Urban governance in Istanbul

Urban governance has been an important issue since the 1980s, as have the effects of globalisation on urban policies. Although no consensus exists on a definition of governance, it is possible to state that it expresses a shift in the roles of formal government structure, and especially the change in the sharing of responsibilities between the public, private, voluntary, and household spheres. Turkey has also been experiencing the effects of globalisation, and there is an ongoing restructuring process within which government structures are moving toward governance. The goal of this paper is to present a critical evaluation of urban governance. This will be done with the focus on whether the concept of urban governance can explain the urban management model in countries on the periphery. The case of Istanbul is used as an example for this discussion.

Keywords: urban governance; Istanbul; transformation projects; Istanbul 2010.

INTRODUCTION

In parallel with the effects of globalisation on policy issues, the topic of governance has been extensively investigated since the 1980s. In broad terms, governance represents a shift in the roles of formal government structures and contemporary agencies. There is also a change in the distribution of responsibilities between public, private, voluntary, and household groups.

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Increasing fragmentation of responsibilities in the urban arena have increased the importance of new institutional relations and the policy process of different constituents and agencies within the existing national and local levels. The effects of this fragmentation and the rescaling process of the state are reflected as networked forms of governance. The relations between continental, national, regional, and local governments together establish a new form of politics. The interaction of economic and institutional factors, mediated through political, cultural, and other contextual means have been influencing the changing governance structure of cities and regions. As a result, the relationship between urban development and policy has become more complicated. A satisfactory urban governance model that can adequately represent all cases has not been developed.

The effects of globalisation have also been observed in Turkey in the last three decades and therefore, there is an ongoing restructuring process. The government structure is being transformed toward governance. Nevertheless, the national government still has a significant influence on metropolitan development through policy making. There is also a multi-level, multi-institution structure throughout a wide range of organisations. The goal of this paper is to present a critical evaluation of urban governance. The thesis is that the generally defined concept of urban governance cannot be efficient in explaining the urban management model in countries on the periphery. The case of Istanbul is provided as an example for this discussion.

DEFINING URBAN GOVERNANCE

The term “governance” has its theoretical roots in many academic fields including institutional economics, international relations, development studies, political science, and public administration. According to Schmitter “Governance is a method/mechanism for dealing with a broad range of problems/conflicts in which actors regularly arrive at mutually satisfactory and binding decisions by negotiating with each other and cooperating in the implementation of these decisions” (Schmitter, 2002, p. 53; cited in Haus & Heinelt, 2005, p. 19). Considering several different usages of the term governance, Rhodes (1996) lists the common characteristics of governance as interdependence between organisations; continuous interaction between network members; game-like interactions; and a significant degree of autonomy from the state. When compared with government, “Governance is [...] a more encompassing phenomenon than government. It embraces governmental institutions, but it also subsumes informal, non-governmental mechanisms whereby those persons and organisations with this purview move ahead, satisfy their needs and fulfill their wants” (Rosenau, 1995, p. 4). Governance also refers to coordination of various interdependent activities (Jessop, 1998).
On the other hand, the extensive literature on urban governance shows that it is not a newly emerging issue but it is very obvious that its context has changed in the last three decades. In the first half of the 19th century, there was a virtual governance structure based on utilitarianism. The assumption was that maximum public benefit would arise from free market forces. Between 1850 and 1910, “municipal socialism” was introduced by social leaders in response to epidemics, urban disorder, and city congestion. Between 1910 and 1940, the Great Depression in the USA shifted public opinion in favour of a permanent and more fundamental government role in shaping many aspects of social life and well-being. From the following years until 1975, various methods of urban government generated large, vertically segregated bureaucracies of professional administrators geared toward managing the cities and their environment (Knox and Pinch, 2000).

Since the 1980s, radical economic transformation at the national and international scale has set in motion a metropolitan restructuring process and governance has become the main trend. New economic scales need new methods of governance in order to negotiate new economic and territorial identities in the urban areas. As well as these, due to changes in the economic structure, city competitiveness has become the major driving force, and the concept of the entrepreneurial city has been replacing the concept of the managerial city and therefore, growth coalitions are gaining importance. There has been a shift from government to governance. This is equivalent to focusing less on the institutions of government and more on the processes through which government institutions interact with civil society as well as the consequences of this mutual influence between the state and the society. Through this transition, the functions of formal government structures and contemporary agencies have also shifted. There is a new allocation scheme for the responsibilities of public, private, voluntary, and household groups. The main problem in the urban arena has become the new institutional relations and policy processes of various constituents and agencies at the national and local level. Under the influence of globalisation, there are also changes in urban governance toward competition-oriented, innovation-oriented policies and new bargaining systems (Davoudi, 1994; Jessop, 1995; Knox and Pinch, 2000; Mayer, 1994).

According to Brenner (2004, p. 447), “Urban governance [...] represents an essential institutional scaffolding upon which the national and subnational geographies of state regulation are configured as well as one of the major politicoconstitutional mechanisms through which those geographies are currently being reworked”. Pierre (1998) states three trends in urban governance. First, as a focus for proactive development strategies local politics have gained in importance. Second, in support of economic development, there is an increasing mobilisation of local politics which is observed in the local economic interventionism and the reorganisation of public services.
As a final point, new bargaining systems and new forms of public-private partnerships are being redefined due to the expansion of the sphere of local political action.

Urban governance is based on the explicit representation and coordination of functional interests active at the local level. There is a cooperative style of policy-making and the local authority moderates or initiates cooperation instead of giving orders. In these new forms of urban governance, the actors in economic development and technological modernisation programmes are business associations, chambers of commerce, local companies, banks, research institutes, universities, and unions and the expanded sphere of local political action includes additional sets of actors such as welfare associations, churches, unions, grassroots initiatives, and community organisations (Mayer, 1994).

In the last three decades, parallel to the changing structure of the city, public-private partnerships in urban renewal and urban development projects have been gaining importance. There is an upgrading process in the central business districts and very often old industrial sites are being reintegrated to the city. The local governments aim to develop new attractive urban regeneration projects, leading to new partnerships with large investors, developers, and consortia of private firms. There is a deal between public and private participants. Local governments provide the subsidy, power, and necessary modifications in government regulations, while private partners meet certain project goals, take on later management tasks, and share project returns with the local authority. This type of collaboration provides the local authority with the ability to attract more financial resources to urban development and increase their effectiveness in achieving development goals, and the private sector is able to find attractive ways of expanding their activities and the ability to access the real-estate market (Carley, 2000; Marshall, 2000; Pierre, 1998).

Since the 1980s, Turkey has also been experiencing the effects of globalisation. There is an ongoing restructuring process, within which government structures are moving toward governance. Together with this, urban redevelopment projects are also gaining importance in many metropolitan cities and in Istanbul. In the following sections, the changing government structure in Turkey and urban governance practices in Istanbul are subject to review.

URBAN GOVERNMENT STRUCTURE IN TURKEY

The urban government structure of Turkey has been changing ever since the foundation of the Republic in 1923. Turkey subsequently adopted a
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single party regime with a rather authoritarian structure. This was unique
in that it tried to achieve both pluralism and revolutionism and was not
totalitarian. As a result of the authoritarian structure, municipalities were
seen as the main providers of various services such as urban planning and
health care. Many other fundamental problems, such as income resources
for municipalities, were ignored. Due to its centralist approach, the state
had the municipalities under its control. The first municipal system in the
Republican period was established after Ankara was declared the capital
city with the founding of the “Prefecture of Ankara”. After Law No. 417
was enacted on February 16, 1924, physical urban development started to
accelerate in Ankara. This law had an important role in the development
of other Turkish cities and their municipalities as well. Between 1930 and
1944, the municipalism approach became stronger with the passing of vari-
ous new laws. Furthermore, Municipality Law No. 1580 was approved in
1930. This law annulled all previous laws in effect since 1930. Thereafter
changes related to income, municipality management, and the organisation of
planning functions, and some specific responsibilities like health and police
services occurred (Hamamcı, 1990; Tekeli, 1978).

The fifteen-year period following the 1945 transition to a multi-party
era proved important since it was believed that local governments were
basic elements in the democratic structure and that these must be ruled by
governors and committees elected by the population; that the needs of the
people had to be met at this level and the unique needs of provinces had to
be observed, and finally there had to be public participation. It was stated
that the local governments must have enough power to meet these duties. In
this period, the mayor and the province governor were separate. The state
still had control over the municipalities. Following the 1960 coup, the 1961
Constitution stated that the administration should be a whole, which meant
that the centre and local units should work together and form a whole. The
Constitution considered local governments as province, municipality, and
village and these were classified as public legal personalities whose decision
units were elected by the public and who would meet common local needs.
Hence, no structural changes to local government units were brought in by
the 1961 Constitution. In the Constitution, the framework for “independent
and powerful” local government was set out in principle, with application
left to legislation. However, these frameworks were never completely de-
developed and local governments were never as independent and powerful as
stated (Altaban, 1990).

In the 1973-1980 period, social democratic parties had influence in lo-
cal governments. In the 1973 elections, although the state was governed by
conservative ideologies, city governments were under the control of social
democrats. As a result, conflict between local governments and the central
government occurred for the first time. The central government tried to restrict local government access to political benefits. Between 1973 and 1977, municipalities started to produce the goods and services they needed for providing the services themselves. Financing also represented a challenge to municipalities. In order to resolve this, municipalities started to find ways of creating resources themselves and they formed Municipal Unions campaigning against central government regardless of the political parties they belonged to.

The most recent period, which caused radical changes in the Turkish economy and the urban government system, started with the introduction of the privatisation model in the 1980s, consistent with the globalisation processes worldwide. The spatial impacts of these models along with the political priorities of the ruling parties and technological developments were reflected in the development of Turkish cities. Under the impact of the world economic crises and subsequent globalisation processes, the economic development model based on import substitution was replaced with a model encouraging export under the leadership of the private sector. This made it necessary to step up interaction with the world market and to integrate with the global system. These changes brought the need for new organisations in order to meet the requirements of the new economic structure. Thus, the business and service sectors began to gain importance in Turkey. Moreover, the state stopped investing in various industries and started to privatise those it owned by selling off factories. As a result, production and industrial investments increasingly experienced free market economy conditions (Kepenek, 1999).

As a result of these changes in the government structure through to the 1980s, Turkey experienced a complex and multi-aspect socio-economic and political environment. In the last three decades, the impact of democratisation processes, external factors closely related with globalisation, developments in relations with international organisations such as the European Union, and local factors have led to the restructuring of Turkey’s government bodies in accordance with the governance concept (Kovanç-Shehrin, 2005).

In 1984, with the introduction of new legislation (Law No. 3030), related to the government of larger metropolitan areas, important changes were made. First of all, instead of a single metropolitan administration, which was proposed in the military era, the metropolitan city concept was brought in. According to this new organisation, metropolitan areas with more than one district in their borders were considered as metropolitan municipalities (MMs). Secondly, the financial resources of local governments were increased. Thirdly, the authority for making urban physical development plans was given to municipalities. Authority over development issues was transferred from central to local governments. This was a first step toward decentralisation. Relative independence was granted to municipalities, and financial resources were pro-
vided by the central government to MMs. This independence was reflected in municipal mega-projects. However, the central government still retained much control over MMs (Güloksüz and Tekeli, 1990).

The decentralisation process experienced in this period sought to transfer power from central to local government. Conflicts between central government and local governments, scarcity of financial resources, the lack of institutional and personal capacities, overlapping functionalities, and the lack of participatory and consultative mechanisms have been critical problems in this decentralisation process.

Along with these developments, the HABITAT II Conference, held in Istanbul in 1996, represented a critical external factor signifying the governance debate in Turkey. In this conference, governance issues were discussed to a greater extent within the socio-political agenda. The main themes of the conference regarding governance were changing state-society relationships, the increasing importance of civil society developments, the inefficiencies of representative democracy, and the need for participatory democracy (Kovancı-Shehrin, 2005).

The changes mentioned above have been effective in most of the metropolitan cities of Turkey, but Istanbul is the only city where the effects of globalisation can be observed in many dimensions. Istanbul became an important centre for manufacturing and a connecting point in the world system. Today, Istanbul is the most dynamic city in Turkey. Although it is not the capital city, it is the centre of finance, transportation routes, and industrial activity and has an important role in the integration process of the world system. Istanbul may correspondingly be considered as an example against which to test the relevance of generally accepted characteristics of urban governance.

**URBAN GOVERNANCE IN ISTANBUL**

Istanbul, the largest metropolis of Turkey, has been an economic hub throughout history due to its advantageous location. By connecting Europe and Asia, it has enabled the provision of raw materials from Anatolia and the marketing of goods to the world. As the only city in the world being a capital during two consecutive empires and with the remnants of many civilisations, Istanbul has maintained its importance as an economic, social, and cultural centre through the centuries. It is now the largest city in Turkey with respect to population size (over 12 million in 2007), the scale of economic activity, and the extent of its hinterland.

Since the foundation of the Turkish Republic, the problems and peculiarities of rapid urbanisation have always been present in Istanbul. The
acceptance of the privatisation model in Turkey under the impact of globalisation also marked a turning point in urban change in Istanbul. As the most important metropolitan centre of the country, Istanbul became the foremost candidate to obtain a location for itself in the network of global cities. In this context, the economic base of the city started to change. It proved an attractive centre for foreign investors and the hub of an international communications network. This new, open economic connection to capitalist systems around the world stimulated local capital and entrepreneurial potential as well. New flexible and high level technologies were adopted by major industries and a new complementary service sector developed, creating a highly paid elite class (Keyder and Öncü, 1993).

The Prefecture of Istanbul was founded in 1855. However, following the declaration of the Republic, municipal services were provided by the provincial government. In 1930, with the passing of the Municipality Law, No. 1580, Istanbul Municipality was founded. In the following years changes in the government structure of Turkey also went into effect in Istanbul. As are other mayors in Turkey, the Mayor of Istanbul Metropolitan City is elected directly by the city’s population for a five-year term and shares executive power with a Municipal Council formed by selected members of the city’s 39 District Municipalities and their District Mayors. District Mayors are also directly elected and lead the District Municipalities. The Mayor of Istanbul Metropolitan City has extensive powers and a significant budget for city-wide planning, transport, housing, and environmental services, amongst others (Burdett and Nowak, 2009).

Due to the problems occurring as a result of rapid urbanisation, city-wide decisions regarding the concerns of citizens are crucially important in Istanbul. Local municipalities are not financially autonomous, so they are continuously searching for new resources in order to implement their programmes. On this point, good relations with central government are vital. In Istanbul, when the political party of the Istanbul Metropolitan Municipality (IMM) has differed from that of the central government, the most problems have occurred. This also applies to the relations between the IMM and the district municipalities.

Currently there is a two-tier structure in Istanbul’s urban administration: both the metropolitan city and district municipalities have decision-making powers. The IMM is responsible for macro-level decisions concerning the entire city. District municipalities are responsible for decisions related to traditional municipal services (Erder, 2009).

Urban governance in Istanbul is closely related to the election periods, especially in the last three decades, and the urban governance system is reflected in the large-scale urban projects. Especially starting in 1984 with the introduction of new legislation, the relative independence and the finan-
cial resources provided by the central government have strengthened the IMM. With Law No. 3030, a two tier government system was introduced to metropolitan cities like Istanbul. In this system, there is the MM having control over the whole metropolitan zone and there are district municipalities within the metropolitan zone. As mentioned above, this relative independence granted to metropolitan city municipalities and financial resources provided by the central government have increased the controlling capacity of metropolitan city municipalities.

The first five-year period following the elections in 1984 marked the start of the “municipal mega-project” period in Istanbul. The new mayor of IMM was a member of the ruling party and the shift from managerialism to entrepreneurialism started and investments followed. Several large scale commercial and service projects took their place in the Istanbul development plan. Members of the Istanbul Metropolitan Municipality Council regarded the municipality as the investor, however, their main concern was urgent investment projects instead of macro-level long-run projects. Therefore, in this period, urban infrastructure and transformation projects such as the rehabilitation of the Golden Horn, the construction of the second bridge over the Bosphorus, and renewal projects prevailed. At the beginning of the 1980s, investments went into expanding the Central Business District, and a new axis, mainly with skyscrapers for offices and large-scale commercial projects, was also initiated. Although several improvements were achieved, criticism also existed. The importance of local politics increased and different groups in the city started to be involved in local politics in order to gain power to solve their own problems.

In the second five-year period, between 1989 and 1994, as a social democrat party member was elected Mayor of the IMM, the focus of investment shifted to the squatter housing areas. After 1994, in the following two election periods, members of the conservative party were again elected. In these two mandates, the focus was again on investment projects, but social service provision was also included, especially for low income areas of the city (Erder and İncioğlu, 2004; Uzun, 2007). There were also new public-(private) partnership projects such as the Perpa Trade Centre Project. This represents an example showing how urban coalitions have been structured by informalities and conflicts with the government system.

The 2004 elections had important implications for urban governance and urban transformation projects. The new mayor of the IMM was again a member of the ruling party. This makes an important difference in the central and local government relations. Coordination between these two levels increased rapidly and the central government supported the metropolitan municipalities by enacting several laws that would facilitate governance and urban transformation. Some of the related laws are: Municipal Law (3 July 2005,
Law No. 5393); the Law on protecting and restoring degraded historical and cultural heritage (16 June 2005, Law No. 5366); the Province Administration Law (22 February 2005, Law No. 5302); and MM Law (enacted on 10 July 2004, Law No. 5216). All of these laws steered new organisational structures toward urban governance. In addition, as the same mayor was elected in the elections held in 2009, the policies continued in the same vein.

At the moment, the metropolitan city administration of Istanbul follows the “powerful mayor and weak council” model. In fact, it is a wide and opaque space for macro-level decision-making. As a result, city-wide decisions are discussed and criticised in the media and by professional associations only after they have been made. Upon gaining power and all its political advantages, central government began toning down calls for decentralisation, and started exerting a strong influence in Istanbul. Moreover, due to the efficiency experienced at the local level, their decisions are generally supported by Istanbul’s residents. In fact, especially in the last decade, Istanbul has been governed by a populist approach closely tied to the central government (Erder, 2009).

Along with the partial projects, there are large-scale projects designed for Istanbul by the IMM. In one such project, the aim is to make an analysis of the Istanbul Metropolitan Area and calculate the transformation potential of the city within the framework of planning Istanbul’s future. Depending on this potential, a long-run vision will be determined. Besides the determination of strategies and policies, these are designed to enhance the global competitiveness of Istanbul and thereby locate the city regionally and globally. The most important point of this project is the cooperation between IMM, the OECD, and the State Planning Organisation of Turkey. There are also other partners from the private sector, universities, and non-governmental organisations. The project also addresses sub-headings such as: socio-economic trends, advantages for competition, and metropolitan governance (Uzun, 2007). This was followed by an effort to improve coordination between the various departments of the IMM to help develop the city’s master plan with the Mayor, also establishing the Istanbul Metropolitan Planning and Design Centre (IMPDC) in 2005. The centre was established with funding from a public-private partnership that serves as an affiliate company of the IMM. Though reduced in size in recent years, the organisation consisted of 400 experts, academics, and key municipal members. They prepared the Istanbul Environment Plan at a 1/100,000 scale, which was approved in 2009 (Burdett and Nowak, 2009). Although the staff of IMPDC possessed expertise, decision-making was left to the domain of populist politics. IMPDC projects tend to be selectively or only partially implemented, as they lack administrative and technocratic influence. Technocrats are excluded from the decision-making process despite the fact that their knowledge and expertise
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are extremely important for the city’s aesthetics and long-term growth (Erder, 2009).

Another important project supported by central government was Istanbul becoming a European Capital of Culture. In 2005, a Council of Ministers decree was approved in order to establish an initiating project group for Istanbul 2010 European Capital of Culture. This group is composed of participants from the government, the municipality, non-governmental organisations, and civil society members. After long processes and endeavours, Istanbul was deemed ready on 11 April 2006 to become the European Capital of Culture 2010 along with Pecs (Hungary) and Essen (Germany). On 13 November 2006, Istanbul was finally announced the European Capital of Culture for 2010 with the approval of the European Parliament and the European Union Council of Cultural Ministers. Following approval, the Istanbul 2010 European Capital of Culture (ECOC) Agency was founded in order to plan and manage preparation activities and coordinate the joint efforts of public bodies and institutions in order to realise this aim. The Agency operates in three strategic areas: culture and arts; urban applications and protecting cultural heritage; tourism and publicity. The official agency structuring was stipulated according to the Law on Istanbul 2010 European Capital of Culture enacted on 2 November 2007. According to this law, the Advisory Board comprises representatives from various ministries, the General Secretariat of European Union Affairs, Turkish Radio and Television, the Higher General Directorate Board, General Directorate of Foundations, the Governorship of Istanbul, and IMM, together with 25 representatives nominated by the Istanbul Chamber of Commerce, Istanbul Chamber of Industry, Travel Agents Union of Turkey, the Istanbul Chamber of Architects, members of national and international bodies, those professional organisations which can be considered public bodies recognised for their activities in areas of culture, arts, and tourism, and individuals renowned for their work on Istanbul’s history, culture, architecture, and art. There are also members from universities and opposition parties. On the other hand, the Executive Board comprises one representative each from the Ministry of Culture and Tourism, the Governorship of Istanbul, IMM Istanbul Chamber of Commerce, Istanbul Chamber of Industry, two members selected by the Advisory Board from among civil society representatives included in the Initiative Group as indicated in provisional article 2, and two members of the Advisory Board selected from among other members of the Advisory Board (http://www.en.istanbul2010.org/2010AKBAJANSI/hakkynda/index.htm, retrieved on 30 November 2009).

As can be seen from the composition of the Executive and Advisory boards, this represents an important public-private partnership for this high profile project. Therefore, this has been a very important project and experience for IMM as an example of governance. However, as the process proceeded, due
to political choices and the restraints of the IMM, private sector participants involved in the process started to resign. These resignations changed the balance of the public-private structure in favour of public bodies.

Since 2004, another important issue for IMM has been urban transformation projects. Most projects targeting a rapid transformation of the squatter housing areas into modern residential areas see IMM working in cooperation with the Mass Housing Administration, which is a central government body. In parallel, public-private partnerships for urban renewal and urban development projects gained in importance. On the one hand, historical sites are being regenerated with projects receiving funding from foreign institutions such as UNESCO and the EU. Non-governmental organisations are also taking part in these projects. On the other hand, old industrial sites are scheduled for redevelopment. For instance, an international competition was held for proposals to transform an old industrial core into a new sub-centre, and the winning project is about to be implemented. In this example, the district municipality is also involved in the construction process. Another example is the construction of extensive shopping areas along with dwellings and cultural facilities where the IMM provides the necessary building permits and sometimes the land. In addition, such projects have both national and foreign partners as investors (Uzun, 2007).

In addition, the governance of Istanbul does not happen only at the municipal and central levels. Partly to comply with the European Union accession process, Turkey recently created the Istanbul Development Agency, one of 26 regional bodies assisting in coordination between municipal and central bodies, as well as civic institutions for the budgeting and planning of large-scale urban projects.

As can be observed from the examples given, the IMM is always the controlling institution even while the project type and size may vary. The Municipality gains the financial and legislative support of central government due to their shared political backgrounds.

CONCLUSION

Urban governance is not a new phenomenon occurring as a result of globalisation. It is very obvious that with the effect of the globalising economy and subsequent changes, local government structures have changed. The process has shifted from governing to governance. Therefore, the number of actors involved in the decision making and implementation stages of many public services have increased, with the private sector becoming widely involved. Together, these bottom-up policies have replaced some top-down policies. Many countries have been experiencing these changes and Turkey is to be counted among them.
Urban governance has been on the agenda since the 1980s for Turkey. Istanbul has been an example where some implications of these changes are observable. The transformation process still continues. At this point, it is not possible to reach a conclusion about whether it has been successful or not. On the other hand, the inner dynamics of different cities and societies must not be ignored.

General explanations may be applicable for explaining urban governance in Turkey. Nevertheless, local political cultures are still more effective in urban governance in Istanbul. Indeed, clientelism and patronage relations are always effective in urban governance. This culture has been closely related to electoral dominance over the past three decades. The political choices of mayors have had direct effects on the governance system, especially at the level of local and central government relations. It would, however, not be wrong to say that urban management systems are influenced by global forces, and the participation of the private sector in urban development has been increasing in Istanbul. Furthermore, the concept of governance does partially explain the urban management model in countries on the periphery, such as Turkey. Nevertheless, further comparative research must be made in order to ascertain the differences between different political and societal cultures.

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