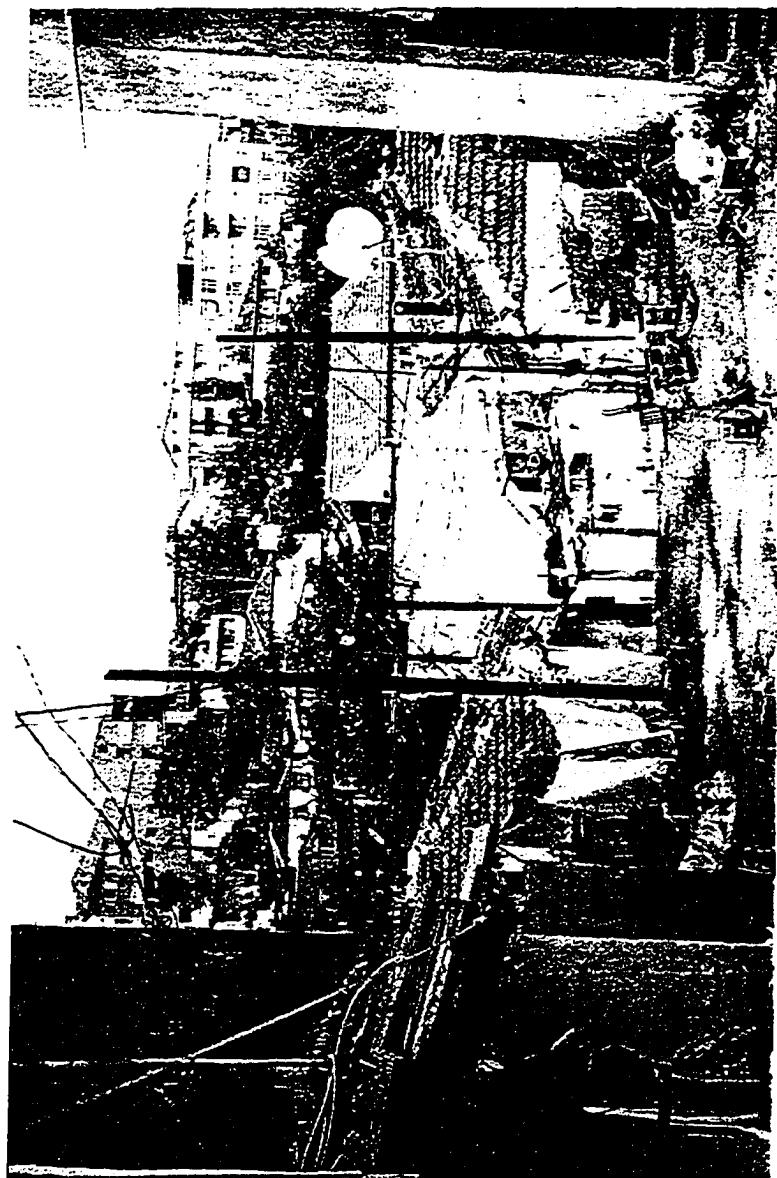
Source: Photograph taken by Rebekah Green, Cornell University.

Photograph 2: Rumelihisarustu/Istanbul



Source: Photograph taken by Rebekah Green, Cornell University.

Photograph 3: Gaziosmanpasa / Istanbul



Source: Photograph taken by Rebekah Green, Cornell University.

Photograph 4: Umraniye/Istanbul



Source: Photograph taken by Rebekah Green, Cornell University.

Photograph 5: Early *Gecekondus*, from Ayazaga/Istanbul, 1970s.



Source: Aga Khan Award for Architecture, "Photographs of Squatter Settlements," available at http://archnet.org/library/files/one-file.tcl?file_id=207; Internet; accessed May 1

Photograph Six: Ayazaga / Istanbul, Early Gecekondus.



Source: Aga Khan Award for Architecture, "Photographs of Squatter Settlements," available at http://archnet.org/library/files/one-file.tcl?file_id=207; Internet; accessed May 1

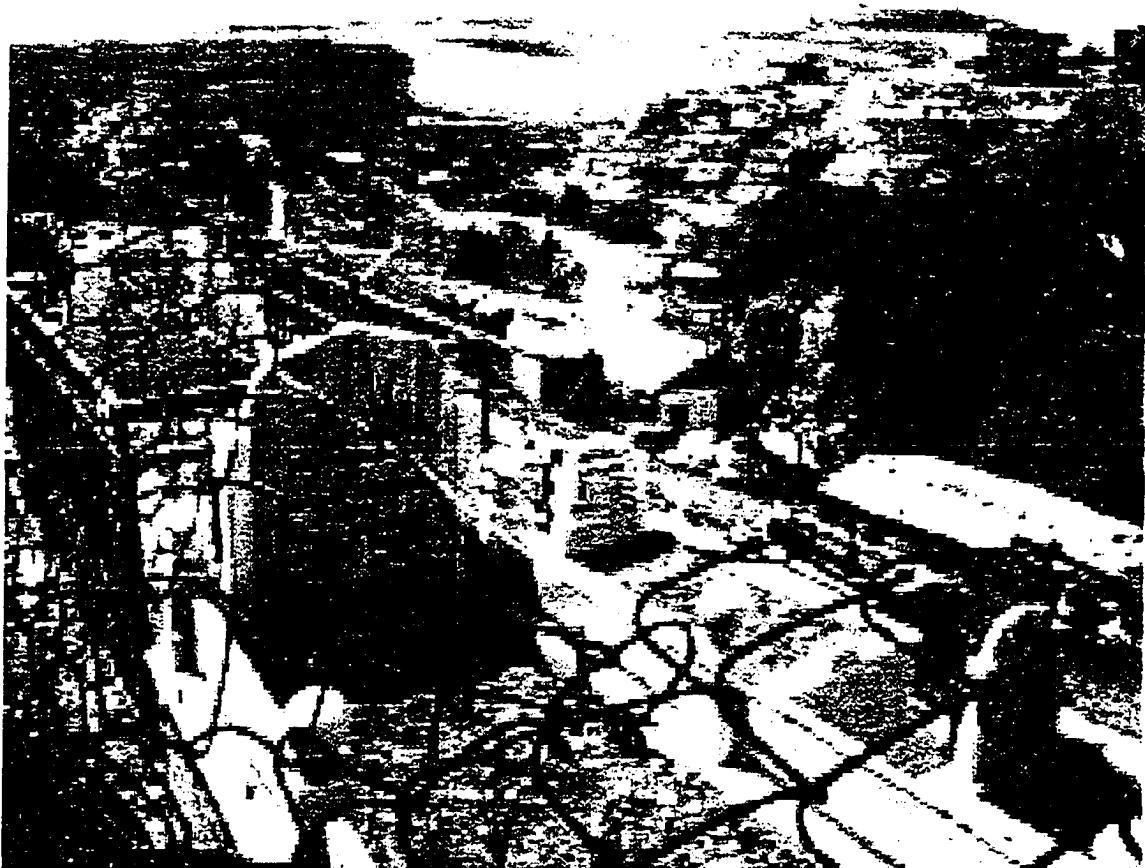
Photograph Seven: Gecekondus before Commercialization

Source: Aga Khan Award for Architecture, "Photographs of Squatter Settlements," available at http://archnet.org/library/files/one-file.tcl?file_id=207; Internet; accessed May 1

Photograph Eight: Illegal Electricity provided by the State's Turning a Blind Eye



Source: Aga Khan Award for Architecture, "Photographs of Squatter Settlements," available at http://archnet.org/library/files/one-file.tcl?file_id=207; Internet; accessed May 1

Photograph Nine: Gecekondus as Excluded Outsiders

Source: Aga Khan Award for Architecture, "Photographs of Squatter Settlements," available at http://archnet.org/library/files/one-file.tcl?file_id=207; Internet; accessed May 1

Photograph Ten: Politicization of Gecekondus (Devrimci Yol= Revolutionary Path)



Source: Aga Khan Award for Architecture, "Photographs of Squatter Settlements," available at http://archnet.org/library/files/one-file.tcl?file_id=207; Internet; accessed May 1

Photograph Ten: First Glimpses of Commercialization and manifestation of rapid migration



Source: Aga Khan Award for Architecture, "Photographs of Squatter Settlements," available at http://archnet.org/library/files/one-file.tcl?file_id=207; Internet; accessed May 1

Photograph Eleven: After the Law Allowing up to 4 storey Buildings



Source: Aga Khan Award for Architecture, "Photographs of Squatter Settlements," available at http://archnet.org/library/files/one-file.tcl?file_id=207; Internet; accessed May 1.

Photograph Twelve: From Gecekondus to Apartment Buildings

Source: Aga Khan Award for Architecture, "Photographs of Squatter Settlements," available at http://archnet.org/library/files/one-file.tcl?file_id=207; Internet; accessed May 1