



The Case of Istanbul

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DIVERCITIES: Dealing with Urban Diversity

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Governing Urban Diversity:
Creating Social Cohesion, Social Mobility and
Economic Performance in Today's Hyper-diversified Cities

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In memory of Ronald van Kempen

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PREFACE

This book is one of the outcomes of the DIVERCITIES project. It focuses on the question of how to create social cohesion, social mobility and economic performance in today's hyper-diversified cities. The project's central hypothesis is that urban diversity is an asset; it can inspire creativity, innovation and make cities more liveable and harmonious. To ensure a more intelligent use of diversity's potential, a re-thinking of public policies and governance models is needed.

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There are fourteen books in this series, one for each case study city. The cities are Antwerp, Athens, Budapest, Copenhagen, Istanbul, Leipzig, London, Milan, Paris, Rotterdam, Tallinn, Toronto, Warsaw and Zurich.

This book is concerned with Istanbul. Most of the texts in this book are based on a number of previously published DIVERCITIES reports.

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1 DEALING WITH URBAN DIVERSITY: AN INTRODUCTION

1.1 INTRODUCTION

Istanbul has always been a diverse city, however, over the years the composition of people and the prominent type of diversity have changed gradually – from religious, ethnic and cultural diversity to socio-economic diversity and, more recently, lifestyle diversity. Lifestyle diversity, as it became evident during this research on Istanbul, incorporates both socio-economic differences as well as differences in cultures, norms, beliefs, values and ideologies.

This huge city has an enormous diversity of urban neighbourhoods. Each neighbourhood displays different housing and environmental characteristics, leading to all kinds of specific places: enclaves for the wealthy, slums and ghettos for the poor, middle-class suburbs, both thriving and degrading inner city districts, gated communities, areas with shrinking populations and neighbourhoods with growing populations due to increasing immigration. Among them, there are some neighbourhoods with a diversified character with both wealthy and poor inhabitants and immigrant groups with different ethnic backgrounds. The increasing diversity in Istanbul and diversity in several districts necessitates understanding the dynamics of this metropolitan region as well as diversified neighbourhoods and the search for new policies, planning principles and institutions to deal with urban diversity. Unfortunately, most of the existing debates on urban diversity are quite general and at the city level, which is not useful enough to identify the policies and measures to increase the contribution of diversity to the well-being of people and a coherent and innovative society.

In this book, we introduce findings from the case study area, Beyoğlu, which is one of the districts with a diversified population in Istanbul. It has a long diversity legacy since it has hosted various civilisations with different ethnicities, cultures, languages and religion in different periods. Throughout the 19th century, Beyoğlu was home to European populations (French, Germans, Italians, British, etc.) and non-Muslim Ottoman citizens (Greeks, Armenians and Jews), but it had lost many of its former residents at the beginning of the Republican period, starting in the 1920s. Following the population exchange between the Balkan countries and Turkey and the outward migration of people of Greek descent after the events of 6-7 September 1955 the area attracted many poor immigrant families from less-developed regions of Turkey in the 1960s, as well as other disadvantaged groups. Furthermore, the departure of those of Greek descent led other minorities to leave the district, after which, it became home to many immigrants with different ethnic and cultural backgrounds, as well as immigrants from neighbouring countries and Western Europe. At present, Beyoğlu has a very mixed demographic

structure, including poor communities, immigrants from different regions of Turkey, besides creative-professional middle and high-income classes, artists and people with diverse gender identities and sexual orientation. Romani people, Kurdish people, Syrian refugees, international immigrants and ethnic minorities, including Jews, Armenians and Greeks are some of the inhabitants of this district. According to recent figures (2013), 8.3% of the population are foreigners (TSI, 2013). The Beyoğlu District is also diverse in terms of the socioeconomic status of its residents. While the southeastern parts of the district accommodate upscale residential areas with regards to income and education levels of its inhabitants, the neighbourhoods in the west and the north-west constitute residential areas where the socio-economic conditions of residents are remarkably low, accompanied by poverty and physical and socio-economic deprivation (Arıkan-Akdağ, 2012). Recently, Beyoğlu has been undergoing a gradual change as a result of the urban renewal projects taking place in the more deprived areas and gentrification in certain neighbourhoods (Galata, Cihangir, Tarlabası, etc.) (Enlil, 2011; Uzun, 2013).

In this book, first, we want to understand how people perceive and live with diversity and to define the role of urban diversity on relationships between inhabitants, their ways of living and working and the performance of entrepreneurs. Second, we aim to identify current policies on urban diversity and assess them to find out how and how far they can deal with diversity. The aim is to answer the following questions with the help of research on Istanbul and the case study of Beyoğlu (Istanbul). How can we understand and define the nature and outcomes of increasing diversity of Istanbul? What are the relations between urban diversity and social cohesion, social mobility and economic performance? Are the existing policies able to deal with diversity and use the benefits of diversity in building a coherent society and innovative economy?

The research provides compelling findings that enable us to discuss several issues in detail throughout the book. We argue that diversity is not something peculiar but ordinary, particularly in terms of ethnicity and culture, while socio-economic differences and recent lifestyle diversity negatively affect the interaction patterns among people living in the same neighbourhood. We found that the diversity of the neighbourhood in which they live is defined as positive by many of the respondents. While some people think that the diversity of the neighbourhood nourishes their experience with different cultures, for most of the people, diversity is accepted, as a fact, as a feature of their way of life; and for most of them, the different ethnic identities, cultures and religions are not so important. That said, the answers show that the intensity of networks among similar people is stronger than among those that are dissimilar. Moreover, relations between different social groups are quite distant, and there is a lack of trust in 'others'. Contrary to the emphasis on the literature, ethnic market enclaves are found to be a less important factor in economic performance when compared to the increasing importance of niche markets. Customers' tastes and lifestyles are, accordingly, very important in the economic performance of existing enterprises.

The findings of the research confirm that there is no explicit diversity policy and policy-makers are unwilling to address diversity explicitly. Against the emergent discourse of central and local

governments on diversity, namely *the decreasing community pressure on the way of life of urban dwellers and tolerance of diversity*, the current policies focus on the devaluation and stigmatisation of some urban identities and the conservative attitude of Turkish society. The terms *social cohesion* and *equity*, the provision of support for *disadvantaged groups* overcoming *income inequalities* are often used without an explicit reference to policy measures. The discourses that praise the multicultural character of the society do not reflect on the practice related to diversity in Turkey, whereas the *equal distance to all* policy does not help disadvantaged groups to benefit from diversity.

1.2 THE PURPOSE OF THE BOOK

Although there is increasing interest and growing literature on urban diversity, the existing studies far from explain the new dynamics of urban areas that are triggered by diversity. One of the purposes of this book is to contribute to the current literature.

Existing diversity research on immigrants is inadequate to understand the diversity-rooted dynamics of urban areas. It is also evident that the firm emphasis on immigrants masks the cultural differences within the ethnic majority.

According to the literature, new forms of diversity result from many factors, including increasing net migration and the diversification of countries of origin (Syrett and Sepulveda, 2011; Vertovec, 2007) and transnationally connected, socio-economically differentiated and legally stratified immigrants (Vertovec, 2007; Faist, 2009). Neoliberal deregulation, which has been feeding diversity in particular ways (such as economic globalisation, increasing income inequality, polarisation and segregation) for the last 30 years, contributes to the increasing complexities of the urban society. However, we claim that new social formations in the city and changing conditions and positions of immigrant and ethnic minority groups in the urban society (Vertovec, 2010), dynamic identities (Cantle, 2012) as well as new power and political structures among different groups are also important.

The classical definition of diversity is not satisfactory to understand existing complexities of current urban areas.

The conventional definition of diversity does not explain an intense diversification of the population in socio-economic, social and ethnic terms, but also in lifestyles, attitudes and activities. Therefore, a new terminology is needed. The term hyper-diversity enables us to look at urban diversity in a very open way (Taşan-Kok *et al.*, 2013). For example, a group of poor, young Indian-born men living in a London neighbourhood may, at first sight, be considered as a very homogeneous group. However, at closer range, they may be very heterogeneous, and the differences can be important in defining new urban policies.

Policies aimed at improving the social cohesion in neighbourhoods will not work when the hyper-diversity of the population is not considered. Traditional policy frames often stick to

stable and sharply delineated population categories or specific neighbourhoods in a city and thus ignore the hyper-diversified social reality. Policies that used the traditional categories, such as specific ethnic or age groups, are probably doomed to fail since they have not taken into account the immense diversity of such groups or types.

The diversity is promoted by underlining that it is critical to the economic competitiveness of cities. However, there are limited debates that connect entrepreneurship and diversity.

The interest in diversity is linked to its contributions to urban economic development, emphasising that diversity is likely to have substantial cultural, economic, fiscal and developmental benefits in the long run (Putnam, 2007). Therefore, most of the debates about diversity are connected to its contribution to competitiveness (Thrift and Olds, 1996; Storper, 1997; Fainstein, 2005; Florida, 2005), economic growth (Zachary, 2000; Florida, 2001) and the prosperity of urban areas (Bodaar and Rath, 2005). A substantial number of studies highlighted how diversity can play a positive instrumental role in achieving a creative and competitive economy (Landry, 2000; Florida, 2001; Fainstein, 2005; Kunzmann, 2005; Taşan-Kok and Vranken, 2008; Eraydin *et al.*, 2012).

However, the diversity of entrepreneurship in diversified neighbourhoods only recently became the focus of empirical work (Frederking, 2004; Folmer, 2013; Flögel and Gärtner, 2015). These studies showed that the diversified and deprived neighbourhoods located in or nearby city centres, which hosted several immigrant enterprises formerly, attracted new types of enterprises, including creative and knowledge-intensive businesses. This observation provoked interest in the connections of neighbourhood diversity to entrepreneurship and the increase in the different kinds of enterprises. The dynamics of growing diversity in entrepreneurship, however, remains an unexplored issue. The way that various types of businesses coexist and what makes them share the same place need further attention.

The literature on entrepreneurship in diversified neighbourhoods is biased.

Entrepreneurship literature has a dualistic approach, which introduces a distinction between native and immigrant entrepreneurs and evaluates them on their ethnic origin and recently on their talents and skills. It has a strong emphasis on ethnic and immigrant entrepreneurs (Kloosterman, Rath and van der Leun, 1999; Saxenian, 1999; Rath, 2000; Kloosterman and Rath, 2001; Chaganti *et al.*, 2002; Baycan-Levent and Nijkamp, 2009). Obviously, most of the ethnic entrepreneurs are at the same time immigrant entrepreneurs, although it is not accurate to use these terms interchangeably (Rath, 2010). Recently, the focus of diversity has shifted from the ethnic origin of enterprises to their differences in skills and talents. Creative class literature (Peck, 2005; Clifton, 2008; Boschma and Fritsch, 2009), which became the core of the recent entrepreneurship literature, indicates that some of the creative entrepreneurs are immigrant entrepreneurs (Florida, 2001, 2005). The diversity of entrepreneurs grounded in cultural differences and lifestyles, however, received limited attention, except a few studies (Eraydin *et al.*, 2010).

Apparently, the primary targets of this book are not restricted to our theoretical concerns and ambitions. This book also aims to bring evidence on how diversity is perceived and lived in Istanbul and the attitudes of policy-makers towards increasing diversity in Turkey and Istanbul.

Why should we pay attention to and study diversity in Turkey? Defining three main reasons is possible. First, there is no doubt the cities in Turkey are becoming more diverse, but the concept of diversity is not openly discussed in society or in policy documents. The existing narratives are not helpful for understanding the dynamics of diversity; on the contrary, they overshadow diversities in the society. The concept of diversity used in policy documents mainly refers to socio-economic and socio-demographic differences but is less concerned about cultural and ethnic diversity. The use of the concept of diversity is primarily a narrative to describe the *richness* of the society, but not as a key for defining policies and policy instruments. The terms social cohesion, equity, the provision of support for disadvantaged groups and overcoming income inequalities are often used without an explicit reference to policy measures. When they have to refer to ethnic and cultural diversity, their approach can be defined as no more than *openness* and *tolerance*, which still reflects the patronising attitude of the principal actors of urban governance.

Second, against the general narratives of openness and tolerance, there is increasing division in Turkish society regarding ideological issues as well as lifestyles, and the general attitude is defining people and social groups not similar to oneself as 'others'. Therefore, the diversity should be defined in the Turkish context, not only regarding ethnic, cultural, socio-economic and socio-demographic differences but also differences in political identities and ideologies.

Third, against the ignorance of the importance of multicultural differences and continued assimilation policies, several ethnic groups have become more interested now in their ethnic and cultural backgrounds. These groups are asking for the recognition of their identities and sometimes even more. This issue became a major struggle in Turkish politics.

Fourth, the renewal and gentrification projects that define the current agenda of urban change have crucial implications for social diversity, but the existing projects are far from taking them into consideration. While all cities are changing substantially, the social groups and individuals are being redistributed in the urban landscape. The repercussions of gentrification and renewal projects are almost ignored.

Therefore, in this book we try to answer several questions with the help of the case study in Istanbul and Beyoğlu. How important is diversity in policies aimed at improving Istanbul, its neighbourhoods and the situations of people (social and economic)? How do people deal with living in diverse neighbourhoods? What is the importance of differences in building social interaction and networks among inhabitants in the same urban area? Do they see advantages of diversity in the places where they live or work? Why do entrepreneurs start their enterprise there and did diversity have an effect on their decision?

This book introduces the findings of a qualitative fieldwork. We interviewed politicians and policy-makers both on national and local levels, leaders of local initiatives, residents of the neighbourhood and entrepreneurs who have their businesses in the area. We aimed to learn whether residents and entrepreneurs of the diversified neighbourhood profit from diversity or not.

1.3 DEALING WITH DIVERSITY: SOME KEY ARGUMENTS

Social, cultural and ethnic forms of diversity have always been essential items on the urban research agenda (Amin and Graham, 1997). However, diversity has assumed to have a very new dimension over the last couple of decades as a result of the processes of globalisation, neoliberalisation and economic restructuring. The state's rescaling experienced since the 1970s onwards also led to shifting away from the past political-institutional focus upon distinctive national regimes towards the greater recognition of sub-national variations and the growing transnational and postnational nature of contemporary processes of migration, economic development and global politics (Tambini, 2001).

During the 2000s, questions of governance were becoming increasingly sophisticated, and governments started to look for possibilities to tackle the growing divisions between shrinking institutional capacities and the increasing diversity of needs of an increasingly diverse population. In the aftermath of the 2008 financial crisis and the 2011 Euro crisis, governments across the EU have put in place austerity agendas, seeking to reduce the size of the state and to make governance arrangements more flexible and diverse. There is increasing evidence of a "cultural diversity sceptical turn" (Vertovec and Wessendorf, 2005) or "backlash" (Grillo, 2005). It is also possible to observe neo-assimilation policies that aim for the incorporation of immigrant groups and compelling them to fulfil certain expectations, ever since the beginning of the 21st century. These policies, which increase the 'otherness' of immigrants and separatism between the different social groups, have brought important negative implications for disadvantaged groups.

In this book, first, we aim to identify existing policies on urban diversity and evaluate them to find out how and how far they can deal with diversity. The key arguments we picked up on the governance of diversity are as follows.

Conflicts and mismatches between contemporary governance discourses and practice of central and local governments towards diverse populations

Despite the growth of diversity in major cities around the world, increasing academic debates on urban diversity and attempts to transfer theoretical arguments to policies by international organisations, the practice of national and local institutions is quite restricted and far from being satisfactory (Amin, 2002). The recent experience of many urban areas points to challenging issues for the practice of diversity governance (Syrett and Sepulveda, 2012). Against

the discourse that praises the diversity of urban areas, regarding urban economic development and competitiveness (Florida, 2002), the local practice shows that there has been a backlash in diversity policies that endorse assimilation and ignore differences among immigrants, beginning from the 2000s.

Recently, public concern over safety, ethnic and religious conflict and crime have found an expression in the shift from “multicultural” to “assimilative” local or community interventions (Grillo, 2007; Vertovec and Wessendorf, 2010). Besides, the 2008 recession and austerity policies increased hostility to immigrants and neo-assimilation measures. Theoretical support for this shift is reflected in the argument advanced by Putnam (2007), who claims that immigration and ethnic diversity tend to reduce social solidarity and social capital. Neo-assimilation policies are different from the traditional assimilation policies. While the traditional assimilation approach sees immigrant or ethnic groups becoming more similar over time, the new assimilation approach emphasises incorporation of immigrant groups and aims to regulate the interaction between immigrants and hosts (Taşan-Kok *et al.*, 2013). The *neo-assimilation* approach recognises diverse cultural backgrounds and needs of immigrants and other groups but requires people to fulfil certain expectations of the majority.

The challenge between discourse and practice is even more striking in Turkey. While politicians and policy-makers praise diversity, the real urban politics and practice are not parallel to the prominent discourse. Increasing polarisation among social groups, increasing civic conservatism, the dominance of identity politics and no consensus culture are the outcomes of the current political agenda, which means there is almost no room for diversity policies and practice. Although the need now is more than during any period before, as supported by the limited democracy perception by most of the politicians and increasing the feeling of segmentation and otherness, still there is limited focus on social cohesion and diversity-related policies.

The loss of enthusiasm on diversity policies

After the praise for diversity that began in the 2000s, it is possible to find discussions related to the tension between the ability to recognise and preserve difference and yet still pursue equality between residents and citizens. Koopmans (2010) claims that, since the beginning of the 21st century, “multicultural” policy approaches to immigrant integration have lost much of their former popularity, which is reflected by the loss of support for multiculturalism (Koopmans, 2010). The new discourse can be defined as rediscovering and reasserting central elements of national identity and citizenship and promoting greater “integration” (Syrett and Sepulveda, 2012).

Moreover, the extent to which existing institutional structures no longer ‘work’ and why they need reforms are the core of the arguments of several authors, such as Swyngedouw (2009), Rancière (2006) and Žižek (2011). According to them, this political-ideological programme seeks to attack welfare state institutions across the EU and marginalise poorer and more diverse

communities in cities under the discursive cloak of empowerment and devolution agendas (Mouffe, 2005; Crouch, 2011). In such a socio-political agenda, in contradiction to the emergent discourses of central and local governments on diversity, in many countries, the policy makers are unwilling to address diversity explicitly.

Why did diversity-related policies and multiculturalism lose its attraction? The literature gives several reasons. First, opposition to multiculturalism is a feature of many so-called “new right” movements, which is a significant factor in local and national politics across Europe (Grillo, 2007). Second, a contrast between the (imagined) immigrant/minority ethnic and the (equally imagined) national subject is important in the loss of attraction of multiculturalism. Immigrants’ difference, their supposed qualities, are contrasted with and seen as questioning what it means to the identity of a nation (Grillo, 2007). Third, increasing (racial) tensions in different countries beginning from the 2000s, such as the 2001 racial tensions in the north of England, caused a paradigm shift in political discourse from multiculturalism to social cohesion, or from celebrating difference to affirming shared values (Howarth and Andreouli, 2012). Fourth, the economic recession and the following austerity policies have been important in the change of diversity policies and the attitude of people who lost their jobs to immigrants.

The increasing role of governance arrangements in policy fields in which local or central governments are not interested or not efficient enough

The result of decreasing interest in diversity by states is the mushrooming of governance arrangements, which is a clear indication of the problems and efficiency of existing policies and practices related to the governance of diversity. There is a mismatch between contemporary discourses on diversity and the policies and practices of central and local governments on this issue. The issues on which governance arrangements are focused are the problem areas in which local and central governments are either not interested or are not efficient enough. Governance initiatives act as counteracting mechanisms, where the contemporary/neoliberal state is missing. Therefore, the focus of these initiatives and the ways they are organised, are crucial for understanding how diversity is understood and practised in an individual urban setting and a particular country.

As explained above, the traditional government is no longer willing to fulfil the needs of the present population in general nor for the increasing diversity of groups in society in particular. Urban governance arrangements have to consolidate efforts regarding physical conditions, social and economic situations and environmental amelioration to achieve a better quality of urban life. It is expected that the overall success of public policies will be more and more dependent on partnerships between public and private sectors and individual citizens, and communities will have to take greater responsibility for their welfare. This new trend is significant in shaping local democratic practices and raises fundamental concerns related to representation, accountability and legitimacy, not about ethnic minority populations, but also the different types of disadvantaged groups, who are not able to make their voices heard adequately.

There is increasing evidence indicating the significant potential of governance arrangements and initiatives in the creation of effective programmes, which adopt a bottom-up approach and proactively utilise the positive assets of target groups. Through the involvement of key persons or direct participation of residents, the effectiveness and credibility of an arrangement may be considerably enhanced. Unlike many public policies, small governance arrangements implement a tailor-made and personalised approach to address the diverse needs of a specific population group or a particular neighbourhood. By using case-specific, innovative and creative approaches, often combined with experimental and trial and error methods, they embrace the complexity of local conditions, individual requirements and societal problems in a manner that public authorities and policies are unable or are restricted to do. The arrangements' added value provides spaces of interaction and encounter where people meet on equal grounds without hierarchical structures. Creating spaces of interaction and contact with a focus on activities may be more efficient than traditional integration measures since people do not feel patronised.

Second, in this book we sought to understand how people live with diversity: Is diversity something special? In this book, we raise several key arguments based on our research findings.

People often experience diversity in a "natural" way through everyday practices

Although diversity affects the lives of residents, they do not prioritise diversity in their daily discourses and practices. Urban diversity, in its different forms (such as ethnic, socio-economic and gender), results as a side effect of individual choices and collective practices. For example, people choose to live in our research areas for reasons that include the availability and affordability of dwellings, excellent location and access to transport, the proximity to family and friends. Diversity occupies a secondary place in their motives for moving to the area. Thus, ethnic, socio-economic and cultural diversity come as a non-planned result of many individual choices.

Public spaces in the neighbourhood (parks, playgrounds, squares, etc.) and networks among families whose children go to the same school are imperative from this perspective, as they bring people from different backgrounds together. These everyday practices constitute an instrument for socialisation in diversity for youth.

Diversity is essential for social cohesion

Social cohesion became one of the popular words in the literature, which is accepted as a precondition for sustained development and competitiveness of cities. How does the increasing diversity affect social cohesion? There is fundamental disagreement among social scientists about the association between diversity and social cohesion. The common belief in significant parts of the social sciences is that despite internal differences, mixed communities can live together in harmony. Finding the balance between diversity and solidarity is not easy, but it is not necessarily an impossible or undesirable mission (Amin, 2002). However, social scientists working in the communitarian tradition, like Putnam (2007), tend to see diversity and heterogeneity as a challenge or even an obstacle for social cohesion and identify cultural homogeneity as a fundamental source of social cohesion.

This distinction between optimists and pessimists is also reflected in the literature on social mixing policies (van Kempen and Bolt, 2009). On the one hand, policy-makers in many European countries see the stimulation of greater mixing across income groups and between ethnic communities as a means to create social cohesion (e.g., Graham *et al.*, 2009). On the other hand, many academic researchers tend to emphasise that diversity is often negatively related to cohesion. According to Putnam (2007), higher ethnic diversity in a neighbourhood goes hand-in-hand with less trust in local politicians. Ethnic heterogeneity can affect the number of friends and acquaintances negatively besides a willingness to do something for the neighbourhood or to work with voluntary organisations. Diversity does not only lead to less trust in the so-called ‘out-group’ but also to distrust in the ‘in-group’. Putnam (2007, p. 140) concludes: “Diversity seems to trigger not in-group/out-group division, but anomie or social isolation. In colloquial language, people living in ethnically diverse settings appear to ‘hunker down’ – that is, to pull in like a turtle”. Everyday practices may bring together different people, but the people do not necessarily mix with each other. This idea relates to the notion of parallel society: people may live close to each other, but this does not necessarily mean that they have contacts with each other or they take part in joint activities. Different people share public spaces, such as parks and playgrounds, but social interactions tend to take place among friends and members of the family. Everyday practices and public spaces do not seem to contribute to the creation of meaningful encounters and bonds between the individuals of different ethnic, cultural and social backgrounds who live in the same neighbourhood.

Living together: From parallel lives to interaction

Lifestyle is the most important factor in choosing the place to live and social interaction patterns. The level of education, income and norms, which define the lifestyles of people, matter more than differences based on ethnicity, culture and religion. While some people think that the diversity of the neighbourhood nourishes their experience with different cultures, for most people, diversity is a fact, as an element of their way of life; and for them, the different ethnicities, identities, cultures and religions are not so important. That said, the answers show that the intensity of networks among similar people is stronger than among those that are dissimilar. Moreover, relations between different social groups are quite distant, and there is a lack of trust in ‘others’.

In this book, instead of the general arguments, we aimed to explore to what extent the diversity of a residential area is necessary for social cohesion and to identify the issues that foster or hinder the development of social cohesion in a neighbourhood. To this end, we first discuss how diversity and social cohesion are associated and pose different questions that will enable us to investigate how they are related. We believe that two issues are important to define social cohesion – namely, the role of horizontal interactions, mainly networking among members of the society; and trust and mutual support, as a set of norms and attitudes that enable people to live together with their neighbours.

The intensity of networks among different groups in a residential area is important, but there is also a need to understand the nature of existing networks. For this, we gain benefit from the notions of trust and willingness to help – in other words, mutual support. Trust is seen as a component of social capital by some authors (Fukuyama, 1995), while others see it rather as a source (Putnam *et al.*, 1993) or a form of social capital in itself (Coleman, 1988). Nanetti (2006) and Leonardi *et al.* (2011) define “social trust” as the dimension of social capital that expresses widespread confidence in others. They claim that social trust, when present, can be found in multiple societal relationships between not only family members but also friends and neighbours. There are again different views on the relations between trust, mutual support and diversity. Vranken (2004) asserts that the non-conflicting relationships between diverse groups can be structured at lower spatial levels (neighbourhood or district).

Diversified neighbourhoods are promoted as spaces of tolerance

Diversity is seen as a cultural and aesthetic value. Some inhabitants, mainly young and highly educated persons, appreciate diversity as an asset of their neighbourhood. They see it as an element of cosmopolitanism or ‘Europeanness’, and they are proud that they live in such an area. For these individuals, diversity is a pull factor to move to the neighbourhood. However, these inhabitants do not necessarily maintain diverse social networks. They mostly appropriate diversity through co-modified services and products (ethnic restaurants and bars, ethnic grocery stores, etc.). From this point of view, they ‘consume’ diversity passively rather than actively through creating diverse social relationships.

Diversity is often greatly appreciated by groups that are threatened by social exclusion. These groups may prefer to live in diversified neighbourhoods because diversity frees them from multiple pressures. On the one hand, they escape from stigmatisation by dominant groups, while diversity protects them from the excessive social control of their group (for instance, from social control by an ethnic community). Diverse neighbourhoods emerge then as spaces of tolerance where people may experience a sense of freedom, as they are not required to follow a strict normative standard imposed by a dominant or a minority group.

The third focus of this book is the role of diversity in social mobility of inhabitants and entrepreneurship. We raise two central issues.

Myth or reality? Diversity creates opportunities and social mobility

Literature identifying the particular role of neighbourhood diversity on social mobility is biased. It focuses on social capital and, thus, the social contacts between people living in the same vicinity. The question of how individuals can profit from their social connections is crucial here. Do neighbourhoods and their population composition indeed affect the social mobility of their residents? There is no consensus on the effects of community composition on social mobility. Several studies have shown that proximity effects do exist, but they are always found to be small (Gordon and Monastiriotis, 2006; Galster *et al.*, 2008; Brännström and Rojas, 2012). Why are these neighbourhood effects so small? Existing explanations point to the limited

contacts between different kinds of people, since individuals have connections with people who are like them (Rosenbaum *et al.*, 1998). Moreover, the contacts outside of the neighbourhood are becoming more important, due to increasing transport facilities, the internet and social media (Van Kempen and Wissink, 2014). In this regard, it cannot be said that contacts are instrumental in social mobility and finding job opportunities.

In the studies of neighbourhood effects, the relationship between neighbourhood characteristics and social mobility is central (Friedrichs, 1998). In many of these studies, the effects of segregation (usually regarding income or ethnic background) on social mobility, rather than the consequences of diversity, have been critical. Research concerning neighbourhood effects provides concrete findings. A study on the implications of income mix in neighbourhoods on adult earnings in Sweden (Galster *et al.*, 2008) showed that proximity effects do exist, but that they are small. Urban (2009) found only a little effect on the neighbourhoods with children about income and unemployment risks in Stockholm. Brännström and Rojas (2012) also found mixed results on the effect of living in disadvantaged neighbourhoods on education outcomes in areas with relatively large minority ethnic populations. Gordon and Monastiriotis (2006) came across small neighbourhood effects on educational outcomes for disadvantaged groups. At the same time, they found more substantial *positive* effects of segregation for middle-class households. The general outcome of such studies is always that personal characteristics are much more important for social mobility than the features of the neighbourhood, at least in European cities.

To identify the relations between diversity and entrepreneurship, we focused on the dynamics of diversified neighbourhoods that enable different types of enterprises to start up and grow fast.

Entrepreneurship in diversity: What makes different types of enterprises coexist in diversified neighbourhoods

Existing perspectives provide an understanding of how diverse communities can contribute to the economic performance of cities. What is less clear is the impact of living/working in a hyper-diversified city or a neighbourhood where economic performance affects the individuals and groups living in these areas. In our research, we focus on the way individuals and groups perform in the city as entrepreneurs, as we see the economic performance of people as an essential condition for the economic performance of a city.

Entrepreneurs seek opportunities that they can exploit under the changing market conditions, and financial concerns mainly motivate them. Changing market conditions, shifts in the composition of customers and the adoption of communication technologies provide a significant advantage to companies with high levels of adaptive capacity. Entrepreneurs with new ideas, new techniques and new products tend to grow faster than existing traditional enterprises. Ethnic market enclaves are found to be a less-important factor in economic performance when compared to the increasing importance of niche markets. Customers' tastes and lifestyles are, accordingly, critical in the financial performance of existing enterprises.

The diverse neighbourhoods offer different types of diversities, which are essential for entrepreneurship.

In the literature, there is a strong emphasis on the *population diversity* of neighbourhoods as a motivating factor for new start-ups. Most of the immigrant enterprises look for distinct ethnic groups as their customers. In such places, apparently, there is little room for other types of enterprises. Recently, however, it has been possible to observe increasing numbers of ethnic businesses, now called “exotic” enterprises (see Barberis, 2016), which serve for wider numbers of people. They attract different types of customers, especially young and educated clients and individuals searching for various tastes and products other than ordinary ones. The increasing customer potential attracts other enterprises looking for this customer niche.

The diversity of workforce is defined as another factor that attracts different types of businesses to diversified neighbourhoods. Workforce diversity often refers to gender and ethnic diversity but also diversity regarding knowledge, capabilities and talent relevant to a particular job. Several reasons why workforce diversity is important have been brought forward, including lower employee turnover, lower absenteeism rates, access to a broader pool of talent, new ideas and improved innovation and confidence of customers (Robinson and Dechant, 1997; Salomon and Schork, 2003). *The diversity of economic actors* is also an important driver of economic progress at the level of cities, regions and national economies (Jacobs, 1984; Saviotti, 1996; Florida, 2002; Broda and Weinstein, 2006). Primarily, diversity of existing and potential entrepreneurs works through available and future opportunities for new and related products, where a wide range of goods within an industry opens up new avenues for (incremental) innovation.

The diversity of customers is also another issue underlined. Different types of enterprises can find customers/visitors, employees and enterprises that will cooperate, along with the cultural, ethnic, socio-economic and socio-demographic diversity of different people living, working or visiting a particular place. The complementarity effect of coexisting enterprises refers to the fact that a varied supply of products and services enables consumers to fulfil their diverse needs. However, there are still debates on whether diversity of a neighbourhood attracts various customers, or diversity of clients induces diversity of enterprises.

Existing studies underline the *diversity of enterprises*, not only as a source of skills and knowledge but also necessary to get benefits from agglomeration economies and complementarities. Social and business networks promote business activities (Syrett and Sepulveda, 2011). Social networks are a valuable source of information, credit and labour for business starters, regardless of whether their businesses are nascent or established. Research on social networks has shown that individuals form relationships more quickly with those with similar demographic affiliations, and networks based on cultural similarity will be a source of knowledge sharing. Intra-network interactions that are efficient can lower transaction costs. This literature emphasises the relationship between diversity, and entrepreneurship will follow an inverted U-shaped pattern. While diversity is useful for the birth and success of new business ideas, it

provides entrepreneurs with a broad range of networks that they can exploit. When the level of cultural heterogeneity is moderate, its benefits will outweigh costs, since enforcing inter-group collaboration is easy.

Diversity in the built environment and the physical structure is important in the coexistence of enterprises. The existence of cheap premises is an important facet of diversified and deprived neighbourhoods, both for traditional commercial and service facilities but also for new start-ups in the creative businesses. Therefore, projects for the revitalisation of deprived areas, in most cases, work against the existing diversity of inhabitants as well as enterprises. Recently, it is possible to observe that commercial gentrification – based on the adaptive reuse of historic dwellings for upscale shopping, dining and culture – is emerging as a new model of neighbourhood regeneration. Wang (2011), through an analysis of Shanghai's urban restructuring, explains that the entrepreneurial local government, which opened up urban heritage to a host of gentrifiers, including businesses, artists and creative firms, created conditions that made different groups leave this area. Kloosterman and van der Leun (2010) underline the importance of the immigrant-driven process of commercial gentrification by creating cheap commercial properties to make them stay in these neighbourhoods.

1.4 THE OUTLINE OF THIS BOOK

In the second chapter, we will show how the city of Istanbul is diverse, with a particular focus on the area of Beyoğlu, located in the centre of the city. The chapter will provide context for the rest of the book, with a brief introduction on policies, residents and the entrepreneurs living and working in this area.

Chapter 3 focuses on policy discourses. How do policies deal with urban diversity? We will focus attention on national policies as well as local policies to illustrate the development of policy in the past decades. The primary focus will be on current local policies: How do Istanbul's urban policies deal with diversity? Does Istanbul see diversity as something positive, as a threat to urban society, or is diversity not treated as a relevant variable? Does the city of Istanbul use diversity as an asset, or does it only act as if diversity leads to problems? In addition to the top-down policy discourses, we will also pay attention to bottom-up initiatives. How do the leaders of local projects see diversity? How do they profit from diversity?

In Chapter 4, we turn to the residents of the diverse urban area of Beyoğlu in Istanbul. We aim to find out why residents moved to the area and if the diversity of the area was one of their motives. It discusses how the residents think of diversity. How do residents use the diversified neighbourhood? Do they intensively use the district, or are their activities and social contacts mainly outside the area? Does living in the area of Beyoğlu help or hinder them regarding social mobility? Our expectation is that the residents of a diverse urban area may have many activities and social contacts in their residential neighbourhood. However, they may also find a lot of

their friends and activities outside the area, making the residential area less relevant for daily life and future career possibilities.

In Chapter 5 our attention turns to the entrepreneurs in the area. Has the diversity of the area been a motivator to start an enterprise in this area? How do they profit from diversity? Do they have a diverse clientele? Is the business successful, and can it survive? Here, the basic idea is that entrepreneurs in diversified urban areas have deliberately selected to start their enterprises in a diverse urban area because they think they can profit from the diverse clientele in this area.

We conclude with Chapter 6, where we answer the question of whether urban diversity is perceived as an asset, or noticed mainly as a liability. We have formulated some suggestions for policy-makers, politicians and other stakeholders who deal with diversity and diverse urban areas. How can they use our results?

2 ISTANBUL AS A DIVERSE CITY

2.1 LOCATING ISTANBUL

For centuries, Istanbul has been one of the key cities in the world order primarily due to its strategic position at the intersection of various trade routes between Asia and Europe. Today, the city is still known as the economic capital of Turkey; moreover, it is the most developed city of Turkey in socio-economic, cultural and financial terms and also the largest, with a population of 14,377,018 people (TSI, 2014). Istanbul is also the densest city in Turkey with a ratio of 2,767 people per square kilometre. With three seas surrounding Turkey, Istanbul is also one of the leading and most active ports in the world, having high levels of foreign and domestic trade. Today, it maintains this advantage and hosts various international firms and organisations with different fields of activities.

Being one of the oldest cities in the world, Istanbul hosted various civilisations and became the capital city of the Roman Empire (330-395), the Byzantine Empire (395-1204), the Latin Empire (1204-1261) and the Ottoman Empire (1453-1922) (IstanbulNet, 2015). Through those various historical eras, Istanbul has accumulated a distinct cultural legacy (including art, architecture), and a diversity of religious and cultural groups. Regardless of losing the title of ‘capital city’ to Ankara with the establishment of the Republic of Turkey in 1923, the city has maintained its functions as the economic centre of Turkey, especially regarding manufacturing



Figure 2.1 Location of Istanbul in Turkey.

and trade. It accommodated almost half of the total production and one-fourth of commerce employment in 1980. Istanbul has experienced very high economic growth rates since the mid-1980s, following a deliberate change of the national economic development policies from protectionist to export-oriented (Eraydin, 2006). Under the new economic conditions, its large economic hinterland and its proximity to the European market have defined Istanbul as a city that can host global functions. Several studies have indicated that towards the end of the 1990s, Istanbul took place within the second tier of *global cities* of the world, regarding several global functions (Beaverstock *et al.*, 1999, 2000; Taylor and Walker, 2001; Taylor, 2003).

The changing composition of the workforce supports the findings above, particularly on the increasing role of financial services in the Istanbul economy. In the last 20 years, the finance and banking sector, including insurance activities, has experienced a rapid momentum of growth. Employment in financial services increased from 5.6% in 1980 to 8.7% in 2000 in the total employment of Istanbul, creating an additional 200,000 jobs. With respect to the location of headquarters of international companies, Istanbul is in seventh place regarding finance and banking (Taylor, 2003). Moreover, the increasing global functions of Istanbul and policies that provided certain advantages to foreign capital supported the inflow of global capital to Istanbul beginning from the 1980s (Berköz, 2000; Özdemir, 2002). The availability of human capital and infrastructure facilities, besides the quality of life, accelerated this inward foreign investment, especially after Turkey became an EU-accession country (Eraydin *et al.*, 2009). Some firms looking for opportunities both in Turkey and in its neighbouring regions saw a significant opportunity, especially in banking, insurance and consultancy sectors. While the number of foreign capital firms in Istanbul was 5,883 at the beginning of 2005, by the end of 2008 the number had increased to 11,273 (Undersecretariat of Treasury, 2009). In recent years, there is also a rapid development of tourism activities. According to the European Tourism in 2015: Trends & Prospects Report, Istanbul is ranked among the five top travel destinations worldwide, welcoming more than 10 million tourists per year.

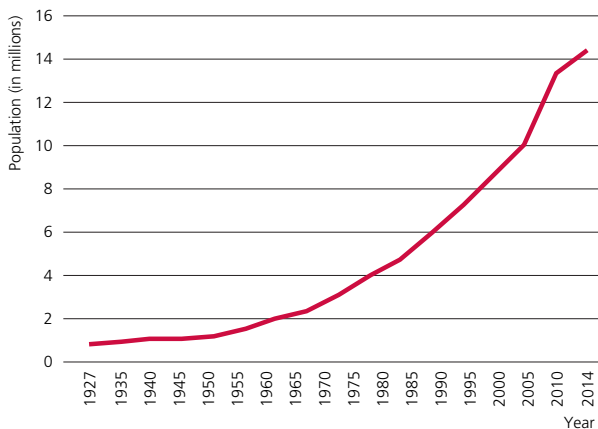


Figure 2.2 Population growth in Istanbul. Source: TSI, Turkish Statistics Institute Database

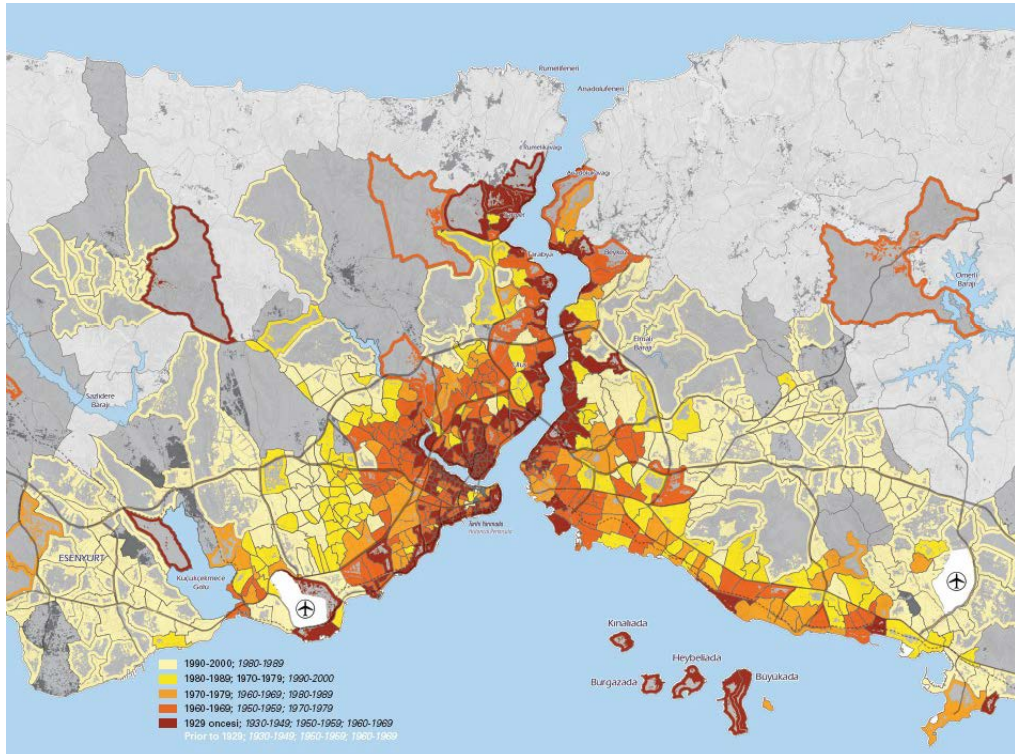


Figure 2.3 Development of the built environment in Istanbul. Source: Metropolitan Municipality of Istanbul, Directorate of Planning

The increasing role of Istanbul in the global economy has also triggered its population growth and shaped its spatial development. The city's population has increased remarkably especially after the 1990s (see Figure 2.2.). It has attracted more than 400,000 people from 2007 to 2013 (net migration) from different parts of the country and in recent years, besides the increasing numbers of migrants from abroad. Recent figures, which refer to the 1995-2000 period, indicated that 54,644 people migrated from overseas to Istanbul.

Parallel to the increasing population and the changing economic structure, Istanbul has expanded out of its existing administrative boundaries and has integrated with various settlements of different sizes that are connected functionally to the Istanbul metropolitan centre. Moreover, since there has been a shortage of land for new activities in the core of the metropolitan area, industry sites and large production units have relocated to the peripheral sites of Istanbul and surrounding cities located on the main transportation routes (Doğan, 2013). These dynamics caused the sprawl of the metropolitan area, not only on the east-west transportation axis but also towards the north, which is the forest and watershed area with an incredible importance for water resources (see Figure 2.3).

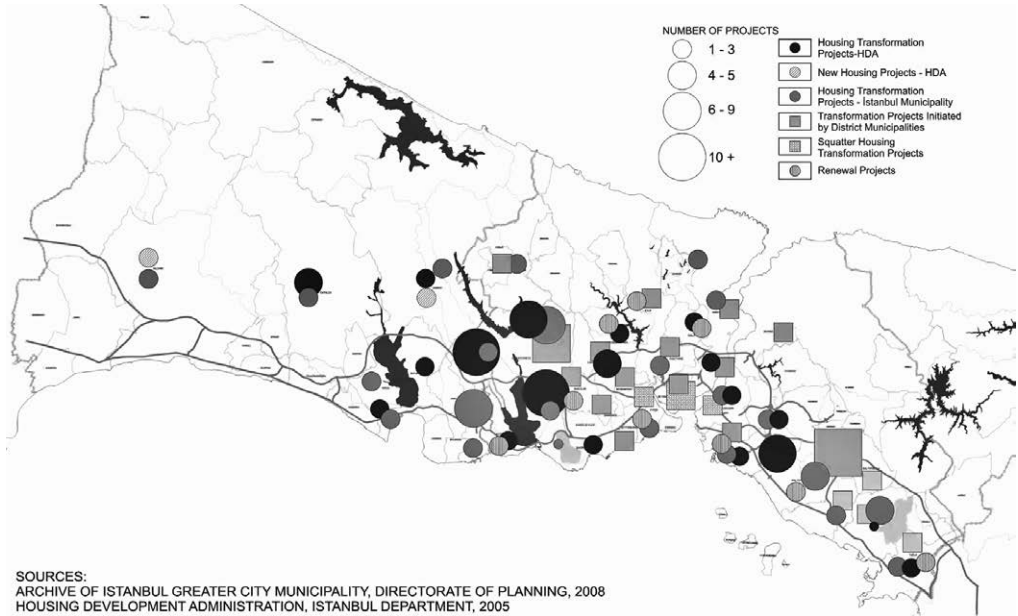


Figure 2.4 Distribution of new housing, renewal and transformation projects by HDA, Metropolitan Municipality and District Municipalities. Sources: Archive of Metropolitan Municipality of Istanbul, Directorate of Planning, 2008; Housing Development Administration, Istanbul Department, 2005

The central areas of Istanbul, on the other hand, have attracted main service firms and various financial activities, creating pressures for the transformation of the existing urban core. The central and local governments initiated several redevelopment and renewal projects beginning from 1980, including regularisation of squatter housing (*gecekondu*¹) areas and mass housing projects for middle-income groups. From 2000 onwards, prestigious accommodation and office projects for high-income groups and foreign investors have been started by private developers, for people who became interested in the Istanbul real estate market (see Figure 2.4).

To meet the demands of an increasing population, various urban renewal, rehabilitation and transformation projects have been initiated to provide housing and office spaces for different income groups in the urban core and its extensions (Yılmaz, 2010). Beyoğlu is a perfect example of such transformation processes. In Beyoğlu and its close surroundings, namely the Levent-Maslak district, new office spaces have been built for large national and international businesses, which have now become the main financial concentration axis of Istanbul. Moreover, both private firms and governmental organisations, especially the Housing Development Agency (HDA) of the Prime Ministry, started constructing large-scale housing projects for different income groups. HDA initiated several urban renewal projects and the provision of affordable housing in areas designated as *urban redevelopment zones*, but lately, it has also started to develop prestigious housing estates. Low-income groups, who did not have a *gecekondu* or were not able

to join a HDA project, however, stayed in the decayed inner urban neighbourhoods with poor living conditions.

2.2 DIVERSE-CITY ISTANBUL

Istanbul has a long diversity legacy since it has hosted various civilisations having different ethnicities, cultures, languages and religion. Moreover, due to its strategic location at the heart of various trade centres and transportation networks, other forms of diversity based on differences in occupations, income, education and demographic characteristics existed throughout centuries.

In the late Ottoman period, minorities² mostly lived in central areas like Beyoğlu and Galata, the places known as the centre of commerce and international financial-economic activities (Dökmeci and Çıracı, 1990). These particular districts became even more popular for minority groups when the embassies and administrative branches of different countries started to locate to these areas. Although some groups with different ethnic and religious background left Istanbul after the Turkish War of Independence and following agreements on the exchange of population between Turkey and Balkan countries, still most of Turkey's religious and ethnic minorities were concentrated in Istanbul. Unfortunately, following the violence against minorities on 6-7 September 1955, the numbers of non-Muslim citizens fell noticeably. At the beginning of 2000, Istanbul's Greek population numbered just 3,000 (down from 130,000 in 1923). The Armenian community also saw a decline, from 164,000 in 1913 down to 60,000 in Istanbul, similar to the Jews, most of whom migrated to Israel in 1950 after it became an independent country. The Jewish population, living in either Istanbul or Izmir, dropped from 100,000 in 1950 to just 18,000 in 2005. Moreover, the massive migration from the different regions of Turkey beginning from the 1970s onwards changed the ethnic composition of the population in Istanbul. According to 2014 figures, only 15% of the city's residents are originally from Istanbul (TSI, 2014). Today, the largest ethnic minority in Istanbul is the Kurdish community, coming from the east and south-east of Turkey. Although the Kurdish presence in the city dates back to the early Ottoman period, the influx of Kurds into the city has accelerated since the beginning of the Kurdish – Turkish conflict in the late 1970s. It is estimated that around 20% of Istanbul's residents are Kurdish. The other ethnic groups such as Albanians, Azerbaijanis, Chechens, Assyrians, Georgians, Laz, Arabs and Romani people are estimated to constitute 10-15% of the total number of residents, although these figures are not based on official statistics³. In recent decades, the city has also experienced growing numbers of foreign immigrants from different parts of the world, especially from the Middle East and Africa. Today, it is a highly diverse city regarding cultural, ethnic, socio-economic, socio-demographic characteristics, as well as lifestyles, cultural norms and attitudes.

In general, people with different cultural, ethnic and socio-economic backgrounds tend to concentrate in different parts of the metropolitan area. Immigrants from various regions

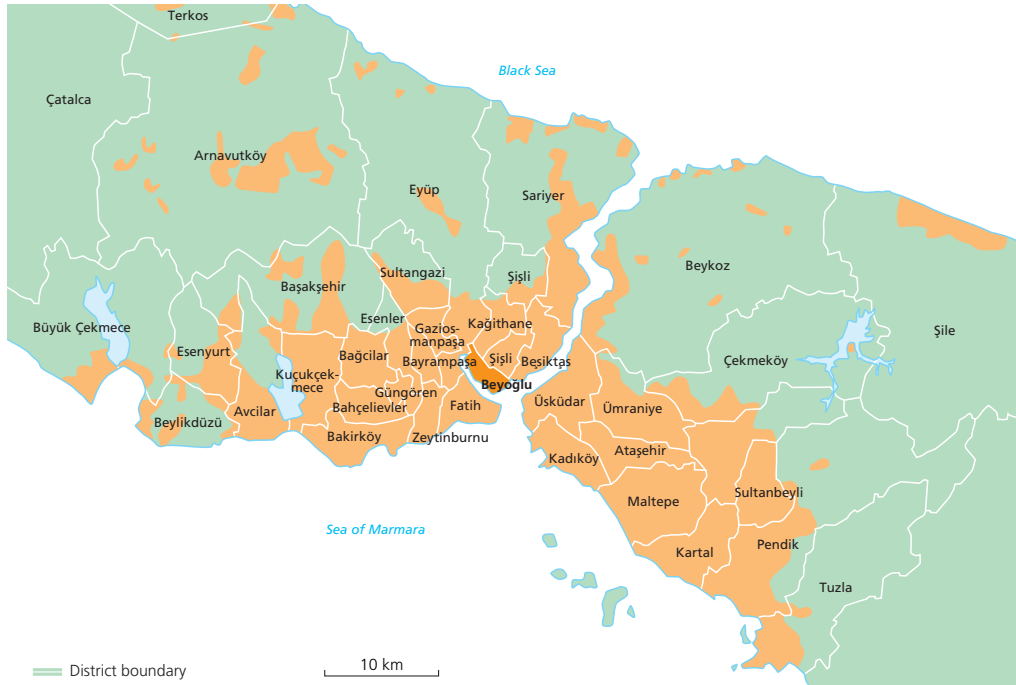


Figure 2.5 Location of Beyoğlu district in İstanbul. Source: Sakızlıoğlu (2014)

with different cultural and ethnic backgrounds prefer to live in areas where their relatives or people coming from the same hometown have already settled. Similarly, international migrants also prefer to locate in inner city areas where they feel at home culturally and create network relations. Illegal immigrants, on the other hand, live in deprived neighbourhoods in the city, and in many cases, they have low living standards (Tekeli, 2013).

The selected case study area, which has the highest diversity of population in İstanbul, is a district located on the European side of İstanbul, separated from the historical peninsula by the Golden Horn, and connected to the old city centre across the Golden Horn through the Galata and Unkapanı Bridges (Figure 2.5.). The district is composed of 45 neighbourhoods, and according to Population Census in 2014, the population of the area is 241,520 (TSI, 2014). In some neighbourhoods of Beyoğlu (such as Tarlabası Area, Çukur and Bostan Neighbourhoods), ethnic and cultural diversity is more visible than the districts surrounding the central areas.

Up until the 19th century, Beyoğlu was the place of the non-Muslim groups (Saybaşı, 2006). Levantines, Latin Christians who settled in Galata during the Ottoman period, played a seminal role in shaping the culture and architecture of İstanbul during the 19th and the beginning of the 20th centuries. Although their population has dwindled and the non-Muslim communities started decreasing from the First World War up until the mid-1950s, they remain in this district

Table 2.1 Demographic indicators

	Turkey	Istanbul	Beyoğlu
Area (km ²) ⁴	769,603 sq. km.	5,196 sq. km.	8.66 sq. km.
Total population ⁵	77,695,904	14,377,018	241,520
Age groups ⁶			
Youth (5-19)	24.6%	22.7%	21%
Working age population (20-64)	59.4%	63.6%	65.7%
Seniors (>65)	8%	5.9%	6.3%
Highest level of education attainment ⁷			
Illiterate	13%	7%	8%
Literate, but not graduated from school	22%	19%	19%
Primary and secondary education	47%	50%	53%
Middle vocational education; high school	13%	16%	14%
Higher vocational education; tertiary education	5%	8%	6%
Average household income ⁸	TLY 27,577	TLY 16,126	N.I.
Average house price (per m ²) ⁹	TLY 1,933	TLY 2,450	TLY 6,300
Unemployment rate ¹⁰	10.5%	14.3%	N.I.

though in small numbers. In the 1950s, while Beyoğlu lost its earlier non-Muslim residents, it experienced a massive wave of immigration from the rural parts of Turkey, and in the 1990s from the south-east regions of the country. In later years, especially after 2000, domestic migration was accompanied by international migration.

Today, Beyoğlu has a very mixed demographic structure, including poor communities, immigrants from eastern and south-east regions, and the Black Sea region of Turkey, as well as creative-professional middle and high-income classes, artists and people with diverse gender identities and sexual orientation. Kurdish people, Syrian refugees, international immigrants such as Afghan, African, Iranian, and other communities, Romanians, Bulgarians and Russians, and ethnic groups including Jews, Armenians, and Greeks are the groups living in Beyoğlu. Among the population of the district, 35,461 people (14.7 % of the population) were born in Istanbul (TSI, 2014), the rest come from other Turkish provinces or abroad. The figures (2013) show that the largest numbers of people have migrated from the Black Sea region (20.1% of total population), among which the Giresun province has the largest share. There are also substantial numbers of immigrants from Central Anatolia, especially from Sivas, and from the eastern parts of the country. Antalya, on Turkey's Mediterranean coast, is another province from which quite a large number of people have migrated to Beyoğlu. Among the immigrants, 8.3% are foreigners (TSI, 2013). This figure does not include Syrian immigrants since they have very recently migrated to Turkey, and there are no reliable statistics on Syrian refugees.

The Beyoğlu District is relatively diverse regarding the socioeconomic status of its residents. The southeastern parts of the district accommodate neighbourhoods with upscale residential areas regarding income and education of their inhabitants. These are the gentrified areas in



Picture 1 An example of renewal projects prepared by HDA.

Source: <http://www.beyoglubuyukdonusum.com/tarlabasi/detay/Fotograf-Galerisi/39/43/0>

which high-income groups, professionals and those working in the creative sectors live. The neighbourhoods in the west and the north-west of the district have residential areas where socio-economic conditions are relatively poorer. However, in the neighbourhoods located in Tarlabası and Dolapdere quarters, the social and economic profile of the residents is remarkably low, accompanied by poverty, physical and socio-economic deprivation, poor infrastructure, unemployment, informal working, and higher illiteracy rates (Arıkan-Akdağ, 2012). Recently, the Beyoğlu and Greater City Municipalities have initiated large-scale urban renewal projects with the support of the Housing Development Administration. They are not only reshaping the existing built environment, but they also have an impact on the population composition of the district. In fact, Beyoğlu's diverse population profile has been notably changing resulting from urban renewal and transformation projects and gentrification processes (Aksoy and Robins, 2011).

2.3 ORIGINS AND CAUSES OF DIVERSITY IN ISTANBUL

Istanbul, being the major economic, cultural, and historical centre of Turkey, has always attracted immigrants. The city, as the major destination for internal and international migrants, has a very dynamic mobility and migration pattern and accommodates a variety of migrant groups. The immigrants include people from different countries and cities, temporary or permanent, with high or low socio-economic status and with different educational profiles, which all contribute to its ethnic, socio-economic and cultural diversity. However, the level of

diversity and the ethnic composition of the population of Istanbul have changed substantially since the beginning of the Republican period, namely 1920s onwards.

As discussed earlier, the level of ethnic diversity has been negatively affected by the exchange of population between Greece and Turkey (people with Turkish origin from Greece and vice versa in the 1920s) and the emigration of Jews following the establishment of the State of Israel (1948) (Enlil, 2011). Moreover, the new conditions of citizenship for minorities, such as Wealth Tax (1942-1944), and the “Events of September 6-7” (1955) forced different minorities to leave Istanbul. The emigration of minorities resulted in a decreasing diversity of Istanbul.

The areas left by non-Muslim minorities were redeveloped and reoccupied by newcomers from less developed regions of Turkey. Interregional migration increased the cultural and ethnic diversity of the metropolitan area since people coming from different parts of the country had very different cultural, ethnic and even religious features. However, those immigrants from poor regions contributed to the socio-economic differences and differences in lifestyles in this growing metropolitan area so that the diversity of the 1920s was replaced by a different type of diversity; ‘international’ by ‘interregional’ – the latter being rather of the social, cultural and economic category.

The interregional migration created great pressure on Istanbul; since it led to a rising demand for housing, urban infrastructure and public services. However, the economic base was not ready to meet the growing need for shelter (Keyder, 2005). Therefore, the migrants had to find their way: they took irregular jobs and built their *gecekondu*. The difficult living conditions, however, produced tensions with the local and national governments. The central government made several exemptions for *gecekondu* settlements in the existing planning and property legislation, to defuse the rising tension. These changes enabled the migrants to survive in the Istanbul metropolitan area.

Towards the late 1990s, it was no longer possible to construct a *gecekondu*, since no public or cheap land was available in the periphery of the metropolitan area. This situation generated an urban transformation policy and practice, namely constructing new housing estates on previous *gecekondu* areas, which have provided high returns to *gecekondu* owners (Eraydin, 2011). The owners of buildings/*gecekondu* units were mainly the early migrants of Istanbul. Other social groups were not so lucky, such as the new migrants. For these disadvantaged groups, some special conditions and compensation mechanisms were introduced to suppress their dissatisfaction (Eraydin and Taşan-Kok, 2013). The compensation was in the form of providing new apartment units to disadvantaged groups who owned *gecekondu* units – specifically to those with deeds. Moreover, in certain projects, they were offered housing units built by HDA; they could buy the units far from the city at low interest on credit (Erendil, 2014). However, for some of the people who do not have regular jobs, even the easy credit terms were not suitable. Besides, settling far from the city centres had negatively affected their employment opportunities. Therefore, most of these disadvantaged people moved to deprived

neighbourhoods close to the city centre. These changes in the built environment reallocated the diverse groups over the urban built environment.

During the same period, Istanbul and Turkey faced increasing numbers of refugees and immigrants from Bulgaria, the Middle East and Africa. Particularly during the course of the Iran-Iraq War, high numbers of refugees arrived in Turkey. Growing numbers of refugees necessitated the legislation on sheltering and protecting refugees, which focused on control of foreign immigrant workers. Some of the immigrants stayed in Istanbul, some others, especially the ones from Bulgaria, returned home after a while. Beginning in the late 1990s, Istanbul began to experience another type of immigration, following the increase of global activities in Istanbul. The growing economic activities and finance-related businesses, which had served as gates to the outside world, attracted foreign professionals and long-term minorities (Greek and Armenian populations) to Istanbul (Sakızlıoğlu, 2014).

The process of accession to the EU in the late 1990s has brought substantial changes to the discourses on both citizenship and diversity. *The Helsinki Summit* of December 1999, in which Turkey was defined as an EU-accession country, necessitated reforms in Turkey parallel to the Copenhagen criteria of 1993 on democracy, human rights, citizenship and the protection of minorities. Therefore, following this Summit several reforms have been initiated to provide specific rights to ethnic groups, besides the democratic rights of groups that constitute the majority of the population. The year 2000 was the beginning of a new era in refugee and migration policies. Turkey has become more open to migrants. As the number of migrants has increased, Turkey took some precautions to prevent illegal migration and smuggling and introduced several regulations concerning refugees' living conditions, including health, security, sheltering, etc. In recent years, Turkey has faced a new flood of international migrants and refugees. The political problems in the Middle Eastern countries have made Turkey, and Istanbul in particular, a major focal point of illegal immigration. Istanbul has been home to growing numbers of illegal immigrants mainly coming from Africa, Asia, and the Middle East (Eraydin *et al.*, 2014). As declared by UNHCR¹¹, the number of refugees and asylum-seekers in Turkey in 2015 is estimated to reach nearly 1.9 million, including 1.7 million Syrian refugees. Since the Syrian conflict began in 2011, more than one million Syrians have migrated to Turkey. According to the official figures declared by the UNHCR in 2014, the number of Syrians has reached 330,000 in Istanbul. This number will very likely increase since many Syrian asylum-seekers continue to come to the city. Obviously, meeting the needs of all these refugees is beyond the economic capacity of Turkey, and unfortunately, some of these people are living in tough conditions in Istanbul.

2.4 SOCIO-SPATIAL DYNAMICS OF DIVERSITY IN ISTANBUL

The changing diversity of the population in different periods is reflected in the built environment in Istanbul. In the early 1920s, non-Muslim commercial bourgeoisie, employees

of embassies, bureaucrats, Levantines, some of the Muslim imperial elite and tradesmen with high incomes tended to live in the central areas. Low-income and low-skilled workers working in small-scale ateliers, or middle-scale production units and in various service-based economic activities lived in areas close to these central areas, which were more affordable (Çelik, 1993). Following the migration of substantial numbers of minorities, the new immigrants from different regions of Turkey reoccupied some of the areas left by non-Muslim ethnic groups. The demographic changes also triggered changes in the socio-economic conditions and lifestyles in such places, since people coming from rural areas of the less developed regions continued to live as they did before. Moreover, with the population increase, urban sprawl became a fact in Istanbul. The large *gecekondu* areas located in the periphery of the existing built up areas created a dualistic structure in Istanbul, based on socio-economic status and income levels.

After the 1980s, following the adoption of neoliberal principles in the economy, Istanbul became the playfield of new forces of globalisation, and various projects and investments were designed for the neoliberalisation and revitalisation of economic, social and cultural activities (Enlil and Dinçer, 2003). New development areas, large-scale, competitive and ambitious construction schemes and transportation and infrastructure projects were initiated in the central parts of Istanbul (Gül, 2012). The new axis that was defined as the new financial core of the metropolitan area became the attraction point for both foreign and domestic investments, workforce and capital owners. For affluent groups, several prestigious housing projects and gated residential areas were developed. The high-rise buildings and the new architecture of the core functions increased the visibility of the segmentation among different socio-economic groups. However, another land development pattern worked to reduce the segmentation among socio-economic groups, namely the transformation of the *gecekondu*s to apartment housing.

In the 1980s, all areas developed on the outskirts of the city that did not comply with existing planning rules and regulations received the rights of redevelopment with the help of the new legislation. In these areas of transformation from squatter settlements to planned residential neighbourhoods in the last two decades, several hundred thousands of flats have been constructed, which attracted middle-class groups as well as the previous residents of informal housing units. Some of these transformation zones became mixed zones, where people from different origins, occupations and income groups lived together. Similarly, some big projects, such as organised industrial districts, small industry sites and technoparks attracted high-quality skilled labour to peripheral zones of the city enhancing the mixed character of neighbourhoods close to these places (Eraydin, 2008).

According to the study by Güvenç *et al.* (2005), there were still substantial differences among neighbourhoods with respect to the places of birth of residents, which represents their cultural and ethnic background to a certain extent, in 2000. While the inner core of the metropolitan area and the neighbourhoods on the Bosphorus hosted the people born either in Istanbul or other metropolitan areas, the people living in the outer ring of Istanbul are mainly immigrants from relatively less developed regions of Turkey, including the Black Sea region and Eastern

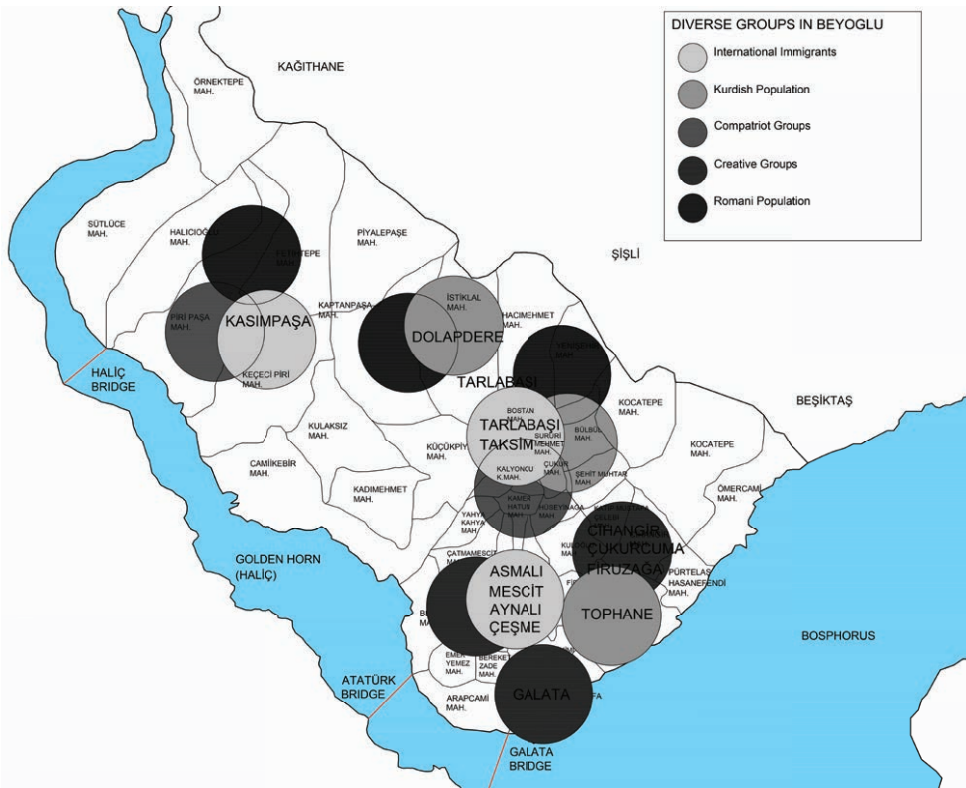


Figure 2.6 Concentrations of diverse groups in the neighbourhoods of Beyoğlu (2015). Source: Yersen, Ö. (2015)

and Middle Anatolia. Neighbourhood profiles based on the place of birth were quite consistent with the professional profiles of the neighbourhoods. Several studies also showed that occupational differences at neighbourhood level are very consistent with the division of income among them (Güvenç *et al.*, 2005). There is an important distinction among neighbourhoods in terms of white-collar and blue-collar workers. While white-collar workers preferred to live around Bosphorus and coastal neighbourhoods on the Anatolian side, blue-collar workers are concentrated on the outer periphery of the metropolitan areas, where small and large manufacturing firms are located. In the prestigious suburban areas, it is possible to observe a concentration of entrepreneurs, managers and technical professionals. Neighbourhoods in the historical centre of Istanbul, including the historical peninsula and Beyoğlu, on the other hand, have a mixed occupational composition, ranging from technical jobs, managers, and entrepreneurs to low-paid service jobs.

Diversity is evident in certain areas of the city, especially in the historical peninsula and the Beyoğlu District (Figure 2.6.). The historical peninsula and Beyoğlu are the districts

accommodating different groups that have migrated from various regions of Turkey, as well as from European countries and non-European countries such as Russia, Egypt, Iran, etc. (Güvenç *et al.*, 2005). The fieldwork in Beyoğlu showed that Beyoğlu is the home of immigrants from the Middle East and North African countries, including Iran, Iraq, Afghanistan, Nigeria and Syria, and people with different ethnic and cultural backgrounds such as Romani and Kurdish people. Furthermore, it has recently attracted highly skilled professionals and artists, and people with diverse identities such as LGBT groups (Eraydin *et al.*, 2014).

Due to new urban renewal projects and gentrification processes taking place in deprived areas and inner-city neighbourhoods, as well as new housing estates in the periphery, neighbourhood profiles are expected to change. Unfortunately, recent data does not exist regarding the composition of the population at neighbourhood levels.

2.5 DIVERSITY, ECONOMIC DYNAMICS AND ENTREPRENEURSHIP IN ISTANBUL

Istanbul is one of the largest cities in the world with a population of 14.37 million, which constitutes 18.5% of the total population of Turkey. It dominates the Turkish economy, generating 27.2% of the total Gross Value Added (GVA), 30.9% of GVA of services and 20.7% of manufacturing GVA of Turkey. The contribution of Istanbul to the national economy (GVA) has increased from 23% in 2000 to 27% in 2011, although the city's share of government expenditure has remained around 8% (TSI, 2011). From 1987 to 2014, income per capita rose substantially in Istanbul. Although after the 1990s, income per capita has declined with respect to the Turkish average, still the average income in 2011 is 1.5 times higher than the Turkish average (see Figure 2.7).

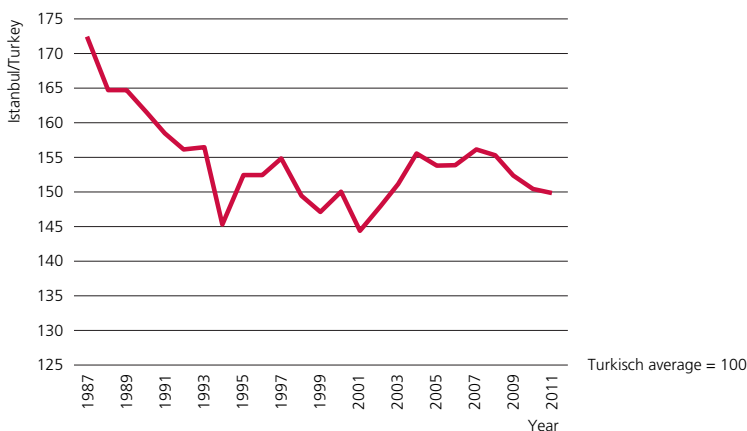


Figure 2.7 Index of income per capita in Istanbul (Turkish average=100). Source: Turkish Statistical Institute

As the economic centre of Turkey, Istanbul, like many other cities in the world, has experienced a significant transformation since the 1980s (Eraydin, 2006). Increased international trade and a significant amount of foreign currency inflow have contributed to the development and change in the city's economic profile (Özdemir, 2002).

There is a remarkable increase in the total foreign capital inflow in Turkey, especially after 2007. Turkey received US\$1.8 billion foreign capital during the 1980s, US\$8.4 billion during the 1990s, and US\$16.7 billion in the first half of 2000s, while the total foreign inflow of capital investment reached US\$109.7 from 2006 to 2014. It is estimated that Istanbul attracted more than one-third of the total foreign investment. Turkey has also experienced a substantial increase in import and exports (TSI, 2014), 52% of total exports and 56% of total imports in the country has taken place in Istanbul.

The city, starting from the early 1980s, has become the most important finance and business centre of Turkey, by having the largest share of real estate, tourism, media, advertisements, and construction. International companies, which have strong links with the global markets, chose Istanbul as the centre of their activities. The structural changes in the city's economy have a significant impact on the employment and sectoral composition of Istanbul. The population in active age groups is roughly 10.5 million, which constitutes 19% of the total labour force of Turkey. In 2014, employment reached more than 5 million, while its composition by sectors has changed substantially. The share of the employment in the service sector has substantially increased, triggering the formation of a new group of professionals, including highly paid technicians and managers (Aksoy, 1996). The number of people employed in financial services rose from 82,000 in 1980 to 283,000 in 2000. The number of workers employed in manufacturing rose from 526,000 to 1,097,000 in the same period. The share of manufacturing employment in total employees has experienced a small decline, while the share of employment in agricultural and industrial sectors has declined from 8% and 38% in 2000, to 4% and 35% in 2014, respectively. Also, the number of employed increased by 47% since 2000, which means that 116,000 additional jobs were generated per year (Table 2.2).

Table 2.2 Employment figures

	Total labour	Number of employed	Labour force participation rate*	Number of unemployed	Level of unemployment
1985	4,380,030	1,873,597	0.4278	141,000	8%
1990	5,604,703	2,539,963	0.4532	167,000	7%
2000	7,919,177	3,471,400	0.4384	506,000	15%
2005	9,051,000	3,708,000	0.4097	483,000	13%
2010	9,634,000	3,947,000	0.4097	658,000	17%
2014	10,981,000	5,096,000	0.4641	688,000	14%

Source: Turkish Statistical Institute

*Labour force participation rate is the proportion of the population aged 15+ who are economically active

Table 2.3 The growing numbers of enterprises in Istanbul and Turkey

Years	Istanbul	Turkey	Istanbul/Turkey (%)
2003	362,643	1,892,692	19.1
2004	442,400	2,134,940	20.7
2005	576,664	2,521,036	22.8
2006	608,357	2,589,120	23.5
2007	647,028	2,713,237	23.8
2008	647,028	2,732,541	23.7
2009	638,392	2,635,221	24.2
2010	618,818	2,488,037	24.8
2011	673,383	2,784,285	24.1
2012	702,126	2,858,596	24.5

Source: Turkish Statistical Institute

The growth of the economy and new employment opportunities have attracted large numbers of migrants not only from less developed regions, as was the case from the 1950s to the 1970s but also from relatively advanced regions of Turkey. Furthermore, immigration from different parts of the world, especially from the countries of the former Soviet Republic, as well as from the Middle East and Africa has gradually increased. Most of the low-skilled immigrants have found employment in low-wage business activities, mainly in small manufacturing and services. They mostly work without being a member of the social security system; according to social security statistics, more than 30% of employees had no social security in 2000. The share of people engaged in scientific and technical works have increased substantially in Istanbul, with the help of highly skilled immigrants. The growth of highly skilled migrants confirms that Istanbul has not only faced the influx of unskilled workers, but it has also attracted people who are specialised in scientific and technical fields. On the other hand, employment data indicates that the share of female employees in total employment increased from 14.4% in 1980 to 25.9% in 2000 and increased to 28.5% in 2014. Although the majority of female employees previously worked in relatively low value-added businesses, the numbers of highly skilled female workers have started to increase in recent years.

Istanbul offers a variety of economic opportunities for people to start new businesses. Istanbul plays a key role in entrepreneurial activity measured with regards to the self-employment rate and firm birth rate. While Istanbul had 22% of self-employment in the total labour force in 1985, it declined to 16% of the total employment, although the number of self-employed increased from 417,000 in 1985 to 638,000 in 2014 (Demirdağ, 2015). While the numbers of self-employed people have grown continuously, due to an increasing share of wage earners, their share in the total is relatively lower today.

Another indicator of entrepreneurship is the number of enterprises. The official figures from the Turkish Statistics Institute show that from 2003 to 2012 the number of companies almost

doubled. The high growth in the number of companies is also evident from new firm entries, which increased with around 6,000 per annum in the 1990s, 13,000 per annum in 2000s, and over 20,000 new firms were initiated in each year afterwards. In fact, Istanbul has the highest firm birth rate among the Turkish cities, due to the high level of innovative activities and knowledge spillover (Eraydin, 2016). It has the highest accessibility of human capital and financial capital, especially due to its rich and diverse labour resources. Apparently, the diverse population composition of Istanbul is positively linked to higher levels of entrepreneurial activity.

2.6 CHALLENGES AND OPPORTUNITIES OF ISTANBUL AS A DIVERSE CITY

A review of the outcomes of the previous and current urban policies shows that the provision of facilities and support to disadvantaged groups disregards the need for particular attention to different ethnic and cultural characteristics (Eraydin *et al.*, 2014). Concerns related to cultural and ethnic diversity are low, and the emergent discourse on cultural diversity adopted by some central and local government departments is not reflected in current policies and practice. The general approach has been to devalue and stigmatise existing cultural, ethnic and religious diversities persistently, and although this attitude has changed in the recent discourse, the recognition of diversity is still a matter of debate in Turkish society. Concerning ethnic, cultural and religious diversity, the approach is still in line with the argument as Kaya and Harmanyeri (2010) emphasise, “*There is no problem related to tolerance in Turkey as long as those non-Sunni, non-Muslim, and non-Turkish minorities accept being second-class citizens.*” Although there were some attempts after the Helsinki Summit of the European Union in 1999 and the following EU Accession period characterised by several efforts to recognise ethnic and cultural diversity, these efforts have diminished since 2005, and the recognition of ethnic and cultural identities has still been questionable.

Policies developed by the central and local governments under the discourse of equity did not significantly contribute to reducing the income differentials in Istanbul. On the contrary, the official figures (TSI, 2014) show an increase in the Gini coefficients, income disparities, from 2006 to 2012 in Istanbul. Moreover, according to certain studies, the recent urban transformation projects and the projects for dilapidated historical areas began to work against the deprived groups, making them feel even more marginalised (Türkün, 2011). This policy includes ensuring healthy and safe living conditions for the disadvantaged groups and facilitating their integration to the society and the city while increasing their self-sufficiency. However, these policies have limited impact on reality. District municipalities hardly ever deal with diversities in their social and cultural policies and their activities, except some of the municipalities, do not attempt to approach people with different cultural and ethnic backgrounds and their representatives. The attitudes of municipalities who try to take account of diversity, namely Şişli, and Beşiktaş where most of the ethnic minorities live, is quite different from the other district municipalities and central government as well. To give some examples,

Şişli Municipality supports the cultural and linguistic diversity and the provision of support to diversity is highlighted as one of the strategic aims of Beşiktaş Municipality in its annual activity reports, performance programmes and in its strategic plan. On the other hand, Kadıköy Municipality has embraced the '*Social Cooperation*' concept as a model to create employment opportunities since 2006 and established the *Social Cooperative Development Centre* in 2009 to facilitate the social participation of the disadvantaged groups, including women, physically challenged people and youth. However, what has been achieved is far from meeting the increasing demands of the diverse groups.

The failure of the central and local governments to address the needs and problems of diverse groups has triggered the emergence and growth of different governance arrangements, mostly in forms of local initiatives and civil society actors involved in the governance of diversity in Istanbul and Beyoğlu. The governance arrangements work in fields in which central and local governments have limited interest. Therefore, the responsibilities in various fields regarding urban diversity have been transferred to a variety of governance actors, especially to local community initiatives, but they usually are not accompanied by required support, fiscal capacity and legal arrangements. The governance arrangements are sometimes highly effective in supporting and assisting diverse groups since they best know the specific needs and problems of their target groups, but still, they reach only a small number of people, who need special assistance. Although there is an emerging discourse that defines diversity as a positive aspect of social order, there is almost no policy to avoid adverse outcomes of increasing fragmentation and hostility between different groups. Not only foreign migrants and local minorities but also immigrants from various parts of Turkey with different ethnic and cultural backgrounds face various forms of discrimination.

There is no question that policies on diversity can be helpful to increase the social and economic welfare, improving relations between diverse groups and reaching a peaceful society. Istanbul will be the city, which can gain most from such policies.

3 POLICY DISCOURSES ON DIVERSITY

3.1 INTRODUCTION

To approach the issue of increasing diversification of the urban population in socio-economic, social and ethnic terms, but also with respect to lifestyles, attitudes and activities, we first explored the policy discourses on the concept of 'diversity'. The principal aim of the present chapter is to present the conceptions and understandings of diversity while critically deconstructing and assessing the core policy strategies and programmes that are associated with the discourse on diversity at the different state levels in Turkey. Through the review and the critical analysis of key public policies and the dominant discourses, we explored whether diversity is perceived in a positive or a negative way. We tried to define the major aspects of diversity that are highlighted, and if there is a significant difference between the different state levels regarding the use and perception of diversity. We also pinpointed the implications of these differences on the outcomes of the investigated policies. To complement the analysis of the prevalent discourses on diversity, a further focus of this chapter is laid on the perspectives of non-governmental actors and smaller initiatives dealing with urban diversity.

In Turkey, there is no explicit diversity policy and the policy-makers are unwilling to address diversity explicitly. The concept of diversity used in policy documents mainly refer to socio-economic and socio-demographic differences, but less concerned about cultural and ethnic diversity, while the legislation on the responsibilities of both central and local government departments do not define clearly their roles on issues related to ethnic and cultural diversity. The use of the concept of diversity is mainly a narrative to describe the 'richness' of the society, but not as a key for defining policies and policy instruments.

The overview of the existing policies on urban governance and diversity in Turkey highlight several important issues. First, the policy makers are mainly interested in issues related to socio-demographic and socio-economic diversity, and declare that they are interested not only in the equal distribution of existing facilities but overcoming existing material differences. According to in-depth interviews and the documents reviewed, the main principle used in formulating policies is "*equity*". The terms *social cohesion*, the provision of support for *disadvantaged groups*, overcoming *income inequalities* are often used without an explicit reference to policy measures. The official documents, including policy briefs, plans and the programs of different central government agencies and local authorities reviewed for this book, prefer to focus on improving economic opportunities and enhancement of social mobility. Even if the term "*diversity*" is used in certain policy documents, it is possible to observe that existing urban policies of central and

local governments mainly address material inequalities, and that there is a need to improve the well-being of disadvantaged groups and the access of such groups to public services.

Second, there is a cautious language in policy documents related to diversity issues. When they have to refer ethnic and cultural diversity, their approach can be defined, as not more than 'openness' and 'tolerance', which still reflects a top-down attitude of the major actors of urban governance.

Third, there is an increasing, but still weak demand for recognition of multiple voices and policies that search for combating discrimination on ethnic and religious issues, which are expressed by many NGOs and political parties. In fact, there have been considerable changes in the legislation in recent years that provided special rights and freedoms to ethnic groups, although some of these ethnic groups, such as Kurds, are not satisfied with the ongoing changes for anti-discrimination. They ask for the change in the constitution's emphasis on Turkish ethnicity. This claim, however, is still not shared by other ethnic groups. There are conflicting views both among the different ethnic groups and among the actors of the political system on policies to be introduced on ethnic diversity.

Fourth, the emergent discourses of central and local governments on diversity, namely *the decreasing social oppression (toplum baskısı) because of the lifestyle of urban dwellers and tolerance to diversity* are not reflected in current policies and practice. Instead, as most of the interviewees highlighted, the current tendency is the devaluation and stigmatisation of certain urban identities and the conservative attitude of Turkish society.

In this chapter, following a brief introduction of the methodology of research, Section 3.3 aims to summarise the distribution of powers between different types of administrations, actors and institutions that are responsible for urban governance and diversity in Turkey. The short descriptive section on the above issues is based on the review of the secondary resources namely, policy documents, plans, programs and legislation on the related governmental organisations. The information on governance structure and institutional set up are later finalised with the help of interviewees from leading institutions of the central government. Section 3.4 introduces a brief summary of the existing and earlier forms of governance and decision-making processes on urban policies connected to the main discourse on diversity in Istanbul. The first part of this section is devoted to describing dominant urban governmental policy strategies, and it is based mainly on the evaluation of the policy documents, strategic plans and action programs of local departments of the central government in Istanbul, as well as the Istanbul Metropolitan Municipality and district municipalities. Resource allocations of these local administrative units are studied with the help of documents on financial plans. This section is also supported by interviews with the officials of key organisations. Section 3.5 of this chapter assesses non-governmental urban policies, views and strategies on urban diversity, which is followed by conclusions.

3.2 METHODOLOGY

The research is based on a qualitative approach and involves documentary analysis, semi-structured interviews and a round-table talk. The documentary analysis drew on relevant legal documents, strategy papers, annual reports and results of earlier research on the topic. Interviews were conducted with selected actors from different levels of the public administration (including national, regional and city level) responsible for immigration, citizenship policies or other diversity-related matters, as well as with the representatives of non-governmental organisations and bottom-up initiatives in the field of diversity. The fieldwork was carried out in two rounds. The first round of preliminary research and interviews were conducted between August 2013 and October 2013 and the second round of research and interviewing between February 2014 and May 2014. Additionally, a round-table talk with representatives of the selected initiatives was organised to validate the outcomes of the fieldwork.

3.3 POLICY APPROACHES TOWARDS DIVERSITY AT NATIONAL AND LOCAL LEVEL: STRUCTURE AND SHIFTS

Existing policies of both central and local governments on diversity deal with issues related to the material inequalities between socio-demographic and socio-economic groups, with the main principle underpinning the formulation of such policies being 'equity'. Concerns related to diversity are weak and limited attention is given to providing special rights and opportunities to different ethnic and cultural groups. The general approach has been to devalue diversity persistently and to fail to recognise existing cultural, ethnic and religious diversities. Although this attitude has changed substantially in recent years with increasing immigration, the recognition of diversity is still a matter of debate in Turkish society. While the general discourse is "diversity is the richness of the Turkish society", a review of the previous and current urban policies shows that the provision of facilities and support to disadvantaged groups disregards their ethnic and cultural characteristics (Eraydin *et al.*, 2014).

The key ministries which define central policies, strategies and practices on urban issues in Turkey¹² endeavour to increase the access of disadvantaged groups to services such as health, education, and training (Ministry of Development, 2013). They aim to overcome social exclusion and improve the living conditions of vulnerable groups such as women, children, handicapped, elderly and immigrants. These policies are developed within the framework of the Lisbon Strategy and the EU Policies on Justice and Citizen's Rights and Employment and Social Rights. However, government officials of ministerial departments are particularly uncomfortable with using the notion of diversity, although projects for poverty alleviation, reducing unemployment and improving income distribution (Ministry of Development, 2007) are mainly directed to ethnic and stigmatised groups. Some of them think that emphasis on the diversity of people is against the social cohesion of the Turkish society, as one of the government officials underlined during the interview "*irreconcilability of coherent community and diversity*".

This scepticism towards diversity is not centred on the ethnicity of foreign immigrants. The main issue is the ethnic diversity of the Turkish native citizens. While cultural diversity is often praised, ethnic diversity and enhancement of ethnic identity is an issue, which is not supported by existing policies. This statement reflects the views of policy-makers who think that instead of policies specific to ethnic diversity, policies for enhancement of communities with shared values should be essential.

3.3.1 Immigration and emigration in Turkey

A brief history of migration in Turkey shows the importance of the changing nature of migratory flows in Turkey. While Turkey was a country of migration for decades, at certain periods it faced increasing immigration from global east to global west. It has become a country of transition and immigration due to its geographical and strategic location.

In the early years of the Republic of Turkey, approximately 1.6 million people of Turkish origin immigrated to Turkey from different countries, including the Balkan and Middle East countries, following the population exchange policies (Migration Policy, 2003). During the Cold War, immigrants escaping the political conflicts in Soviet countries and communist states in Eastern Europe were accepted as refugees. Following the Second World War, Turkey faced one of its massive migration flows between 1946-1970. At that time, 183,000 people with a Turkish background migrated from Yugoslavia and Albania.

From the early 1960s up to the 1990s, Turkey turned out to be a country of emigration¹³. During the 1960s, following the invitation by Germany for Turkish workers thousands of people migrated to Germany and many others to Western European countries. The government was very much in favour of such an out-migration to reduce national unemployment and made necessary regulations to facilitate that process. The number of immigrants to European countries declined in the 1970s and 1980s, while important numbers of early migrants were settled in European countries. During the 1980s, Turkish developers, professionals and workers found opportunities to work in the Middle East and North African countries. Still today, many people are working in those countries, on a temporary basis.

During the 1990s, the political crises and the war in neighbouring countries caused serious waves of migration to Turkey. During the Gulf War (1990-1991) almost half a million people with a Kurdish background migrated from Iraq to Turkey. Turkey had also witnessed the massive influx of Albanians, Bosnian Muslims and Turks in 1989, 1992-1995 and 1999 (Migration Policy, 2003). Recently, immigration to Turkey has once again become critical following the Syrian Refugee Crisis in 2011. Turkey introduced various policies in line with an 'open door policy' and softened the restrictions against the entry and stay of Syrian immigrants. Turkey granted Syrian immigrants "temporary protection status" and legitimised their "temporary" stay within Turkish borders. According to official records, approximately 1,565,000 Syrian immigrants had fled to Turkey by 2014. Moreover, unofficial statistics claim that the number of Syrian immigrants in Turkey exceeded 2 million as a result of irregular and

illegal entries. The considerable amount of Syrians, approximately 87% of the total, live in metropolitan cities while only 13-14% of the Syrians live in camps which are provided for them in 10 provinces (Erdoğan, 2014). Among metropolitan cities, Istanbul is first on the list to host at least 330,000 Syrian immigrants with its various employment and sheltering opportunities.

3.3.2 Political discourse on immigration and integration

The political discourse on immigration, in general, is quite sentimental, such as “*they are our friends*”; “*they are the people with whom we have lived together for centuries under the Ottoman Empire*”; and “*we have to provide humanitarian conditions because they are forced to migrate*”. The immigrants, especially people escaping war conditions, are allowed to live in Turkey although they are not given refugee status or citizenship since it is thought that they are temporary migrants. According to Kirişçi (2004), during the 1923-1997 period, 1,6 million people have migrated from the Balkan countries. This figure has reached higher levels following the crisis in the Middle Eastern countries. The experience in the earlier periods showed that not all people who came to Turkey returned to their countries of origin; some of them settled in Turkey and integrated into the Turkish society. For example, among 355,960 people who migrated from Bulgaria, due to assimilationist policy to people with Turkish origin during 1989-1990, 133,272 returned to their home, while 212,688 stayed in Turkey (Cingöz, 2013).

Up until 2006, the existing laws were mainly focused on immigrants of Turkish origin, but the Law on Foreigners and International Protection (Law No. 6458), which was adopted in 2013, aimed to strengthen the institutional capacity of Turkey regarding immigration and international protection. However, the relevant secondary legislation that ensures the law’s practical implementation in conformity with international human rights standards is still not adequate. Most of the migrants in an irregular situation have difficulties accessing education, healthcare and other basic services, since the access to any public service is dependent on having a foreigner identification number, which migrants in an irregular situation are unable to obtain (UN Report, 2012). Only a few asylum seekers are given work permits, which means most of the immigrants have to sustain themselves and thus often end up working illegally, in exploitative conditions.

The existing conditions defined above enforce the assimilation of migrants, although there is no explicit policy for assimilation. They have to learn the language, adapt to working conditions, etc. in order to survive in informal conditions. Since most of the people who have migrated to Turkey have similar ethnic, cultural or religious backgrounds to the majority, they can cope with these difficult conditions. Recently, some complaints have been coming up, both by some politicians and also from people saying that “*the foreign politics have failed regarding Syrian policy*”, and in cities where migrants reach very high numbers, local residents complain about the negative impact of immigrants on social order. However, the mainstream political parties do not want to be unfavourable to the ongoing migration process, since the only option possible for Syrian migrants was to leave their country and escape difficult living conditions.

3.3.3 Diversity and integration policy

Overview of the policy field

The Turkish integration and diversity policy mainly has a centralised character. Provincial governments and municipalities do not bring specific policies and measures – their practices are shaped largely by central government directives. The main principle of Turkish integration policy is to provide equal rights and opportunities to immigrants who have received Turkish citizenship and to deliver public services to migrants who have received a foreigner identification number. Moreover, special assistance is provided to particular groups, especially children. The principle of equity is central in governing the integration process. The other actors, which have become important in recent years, are non-governmental organisations (NGOs). Different types of non-governmental organisations are committed to helping the integration of immigrants, after defining and providing basic needs to the ones in need. Section 3.5 presents the relevant NGOs dealing with diversity and discusses their perspectives on diversity-related issues and their assessment of the public policies in this field.

Main policies associated with diversity and integration

It is possible to denote four distinct periods regarding diversity and integration policies in Turkey¹⁴. The first period can be defined by the *homogenisation of population and assimilation policies*. The Republic of Turkey was established in 1923 and aimed to integrate the entire population via the democratic citizenship principle, ignoring religious or ethnic identities of people living in Turkey. The 1924 Constitution defined *equal citizenship*, without any special provisions for groups with diverse cultural, ethnic and religious backgrounds, other than *formal minorities*. According to the Treaty of Lausanne (1923), “Turkish nationals belonging to non-Muslim minorities will enjoy the same civil and political rights as Muslims”; non-Muslims include only Greeks, Armenians and Jewish people who have been living inside the boundaries of the new Republic. Ethnic groups that belonged to the Muslim religion, such as Arabs, Kurds, Circassians, besides many others, were not identified as minorities.

In the early years of the Republic, the population exchange between the countries separated from the Ottoman Empire and Turkey caused decreasing shares of minority groups in the country and led to the increasing dominance of nation-building groups and facilitated increasing *homogenisation of the population* in Turkey. This situation justified the structure of the state that was shaped according to the needs of the majority, namely Sunni Muslim Turks. The reference to separatist movements experienced in the late Ottoman Period has always been important in defining assimilation and integration policies since the beginning of the Republic. The new set up of the state disregarded the needs and claims of the diverse groups that were not defined as minorities (İçduygu and Kaygusuz, 2004), and this became a source of tension in the coming years and more recently. In fact, the new Turkish identity has ethicised the idea of a persistent danger coming from outside and finding allies inside, which refers to existing minorities or people asking for specific rights on the basis of ethnic identities (Kentel, 2001). The population exchange schemes and emigration of people of Greek origin following the

violence against minorities on 6-7 September 1955 helped the homogenisation process and has been important in shrinking the numbers of non-Muslim citizens in Istanbul. The diversity of the population reduced substantially from the 1920s to 1950s.

The second period, which is characterised by domestic migration from rural and less developed areas, increased the cultural and ethnic diversity of metropolitan areas. This period can be denoted as a time when *limited attention was attributed to differences and diversities*. From the 1950s onwards, Istanbul experienced massive migration from rural to urban areas due to significant structural transformations in agriculture. People coming from the different parts of the country increased the cultural and ethnic diversity of the metropolitan areas, even though the characteristics of the new migrants were very different from the people who left Istanbul in the earlier decades. The cultural and ethnic differences of migrants were mostly ignored in urban policies and practice and it was assumed that these immigrants, who were native Turkish according to the law, would be able to adapt to the urban way of life. The existing discourse was “*they have to adopt Istanbul’s living practices and language and learn how to live with existing urban dwellers and use public spaces*”. However, the migrants who needed both support to survive in metropolitan areas and protect their existing social networks formed associations named *hemşehri dernekleri* (compatriot associations), which enabled them to practice their way of life, culture and norms. These associations have been vital not only for sustaining cultural diversity but also acted as the collaborative networks that helped people coming from disadvantaged regions to find employment opportunities and housing (Kurtoğlu, 1994; Kiray, 1964). In this period, national policies gave almost no attention to the particular needs of these people and provided very limited support to them. The massive labour migration from Turkey to European countries in the 1960s, on the other hand, helped high economic growth rates and increased employment opportunities in Turkey, which increased new jobs for people who had already migrated to metropolitan centres. The mechanisms for upward mobility acted as the process of assimilation of domestic ethnic immigrants. In this respect, the policies in this period can be defined as “*limited attention to differences and ignorance of increasing diversities*”.

The third period covers the 1980s and 1990s when both the state and individuals had *to face existing diversities in society, not only socio-economic but also cultural and ethnic diversity*. Up to the late 1970s, differences in the ethnic, religious and socio-cultural characteristics of individuals in the Turkish society were not political issues. The main categories used to define social groups in the urban areas were based upon differences in income and levels of education. However, the world economic crisis of the 1970s that brought increased economic problems in Turkey became the source of social unrest for immigrants, who were not covered by the existing social security system. The migrants from poor regions, who had different ethnic backgrounds from the majority and felt excluded both economically and spatially in previous decades, began to demonstrate their dissatisfaction (Keyder, 2005). They expressed that their disadvantages were due to their *identity*. The identity/ethnic politics and increasing violence in the south-east regions from the 1970s onwards showed the importance of the ethnic and cultural differences that were overlooked for several decades. They proved that there were groups with diverse ethnic

and cultural backgrounds, and that they were not only asking for better economic conditions but more specific rights, more than they already had. The new Constitution adopted in 1982, however, was not sensitive to the new rights demanded by various ethnic groups, aside from the demands of people that belonged to the different religious sects of Islam. The prominent policy in this period can be defined as *ignoring the demands of diverse (ethnic) groups in the society*, although there were increasing voices asking for recognition of their identities.

The fourth period embraces significant *changes in immigration policies as well as a changing attitude towards ethnic groups*. In the late 1990s, the *negotiations of accession* with the EU generated important changes in the existing discourses on both citizenship and diversity (Kaya, 2010). The Helsinki Summit in December 1999, when Turkey was designated an accession country by the EU, triggered reforms in Turkey with regards to democracy, human rights, citizenship and the protection of minorities, parallel to the Copenhagen Criteria of 1993. The 2001 National Program prepared by the Turkish Government committed to new policies for cultural differences and practice of differences in daily life. In the 2004 Progress Report on Turkey by the EU, the term ‘minority’ was used to include both Kurds and Alevis, who are not officially identified as minorities. In 2004, the Civil Committee on Minorities was formed, which replaced the Minorities Commission that was established in 1962. In the Council Decision of 18 February 2008 on the principles, priorities and conditions contained in the Accession Partnership with the Republic of Turkey and repealing Decision 2006/35/EC, “*safeguarding cultural diversity*” was defined as one of the main principles.

Reforms of the democratic rights of diverse groups have been rather slow since the existing Constitution’s definition of citizenship was far from meeting the needs of existing ethnic groups. Therefore, nothing much changed during the 2000s in terms of the discourse on diversity, even though many government officials, bureaucrats and local administrators defined diversity as the “*society’s richness*”. The changes were limited to the use of ethnic languages in broadcasting, mass media and publishing, and increasingly in public service institutions. However, it is still difficult to define these policies as multiculturalism.

In contrast, the 2000s have marked the beginning of a new era in refugee and migration policies. Turkey introduced several regulations concerned with enhancing the living conditions of refugees, as well as simplifying the processes of work permits in Turkey. The general attitude has become *more open towards immigrants* since governments have become aware of the fact that to achieve higher levels of development, attracting a skilled workforce is important, and it is not possible to stop immigration when there is a humanitarian necessity. Since 2011, Turkey has experienced an influx of immigrants from Syria, which has resulted in various debates about whether to recognise Syrians as refugees or not. Recently, Turkey has adopted a different perspective and broken down its strict geography-based restrictions through the Law on Foreigners and International Protection (2013). The Law has been a turning point in the recognition of immigrants. Following the passing of this law in 2014, Syrian immigrants have been granted “temporary protection status” which is also known as “conditional refugee

Table 3.1 The summary of discourses and main legislations regarding immigration and diversity

Period	Main policies	International migration	Legislation defining Diversity Policies
Pre-1950s	Homogenisation of population and assimilation policies	Exchange of population (1934 Settlement law)	1923 Lausanne Agreement defining non-Muslim population as minorities (Greeks, Armenians and Jews only) 1924 Constitution – principle of equal citizenship
1950s-1970s	Limited attention to differences and ignoring diversities	Adoption of <i>Convention Protocol on the Legal Status of Refugees</i> (1967) with an amendment (geographical drawbacks – refugee status only for Europeans) in 1968	1961 Constitution – principle of equal citizenship and more democratic rights
1980s-1990s	Continuing assimilation policies by disregarding the demands of diverse (ethnic) groups	Policies to control the number of refugees from the Middle East	1982 Constitution – limitations on the practice of cultural differences
After 1999	Changes in immigration policies as well as changing attitude towards ethnic groups Attempts to move from assimilation to multiculturalism	More positive attitude to international immigrants Regulations facilitating foreigners to work in Turkey Enactment of Civil Committee on Minorities (2004) Syrian immigrants granted “temporary protection status” under Law of Temporary Protection (2014)	1999 Helsinki Summit 2001 National Programme 2008 EU Council Decision on the principles, priorities and conditions contained in the Accession Partnership with the Republic of Turkey (2008/157/EC) Attempts to provide special rights to different ethnic groups, such as using native languages in broadcasting and education. The Law on Foreigners and International Protection (Law No. 6458), adopted in 2013

status”. However, there remain various questions about the future of Syrians regarding their naturalisation provisions, their sheltering and working conditions as well as the distribution of public services and resources.

3.3.4 Other policy fields associated with the discourse on diversity

The overview of the national policies associated with the discourse on diversity show that there is considerable attention to socio-economic and socio-demographic diversity, but not enough interest in cultural and ethnic diversity. Most of the policies and practices connected to diversity have been focused on *disadvantaged groups*. The practices of ministries are focused on the provision of different social support and training programmes for disadvantaged groups, including unemployed people, children of poor and single parent families, women, handicapped and young people that are in need of help. They can be defined as policies for *equity*. Furthermore, there are programmes for increasing the participation of young people, especially disadvantaged young people, in social life and the increasing access of these groups to

education and training facilities. There are also projects for the well-being and empowerment of women and for protecting women against violence and discrimination¹⁵. Training programmes, flexible work practices and other services, such as childcare facilities are expected to facilitate the entrance of women into the labour market (MFSP, 2011). Moreover, the Ministry of Interior also has several projects such as a Joint Programme with the United Nations: “*To Protect and Promote the Human Rights of Women and Girls*” (Ministry of Interior, 2012). Several projects are also supported by the Instrument for Pre-Accession Assistance (IPA) funds of the EU, some of which are aimed at creating a more inclusive society by addressing employment and labour market needs, improving social dialogue, creating effective social protection and inclusion policies and improving educational access and quality.

One of the other important tasks of the Ministry of Family and Social Policies and the Ministry of Employment and Social Security is focused on the elderly and handicapped. They aim to enable the participation of physically challenged people in society by increasing their access to health and education services, along with employment and social security. In addition to this, the Ministry of Family and Social Policies formulated measures related to the social and physical environment, pre-school counselling and guidance services and home care services in order to increase the life quality of the handicapped (MFSP, 2011). There are also policies and programmes defined for children, aiming to enhance the accessibility of all children to educational facilities. Furthermore, measures to impede the use of child labour and prevent child abuse and neglect have been defined. As this brief summary shows, there is no explicit reference to different cultural, ethnic and religious groups in national policies and practice. Still, national policies try to have “*the same distance to all citizens*”.

At the regional level, some departments of ministries recently addressed policies on diversity. Among them, the Istanbul Development Agency, which is related to the Ministry of Development, has the authority to identify policies and measures for Istanbul¹⁶. It prepares Regional Plans in collaboration with the relevant ministries and provides support to both private firms and non-governmental organisations, which are expected to help the socio-economic development of Istanbul. Up until now, the Istanbul Development Agency has prepared two Regional Plans (2010-2013 and 2014-2023), which comprised the social and economic policies for Istanbul. In the Regional Plan of 2010-2014 (ISTKA, 2010a) social policies have been formulated to address the needs of disadvantaged groups and the issues related to disabled and elderly people received considerable attention. It also touched upon the migration issues and proposed measures for the social inclusion of immigrants and economically disadvantaged groups. The recently completed Regional Plan for 2014-2023 (ISTKA, 2013) also addressed disadvantaged groups. Similar to the previous plan, it proposed policies regarding the social needs of such groups and their socio-economic integration into urban life. The aim of social policies is declared as “*enabling social integration, providing equal opportunities for every citizen in the city, creating the sense of city citizenship and reducing the gap among different groups*” (ISTKA, 2013; 27). This plan, moreover, introduced new measures for the needs of migrants, the unemployed and poor people, such as family counselling schemes for

immigrant families, besides educational and vocational counselling services to integrate these groups into the society.

In general, the Agency introduced a comprehensive view on social policies and a wider understanding of diversity (including cultural and ethnic differences of immigrants, etc.) compared to other ministerial departments; but still focused on defining inclusive measures for disadvantaged groups and their social integration. This view is supported by one of the interviewees from the Istanbul Development Agency (M1, Expert), who characterised the changing views dealing with diversity:

“When we prepare the Regional Plans, we take diversity as an important issue in the socio-economic development of Istanbul. We see diversity as the richness of this huge metropolitan area. Our plans are for all people living in Istanbul, and we try to prepare inclusive plans, which do not exclude any groups. In the first plan, there was relatively little attention on diversity, but in the second plan, we emphasised the importance of cultural diversity and tried to bring detailed strategies to enhance the diversity of society.”

In defining the strategies of the Agency, another interviewee (M2, Expert, sociologist, Istanbul Development Agency) claimed that:

“In the policies we have defined, the needs of every social group are taken into account, but some of them are not among our priority groups. We have specific policies on Romani people, and social projects for children, disabled and youth. We organise Social Inclusion Workshops each year in collaboration with the Family and Social Policies Ministry, Istanbul Metropolitan Municipality and NGOs, and in each workshop, we identify a focus group. We try to define specific policies for this focus group during that year.”

Although the Istanbul Development Agency tries to act as a coordinator in the socio-development issues in Istanbul, it is not easy to argue that the perspective of the Istanbul Development Agency has been reflected in the practices of the departments of Ministries. The departments of Ministries in Istanbul usually follow the directives of the Governorship of Istanbul, which is the local coordinator of all Ministries. It has the right to define policies and programs on immigration and immigrants (Istanbul Valiligi, 2007) and operates activities related to disadvantaged groups through the Social Support and Collaboration Foundation, which aim to provide help for people in need of financial support. Not all the policies defined above find the opportunity to guide practices. The overview of the resource allocations of the key Ministries on social issues and diversity shows that there is a substantial gap between emphasis on the disadvantaged groups in policy documents and the funds allocated to programmes for these groups.

The Ministry of Family and Social Policies (MFSP, 2011), is the one responsible for providing support to all disadvantaged groups, and has allocated 27.4% of the budget in 2011 to the

Social Assistance and Solidarity Incentive Fund, which had to be used for education, health care expenses and family support. Moreover, the Ministry has allocated 35.2% of the total budget for the general health insurance that aims to cover the expenditure of the urban poor. Another Ministry, the Ministry of Employment and Social Security, has spent only 0.02% of its budget to increase the contribution of the disadvantaged groups in working life. It has, however, financed several projects related to increasing formal employment, poverty alleviation, ensuring equality of men and women at work by using resources provided by the Instrument for Pre-Accession Assistance (IPA) – the EU support scheme – including financial and technical help for reforms (MESS, 2011).

The Istanbul Development Agency supports collaborative projects and activities by providing funding for project developers (public institutions, private firms or NGOs). The budget of the Istanbul Development Agency constitutes financial transfers from the Central Government, the Istanbul Metropolitan Municipality and Chamber of Industry and Commerce, besides revenues from its own activities (ISTKA, 2010b). Since 2010, the Agency has supported projects for the social inclusion and social integration of diverse groups, especially disabled people, youth and children. In 2010, financial support was provided to 14 projects aiming at “social inclusion and social integration” (ISTKA, 2010a). In 2011, the central theme was physically disabled people, and 34.37% of the total budget was allocated to 11 projects for “Barriers Free Istanbul” (Engelsiz İstanbul) (ISTKA, 2011). In 2012, the projects that aim to support skills, competencies, and entrepreneurship capacities of youth and children had priority. In that year, 49.5% of the total budget was devoted to 61 projects developed under this theme. In the second half of 2012, the main social issue was again social inclusion. Among the 88 projects, 21 of them were supported by the Agency under the heading of “Small-scale infrastructure for social inclusion” (ISTKA, 2012). The increasing shares of social (diversity) projects, is a solid indicator of the rising interest in social inclusion and integration processes of diverse groups in the society, although concerns about cultural and ethnic diversity are still limited.

3.4 GOVERNMENTAL DISCOURSES AND THE GOVERNANCE OF DIVERSITY IN THE CITY OF ISTANBUL

3.4.1 The discourse on diversity in the city of Istanbul

Istanbul has been a cosmopolitan city throughout its history. To this day, Istanbul remains the most diverse city in Turkey hosting various cultural, ethnic and socio-economic groups with its various services and opportunities, although the ethnic composition and diversity of people who belong to different cultures have changed substantially in the last fifty years.

Today, diversity debates are mainly shaped by the narrative of “*the good old days when diverse people lived in harmony*” which represents a nostalgic view of the old Istanbul when it had less than 1 million inhabitants at the beginning of the Republican period. Today, 14.6 million people reside in a huge metropolitan area (TSI, 2015), of which only 15% are native to

Istanbul. The people that came from different parts of Turkey, along with people from abroad, have created a new Istanbul – a mosaic of different cultures, lifestyles and values. In the early stages of immigration, they chose to live in places close to their families, relatives and people from their hometown, and due to substantial differences in cultural and ethnic backgrounds, the interaction among different groups were rather limited. Later, urban land and housing markets played important roles in the redistribution of various social groups within urban space, along with policies related to education, gender and the endogenous dynamics of labour markets (Eraydin, 2008). Recently, however, the increasing numbers of gated residential areas, condominiums and housing estates have negatively affected the mix of diverse groups. This created a worry among people who are sensitive to social cohesion. These people underline the increasing segmentation in Istanbul and the loss of diversity as a positive social value.

3.4.2 Diversity and urban policies of the city of Istanbul

The most crucial roles in diversity associated urban policies in Istanbul undoubtedly belong to the Istanbul Metropolitan Municipality (IMM). At the Istanbul Metropolitan Municipality, several departments and directorates are in charge of social and cultural issues, namely the Health and Social Services Department, the Social Issues Department and the Social Support Services Department. They are responsible for improving the well-being of different disadvantaged groups and facilitating their access to the resources and services of the Istanbul Metropolitan Municipality.

The existing discourse and social policies developed by the Istanbul Metropolitan Municipality are similar to central government departments. IMM (2011: 35) declares that its aim is “*to follow an inclusive approach; to serve all social groups in the city including the disadvantaged ones, enable them to be involved in decision-making processes and meet the specific needs and demands of each group*”.

The general discourse and targets defined in general plans are not supported by the existing policies and practices, again similar to many central government authorities. In its strategic plan for 2010-2014 (IMM, 2009), the main policy themes of the Istanbul Metropolitan Municipality and the issues with a high priority are specified as transportation, environmental management, disaster and risk management, planning and property development, building up sports facilities and information systems. Social issues do not figure prominently in the list of priorities. In fact, the analysis of activity reports and investment programmes produced over the last five years shows that more than half of the expenditures (fixed capital investments) of IMM have been allocated to transportation services. The other measures that are explicitly specified are mostly about the use of urban space and buildings. For example, the primary activities of the Social Support Services Department were building social housing for the urban poor, constructing entertainment and sports facilities for children and youth, and delivering amenities to the disabled elderly and oppressed women (Investment Programmes and Activity Reports of Istanbul Metropolitan Municipality, from 2010 to 2013). Similarly, the Directorate of Cultural Services of the Metropolitan Municipality has engaged in policies on urban space

and buildings, such as the rehabilitation and restoration of cultural heritage, construction of new cultural buildings and libraries and the support for cultural events. Although there are some efforts to maintain the social integration of these people into society with the help of vocational courses, training opportunities and so on, a detailed evaluation shows that most of the measures focus on physical arrangements.

The summary above shows that the main concerns of the IMM are related to demographic (age, gender) and socio-economic diversity, with particular attention to disadvantaged groups, similar to National Government departments. The IMM identifies disadvantaged groups based on their demographic characteristics such as the elderly, children, youth, women and disabled or socio-economic conditions, namely poor and unemployed. The problems of immigrants and people with different religious, ethnic and cultural backgrounds have not been handled explicitly within the existing policies.

The allocation of the IMM's budget expenditure supports the above arguments. The financial resources devoted to social support services and cultural facilities by the Istanbul Metropolitan Municipality have been quite low (in 2011, %1,7 and %1,1 respectively), though with substantial positive changes in recent years – 5.1% for social support services and 3.1% for cultural facilities (IMM, 2013). Similarly, the analysis of the expenditures of the Directorates of the Metropolitan Municipality shows that the Departments related to diversity and other social issues have very low shares in total spending (see IMM Investment Programs from 2010 to 2013).

While the Metropolitan Municipality of Istanbul is responsible for major policies, district municipalities are the ones having closer contact with inhabitants. They try to solve their daily problems, as well as providing them basic services. Diversity related policies of the district municipalities are not any different from the policies of the Metropolitan Municipality. They focus on the provision of social and cultural services and are mostly centred on the physical needs of disadvantaged groups (social facility buildings, nursing homes, and so on), rather than concentrating on the integration of these groups into society. This fact is clearly demonstrated by the review of the policy documents. Although there are some general references to diversity in the policy programmes of some district municipalities – relatively more than the Metropolitan Municipality – the analysis shows that existing social policies usually do not refer to religious, ethnic or cultural diversity. Therefore, these issues do not get substantial resources from financial allocation programmes.

One of the district municipalities of Istanbul, where the case study takes place, is Beyoğlu. The Beyoğlu Municipality is the major local administration responsible for the provision of basic services such as infrastructure, education, health, etc., in addition to social and cultural services and training facilities for different social groups in the Beyoğlu district. The review of strategic plans, performance programmes, activity reports and annual budget documents of the Beyoğlu Municipality on diversity clearly shows its emphasis on the demographic (e.g. age, gender)

characteristics of residents and on socio-economic equity. In the 2007-2009 Strategic Plan and the 2006 Performance Programme of the Beyoğlu Municipality, the concepts highlighted were “*equal opportunity*”, “*participation*” and “*social municipalism*”, which were indicated as the main principles in service provision. The equal opportunity principle is defined as “*the demands of each person are of equal importance*”. The participation principle, on the other hand, is defined as “*all citizens are expected to participate in the decision-making and implementation processes of the Municipality*”. The social municipalism principle stands for “*the support of all disadvantaged groups*”. In this regard, the activities of the municipality are defined as follows: cooperation with NGOs, support for socially disadvantaged groups (the poor, young, elderly, women, children and disabled people), the development of the capacity and capability of disadvantaged groups, organising activities to integrate the disadvantaged groups into society, and support for children and young people (youth centres, sport activities, etc.). In this strategic plan, priority was given to low-income families, students and disabled people, who are especially in need of financial support. Among these three principles, especially the participation principle is not translated into practice and remains a rhetorical statement.

The 2010-2014 Strategic Plan (Beyoğlu Municipality, 2009) introduced almost identical principles. According to this plan, the priority areas of the municipality are defined as the provision of social and cultural amenities, the protection of historical and cultural heritage, the support of educational and sports facilities, upgrading the living conditions of the poor and other disadvantaged groups. The measures defined to achieve these objectives are the construction of neighbourhood halls, community health centres, providing allowance to low-income households that are unable to meet their needs, including heating needs and food aid, cleaning services, service vehicles, medical assistance for disabled people, public soup kitchens, school supplies and stationery for children. The Beyoğlu Municipality works in collaboration with related institutions, civil societies and inhabitants in this part of the metropolitan area to fulfil its objectives. However, the expenditures allocated to provide social support and cultural services for disadvantaged groups remain limited, and there were no noticeable changes in the last five years (around 3-5% of total budget) (see Beyoğlu Municipality – Budget Programmes from 2009 to 2013).

The other district municipalities in Istanbul defined similar policies with respect to disadvantaged groups within society. Kadıköy Municipality has embraced the ‘*Social Cooperation*’ concept as a model to create employment opportunities since 2006 and established the *Social Cooperative Development Centre* in 2009 to facilitate the social participation of disadvantaged groups, including women, disabled people and youth. Additionally, the Municipality has initiated several activities via its existing social centres or in collaboration with several NGOs. Some of these social centres are Kadıköy Municipality Education and Social Support Centre, Job and Employment Centre for Disabled People, Volunteers of Kadıköy Municipality, Voluntary Training and Consulting Centre for the Disadvantaged Groups (see Kadıköy Municipality, Annual Activity Reports from 2009 to 2012).

The district municipalities hardly ever recognise religious, ethnic or cultural diversity in their social and cultural policies and activities, although some municipalities attempt to reach out to people with different cultural and ethnic backgrounds and their representatives. The attitude of these municipalities, namely Şişli, Beşiktaş and Bakırköy, where most of the ethnic minorities live, is quite different from the others. For example, Beşiktaş Municipality (2009) declared that its primary strategy is being aware of different cultures within the society and verifying the demands and problems of people with distinct cultural and ethnic backgrounds by contacting the representatives of these groups. Furthermore, Bakırköy and Şişli Municipalities highlighted the core of their policies as supporting social cohesion and integration, cultural diversity and tolerance (Bakırköy Municipality, 2009; Şişli Municipality, 2009). Additionally, Şişli Municipality supports cultural and linguistic diversity, regarding the differences as cultural richness and asserts that the Municipality does not practice discrimination based on language, sex, religion, sectarian or ethnicity in the provision of its services (Şişli Municipality, 2009).

Recently, following the influx of Syrian immigrants, various municipalities in Istanbul have started to develop policies and projects to meet the sheltering, nutrition and heating needs of immigrants. Moreover, municipalities grant considerable parts of their budgets to monetary aids. There are also some attempts to readjust public services (health, education, etc.) for the use of immigrants through providing language assistance. These attempts are significant steps in ensuring healthy and safe living conditions for the immigrant groups and facilitating their integration into the society and the city while increasing their self-sufficiency.

3.4.3 Other policy fields associated with the discourse on diversity

Three different policy fields, which have implications for diversity in urban areas, namely land use policies, policies related to cultural amenities and policies aimed at assisting the urban poor and disadvantaged, are relevant at the local level.

Urban land use policies, urban development plans and redevelopment projects

In Turkey, land use policies and plans for allocation of urban land have been quite significant for the well-being of immigrants and their integration into urban areas. The regulation and re-regulation of the urban land market through different legislations have been quite important in Turkey due to the problems of the urban labour market and the inefficiency of social support schemes. In various periods, although there have been substantial changes in land use policies and the main concerns of planning with respect to disadvantaged migrants, they have been quite important in enabling them to survive in Istanbul.

During the 1950s and 1970s, the supply of social housing and serviced urban land was not able to cope with the needs of the influx of domestic migrants, which resulted in a dualistic market structure in which informalities prevailed. The planned areas were developed according to land use regulations, while informal residential areas were expanded without any official permit usually developed on public land, namely *gecekondu areas*. These areas acted as a buffer mechanism in the absence of formal social security institutions and necessary public

services for immigrants. Although the *gecekondu* settlements were against existing regulations, municipalities and central governments had accepted the emergence of these areas as inevitable and tolerable due to their limited demand for capital investment. The dualistic urban structure and living conditions and the subject of *gecekondu*s became an arena in which socio-spatial power relations were contested, and compromises were negotiated. Throughout the 1970s, coalitions that formed grassroots organisations became more influential in the run-up to elections and mutual expectations of benefits (for *gecekondu* neighbourhoods to be regularised and for politicians to gain votes) resulted in populism in urban politics during these years. Although the inhabitants of *gecekondu* areas had different cultural and ethnic backgrounds and thus voted for different political parties, they showed a great deal of unity when pressing for their demands.

In the 1980s, the existing government decided to bring an impetus of growth to the economic sectors and provide opportunities to the income classes that had felt segmented both economically and spatially in previous decades. The housing sector and construction were defined as being at the core of this policy. The government passed the law on mass housing and initiated several mass housing projects, starting in the major metropolitan areas. The Turkish Mass Housing Authority (TOKI), as a new state institution, was created in response to the growing demand for housing. Mass Housing Projects, unfortunately, could only serve middle-income groups and their need for shelter in the urban areas while for low-income people living in *gecekondu* areas, the Law on Regularization of the earlier illegal housing areas was adopted, and 'tall building rights' were offered to *gecekondu* owners. This legislation was a turning point in the relations among people living in *gecekondu*s, local decision-making authorities and the political parties. It defined new building rights in the areas occupied by squatter housing, meaning a transfer of wealth and new income opportunities to disadvantaged groups, and a new way of incorporating these groups into urban areas.

Since the beginning of the 2000s, the Housing Development Administration (HDA), which was set up to supply new housing units for low- and medium-income groups, has become increasingly active in initiating the projects of the central government in urban areas. Legislation No: 5162 (2004) and No: 5610 (2007) transferred the right to prepare and apply rehabilitation and transformation projects to HDA, and facilitated the implementation of these projects through amendments to the existing regulations. In such urban redevelopment schemes, the HDA acts as a private enterprise, assigning apartment units (defined according to the size of the land) to landowners (some of which were *gecekondu* owners) in return of their land/property. The remaining apartment units are sold at market prices, giving some privileges to those who do not own a housing unit in the same city. The housing and urban transformation policies have also been used to obtain the political support of disadvantaged groups, and to legitimise the neoliberal economic policies of the government. In fact, the urban practices and projects initiated by the Housing Development Administration have become a major factor in the legitimisation of economic policies.

Policies and measures to attract cultural activities

Besides the projects related to the urban land market, new governance relations are formed among individuals, NGOs, local governments and several departments of central government with the aim of attracting major organisations and events to Istanbul. These activities are necessary to change the perceptions of some people, who are culturally distant to people with a different cultural background so they can become more familiar with different cultures. A good example is the campaign for the nomination of Istanbul as European City of Culture in 2010, initiated by the Istanbul Foundation for Culture and Arts and supported by several other NGOs, which have been working together within a broad range of government institutions. In Turkey, the importance of non-governmental organisations gained valuable recognition after the Habitat-II summit, held in Istanbul in June 1996, which motivated the emergence of numerous associations, some of which were linked to entrepreneurial groups. They have been active in bringing projects to the table for the enhancement of Istanbul's existing potential. Since most of these cultural events take place in numerous spots throughout the city, they also help the interaction of different people living in different places and to show the existing differences in cultural assets to a wide range of groups.

Specific policies and measures for social assistance to urban poor

The existing social security system has not been able to cover everyone in Turkey. Therefore, in 1986, the Social Assistance and Solidarity Encouragement Fund (SYDTF) and its affiliated Social Assistance and Solidarity Foundations (SYDVs) were established (see Law No: 3294). The purpose of the SYDTF was defined: "*To provide aid to poor and destitute citizens in circumstances of need and, as necessary, to those who have been accepted by Turkey or have travelled here by whatever means, to ensure the distribution of wealth in an equitable fashion by taking measures to improve social justice and to encourage social assistance and solidarity*"¹⁷. As is evident by this objective, it covers not only Turkish citizens but also immigrants living in Turkey. The Fund's administration carries out its services through the 931 local Social Assistance and Solidarity Foundations established throughout Turkey under the chairmanship of provincial and sub-provincial governors. The SYDTF is an extra-budgetary fund¹⁸ financed by taxes earmarked and administered by a Cabinet Minister. The regional affiliate foundations provide a variety of social assistance programs to the needy. The needy people are determined at the discretion of the local Social Solidarity Foundations that are established in the provinces and sub-provinces. Each Foundation has a separate legal entity and no hierarchical connection with the Central Fund Administration.

Taking into consideration the population structure of the province and sub-province, the socioeconomic development index, and other social factors, resources are transferred each month to the Social Assistance and Solidarity Foundations (SYDVs) in the provinces and sub-provinces. These funds are used to meet the daily needs (foodstuffs, clothing, housing, health, fuel, and so forth) of economically and socially deprived people and families. Support is also provided for the establishment of businesses, occupational training, and employment projects and the medical expenses (for medicine) of patients who are unable to meet health expenditures by their own means (World Bank, 2006).

Social assistance to destitute citizens who suffer losses due to natural disaster, fire, and terrorism, and social support programs encompassing the provision of fuel, clothing, foodstuffs, and housing aid, are implemented. Funds are transferred to all the SYDVs at the start of the winter season for fuel, at the beginning of the school year for education, and before religious festivals for foodstuffs and clothing. Soup kitchens are opened in areas of intensive migration, and where there is visible unemployment and poverty. For the purpose of solving the accommodation problems of students in middle-school education, an educational service is provided in various provinces and sub-provinces by constructing middle-school student hostels. Support for the hostels, senior citizens' homes, and rehabilitation centres are aimed at the accommodation and rehabilitation of the weak and poor.

According to a recent study (TSI, 2009), one in seven families have been recipients of economic support, either from their parents, relatives and friends, or from public institutions. Particularly in 2008, with the deepening of the economic crisis, direct financial support for the urban poor became crucial. However, the support provided by *cemaats* (religious congregations) (Yavuz, 2004) through the creation of autonomous networks for the association and dissemination of religious values and ways of life, have become quite prevalent in these areas and more important than the support schemes of central and local governments.

3.5 NON-GOVERNMENTAL PERSPECTIVES ON THE GOVERNANCE OF DIVERSITY

The non-governmental organisations have become increasingly important in recent years. Several NGOs have been selected from a database of governance arrangements in Beyoğlu (Istanbul), to reflect the perspectives of non-governmental organisations on governance of diversity. They constitute the examples of existing non-governmental organisations in their fields of activities and target groups. The interviews with coordinators or members of NGOs were conducted in February 2014 and May 2014.

The issues focused upon by governance arrangements are those in which local and central government either have no interest or lack efficiency. Governance initiatives serve as counteracting mechanisms to address areas in which the neoliberal state is missing. As such, the focus of governance initiatives and the way they are organised is crucial for understanding how diversity is understood and practised in a certain urban setting and in a particular country. Although the initiatives introduced above are categorised as arrangements for social cohesion, social mobility and economic performance, it is possible to see, either explicitly or implicitly, two particular issues, namely, employment and human rights.

Improving the living conditions of the disadvantaged, while also preparing them for the labour market or assisting them in raising their capacity for self-employment, are the common targets of these governance arrangements. The main reason for such a consensus is the belief that the only way to integrate minorities into society is through employment. In particular,

the governance arrangements dealing with women's issues or with the problems of people of different ethnic backgrounds and identities (including illegal immigrants and LGBT people) believe that the only means of emancipation is via the labour market. While many consider employment to be essential for integration into a certain society or for advancement of social status, Syrett and Sepulveda (2012) assert that this type of thinking has certain drawbacks, since most of these people can only access the lower ends of the labour market with very low wages. Recent neoliberal policies and practices reveal that unskilled and low-educated people compete for low-paying jobs, which opens them up to even more exploitation. During the roundtable discussions on 15 May, this issue was emphasised concerning the Syrian immigrants, who accepted work for very low wages, leading to a fall in the average salary of unskilled workers. İhsan İlze from Istanbul Metropolitan Municipality indicated during the discussions that these people accepted payments that were less than half the average wage, which led entrepreneurs to replace their existing employees with Syrian immigrants.

The above evaluation of cases from Istanbul-Beyoğlu reveals that *human rights* constitute the leitmotiv of the different governance arrangements, being the major theme of many of the governance arrangements, although not declared explicitly by some. This emphasis on human rights raises an important issue, namely, the accountability of the state. If the state cannot provide basic human rights to all groups, it is possible to discuss the legitimating of the existing neoliberal state and neoliberal policies. Ethnic groups in particular claim that the state refrains from undertaking its responsibilities, and this prohibits certain groups from accessing public services due to language barriers. İlyas Erdem from GOÇ-DER highlights this issue for those who have been forced to leave their villages due to terrorist activity in south-eastern Anatolia, emphasising that the problems of ethnic groups have been transferred to NGOs with access to only limited financial resources. Similarly, human rights and equality between residents and citizens are not among the priority issues of the government, which has led to a mushrooming of different kinds of governance arrangements related to human rights. There are several NGOs (that were not represented in the previous section) that are directly involved with human rights. Among them, only details of the Human Rights Association, Istanbul Branch, is presented in the previous section. The main profiles of other such organisations are given in Appendix B.

In this book, most of the cases presented are formal arrangements that can be defined as NGOs. This is no coincidence, since proof of legal status is required in order to receive government support. As Beyza Bilal of KADAV claimed during the roundtable meeting, having legal status facilitates visibility, allowing for closer contact with local and central government departments and, most importantly, receiving funding from both national and international bodies. For many institutions and private firms, legal status is a necessary condition for obtaining funding from such governance initiatives, however, this may sometimes prevent an organisation from acting independently, and may restrict some of the activities they consider meaningful. The interview results show that instead of staying as a voluntary group, many initiatives prefer to formalise their operations. Networking among organisations focused on similar issues is considered important by certain initiatives, and many claim membership of international alliances.



Picture 2 Roundtable meeting with NGO leaders

An evaluation of the nature of governance arrangements and their relationships with local and central government helps to understand the way issues of diversity are dealt with. Most governance arrangements seek to form contacts with central government, believing somewhat optimistically, that they can affect government policies and practice. That said, most governance arrangements have uneasy relationships with central and local governments and expect support, especially in the form of financing.

Governance arrangements face a difficult task in their attempts “*to recognise and preserve difference, yet still pursue equality*” in that the two sides are contradictory, and as such, their goals can be considered as rather ambitious. Despite this, almost all of the participants from the various governance arrangements cited this as their primary aim, emphasising that a significant driver of their success is the demands and deliberations of the people asking for help.

3.6 GOVERNANCE ARRANGEMENTS AND INITIATIVES

The fieldwork on non-governmental organisations showed that the NGOs have different interests with reference to diversity, ranging from social and cultural issues to the protection of human rights. Two main areas of interests can be defined: first, to provide support to disadvantaged groups and immigrants living in deprived areas of Beyoğlu, and second, to improve the quality of life of disadvantaged groups by giving support to start their own businesses. Mainly, the target groups are women and children, aside from disadvantaged groups, such as gays and lesbians.

The present section reflects the perceptions, arguments and activities of four crucial NGOs in the Beyoğlu area: the ASAM Istanbul Initiative (Association for Solidarity with Asylum Seekers and Migrants), Tarlabası Community Centre (TTM), Foundation for the Support of Women’s Work (KEDV) and Istanbul LGBTTT.

The Istanbul Initiative works as a partner of the national *ASAM (Association for Solidarity with Asylum Seekers and Migrants)*. It was launched in 2014 to provide support specifically to Syrian

people. It aims to provide support to asylum seekers regardless of race, religion, nationality or political conviction (SGDD, 2014). The organisation develops public awareness projects, improves the living conditions of migrants (education, health, sheltering, etc.), establishes communication networks between asylum-seekers and provides them with consultancy services (psychological, legal, educational). Among their target group of Syrian refugees, the initiative also concerns itself with the problems of Syrian LGBT (lesbians, gays, bisexual, transgender and transvestites) people and other diverse groups among the Syrian applicants.

Syrian immigrants, especially the poor, are particularly at risk of marginalisation and social exclusion. While the wealthy families can find shelter and job opportunities, and can more easily be integrated into the local community, this is extremely difficult for the low-skilled, poor households. They are less likely to get access to the public services they require and live in a very segregated way. Social cohesion can only be achieved if these people have access to quality public services that respond to their needs, particularly social and health services. Thus, investing in such services and enabling them to provide accessible and affordable services is essential to ensure their participation in society. That is what ASAM Istanbul is trying to achieve (SGDD, 2014).

The Tarlabası¹⁹ Community Centre (TTM) was initiated as a project by the Istanbul Bilgi University Centre for Migration Research in September 2006, aimed at developing a model for social coalescence and multicultural coexistence, fostering participation in urban life. After the finalisation of two terms of the EU project since 2007, the TTM has been operating with funds raised and projects run by the Tarlabası Community Support Association (TTDD). TTM was one of the first Community Centre models focused on improving the quality of life in the Tarlabası neighbourhood. The main aim of the TTM is to enhance social mobility, and to accomplish this, it provides educational, social and psychological support to residents of Tarlabası, especially children, young people and women, most of whom belong to disadvantaged groups. TTM also tries to enhance solidarity networks among neighbourhood residents, promoting participation in social projects and assisting disadvantaged groups in resolving the diverse problems they face.

The Foundation for the Support of Women's Work (KEDV) has been working since 1986 to improve the quality of life of women and children living in deprived areas. To this end, it helps women become economically independent and improve their leadership skills, encouraging them to start businesses and supporting grassroots initiatives. KEDV provides information on legal procedures related to women's cooperatives and how to deal with local authorities, besides training on reporting and accounting. The foundation also assists cooperatives in analysing existing market opportunities or creating their own markets (shops to sell products made by women, creating online e-commerce opportunities, etc.). KEDV also assists the *Women's Cooperatives Communication Network* by organising regular meetings of different women's cooperatives, allowing them to share their experiences, exchange opinions and discuss existing problems. The Foundation has linked approximately 80 women's cooperatives across Turkey, each of which has their own administration, with KEDV providing only intermediary support.

The Foundation runs a micro-credit institution named MAYA that offers credit to women who are interested in starting or expanding their businesses. Its aim is to help small groups of women to bring their own savings together as seed money for initiating a business or a cooperative. The foundation also operates “NAHIL”, which is a shop in Beyoğlu that sells the products produced by women’s cooperatives from all over Turkey. The revenues generated by NAHIL and MAYA are used to support women’s cooperatives.

The Istanbul LGBTTT Solidarity Association is a self-organisation that promotes the rights of sexual and gender minorities, namely lesbian, gay, bisexual, transgender and transvestite people. The Istanbul LGBTTT was founded as a civil initiative in 2007 by a group of activists who have been fighting for LGBT rights for more than 20 years. The same group of people have founded other organisations with similar goals, e.g. Lambda Istanbul, which is its project partner in “Trans Pride”. Istanbul LGBTTT aims to provide a non-hierarchical social environment for transgender people, lesbians and gays, and to focus on their specific problems in Turkish society (difficulties in finding a job, sexual abuse, public ignorance, etc.). The primary goals of Istanbul LGBTTT include fighting transphobia and homophobia, making transgender people visible, preventing homophobic and transphobic-hate murders and creating pressure groups for the investigation of crimes against the LGBT community. The Istanbul LGBTTT Solidarity Association provides legal and psychological support for LGBTTs that have been subjected to violence and discrimination in the community. The initiative has connections with Amnesty International/Germany and works directly with other initiatives that aim to provide support for LGBBs.

Perspectives on integration policy and diversity

In general, it is possible to see that the different non-governmental organisations are rather sceptical of diversity policies of the central and local governments. Most of them even claim that diversity gets no reference in urban policies, except the socio-economic diversity, namely the differences between rich and poor. They also declare that there is a growing discourse on diversity, but this discourse is not reflected in current policies and practice.

The *ASAM Istanbul Initiative* believes that existing policies and measures related to Syrian refugees are not satisfactory. It tries to empower the Syrian refugees, who have no channels to integrate with the local community, by initiating participatory projects and solidarity networks. The organisation also takes into account the diversity within its focus group (Syrian migrants). Socio-demographic, socio-economic, ethnic and cultural differences are identified within the focus group, and consultancy services are provided accordingly. The long-term objective of this organisation is to enhance social mobility (via solidarity networks) and social cohesion (via promoting participatory projects and the integration of disadvantaged groups into society etc.) of asylum seekers.

Tarlabaşı Community Center (TTM), aims to prepare projects and organise activities related to issues in which the government has limited interest. Its guiding principle is “*class, social, economic, culture, gender identity and orientation, ethnic, etc. – all types of diversity should be met*”

respectfully by everyone in society". Therefore, its activities not only cover children, young people and women as the most vulnerable groups, but also immigrants, ethnic groups and the LGBT community. In other words, it provides different support schemes to people of different cultures, identities and sexual orientations, where they can get enough support from the local and central government. To eliminate the prejudices towards people living in Tarlabası, the TTM tries to develop projects that enhance collaboration among the residents of the neighbourhood, and with those located in other parts of the metropolitan area. According to the head of the centre of the TTM, overcoming prejudices is very important in dealing with diversity.

The Foundation for the Support of Women's Work's (KEDV) perception of diversity is focused on the socio-economic diversity of its target groups, namely women with different identities, ethnic and cultural characteristics that belong to poor families. Therefore, most of their activities are conducted in deprived neighbourhoods. They help women living in deprived parts of the urban area, regardless of who they are or where they come from. This approach is a reflection of the *equity* principle in the provision of equal opportunities for all, and concerns *equality*, believing that disparities between disadvantaged groups and the rest of the population should be removed or at least reduced.

Istanbul LGBTTT believes that the social integration of the LGBT community is vital for the enhancement of diversity in Istanbul and the support for social cohesion and underlines that this group is excluded from government support schemes. They aim to defend the rights of people who belong this group and help them on different issues to make their life easier.

Although the targets groups are different, there are no significant differences among the initiatives in their conceptualisation of diversity, all of them declaring that diversity is a positive feature of Turkish society that should be supported. Furthermore, they all complain about government policies, suggesting that "*recent government policies try to standardise and homogenise people within society*". Another common assertion is the need for the enhancement of "*social cohesion and social mobility by protecting distinct identities*". The perceptions of diversity is expressed as "*differences shape society*" and "*we are together with our differences*", with such comments being very common among the initiatives organised to defend the rights of various disadvantaged groups and to provide them support.

Bottom-up initiatives dealing with urban diversity

There are also important bottom-up initiatives playing different roles in diversity policies. This section briefly introduces the aims and scopes of two bottom-up initiatives called Romani People Platform and Alucra Development and Education Foundation (ADEF), as well as their perceptions of diversity.

Romani People Platform is one of the leading ethnicity-based, human rights platforms in Turkey. It gives legal consultancy to people affected by urban renewal processes and informs them about their health, education, sheltering, security and other democratic rights.

Since 2012, the platform has been working on behalf of Romani people who have been regarded as a minority group in Turkey for centuries. It was founded when an urban renewal project was initiated by the central government in the Sulukule district in Istanbul, where thousands of Romani people had lived for many years. Roma-based NGOs all over Turkey protested the Sulukule Renewal Project and underlined the possible adverse social outcomes of this 'displacement' project. The consensus among different NGOs led to the formation of the Romani People Platform (an umbrella organisation covering 50 Romani-based NGOs) to defend the rights of Romani people in districts designated as redevelopment areas by the Housing Development Administration (HDA) and to fight against these type of projects that end up displacing Romani people from inner city centres. To live in the centre of the city is vital for Romani people, since they are mostly employed in the entertainment sector, primarily localised in the core of the city, and work on a temporary basis. Therefore, being pushed out to the periphery of Istanbul causes them to lose their employment opportunities.

The Romani People Platform aims to create a civil forum that enables Romani people to discuss their problems, needs or any kinds of questions they have regarding local authorities and help them to find out operational solutions. The Platform organises meetings in different neighbourhoods where face-to-face contact can be achieved and where all stakeholders can interact without any pressure of official intervention. Places (neighbourhoods) of meetings (bimonthly or quarterly) are selected according to the urgency of their problems.

*The Alucra Development and Education Foundation (ADEF), as a hemşehri (compatriot) association, was established in 1998 to mitigate the problems that migrants faced in such a large metropolitan area and to increase the solidarity, relationships and communication between people from the same hometown (Alucra). Alucra, one of the districts of Giresun Province, was among the settlements that were heavily affected by out-migration, with around 60,000 of its population having moved to Istanbul by the late 1980s. Many of these immigrants faced severe socio-economic problems in Istanbul since most of them were illiterate, unemployed and had no social security. In this regard, ADEF develops projects to promote shared values, solidarity and assistance, such as the *Flag Day* organised by the organisation to raise money for the poor, students, homeless people, etc. In addition, in order to increase the economic potential of people from Alucra, during these activities, ADEF facilitates the creation of economic networks between business persons of many different sectors. Moreover, to enhance the social mobility of workers, ADEF establishes solidarity networks between employees and employers to highlight new job opportunities.*

Perspectives on integration policy and diversity

The Romani People Platform fights against the 'assimilation' and 'unification' policies of the government, indicating that ethnic groups are forced by the government to 'adapt' to mainstream society. In their opinion, urban redevelopment/renewal projects are used as a means to this end, since the displacement of Romani people to other peripheries of the metropolitan areas makes them lose their social networks and living culture. The Romani People Platform

emphasises the need for tolerance, solidarity and understanding between ethnic groups and the dominant group. Instead of one-way acculturation, which is a process in which members of one cultural group adopt the beliefs and behaviours of another group, reciprocal acculturation – that is the dominant group also adopts patterns typical of the minority group should be enhanced.

The Romani People Platform pays *explicit attention to the existing ethnic diversity* and defines the provision of support to Romani people to protect their identity and enabling them to participate in urban life are important to sustain the ‘*colours of Istanbul*’. Although the platform is Romani people-based, its members have diverse backgrounds. Regardless of ethnicity or culture, the members of this platform are sensitive to the difficulties that minority groups face in times of displacement and share their concerns and support the ones who are residents of an urban renewal area.

The Alucra Development and Education Foundation (ADEF) is also sceptical about the existing policies of integration and support provided to disadvantaged groups, who have had to leave their hometown and migrate to Istanbul. Therefore, it aims to enhance solidarity among the people from the Giresun district of Alucra who now live in Istanbul and also to mitigate the problems faced in their region. Rather than developing projects and policies to address the differences in lifestyles, attitudes or habits directly, the aim is to help immigrants from a relatively less developed region to adapt to metropolitan conditions.

The general idea shared by these initiatives, besides others, is the empowerment of target groups and enabling them to have access to public services. Neoliberal urban policies that centre on the goal of economic efficiency, disregard social citizenship and provision of welfare services for all. Therefore, the initiatives introduced above try to empower disadvantaged groups, increase their economic performance and provide assistance for social mobility by respecting the diversity of their cultures, opinions and identities. They believe that an acceptable level of life quality can improve social cohesion in society. It is parallel to the understanding by the Council of Europe (2004: 1): “*Social cohesion is the capacity of society to ensure the welfare of all its members, minimising disparities and avoiding polarisation*”. According to the Council of Europe, welfare implies not only equity and non-discrimination in access to human rights, but also the dignity of each person and the recognition of their abilities and their contribution to society. In this respect, they undertake a crucial role to build a cohesive society.

3.7 CONCLUSIONS

In Turkey, there are several local departments of ministries and other central government institutions, which are responsible for defining urban policies directly or indirectly related to diversity. Among the ministries, three of them, namely the Ministry of Development, Ministry of Family and Social Policies and Ministry of Employment and Social Security have important

roles and responsibilities in formulating social policies that are connected to diversity. The goals of the ministerial departments specialised in socio-economic issues defined within the framework of the Lisbon Strategy and EU Policies aim to overcome social exclusion and improve the conditions for vulnerable groups such as women, children, the handicapped, elderly and immigrants. The regional authorities and local administrations are also responsible for social policies but diversity is not their primary concern.

Diversity is not a term favoured in defining social policies. Most policymakers are far from recognising diversity in urban areas, except with regard to disadvantaged groups. Not only documents but also the interviewees, who belong to different public institutions, use cautious language and show reluctance in relation to diversity issues, especially ethnic diversity. When they have to refer to ethnic and cultural diversity, their approach is not more than ‘*openness*’ and ‘*tolerance*’, which still reflects a dominant attitude of the principal actors of urban governance as discussed by Fainstein (2010: 67). This perspective reflects on policy documents. Policy documents are mainly interested in issues related to material inequalities between socio-demographic and socio-economic groups. They refer not only to the equal distribution of existing facilities but also in overcoming existing material differences. According to interviewees and the documents reviewed, the main principle underpinning the formulation of such policies is ‘*equity*’. The term is often used without an explicit reference to policy measures. As the figures devoted to the disadvantaged show, there is a gap between discourse and practice adopted by both local and central governments, except the Ministry of Family and Social Policies, which was established to support women and poor families.

The review of the outcomes of the previous and current urban policies shows that the provision of facilities and support to disadvantaged groups disregards their other characteristics, although most of the disadvantaged groups have different identities and cultural backgrounds than the majority population. Actually, in Turkey, most urban policies, plans and projects have not been sensitive to the differences in the demands of diverse groups living in urban areas. The interests of both the central and local governments from the 1950s to the 1970s were focused on the provision of basic needs, infrastructure and services at affordable levels to urban dwellers. The urban policies that aimed to provide modern urban infrastructure endeavoured to generate a society with fewer differences regarding socio-economic conditions. The general attitude was the persistence of devaluing and stigmatising the existing cultural, ethnic and religious diversity, which led to a process of masking and concealing the ethnic identities, usually by the groups themselves. This situation has somewhat changed from 1991 onwards, after an ethnic political party found the opportunity to be represented in the parliament. However, the *recognition of diversity* is still a matter of debate in Turkish society.

The different types of non-governmental organisations have become increasingly involved in diversity-related issues in recent years. The issues focused upon by governance arrangements are those in which local and central government either have no interest or lack efficiency. Governance initiatives serve as counteracting mechanisms to address areas in which the

neoliberal state is missing. Most governance arrangements have uneasy relationships with central and local governments and expect support, especially in the form of financing. Most governance arrangements seek to develop contacts with central government, believing, somewhat optimistically, that they can affect government policies and practice. They emphasise that a significant driver of their success is the demands and deliberations of the people asking for help.

Although there is an emerging discourse that defines diversity as a positive aspect of the social order, there is almost no policy to avoid adverse outcomes of increasing fragmentation and hostility between certain groups. A review of government policies shows that the policies that seek to combat discrimination are rather limited. Not only do foreign migrants and local minorities face various forms of discrimination but also immigrants from various parts of the country with different ethnic and cultural backgrounds. However, in the last decade, special democratic rights and services are provided for these groups; Kurds being the largest groups have gained several rights. Different ethnic groups and minorities, who faced various forms of oppression, namely exploitation, marginalisation, cultural dominance and sometimes violence have improved their living conditions. However, some of the ethnic groups are not satisfied by the ongoing changes. They ask for a change in the Constitution's emphasis on Turkish ethnicity. This demand, however, is still not shared by other ethnic groups. There are conflicting views both among different ethnic groups and among the actors of the political system regarding policies to be introduced concerning ethnic diversity.

How can we assess ongoing changes in the legislation? In fact, there are increasing demands from ethnic groups and people from different religious sects regarding recognition of their differences and provision of special rights. The policies far from celebrate the differences, as is clear by the attitude of the central government to *Alevis*. Although the places of worship for Sunni Muslims (*cami*) have been built and looked after by the government and the salaries of personnel (*imam*) paid by the central government, the places of worship of other religions and Islamic sects, such as Alevis, have not benefited from the privileges provided to Sunni Muslims. Although this distinction has been protested against quite often in the recent past, there has been no change in the attitude of the government, the legislation and the practice.

The existing practice shows a limited effort to create spaces of encounter between different groups. The new public spaces, which can foster interactions remain limited, while the urban areas have experienced a radical increase in consumption spaces. The consumption spaces, which are used by different groups, reinforce the fragmentation of the population since the neighbourhoods with different socioeconomic statuses tend to use their own consumption spaces. The decreasing importance of city centres as a place of retail and recreation apparently accelerates this process. In Turkey, the institutions engaged in planning and practice, unfortunately, have not been concerned with introducing planning principles to enhance diversity, to provide special urban spaces encounter and create spaces of interaction. While socio-economic and socio-demographic differences are taken into account in the planning of

urban areas and districts, the distinct needs of ethnic groups and groups with different cultural backgrounds are not respected in creating new spaces, except in certain projects of historical and cultural heritage. As the interviews with various NGOs indicate, most of the projects initiated by the Housing Development Administration (HDA) in historical parts of the urban areas have a negative consequence on minority groups, immigrants and marginal groups that were previously able to sustain their living in the deprived areas of city centres.

In summary, the analysis of the policies of both central government and local governments can be categorised as policies for equity, which aim at the (re)distribution of resources via assisting disadvantaged groups, although the outcomes are debatable. These policies ignore the differences and act as an assimilation strategy. The limited contribution of such policies to the well-being of the disadvantaged groups, besides the lack of policies and measures granting special rights and opportunities for different ethnic and cultural groups, have led to the emergence of various types of governance arrangements and a mushrooming of voluntary groups. Although they have small financial resources and receive limited backing from central and local governments, their contribution to the recognition of diversity-related issues is substantial.

4 RESIDENTS DEALING WITH DIVERSITY

4.1 INTRODUCTION

While some urban neighbourhoods within cities may be homogeneous regarding the population's composition, others may be heavily mixed with respect to income, ethnicity, household composition and age. Moreover, individuals belonging to the same groups may have quite different lifestyles and attitudes. Nevertheless, there is a common belief among scholars that even in such diverse neighbourhoods, people interact and communicate and form vertical and horizontal relations, which will increase trust and willingness among each other, or at least lead them to respect differences. Therefore, despite differences among residents, communities can live together in harmony (Amin, 2002). Obviously, finding a balance between diversity and harmony may sometimes be difficult. Some studies are pessimistic about the level of social cohesion in diverse environments (Putnam, 2007).

In this chapter, we aim to explore how residents are dealing with diversity. We do this with the help of questions that enable us to understand why people live in diverse areas and to what extent the diversity of an area is a pull-factor. We want to find out whether the residents of diverse neighbourhoods see their neighbourhood's diversity as an asset or a liability and how residents make use of the diversified areas in which they live. Furthermore, the chapter provides the answer to a major question: To what extent is the diversity of the residential area important for social cohesion and social mobility?

To deal with the questions defined above, we conducted 54 interviews with the residents of Beyoğlu (Istanbul) throughout November 2014. This chapter of the book depends on these semi-structured interviews with the inhabitants of the various neighbourhoods of Beyoğlu, enriched by the in-depth interviews conducted with community leaders and representatives of NGOs in Beyoğlu, which was valuable to understand a general picture of this district (see also Chapter 3).

4.2 METHODOLOGY

Beyoğlu has a very mixed demographic structure, even though its diverse population profile has witnessed gradual changes since the beginning of this century. Throughout the 19th century, Beyoğlu was home to European populations (French, Germans, Italians, British, etc.) and non-Muslim Ottoman citizens (Greeks, Armenians and Jews), but the area lost many of its former

residents at the beginning of the Republican period, starting in the 1920s. Following the population exchange between the Balkan countries and Turkey and the outward migration of people of Greek descent to different cities in Greece after the events of 6-7 September 1955²⁰, the area attracted many poor immigrant families in the 1960s, as well as other disadvantaged groups. Furthermore, the departure of those of Greek descent led to other minorities and a number of families from higher middle-income groups leaving the district, after which it became home to many immigrants from different parts of Turkey, as well as to several groups with a different ethnic and cultural background.

At this point, the area began to attract minority groups such as Romani people, as well as members of the lesbian, gay, bisexual, transvestite and transsexual (LGBTT) communities. Some were engaged in illegal activities and were not welcome in the middle-income neighbourhoods in other parts of Istanbul. Additionally, since the 1980s, there has been an inflow of immigrants from the Middle East and North African countries, including Iran, Iraq, Afghanistan, Nigeria, and Palestine. Besides these groups, in the last two decades there has been a growing number of people from the arts sector; people working in entertainment as well as foreigners who have settled in some of the neighbourhoods in Beyoğlu, such as Cihangir. At present, as a result of urban renewal projects taking place in deprived areas and gentrification in certain neighbourhoods (such as Galata, Cihangir, Tarlabası), along with the revitalisation and transformation processes including the pedestrianisation of Taksim Square and the widening of Tarlabası Street into Tarlabası Boulevard, etc. (Aksoy and Robins, 2011), it is possible to observe a persistent change in the composition of population.

According to the 2013 census, the population of the Beyoğlu district was 245,219. Of these, only 14.9% were born in Istanbul, with the others having migrated both from different regions in Turkey and from abroad. Among the immigrants, 8.3% are foreigners, some of whom are in the country illegally. These figures do not include Syrian immigrants since they recently migrated to Turkey and are new to this district. The 2013 data shows that the largest numbers of people have migrated from the Black Sea region (20.1% of total population), among which the Giresun province has the largest share. There are also substantial numbers of immigrants from Central Anatolia, especially from Sivas, and from eastern parts of the country. Antalya, on Turkey's Mediterranean coast, is another province from which quite a large number of immigrants have migrated to Beyoğlu.

We divided the social groups that contribute to the diversity of the area into two categories: (1) immigrants, and (2) residents either born in the district or who have been living there for a long time. The first category includes new international immigrants as well as immigrants from different regions to Istanbul, especially those of a different ethnic and cultural background. There are also very recent in-migrants with very distinct characteristics, including people from the creative class, highly educated immigrants and students who are interested in living in this cosmopolitan neighbourhood. The social groups in the second category are those that have been residing in this neighbourhood for more than 50 years but are segregated from the rest of

society or are in a disadvantaged position due to their identity (LGBT people, Romani people, etc.), are defined as other target groups in the research.

To reach those different groups we received help from relevant associations and non-governmental organisations in contacting potential interviewees. Some of them²¹ provided us with the address of an individual who belonged to different social and ethnic groups. If this person agreed to take part in the interview, we asked for his/her help in contacting other people that they know (the 'snowballing' technique). This process continued until all contacts had been exhausted. Since there are no statistical figures related to the numbers of families in different social, income or ethnic groups in Beyoğlu, it is not possible to confirm the representatives of the sample. However, general observation supports the robustness of the sample.

Our sample is quite diverse in many respects. Among the 54 respondents, 32 are male and 22 are female. The largest group of interviewees belong to the 20 – 29 age group (21), followed by the 30 – 39 age group (17), the 40 – 49 age group (7), the 50 – 59 age group (5) and over 60 (4). Among the 54 interviewees, 29 are single and 25 are married, while eight of the interviewees are housewives, and five are retired. The others have very different occupations, including a waste collector, a textile worker, a photographer, a jewellery designer, four musicians, two engineers, two publishers, two cafe managers, two salespersons and two teachers, among others. The respondents also belong to various income groups. Among the 54 interviewees, 11 placed themselves in the low-income group, 17 are medium-low, 17 are medium-high, and nine are high-income. The respondents are also diverse with respect to their ethnic origin: eight Kurdish, eight Syrian-Kurdish, one Nigerian, five Romani, three Greek, two Armenian, one of Greek-Turkish origin, two Americans, one Azerbaijani and 23 Turkish. Appendix 1 provides the list of interviewees and their main characteristics.

4.3 HOUSING CHOICE AND RESIDENTIAL MOBILITY

Beyoğlu hosts different types of people engaged in many different types of businesses in a highly diversified urban fabric. Within this district, the neighbourhoods contain very different types of housing and urban environmental features, as well as different types of social groups. This section focuses on the motives of those different people and why they have chosen this district as a place of residence.

Not only needs and aspirations, but available resources are also critical in housing and neighbourhood choices at the individual level (Bolt and Van Kempen, 2002). While preferences are determined by household characteristics and their lifestyles, resources define what they can afford. In general, people try to maximise their levels of satisfaction based on the available financial and social resources. In addition to resources, individual level factors affecting the choice of residential areas include household characteristics and the presence of family or personal ties to a neighbourhood (Kley, 2011), while neighbourhood characteristics



Picture 3 The overview of Beyoğlu

such as available facilities, especially transportation possibilities also affect the housing choices of households. Moreover, different ethnic and cultural groups are expected to have diverse needs and aspirations concerning housing and neighbourhood characteristics. The literature also emphasises the attractiveness of the cosmopolitan character of neighbourhoods. In such neighbourhoods, the identities associated with diversity carry relatively little meaning as citizens increasingly identify themselves with what is common to all. The differences are not significant, especially in the formation of social interaction (Devadason, 2010). These neighbourhoods that show how humankind can live in harmony can be attractive for particular groups, especially for intellectuals who see differences as enriching society.

As would be expected, the importance of factors defined above differentiates substantially among the diverse groups already living in the district. For some people, especially the new immigrants with limited resources, housing choices are heavily constrained by their income and is only a survival strategy within the new surroundings, while for others individual

concerns, lifestyles, the facilities and atmosphere that the district offers can be substantial. The following section introduces the data garnered through 54 interviews with people living in the different neighbourhoods of Beyoğlu in order to understand the main reasons underlying their neighbourhood choice, and further, to find out how the diversity of the district has shaped their decisions.

4.3.1 Why live in a diverse area?

Although Beyoğlu became an attractive place for low-income immigrants in recent years, some of the people living in the various neighbourhoods of Beyoğlu were born in this district and have been living here for almost their entire life. Furthermore, people of very different cultural and ethnic backgrounds say that they belong to Beyoğlu. R15 (64 years, Romani) says: *“I was born here. I am the oldest resident of this neighbourhood,”* while others say not only were they born in the district, but so were their fathers and mothers and even their grandparents. R20 (27 years, jewellery designer), who belongs to the middle-income educated social group, explains her dedication to Beyoğlu: *“My father is about 60 years old. He lived in Asmalimescit with his father and his grandmother, a street next to where I live. My grandfather was a tradesman in the Beyoğlu centre; he owned a shop that specialised in sports equipment. When my father was married, he and my mother decided to live in the same neighbourhood, and I also wanted to live here when I left my family.”* While expressing that they have been residing in this neighbourhood for a long time, or were born there, they talk about their sense of belonging in a positive way and emphasise their pride of living there. The main factors that were important among the residents related to their residence in Beyoğlu may be grouped under five headings, namely social factors, urban facilities, cheap housing, locational advantage and the sense of freedom.

Social factors, which include proximity to family and relatives, and living among people of a similar ethnic background are imperative, as emphasised by Kley (2011) since proximity to family and relatives is associated with the provision of support among new immigrants. Almost one-third of the respondents defined proximity to family and relatives as the main reason why they chose to live in Beyoğlu. A number of the interviewees said that their families had been living in the same neighbourhood for a long time. R26 (47 years, immigrant from Black Sea region) says: *“The main reason why we chose to live here is that my family lives here. Now both my family and the family of my husband live in the same neighbourhood.”* This respondent group includes immigrants from different regions of Turkey, including people of various ethnic backgrounds. The proximity to other family members is important not only for immigrants but also for minorities such as the Armenians, who are the original residents of several neighbourhoods in Beyoğlu.

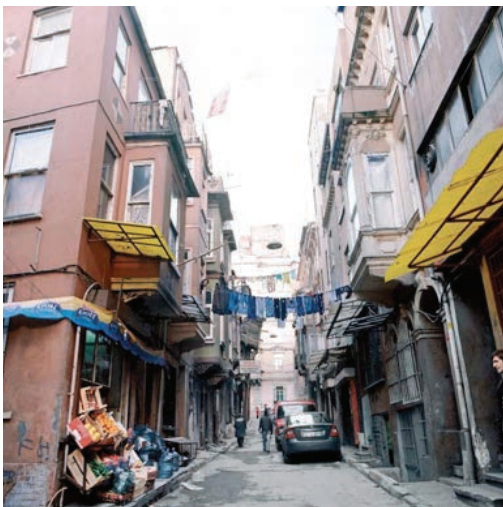
The strong emphasis on family, relatives and friends reflects the general characteristics of the housing and neighbourhood choices of Turkish immigrants. Kiray (1999), explaining the immigration pattern in Turkey, states *“First, one member of the family chooses a place to live, and later the other family members, friends and people from his hometown follow him and settle in the same neighbourhood, since social support networks are very important, especially in the initial*

years of immigration.” It is for this reason that many metropolitan areas feature a cluster of people from the same cultural and ethnic background (Güvenç and Işık, 1997). Although this situation is changing due to the new growth dynamics of the Istanbul metropolitan area, being close to people whom they already know is vital in the selection of a place to live (Eraydin, 2008). The clustering of people who know each other is also the case for foreign immigrants. Respondent R10, a Syrian woman said: *“First, my husband came here and rented this house in this neighbourhood, where many Kurds live. In fact, Kurds helped us to settle here and provided us with furniture and kitchenware”* (she prayed for these people during the interview).

The second group of important factors attracting people to live in Beyoğlu are *urban facilities*. Existing educational and health services are essential when choosing a neighbourhood in this district as a place of residence. These facilities include various educational institutions, including specific ones that accommodate disabled children. There are several universities within walking distance of the area, as well as special educational facilities, such as schools for children with handicaps.

“We were living in Izmir, but there were no high-quality schools in Izmir specialising in the education of handicapped children. We believed that education in Beyoğlu would be better, and so we decided to live here.” (R47, mother of a disabled child).

The neighbourhood’s existing cultural facilities and entertainment venues attract young people, including students and young professionals. The presence of various bookshops and art galleries and theatres is a key draw for people interested in the arts while living in close proximity to various cafés, restaurants and bars and is defined as a unique experience for some of the inhabitants. In fact, the Beyoğlu district is composed of several places with very different characteristics, from stylish high-income residential areas to deteriorated housing



Picture 4 Deteriorated housing stock

neighbourhoods, featuring numerous commercial, eating and dining places and restaurants of various types and qualities. Recently, the area has also become the centre of global cultural events, such as arts festivals (Kahya, 2015). Furthermore, the cosmopolitan character and diversity of the people that live in the district make this area attractive for particular groups. R24 (young educated immigrant from Azerbaijan) emphasises this point: *“This is the best place for entertainment activities. Many students come here. It is good to have young people here and the atmosphere is also very friendly.”*

The existing housing stock makes this district attractive for different income groups. While it has various education, health and entertainment facilities that are important for students and young professionals, the *availability of cheap housing* in this district also makes it attractive for poor immigrants. The historical parts of the district, in particular, contain a deteriorated housing stock, although certain areas have been defined as transformation zones that may be redeveloped soon. The deteriorated housing areas, which are of very low quality and have poor sanitary facilities, have low rents that poor immigrants (recently Syrians and Africans) can afford. Of the 54 interviewees, 13 emphasised the importance of the availability of cheap rented housing in the district. Since most of the housing in Turkey is owner-occupied and there is no social rental housing (Türel, 2010), this is an important issue for poor immigrants. R10 (Syrian woman, 30 years old) and R11 (Black Nigerian man, aged 30) say, *“The neighbourhood in which we live has cheap rents; it is not possible to find rented housing at this price elsewhere.”* R12 (Roman Musician, 49 years old) is not happy living here, saying: *“This is not a place to live, but if we move to another neighbourhood we have to pay higher rents. We cannot afford it, and so we have to live here.”*

However, not all of Beyoğlu’s neighbourhoods offer cheap housing. Some of the districts with a view of the sea, where the housing stock is of better quality, have recently become quite desirable. The gentrification of these neighbourhoods (Uzun, 2001) and the increasing popularity of artists, players and movie stars living here, have played a role in the rise of house prices and rents in Cihangir and Gümüştü and their surroundings. Moreover, some transformation projects that have seen the construction of high-quality housing blocks have triggered a rise in prices in these neighbourhoods.

The fourth important factor is the *locational advantage* of the district. As indicated by many of the respondents, Beyoğlu is ideal for accessing different parts of Istanbul, due to its location and its status as a transport hub. Moreover, for several groups, the neighbourhoods in Beyoğlu district are in close proximity to their work. There are two distinct groups of people, who work in the commercial core of Beyoğlu. The first of these is the Romani musicians, who live in the district’s relatively low-quality residential neighbourhoods, such as Çukur, and work in the nightclubs and other entertainment venues. R12 (Romani Musician, 49 years old) explains why they live in Beyoğlu as *“Beyoğlu is our workplace, we have to be here”*. The second group of people are those engaged in different branches of the arts, such as in the theatres and cultural centres located in Beyoğlu and its surroundings, and the owners of cafés and restaurants with live music. These people prefer to live in Cihangir, which has become quite popular over the last

two decades after some well-known movie stars and pop singers moved to the neighbourhood. For these groups, who work very late at night, living nearby their workplace is an imperative factor in their housing choice.

Besides these two groups, some of the respondents own businesses or work for an existing company in Beyoğlu. In Istanbul, which is a huge metropolitan area with significant traffic congestion, being near one's workplace is a great advantage. The minorities who live in several of Beyoğlu's neighbourhoods have businesses in the district. Moreover, as indicated by the new immigrants, the small enterprises in the district specialised in retail, services and production in Beyoğlu are a source of employment for them, and obviously, easy access to work is the most important locational motivation for low-skilled immigrants.

The final motivation for choosing to live in Beyoğlu is *the sense of freedom* in the district *due to its socio-economic, social and ethnic diversity*. For several groups, who are perceived as 'others' in many neighbourhoods, this sense of freedom offered in Beyoğlu is important. There are considerable numbers of LGBT people living in Beyoğlu. "I did not want to live with my family anymore. It became very difficult. I am earning good money and living as I like. Beyoğlu gives me this freedom" (R35, 26 years old, LGBT).

Moreover, highly skilled people define the diversity of the area as critical in their choice of housing and use the term 'cosmopolitan' when defining Beyoğlu. "I chose to live in Beyoğlu due to its location and cosmopolitan character. This is a horrible place (he defines horrible as "not quiet but very attractive"). It has a diverse character but is also a family-friendly neighbourhood with excellent social contacts" (R30, a 33-year-old man of Greek descent). Another interviewee explained her decision to live here as follows; "We decided on Beyoğlu because of its international atmosphere" (R33, 27 years, American woman). The diversity of the area is also an attractive factor for artists. R37 (38 years, actor) says that it is the cosmopolitan character that attracts many people to the district, although he is unhappy with the change; "This district hosted diverse groups, which is an important characteristic for the people engaged in different fields of the arts. If the diversity is lost, Istanbul will lose its lively culture, which is important for the culture of the country." The emphasis on the cosmopolitan character is important since it pinpoints people's willingness to live in the area without thinking of the differences, as Held (2010) highlighted.

All in all, in choosing Beyoğlu as a place to live, the diversity of the district is not important for most of the existing residents, except for some groups who seek the sense of freedom and the ones interested in having contact with people who belong to different cultures. For others, the advantages of the district, such as location, facilities and the availability of housing are more important.

4.3.2 Moving to the present neighbourhood: Improvement or not?

The move to this neighbourhood may have different meanings for different groups. Firstly, for some groups who moved to Istanbul, it is the primary, and even only, option. The dilapidated



Picture 5 Living in Tarlabası: The most deprived neighbourhood

buildings and very poor physical conditions provide them with the opportunity to live and work in Beyoğlu. Moving to Beyoğlu is a survival strategy, especially for the very poor foreign immigrants. For other immigrants, especially those coming from different regions of Turkey, living here puts them in close proximity to family members, in that the relatives of people from their hometowns would have settled in certain neighbourhoods in the district long ago. The existence and availability of social networks are vital for these immigrants.

For some interviewees who moved from other neighbourhoods of Istanbul to Beyoğlu, especially those working in the district, the locational advantages of Beyoğlu are a major factor. Moreover, students also opt to live here due to the availability of cheap housing and the proximity to many of the main universities.

For the groups defined above, it is very difficult to say that moving to this neighbourhood represents an improvement in their living standards. However, there are certain neighbourhoods where gentrification projects are underway, namely Cihangir and Gümüşsuyu, which are becoming *posh*, and have attracted some well-known people in popular culture, who have begun to settle here. These changes have caused house prices and rents to rocket, and so moving to those neighbourhoods has come to be accepted as a sign of improvement in income and social status.

4.3.3 Conclusions

Beyoğlu comprises different types of neighbourhoods, and different types of people even in the same neighbourhood, and this diversified character is much appreciated by certain groups of interviewees.

Some groups emphasise diversity as a pull factor. First, people who are usually perceived as 'others' or 'marginal groups' feel less social control and hostility in Beyoğlu. The attitudes towards LGBT people are of a more tolerant character in Beyoğlu compared to other residential neighbourhoods. However, even in this district, attitudes towards homosexuality vary between different social groups and cultures, from tolerance to ignorance or even hostility. Artists constitute the second group of respondents, who emphasise the diversity of the area as a pull factor. The chance to meet different types of people, who belong to different cultural, ethnic, religious and social backgrounds, is attractive for people engaged in the arts. They say that the mix of different people and the tolerant atmosphere support creative activities. The loss of Beyoğlu's diversity is believed to affect not only the vitality of Beyoğlu but also of Istanbul. The third group of people who choose to live in Beyoğlu due its diversity are the foreign immigrants from European countries and the USA. According to them, the international atmosphere and entertainment facilities in Beyoğlu are important factors of attraction. In general, it is possible to say that the diversity of the district displays its openness to people of distinct cultures from different ethnic, religious and social backgrounds.

However, for other social groups, the main factors that explain why they come to live here are not related to diversity. For many people social factors, and especially living in proximity to their families and friends, are important. It can be deemed suitable for immigrants, because people are able to find people from similar backgrounds, among those with very different origins. The attractive location of the district is another factor. Being in proximity to the main commercial centres and central business districts and different kinds of facilities make people choose to live in Beyoğlu. Another factor is the affordability of housing in Beyoğlu. Particularly in the dilapidated areas, the housing rents are relatively lower than other districts of Istanbul, which makes it very attractive for low-income immigrants.

4.4 PERCEPTIONS OF DIVERSITY IN THE NEIGHBOURHOOD

According to Wessendorf (2011), residents can experience ethnic, religious and linguistic diversity as a normal part of social life (commonplace diversity), and not as something particularly special. Commonplace diversity is accompanied by positive attitudes towards diversity among the majority of the population, and especially in public and associational space, there exists a great deal of interaction across cultural differences. However, social interaction does not always happen. As Albrow (1997) claims, individuals with very different lifestyles and social networks can live in proximity without annoying each other. In areas characterised by clear-cut minority/majority relations, there may be tensions among the various groups, living 'parallel lives'. At the root of tensions between the various groups, perceptions of who belongs to 'us' and who does not, is important. Several studies show that the differentiation of 'us' and 'other' can be based upon not only ethnicity but on many other things, such as notions of order and descent (Wimmer, 2004). Moreover, as Wessendorf (2014:398) pinpoints "*The acceptance (and sometimes appreciation) of diversity is somewhat fractured by the presence of a group which*

is perceived to threaten the public order”, which leads to the coexistence of positive attitudes towards diversity as well as resentment against specific groups. The literature emphasises that the absence of direct contact with individuals of different racial, ethnic or class backgrounds serves to reinforce prejudices that are based on stereotypes and sometimes out-group hostility (Stolle *et al.*, 2011).

This section focuses on the interviewees’ perceptions of their neighbours and the neighbourhoods in Beyoğlu and tries to find out whether diversity is considered an asset or liability by the residents who belong to different groups.

4.4.1 Perceived boundaries of the neighbourhood

The official definitions or boundaries of neighbourhoods as administrative units and the neighbourhoods/sub-districts in the minds of people rarely coincide in Istanbul. Since it is a very old settlement, most of the names and images of the neighbourhoods are social and cultural constructs. In this regard, although people know the names of places, they are not aware of the names of the administrative neighbourhood. The Beyoğlu district, which is located on the historical peninsula, covers 8.76 km² and has 45 neighbourhoods (see details in Chapter 2). Each of these neighbourhoods have a distinct character, and usually, the name used by local people is different from the official one. One respondent (R38, musician 38 years old, born in Beyoğlu) explains this phenomenon: “None of the people that live in Beyoğlu use the official names of the neighbourhoods. For example, people say *Gümüşsuyu* rather than *Ayaz Paşa*. Instead of the names of neighbourhoods, people use the names of streets. Living in the same street is important since from one street to another the character of the urban fabric and social composition can change. When we talk among family members, we say that I was in *Ömer Hayyam* or *Sakızağacı* (streets) yesterday.”



Picture 6 Diversified built-up areas

In fact, the interviews reveal that the perceived boundaries of the neighbourhoods change according to the respondents, although while some know every street in Beyoğlu, others know very little about the neighbourhood and district. The people in the latter group are the new foreign immigrants, who maintain very close social networks in the neighbourhood and spend only limited time in the district. They do know a little about Beyoğlu, but have little interest in knowing more; one reason for this unfamiliarity are their feelings of being only temporary residents in Beyoğlu, Istanbul and even Turkey. The interviews revealed that recent immigrants from countries in the region could be categorised under two headings: those who plan to work and settle in Turkey, and those who think that their residence in Turkey is only temporary. The latter group wants to return to their home country once political and economic conditions improve there, and are not very happy about their living conditions. In this regard, they make only limited contact with the residents of their neighbourhood and have little interest in knowing more about their place of residence.

At the other end of the scale are the group of respondents who have lived in the district for a long time, and who may even have been born there. They know the district very well, as well as the different neighbourhoods within the district. One of them (R20, 27, jewellery designer) refers to herself as a *person of Beyoğlu* (Beyoğlu insanı), meaning that she knows every place, the past and present of the district, and every tradesman on İstiklal Avenue. She even claims to “*know the name of every street in Beyoğlu.*” For them, Beyoğlu is one unit, consisting of different sub-units with different characteristics.

For some people, the monumental buildings and places of attraction are important. R2 (school bus driver, 34 years of age), who lives close to İstiklal Avenue, says: “*I know the boundaries of my neighbourhood as I have been living here for a long time. I also know all the important buildings here, such as the Süryani Church, St. Mary Church and Istanbul Arts Centre,*” while another respondent living in Kasımpaşa specifies that she knows the Tayyip Erdoğan Stadium, the Military Hospital and Kasımpaşa İskelesi. On the other hand, R16 (Armenian, 61 years old) underlines that “*there are no big parks or big boulevards in our neighbourhood (Kurtuluş), and so when I describe our neighbourhood, two things are important: Kurtuluş Street, which passes through our district, and the bus terminus, where the buses begin their return journeys.*” These responses, among others, indicate that the inhabitants’ perceptions are connected to the sub-districts of Beyoğlu, as well as their place of residence and its surroundings.

In general, few of the respondents referred to such physical boundaries as motorways or wide streets, or the architectural quality of their neighbourhoods. Most said that they know their neighbourhood, indicating the parks and green areas that exist there. “*I know my neighbourhood very well, especially the parks. For example, there is the Veysel Aşık Park in Piyalepaşa and Sivas Park in Çıksalın*” (R27, male, 23, an immigrant from the Black Sea region). “*In our neighbourhood, there is the Roma Park and Cihangir Park. The municipality wanted to turn Cihangir Park into a car park, but we resisted this change and managed to stop the transformation project.*” (R40, 38, musician).

Several interviewees, on the other hand, defined the boundaries of their neighbourhood or sub-district by giving the names of places nearby. R33 (27, American woman) said: *“I know the surroundings; we have Kasımpaşa which is very close, Taksim Square which is around 10 minutes away, İstiklal Avenue is also around eight minutes away; sometimes five if you run. We also have Tarlabası, but we do not go there due to its bad reputation; we avoid it (laughing). Also, there is a Sunday market in our neighbourhood that we visit every week.”* For businesspersons, in particular, the district’s proximity to the main central business districts (CBD) was the most important factor in their decision to locate to the neighbourhood. Similarly, the boundaries of their neighbourhood were not important for the immigrants that came to Istanbul to open businesses, such as R11 (a young black Nigerian man) engaged in the luggage trade, although they also used the main retail centres and shopping streets in proximity to define their living areas. He said: *“Our neighbourhood is close to Osmanbey, Aksaray and Eminönü (three famous shopping areas in Istanbul). Since we do our business in these three centres, the proximity of our neighbourhood is critical for us.”*

The transformation of the neighbourhood and new urban renewal projects are also important in defining the boundaries of the district. Most of the inhabitants stated that when an urban renewal/rehabilitation project takes place in their neighbourhood, they think that it may change not only the urban fabric but also the social composition of the population in their district. The interview findings show that there is almost no reference to the diversity of population living in the district when people are defining the boundaries of their neighbourhood, although most people are aware of the dominance of certain ethnic, socio-economic and cultural groups in particular neighbourhoods.

4.4.2 Perceptions of neighbours

Beyoğlu is one of the most diverse places in Istanbul. It is not only characterised by a multiplicity of ethnic minorities, but also by differences in migration histories, religions, educational and economic backgrounds among long-term residents and immigrants. The diversity of the district was emphasised by almost all of respondents. R2 (34, school bus driver) said: *“Our neighbourhood can be compared to the United Nations. This is a unique place where people of different ethnic, cultural and racial backgrounds live”*. He adds that some people who do not live in the district have prejudices and see it as a dangerous place, which, in fact, it is not. However, when interviewees talk about diversity, their points of references are somewhat different.

Defining neighbours with reference to socio-economic status and occupation

The presence of people from different socio-economic groups and professions is defined as one of the facets of diversity. R20 (27, jewellery designer) says: *“In our apartment, we live together with two research assistants, an oncologist and a sales person who has a shop in the Istanbul Textile Centre. Across from our building, there are two publishing houses and my aunt lives there. In our neighbourhood, people work in diverse occupations, including foreigners engaged in various jobs.”* According to her, the profile of the neighbourhood changes once you are off the main street.

Categorisation of neighbours and residents of the district regarding income level

The income levels of the local population are defined as a major source of diversity. According to R40 (38, musician), the income level is more important than an ethnic background in the choice of neighbourhood. According to him, most of the neighbourhoods in Beyoğlu are for low- or lower middle-income groups, as rich people do not want to live in this area. There are many immigrants from various parts of Turkey, as well as from Armenia and Eastern Europe: “*This is a Greek sub-district, but only a few are left. There are some Jews and Armenians, although not the rich ones. The wealthy minorities left Beyoğlu and now live in Etiler, Akatlar, etc., which are high-income neighbourhoods.*” Although as this respondent indicated, people belonging to the high-income groups are rare in the district, income differences among residents are still important.

New immigrants and previous residents of the area

Another way of categorising the people living in Beyoğlu is between the earlier and new residents. Those who have been living longer in the neighbourhood consider themselves to be the real landlords of the district and perceive newcomers as the ‘others’ of the neighbourhood. The older residents tend to think of themselves as urbanites, and complain that the newcomers maintain their village culture and have difficulties in adapting to urban living, while also criticising other types of new residents in some neighbourhoods, such as intellectuals, artists and rich people who want to spend time with fashionable socialites. They claim that all these people do not really belong to Beyoğlu (R34, aged 25, LGBT).

However, who the ‘native’ residents are, is not clear. R37 (38-year-old actor) criticises people who are against changes in the social composition of the neighbourhood, saying, “*Those that complain about the increasing numbers of immigrants are in fact immigrants from such eastern provinces as Siirt. They live in the houses that belonged to the Greeks.*” They define new immigrants as those from Syria, who are more visible since the onset of the crisis in Syria, and from North Africa. The lowest quality and most deteriorated neighbourhoods host the least advantaged groups, who are mainly recent immigrants from poor countries.

Among the many diverse groups, there are people (mostly immigrants) engaged in illegal activities, with drug dealers in particular living in poor neighbourhoods such as Tarlabası. Illegal activities of some immigrants are the primary sources of dissatisfaction related to immigrants, however, while some of the respondents claim to be worried about drug dealing and other illegal activities, they tolerate them. They say that as long as they are not affected by the problem they do not mind them living in the same area, but do not want to be in contact with them.

The importance of the place of birth of immigrants living in diversity: Where are you from?

The second group adding to the diversity of the district are immigrants from different regions of Turkey with various cultural backgrounds. In each neighbourhood, the hometowns of the immigrants vary, and those who migrated from various parts of Turkey maintain their old habits and cultural norms and do not want to change their way of life at all. They make very

little effort to adapt to the existing urban conditions, which is criticised by people who consider themselves to have an 'urban culture': "*When people come from their hometowns, they bring with them their cultures and habits. They have difficulty in adapting to the local living conditions. They fight and swear to each other. I am against that. That is why although the coffee shop is mine, I don't want to stay there.*" (R15, 64-year-old Romani man)

Marginal groups: LGBT and prostitutes

When some of the respondents talked about the diversity of their neighbourhoods, they said that there are "even prostitutes" in their neighbourhood, although they added that as long as they do not create a problem, others should not complain about their way of life. This discourse was similar when referring to the LGBT residents.

Ideological differences

The district also hosts people with different political ideologies. Within a very short distance, one can observe the meeting points of people with very different and conflicting ideologies. R30 (Greek man, 33) explains this diversity: "*When I came to this neighbourhood in 2006, on the same street was a sex shop, the Neighbourhood Centre of the Nationalist Turkish Party, and nearby was the Centre of Social Democrats and the Kurdish Cultural Research Centre. Although it was forbidden to use Kurdish in those years, the signboard of the Kurdish Cultural Research Centre was in Kurdish. As a foreigner, this picture was fascinating for me.*"

Mainly the socio-economic groupings, in which income and occupational categories almost coincide, dominate over the others. Interestingly, different social, ethnic or cultural groups use similar categories to describe the characteristics of their neighbourhoods. On the other hand, the categorisation of immigrants based on birthplace is a typical attitude; compatriots are still prominent in Turkish society.

4.4.3 Perceptions of diversity in the neighbourhood: positive and negative aspects

Almost all of the respondents recognised diversity in their neighbourhoods and emphasised it as something positive.

"We are here together with people with different languages and beliefs. We know each other, and we have no problems. In other words, we do not exclude anyone based on his or her religion, culture, language or sect. For us, everybody is equal, at least for me. They also show their respect to me." (R1, 51, Mukhtar (elected head of a Çukur neighbourhood).

Many respondents made similar statements, although the language used still distinguishes between 'us' and 'them'. Many of the respondents defined the ability to live in peace as a significant success: "*If you don't do anything to anyone, they won't do something to you*" (R24, 23-year-old Azerbaijani man). They explain their ability to live together as "we are used to each other", which is why the change in the composition of the population is seen as a problem by many of the older inhabitants of Beyoğlu. Providing a chronological account of the change, they

say: “First it was Iraqi people that came here, escaping Saddam’s torture, then people from Pakistan and North Africa came, but over the last two years it is Syrians that have begun to settle here. The numbers of these people are getting higher in our neighbourhood.” This rapid change worries many inhabitants, despite being (earlier) immigrants of these neighbourhoods themselves.

The interviews underlined some positive aspects of diversity in the neighbourhood. First, they indicate that to know different people and learn about their cultures is defined as a positive asset of diversity. One respondent explains, “*In our neighbourhood, we are invited to the weddings of Romani families which are very nice. When we go to the weddings of Kurdish families, we get to understand their customs. In a diverse neighbourhood, you have a greater chance of meeting very different people. In our neighbourhood, we talk to people from Africa. We speak to them and improve our English.*” (R3, 32, deliveryman). The acceptance of others that exists among most of the groups is defined as an outcome of diversity. Most of the respondents emphasised the tolerant atmosphere in the district of different perspectives. R16 (Armenian, 61) describes one of the neighbourhoods in the district, Kurtuluş, as a place of tolerance: “*Kurtuluş is a place of tolerance. For example, a transsexual can live in Kurtuluş without being harassed. These people were unable to continue living in some neighbourhoods of Istanbul and had to move. In Kurtuluş, there is no such problem. If they are not doing their business in their homes, the people living in the same apartment do not care about their sexual orientation*”.

Secondly, according to many of the interviewees, one of the most important characteristics of Beyoğlu is its protest culture and the sense of freedom, which is supported by the diversity of the inhabitants of the district. The existing protest culture is exemplified by the attitude of people in the Gezi Park protests:

“*Kurtuluş (one of the neighbourhoods of Beyoğlu) is a nice neighbourhood; I like it very much. The primary reason behind my feelings is the active support of its inhabitants during the Gezi Park protests²² when even the people who were raised in a bourgeois culture supported the protestors and provided them with logistical support. In fact, the whole neighbourhood turned into a place of resistance. Many people opened the doors of their apartments to help the children who participated in the protests, and provided them with food, clothing and medicine.*” (R16, 61-year-old Armenian man).

The support provided to the protestors reflects the sense of freedom of the neighbourhood, according to some interviewees. R34 (25 years old, LGBT) says: “*This is a place of freedom. It is the most modern and free district in Istanbul.*” These characteristics are attractive for several groups and individuals, especially foreign immigrants who want to become familiar with the cultures of different kinds of people. R33 (American woman, English teacher) explains the positive aspects of her neighbourhood: “*If you are international, you can eat international food and speak your own language in that neighbourhood because there are lots of facilities and cafes for international people. Turkish culture is very welcoming and I think you are encouraged to try to adapt to it. If you do not want to change, it does not force you to do so. Such freedom in a diversified environment is excellent.*”

There are, however, negative aspects of this district according to the interviewees. The very dynamic character of the neighbourhood and the changing composition of people living in the neighbourhood is a cause of worry for most of the area's long-term residents, as is the case in many cities in Europe. It is believed that increasing numbers of poor immigrants decrease the 'quality' of the neighbourhood, with quality defined with respect to cleanliness in physical terms and social relations. R14, an old Romani woman says: "*Many of the people with money have left this area. The new immigrants from different backgrounds do not get along with each other, and they always fight. If I can sell my house, I will leave this neighbourhood*". Some of the long-term residents of the neighbourhoods of Beyoğlu, especially those who were born in the district, are nostalgic about the 'good old days' when Beyoğlu was more peaceful and quiet. At that time, people had better social relations. They believe the increasing dominance of immigrants, with their different lifestyles, is detrimental to the earlier image of Beyoğlu, which was "cosmopolitan and posh". R18 (58, woman) said: "*When I married and settled here, most of the people living in these neighbourhoods were non-Muslims, including the ambassadors of many countries. Now, Cihangir is where people that are engaged with popular arts are living, and it has lost its real character.*" In fact, the older residents agree that the rapid change witnessed in the district has meant the loss of its unique character.

Security and the political conflicts in the area are a cause for concern among some people, especially the prevalence of drug dealing and other illegal businesses. While drug dealing brings a lot of associated problems and unrest, some neighbourhoods are zones of continuous conflict between those engaged in illegal businesses and the police. The increasing numbers of entertainment venues and bars are also perceived as negatively changing the social atmosphere of the neighbourhood. Moreover, conflicts often occur between people representing different ideologies, between leftist groups and the police, and between Kurdish nationalists and the police. R31 (a 27-year-old immigrant from Greece) said: "*The fights between some groups and the police on Sunday mornings have become a custom in our neighbourhood. The policemen come, fire tear gas at people with different ideologies, and the fight begins. That has become usual.*"

Although the district has a highly diversified character, there are also closed networks among people that can be tough for some people to join, leading them to feel excluded. This is mainly a problem for new immigrants.

4.4.4 Conclusions

Several respondents have defined Beyoğlu as a place where open-minded people live in harmony, and as a unique place where a diversity of people live together, from rich to poor and from affluent people to excluded groups, as well as people of different races, culture and ethnicity. The cosmopolitan character is particularly appreciated by some categories of the population, especially those people who are almost excluded from mainstream society. The diversity of the district and the sense of freedom were cited as the attractive aspects of this centre by some of the interviewees. In general, the diversity of the district is defined as a significant and positive asset, especially by people with higher education, but also by immigrants of various backgrounds. As

mentioned earlier, some respondents claimed that the diversity of this neighbourhood was the primary driver in their decision to move to the neighbourhood and complained about the loss of diversity, especially of cultural diversity.

Their praise of diversity, however, does not prevent many people complaining about the increasing security problems and conflicts among different groups. Especially, long-term residents of the neighbourhoods long for the ‘good old days’ when people had, according to them, better social relations. They have difficulties accepting the new immigrants, especially the people with a low-income level and socio-economic status.

4.5 ACTIVITIES IN AND OUTSIDE THE NEIGHBOURHOOD

Neighbourhoods are important as spaces of interaction, which can be facilitated by different elements of the urban fabric and social practices. Recent literature paid increasing attention to the role of specific places within neighbourhoods where people of diverse backgrounds meet (Wessendorf, 2011), and some studies claim that even fleeting encounters in public space shape attitudes towards others (Vertovec, 2007). In this respect, social interaction is important, especially in deprived neighbourhoods. Public places such as local shops, pubs, cafés, and community centres, have been described as being “third places” of social interaction, after the home and workplace (Hickman, 2010; Holland *et al.*, 2007). According to Hickman (2010), shops perform an important social function. Other social places, such as cafés, community centres, leisure and local clubs and pubs also fulfil a significant social role. For different age groups, certain types of social places are defined as extremely important, such as fast food restaurants for the elderly (Cheang, 2002) and coffee shops (Rosenbaum *et al.*, 2007) for adults. They are defined as the places of ‘non-obligatory’ social interaction.

Low, Taplin and Scheld (2009) emphasise the role of urban parks as public spaces in diverse communities. They provide residents with much-needed leisure activities and a ‘reason to get out of the house’. Not only public and commercial places but also streets are defined as important for socialisation (Matthews *et al.*, 2000). People from different age groups chat with each other and children play games, which are especially important for individuals with limited financial resources. In recent years, although increasing computer-mediated interaction creates different opportunities for socialisation, the public places in a neighbourhood still have important roles in supporting social interaction. To avoid people isolating themselves from their neighbours, vibrant and welcoming public spaces are important.

How does diversity affect activity patterns? How important is the neighbourhood? Do the different groups have different activity patterns inside and outside the neighbourhood? This section aims to identify where activities take place and to define whether or not living in a diverse neighbourhood matters.

4.5.1 Activities: Where, and with whom?

In general, low-income families with limited education spend most of their time in their residential neighbourhood. People working in higher-paid jobs and with higher levels of education spend more time outside their home and away from their neighbourhood. An analysis of the interviews reveals that activities inside and outside the neighbourhood do not differ in terms of ethnic background or cultural identity, as the most influential factors are rather income level and education.

The reason why people belonging to low-income groups spend most of their free time in their neighbourhood can be explained by several factors. Firstly, spending time out of the home and neighbourhood necessitates spending extra money. According to many of the respondents, even the costs of transportation can be a significant burden on their budget, meaning that home visits, and eating and drinking tea together with family members and friends who live in the same neighbourhood are preferred by many households. R6 (Syrian woman, 50 years old) says that they “*usually visit our relatives and friends. Since what we earn is not enough, it is not possible to spend money for recreational activities*”. Most of the respondents prefer to live near their families and relatives and prefer to spend time with them. While most of the women prefer home visits, they sometimes go to green areas within the neighbourhood or shopping. The Beyoğlu district features several commercial zones, meaning that they can go window-shopping either in Istiklal Avenue or to the new shopping malls that have sprung up close to their homes. R18 (woman, 58 years old) explains that “*Istiklal street is the place where we go shopping, otherwise we like to go to Taksim square and parks in Kasımpaşa*”.

Secondly, free time is limited for many people. Since some of the respondents work very long hours, they have little time to spend outside the neighbourhood. “*I spend my whole life between home and work. I only go to Istiklal Avenue from time to time*” (R39, 20, Syrian waiter). For housewives or working women, the situation is not very different. R48, a 35-year-old mother of a disabled child, says: “*I have lots of responsibilities, but only limited time, therefore, I engage in very few social activities. I have only one free day a week when I must clean the house, so I want to spend time with my children. What we do is to go to green areas, parks and sometimes tea gardens for breakfast. It may only be a simit (Turkish-style bagel) and tea, but it's nice to do something different.*”

In some neighbourhoods, spending time on the street is important in a practice known as “street culture” (*sokak kültürü*), which supports the arguments of Matthews *et al.* (2000). Women in the neighbourhood in particular gather in front their houses, where they chat and drink tea and talk to people crossing the street. R22 (Kurdish woman, 46 years old) explains that “*We spend time on our street. We have a street culture.*” For men, coffee shops and meeting on the streets is even more important, and meetings with friends usually take place in the neighbourhood. It is coffee shops where men meet each other.

Within the district, Istiklal Avenue is the core of activities, where women especially go shopping or window-shopping with their friends. There is only one shopping mall on Istiklal Avenue, but

lots of shops and small shopping arcades (*pasaj*) containing a variety of different outlets, from high-quality boutiques to those selling second-hand garments. People also go to shopping malls, which are not only shopping but also places for entertainment. Some families go to shopping malls on weekends in the winter just to kill time. That said, some interviewees voiced negative perceptions of such places, saying that there should be specific places for entertainment that are separate from shopping areas. In the spring and summer, parks and other open spaces become more popular, particularly in the afternoons and on weekends, for family outings. Open spaces are very important for people living in Beyoğlu given the lack of green areas in the residential areas, the large crowds and the density of the population.

The low-income residents of the Beyoğlu district tend not to use the existing cultural facilities, including the cinemas, preferring to go on picnics, for which neighbours will sometimes get together to hire a minibus or bus. For longer holidays, visiting the hometown (village) remains a common pursuit. “*Each year we go to our village for two weeks, which is like a holiday*” (R25, a 47-year-old man from Alucra-Giresun). In the district, Village Associations (*Köy Dernekleri*) organise such trips, enabling people to visit their hometowns at a reasonable cost.

The relatively higher income groups, especially the residents in the Cihangir and Gümüşsuyu neighbourhoods who are employed in the arts and well-paid jobs engage in more activities outside of their neighbourhood. Taking part in cultural activities is the main way of spending one’s free time for many professionals and artists living in Beyoğlu, and these people frequently go to the cinema or theatre, or go out for meals, especially on the weekend. It is evident that going to restaurants and bars on Friday and Saturday nights has become very popular among these groups. Proximity to many such venues is one of the main factors in the development of this habit and is one of the major reasons why they chose Beyoğlu as their place of residence.

Parks, green areas and open places along the coast are also important for people employed in well-paid jobs. “*I never miss a cultural event. Now I have become fond of going to Gezi Park. On Sundays, I go there and read newspapers and books with my friends. If the weather is nice, then I go to Rumelihisari. It has a nice view, and I usually have a lovely time there.*” (R25, 47 years, from the Black Sea region).

“*I don’t have enough time to use all of the public spaces in Aynalıçeşme, but during summer I prefer to go to Gezi Park for fresh air, and I like to spend time at the nearby cafes. I do not use the shopping malls in my neighbourhood very often because I do not like shopping, even in the United States. I try to follow the vintage shops in my neighbourhood.*” (R33, 27-year-old, English teacher from the United States).

For these people, shopping malls seem less attractive: “*I refrain from going to shopping malls, particularly on the weekend. If I really need something, I visit malls during the week, since they are less crowded*” (R20, 27, jewellery designer). Instead, they prefer to explore the small shops in Beyoğlu, for example, R41 (29, woman musician) said: “*Shopping has never been the first priority*



Picture 7 Limited public spaces

in my life. I can even say that I have never visited a shopping mall, except to buy home furnishing material. There are small department stores in my neighbourhood. They are enough for me." (R6, 61, Armenian, born in Istanbul).

4.5.2 Use of public space

The findings of the interviews support the debates in the literature on the importance of public spaces, especially urban parks. Green areas are very important for all people living in Beyoğlu, but especially for low-income families, who spend time in parks in the afternoon and on weekends. The respondents had different views on the existing parks; some of them said that they had become very nice and well looked after, others complained about them being too crowded, and about how green spaces are used. *"Our municipality made lovely parks that we go to with our children. We go to parks nearby, but also those in Kasımpaşa (still in the district) and up to Dörtüyl (R 26, 29 years old, working woman from Alucra). "I go to parks with my neighbours at night. That is the only time I spend out of my home."* (R48, 35-year-old mother of a disabled child). People who complain about the parks talk about the drug addicts and mafia-type people who use them, who put them off visiting the existing green areas in the district. Some interviewees, on the other hand, said that there are not enough green areas at present and that the existing parks are very crowded (R28, 21, a woman from Black Sea region).

Gezi Park has a special importance in the minds of the inhabitants of the district. Before the Gezi Park movement, few people used Gezi Park, because it was considered dangerous due to the drug addicts who used it for illegal activities. After the protests of May 2013, people began to look after the park and started to use it more. R32 (30, Greek descent, female) said that the Gezi movement was a symbol of the struggle against what was going on in Turkey. According to some of the respondents, the Gezi Park protests were crucial in understanding the value of public spaces. The inhabitants engaged in the arts, young professionals and even young foreign

immigrants with high levels of education emphasised this issue. “*I spend very pleasant times in Gezi Park and Cihangir Park. They are quiet places among the crowds without any entertainment facilities.*” (R37, 38, actor). According to some of the interviewees, the struggle is losing its momentum, and people from Beyoğlu are visiting Gezi Park less frequently, while others say that they tend to use the green areas in the district more after the events surrounding Gezi Park. Parks have become places of protest: “*If we want to protest against something, as the members of the Cihangir Platform, we gather in Cihangir Park, or we go to Abbas Ağa Park in Beşiktaş,*” said R18, a 58-year-old female activist.

4.5.3 Conclusions

The findings related to activities in and outside the neighbourhood show that both immigrants and low-income families with lower levels of education living in the Beyoğlu district spend most of their time in their neighbourhoods, and indicate that the neighbourhood is critical in building social interactions. They show little interest in the cultural activities that take place nearby and refrain from taking part in the activities of local associations or using the facilities provided by the local government. Their social relations are restricted to family, friends and neighbours, and these strong networks help them to sustain their living in Istanbul (see also sections 4.5 and 4.6), while at the same time allowing them to maintain the lifestyles they had in their hometown or village. They have less chance to take advantage of the different opportunities that a huge metropolitan area has to offer.

Those who belong to professional groups with better education are very different and have a different way of life. In fact, this is the reason why they chose to live in Beyoğlu, and most like to spend time outside the neighbourhood with other people and numerous cultural and entertainment facilities. Their level of involvement in the activities of local associations is quite different, which is shaped by the importance of their problems, identities and interests.

These findings highlight an interesting issue that the level of education and income is more influential in the lifestyles of people than ethnic, cultural and religious differences.

4.6 SOCIAL COHESION

Social cohesion can, in general, be thought of as the glue that holds a society together (Maloutas and Malouta, 2004). The definition of social cohesion put forward by Chan *et al.* (2006:290) is quite useful in understanding the components of this concept. “*Social cohesion is a state of affairs concerning both the vertical and the horizontal interactions among members of society, as characterised by a set of attitudes and norms that include trust, a sense of belonging and the willingness to participate and help, as well as their behavioural manifestations.*”

Existing literature suggests that network characteristics are essential in building a coherent society and increasing the well-being of individuals by enhancing social capital among them

(Woolcock, 2000; Stone, 2001; Narayan, 2002; Dekker and Bolt, 2005; Kearns and Forrest, 2000). Strong family ties, which lead to “bonding social capital”, are of particular importance in poor and excluded communities (Labini, 2008). Modena and Sabatini (2011) claim that strong family ties are the principal mechanism for increasing the well-being of people, in terms of access to financial support or the provision of help.

The weak, cross-cutting social ties between heterogeneous individuals, such as friends of friends and neighbours lead to the second type of social capital, “bridging social capital” (Kleinhans *et al.* 2007), which allows people to get ahead through the provision of access to opportunities and resources in social circles other than their own (Forrest and Kearns, 2001; Sabatini, 2008). That said, several empirical studies have documented that networks of poorer people may not create good opportunities since they are formed among people who share a disadvantaged position (McPherson and Smith-Lovin, 1982; Braddock and McPartland, 1987; Ibarra, 1992). Building bridging capital is not easy in diverse neighbourhoods since people prefer to associate with others who have similar characteristics. It can, therefore, be expected that people in heterogeneous neighbourhoods tend to have fewer contacts with fellow residents than those in homogeneous neighbourhoods.

The third type of social capital is linking capital, which is based on connections between those of different levels of power or social status, and includes such links as those formed between established professional and administrative structures and local communities. These networks are critical in allowing households to adapt to newly emerging circumstances and to engage in social relationships with those in authority, which may be used to garner resources or power.

The *intensity* of networks among different groups in a residential area is important, but there is also a need to understand the *nature* of existing networks. For this, we gain benefit from the notions of *trust* and the *willingness to help* – in other words, *mutual support*. Trust is seen as a component of social capital by some authors (Fukuyama, 1995), while others see it rather as a source (Putnam *et al.*, 1993), or form of social capital in itself (Coleman, 1988). Nanetti (2006) and Leonardi *et al.* (2011) define “social trust” as the dimension of social capital that expresses widespread and mutual confidence in others. There are again different views with respect to the relations between trust, mutual support and diversity. Putnam’s (2007) view is negative, claiming that a higher ethnic diversity in the neighbourhood goes hand in hand with less trust, and leads to even less trust in the so-called ‘out-group’ (for example, people of different ethnicity), but also to distrust in the ‘in-group’.

This section focuses on two main issues of social cohesion; namely, the role of horizontal interactions, mainly networking among the members of the society; and trust and mutual support, as the set of norms and attitudes that enable people to live together with their neighbours. We aim to explore to what extent the diversity of a residential area is important for social cohesion and to identify the issues that foster or hinder the development of social cohesion in a neighbourhood.

4.6.1 Composition of interviewees' networks

The findings of the interviews reveal some considerable differences among the respondents living in Beyoğlu regarding networking patterns. The different network patterns can be classified under three headings: family-based ethnic and hometown networks including neighbourhood relations; friendship networks; and ethnic networks.

Family-based, ethnic and hometown networks, alongside neighbourhood relations

Relationships with family members and relatives are vital for all groups but especially for immigrants and people who belong to ethnic minorities. Living close to each other is one such survival strategy in traditional societies, especially in the event of a lack of social security systems and modern support institutions. That explains why although Beyoğlu is a highly diversified area; it is possible to see agglomerations of family members and relatives in the same neighbourhoods of Beyoğlu. The Mukhtar of Çukur (R1, male, 51, Kurdish descent) emphasises the advantage of living near their family and relatives:

“Living together is very important. In a village, everybody knows each other. If you live alone in a certain place, it can be like living in a prison. When we see our family and friends, we get rid of our boredom. We feel relaxed and safe.”

Many African immigrants also prefer to live together in the same neighbourhood, saying that it makes them feel safe (R11, 30, Nigerian textile worker). They spend time with family and relatives, and engage in various activities together such as picnics, sporting activities, shopping, and home visits. They highlight weddings and funerals as important activities that bring them together.

Beyoğlu has high population mobility, especially in the dilapidated areas, where urban regeneration projects are either planned or have started. Obviously, physical change triggers changes in the composition of the population, and some of the interviewees expressed sorrow at losing their family networks as relatives left the neighbourhood. Particularly those of ethnic descent wanted to sustain their existing family-, relative- and friend-based networks and were not very receptive to forming relationships with the new residents of their neighbourhood.

“Kurtuluş is the place where most of the Armenians live. In Kurtuluş, I have lots of relatives and friends, and they are the people I meet quite often. My sister-in-law lives in the same street; my sister lives in the next one. We share this neighbourhood with friends, family and relatives. There is no friendship based on being neighbours; relationships are based on family and friendship connections.” (R16, 61, Retired man, Armenian)

In certain neighbourhoods in Beyoğlu, such as Çukur and Piyalepaşa, being from the same region is important, and migrants from the same regions of Turkey tend to live in the same districts in Istanbul, where they form dense social networks. In such a situation, neighbours may be compatriots, being with people who they have known for a long time, and this makes

them feel safe and more confident. For example, one respondent, a school bus driver (R2, 34, of Kurdish descent), says that most of his neighbours are from the same region, namely Mardin Dargeçit.²³

Although there is existing literature claiming that neighbourhood relations may be weaker in diversified neighbourhoods, the result of the interviews show that the importance of neighbours varies among different social groups. An important factor in building relations with neighbours is the amount of time spent in the neighbourhood. In general, there is reluctance among the existing residents to establish relationships with newcomers, although this may change after people get to know each other.

Several of the interviewees from low-income families stressed the importance of their neighbours, claiming that they were one of the reasons they chose to remain in this neighbourhood. R12 (49, Romani musician) said: “*the reason I prefer to live in my neighbourhood is my neighbours*”. Several respondents also glorified their neighbourhood relations by underlining the importance of neighbours knowing each other for a long time.

“For us, neighbourhood relations are imperative. In our neighbourhood, not only our fathers, but also our grandfathers know each other. Everybody has a nickname. For example, everybody calls me ‘the son of Çakır Ahmet’. I am a child of this neighbourhood. Although the windows of my house are always open, I have never lost, not even one Turkish Lira.” (R53, 33, offal seller, Romani descent)

As the above quote indicates, in neighbourhood relations, ethnic, cultural and religious backgrounds are not so important. Neighbours may have different ethnic backgrounds, cultures and even socio-economic status, but living in the same place is what connects them to each other.

Some actors facilitate neighbourly relations in the neighbourhoods. They act as social mediators. Local grocery stores and shopkeepers are crucial in this respect. R18 (58, working for a Women’s Cooperative, living in Cihangir) says: “*I am on very friendly terms with all local shopkeepers. I have my butcher, greengrocer. Even when I don’t need to buy anything, I visit them for a chat.*” Such places have thus become a meeting place for neighbours, and this is also true for foreigners. As R31 (27, student, from Athens, Greek) indicates, local stores are points of social interaction. Other important meeting places include coffee shops, where most people spend their free time with friends. For Romani people, however, more than a place, it is the activity of making music together that is more important. They make music everywhere, including in the coffee shops.

*Limited connections with neighbours and family members but strong friendship networks:
Parallel lives*

While interaction among neighbours is important for low-income households, for women and people working in the neighbourhood and elderly, certain groups maintain limited relations

with the local inhabitants. First, for artists and people with full-time jobs outside Beyoğlu, neighbourhood networks seem less important, as they prefer to form relationships with people from outside their neighbourhood. Some of these respondents emphasise the lack of time to develop close relations with their neighbours, and among these are the people who work in the entertainment sector, such as musicians, actors, players, etc., and those working in the service industry. A 36-year-old man working in the entertainment business (R42) says, “*I usually work at night and sleep during the day. Therefore, I have no opportunities to make friends with neighbours*”.

There were entirely different responses from the respondents regarding the intensity and form of networks with friends and workmates. Whilst several interviewees claimed that they spend most of their time with their workmates, others said that they have weaker relationships with them compared to family, friends and neighbours. That said, for people with certain occupations, workmates are more important, such as actors. R38 (29, actor) emphasises the importance of relations among colleagues: “*Sharing your life with workmates is important for me. If you do not share something, what you do together (acting) becomes quite formal and unconvincing.*”

Second, several of the new foreign residents said that while they do not have well-established relations with their neighbours, they observe the close relationships among the original inhabitants. Several of the newly-arrived foreigners have only limited interactions with their neighbours since they do not know them. For these groups, the networks between friends living both in the same neighbourhood and in the different places in Istanbul are more important.

Third, bachelors and single people have fewer interactions with their neighbours and spend most of their time with their friends, with Beyoğlu as their meeting place. They attribute their limited interaction with people in their neighbourhood to the fact that most of their neighbours are married couples with different interests from their own. The friendship networks mostly revolve around spending time together and joining social, cultural and recreational activities. The location where they live – a neighbourhood in Beyoğlu – lends itself to the meeting of friends. Especially young people and those who work in the arts prefer to meet their friends in Beyoğlu, where they frequent the restaurants, bars and other places nearby.

Fourth, gay people have fewer relations with their neighbours, keeping within their own network of friends in their social activities. R36 (26, IBM operator, gay) says that he does not know his neighbours since he has no extra time for them. However, among the LGBT community some people like to maintain their traditional neighbourhood relations, such as R42 (38, actress, transsexual):

“I come from the generation that makes friends with one’s neighbours. My family members are those who get together with their neighbours and offer them a plate of food when they cook something nice, thinking that the smell of that food may make them long for it. That is why I try very hard to talk with my neighbours and maintain contact with them, even though they may not be very enthusiastic.”

Fifth, most Romani people are reluctant to form relations with other residents of the neighbourhood. Some of them (R14) long for the old days, when friendships among neighbours were stronger, and say that if they were able to sell their house, they would leave the neighbourhood since they feel that they are excluded from existing networks.

The dominance of ethnic networks and limited connections among people in the neighbourhood: exclusionary relations

When forming social networks, ethnic background is important for some of the interviewees, especially for the new immigrants. One of the reasons behind the dense networks of people from the same ethnic background is the hostility shown towards them by the original residents. Although most of the local residents are tolerant of other groups, they may be relatively hostile to new immigrants from Syria and Africa. Accordingly, Syrian and African immigrants feel excluded from the existing social networks, and so form their own ethnic networks, sometimes living like a clan. For example, a 52-year-old Syrian/Kurdish immigrant claimed that local people did not welcome them at all. All of the Syrian respondents (7) that were interviewed during the fieldwork said that they maintained relations only with people from the same ethnic background.

“The native residents of this neighbourhood did not welcome us, and we have little affection for them. I only know the Mukhtar and the real estate agent in the neighbourhood, out of necessity. I have no relations with anyone else.” (R5, 52, Syrian immigrant, Kurdish descent)

Some of the immigrants complain about this situation and declare that they want to return to their country. One 23-year-old Syrian immigrant of Kurdish descent says that he is not happy living in this neighbourhood or this city, and wants to return as soon as the war is over. African people have more difficulty forming networks with Turks, and often had conflicts with their neighbours when they first moved to their neighbourhood. After a long period of time, they have managed to solve most of their problems, but still, they do not have close relations with their neighbours (R11, 30, textile worker, Nigerian).

The findings above show that people tend to maintain contacts with people from the same background. When someone is from a different background, there is less contact. There are parallel societies in some neighbourhoods, where relations among several groups stay limited and are sometimes even hostile. One immigrant from Giresun-Alucra (R25) even refers to people from other regions in Turkey or with different cultural backgrounds as “foreigners”, and says that there is unfriendliness towards others. She explains this lack of sympathy for others as follows:

“We meet the ones who have known each other for a long time. Although we are not hostile to foreigners, obviously we have reservations about them, just as they do about us, since everybody likes those who are familiar.”

The findings show that the importance of families and neighbours can vary among different groups. While neighbours remain important for certain groups, including marginal groups, people who have a 'posh' lifestyle or difficult working conditions have fewer relations with their nearby neighbours. In fact, it is possible to observe different and parallel lives within the same neighbourhood.

4.6.2 Living together with neighbours: trust and mutual support

Do trust-based relations exist among neighbours who belong to different ethnic, cultural and socio-economic groups? Among which groups do mutual support networks exist? The answers to these questions are varied. While some respondents emphasise their trust in their neighbours and the existing mutual support networks, others do not support this view.

Strong, trust-based relations and mutual support among several groups in neighbourhoods

Trust-based relations among neighbours are considered necessary, especially for people belonging to the more disadvantaged groups. They form positive, trust-based relationships with their neighbours since support provided by neighbours, as well as by relatives, are essential for sustaining their livelihood in Beyoğlu. "*Giving them the key to my home*" was used as a symbol of trust by many interviewees. R19 (49, working woman, Turkish) affirms that when they go somewhere outside the city, they give their key to their neighbour so that they can water the plants and look after the fish in their small aquarium. People borrow different things from neighbours, including money; ask for help when they have health problems or when they need childcare, etc. The importance of similar types of relations is confirmed by many others, such as interviewee R51 (62, retired), R32 (30, Greek (Rum) woman, born in Istanbul) and R22 (46, Kurdish woman). Immigrants, especially those from the Black Sea region, emphasise the importance of mutual assistance among neighbours on health issues and in general, with the interviewees claiming that neighbours will help when necessary. They express that "*there is a neighbourhood spirit here.*"

Mutual support among neighbours is critical for particular groups. One of the interviewees indicated that for her, mutual support is vital. However, trust and a willingness to help also inflict an element of social control on those people who are in need of support, although this is usually accepted as customary and positive by those asking for help from others. R47 (43, single, working as service personnel in a school for the disabled) says that: "*I get support from my two best friends, who look after my younger daughter when I am at work. My eldest daughter goes to secondary school, and all of the people in the neighbourhood keep a protective eye on her. I also ask my neighbours to take care of her, since she is so young and can make a mistake.*"

The social control in the neighbourhood, although unfamiliar to some foreign immigrants, facilitates living and makes their life safer. R33 (English teacher, American, 27) explains her feelings in this regard: "*In general, I trust my neighbours. They ask questions about you; sometimes they are worried about you. For example, the woman on the first floor knows when and where I work, my general routine and the times I spend at home. When I am late or when I am in trouble,*

I am sure she will worry and wonder about me. Such feelings create trust, and I feel safe when she is around ...If I have any trouble with Turkish bills, they translate it for me. All my neighbours help each other in times of need." There are also several interviewees who say that they trust their neighbours, although they do not have close relations with them, such as R41 (29, woman, musician).

In building trust-based relationships and mutual support among neighbours, the number of years that people have spent in the neighbourhood is important. Most of the interviewees say that living together in the same neighbourhood for many years has led to mutual trust among neighbours, and suggest that ethnic and cultural differences do not matter in building a trusting relationship. As local shops are network nodes in the neighbourhood, trust relations with local tradesman are considered significant.

"When I was a kid, I always forgot my keys at home and had to wait for my father in the small grocery store owned by Muzaffer Abi. When I had no money to return home from school, I took a taxi and asked Muzaffer Abi to pay for the taxi, and my father would pay him back later." (R20, 27, actress, jewellery designer)

In the neighbourhood, people can obtain most things from local shops without providing a deposit or a contract, and can pay later. One of the respondents (R19, 49, working woman, Turkish) says: *"I have unlimited credit, which is based on trust"*.

No trust, no mutual support

In contrast, some of the interviews claim that they have no trust-based relationships with their neighbours. Some people do not trust people with other ethnic and cultural backgrounds. Romani people, in particular, face problems related to trust with their neighbours. People of Kurdish descent, in particular, are uncomfortable about living together with Romani people: *"This is not a friendly neighbourhood. It is disgusting. If a man is shot, nobody helps in this neighbourhood. This is a Romani neighbourhood; unfortunately, we live in the same place."* (R21, 67, coffee shop owner, Kurdish man). In general, it is people of the older generations who complain most about their neighbours and say that they do not trust them. R16 (61, Retired man, Armenian), who lives in Kurtuluş (a middle-income neighbourhood in Beyoğlu), has a different reason for his lack of trust of the people in his neighbourhood: *"I cannot trust my neighbours since they are bourgeois. You cannot trust bourgeois people"*.

Syrian immigrants who recently migrated to Istanbul are excluded the most from existing neighbourhood networks. R7 (45, Syrian mother, Kurdish descent) claims that they do not get any support from their neighbours, except those sharing their Kurdish origin. *"If the Kurds were not here, we would be dead. They are the only people that helped us. If they had not supported us, our living conditions would be worse. They also offer us financial help."* That said, it is possible to observe some of the contacts that have already begun to be established between the Syrian immigrants and existing residents. Some of the Syrian immigrants say that they trust their

neighbours regarding their security. According to a 25-year-old Syrian cook of Kurdish descent (R9), if anybody bothers them, their neighbours will help.

While many of the interviews emphasise the good neighbourhood relations and social cohesion that exist in the different neighbourhoods of Beyoğlu, there are others that do not share this belief and the presence of trust-based relationships and mutual support in the district. One of the respondents criticised the belief in mutual support in Turkey, saying that “although there is a common belief in Turkish society in the strength of neighbourhood ties and support among residents, that is actually not the case”. (R45, 29, musician, American).

“I have been here in Turkey for more than two years and have not noticed any mutual help among neighbours. In different regions of Turkey, mutual support may be essential, but it is certainly not available in Istanbul.”

Similarly, R43 (Actress, transsexual) expresses her view on this subject:

“I even think that the inhabitants of Beyoğlu do not know each other. Yesterday my neighbour fell down the stairs with a beer bottle in his hand. We wanted to help him since his hand was bleeding, but he did not want our help and left the apartment. He never spoke to us.”

4.6.3 Conclusions

In this section, we have explored to what extent the diversity of the neighbourhood is important for social cohesion: Do trust-based relations exist among neighbours of different ethnic, cultural and socio-economic groups?

Firstly, although there were some contradictory views, most interviewees believe that diversity does not affect social cohesion in any way. They declare that even in their diverse neighbourhood, they have different types of networks, including those related to their neighbours, trust-based relations and mutual support among the residents. Those with negative views on the level of social cohesion in their districts are mainly new immigrants (especially Syrian Kurds), and young and single individuals. As some of the interviewees emphasised, living in the same neighbourhood is important in building trust-based mutual networks. Young people, especially professionals with unconventional lifestyles, have stronger networks with their friends, which decreases their connections with the inhabitants of the same neighbourhood. Networks among family members and relatives are still important in Beyoğlu. For low-income households, these types of networks are essential. Moreover, living near one's family and relatives brings feelings of safety and guarantees against loneliness.

Secondly, relations among compatriots are still prominent among those who migrated from different regions of Turkey. Although there is a growing impression that relations between compatriots are becoming lost in the major urban centres, the findings of this study indicate the sustained significance of compatriots. However, ethnic and friendship networks are critical for

specific groups, although not for all; while relations between neighbours are deemed essential for most of the interviewees. Even between some groups with completely different cultural norms and values, it is possible to see strong neighbourhood relations and mutual support.

Thirdly, it is possible to see trust-based relations and mutual support between diverse groups. In building these relations, local meeting points, such as coffee shops and grocers, are important, facilitating interaction among neighbourhood residents. In general, the interviewees define Beyoğlu as a place of tolerance, although it is apparent that mutual support may lead to social control.

According to the interview results, younger generations are more open to other identities, and for them, friendship with people from different ethnic, cultural and socio-economic backgrounds is important, as emphasised by several interviewees. They say that they have close relationships not with family and friends, but people with different ethnic and socio-economic backgrounds. In general, the interviews show that in diverse neighbourhoods, both parallel lives and intense and good relations are possible. The neighbourhood is still essential for materialising social contacts and enabling certain people to continue living in an enormous metropolitan area.

4.7 SOCIAL MOBILITY

Literature identifying the specific role of neighbourhood diversity in social mobility is limited, with most of it focusing on social capital, and thus on the social contact between people living in the same neighbourhood. The question of how individuals can profit from their social connections is crucial here. However, there is no consensus on the effect of neighbourhood composition on social mobility. Several studies have shown that neighbourhood effects do exist, but they are always found to be small (Galster *et al.*, 2008; Brännström and Rojas, 2012; Gordon and Monastiriotis, 2006). Why are these neighbourhood effects so small? Existing explanations point to the limited contact between different kinds of people, since individuals generally have connections with people who are like them (Rosenbaum *et al.*, 1998) and the contacts outside of the neighbourhood becoming more important due to the increasing transport facilities and the internet and social media (Van Kempen and Wissink, 2014). In this regard, it cannot be said that contacts are instrumental in finding a better job.

In this section, we address this question aiming to understand the importance of neighbourhood diversity in finding a job or a well-paid job, in general, on the social mobility of inhabitants.

4.7.1 Current and previous jobs

The inhabitants of Beyoğlu, work in very different types of jobs. Some people are engaged in jobs at the lower end of the existing labour market. Many Syrian immigrants, in particular,

earn their living as workers in informal activities. Their primary interest is to make a living, and nothing more. Most of the Syrian women sell water on the streets and clean houses, while the men either collect scrap paper and junk, or work in the construction sector. They complain that few entrepreneurs offer them jobs, and even if they find a job, they work informally, without being registered in the social security system (R6, 50, Syrian woman). Most of these people work in Beyoğlu: *"I am working as a waiter in a café, and have one day free once every two weeks. I work for TLY 60 per day (approximately € 22) without any social security. Before getting this job, I slept in parks for over two months. Now, I am renting a dilapidated house with my friends in Tarlabası"* (R39, 20, Syrian immigrant). Immigrants from Africa seem to be engaged in other activities to immigrants from Syria. According to one of the interviewees: *"Most of the African immigrants buy goods from Aksaray, Eminönü or Osmanbey and send them to Africa. In a way, we engage in export-import activities, mainly in informal exports. The rest of them are working in textile firms. There are also people who have come here with the intention of going to European countries. For them, this is a stopover."* (R11, 30, Nigerian man)

Some of the groups who have been living in Beyoğlu for many years are engaged in specific sectors. For example, the Romani are specialised in the entertainment sector, especially as professional musicians, and since almost all Romani work in this area, they can work collectively. On the other hand, women's labour merits particular attention, as a significant number of women do not work outside the home in Turkey, as they are 'housewives'. The share of women employed among the economically active is about 25%; however, there are very active and hardworking women. In Beyoğlu, one can observe a similar picture. While there is a group of women responsible looking after the family, there are women who work very hard under difficult conditions, and who change jobs to earn more income.

The interviews showed that most people with low levels of education and low skill levels change jobs quite frequently. Most of the jobs that are available to them are temporary. Depending on changing conditions and opportunities, people shift easily from one job to another. A good example is the Mukhtar of Çukur: *"I am now the Mukhtar of the Çukur neighbourhood, but before, I worked as a peddler, as a taxi driver, as a manager of a coffee shop. Finally, I was elected Mukhtar of this neighbourhood."* (R1, 51, Mukhtar of Çukur)

The primary motivation for changing jobs is to find a better-paid one. One interviewee claimed that it was not difficult to find a job. One respondent (R28, 21, an immigrant from Trabzon (Black Sea region), woman) said that she is now working in a restaurant, but she worked previously as a nanny, as a textile worker and as a waitress in another restaurant. She says that she found work through newspaper advertisements and through people living in the neighbourhood. According to her, if you want to work, it is possible to find a job, and there are many studies in Turkey showing that by moving from one job to another, workers can increase their wages. This is particularly the case in the textile production sector, in which women working in small workshops change their jobs as soon as they find a better paid one (Eraydin and Erendil, 1999).

The decreasing attractiveness of some occupations, products and services also forces people to change their jobs. For example, the school bus driver (R2, 34, Kurdish descent) was formerly a tailor, until custom-made clothing lost its attractiveness with the rise in popularity of the ready-to-wear clothing sector. This resulted in him finding work as a driver for a cargo company, and after a year he changed his job again as he thought the wages were too low. Now, he works for another company, still as a driver. People prefer a secure job rather than a temporary one, and so, for example, rather than working as a construction worker, they want either to have a full-time job or to own their own business. A shopkeeper explains why he changed his job, *“You have to change your place of residence quite often when you are employed as a construction worker; having a retail shop makes your life much easier if you have a family.”* (R25, 47-year-old man from the Black Sea region (Giresun, Alucra))

The medium- to high-skilled immigrants also change their jobs, one of the motivations of which is to have a different kind of living and working environment. R33 (27, a woman from the United States) says: *“For now, I am a part-time worker until the end of November, but in December I will become a full-time worker in a pre-school for international children. It is what I wanted to do. I give part-time English lessons to Turkish students and we mainly meet in Taksim, so for now, I do not have a specific workplace. I found this job myself. I applied for the job and they hired me. I left my previous job to move to Turkey. When I was in New York, I worked for an insurance company for four years, and at the same time, I was a yoga teacher.”*

As with low-skilled people, some people with unique skills have moved from being a wage earner to becoming a small entrepreneur. For example, a jewellery designer who used to work for a company now owns a jewellery atelier, and a man who was working in a hotel in Beyoğlu left to open a small café. In fact, opening a small enterprise, which is a radical change in working status, is usually appreciated by the community, and doing more than one job is common. For example, R30 (27, Greek) says that he is a partner in a publishing house and is a member of a group that performs Greek music several days a week.

Most people have to work after their retirement since pensions are not sufficient for living in Turkey. The jobs people work in after retirement are usually unrelated to their earlier occupations and skills. A man who owns and manages a coffee shop says that he was a welder before he retired (R21, 67, male, Kurdish descent), and one woman who worked as a bank cashier is now working as a manager in a women’s cooperative. There are interesting cases, one of which is a newspaper editor, who was a technician in a biochemical laboratory before retirement. He explains how he became newspaper editor: *“I was a technician in the medical sector. I was a friend of Hrant Dink (Armenian journalist who was murdered), and once in a while, I wrote for the Agos newspaper, especially in my fields of specialisation. After Hrant was killed, I devoted more time to the Agos newspaper (published in Armenian). After two months, I realised that it would be better if I spent more time there, and so after I retired, I began to work as the editor.”* (R16, 61, Armenian man, born in Istanbul)

4.7.2 The role of families, friends and neighbours in finding a job

In general, family members, relatives, friends and neighbours are important when searching for a job, and most of the respondents emphasised that social networks and social relations were extremely helpful in this regard. R2 (34, school bus driver) said: *“My neighbours and friends supported me in finding a job. I did the same. We always give moral and material support to each other.”*

Providing support to people from the same hometown, and who live in the same neighbourhood, is also critical in finding work. Many of the interviewees who migrated from the different regions of Turkey said that compatriots like to give various types of support to newcomers, including help in finding a job. According to interviewees, the bonds between immigrants from Eastern Anatolia and the Black Sea region are stronger than the mutual support among immigrants from the western regions, which can be explained by the lower levels of income in the former regions.

New foreign immigrants, however, receive little support from their neighbours, and can rely only on their family members and relatives to find a job. The Syrian respondents say that relatives have to provide support to each other to survive in Istanbul. In general, they have very close ties and sometimes work together. Some of these interviewees also said that they obtained support from Kurdish people living in Beyoğlu, which is a strong indication that ethnic origin still matters in social support mechanisms, including active coping assistance. For immigrants from Africa, on the other hand, friends living in the same neighbourhood are more important.

For the relatively medium- to highly skilled people, social networks are more important than family bonds. R17 (22-year-old Armenian man, born in Istanbul) explained how he found his present position: *“After I learned that there was an open position in the newspaper, my friends, who know the manager, recommended me for the job. If you know people who own the workplace or if you work in that workplace, the chance of getting the job increases.”* For people with artistic careers and for individuals in the entertainment sector, social networks that form among friends are vital, although, in recent years, the importance of social relations is decreasing. Particularly in technical professions, social networks are less important. Some of the interviewees declared that they found their job by applying for a position that appeared in a newspaper, or on the window of the workplace. R35 (LGBT, 26) explains how he found his job: *“After my graduation, I completed my on-the-job training in Izmir and began to work in Izmir as a salesperson. After that, I saw a job advertisement and applied for it. Following several interviews, I was accepted and moved to Istanbul.”*

Among the new methods of finding a job, mass media has become essential for skilled people, while neighbourhood relations are becoming less important, and associations and NGOs are important sources of information regarding new job opportunities. LinkedIn and other internet sites are also used to find good job opportunities, as indicated by R36 (26, LGBT, computer engineer). Moreover, television news can help people get information about potential job opportunities.

The findings indicate that relations in the neighbourhood are important for finding certain jobs, mostly the ones that need low-skilled labour, while for medium- to highly skilled people they are relatively less important. However, new immigrants (for example, R4, Syrian restaurateur) say that it is not neighbours, but the location and the composition of the people in the neighbourhood that enables them to find jobs in different sectors. They say that living close to Taksim offers a real opportunity, where there are many jobs in the service sector, including jobs for low-skilled people. Secondly, Beyoğlu-Taksim is defined as a place of interaction, which helps people find information about new job opportunities. R33 (27, an American woman, English teacher) said: *“I think living in Taksim helps me, everybody comes to Taksim, I can meet anyone in Taksim, especially my students, and go on to find new students.”*

On the other hand, people with careers in the arts and those engaged in cultural activities emphasise the significance of living in such a diverse district for their profession. Many of the people who are involved in culture-related activities also live in the district, and this allows them to make face-to-face contact easily. R37 (38, actor) emphasises that Beyoğlu allows him to meet people of different origins, and with different cultural and ethnic backgrounds, as well as people with different experiences, which he says is critical for an actor. R45 (American man, musician) also underlines this issue, saying that for a person such as him, Cihangir-Beyoğlu is the perfect place to be.

4.7.3 Conclusions

Although there are controversial views on the importance of neighbourhood diversity in social mobility, our findings indicate that the diversity of the neighbourhood should not be underestimated. For several groups, especially for new immigrants, it would seem that living in such a diverse neighbourhood as Beyoğlu is quite important for finding a job. For people with different skills, social interaction in their neighbourhood may also be quite helpful in finding work. Apparently, the jobs found through social interactions may be quite similar to those of the people in the same network. Therefore, although relations in a neighbourhood are important in finding new jobs, the question about how far they lead to actually contributing to social mobility remains open. The findings of the study also indicated that contacts outside the neighbourhood and new means of disseminating information, such as the internet, are becoming important. The traditional means of information dissemination are being replaced by new forms of access to information, especially related to highly skilled jobs.

4.8 PERCEPTIONS OF PUBLIC POLICIES

In the overview of policies related to diversity in Turkey, we raised several important points (see Chapter 3). First, although the term *diversity* is used in certain policy documents, it can be observed that the existing urban policies of central and local governments are focused primarily on the need to improve the well-being of disadvantaged groups and the access of such groups to public services. Secondly, the official documents, including policy briefs, plans and programmes

of different central government agencies and local authorities reflect only limited concerns about cultural and ethnic diversity. In fact, the legislation regulating the responsibilities of both central and local government departments fails to define clearly their roles in issues related to diversity. Thirdly, the emergent discourse on cultural diversity adopted by some central and local government agencies is not reflected in current policies and practice. While the general discourse was *decreasing social pressure* on immigrants coming from different cultural backgrounds helping them to adapt to the way of life of the current urban dwellers, symbolised as the ‘Istanbul way of life’, there is a tendency to devalue and stigmatise some urban identities, such as Romani people. Finally, while recent changes in the legislation are providing special rights and freedoms to ethnic groups, the other demands of some of these ethnic groups, are not being met.

This section aims to answer the following question: How are diversity-related policies perceived by the inhabitants of the Beyoğlu district? To this end, an analysis is made of the various policies and initiatives from the standpoint of the residents, while also providing a summary of what it is the various residents of Beyoğlu actually want.

4.8.1 Perceptions of policies and initiatives: what do residents know?

Both the perceptions and evaluations of existing policies and initiatives vary substantially among the different groups.

New immigrants say that they know nothing about public policies since they are new to the area, although they do receive some financial help from the central government: “*We obtain some financial support each month. We put our names on the list, and we get money. Other than this, we know nothing about the policies and measures related to us*” (R9, 25, woman, Syrian immigrant). They tend to decline to comment on the amount of support they receive, and on the general policies of the government.

Domestic immigrants, on the other hand, often criticise the diversity-related policies that focus on the disadvantaged groups. R26 (29, an immigrant from Giresun-Alucra) says that social policies, especially the ones targeting poverty alleviation, are insufficient: “*There are too many families in Beyoğlu who are extremely poor. I am really concerned about them. There should be an acceptable poverty eradication programme that will help these people*”.

On the other hand, the families receiving monetary and food support either from the Fund for Social Support and Collaboration of the Directory of Social Support (Ministry of Family and Social Policies) or from the Beyoğlu Municipality are satisfied with the existing support schemes. R46 (38, mother of a disabled child) says: “*My husband is unemployed, and my child is disabled. We live with help from Beyoğlu Municipality. Their assistance services are good. I receive food and money.*” R52 (Mukhtar of Bostan neighbourhood) underlines that many families are in need of support in the Bostan neighbourhood: “*In our neighbourhood, the people in need apply to the Fund for Social Support and Collaboration or to the Municipality, which provides food*

and financial assistance. The people can survive on this assistance.” It is evident from the above quotations that poor people are interested in direct measures and their contribution to living conditions but pay little interest to the other aspects of diversity-related policies.

However, the evaluation of the existing support policies shows that many people have difficulties receiving benefits from existing support schemes. In fact, the emergence of various governance arrangements targeting poverty groups indicates the insufficiency of the existing measures to enable poor people to improve their living conditions. Moreover, other disadvantaged groups, who belong to different ethnic and cultural groups, have various problems related to accessing job opportunities. That is why there are different governance arrangements and non-governmental organisations specialised in providing support to these groups, which indicates the lack of interest of central and local governments to deal with problems of diverse groups living in the Beyoğlu district.

4.8.2 Policy priorities proposed by interviewees: what do residents want?

According to many of the respondents, the first policy priority on diversity should be to “*treat everyone equally*” (R31, 27, immigrant, Greek) and “*respect to all and services for all, without prejudice*” (R36, 26, LGBT). This debate runs parallel to the discourse of the government on urban diversity, but at the same time, it means that special measures to support diversity are not on the agenda of the central or local governments or the people.

Secondly, the interviewees who belong to disadvantaged groups spoke about several issues related to their own experiences and the personal problems they face. Immigrants from different countries want to be given residence permits and to be free to travel to their country of origin and come back to Turkey without restriction. R11 (30, Nigerian man) complains about the short duration of residence permits and expresses that extending residence permits in Turkey is very difficult.

On the other hand, many low-income people criticise the lack of social security, especially those working in temporary jobs. R12, a Romani musician, says: “*There should be social security for temporary workers. We have been working without any social security for years.*” Some interviewees complain about the level of assistance provided by the municipality and say that the services provided are not good enough. They have been informed by their friends that the municipalities and the central government are providing financial help and food to needy families, but say that they have as yet received no such support (R23, 34, Kurdish woman).

The problems related to living in the district were also emphasised by the interviewees, who have been living in the district for a long period. The level of drug dealing and the lack of actions to deal with the dealers is one of the chief complaints of the interviewees. They say that even children aged 15 are using drugs and that people are selling drugs even on the street. This was the main problem with some neighbourhoods in this district (R27, a 23-year-old man from the Trabzon in the Black Sea region). Most people agreed that new policies and measures are

needed to tackle this problem. Municipal services are defined as a policy priority by many of the respondents, with some being dissatisfied with the level of local government service, claiming that they are insufficient. Street lighting, garbage collection, the lack of parking spaces and other practical problems were highlighted by many of the respondents, while some complained about the loss of public spaces and the privatisation of health services. The privatisation of İlykardım Hospital in Taksim was criticised by many interviewees, most of whom said that this public hospital had been crucial for them and that its privatisation will mean a loss of access to health services for poor people with no social security. Moreover, many of the respondents from the better-educated groups are against the present urban transition in the built-up areas that are occurring in the neighbourhoods.

Transformation projects tended to be another issue on the agenda of many people, who say that the local and central government are looking to transform some parts of the district. Some are concerned with the high-value increase potential of their neighbourhood that will result from the new luxurious buildings that will be constructed to replace the old buildings. Transformation projects will allow developers to earn huge profits, but more importantly, will lead to the loss of historic buildings, since all of the partners in redevelopment processes are looking only for financial gain. R37 (38, actor) gives the example of a shopping mall constructed on İstiklal Avenue, describing it as being against the general patterns of the built-up areas of the district.

Another point emphasised is the aim of gentrification projects, which force some groups that currently live in Beyoğlu to leave the district. R34 (LGBT, 25) says that the people in power do not like those with different identities, and have a negative attitude towards them. He believes that urban renewal and gentrification projects are used to force them to leave Beyoğlu. The LGBT groups believe the existing government does not approach them in a positive way and wants to “*make them invisible*”. Another group of interviewees said that the main reason for the hostility of government towards people living in Beyoğlu is the support they provided to those involved in the Gezi Protests. R35 (LGBT, 26) criticises the attitude of the police and their heavy use of tear gas to disperse protesters.

The existing urban transformation projects are seen as efforts to coerce many small businesses to leave Beyoğlu. There are increasing problems in the entertainment sector in Beyoğlu due to the increasing restrictions and pressures on people working in nightclubs. R40 (38, musician and owner of a café) states that they are planning to leave Taksim due to the restrictions being imposed on them, such as the ban on the use of the open spaces in front of the restaurants and cafés by the local government. Although some of the streets are pedestrianised, the municipality does not give permission for the use of the street in front of the premises, saying that it is detrimental to pedestrian circulation in the neighbourhood. R37 (38, actor) highlights the restrictions on playing music in particular places and talks about how they are taken off the streets and beaten. He says these kinds of intrusions decrease the attractiveness of the district, meaning that less and fewer people come to Beyoğlu to spend their leisure time.

4.8.3 Conclusions on policy issues

Although there is increasing attention to diversity in the discourse of policymakers and government officials in Turkey, in practice, some of the diverse groups remain unsupported. The negative attitude towards certain groups by both local and central government shows little change, and this is a significant criticism of many people. The living conditions of several groups do not improve, and in some cases, they are unable to obtain and/or exercise all their democratic rights. However, democratic rights may not be the top priority for groups who are struggling to make a living in Istanbul. What is cynical about the attitude of the existing local government is the decreasing tolerance of difference and other ways of life, while the rise of authoritarian interventions and governance constitute the greatest threat to diversity. The attitude of the local government, in particular, to places specialised in recreation activities, such as restrictions to use the open spaces in front of restaurants and cafes, is given as an example of its authoritarian attitude.

4.9 CONCLUSION

Different groups choose to live in Beyoğlu, which is a highly diversified district, for various reasons. While its diversified character is important for certain groups of respondents, for others, especially for the new immigrants and low-income families, it was the cheap housing rents (due to the dilapidated state of the housing stock) that were the major motivating factor in their choice to move to certain neighbourhoods in Beyoğlu. For highly skilled professionals, artists and marginal groups (such as LGBT groups) the 'cosmopolitan' character (they specifically use this word rather than diverse) of the district played the leading role in their choice to live there. Even for immigrants, the diversified character of the neighbourhood was a positive feature, since they are able to find people there who are both similar and dissimilar to them, which alleviate any feelings of antagonism they may experience in the other neighbourhoods of Istanbul.

The findings of the interviews revealed that the diversity of the neighbourhood in which they live is defined as positive by many of the respondents. While some people think that the diversity of the neighbourhood nourishes their experience with different cultures, for most of the people diversity is accepted as a fact, as an element of their way of life; and for most of them, the different ethnicities, identities, cultures and religions are not so important. That said, the answers show that the intensity of networks among similar people is stronger than among those that are dissimilar. People prefer to have relationships with people like themselves. Moreover, relations between different social groups are quite distant, and there is a lack of trust in 'others'.

Beyoğlu is defined by most of the interviewees as a place where diverse, open-minded people live in harmony. It can be considered unique, being home both to the rich and poor and to affluent people and those groups who are excluded because of race, culture or ethnicity. Almost

all of the respondents consider the diversity of the district to be an asset, although some are not satisfied about living in close proximity to particular groups (such as Romani people).

In fact, in Beyoğlu there are two distinct groups of residents with very different lifestyles. The first group can be characterised as poor families who migrated from the various regions of Turkey, and low-income people who have been living in Beyoğlu for many years. They spend most of their time in their neighbourhoods. For them, the neighbourhood is very important for the building of social interactions and their resulting social relations are restricted to family, local friends and neighbours. The cultural, ethnic and social backgrounds of neighbours are not very important for them once they become familiar with newcomers. The second group of people, professionals and people with higher levels of education have more relationships outside their neighbourhood, and for them, it is the cultural and entertainment activities in Beyoğlu that are important. The findings of the study indicate that the level of education and income matters more than differences based on ethnicity, culture and religion in the lifestyles of people.

At the beginning of this book, we defined a major question that was to be answered with the help of the fieldwork in Beyoğlu, namely “*To what extent is the diversity of the residential area important for social cohesion and social mobility?*” Although there are some contradictory views related to this question, it can be said that most of the interviewees believe that diversity is not detrimental to social cohesion in the neighbourhoods. Many respondents declare that even in their diverse neighbourhood, they have different types of networks among their neighbours, along with trust-based relationships that foster mutual support among residents. It is even possible to see good neighbourly relations and mutual support among groups with completely different cultural norms and values. Those that maintain a negative view of social cohesion in their neighbourhoods are mainly the new immigrants and young and single individuals. In general, the interviewees define Beyoğlu as a place of tolerance, which is one of the key characteristics of social cohesion.

The findings also indicate that the importance of diversity in the neighbourhood in promoting social mobility should not be underestimated. Particularly for new immigrants, it would seem that living in Beyoğlu is quite important in finding work, although they profit mainly from other people like them. For people with lower level skills, social interaction in their neighbourhood can be quite helpful when attempting to find a job. Obviously, the jobs that are found through social interactions will be quite similar to those of the people within the same network. For highly skilled people, the findings of interviews indicate that contacts outside the neighbourhood and the new means of job hunting, such as social media, are becoming more important.

Do they benefit from a hyper-diversified area? It's hard to answer 'yes' to this question for most of the groups, aside from the people who want to observe differences in the behaviour of people of different cultures, ethnicities and socio-economic groups. Several people like to live in an urban environment where differences exist; while for some others, the lack of social control

in diverse neighbourhoods is a significant asset since they feel less excluded and able to pursue their own lifestyles. Regarding the negative factors, the most important are the existence of illegal activities, especially drug dealing in some neighbourhoods. Like in many metropolitan centres, the illicit drug trade is concentrated in distinct neighbourhoods in Beyoğlu, and apparently, people living in those neighbourhoods suffer from such activities.

We believe that policy makers can learn two important issues from the inhabitants' perceptions. First, they need to understand the importance of providing acceptable living conditions for all, including the different types of immigrants. The main divisions in society are based on socio-economic differences rather than on ethnic, cultural or religious ones, while the level of education is found to be the most important factor defining socioeconomic status in many studies in Turkey (Güvenç and Işık, 1997). Accordingly, in order to support social cohesion, providing a good education is vital, and it can be seen from the interviews that those with a better education are usually more tolerant of others. Furthermore, one of the most promising findings is that young people have higher levels of tolerance towards people of different backgrounds. Second, the findings show that while individuals with a higher level of education are more sensitive to their democratic rights, many people living in diverse neighbourhoods are more respectful and tolerant of protests, and in fact, there is strong support of social protests in the neighbourhoods, as well as criticism of any prejudice towards different lifestyles. That said, it should be underlined that for people living below the poverty line, asking for democratic rights is far from being at the top of their agenda.

5 ENTREPRENEURS DEALING WITH DIVERSITY

5.1 INTRODUCTION

Achieving high levels of economic growth and increasing the well-being of citizens (Fainstein, 2005; Bodaar and Rath 2005), as the main objectives of urban policies, are closely related to the levels of entrepreneurship and the ability to create new enterprises. In the global era, cities compete for enterprises with high economic performance and talented entrepreneurs, while also creating the necessary conditions for new start-ups. Literature has emphasised that cities that are open to diversity are able to attract a wider range of entrepreneurs than those that are relatively closed (Fainstein, 2005; Florida, 2002; Taşan-Kok and Vranken, 2008; Eraydin *et al.*, 2010). Empirical research on how economic competitiveness is connected to urban diversity, however, is quite limited and has to date only provided evidence at the macro level. One of the aims of this project is to close this gap with empirical evidence collected at the neighbourhood level of 14 diverse cities in Europe.

In this book, we focus on the economic performance of enterprises in deprived, dynamic and diverse neighbourhoods in selected cities, with the aim being to identify the conditions that support and sustain their competitiveness and long-term development. It is a further intention to demonstrate the relationship between urban diversity and the success of entrepreneurs, but more specifically, we want to explain and document the reasons why the conditions in some neighbourhoods are more supportive of individuals or groups in strengthening their creative forces and enhancing their economic performance.

The chapter begins with a study of entrepreneurs who have launched businesses in diversified neighbourhoods and identifying the factors that define their economic performance. It may be expected that factors such as the ethnic background of the entrepreneur, his/her age, family background, gender, education and previous experience would be important variables in determining the success of their enterprises, as these factors mediate the influence of diversity on the neighbourhood and city level. Second, the study explores the primary motivations of entrepreneurs and assesses whether neighbourhood diversity is an important driver of their decision to start a business in their location. Third, an evaluation is made of the market conditions that are significant to the economic performance of entrepreneurs; and fourth, the report evaluates the role of policies and measures at different levels and the institutionalisation of such policies.

Evidence on these issues is sought through the concrete research questions below, which will constitute the focus of this chapter.

1. What are the main characteristics of the entrepreneurs and their businesses? What are the evolutionary paths and the fields of activity? What are the physical conditions and the ownership patterns of their offices/production sites/shops?
2. What were the primary motivations for entrepreneurs in establishing a business? What is the importance of neighbourhood diversity for starting their business in its present location? Why did s/he select this line of business, and from whom has the entrepreneur received support of different forms to start this enterprise?
3. What are the factors defining the success or failure of the economic performance of enterprises? What is the current level of performance, and how has it changed? To what extent does the diversity of the neighbourhood play a role in economic performance? What are the long-term plans of the entrepreneurs? Do they have any plans to change the size, market and business strategies of their companies in order to reach higher levels of competitiveness?
4. Which policies, measures and organisations contribute to the performance of enterprises? How does membership of any initiatives affect the performance of companies? What do the entrepreneurs want from policy-makers at different levels?

This chapter is based on an interview survey conducted to obtain feedback from 40 entrepreneurs in the Beyoğlu district of Istanbul. Beyoğlu is one of the most distinctive residential and recreational areas in the historical centre of Istanbul and is the most diversified area in the city. It has been one of the cores of commercial and service activities since the beginning of 19th century, throughout which it also served as a centre of recreation and specialised commercial activities (Tekeli, 2013). In 1863, Osmanlı Bank (the leading bank of the Ottoman Empire) was relocated to Beyoğlu, attracting other financial institutions to the district, most predominantly to Bankacılar Street (Bankers' Street). During this period, new arcades (passages) were built to host the new commercial and service activities, in addition to restaurants and cafes.

During the early years of the Republic, Beyoğlu lost many businesses after the minorities left Istanbul, and the vacant properties were occupied by new residents and entrepreneurs. During this period, Beyoğlu was still an elite centre, home to cinemas, restaurants, art galleries and luxurious shops (Dökmeci and Çıracı, 1990), but the rapid growth of Istanbul and the emergence of new sub-centres in the 1950s resulted in Beyoğlu losing popularity and a subsequent deterioration of the existing high-end facilities. The district was then taken over by small shops selling cheap retail goods and suppliers to the automotive industry, along with some service firms, with only a few well-known retail brands remaining in Beyoğlu. What started out as Istanbul's most prestigious shopping and entertainment district in the 19th century turned into a low-quality shopping district during the 1960s and 1970s. The neighbourhood saw somewhat of a revival in the 1980s, recovering to become home to many cultural events,

art exhibitions and entertainment venues that were enjoyed by the young population, while the 2000s saw a reorganisation of the revival of the district, attracting more recreational facilities and art events. Also, some of the chain stores opened up new branch retail shops. Nowadays, in some parts of the district the most dominant activities are traditional commercial and production activities, concentrated along the main thoroughfare, but in general, it is a place where diverse activities serving different groups exist side-by-side, and so is a prominent destination for people from various groups, including both domestic and international tourists. At present, Beyoğlu is undergoing a gradual change as a result of the urban renewal projects taking place in the more deprived areas and gentrification of certain neighbourhoods (Galata, Cihangir, Tarlabası, etc.), and is being affected also by such revitalisation and transformation processes as the pedestrianisation of Taksim Square and the widening of Tarlabası Street into Tarlabası Boulevard, (Aksoy and Robins, 2011).

According to the 2009 figures of the Istanbul Chamber of Trade, there are 294,786 registered companies in, Istanbul, 13,021 of which are located in Beyoğlu. Among these, the number of companies that started a business between January 2013 and October 2015 was 3,656. The distribution of existing businesses by sectors are as follows: 37.3% wholesale and retail trade; 15.3% small manufacturing; 9.9% occupational and technical services; 6.5% accommodation and food; 6% communication services; 5.5% logistics sectors; 3.9% financial services; and 15.6% other minor activities.

Beyoğlu offers a variety of economic opportunities for people looking to start new businesses. First, since Beyoğlu is one of main tourist destinations in the city there are many opportunities for service businesses to prosper in a market that includes hotels, restaurants, cafes and bars, as well as gift shops and ateliers serving both domestic and foreign tourists. Second, Beyoğlu is home to many creative enterprises, mainly related to the arts, being host to many artistic events, festivals and exhibitions. Enterprises seeking to be in close proximity to these activities and those with an interest in this field are strongly attracted to Beyoğlu. Third, Beyoğlu is a centre of retail, attracting customers from a broad range of income groups. As a result, the district today hosts many different types of small stores, including some specialised ones, mainly located on and around the main thoroughfare, namely Istiklal Street. Beyoğlu is also host to streets and neighbourhoods specialised in different kinds of retail and production, with various types of retail stores and production units concentrating on different parts of the district, such as small hardware goods and electrical appliances in Karaköy and lighting equipment in Şişhane. Fourth, the district attracts peddlers selling goods from stalls,²⁴ and though most are temporary, they have specific 'pitches' and pay fees to local governments in the form of *işgaliye parası* (location fee). Many of their wares, which are quite varied, are for tourists.

Obviously, there are substantial differences among enterprises not only in terms of goods and services they provide but also with respect to their target customer groups. While creative enterprises and some services serve particular customer niches, others serve the entire Istanbul population, while a few have customers from the different regions of Turkey and abroad. The

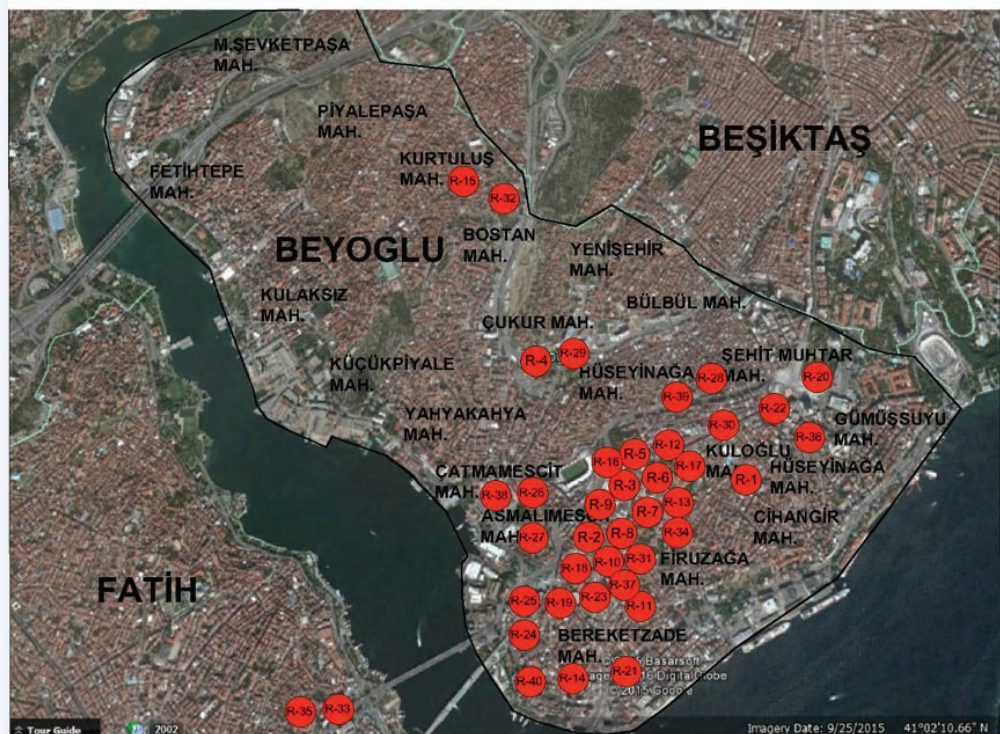


Figure 5.1 Location of enterprises in the sample. Source: Google Earth, 2015

composition of enterprises is sensitive to the changing economic and market conditions; for example, in recent years, the increasing numbers of Arab tourists in the city has brought about a substantial rise in the numbers of enterprises serving their specific needs and desires.

5.2 METHODOLOGY

In order to capture the different types of enterprises and entrepreneurs operating in a broad diversity of businesses, a snowballing sample method was deemed appropriate for this research, in that the intention was to reach different types of entrepreneurs located in Beyoğlu. To reach different groups we used the following process:

- First, we communicated with the relevant associations related to our target groups, visiting three institutions, namely the Istanbul Union of Chambers of Tradesmen and Artisans, the Istanbul Chamber of Commerce and the Istanbul Union of Chambers Metal Goods Tradesmen and Artisans, where we conducted in-depth interviews to gain information about the existing types of entrepreneurship and the changing composition of enterprises in recent years.

- Based on the information collected, we asked for the help of the institutions in identifying individuals that can represent the different types of enterprises, and they provided us with lists of appropriate enterprises, together with the addresses of companies operating in various categories.
- We approached these companies, and if they agreed to take part in the interview, we asked for their help in contacting any other entrepreneurs that s/he may know. This process continued until all contacts had been exhausted.

The fieldwork took place between 7 September and 23 September 2015 and involved three researchers.

5.3 THE ENTREPRENEURS AND THEIR BUSINESSES

Today, diversity is defined not only in socio-economic, socio-demographic and ethnic terms but also with respect to lifestyles, attitudes and activities, contrary to the conventional approach of focusing on ethnic and demographic diversity. The changing context of diversity necessitates a new type of understanding when identifying the diversity of entrepreneurs. Recent entrepreneurship literature has attempted to broaden the concept of diversity and to define entrepreneurs accordingly. A review of existing literature, however, shows a strong emphasis on ethnic entrepreneurs (Chaganti and, 2002; Baycan-Levent and Nijkamp, 2009), with particular focus on female ethnic (Baycan-Levent *et al.*, 2003) and immigrant entrepreneurs (Rath, 2000; Eraydin *et al.*, 2010; Labrianidis and Hatziprokopiou, 2010; Sepulveda, Syrett and Lyon, 2011; Kloosterman and Rath, 2001; Kloosterman Rath and van der Leun, 1999; Saxenian, 1999). Obviously, most ethnic entrepreneurs are at the same time immigrant entrepreneurs, although one cannot use these terms interchangeably (Rath, 2010). Recently, the focus of diversity has shifted from the ethnic origin of enterprises to their differences with respect to skills and talents. Creative class literature (Boschma and Fritsch, 2009; Clifton, 2008; Peck, 2005), which has come to the forefront in recent entrepreneurship works, is still connected to immigration, indicating that most of the creative entrepreneurs are also immigrant entrepreneurs (Florida, 2001 and 2005). The diversity of entrepreneurs grounded in cultural differences and lifestyles, however, has received only limited attention, except for in a few studies (Eraydin *et al.*, 2010), in that entrepreneurship literature is dominated by a dualistic approach that introduces a distinction between native and immigrant entrepreneurs, and evaluates entrepreneurs with respect to their ethnic origin, and more recently, their talents and skills.

Why is existing literature so biased? First, as a result of the processes of globalisation, neoliberalisation and economic restructuring, most urban centres in advanced economies have faced significant increases in migration. In general, immigrants, who have different ethnic identities, are assumed to have little opportunity to participate actively in urban economies due to their low skills levels, language deficiencies, cultural gaps and stigmatisation (Nijkamp, 2003). It is widely accepted that immigrant entrepreneurship is a form of inclusion for different

immigrants in the present society and that their integration with society via entrepreneurship can make a positive contribution to the general economic vitality and social cohesion of the city. Indeed, there is growing interest in the positive contribution that immigrant and ethnic entrepreneurs can make to social cohesion and economic competitiveness (Waldinger *et al.*, 1990; Waldinger, 1997; Rath, 2000; Kloosterman and Rath, 2001; Ratcliffe, 2001; Kloosterman and Van der Leun, 1999).

Literature with an ethnic or immigrant entrepreneurship focus underlines that immigrants usually start with small enterprises that are able to create new job opportunities, mainly in the services or trade sectors, with the help of their ethnocultural networks (Rath, 2002; Waldinger, 1986). According to this literature, they lack access both to significant capital and the appropriate educational qualifications, and can only establish themselves in markets with low barriers to entry in terms of capital outlay and educational qualification. Most of the immigrant entrepreneurs are funnelled towards markets at the lower end (Kloosterman and Rath, 2003), where production is mainly small-scale, low in added value and labour intensive. As a matter of fact, in the early stages of immigration, entrepreneurship is perceived by immigrants as a way of overcoming the obstacles in the way of inclusion in the formal labour market and as a means of settling in an unfamiliar environment. Ethnic entrepreneurs from the second generation of immigrants, who are often better educated and more familiar with the living and working conditions of the society in which they live, however, are able to position themselves in more profitable fields of business (Rusinovic, 2006).

The second bias in existing literature is related to its high emphasis on creative entrepreneurship, which underlines the increasing concern of competitiveness. Kunzmann (2005) argues that literature on competitiveness, while praising innovation and creativity (Florida, 2001; Landry, 2000; Fainstein, 2005), suggests that educated people are not solely responsible for fostering creativity and that it would be fair to say that a diverse range of people are able to generate innovative enterprises, including immigrants. The creative class literature has actually changed the earlier perception that ethnic or immigrant entrepreneurs serve mainly ethnic groups by defining immigrants as a source of creative thinking and creative activities. Nowadays, some scholars see the innovations by immigrants as a break from the existing patterns of production and productivity (Nijkamp, 2003).

The restricted interest in only certain characteristics of entrepreneurs defined above provides several insights, but fails to take into account cultural, socio-demographic and socio-economic differences among entrepreneurs, which reflect significantly on their lifestyles. To address this issue, in this chapter, we refrained from categorising entrepreneurs as an immigrant, ethnic or native since significant ambiguities occur when defining them in this way. Coming up with a definition of an immigrant or ethnic entrepreneurs is no easy task. According to Rath (2010), firstly, the entrepreneurs in question are not always immigrants in a real sense, in that they were not always born in another country. Once s/he has acquired citizenship, can they still be considered immigrant or ethnic entrepreneurs? How immigrants or ethnic minorities

are defined therefore depends on the particular national policy, and this differs from country to country (Soysal, 1994). Moreover, the adjective *ethnic* is rarely made theoretically explicit (Rath, 2000; Kloosterman and Rath, 2001), and in many countries, it is used only to define migrants from less-developed countries. In Turkey, the issue is even more complicated²⁵. Instead of identifying entrepreneurs according to classical categories, we have attempted to cover those with different individual characteristics, different positions in the market and various fields of interest, with the intention being to reach entrepreneurs from different statuses within groups with the same ethnic or cultural origins.

The research findings introduced in this section underline that a broadened framework that covers differences in lifestyles, attitudes and aspirations is necessary to understand entrepreneurship in diverse neighbourhoods.

5.3.1 Characteristics of the entrepreneurs

The key features of the entrepreneurs of the 40 firms in our sample are presented here, representing the diversity of entrepreneurship in Beyoğlu.

Gender

Among the sample, only 18% of the total are female entrepreneurs, although this dominance of male entrepreneurs is not peculiar to Beyoğlu, as similar figures can be found in many cities and countries in the EU (Rath and Eurofund, 2011). What is interesting is the substantially different characteristics among the male and female entrepreneurs. First, the female entrepreneurs belong to lower age groups and most started their businesses quite recently. They are also more educated than their male counterparts. Among the seven female entrepreneurs, five are university graduates, and two have a secondary level education. Most are engaged in creative activities, such as design, art, creative advertisement and jewellery production, while only some provide professional services. One female entrepreneur involved in retail activity specialises in a field that necessitates some technical knowledge, being the sale of optical goods. Among the seven female entrepreneurs, four say that they and their family were born in Istanbul, while the families of two migrated from different provinces and one is of a different ethnic origin.

The characteristics of the female entrepreneurs show that they represent a unique segment of entrepreneurs, having considerable differences from the male entrepreneurs. They belong to different age groups, ranging from relatively older age groups to young ones, and from low to high levels of education, and include Istanbul-born people as well as high numbers of immigrants and people of different ethnic origins. The figures (see Table 1) show that while the share of various age groups is almost equal, the highest numbers of entrepreneurs have a secondary level of education. Among them, migrants from different regions constitute a majority and entrepreneurs with a different ethnic background account for 36% of the total. The above figures indicate the greater heterogeneity of male entrepreneurs when compared to female ones.

Age and education

Entrepreneurs in the sample belong to different age groups, with those in their 20s and 30s constituting almost half of the total. The younger groups are more engaged in creative activities and activities that target tourists, and among them, while those that are highly educated dominate, there are also some with low levels of education. In general, the level of education of entrepreneurs is higher than the national average, with only 20% having low levels of education. Most of the entrepreneurs with secondary education have received only general rather than occupation-oriented education. Those who have attended occupation-oriented programmes tend to specialise in activities related to their educational background.

Ethnic background

Beyoğlu is an area that attracts entrepreneurs not only from the different districts of Istanbul but also from various other regions of Turkey and abroad. Considering the rapid population growth in Istanbul in recent years, it is not surprising that 80% of the entrepreneurs in the study migrated from different regions of Turkey, either individually or with their parents. Furthermore, one-third of them have a distinct ethnic background, of which the majority are Kurds, two are Armenian, and one is from Senegal. The ones categorised as entrepreneurs from Istanbul are those whose families have lived in Istanbul for at least two generations, although only eight out of the 40 male entrepreneurs fall under this category.

Table 5.1 The main characteristics of entrepreneurs in the sample

Entrepreneurs		Female	%	Male	%	TOTAL	%
Age	20-29	3	0.43	5	0.15	8	0.20
	30-39	2	0.29	11	0.33	13	0.33
	40-49	2	0.29	5	0.15	7	0.18
	50+ ages		0.00	12	0.36	12	0.30
Education	low		0.00	8	0.24	8	0.20
	secondary	2	0.29	16	0.48	18	0.45
	university	5	0.71	9	0.27	14	0.35
Origin*	istanbul	4	0.57	4	0.12	8	0.20
	immigrants	3	0.43	29	0.88	32	0.80
	ethnic background	1	0.14	12	0.36	13	0.33
Enterprises							
Jobs	creative jobs	3	0.43	2	0.06	5	0.13
	retail	1	0.14	13	0.39	14	0.35
	services	3	0.43	10	0.30	13	0.33
	informal		0.00	6	0.18	6	0.15
	production		0.00	2	0.06	2	0.05
Market orientation	tourist oriented	1	0.14	13	0.39	14	0.35
	Istanbul	3	0.43	14	0.42	17	0.43
	Turkey	3	0.43	5	0.15	8	0.20
	abroad		0.00	1	0.03	1	0.03

* The sum is not equal to 1, since both among the people born in Istanbul and the migrants, there are people with a district ethnic background.

Previous experience, former jobs

The previous experience of entrepreneurs is rather diverse, which indicates the different paths to starting a business in Beyoğlu.

First, there are significant numbers of entrepreneurs *with experience in different activities beginning at very young ages*. Most of them started work as an apprentice (*çırak*) in different fields of activity and later managed to establish their own enterprises. For example, R1 (38, male, hotel and gift shop owner, Kurdish) says: *“I began work as an apprentice in Mısır Çarşısı when I was 14. I worked there until I was 26 and then I started my gift shop business. I became an entrepreneur. At that time, I saw that there was not enough accommodation for tourists in Istanbul, and so I decided to become one of four shareholders in a hotel. I met many people when working in a tourism-related sector, and this helped me to find customers. Now my business is growing very fast.”* It is apparent that these types of entrepreneurs, most of whom come from low- to middle-income families, learn their business when working as an employee, and then after a number of years, they start their own business. Such people are referred to as *çekirdekten yetiştirme* (grown from the seed) in Turkish.

Having experience in a related sector is important, although some entrepreneurs change their fields of activity as new opportunities arise. Entrepreneurs engaged in retail commerce, in particular, change their products and fields of activity as market conditions change. Since a change from one field of activity to another does not necessitate the learning of new skills, it can be rather easy. R4 (27, male, university graduate, Kurdish descent) says: *“I am marketing Turkish products at different international fairs, especially those organised on the Arabian Peninsula. I previously worked in a gift shop, and before that, I was helping my brother at the Fish Market.”* The type of enterprises in which they are engaged may well be unrelated to their previous activities. R6 (56, male, secondary education, stall owner) says: *“I was working in the flower business as a worker; then I started working with my father marketing shoes. Since 2005, I have had a stall selling bijouterie.”*

In recent years there has been a tendency among small producers to close down their production units and to engage in the marketing of the same products that they import mainly from China. The second trend among people specialised in construction management is to start accommodation and restaurant businesses. They want to own a hotel or restaurant after constructing a building, and usually, want to run it themselves rather than joining a specialised hotel management chain. R13 (45, male, low level of education, restaurant owner) says that: *“Our former business was construction. We first entered the multi-storey retail trade sector and then started to run a restaurant since we had a building in Nevizade Street that was full of eating and drinking places.”*

While some of the existing entrepreneurs have changed their fields of activity, there are also others who *began work in a sector as an employee and became entrepreneurs in the same sector after some time*. One such example is R5 (52, male, secondary education, jewellery designer), who explains: *“I began working in Kapalıcaşı (Covered Bazaar) as an apprentice and then started*

my own company after some years". Most entrepreneurs of this type are the children of migrant families, and some come from a different ethnic background. During the fieldwork in Istanbul, it became apparent in the interviews that there was a higher motivation among immigrants to become entrepreneurs than those already living in Istanbul since they were under pressure to earn more to support their families. Some entrepreneurs started their own business just after migrating to Istanbul, and have been in business for many years, and can be found engaged in a diversity of activities, such as the dried fruit trade (*kuruyemişçi*) (R12, 47, Kurdish origin, migrated from Van) and second-hand book sales (*sahaf*) (R34: 38, male Kurdish origin, university graduate).

Being an entrepreneur is not always a deliberate action, as some of the respondents became entrepreneurs in their fields by accident. R3 (48, female, jewellery producer and seller, stall owner), for example, started out in jewellery production when she was a student in order to earn money, and it was later that she opened a small place to sell her goods. Since she loved to design and produce jewellery, she decided to continue working in the field. She said: "*I was designing silver and leather jewellery, but now I am only designing and producing leather goods. Designing jewellery is what I like to do.*"

While many of the entrepreneurs established their own enterprises, a few of them came to own family enterprises. Some of these entrepreneurs who run a family business are native Istanbul residents, such as the two Armenian entrepreneurs in the sample, whereas others belong to immigrant families. R15 (55, secondary school, Armenian, producer) says: "*I was working in a jewellery shop when I was a child, but when I graduated from secondary school I began working with my father who was producing different spare parts for machines. Now I am in charge of the business.*" The entrepreneurs in the sample are involved in a diversity of fields, such as R32 (59, male, Armenian, producing kitchen equipment), who was a teacher who took over the family business after his father had a heart attack. Running a family business is accepted by many entrepreneurs as a favourable situation since there are fewer problems faced when taking over an already established business. This is not always the case, however, as sometimes the partners may have different plans and strategies for the future of the enterprise. R8 (31, male, low education, restaurant owner) clarifies this situation: "*My father and uncle were working at Ülker (one of the largest food production companies in Turkey), but decided to open their own business. They opened this restaurant and worked together from 1979 up until 2009, but their conflicting ideas about enlarging the company led to my uncle leaving the business. I am now in charge of the restaurant.*"

In contrast, several entrepreneurs used their educational background when starting their business, having a professional education in the same field of their activity and a strong commitment to their work. Most of them are specialised in the arts and related fields; for example, R2 (45, female, puppet designer) makes puppets and provides courses for those interested in learning her skills. She complains about the small number of people engaged in this business and the limited support provided by local government for puppet shows and existing puppet festivals. Similarly, R18 (35, secondary school graduate, born in Istanbul), who is a member of a music

group and has an interest in sound technology, is now running a store that sells musical instruments and provides training to young people. A number of other entrepreneurs draw upon their talent for their businesses, such as R19 (32, university graduate), who is specialised in web design, and R26 (26, female, university graduate) who is involved in e-commerce. The common characteristics of all those falling under this category are a high level of education and family living in the Istanbul metropolitan area.

The final group of entrepreneurs fits the classical definition of entrepreneurship, being those that *started their business after identifying a market opportunity*. R24 (34, female, owner of a design company) was a graduate of fine arts who observed that the souvenirs available for purchase by foreign tourists were of poor quality. *“Tourists were having difficulty in buying unique gifts for their loved ones from Istanbul, and we decided to enter the market to fill this gap. We designed products and used different manufacturers to create a large portfolio of products that received increasing attention not only among foreign tourists but also local people”*. R26 (26, female, university graduate, owner of an e-trade business) also saw the difficulty faced by consumers in finding designer products, and so initiated an e-business specialised in the marketing of designer goods.

5.3.2 Characteristics of the businesses, their evolutionary paths and core fields of activity

Beyoğlu is home to a broad range of business types. The sample of this research covers five different types of enterprise that come close to representing the existing businesses in Beyoğlu (see Table 5.1).

In general, Beyoğlu is a centre for retail and service activities. Most businesses do not serve local residents exclusively, as their customers come from different parts of Istanbul. While the retail and services targeting high-income groups have already moved to different centres of Istanbul and to the city's shopping malls, Beyoğlu mainly serves the medium- to low-income groups, although it still hosts some specialised services aimed at different niches of the population, such as intellectuals interested in the arts, and cultural services and products. The fieldwork revealed that some retail products are produced specifically for tourists, along with service facilities such as hotels, restaurants, cafes and recreational places that also serve those who live in Istanbul. Besides traditional retail and trade activities, there are also creative enterprises specialised in designer products, as well as other creative businesses that use new technologies in such fields as web design, design consultancy, editorial facilities, etc. These enterprises prefer to locate in Beyoğlu since many artistic and cultural events take place nearby. Beyoğlu also features neighbourhoods and streets where small production firms are clustered, specialised in the production of small items of hardware, electrical supplies, kitchenware and chandeliers, existing alongside antique shops and other such businesses. Some of the businesses located in places of agglomeration produce and sell their own products. Beyoğlu is also a point of attraction for peddlers selling different products, some of whom have working permits from the Beyoğlu municipality, and others (stall owners) who are part of the informal economy. As the literature suggests, sometimes street peddling is the only way of earning a living for disadvantaged immigrants.

Among all of the enterprises in the sample, one-third aims to serve tourists. Those defining their market as Istanbul constitute 43%, while those who claim Turkey as their market constitute 20% of the total. Some specialised shops say that they have customers from all over Turkey, for example, R33 (female entrepreneur, 38, optical goods retailer) claims: *“I have customers from different cities who ask for an appointment to come here. I even have a client who is now in prison in Erzincan.”* Only one of the sample businesses claims to work for the foreign market. The companies engaged in small production activities also work as suppliers to different shops, most of which are gift shops.

The interviews show that customer demand is the most important factor in defining the product composition. R2 (45, woman, puppet designer) says: *“The puppet festival organised in Istanbul increased interest in puppets. It became a new trend to give a puppet as a gift, especially one that looks like the recipient. I am now producing these kinds of puppets.”* For the service sector, in particular, customer satisfaction is defined as essential, and many enterprises emphasise its crucial role in the success of their companies. In order to increase customer satisfaction, some businesses offer additional extra services. For example, R1 (38, hotel owner) says: *“While other hotels provide breakfast for free, we also offer a snack buffet from 5 p.m. to 10 p.m. When hotel guests are hungry, we provide them with drinks and snacks so that they do not have to buy anything outside. This service increases customer satisfaction, and we have received positive responses.”*

Serving a niche market is also emphasised by many entrepreneurs as key to sustained growth in their business. R22 (44, rock bar owner and manager) says: *“What makes us different from others is that we serve customers who shun popular culture and music, those who we call ‘old school’. This is our most important customer group.”* Most of the entrepreneurs claim that they have to adapt to changing market conditions as well as changing demand structures, and so *change their products in response to the changing demand*. According to them, providing state-of-the-art technology products is essential. R40 (36, university, electrical appliances retail) says: *“In our business, it is necessary to keep up-to-date. Products are always changing, and so we have to follow technology and sell new technological products. If we don’t, we will not be able to attract new customers.”*

Several enterprises endeavour to introduce new aspects that differentiate them from their competitors, although this is obviously easier for design-oriented products. R3 (48, jewellery designer) claims that she has designed many products that have later been imitated by large companies. She says: *“One of my designs is even imitated by Mango, who sell it at a high price.”* For these types of entrepreneurs, creating original designs is quite important, and is a source of pride. R25 (21, producing accessories for hotels) says: *“We are the only producer that combines china (çini) and wood. That is what makes us competitive and distinct.”*

Most of the existing enterprises are rather small, and there many self-employed and co-owner enterprises employing small numbers of workers. In general, the service sector provides more jobs than retail activities, with the largest businesses in terms of employees being hotels, which have varying numbers of employees depending on the number of available beds. Furthermore,

some of the enterprises employ part-time rather than full-time workers to reduce costs, and in family enterprises it is common to find a sharing of responsibilities and working hours among family members. R25 (21, producing accessories for hotels) says that since she is at university, she works only on weekends, and her sister looks after the business during the week.

The changing market conditions are also relevant in employment generation. In general, a decrease of employees is occurring, due mainly to increases in technology and decreases in total sales. Several small production firms explain that the addition of new machines to their production processes have enabled them to employ fewer people, although most entrepreneurs agree that decreasing sales are the main reason behind their staff reductions. R3, a jewellery designer, says: *“When we started this business we had three partners; one of us was tanning leather, one was designing, and the third was responsible for the production process. We used to have 15 employees. Back then, we marketed our products in southern Anatolia. Now, we only market ourselves in Istanbul and have only two employees.”* Many entrepreneurs complain about the low growth rates in the national economy and the decreasing demand for their products, and this situation is more pronounced for the producers of specialist goods. Wig producer R39 says, *“We used to employ 15 – 20 employees in the past, we now only employ 3.”*

The skills levels of employees vary substantially. While retail businesses and some service firms employ some people with medium to low skills and education levels, most look for workers experienced in their fields of activity. The hotels in Beyoğlu hire both experienced and young people with high levels of education and also take on trainees, some of whom are employed after graduation. A number of firms also hire part-time workers, especially university students,



Picture 8 New recreation businesses concentrated in certain streets: French street (Fransız sokağı)

such as the Pizza Restaurant owned by R38, which employs 25-30 students on a part-time basis. Creative enterprises and some specialised services necessitate skilled labour, with R26 (26, female, E-commerce firm) in particular emphasising the importance of highly qualified people specialised in multimedia and communication design issues. R19 (32, male, advertising company owner) underlines their need for competent and talented employees, which can be difficult to find.

Interestingly, most employees live outside Beyoğlu, aside from those in the entertainment sector who need to be close by due to the late operating hours of the establishments in which they are employed. In this regard, entrepreneurs prefer employees who live within walking distance of the workplace. For other Beyoğlu workers, there is no particular neighbourhood in which they are concentrated, being rather dispersed all over Istanbul. R20 (58, male, hotel owner and manager) says that they have no employees living in the surrounding areas since the rents are not affordable for employees. In general, employees prefer to live somewhere where there is access to buses or the metro. R24 (34, female, co-founder of a designer product company) says that 22 employees are working at their main office, and all of them come from different neighbourhoods of Istanbul. For this reason, it is not possible for the company to provide a transport service for them.

5.3.3 The location and site/s of the enterprise

Most of the enterprises have no other offices or branches, being confined to their workshop, bureau or production facility in Beyoğlu. Moreover, 30 of those interviewed have no plans or aspirations to open new facilities or branch offices.

Those currently with branch offices are few in number. R22 (44, male, rock bar owner and manager) says that due to the demands of his customers, he opened a rock cafe on the Anatolian



Picture 9 Streets where small traditional enterprises are located

side of the city in Kadiköy called Dorock XL to cater not only for established customers but also new ones. On the other hand, some enterprises have their main offices in Beyoğlu but have other offices specialised in different activities in various locations in Istanbul. For example, R19 (32, male, advertisement company) has its main office in Beyoğlu but has an R&D and software department in Avcılar (a district quite far from the centre), which according to the owners is to take advantage of the lower rents in the less central areas. Similarly, some enterprises have showrooms and sales offices in Beyoğlu, where the visibility of their activities is higher, but carry out production in different areas around the district.

Recently, the Beyoğlu Municipality took the decision to move existing production facilities to locations outside the district in line with the regulations that came into force in 2006 (Law No. 5366) giving Beyoğlu Municipality the right to implement projects in historical areas and circumvent conservation and zoning regulations, although an operational plan has yet to be prepared. This has been a source of worry among local enterprises that are happy with their location in the city centre and are afraid of losing business if they are forced to move to more remote areas. Although they complain about the deterioration of certain neighbourhoods in Beyoğlu and the dilapidation within the district, many production firms that have been located in Beyoğlu for a long time are anxious about the redevelopment and renewal projects taking place in the district.

5.3.4 Conclusions

Entrepreneurship in Beyoğlu has many interesting features. First, it can be said that the diversity of entrepreneurs in Beyoğlu does not compare with the enormous diversity of its residents. Social groups that have settled in Beyoğlu, such as poor migrants, are not represented at all among the existing entrepreneurs who tend to reside outside Beyoğlu in other districts in Istanbul. This is obviously due to the main characteristic of Beyoğlu – an important retail and small manufacturing centre of Istanbul – and the fact that, according to the research findings, only a limited number of employees live in Beyoğlu.

While the diversity of entrepreneurs does not correspond to the variety of residents, Beyoğlu is still embedded with diverse types of entrepreneurs. Immigration to Istanbul from different regions in Turkey is continuing and most of the immigrants have varying characteristics, lifestyles, attitudes and beliefs and their ethnic descent may or may not be the same. Almost 80% of the entrepreneurs surveyed are immigrants from different places, and around one-third are of a distinct ethnic descent. However, defining whether a person is an immigrant or a person of distinct ethnic descent is a complicated issue in Turkey since the country has more than 20 defined ethnicities²⁶ that have become quite mixed over the centuries. In this study, the people we define as being from Istanbul are those whose families have lived in Istanbul for more than two generations.

An assessment of all the characteristics of the entrepreneurs and their fields of activity make it possible to define certain profiles.

- Entrepreneurs with high levels of education, engaged in creative jobs, mostly young and born in Istanbul (although some are of Kurdish descent). Most of the female entrepreneurs fall under this category.
- Entrepreneurs engaged in small production activities are relatively older, have secondary levels of education and run family businesses. Most are native Istanbulites and have a distinct ethnic identity as one of the minority groups.
- Entrepreneurs with relatively lower levels of education, engaged in the service sector and tourism related activities. They are mostly immigrants from different parts of Turkey
- Street peddlers, with varying levels of education, running businesses in tourism-related goods. They come from different backgrounds and have different ethnicities.

These entrepreneurs also have entirely different work experiences and businesses with different evolutionary paths and fields of activity. Although most have distinct careers, it can be said that previous experience, skills and talents are important factors among those who start a new business. In contrast, ethnic background and immigrant status contribute little to career. That said, the interviews indicate that immigrant entrepreneurs from less developed regions are more determined to sustain their businesses, although they tend to have a relatively lower education. In this respect, it is possible to observe a shift from one activity type to another in the event of changing market conditions. What is apparent from the fieldwork is that market conditions and the identification of market opportunities are far more important for almost all participants, rather than their diverse characteristics and ethnic backgrounds.

5.4 STARTING AN ENTERPRISE IN A DIVERSE URBAN AREA

This chapter focuses on the most influential factors leading to the starting of a business, and aims to highlight the motivations of entrepreneurs, and to explain the influence of the neighbourhood's diversity in deciding to start or move a business to the present neighbourhood.

5.4.1 Introduction

What are the principal motivations leading one to start a business? The body of existing literature contains a number of different views related to the focus of different types of entrepreneur. First, research on immigrant and ethnic entrepreneurship suggest that the motives for ethnic entrepreneurship are to be found largely in the challenges imposed by their less favoured position. According to Baycan-Levent *et al.* (2003), social exclusion, discrimination, a lack of education and skills, high levels of unemployment and cultural factors push an increasing number of immigrants towards entrepreneurship. Such studies go on to explain that ethnic enterprises start their businesses to serve their own ethnic groups with traditional products and basic services. The use of existing networks is also highlighted in this literature, as a way of facilitating access to customers (Johnson, 1990; Kloosterman *et al.*, 1998; Masurel *et al.* 2002; Baycan-Levent *et al.*, 2003), and also the initial capital to start their business (Basu, 2004; Kloosterman *et al.*, 1998; Rettab, 2001). Family and ethnicity may turn into competitive

advantages, as relevant ties may be sources of social capital, and in this regard, crucial resources for entrepreneurial activities among migrants (Smallbone *et al.* 2010). Networks can provide start-up capital, information and knowledge, cheap (and even free) family or co-ethnic labour, a first customer base or supply chain (Ram and Jones 1998). According to different authors,²⁷ traditional business strategies, including internal orientation, traditional sectors, ethnic employees and ethnic customers, may provide a 'safe haven' for immigrant entrepreneurs (see Baycan-Levent *et al.*, 2003).

Such emphasis on ethnicity and discrimination in the labour market and the concentration of ethnic entrepreneurs in neighbourhoods dominated by an ethnic population could explain the earlier phases of immigration of distinct ethnic groups, although it may be less relevant now due to changing conditions. As Taşan-Kok and Vranken (2008) emphasise, over time, ethnic businesses can spread throughout the city as they become more entrepreneurial and better integrated into the urban economy. Under such conditions, the classical factors of entrepreneurship can be expected to better explain the motivations of such entrepreneurs, who now aim to serve the variety of socio- economic groups in the city, not just one particular ethnic group. Three aspects of entrepreneurship can support discussions of the various motivations for entrepreneurship (Carlsson *et al.*, 2013; Shane, 2003; Demirdağ, 2015). Firstly, entrepreneurs have been defined as an *uncertainty and risk bearers*; secondly, entrepreneurs have been identified as *innovators and creative destructors*; and thirdly, entrepreneurs have been described as *opportunity seekers*. In other words, accessing better income and increasing opportunities for advancement, perceived opportunities and filling a gap in the market are the primary motivations, all of which are closely connected to the definitions of entrepreneurship. According to Shane and Venkataraman (2000: 218), entrepreneurs are concerned with 'the sources of opportunities; the process of discovery, evaluation, and exploitation of possibilities, thus, entrepreneurship scholarship is focused on the recognition of opportunities and the cognitive process of deciding to act upon those opportunities'. These issues can be considered more useful in a discussion about the motivations of the entrepreneurs in Beyoğlu than the literature on immigrant and ethnic entrepreneurs.

Recent literature has also directed focus on the role of creativity and innovation as new motivations of entrepreneurship, making a genuine contribution to the understanding of the dynamics of entrepreneurship (Florida, 2001, 2005; Landry, 2000; Fainstein, 2005; Lee *et al.*, 2004). As Fainstein (2005) argues, different forms of social, cultural, ethnic and spatial diversity attract multiple forms of human capital, and undoubtedly encourage cultural and artistic creativity, along with technological and scientific innovation. The Beyoğlu case study supports this view and provides evidence of the motivations and aspirations of creative entrepreneurs.

Although the theoretical discussions above are of great importance, there remains a need to understand why the propensity for entrepreneurship varies among people, the answer to which involves the differences between individuals such as education and training, and in particular, the characteristics specific to those individuals, namely self-efficacy (the individual's sense of

competence), collective efficacy, prior experience and social norms. According to Audretsch Keilbach (2004), all have been found to be influential on the ability of an individual to perceive an entrepreneurial opportunity, and to subsequently act upon that opportunity.

5.4.2 Motivations for establishing a business

The interviews with different types of entrepreneurs clarified that the primary motivation for them was to earn more than they get as an employee, in other words, to improve their opportunity for financial advancement, whoever they are, and regardless of the culture or ethnicity to which they belong. R4 (27, male, university graduate, organising and participating in fairs) says that before starting his business he worked in different places that were paying good salaries, but that his current enterprise, formed by four shareholders, allows him to earn more than he did as a wage earner.

There is a common belief in Turkey that even if you own a small enterprise, you earn more than you would as an employee. In this regard, in Istanbul and in Turkey as a whole it is possible to see high numbers of small business start-ups, either as a self-employed individual, or companies with one or two employees. Among these are companies that grow fast and initiate new businesses, the closure rate of small firms is also high. In general, the follower effect is a significant factor for those starting a business in Turkey (Eraydin, 2009), in which an entrepreneur tries to imitate the path of growth of a successful firm, or chooses an activity that has become popular as a result of a successful company. The primary motivation behind such an attitude lies in the perceived reduction of risk in starting a new enterprise. Apparently, this low risk-taking attitude works against the emergence of new types of businesses.

Many entrepreneurs who have started businesses in Beyoğlu emphasise the increasing opportunities in tourism related activities, accommodation, eating and drinking facilities, and gift shops, since Istanbul, has been attracting more and more tourists in recent years. For this reason, a number of entrepreneurs, predicting that tourism related activities will become even more attractive in the coming years, have started businesses in tourism and related sectors. R36 (51, male, hotel manager) underlines the importance of tourism not only under the current conditions, but also in the future, but says that this sector is also very sensitive to international conditions, being affected by both political and economic upheavals at a global level.

Obviously, previous experience in related jobs was one of the motivating factors among entrepreneurs that motivated them to start a business. For example, working in the retail of food products as a wage earner for many years motivated a restaurant owner to start a business, while a coiffeur working with his uncle for five years started his own business producing and marketing wigs for ladies. These entrepreneurs are convinced that their experience and knowledge helped them to expand their businesses successfully. R23 (50, male, university graduate, restaurant manager) says: *“I worked in the food sector previously with my wife. My wife is even more experienced than I am. She started the business, and after a few years I became a partner.”*

Filling a gap in the market as a motivation for entrepreneurship is exemplified by the experience of two female entrepreneurs in the study. The first of these, R24 (34, a university graduate, producing new types of gift products), saw a market opportunity in high-quality gift products for tourists and upper middle-income groups, while the second, R26 (26, female, university graduate, e-commerce-design products), markets designer products through an e-commerce enterprise. During the fieldwork, we also came across a number of entrepreneurs that declared that they started their business in order to earn money, but came to like their business really after becoming more involved. Among these, the predominant ones are those involved in the arts and music, and for everyone in this category, earning money is no longer their primary motivation.

Literature underlines that the motives of ethnic entrepreneurs are to be found largely in the challenges imposed by their less favoured position. Entrepreneurs participating in the field study did not highlight the availability of existing networks which can provide start-up capital, information and knowledge, cheap family or co-ethnic labour or ethnic customers, as a source of motivation for starting a business. In fact, most of the ethnic entrepreneurs seem to be more insistent and determined to increase their income than those born in Istanbul or with families living in Istanbul for more than two generations.

5.4.3 The importance of location and place diversity

When the entrepreneurs were asked about the factors motivating them to choose their current business location, they emphasised that Beyoğlu is the best place for their present activities, indicating the locational advantages as well as its liveliness and easier access to different types of people. According to most of them, *the agglomeration of similar shops and companies* is vital in attracting more people to shop and use the service and entertainment facilities in this district. In this regard, the high customer potential of Istiklal Street is imperative in the choice of Beyoğlu as a location, although rents are quite high on the main streets. R30 (35, male, sales representative of Arabic perfume OUD) says that it took him two years to find his current location. *“Although the rent is very high, it is worth it, because this is the place with the highest customer potential in Istanbul. Everyone who visits Istanbul stops off in Beyoğlu if he or she has time.”*

Entrepreneurs producing or marketing specific goods underline that “Taksim is the place for specialised goods”, including R39 (34, male, wig producer and seller) and R29 (45, male, antique shop owner). *“For an antique shop, Beyoğlu is the best place; there is no alternative. Even people from the Grand Bazaar come here to buy antiques since it has become full of shops selling jeans etc. and has lost its atmosphere and soul. When the Galataport project is finalised, Beyoğlu will be even more attractive for specialised high-value products”* (R29: 50, male, secondary school graduate, antiques shop owner).

Similarly, the entrepreneurs targeting a distinct customer profile, especially those engaged in entertainment activities, define Beyoğlu as the centre of entertainment. A shopkeeper

specialised in old books (R34: 38, male, university graduate, Kurdish origin) says that people who are interested in old books come to Beyoğlu since they know that they can find any book they like there, while the rock bar owner (R22: 44, male, university graduate) claims that an entertainment company specialised in rock and heavy metal music can only survive in Beyoğlu, since it has a special niche of customers.

The high numbers of tourists visiting Beyoğlu is of course very important for tourism-related services and products. Most of the entrepreneurs agree that if you want to find customers for tourist related businesses, there are two attractive districts – according to R20 (58, male, hotel manager) “*either you have start your [tourism] business in Sultanahmet or Beyoğlu*”. However, tourism is highly sensitive to economic and political conditions, both in Turkey and around the world. During economic crises, decreasing numbers of tourists have a detrimental effect on entrepreneurs, which pushes them to adapt to the changes by engaging in new types of activities. Moreover, the shift in the composition of tourists in recent years has led to changes in demand for tourism-related products. As R36 (51, male, hotel manager) explains: “*It used to be mostly European tourists who visited Beyoğlu in previous years. Especially visitors from Greece would come to Beyoğlu and not stay in any other place in Istanbul. In recent years, however, Arabs have discovered Beyoğlu. Now there are increasing numbers of tourists from Arabic countries, and so some of the shops and entertainment venues have revised their menus and products according to the demands of this niche group of tourists.*”

Besides the above customer-oriented factors, for some enterprises, it is their proximity to designers and creative activities that compelled them to locate to Beyoğlu. R24 (34, female entrepreneur), specialised in gifts and accessories, underlines the importance of proximity to the designers and design companies located in the particular neighbourhoods of Beyoğlu, namely Çukurcuma and Galata. She says that being close to designers feeds her continuously. R19 (32, male, university graduate) shares the same opinion, claiming that for innovative and creative activities it is necessary to be in the centre of the district where all the companies and skilled people are located. One particular sub-district of Beyoğlu, namely Cihangir, has attracted increasing numbers of people engaged in the arts and creative activities.

There are also individual factors encouraging entrepreneurs – to start a business in Beyoğlu, with living in the neighbourhood being among the most important. Some entrepreneurs want to both live and work in Beyoğlu since it is a lively place and provides a non-monotonous lifestyle. R3 (27, female, jewellery designer, Kurdish-Alevi origin) emphasises the many exhibitions, theatres, cinemas and art events in the area as the most attractive character of the district. In fact, Beyoğlu has been hosting increasing numbers of artistic events over the last decade, and many deteriorated buildings in Beyoğlu have been transformed into high-quality dining venues, art galleries, ateliers and exhibition halls. These new activities have changed the cultural landscape of Beyoğlu, while also attracting new groups to this district, resulting in it regaining the prestige that it lost in the 1960s. Some entrepreneurs are not happy with being located in Beyoğlu, although their numbers are few. R31 (28, male, marketing accessories and jewellery)

says “economic conditions made me locate here. Frankly, I do not want to be here, but rather in Eminönü, where most of the wholesalers are located”.

Among the leading factors compelling entrepreneurs to choose Beyoğlu as the location for their enterprise, only a few of the participants made an explicit reference to the diversity of people living in the district. R26 (26, female, university graduate) says: “*The people living in Beyoğlu tend to experience different things and buy special products. Being located nearby these people is an advantage.*” However, what she refers to as more important is not the people living in the deprived parts of Beyoğlu, but rather those living in the gentrified areas, most of whom are people engaged in arts and crafts, as well as professionals involved in new types of businesses. In fact, it is not possible to observe much interaction between the residents and the enterprises in the district, aside from the higher income groups that have settled in Cihangir and its surroundings.

In contrast, there are a number of entrepreneurs who are happy to be located in this multi-cultural district. R12 (47, male, dried fruit retailer – *Kuruyemişçi*) says: “*One of the main reasons why I have been in this district for so many years is its multi-cultural structure. It is possible to see many people and to chat with people who have different lifestyles and habits. This makes our work highly varied.*” It should be noted that the different cultural groups to which he refers are not only people living in the district but people visiting Beyoğlu, including the large numbers of tourists. For most of the entrepreneurs, diversity is defined simply as a *diversity of customers*, the importance of which is highlighted mainly by shopkeepers engaged in the sale of different types of consumer goods.

These entrepreneurs emphasise the ability of their product diversity to reach different types of customers, especially those producing and selling non-standard products and those producing or marketing products that serve different distinctive tastes. R24 (34, female, university graduate) underlines that visitors to Beyoğlu are a part of various groups with different tastes and lifestyles, and so it is advantageous for her to create and design various products in order to attract larger numbers of customers. R25 (21, female, producing wooden and metal accessories for hotels and tourism related activities, besides a retail shop) emphasises the importance of a diversity of customers, since some visitors are not interested in their products, while other groups, mainly those middle-aged, or older are really looking for unique products and cultural artefacts. Even street peddlers emphasise the importance of a diversity of customers, such as R28 (40, male, Senegalese, peddler, selling watches), who explains that although he has local customers, most are tourists from Iran, Iraq, Morocco and Azerbaijan.

The diversity of existing businesses is also defined as one of the assets of this district. Some of the entrepreneurs underlined the presence of different types of enterprises as a positive asset in attracting different customers. This is especially true for small producers, who say that the existence of various entrepreneurs enhances the exchange of information and collaboration. R9 (52, male, producer of metal accessories) says that a diversity of enterprises is very important

for him: “*Last week, one of the entrepreneurs in this neighbourhood who is working with Dutch importers came to my workplace and asked whether I would be able to produce key rings. He had several prototypes, which I had never seen before. I said I would be able to reproduce them. Now, I am producing very nice keyrings and I am making more money. As you can see, you come across different people here who can have a positive impact on your business.*” R15 (55, male, small equipment producer) also extols the benefits of being in close proximity to different kinds of enterprises engaged in different activities, saying that he can find anything he needs nearby. According to him, this is a significant advantage in Istanbul, being a city where traffic is a real problem.

Among the entrepreneurs, especially those who long for the old Istanbul, R32 (59, male, Armenian, kitchen utility producer) say: “*Beyoğlu was different several years ago. There were thousands of different people. There were Greeks, Armenians and many others. Later, people from İnebolu and Kastamonu came here as craftsmen and shopkeepers, and people from the east followed them. Now most of the workers and craftsmen are from Eastern Anatolia.*”

In contrast, some of the entrepreneurs claim that diversity is not important for them at all, saying that they have customers from all over Istanbul and from different regions in Turkey. In this regard, they are interested neither in the diversity of the neighbourhood, nor the diversity of the people visiting. Among these entrepreneurs are shopkeepers selling small metal items and electrical goods etc., who are agglomerated in particular streets of the district.

5.4.4 Selecting the line of business

The entrepreneurs in the sample raised several reasons for selecting their particular line of business, with experience in the particular sector being the most common. As underlined earlier, many entrepreneurs started their business after working as an apprentice in a workplace since learning a business and gaining experience are without any doubt an important factor when starting a business. R4 (27, male, Kurdish descent) says that he began working in his brother's shop and learned how to market products not only in Turkey but abroad. Now he is participating in international exhibitions and is marketing his brother's products and those of other producers. He says he would be afraid of starting a business in an entirely different field.

This is especially important for entrepreneurs with low levels of education. Several entrepreneurs, who started a business and became successful in their field selected a related field of activity for their new businesses. R10 (26, male, engaged in import-export, Kurdish descent) started in the import-export sector since it was related to a field that he already knew. Similarly, R25 (21, female, working in her father's company), who is a graduate of a Hospitality and Tourism Department, says that their company was producing certain products for hotels and touristic places, but that they now also retail these products, as well as supplying the different types of goods for tourism-related companies.

Several entrepreneurs believe that the activities in which they are engaged are not so complicated and are easy to manage, such as R38, is a part owner of a fast food (pizza) chain.

Opening eating and drinking places have become a popular pursuit in Turkey's larger cities in recent years due to the changing lifestyles of families and the increasing numbers of women and university students seeking work. Over the last three decades, fast food chains have become very popular, but also exclusive restaurants and cafes. Moreover, the expanding tourism sector has meant an increase in the number of customers in the main tourism centres. This rise in demand has triggered the opening of many new places and food businesses, while there is a common belief that there is little risk of not finding customers in the food and drink sector, coupled with a high profit margin. Some of the study participants with a special interest in a subject started a business in their field, whether or not it was connected to their profession. R22 (44, male, co-owner and manager of a rock bar-café) says that he loves music and was a member of a music group when he was younger. After he had quit music, he wanted to maintain a connection and so initiated this business with his friends. Similarly, R24 (34, female, co-founder of a design/gift shop chain) had difficulty in finding good quality gifts for her friends, and seeing a market opportunity, started a business producing high-quality gifts.

Coming from a family business is also a dominant factor in entrepreneurship. Some of the entrepreneurs wanted to continue the family tradition and use the advantages of an established family business, believing that an existing workplace and loyal customers provided them certain advantages. R29 (50, male, antique seller) says that his father and grandfather sold second-hand goods in what is now his shop, but that when he started to manage the business, he turned it into an antique shop, although there were other opportunities. According to him, this type of business gives great satisfaction.

The numbers of entrepreneurs who say that they came into their field of activity by coincidence are not few in number. For example, R31 (28, male, accessories and jewellery seller) was a graduate of a technical school specialised in the automotive sector. After graduating, he attended Istanbul Technical University for two years but was unable to find a well-paid job. It was by coincidence that he began working in accessory and jewellery production and later started his own business. Another entrepreneur, R34 (38, male, seller of the second-hand books) is specialised in old books but is a graduate of Astronomy at Istanbul University. When he was a student he was very fond of books, and a friend of his uncle, who was an old bookseller, asked him to become a partner, and he became the sole owner of this business after the original owner left.

5.4.5 The availability of advice, start-up support, and finance

Capital is a crucial factor when initiating a business. In this section, we discuss the sources of capital for the entrepreneurs initiating their business. Interestingly, the interviews showed that most of the entrepreneurs did not receive any financial support from their families, relatives or friends, which goes against existing knowledge on the critical role of families in initiating a business in Turkey. What the entrepreneurs in our sample emphasised was the importance of their own savings, in that most declared that they had received no financial support or other forms of assistance from others. R4 (27, male, marketing goods at fairs) says: "*I did not get any*

help from others. In our business, since we borrow goods from other firms and pay them back when we have sold their goods, I do not need any financial resources. For the marketing of products, I use the internet to find customers. I can say that I receive no support from others.”

This was not the case for all, as financial assistance from the family was important for some entrepreneurs. Those from low-income families declared that since their families had no savings, they were unable to obtain support from them, and two out of the forty entrepreneurs used credits from a bank to establish their businesses, and in some cases, their personal savings. One entrepreneur took credit from a commercial bank and also used monetary support provided by The Directorate of Developing Small and Medium Enterprises (KOSGEB) (R26, 26, female, e-commerce), while R24 (34, female, designs gift products for chain stores) used the Scientific and Technical Research Council of Turkey (TUBITAK) support scheme and credits from a commercial bank. One interesting case is a young entrepreneur who is a part owner of a pizza delivery chain, who used the money won from a horserace, along with some financial support from his family and friends, to start his business.

5.4.6 Conclusions

Diversity, an important factor in urban economic performance, is reflected in the social capacity of a city. Jacobs (1979) argues that people from different backgrounds and with different experiences will evaluate any given information and market opportunities in various ways. In this regard, entrepreneurial activity should be greater in regions with a more diverse population, since more entrepreneurial opportunities would be identified because of diversity. As the literature suggests, such diversity is not only based on ethnicity, but also grounded in cultural differences and different lifestyles, which is related to not only the entrepreneurs' origins but also such characteristics as their level of education (Audretsch and Keilbach, 2007).

In Beyoğlu, as the composition of the entrepreneurs in our sample shows, there is a high level of diversity among the existing entrepreneurs, who are motivated mainly by economic concerns and try to use opportunities to exploit the changing market conditions. Accordingly, even those with a distinct ethnic background do not see themselves as 'ethnic entrepreneurs'. There is little evidence of discriminatory market conditions related to their ethnic origin, as the literature suggests. The spatial agglomeration of activities facilitates the flow of ideas, as underlined by Audretsch *et al.* (2010), and entrepreneurial activity should be greater in agglomerations and in the more densely populated areas of the city. Districts that are attractive to people may also be more conducive to entrepreneurial activity, which is the case for Beyoğlu, although this situation obscures the influence of the diversity of the residents of the district on entrepreneurship.

5.5 ECONOMIC PERFORMANCE AND THE ROLE OF URBAN DIVERSITY

The aim of this section is to define how entrepreneurs assess the performance of their enterprises and to define the factors playing a significant role in company performance. One of the

most important issues addressed in this section is the level of importance of diversity on the performance of enterprises, with the primary assumption being that this will be high.

Debates regarding the performance of enterprises have had a distinctive emphasis on businesses started by immigrants, many of which have underlined the disadvantaged position and limited opportunities for migrants in the labour market (Ward and Jenkins, 1984; Jones *et al.*, 2000). Unemployment or underemployment, low wages, a lack of effective language skills, non-recognition of qualifications, discrimination, etc. all reduce the opportunities open to immigrant entrepreneurs, and so in general it is accepted that most firms started by immigrants are rather marginal in character, are labour-intensive and are dependent on family and ethnic networks, with small market shares, limited profitability and expansion potential (Waldinger *et al.*, 1990a; Jones *et al.*, 2000), and have high failure rates. According to Kloosterman and Rath (2003), limited access to mainstream sources of capital and difficulties in fulfilling institutional requirements lead many of them to the informal economy where social support mechanisms are available. Pichler and Wallace (2007) argue that social support mechanisms are a concrete indication of the strength of informal social relations, social networks and supportive family relations, all of which can play a major role in the development of social capital. Self-help and help from the family can compensate for the absence of welfare provisions, while social relationships can function as a compensation mechanism for the processes of social integration. According to many studies, family and ethnicity may result in a competitive advantage, as relevant ties may be the sources of social capital and crucial resources for the entrepreneurial activities of migrants (Smallbone *et al.*, 2005). Networks are important not only for starting a business but also for the ongoing performance of enterprises.

Apparently, these supply side factors do not explain the performance of immigrant companies thoroughly, as for a deeper understanding, it is necessary to consider such demand factors as the economic environment determining the development of entrepreneurial activity and the type, size, activity and potential of migrant businesses. Scott (2006) notes that entrepreneurs do not exist in a vacuum, and emphasises the importance of the environment for entrepreneurship as a critical part of the entrepreneurial process itself.

The above arguments explaining the factors of supply and demand in the performance of enterprises are quite useful, although they are based mainly on a static form of analysis that has significant limitations. It is evident that the evolution of such enterprises is significant when discussing their performance. Waldinger *et al.* (1990) define the stages and spatial scales of ethnic/immigrant business development, claiming that areas with high concentrations of same-group migrants become entry markets with relatively low specialisation, preparing the ground for more specialised ethnic niche markets. In other words, when companies surpass the borders of their enclave, middlemen markets begin to address the wider public. Economic assimilation can be achieved through entry into the mainstream economy, and so it can be said that while ethnic diversity may be important in the initial stages of an enterprise, after a certain stage of development, dependency on the ethnic markets decreases, and it becomes more worthwhile to

assess the economic performance of an enterprise either through classical performance measures, or such recent performance measures as creativity and innovation. Apparently, this hypothesis refutes the suggestion that social, cultural, ethnic and spatial diversity attract multiple forms of human capital, and undoubtedly encourages cultural and artistic creativity (Fainstein, 2005).

In fact, the hypothesis emphasising a mixture of different cultures within a given geographic area promoting entrepreneurship is related closely to the idea discussed by Cowen (2002), who claims that globalisation leads to a merging of cultures which expands the menu of choices available to consumers. As people from different cultures interact with each other, they come up with new and innovative ideas, from which it can be understood that entrepreneurial initiatives expand and broaden their horizons in the presence of greater cultural diversity. Furthermore, immigration and the resulting cultural diversity help to increase the types of new and heterogeneous local cultural knowledge available in an area, which contributes to the emergence of new business activities.

5.5.1 Economic performance of the enterprises

The level of satisfaction among the entrepreneurs regarding their current performance of his/her enterprise is examined in this section. In the fieldwork, we tried to find answers to this question and to explore the factors explaining issues or failures that influence their performance.

According to the findings of the interviews, most of the entrepreneurs who are engaged in tourism related activities, are satisfied with their performance, putting forward their increasing turnover and profit levels as proof. R10 (26, male, low level of education, imports of gift goods) claims that he has been quite successful in expanding his business, which is mainly engaged in marketing the decorative products he designs. He explains: *“Although my company is relatively new, sales are increasing rapidly. In the last two years, total sales and profits have almost doubled. The profit margin is about 45%, and in the previous year the total profit reached TLY 300,000 (about €100,000)”*. R20 (Hotel, mainly serving foreign tourists) shares the same view, *“We are very successful – our hotel is full both in summer and winter. We make a good profit. Our customers return to our hotel every time they visit Istanbul.”*

However, the entrepreneurs engaged in tourism-related businesses underline that their economic performance is connected firmly to the numbers of tourists. R16 (49, male, selling copper products) says, *“if there are tourists, there is business; if not, there is no business”*. R1 (38, male, Kurdish descent, hotel owner and manager) says that *“profit rates are highly sensitive to the numbers of tourists. Protests and terrorist attacks in Beyoğlu are sometimes detrimental to the tourism sector, and so our performance and profits are unpredictable and change substantially. On the average, our profit levels constitute 28% of our total revenue”*.

The enterprises specialised in food and drink claim that their performance is increasing despite the adverse market conditions and economic instability experienced in recent years R13 (45, male, restaurant owner) says, *“Our economic performance is rising and I think that I am quite*

successful, although the profit margins are not so high – at 20-25%. We sell our goods at relatively lower prices as we want to attract more customers.” Similarly, R17 (59, male, owner and manager of a cafe bar) says that he has managed to increase his sales and profits over the last two years. According to him, his reorganisation of the management structure, changes to the decoration and menu and increasing the wages of employees has had a positive effect on the performance of the enterprise, although he commented on the negative attitude of the Beyoğlu municipality towards the entertainment sector in the district, which is based upon differences in viewpoints and lifestyles.

Some retail shops claim that their performance in the last two years is satisfactory, saying that serving middle-income people and retailing goods with inexpensive products enables them to reach more people. Some of them underline the friendly relationships they maintain with their customers as a success factor. R35 (39, male, secondary school graduate, optician) defines his relationship with his customers as family-like: *“Our relationship with our clients is entirely different to what can be seen in shopping malls. They can come here for a chat, eat their breakfast and lunch, like a member of my family. These types of relations have a positive effect on the performance of this enterprise.”* R12 (47, male, a graduate of the secondary school, Kurdish descent, managing a dried fruit shop [*kuruyemişçi*]) underlines that their income has been satisfactory over the last five years as a result of increasing profit levels. The only problem, according to him, is his long working hours.

Another group of entrepreneurs who are finding success are those launching new types of activities in Beyoğlu. R26 (26, female, e-commerce manager) is one such entrepreneur, having created new business opportunities for many design firms. *“I, together with my partners, got involved in designer products through an e-commerce venture. This boosted the sales of many small firms, and so my company, Shopthedesign, grew rapidly, triggering the growth of many other small companies.”* R19 (32, male, a university graduate, running an advertisement agency and a tailor-made website), is proud of the enterprise of which he is a partner. *“We are reaping the rewards of being a leader in our field. We are investing a large share of our profit into R&D and still have 350,000 TL (€120,000) profit left over. Although we are relatively new (5 years), we have seen increasing performance.”*

How did the enterprises reach a high level of performance? What factors were important in their success? There are several answers to these questions.

Firstly, several entrepreneurs underlined that their loyal and committed customers have been essential for their economic success. This is especially important for places that serve certain market niches. R22 (44, male, co-owner and manager, rock café-bar) says that his bar in Beyoğlu has very loyal customers. According to him, although it took the time to generate this market niche, it provides confidence for the future of his enterprise. In order to have committed customers, the company asks lower prices and does not charge an entrance fee. *“If the customer is happy about the music he or she has listened to, he or she will become a permanent customer,”*

he said. Similarly, R18 (35, male, selling music instruments and equipment) claimed that had taken many steps towards building good and friendly customer relations, which brought him success.

Secondly, as R15 (55, Male, Armenian, spare parts to different sectors) emphasises that the delivery of ordered goods, on time and in good quality, is the most important factor in his success. His small workplace, in which he produces spare parts for different sectors, has been growing fast and is generating 25% profit rates. Most enterprises in the service sector claim that good service and reasonable prices are the keys to reaching high-performance levels.

While most entrepreneurs seem satisfied with their current economic performance, there are others who are rather pessimistic. First, some of the older enterprises say that they have suffered under changing technologies, norms and values in society. The second-hand bookseller and antique shop owner are rather distrustful of the current conditions. R 29 (50, male, antique shop owner) complains about the cultural deprivation in society and the decreasing numbers of people who are fond of antiques. According to him, the cultural deprivation experienced in recent years has had an adverse effect on his field of business. R 34 (38, male, university graduate, old bookseller), on the other hand, grumbles about the use of the internet. He says “*When someone who likes reading came to Istanbul, he used to go to the bookshops and second-hand booksellers. Nowadays, people go to a cafe either to download a book or buy it on the internet. Our business is becoming out-dated*”. Also, the reorganisation of the retail sector and the emergence of supermarkets have had a negative consequence on certain types of retail shops, such as grocery stores and greengrocers. R37 (37, male, primary school education, Kurdish descent, greengrocer) says that the increase in the numbers of supermarkets over the last six to seven years have had an adverse effect on his total sales, and complains that while his income has been decreasing, the rent he pays for his shop has increased very fast.

Besides changes in market conditions and technology, many other issues that negatively affect economic performance are raised by entrepreneurs, more so than success factors. However, it should be underlined that most of those listed here are raised by entrepreneurs who consider themselves quite successful.

- *Volatilities in the market and uncertainties in the national economy are defined as significant factors affecting the performances of businesses.*

Economic volatilities can be detrimental to the performance of enterprises. Even those among the entrepreneurs who are happy with their performance and profit levels underline that their performance has been hit by economic recessions not only in Turkey but also elsewhere, since the sales of goods to domestic market and to visitors are highly sensitive to changing economic conditions. R25 (21, woman, working in her father's business, producing and selling wooden touristic goods) says: “*There are substantial fluctuations in our sales. The economic problems in various countries, particularly in Europe and Russia, have a negative effect on our turnover and profit rates.*” R24 (34, female, designer gift products company) also underlines the importance

of market conditions, claiming that from time to time they experience falls in sales, especially in periods of economic uncertainty. Periods of recession, according to her, are difficult to forecast, which is why they try to develop a financial system to tackle any unexpected changes in the economy. R31 (28, male, peddler, retailing women accessories) also underlines uncertainties in the market as a problem affecting sales. He says, *“Although every entrepreneur has been hit by the market conditions, it is we who are in the lowest segment of the market and experience the negative impact the most.”*

- *Decreasing sales due to increasing prices is also an issue that was raised by most of the entrepreneurs.*

The entrepreneurs declare that their profit margins reduce substantially due to increases in the prices of inputs. R8 (31, male, restaurant owner and manager) clarifies his situation in this regard: *“The increases in food prices negatively affected our profits, and we are unable to increase the prices of our products due to the low purchasing power of our customers. As a result, since 2009 onwards, my profits have not been very high”.*

- *Declining profits due to the increasing number of enterprises and the increasing (unfair) competition*

Easy entry into the market, limited restrictions on the establishment of small businesses and inadequate controls on existing companies lead to high birth rates of small businesses in Istanbul and consequently, increasing competition. People with limited capital and knowledge in certain fields launch retail or service businesses, and in order to attract customers, may ask lower prices for their products. Although large numbers of such businesses have to close their doors after some time, the uncontrolled increase in the numbers of firms has an adverse effect on the performance of all existing companies. R11 (52, selling electrical appliances) comments on this issue: *“There should be a control mechanism related to business start-ups that takes into consideration the numbers of existing firms and the current demand. If enough companies are operating in a particular field, starting permits should not be issued for new ones.”* He says that while the profit margins were high in the past, now they are reduced by between 5-10% due to increasing competition. Some entrepreneurs say that fierce competition related to lower prices leads to a decrease in quality. In order to lower prices, some entrepreneurs may use lower quality inputs, which does not work in favour of the artisans and tradesmen who want to produce high-quality products. R39 (wig producer) says that one of the reasons for such a situation is the rise of the Euro against the Turkish Lira: *“Since we are importing hair, the rise of the Euro parity means that we have had to increase prices. As a result, many entrepreneurs have been forced to use low-quality hair in wig production.”* According to him, his profit margins have reduced from 100% to 40% due to the negative market conditions. What many entrepreneurs describe is a vicious cycle, in that since their customers are from the low- to middle-income groups, they do not reflect the increases in the cost of production to the prices of their products. The new entrants to the market and the increasing cost of production leads to a loss of profit, and in most cases, in order to survive in the market, they have to downgrade the quality of their products.

The low-price products imported from China are also defined as a serious problem according to many producers of small items. They claim that customers looking for high quality prefer their products, but that the lower income segments of the population buy Chinese goods. This has been the main reason for the decline in sales in the domestic market in recent years, however, there is one producer who spoke about the positive impact of this situation. R₃ (female, peddler, designing, producing and retailing bijouterie) says that Chinese products introduce her to different designs. *“I am getting inspired by these designs and producing bijouterie of a better quality”*. Although she complains about the decline in profits, she says, *“When I wholesale my products, my profit is 50%; but if I sell directly to customers or shops outside Istanbul, I reach a 100% profit rate”*. Replica products are also a problem for entrepreneurs who sell the originals of such products. They indicate that the availability of replicas has an adverse effect on their volume of sales.

- *Existing rules and regulations and bureaucratic procedures*

The entrepreneurs were uncomfortable with the different regulations related to their businesses. R₂₉ (50, secondary school graduate, antique shop owner) is concerned with the rules related to selling antiques in Turkey and obtaining permission to sell products to foreigners and to buy antiques from abroad. R₁₀ (26, low level of education, Kurdish origin) complains about the problems he faces when importing products from abroad, especially from China (regulations related to the cancer risk of certain products). Moreover, high taxation rates and the stoppage of tax at source were also cited as problematic. The restriction upon smoking in restaurants and bars is another cause of complaint. R₁₃ (45, low education, Kurdish origin, restaurant owner) says *“Our profit rates have declined over the last five years due to restrictions on smoking in closed places. It has had a negative effect on our customer numbers.”*

- *High office and workplace rents*

Although Beyoğlu hosts many low-income immigrants, some neighbourhoods, especially the main shopping thoroughfare Istiklal Street is an attractive place for shopping and entertainment for all people. While the new shopping malls that have sprung up all over Istanbul have attracted higher-income groups, for middle-to-low-income groups, young people and foreign tourists, Beyoğlu is still one of the main attractions in the city. This attractiveness translates into high rents for shops and workplaces, and most shopkeepers are unhappy about this situation, saying that the boom in rents over the last few years is one of the reasons for the decline in their profits.

- *Finding qualified labour is a problem*

Although there are many people seeking work in Beyoğlu, according to the entrepreneurs engaged in creative activities, finding qualified labour is a real issue. The problem has improved following the gentrification projects in certain Beyoğlu neighbourhoods, with the numbers of people opting to live in Beyoğlu having increased substantially, however, R₂₆ (26, university graduate, female, e-commerce) says that not many people in Beyoğlu, or in Istanbul as a whole, have the necessary experience and expertise in their field, making it difficult to find qualified labour.

- *Social unrest, e.g. protests, terrorism, etc. that have an adverse effect on the number of tourists and customers*

The Gezi movement that emerged in May 2013 in Gezi Park-Taksim was an important protest, calling for the protection of public spaces and preventing the use of open spaces for commercial purposes. The movement grew into a protest against restrictions on human rights and the authoritative attitude of the government and had a profound influence on the perceptions of people related to the existing democratic conditions in Turkey, becoming a symbol of unrest related to the actions of the current local and central governments. The interview study showed that the protests that have been taking place since 2013 have had an adverse effect on the performance of the enterprises located close to Taksim and in different neighbourhoods of Beyoğlu. Both managers of tourist facilities and the tradesmen running their businesses in Beyoğlu said that they suffered considerably during the Gezi movement and in the continuing protests that take place in Taksim and İstiklal Street. They explain that during the protests no customers come to Beyoğlu for shopping, eating or drinking. Interestingly, even the entrepreneurs with sympathy for the Gezi Movement criticise the numerous protests that take place in this district.

There are also problems related to *the changing environment, both in terms of the composition of activities and the physical conditions*. The shortfall of cultural and art-related facilities and events is defined as a problem especially among the entrepreneurs engaged in design-oriented businesses. R2 (45, female, designing and producing puppets) underlines the importance of the *Atatürk Kültür Merkezi* (AKM – Atatürk Convention Centre), which has been closed since 2008. As the focal point of Taksim Square, the multi-purpose cultural centre and opera house hosted many cultural events in Istanbul. According to R2, closing the AKM impacted upon the cultural and art events taking place in Beyoğlu and led to the degradation of the area with the loss of such facilities. She says that the declining attraction of Beyoğlu for people engaged in arts and crafts has had a negative effect also on her business.

The quality of the working environment and the lack of municipal services are also among the complaints of the businessmen. Moreover, some of them, especially those engaged in the provision of food and drink, also criticised the attitude of the municipal government, whose attitude, they say, to the places that serve alcohol is deleterious and the restrictions imposed upon them, such as limitations on tables in front of their restaurants and cafes, have had an adverse effect on customer numbers. The street peddlers are also worried about the arrogance of the local government.

5.5.2 Markets, customers and suppliers

One of the aims in this section is to identify the primary markets of existing enterprises, as well as their customers and suppliers, in order to evaluate the role of diversity in the economic performance of different types of businesses. The intention is also to understand whether the entrepreneurs in the study have been able to capitalise on their ethnic origin, skills and/or local or transnational networks, etc.

In fact, the findings show that networks between suppliers and customers are more important for entrepreneurs than their ability to exploit their ethnic origin. R25 (21, female, wooden touristic goods producer and retailer) says that their company has foreign customers, mainly from the Middle East, Germany and the United States, along with clients from different parts of Turkey, since they are producing accessories to hotels and other tourist facilities. She says, *“I have limited customers living in this neighbourhood”*. R35 (39, male, selling optical goods) explains that his customers are not only from Istanbul but also from other cities in Turkey. The reason why he has so few customers from Beyoğlu is due to the limited numbers of people who can afford expensive brand-name products. It is also possible to see the different compositions of customers. R12 (47, selling dried fruit) says that before Tarlabası Boulevard was opened, most of his customers were domestic, but foreign customers have since become dominant. As discussed earlier, the clients of some retail shops are not only from within the district but from all over Istanbul, along with foreign and domestic tourists. One of the interviewees, who is engaged in e-commerce, says that they do not only serve local people, but the entire country, and even abroad. Interestingly, according to her (R26, female entrepreneur, e-commerce) some of the design goods she is marketing are bought online by people living nearby. It is noteworthy that e-commerce has been defined as a new trade outlet by different entrepreneurs, who claim that increasing internet use will be a negative factor for their businesses in the near future. In order to cope with the new conditions, they ask several companies to prepare web pages and e-commerce infrastructures for them, and as a result, new businesses engaged in the preparation of digital e-commerce bases for commercial activities are witnessing rapid growth.

On the other hand, for eating and drinking and entertainment places local residents are the most important group of customers, with young professionals and intellectuals constituting the primary customers. R22 (44, male, owner and manager of a rock bar) says that his customers are mainly young people with an interest in alternative music. *“Although I have customers from all over Istanbul, our main customers are those living in Beyoğlu and the surrounding areas. The people who are still here at 3 a.m. are obviously people living in this district.”* R18 (35, male, selling musical instruments) serves a similar clientele, although he also sells his products to foreign tourists, given the location of his business in a highly touristy area, namely Galata. In Galata, there is a concentration of shops selling various instruments, with musicians living in Beyoğlu being the main customer base. In fact, Beyoğlu is home to many people in the music sector and is where shops selling music instruments can be found. In this respect, one of the areas of specialisation of Beyoğlu is the music sector.

Apparently, some of the eating and drinking establishments serve local tradesmen and artisans, although they also have foreign and domestic customers looking for authentic Turkish food. R8 (restaurant) says: *“We serve real Turkish food that is different to food in the kebab houses or fast food places. As a result, we attract both foreign and domestic tourists.”*

For some of the entrepreneurs, proximity to their customers who are retailers in Beyoğlu is important. R10 (47, male, Kurdish origin, engaged in import-export activities) says that he

distributes the goods he imports to different shops and stalls in Beyoğlu. According to many entrepreneurs working in trade, nationalities, ethnicities, gender, etc. are not important at all. R24 (34, female, producing, wholesaling and retailing design goods) underlines that her target group is the upper-middle income class, with no distinction between nationalities, ethnicities or cultural backgrounds, and adds that the companies she works with are also quite diverse. On the other hand, some small producers and tradesmen have no relationship with local residents or local businesses, as their markets are Turkey as a whole and abroad. The markets of enterprises specialised in market hardware and small metal gifts sell their products to European countries, as well as to countries on the Arab peninsula.

While most enterprises have a diversity of customers, some serve specialised niches, such as the entrepreneur who sells rare and second-hand books. R34 (38, male, university graduate) has customers who are highly educated, and from old to young ages. He says, “*Although there are young clients, I serve a small niche of people over 40 years old, and many of them are doing research in different fields.*” R2 (45, female, puppet maker) also has a particular niche of customers who are interested in paintings and sculpture. She also gives lessons to those interested in learning how to make puppets.

The importance of proximity to suppliers varies significantly between different types of firms. While some enterprises specialised in the food sector, especially the smaller businesses, buy their products from their neighbours, larger enterprises get their supplies from a variety of districts in Istanbul or from nearby provinces through well-established supplier networks. Some of the enterprises use imported products that they market from wholesale or retail outlets. The country of origin may be different, such as Spain for some small hardware items, or Germany for electrical goods and appliances, etc.; however, China seems one of the most important suppliers of low-cost consumer products.

5.5.3 Relationships amongst entrepreneurs: Evidence of competition or co-operation?

Having businesses in the same neighbourhood can lead to a positive entrepreneurship network. In this section of the chapter, we explore the nature of such relations, if any exist.

Most of the entrepreneurs who participated in the interview study claim that they have very positive relationships with each other are not affected by differences in ethnic, cultural or religious backgrounds. According to them, *close cooperation, but at the same time, competition* defines the nature of their relationships, with two forms of cooperation standing out as prominent. First, directing customers to other businesses when they do not have the products sought, or when they have no vacancies (in the accommodation sector) is defined as a significant indication of cooperation that is referred to as *paslamak*, meaning passing the business on to others. R39 (34, male, wig producer and retailer) says: “*I have good friends among the other entrepreneurs. When someone asks me for the location of a certain product, I direct them to my friends, or when they ask me a product that I don’t have, again I send them to others.*” R33 (38, female, running an optical goods shop) indicates that many of her customers are directed to

her by her colleagues, while R14 (30, male, high education, from Black Sea Region, hardware dealer) says that he met his main customer through a neighbour while they were having lunch.

Second, obtaining help or borrowing goods or materials from others when an urgent situation arises is defined as another means of cooperation. Although there is fierce competition among entrepreneurs working in the same fields, the interviewees say that it is important to help their neighbours when the need arises, stating that such actions are reciprocal. Moreover, if one them has a serious problem or needs urgent help, R20 (58, male, manager of a hotel) says, “*we drop everything and run to help*”. On this issue, R25 (21, female, university graduate, working with his father) says: “*Sometimes we get a big order that we cannot fulfil, and in such cases, we get both input materials and help from other workshops, and we do the same when someone else needs help. That is the way we cooperate.*”

Some entrepreneurs maintain close social relations; for example, R8 (31, male, immigrant from Macedonia, restaurant manager) expresses that he knows most of the entrepreneurs in his neighbourhood and goes to the *hammam*, football matches and to the seaside with entrepreneurs from the same district, underlining the benefits of these types of social relations on his business. Another entrepreneur says that his relations with other entrepreneurs in the district are rather formal and restricted to greeting each other, while R19 (32, male, university graduate, web and e-commerce consultant) says that although he chats with his neighbours, he does not know anything about them, such as where they are from, their ethnic background, personal characteristics, etc.

On the other hand, some entrepreneurs are reluctant to form close relations with others. R27 (29, female, university graduate, editor of a magazine and manager of a café) recognises the cooperation and generosity among entrepreneurs, but also the conservatism related to people engaging in new types of activities, saying “*I want to wait until I know their real feelings about me.*” Female entrepreneurs tend to avoid having friendships with male entrepreneurs. R5 (52, female, jewellery designer) explains: “*It is sometimes difficult to establish friendly relations with male tradesmen since they use slang with each other, make dirty jokes or gestures. It used to be even more challenging but now the existing shopkeepers have started to become accustomed to working with female entrepreneurs. For many years, I faced some personal problems and they helped me a lot.*”

Some the entrepreneurs complain about relationship patterns. R 33 (38, female, owner of an optical goods shop) indicates that although there were good relations when she started her business, none of the tradesmen would give her products (optical goods) on credit. According to her, this was an indication of a lack of confidence in her ability.

The older entrepreneurs are more sceptical about the current relationships among entrepreneurs and long for the good old days. R29 (50, male, antique shop owner) says that although there are still good social relations among the entrepreneurs of Beyoğlu, in terms of helping out whenever necessary and going to each other’s weddings and funerals, the friendship as it existed before no

longer exists. R40 (36, male, electrical goods retailer) says that the cooperative relations in the district still have substantial merits in the performance of the enterprises, however, he says that it was possible to borrow products without any official documents, receipts, etc. in previous years, but that this is no longer the case: *“All relationships were established on the basis of promises and one’s word among entrepreneurs. Now this has changed.”*

5.5.4 Long-term plans and expectations of entrepreneurs

Studies of entrepreneurship have emphasised that the motivations to increase profits and competitive power are among the long-term plans of entrepreneurs, which can be achieved by changing size, market and or business strategies. The interviews with the entrepreneurs showed that most of them consider expanding their businesses, while others aim to open new branch offices or shops. The owner of one of the enterprises, which has grown by branching out in its retail activities (R24, 34, female, a graduate of fine arts, founding partner of design products company), is determined to open new shops in different cities. She says that there is considerable demand for her products in the cities in the eastern regions of Turkey, and wants to create a chain of retail stores all over Turkey.

Those planning to open branch offices or new shops are involved in different sectors, including retail, but also small-scale producers looking to open retail outlets. R25 (21, female, working with her father, producing wooden touristic goods) says that she and her father are interested in increasing their product composition by working together with other small enterprises located in different regions in Turkey, and opening new shops in order to display their products in various tourist areas of Istanbul. On the other hand, R38 (24, male, owner of a pizza restaurant) plans to open a chain of pizza shops across Turkey in the near future, with branches in Ankara, Eskişehir, Denizli and Bursa. Similarly, R1 (38, male, owner of a hotel and a gift shop) says that when he opened his hotel in Beyoğlu he had the vision to open three more hotels in the district in the following five years and he thinks this will be possible in a few years.

There are a few entrepreneurs that want to upgrade their technologies. R15 (55, male, Armenian, producing spare parts for different sectors) says that he wants to buy new multi-functional machinery and make the move to mass production. He considers his production method to be out-dated, as today’s computer-controlled machines can ensure the production of more precise products. Some of the interviewees stated their desire to introduce new products to their range, believing that in order to keep up with the changing market conditions they must be innovative and create new products. R3 (48, female, Kurd-Alevi origin) wants to open an atelier so as to produce her designs in a more professional way. She says: *“At the moment, big enterprises imitate my designs and produce mass quantities, and so I get a bit sceptical when I launch my new designs. Once I start my atelier, I will be able to compete with them.”*

It is worth noting that several shopkeepers have come to take an interest in e-commerce and are now making plans to expand into e-business. R18 (35, male, retailing music instruments) claims that reaching the entire country can only be possible by having an e-commerce company,

and is planning to look for technical consultancy support. On the other hand, the founder of an e-commerce company specialised in designer goods aims to open a shop and increase the number of designers she works with. Among the retailers who want to keep their shops and businesses as they are, still, many of them want to use the internet and websites to increase their visibility among potential customers.

There are also a number of entrepreneurs who want to upgrade their current operating spaces. R40 (36, male, electrical goods seller) aims to expand his business by buying the shop next door and introducing new products, even though entrepreneurs are concerned with the ongoing changes in the district. *Renewal and redevelopment projects* worry most of the entrepreneurs specialised in certain market niches, such as the company producing small hardware components and the one producing and selling spare parts. These enterprises have limited customer or supplier relations with people living or working in Beyoğlu, as their customers generally come from all over Istanbul, and even from other cities. However, Beyoğlu offers localisation economies for these firms, since these activities have been concentrated there for many years. The small scale producers located in different parts of the district are not happy with the physical conditions of the district, the municipal services and the uncertainties related to the future of their workplaces. Although they say that they do not have any official information about the future of the district, there are rumours that the streets on which they are located will be repurposed for tourism activities. This would force them to move to distant parts of the city, such as İkitelli, which would be quite far away from their existing customers.

There are a considerable number of entrepreneurs who have no plans to expand their businesses, although for different reasons. Some think that it is hard to find or save the capital needed for such a step, while others believe that it will be difficult to change their organisational setup, along with many other factors.

5.5.5 Conclusions

Our study in Beyoğlu revealed the importance of opportunity structures in explaining the performance and advancement of the entrepreneurs in our sample. Although many entrepreneurs seem quite satisfied with their economic performance, there are obviously some differences.

First, the enterprises that have adapted to changing demand and have detected new opportunities in the market have witnessed the higher economic performance, underlining the importance of adaptive capacity. As literature suggests, changing market conditions, shifts in the composition of customers and the adoption of communication technologies provide a significant advantage to the companies with high levels of adaptive capacity. The volatile economic conditions also necessitate transformative capacity if the business is to survive and grow under the recessionary conditions that are experienced all too often in Turkey and around the world.

Second, the entrepreneurs that initiated new businesses to bring new ideas, new technologies and new products into their business grew very fast, in line with the main arguments on creativity and creative class literature. Ethnic market enclaves are found to be less significant in economic performance when compared to the increasing importance of niche markets.

In general, the findings of the interviews with the entrepreneurs show that changes in demand are greater than supply, which necessitates changes in the structure and the product composition of both production and service businesses. In this regard, earlier debates of economic performance that mention ethnic enterprises, female enterprises, creative enterprises, community-based enterprises, etc. as distinct categories become less relevant, as the main criteria for success is the ability to adapt to changing conditions, whether through creativity, innovation or knowledge, or by shifting from one activity to another.

Satisfying customers' tastes and lifestyles are vital, and a review of the findings shows that enterprises serving niche markets are becoming more important and have higher economic performance than others. What should be underlined is that although socio-economic, ethnic and cultural differences are still important in social interaction patterns, they are less important in entrepreneurship, contrary to the emphasis on earlier literature.

5.6 INSTITUTIONAL SUPPORT AND GOVERNMENT POLICIES

This chapter explores the importance of NGOs and other initiatives in the economic performance of entrepreneurs and also highlights the attitude towards diverse forms of entrepreneurship and the types of support provided by local and central governments.

5.6.1 Introduction

The primary focal points of entrepreneurship literature suggest that existing policies are shaped around ethnic/immigrant entrepreneurs as well as those with a high capacity for innovation in many countries. Despite criticism of ethnic and immigrant enterprises with respect to their exploitation of co-ethnic, family and illegal immigrant labour, the significance of the employment and services generated by immigrant entrepreneurs explains why various policies are designed to increase the rate of birth, survival and success of immigrant enterprises (Collins, 2003). Moreover, debates related to the creative enterprises formed by immigrants of different ethnicities and cultures with diverse skills and talents have not only increased the interests of local and central governments in these types of enterprises but have also led them to introduce new types of measures.

However, according to the study by CLIP (Cities for Local Integration Policy Network) by Rath (2011) the measures promoting ethnic entrepreneurship, for example, the development and implementation of support measures at local level, are not self-evident in European countries. Attention, if any, is given to wage labour, and regardless of the extent that ethnic

entrepreneurship is actually promoted, it rarely forms part of a greater economic agenda. One of the basic reasons for this limited interest lies in the principle: “measures should be colour-blind, should not give preferential treatment to one group over another, and should not discriminate against other groups” (Rath, 2011:37). Another assumption is that entrepreneurs only operate in the private sector, outside the reach of government, and that this is the way it should be. In this respect, one of the current ways of supporting ethnic and immigrant enterprises is to provide assistance to specific business associations catering to the needs of ethnic entrepreneurs. Policy-makers believe that this approach can initiate dialogue between ethnic entrepreneurs and other relevant actors.

In principle, ethnic entrepreneurs are treated similarly to native entrepreneurs in that they must register with chambers of commerce and trade or other agencies in order to obtain the necessary permits and must comply with zoning laws and safety and hygiene standards, etc. The existing bureaucratic rules and regulations usually act as a barrier for entrepreneurs looking to launch a business, especially those who lack proficiency in the host country’s language and those with poor educational qualifications. The same is true for obtaining credit loans or other forms of financial capital. Banks and other financial institutions tend to be reluctant to give credit loans to small start-ups, meaning that enterprises initiated by immigrants or other disadvantaged groups are usually reliant on informal credit systems or family support. Marketing is considered to be the responsibility of the entrepreneur, and therefore little support is given in this area. In other words, ethnic entrepreneurs face an array of challenges that exploit their general lack of business management skills and competencies. In most cases, ethnic entrepreneurs have insufficient information on the local business culture, limited access to business networks and little understanding of the business support schemes of local and central governments.

On the other hand, policies related to the performance of ethnic entrepreneurs have focused on strengthening their professional skills through training and have featured other forms of support in the fields of entrepreneurial skills, finance and networking (Rath, 2011). There have also been steps to remove obstructions in the regulatory framework for such enterprises, including lowering licence requirements necessary for starting a business, providing preferential access to credit systems, etc., and support is given related to many practical issues around the entrepreneurial process in different countries, such as the provision of business locations, access to finance, advice on the right position in the market, help in building local and international business connections, as well as support for the day-to-day management of personnel. The aim is to improve the managerial skills of ethnic entrepreneurs to help them establish and run a sustainable and profitable business, and in return, governments can look forward to increasing contributions from immigrant and ethnic entrepreneurs to the local economy. According to the OECD, migrants are slightly more entrepreneurial than native citizens and foreign-born, self-employed people who own small- or medium-sized firms can create between 1.4 and 2.1 times more additional jobs than native entrepreneurs (Desiderio and Mestres-Domènech, 2011).

There are various schemes designed to support creative and innovative entrepreneurs that are also usually open to entrepreneurs with diverse characteristics. Qualified migrant populations often face legal difficulties in the form of restricted access to labour markets and career opportunities that push them into self-employment, and the same applies to young entrepreneurs who want to initiate a business. In this regard, supporting networks of creative entrepreneurs is an important measure in creative industries, since they tend to suffer from high failure rates. About 50% of new businesses fail during their first five years, in that businesses often lack an appropriate ecosystem to help them to grow. Given their limited resources and experience, small and newly created businesses suffer more than large corporations from high compliance costs arising from complex tax legislation and cumbersome tax reporting procedures (EU Business, 2016). In an attempt to address this issue, support is provided for cooperation between clusters and business networks to encourage the spread of information among creative entrepreneurs, increasing the sources of finance and support schemes for innovation, which is believed to bolster the investment readiness of entrepreneurs. Recently, support schemes for social and community-based entrepreneurs pursuing social issues and making meaningful social contributions have become quite popular in some countries; and similarly, several schemes have been introduced to support networking among small firms and the forming of associations.

Besides the financial and institutional instruments, urban regeneration projects can make deprived areas more attractive for new enterprises. Obviously, some such regeneration and renewal projects have been quite successful, although many of them had adverse effects on existing enterprises, especially those with only limited capacity to pay increasing rents.

5.6.2 Views on the effectiveness of business support provided by local and central governments

In general, policies aimed at enhancing different types of enterprises and existing legislation, as well as pecuniary and non-pecuniary measures provided to entrepreneurs, provide an understanding of the types of conditions under which entrepreneurs initiate their businesses and carry out their operations. In Turkey, there are a number of different support schemes to help new entrepreneurs and usually do not differentiate ethnic and immigrant entrepreneurs. Recent years have also seen the launch of specific support schemes for innovative entrepreneurs in the field of technology. The major point in all of these measures is to provide support to new entrepreneurs so that they can make a positive contribution to economic development and employment generation. Local governments, on the other hand, are less interested in providing financial support, being mainly involved in improving the physical conditions of the urban areas in which enterprises are located.

The Ministry of Science, Industry and Technology has launched the Entrepreneurship Support Programme for small- and medium-sized enterprises so that entrepreneurs can benefit from participating in Applied Entrepreneurship Training and obtaining a certificate. These entrepreneurs have to provide the Small- and Medium-Size Development Directorate of the Ministry in their province with a work programme, and if their plan is approved, they will be

able to gain access to financial support. Moreover, in 2003, the SME Credit Support System was initiated by the Ministry to provide credits to SMEs at low or zero interest rates through intermediary banks.

The Ministry also provides entrepreneurs who are graduates of universities and who submit a business proposal in technology and innovation fields with support and direct financial resources without any back payment, and there are specific schemes for disabled entrepreneurs and women since they are accepted as disadvantaged groups. Besides the Ministry of Science, Industry and Technology, it is possible to obtain help from the Scientific and Technological Research Council of Turkey (TUBITAK) and some other public departments. Recently, the government also gave guidance to private companies called SME Entrepreneurship Investment Cooperates, which are specialised in providing assistance to new start-ups, providing risk capital to new enterprises and thereby increasing the numbers of Business Angels engaged in the provision of risk capital.

The final issue in which the government has recently taken an interest is the improvement of digital communication services. There are several support schemes enabling entrepreneurs to gain access to better digital network services, and in general, entrepreneurs appreciate the measures and infrastructure provided for online trade. They say that the cooperation between the public and private sectors has increased the quality and security of online trade and has increased their volume of sales.

Most of these schemes are open to ethnic or disadvantaged entrepreneurs, however, the participants in the study stated a reluctance to ask for support or apply for public help, and some were not aware of the support schemes run by different central government departments. In short, the findings of the interview study underline the limited use of the central government support schemes.

With respect to local governments, the entrepreneurs in our sample see municipalities as the bodies responsible for the provision of infrastructure and the different types of facilities, such as garbage collection and street cleaning. Accordingly, almost no one spoke about the direct contribution of local governments to their business, being focused instead on activities that affect the performance of their business in either negative or positive ways.

Some of the entrepreneurs declared their satisfaction with the activities of the Beyoğlu municipality, mentioning in particular, the pavements on their streets, the cleaning services, the garbage collection, etc. One entrepreneur said that the restoration of buildings and the control of the number of signboards, advertising boards and air conditioning equipment on the facades of buildings had increased the neighbourhood's quality and made their street more attractive for their customers. R31 (28, male, peddler, selling women's accessories) says that Beyoğlu municipality is doing its best, but complained about the amount of construction in the district, which negatively affects the performance of her business.

On the negative side, many tradesmen complain about the car parking problem and traffic density in the district, indicating that these problems negatively affect their customer potential. In some areas of Beyoğlu, shopkeepers complain about the municipal services, suggesting that these are not provided on an equal basis. The number of large vehicles parking in the narrow streets is also defined as a major problem, causing nuisance to both customers and suppliers. The lack of control of informal production activities is another issue raised by entrepreneurs.

5.6.3 Wider awareness of organisations, programmes, and initiatives to support entrepreneurs

The entrepreneurs who participated in the study have limited information on the specific local and city-wide organisations, programmes and initiatives that are designed to support entrepreneurs, and so most have no experience in getting help from them. Among the entrepreneurs, only one had obtained technical and financial assistance from TUBITAK, and one other, specialised in tourist accommodation had received technical help from Beyoğlu municipality. R36 (51, manager) spoke about his membership of a support scheme initiated by Beyoğlu known as *Beyaz Zambak* (White Lilly), for which the municipality make hygiene controls and define a certain programme to be implemented. If enterprises reach the established standards, they are permitted to hang a White Lilly flag in their premises as an indication of good quality.

While those that have benefitted from existing programmes are very limited, some entrepreneurs complain about the lack of these schemes. For example, R38 (24, family is from Istanbul, the partner of a pizza delivery chain) says that when he and his partners looked for support in initiating an e-business, they were unable to find any scheme or institution that could help. R31 (28, male, women's accessories) says that he learned about a programme providing support to artisans engaged specifically in art and craft products, but found that he was unable to apply.

The roles of NGOs and semi-public organisations are also quite limited, both in starting a business and in increasing performance. The interviews with the entrepreneurs reveal that they are only members of professional associations where membership is compulsory for doing business. Most entrepreneurs are registered with the Istanbul Chamber of Commerce, while some entrepreneurs are members of such occupational associations such as the Chamber of Electrical Engineers and corporations formed in particular fields such as the Metal Works Foundation. While they had to become members of these organisations to initiate their business, the organisations that do not have compulsory memberships receive limited attention. NGOs engaged in other fields seem to be of limited interest to the entrepreneurs. Many refrain from joining such organisations, being sceptical about the benefits they supposedly bring. R16 (producing copper products) says that none of the NGOs are really interested in their problems and that none of the heads of these organisations visit them to ask them about their problems. In fact, the respondents were, on the whole, critical of the activities of NGOs with respect to how they approach their problems, and some even said, "*These NGOs are working for themselves;*

they want to raise money for themselves.” Some of the entrepreneurs believe that NGOs have political agendas, such as R20 (58, male, hotel manager), which is why many entrepreneurs are reluctant to develop contacts with them. As the fieldwork related to the residents showed, people in Turkey, whether belonging to one social group or another, are quite unwilling to become members of NGOs unless they can gain real benefit from them.

The interviews show that entrepreneurs with lower levels of education in particular and those from lower socio-economic groups are less convinced about the role of NGOs. Only two of the 40 entrepreneurs are involved in the activities of NGOs. The first one, R17 (cafe bar manager), was a member of DEVGENÇ (which was a major leftist movement in the late 1960s and 1970s). He says that he follows the activities of many NGOs and supports some of them, although he is not a full member of any of them. Another respondent with an entirely different background is R40 (36, male, an immigrant from Giresun-Alucra), who was a member of Ülkü Ocakları (a nationalist group in the 1970s) and chaired the Beyoğlu branch. He has also worked for disabled people, since his wife was disabled, and he now works for several institutions such as the *Beyoğlu Geliştirme Vakfı* (Foundation for the Development of Beyoğlu), and sports clubs.

As this brief review shows, entrepreneurs have little contact with such formal institutions as business associations or NGOs, nor do they take part in any governance arrangements working to provide benefits to entrepreneurs; and some say that they are not aware of the existence of such organisations. Moreover, the interview findings also underline the limited efforts of entrepreneurs to support NGOs specialised in the social issues of Beyoğlu, and those focused on improving the environmental quality of the district.

5.6.4 Policy priorities for entrepreneurship

The demands to local government by the interviewees can be categorised as business-specific and non-business measures.

The short-term and business-specific demands are as follows:

- *New financial regulations*

Several of the tradesmen defined a number of petitions that had been put forward, one of which is related to a decrease in the existing levels of VAT. They claim that high taxes force them to increase their prices, which has an adverse effect on their total sales volumes. Second, entrepreneurs seek changes in the procedures related to imports and exports as an additional burden on their businesses, and also complain about high customs taxes. From the interviews, it could be understood that the high taxes were the primary cause of concern for all entrepreneurs, especially for those in the food and drink and entertainment sectors. They complain about the 18% tax applied for serving alcohol, compared to the standard 8%, which they claim is unfair. In fact, what entrepreneurs ask for most are related to financial measures and regulations regarding fair competition.

- *Support for innovative businesses*

Existing creative and innovative enterprises ask for more support in the area of new technologies and technological infrastructure to help grow their businesses. In their view, providing small credits are not a good solution as governments should instead provide the appropriate technical infrastructure. R19 (32, a university graduate, engaged in web design, advertising and e-commerce) says: *“In Turkey, governments say ‘start your business, and we will help you’. This is not enough to promote innovative activities. In the end, we become the enterprises that follow new technologies rather than creating new technologies. This vicious circle needs to be broken.”*

- *Equal conditions, fair competition*

Unequal and unfair competitive conditions are raised as an issue by many entrepreneurs, emphasising the large amounts of informal enterprises and the high levels of tax on the wages of employees. Entrepreneurs employing large numbers of people are at a big disadvantage since they must pay significant amounts of taxes and social security premiums for their employees.

- *Entrepreneurship centres, incubation zones*

A small group of entrepreneurs underlined the need for incubation centres and various schemes to support new and creative businesses. They say that such entrepreneurship centres have significant functions in local economic development in London and New York and are important not only for gaining knowledge but also for meeting potential customers. R26 (26, female, university graduate, e-commerce) says: *“In Kadıköy Istanbul, there is a successful model called TAK (Design Atelier of Kadıköy) which brings solutions for the upgrading of the existing urban environment and provides support for new initiatives. There are many active and wise people devoting time to finding new solutions, and such an initiative would also be suitable in Beyoğlu.”*

The indirect measures put forward by the entrepreneurs are as follows:

- *Organising festivals, fairs and more cultural events in Beyoğlu*

First, several entrepreneurs believe that Beyoğlu needs more events and cultural activities to attract people to the area. In their opinion, the history of this district and its existing monuments do much to attract tourists and customers, but these are not enough in that there is a need for different kinds of events that will support entrepreneurs. R29 (50, secondary school graduate, antique retailer) says that he would like to see well-organised antique festivals that are more professional than the existing ones. On the other hand, R2 (45, female, producing and retailing puppets) says: *“There is a puppet festival organised in Beyoğlu for which many puppet producers come from the different parts of the world. This festival should be promoted and supported by new display areas. Although we made an offer in this respect, the Beyoğlu Municipality did not approach it positively.”*

- *Physical upgrading and amenities*

The third central mandate of the interviewees is related to environmental quality. Although Beyoğlu is an important historical centre and a tourist attraction in itself, the loss of

environmental quality of certain areas and the deterioration of historical buildings is continuing. In recent years there have been several projects initiated to upgrade some areas, but still, the areas defined as *transformation zones* are in very poor condition, and there are further problems related to street cleaning and other municipal services. Moreover, according to the entrepreneurs some projects and regulations related to entertainment venues have an adverse effect on their businesses, and so they seek more collaborative relations. One of the basic needs of existing enterprises are car parks. R8 (31, male, an immigrant from Macedonia, owner and manager of a restaurant) claims deliveries of their necessary goods are impossible due to problems related to car parking. An interviewee also has a specific proposal related to one of the existing projects of the Municipality “*The municipality opened the cover of the Fish Market, which had a negative effect on customer numbers, and so there is a need to replace the cover to make it attractive again.*”

- *Tolerance of protestors*

The last request to the central government is quite different. Not all, but a few entrepreneurs asked for more tolerance towards the protestors who use Taksim and Beyoğlu as a meeting place. They complain about the attitude of the central government in deploying large numbers of police in the event of protests and their liberal use of tear gas. R17 (café bar) says: “*The police should be tolerant of protestors since I believe that they are using force against them, not due to their actions which are rather peaceful, but due to their ideological stance which are quite different to those of the ruling party.*” This view is not shared by all entrepreneurs, as there are also some who strongly oppose protests taking place in Beyoğlu.

5.6.5 Conclusive remarks on existing institutions

Regardless of the ethnic origin of the entrepreneur, or any other disadvantages they may face, most have limited information on specific local or city-wide organisations, programmes, initiatives, etc. that support entrepreneurs. Only a few have taken advantage of the special support schemes provided to entrepreneurs engaged in specific activities. For almost all entrepreneurs, personal savings are most important when starting a business rather than the support of family or ethnic networks. The limited references to family members, relatives and compatriots is an interesting finding of this fieldwork and contradicts most studies conducted on small entrepreneurship in Turkey. (Eraydin, 2009).

The level of institutionalisation of disadvantaged entrepreneurs, including those with an immigrant and ethnic background, is very low in Turkey, and is the same for the native entrepreneurs. The respondents tend to be quite sceptical of the different types of NGOs and become members only of business associations that are compulsory for the operation of their businesses. In general, the interviews showed that their sensitivity to social concerns is quite limited, with only a few of the entrepreneurs being members of NGOs and/or political parties. Some even believe that it is not wise for an entrepreneur to be a member of a political party.

Another important point that is underlined by the findings of this research is the politicisation of the relationship between entrepreneurs and local government. The negative attitude of the

local government towards certain sub-districts where entertainment venues, restaurants and cafes serving alcohol congregate was the chief complaint of some enterprises. The owners of such companies feel they have less access to municipal services, and the ideological differences between them and the government are strongly reflected in the relationship between the two.

The respondents were very clear and realistic about what they want from both the central and local governments, and much of what they ask for would not be difficult to be put into practice.

5.7 CONCLUSION

Europe's immigrant population is witnessing rapid growth and is also becoming more diverse in terms of countries of origin, the length of stay and socioeconomic position. Immigrants have in time turned into entrepreneurs and started their own businesses in many cities (Shane and Venkataraman, 2000). It is expected that this rise in immigrant entrepreneurship will contribute significantly to the integration of immigrants into society and become key actors in local economic development.

5.7.1 Summary of the key findings

The main features of entrepreneurship in Beyoğlu

- First, it is possible to say that the diversity of the entrepreneurs in Beyoğlu does not match the diversity of the residents in Beyoğlu. A number of social groups, especially poor migrants who have settled in Beyoğlu are not represented at all among the existing entrepreneurs.
- Beyoğlu still hosts many types of entrepreneurs. Immigration to Istanbul from various regions in Turkey is continuing, and most of the immigrants have diverse characteristics, lifestyles, attitudes and beliefs, although their ethnic descent may or may not be the same. In Turkey, defining a person as an immigrant or a person of a distinct ethnic descent is also a complicated issue since the population has become mixed over the centuries. In this study, we refer to people from Istanbul as those whose families have lived in Istanbul for more than two generations. There are increasing numbers of foreign immigrants in recent years, with Syrians being the largest group over the last decade.
- As the composition of our sample shows, there is a high level of diversity among the existing entrepreneurs in Beyoğlu in terms of their ethnicity or immigrant status, but also with respect to socio-economic and socio-cultural factors and individual characteristics. They are motivated mainly by economic concerns and seek opportunities that they can exploit under the changing market conditions. In this regard, even those with a distinct ethnic background do not see themselves as 'ethnic entrepreneurs'. The literature contains few references to discriminatory market conditions based on their ethnic origin.
- The entrepreneurs have different profiles that can be grouped as follows. 1) Entrepreneurs with high levels of education, engaged in creative jobs; mostly young and born in Istanbul. 2) Entrepreneurs engaged in small production activities; relatively in older age groups, secondary levels of education and running a family business. Most of them are native to

Istanbul and have a distinct ethnic identity, namely minority groups. 3) Entrepreneurs with relatively lower levels of education engaged in services and tourism-related activities; mostly immigrants from different parts of Turkey. 4) Street peddlers with various levels of education; running businesses selling tourism-related goods. All of the above have various backgrounds and ethnic descents.

- These entrepreneurs also have entirely different levels of work experience and create businesses with different evolutionary paths and fields of activity. Although most of them have distinct careers, it is possible to say that previous experience, skills and talents are also essential when starting a new business. In fact, an ethnic background and immigrant status does not seem to make a big contribution to, or obstacle for, their career.
- Immigrant entrepreneurs from less developed regions are more determined to sustain their businesses; even they have relatively lower education than the native entrepreneurs. In this respect, it is apparent that they shift from one type of activity to another to take advantage of the changing market conditions. What is evident from the fieldwork is the importance of market conditions and the identification of market opportunities for almost all involved in the study.

In general, the findings of the interviews with entrepreneurs show that changing the conditions of demand is deemed more important than that of supply and that this necessitates changes in the structure and the product composition of both production and service businesses. In this regard, the earlier debates of economic performance that list ethnic, female, creative and community-based enterprises, among others, as distinct categories become less relevant. The main criteria are instead the ability to adapt to the changing conditions, whether through creativity, innovation or knowledge or by shifting from one activity to another. In the study of Beyoğlu, we found that opportunity structures had a strong influence on the performance and advancement of the entrepreneurs in our sample. Although many entrepreneurs seem quite satisfied with their economic performance, there are obviously some differences.

- The enterprises that adapted themselves to changing demand conditions and were able to identify new opportunities in the market had higher economic performance, underlining the importance of adaptive capacity. Changing market conditions, changes in the composition of customers and the adoption of communication technologies provide a significant advantage to companies with high levels of adaptive capacity.
- Entrepreneurs with new ideas, new technologies and products tend to grow faster than existing traditional enterprises.
- Ethnic market enclaves are found to be a less important factor in economic performance when compared to the increasing importance of niche markets.
- Customers' tastes and lifestyles are, accordingly, imperative in the economic performance of existing enterprises. Those serving niche markets are becoming more important and have a higher economic performance those serving other markets. Although socio-economic, ethnic and cultural differences are important in social interaction patterns, they are less important in entrepreneurship.

The findings on the importance of institutional support from local and central governments indicate little impact of existing measures, both on new start-ups and on the performance of existing enterprises.

- Most of the entrepreneurs had limited information on specific local or city-wide organisations, programmes, initiatives, etc. aimed at supporting entrepreneurs. Only a few of them used the special support schemes provided to entrepreneurs.
- The level of institutionalisation of disadvantaged entrepreneurs, including those with an immigrant and ethnic background, is very low. The entrepreneurs are quite sceptical of the different types of NGOs but become members of business associations that are compulsory for the operation of their business.
- The findings show a politicisation of the relationship between entrepreneurs and local governments. The negative attitude of the local government towards some entrepreneurs can be attributed to ideological differences.

5.7.2 Policy recommendations: Which kinds of policies may be helpful according to entrepreneurs for stimulating entrepreneurship in diverse urban areas?

Increasing immigration and the growing diversity associated with this migration and the different socio-economic characteristics and lifestyles within and between groups lead to a diversity of opportunities for different groups. Within a particular group, women may have very different attitudes and be involved in various activities to men, which is true also for people with different ethnic and cultural backgrounds. People belonging to the same population or ethnic group may display quite different attitudes, and may have very different daily and lifetime routines, just as some adolescents and adults may exhibit similar daily mobility patterns, while others may be more locally oriented. While the sphere of daily interaction of a native resident may be restricted to his immediate surroundings, his foreign-born immigrant neighbour may be more mobile, possibly in both social and professional relations. Therefore, in defining new policy recommendations defining policies that should serve the needs of different groups should be essential.

The entrepreneurs who participated in this fieldwork were very clear and realistic about what they wanted from both central and local government, and many of their demands would not be difficult to put them into practice. Examining the experiences of other countries allows the definition of a number of possible policies and measures that can be applied:

- Raising awareness among immigrants and young creative people of the benefits of becoming more entrepreneurial
- Improving the human capital of entrepreneurs, in other words, their skills and professional expertise
- Improving the entrepreneurs' social and cultural capital and the support networks among them
- Providing financial capital, especially risk capital, within a system of low bureaucracy

- Introducing favourable regulations at local, national and supranational levels, and removing barriers to entrepreneurship
- Strengthening intermediary organisations, including training bureaus, consultancies and business associations

6 CONCLUSIONS: DEALING WITH DIVERSITY

In this research project, we aimed to understand diversity, which is assumed to have a very new dimension over the last couple of decades as a result of the processes of globalisation, neoliberalisation and economic restructuring, and to identify existing policies on urban diversity and evaluate them in order to find out how and how far they are able to deal with diversity.

Istanbul, which is one of the largest metropolitan cities in Europe and in the world, is not an exception. Istanbul became an important destination for people from surrounding countries – mostly poor people but also people who belong to high-level professions – have increased the diversity of the population, and by investing in various businesses, have increased the diversity of enterprises as well.

Understanding diversity from a migration and ethnic perspective, which has prevailed up until the last decade, however does not explain the dynamics of diversity in Istanbul and its diverse neighbourhoods. That is why, in this book, we tried to explore the perceptions of a diverse range of inhabitants of diverse neighbourhoods, non-governmental initiatives and members of local and central governments to understand how people lived with diversity and to identify the role of urban diversity on entrepreneurship.

6.1 BRIEF SUMMARY OF THE BOOK

Diversity has entered Turkey's policy agenda in recent years. It became an appealing concept in academic studies and political debates, although diversity, especially ethnic diversity, is still an expression that the majority of ethnic groups refrain from using, and particularly policy makers and bureaucrats are still sceptical about this term. Politicians, government officials and ordinary people mention rich cultural heritage and differences as the richness of society and tolerance of people who belong to different cultures when they want to talk about diversity. Many authors explain that this tendency is rooted in policies to create a homogenous nation, unitary state and a new national identity during the nation-state building process (Kaya and Harmanyeri, 2010). The aim was to create a new Republic with a new identity, avoiding the distinction of any social segment, along with religion, ethnicity and sectarianism. Therefore, the constitutional citizenship was accepted as the main principle and ethnocultural and religious diversity had been managed by the modern Turkish state with regard to the usage of the discourse of tolerance (Kaya, 2007). Up until the 1980s, however, this principle was the main driving force for living in harmony.

The *recognition of diversity* is still a matter of debate in Turkish society. The general attitude is the persistence of devaluing and stigmatising the existing cultural, ethnic and religious diversity by underlining the importance of national identity, which leads to a process of masking and concealing the identities of people. The review of the government policies shows that the policies that seek to combat discrimination are rather limited. Foreign migrants and local minorities, as well as immigrants from different parts of the country and various ethnic and cultural backgrounds face various forms of discrimination.

This situation has somewhat changed due to the demands of ethnic minorities in recent decades, especially after an ethnic political party found the opportunity to be represented in parliament following a fierce struggle for recognition. Starting in the 1990s and particularly during the 2000s, different segments of Turkish society from various ideological backgrounds began to find both political space and alternative venues for civic participation outside the conventional political space. This tendency can be acknowledged as a positive development regarding Turkey's civic realm; however, such a trend is accompanied by a lack of tolerance and respect for others which entails profound fragmentation in the case of Turkish civil society. Moreover, armed confrontations with some groups of Kurdish origin created scepticism of diversity policies in certain segments of the society, including for people with conservative as well as liberal views.

Since the 1980s, Islamist forces have become integral parts of the regime and have created divisions in society in terms of religions and amplified the fragmentation in the community with respect to secular and Islamist groups. The deep fragmentation among social groups is based on the issue of secularism. There is the tendency to politicise Islam and increase support for the interests of the current government's religious constituency, which has articulated religious moral standards more overtly (Karakaş, 2007).

In Turkey, most studies on diversity focus on historical analysis, which began to analyse diversity-related policies during the late Ottoman period and early Republican nation state policies and tried to explain the revival of Islam and ethnicity-based problems with respect to previous policies that were introduced in the nation-building process (Keyman, 1995; Aktar, 1996; Kirişçi, 2000; 2004; Karakaş, 2007; Erman and Erdemir, 2008; Kaya and Tarhanlı, 2008). There are also studies that focus on the changes in diversity policies during the EU accession process (Lynne and Şahin, 2008; Kaya, 2010; Somer and Liaras, 2010). The studies on urban diversity are rather limited (Gültekin, 2009; Doğruel, 2010; Kurtarır ve Ökten, 2015), and neighbourhood diversity is mainly discussed with reference to specific groups. The main argument of such studies is the stigmatisation of social groups with distinct identities.

The national and local official documents refer less frequently to diversity, except for those prepared during the EU accession process (Kaya, 2007). These policy documents, as well as the government officials who belong to various public institutions, use cautious language and demonstrate reluctance when referring to diversity issues, particularly regarding ethnic diversity. The approach is to refer to '*openness*' and '*tolerance*', without defining specific policies.

This perspective is also reflected in the policy documents. The Policy documents are mainly interested in issues related to material inequalities between socio-demographic and socio-economic groups. A review of the official documents prepared by central and local governments on social policies (see Chapter 3) shows that the main principle underpinning the formulation of such policies is 'equity'.

The policies related to equity are limited to the provision of facilities and support to disadvantaged groups, disregarding their other characteristics and needs. Moreover, policy measures, plans and projects are not sensitive to the differences in the demands of the diverse groups living in urban areas. In general, there is a gap between discourse and practice adopted by both local and central governments. In urban areas, the fragmentation is visible in terms of socio-economic levels. Although mixed neighbourhoods exist, new housing projects such as gated housing estates and residences have made the social and economic differences more visible. However, the transformation of the *gecekondu* areas into apartments have restored the existing dichotomy of the built environment – planned apartment housing to unplanned *gecekondu*s. While the urban built environment has been changing drastically, there is limited effort to create spaces of encounter between different groups. New public spaces which can foster such interactions remain limited, while urban areas have witnessed a radical increase in consumption spaces. However, consumption spaces, which are used by different groups, reinforce the fragmentation of the population since neighbourhoods with different socioeconomic status levels tend to use their own consumption spaces.

While fragmentation of the society has become more visible, ethnocultural differences are taken into account in the planning of urban areas and districts; however, the distinct needs of ethnic groups and groups with different cultural backgrounds are not respected in creating new spaces, except historical and cultural heritage projects. In recent decades, this tendency has become more evident; most of the projects initiated by the Mass Housing Administration (TOKI) in historical parts of the urban areas have negative consequences on minority groups, immigrants and marginal groups that were previously able to sustain their living in the deprived areas of city centres.

According to our interview studies, we found that there is *an increasing role of governance initiatives in diversity policies and practice*. Due to the limited interest of central and local governments on diversity, different types of non-governmental organisations have become increasingly involved in diversity-related issues in recent years. The issues of focus by governance arrangements are those in which local and central governments either have no interest or are less efficient. Therefore, governance initiatives serve as counteracting mechanisms to address areas in which the neoliberal state is lacking. Although the initiatives can be categorised as arrangements for social cohesion, social mobility and economic performance, it is possible to see, either explicitly or implicitly, that they are focused on two particular issues, namely, employment and human rights.

Improving the living conditions of the disadvantaged, while also preparing them for the labour market or assisting them in raising their capacity for self-employment, are the common targets of these governance arrangements. The main reason for such a consensus is the belief that the only way to integrate minorities into society is through employment. In particular, the governance arrangements dealing with women's issues or with the problems of people of different ethnic backgrounds and identities (including illegal immigrants and LGBT people) suggest that the only means of emancipation is via the labour market. Moreover, recent neoliberal policies and practices reveal that unskilled and lower-educated people compete for low-paying jobs, which opens them up to even more exploitation, as exemplified by Syrian immigrants accepting wages that were less than half the average.

The *human rights* issue constitutes the *leitmotiv* of several governance arrangements. This emphasis on human rights raises an important issue, namely, the accountability of the state. If the state cannot provide basic human rights to all groups, it is possible to discuss the legitimating of the existing neoliberal state and neoliberal policies. Ethnic groups in particular claim that the state refrains from undertaking its responsibilities, and this prohibits certain groups from accessing public services, due to language barriers. Similarly, human rights and equality between residents and citizens are not among the priority issues of the government, which has led to a mushrooming of different kinds of governance arrangements related to human rights.

Most governance arrangements seek to form contact with central government, believing somewhat optimistically, that they can affect government policies and practice. That said, most governance arrangements have uneasy relationships with central and local governments and expect support, especially in the form of financing. As the fieldwork underlines, according to the organisations of governance arrangements, a significant driver of their success is the demands and deliberations of the people asking for help.

One of the major components of the research presented in this book was on living with diversity. The findings of the interviews with inhabitants revealed that the diversity of the neighbourhood is defined as positive by many of the respondents. While some people think that the diversity of neighbourhoods nourishes their experience with different cultures, for most people, diversity is accepted as a fact, as an element of their way of life; and for most of them, the different ethnic identities, cultures and religions are not so important. In Wessendorf's (2014) definition, *commonplace diversity* is what is already experienced. That said, the answers show that the intensity of networks among similar people is stronger than among those that are dissimilar. People prefer to have relationships with people like themselves, which supports the arguments posed by Wessendorf (2014). The relationships between different social groups are still quite distant, and there is a lack of direct relationships with 'others'. Although these findings may seem contradictory, it is the way that people of different socio-economic status levels, income, ethnicity and culture who share the same space live together and coexist. In fact, we found that the sense of freedom achieved by anonymity is important for certain groups, especially for young, educated, middle-income residents.

Different inhabitants have various reasons for living in Beyoğlu. While its diversified character is important for certain groups of respondents, such as artists and high-level professionals, for others, especially for the new immigrants and low-income families, it was the low-housing rent (due to the dilapidated state of the housing stock) that was the major motivating factor in their choice to move to certain neighbourhoods in Beyoğlu. For highly skilled professionals, artists and marginal groups (such as LGBT groups), the *cosmopolitan* character of the district played the leading role in their choice to live in Beyoğlu, which gives them a sense of freedom and an inspiring atmosphere.

For immigrants, the diversity in the neighbourhood was a positive feature. They were able to find people both similar and dissimilar to them, which alleviates any feelings of antagonism they may experience in the other neighbourhoods of Istanbul. This point, which is underlined by several people, including LGBT people, is parallel to what Sennett (2010) argues, that the role of anonymity in protecting migrants is not being singled out for special notice.

Even in such a diverse neighbourhood, people prefer family-based relationships in their private lives. While they have close relationships with their family members, they have strong bonds between neighbours, including trust-based networks that foster mutual support among neighbourhood residents. Interviewees believe that diversity does not damage *social cohesion* in their neighbourhoods. Many respondents declare that even in their diverse neighbourhoods, it is possible to see good neighbourly relations and mutual support among groups with completely different cultural norms and values. In our studies, we observed that mutual help is vital for many residents in order to cope with difficult living conditions in Istanbul. Those that maintain a negative view of social cohesion in their neighbourhoods are mainly the new immigrants and young and single individuals.

The findings also indicate that the importance of diversity promotes social mobility. Especially for low-skilled working people, information regarding job opportunities which are disseminated through social networks is very important. For these people, social interaction in their neighbourhood can be quite helpful when attempting to find a job. Obviously, the jobs that are found through social interactions will be quite similar for people within the same network. For highly skilled people, the findings indicate that neighbourhood contacts are less important than contacts outside the neighbourhood, and the new means of job hunting, such as social media, have become more important.

In Beyoğlu, as the composition of the entrepreneurs in our sample shows, there is a high level of *diversity among existing entrepreneurs*, which is not restricted by their ethnicity or being an immigrant or not, but with respect to socio-economic and socio-cultural factors and individual characteristics. They are mainly motivated by economic concerns and try to use opportunities that they can exploit in changing market conditions. Therefore, even the ones with a distinct ethnic background do not see themselves as *ethnic entrepreneurs*. The entrepreneurs with diverse profiles can be grouped as follows: entrepreneurs with high levels of education, engaged in

creative jobs, mostly young and born in Istanbul; entrepreneurs involved in small production activities, relatively in older age groups, secondary levels of education and running family businesses with a distinct ethnic identity; entrepreneurs with relatively lower levels of education, engaged in services and tourism-related activities, immigrants from different parts of Turkey; street peddlers with varying levels of education, running businesses in tourist-related goods. They have diverse backgrounds and ethnic descents.

Although most of them have distinct careers, it is possible to say that previous experience, skills and talents are important in starting a new business. In fact, their ethnic background and being an immigrant do not seem to be big contributions or obstacles for their careers. However, the findings showed that immigrant entrepreneurs from less-developed regions are more determined to sustain their businesses, even if they are not well-educated.

The findings underline the importance of adaptive capacity. Changing market conditions, changes in the composition of customers and communication technologies provide an important advantage to the companies with high levels of adaptive capacity. In the Beyoğlu study, we found that opportunity structures are important to explain the performance and advancement of the entrepreneurs in our sample. In general, the findings of the interviews show that changing demand conditions are significant, and the change in demand necessitates modifications in the structure and product composition of both production and service businesses. Therefore, the earlier debates of economic performance that put ethnic enterprises, female enterprises, creative enterprises, community-based enterprises, etc., as distinct categories become less relevant. The primary criterion is adapting to changing conditions; whether by use of creativity, innovation or knowledge or by shifting from one activity to another, it is not so important. In this respect, customers' tastes and lifestyles are imperative in the economic performance of existing enterprises. The enterprises serving niche markets are becoming more successful. They have a higher economic performance than others. However, the socio-economic, ethnic and cultural differences that may still be important in social interaction patterns are less important in entrepreneurship.

6.2 URBAN DIVERSITY AS AN ASSET OR LIABILITY?

The studies presented in this book show that, while the various urban actors praise diversity and underline the importance of diversity, how they define diversity, and diversity-related policies are substantially different. Moreover, there are significant distinctions between top-down and bottom-up perspectives concerning diversity.

The existing central government defines diversity as an asset of Turkish society in its political discourse; however, ministerial departments are particularly uncomfortable with using the notion of diversity. During the fieldwork with central government officials, they pointed to the “*irreconcilability of community cohesion and diversity*”. Here, what the respondents refer to as

community cohesion is not similar to the original concept introduced by the Cattle Report (2001) or the following studies (Cattle, 2008), which refer to “strong and positive relationships between people from different backgrounds, tackling inequalities and developing a positive climate of opinion to support diversity”. What they want to say is in order to build positive relations among people, there is a need to refrain from overemphasising differences, instead focusing on similarities. This can be explained as a part of a continued assimilationist approach in Turkish politics, similar to McGhee (2005), who has also criticised this concept as a political turn to the assimilation of minorities in the UK.

This statement reflects the view of many actors of urban governance, who think diversity is an unfavourable condition that needs to be overcome through the enhancement of communities with shared values. The brief overview of the resource allocations of the key central government organisations in Istanbul indicates that social policies to increase the communication level between distinct groups and to enhance the level of tolerance of others and support for the free expression of identities remain somewhat shallow and less demonstrable.

The perceptions of local government officials on diversity are not considerably different from the central government officials. First, it is clear that most of them do not appreciate the notion of ‘*diversity*’. In general, the interviewees stressed the multiculturalism of Istanbul in the past and indicate that the city still has a multicultural character. They believe that ‘*cultural mosaic*’, ‘*heterogeneity*’ or ‘*cultural differences*’ are better terms since the term ‘*diversity*’ may be misinterpreted by many people, due to its connotations in Turkey, namely the separatist movements. Cultural difference is the term used by all interviewees, but with a strong emphasis on the different characteristics of the immigrants, including their norms, habits, lifestyles, etc.

Local government officials define the multicultural character of Istanbul as an asset; however, they were not sure about the positive sides of cultural diversity. The policies that are actually implemented by the district municipalities are the ones specialised in the provision of social services and mostly centred upon the physical needs of disadvantaged groups (social facility buildings, nursing homes, and so on), rather than focusing more on the integration of these groups regarding both the social and economic aspects. This fact is clearly demonstrated by a review of the policy documents. Although there are some general references to diversity included in the policy programmes of some district municipalities (relatively more than the Metropolitan Municipality), the analysis shows that existing social policies usually do not refer to religious, ethnic or cultural diversity. Instead, they use the term ‘tolerance of others’. Tolerance is actually nothing but a form of governmentality, designed to maintain peace and order in multi-ethnic and multi-nomination contexts. Kaya and Harmanyeri (2010) claim that this attitude parallels the Ottoman imperial experience, and the Turkish national experience proves that the Turkish nation tolerates non-Muslims, non-Sunni-Muslims and non-Turks, as long as they do not disturb or go against the Sunni-Islam-Turkish order.

Some NGOs, which are connected to human rights, however, are mainly frustrated by the existing policies and measures towards diversity. They say that most policy-makers are not interested in enhancing and protecting cultural and ethnic diversity, even though historically, Istanbul was one of the multicultural and multi-ethnic centres of the world. The NGOs emphasised the importance of minorities in urban culture and defined them as the richness of Turkish society.

For inhabitants, diversity is something different. Beyoğlu has been described by several respondents as a place where open-minded people live in harmony and as a unique place where a diversity of people live together, from rich to poor and from affluent people to excluded groups, as well as people of different races, culture and ethnicity. The people who are often excluded from mainstream society particularly appreciate this character. In general, the diversity of the district and the sense of freedom are defined as significant and positive assets, especially by people with higher education, but also by immigrants from different backgrounds. Some respondents claimed that the diversity of their neighbourhood was the primary driver in their decision to move to that neighbourhood and complained about the loss of diversity, especially of cultural diversity in recent years, due to regeneration projects.

The interviews underlined two aspects of diversity as positive. First, they indicate that to know different people and learn about their cultures is the positive asset of diversity. Second, according to many of the interviewees, one of the most important characteristics of Beyoğlu is its protest culture and the sense of freedom which is supported by the diversity of inhabitants of the district. Although many respondents declare diversity as something positive, the language used still distinguishes between ‘us’ and ‘them’. Many of the respondents defined the ability to live in peace as a significant success. Especially long-term residents of the neighbourhoods long for the ‘good old days’”, when people with different ethnicity and cultures had, according to them, better social relations. They have difficulties accepting the new immigrants, especially the people with low-income levels and socio-economic status. The rapid change worries many inhabitants, despite being (earlier) immigrants of these neighbourhoods themselves. It is believed that the increasing numbers of poor immigrants decrease the “quality” of the neighbourhoods. They believe the growing dominance of immigrants, with their different lifestyles, is damaging the earlier image of Beyoğlu, which was “*cosmopolitan and posh*”. Many people complain about increasing security problems, especially the prevalence of drug dealing and other illegal businesses. Like in many metropolitan centres, the illicit drug trade is concentrated in distinct neighbourhoods in Beyoğlu, and apparently, people living in those neighbourhoods suffer from such activities.

Do they benefit from living in a hyper-diversified area? In general, people like to live in an urban environment in which differences exist; while for some others, the lack of social control in these diverse neighbourhoods, compared to those with a more conservative character, is a significant asset, since they feel less excluded and able to pursue their own lifestyles. Obviously, for some, particularly poor immigrants, this is the only place where they were able to find shelter.

Among the factors which played a significant role for *entrepreneurs* to choose Beyoğlu as the location of their enterprise, there is almost no explicit reference to the diversity of people living in the Beyoğlu district. Still, entrepreneurs are happy to be located in this district, having a multi-cultural character and attracting people from different parts of the city, region and abroad. For most of the entrepreneurs, the *diversity of customers has the utmost importance*. This is especially important for entrepreneurs who produce and sell non-standard products and the ones who produce or market the products that serve different distinctive tastes. This district attracts a variety of businesses partly due to its architectural and cultural heritage and partly due to the atmosphere it provides. The interviewees primarily indicated the locational advantages of Beyoğlu as well as its livelihood and easier access to different types of people. *The diversity of existing businesses* also attracts diverse people to this district. Some of the entrepreneurs underlined the availability of the different types of enterprises as a positive asset, attracting diverse customers, especially small producers who say that the existence of the various enterprises enhances the exchange of information and collaborative relations. According to most entrepreneurs, *the agglomeration of similar shops and companies* is imperative in attracting more people to shop and use service and entertainment facilities in this district. Therefore, the high customer potential of Istiklal Street is critical in the choice of a location in Beyoğlu, although rents are quite high on the main streets. Similarly, the entrepreneurs targeting a special customer profile, especially the ones engaged in entertainment activities, define Beyoğlu as the centre of entertainment. The high numbers of tourists visiting Beyoğlu is of course very important for tourism-related services and products. Moreover, for some enterprises, proximity to designers and creative activities are defined as other factors that made them locate in Beyoğlu. The proximity to designers and design companies located in certain neighbourhoods of Beyoğlu, namely Çukurcuma and Galata, is essential for creative businesses. For them, it is necessary to be in the centre of districts where all companies and skilled people are located. In fact, a sub-district of Beyoğlu, namely Cihangir, is the place that has particularly attracted increasing numbers of people engaged in arts and creative activities.

Some entrepreneurs prefer both living and working in Beyoğlu since it is a very lively place and provides a non-monotonous lifestyle. In fact, Beyoğlu has been hosting an increasing number of arts events over the last decade, and many deteriorated buildings in Beyoğlu have been transformed into high-quality dining places, art galleries, ateliers and exhibition halls. These new activities changed the cultural landscape of Beyoğlu while attracting new groups to this district.

6.3 SUGGESTIONS FOR POLICY: HOW TO USE THE RESULTS?

The findings indicate that diversity in a neighbourhood is an important asset that enables people to get together in the public realm. They are places where differences are normalised and become ordinary. Preserving diversified neighbourhoods and diversity in these neighbourhoods can act as a buffer mechanism against increasing fragmentations in an urban society, which is vital for social cohesion. Several findings can be helpful in building policies for diversified neighbourhoods.

First, against the political discourses that feed the fragmentation in the society with respect to ethnicity and religious issues, in Beyoğlu, they did not affect the perception of diversity and relations at the neighbourhood level. Although most of the personal relationships take place among similar individuals and groups, there are reliable networks among ones with different ethnic and cultural backgrounds. People living in this diversified neighbourhood perceive it as 'normal'. We argue that this is the asset that local policies need. Highlighting the *ordinariness* of diversity in the public realm as a positive element of urban life is imperative for building a coherent society.

Second, the findings show that many people living here are more tolerant to differences, and most of them do not have any prejudices to different lifestyles. We have noted that the people very dissimilar to each other can form good relations and mutual support among them. One of the most promising findings is that young people have higher levels of tolerance towards people of different backgrounds. Therefore, creating and protecting diverse neighbourhoods is important to increase tolerance in the society. Our general suggestion is that policymakers should balance between avoiding homogenising values and ideologies and mitigating the fragmentation of local society and isolation of particular social groups.

Third, the research outcomes indicate that if there are parallel lives among several groups, they are mainly related to socio-economic differences rather than to ethnic, cultural or religious ones. The level of education, which is closely connected to income levels, one of the factors that define lifestyles, is important in networking patterns. In fact, the level of education is found to be the most important factor defining socioeconomic status in many studies in Turkey (Güvenç and Işık, 1997). Accordingly, in order to support social cohesion, providing high-quality education is vital.

Fourth, for many residents of diverse urban neighbourhoods, especially low-income groups, we found that the neighbourhood is an important place for all kinds of activities. This means that the quality of the urban environment is important to them. This is not to say that neighbourhoods and inhabitants profit from large-scale processes of urban restructuring automatically. Rather, small improvements in the public realm – making parks, squares, walking routes and playing facilities clean, safe and attractive – help to make the neighbourhood an attractive place to live. The design of public spaces in diverse neighbourhoods should allow for both symbolic and practical use by various ages and social and ethnic groups. Public institutions and publicly funded events are vital in that respect.

Besides general issues, we noticed issues that indicate the need to review the existing policies of central and local governments.

Reconsidering regeneration and renewal policies and zoning regulations are necessary. The regeneration and renewal policies should take into consideration the impact of such projects on the diversity of the neighbourhoods. Especially the effects of regeneration and renewal policies

on small and disadvantaged inhabitants and businesses and on the vitality of street life should be taken into consideration. As experience around the world shows, they usually result in the gentrification of neighbourhoods, which urges people and enterprises to leave their community and the loss of diversity.

Policies and measures to create a more positive image of deprived neighbourhoods are also important. Many entrepreneurs complain that their neighbourhoods are associated with poverty, crime and social problems, which present a negative image. Next to measures against crime, drugs, waste and other nuisances, new events and activities can successfully attract people from all over the city to the neighbourhoods and, therefore, create a better image of the area. Innovative forms of place-marketing, particularly in relation to an area's diversity and creativity, can play a major role in both encouraging diverse individuals to start new firms as well as attracting inward investment and the inward movement of successful businesses. In this respect, the plans for upgrading these areas should create an attractive place without damaging the diversity in built-up areas and the composition of the population.

Residents of diverse neighbourhoods are more concerned with material issues, especially job opportunities, than with diversity. Policies implemented in diverse urban areas should, therefore, be associated with these core issues. Local structures connecting individuals to the labour market may be helpful for low-income people who are not part of strong citywide social networks and do not have easy access to formal mechanisms that assist with finding a job.

For creating new enterprises, which would also mean more job opportunities, better recognition of local-level needs and a more comprehensive streamlining of bureaucratic and administrative processes are required. The top-down mentality of public institutions is questionable and should be adjusted towards a better recognition of local needs. Local governments should be able to reduce legal complexities and remove structural barriers for entrepreneurs. Policies and approaches by government actors must be sufficiently flexible. There is also need for customised and tailor-made policies, since the standardised implementation of regulations may have an adverse impact on these entrepreneurs, especially for many entrepreneurs who are in vulnerable economic positions.

Many entrepreneurs are not aware of existing governmental support programmes and initiatives. There are few examples where entrepreneurs have substantial knowledge of existing support schemes. Therefore, we recommend that public institutions communicate more effectively about the support programmes and initiatives they provide, particularly in neighbourhoods where many entrepreneurs struggle to survive. Improvement of communication between government officials and entrepreneurs is essential. Organising and improving dialogue between entrepreneurs, business organisations and other institutions may be helpful to find practical solutions. The provision of expert help and adapting training programmes to the diverse needs of entrepreneurs can be quite helpful in enabling entrepreneurs to adapt to changing market conditions.

The provision of expert help, specifically training and mentoring, for entrepreneurs to assist them with general business advice on finance, the planning system, taxes and regulations, becoming an employer and business growth models, is essential. This requires funded programmes that ensure that the right types of training and advice are available.

Finding financial resources is the most significant problem of the small enterprises. Moreover, entrepreneurs from diverse backgrounds often face difficulties accessing finance in the private sector, and this can act as a significant barrier to their development plans and projects. Therefore, redesigning financial support measures for disadvantaged enterprises can be useful in order to enable them to increase their economic performance. Specifically, as many interviewees underlined, the tax and administrative burdens of new enterprises have to be lowered. Micro credits, provided by either central government or particular financial institutions supported by the central and local government are necessary for entrepreneurs who cannot get a loan from a bank. Furthermore, there should not only be support and guidance for entrepreneurs starting out but also for those who are more experienced and are suffering economic hardship.

Increasing the quality of local services and the provision of business premises may also help the rise in entrepreneurship. New spaces or the maintenance of existing commercial properties for businesses is important to allow entrepreneurs to develop their businesses from the start-up phase through maturity. Public resources for the creation of 'incubator spaces' for start-up businesses, the offering of reduced rents and guaranteeing the availability of affordable and appropriate premises for firms to expand would be quite useful.

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APPENDICES

APPENDIX 1: LIST OF PERSONS INTERVIEWED

Central Government

- Expert, Social Sectors and Coordination General Directorate, Ministry of Development (Sosyal Sektörler ve Koordinasyon Genel Müdürlüğü)
- Expert, Regional Development and Structural Adjustment General Directorate, Ministry of Development (Bölgesel Gelişme Ve Yapısal Uyum Genel Müdürlüğü, Kalkınma Bakanlığı)
- Head of Division, Spatial Strategies and Strategies Plans Division, Directorate of Spatial Planning Ministry of Environment and Urbanisation (Mekânsal Planlama Müdürlüğü, Mekânsal Stratejiler Ve Çevre Düzeni Planları Dairesi Başkanlığı, Çevre ve Şehircilik Bakanlığı)
- Expert, Spatial Strategies Division, Directorate of Spatial Planning, Ministry of Environment and Urbanisation (Mekânsal Stratejiler Şube Müdürlüğü, Mekansal Planlama Müdürlüğü, Çevre ve Şehircilik Bakanlığı)

Metropolitan/Provincial Government

- M1: Expert (Management), Istanbul Development Agency (Istanbul Kalkınma Ajansı)
- M2: Expert (Sociologist), Istanbul Development Agency (Istanbul Kalkınma Ajansı)
- M3: Head of Social Services Department, Istanbul Provincial Special Organization (İl Özel İdaresi)
- M4: Coordinator of Cultural and Social Affairs, Istanbul Metropolitan Municipality (İstanbul Büyükşehir Belediyesi)
- Vice-Mayor of Beyoğlu, Beyoğlu Municipality (Beyoğlu Belediyesi)

Non-governmental organisations and bottom-up initiatives

- Project Coordinator, Association for Solidarity with Asylum Seekers and Migrants/ Sığınmacılar ve Göçmenlerle Dayanışma Derneği (ASAM/SGDD)
- Head, Migrants' Association for Social Cooperation and Culture/Göç Edenler Sosyal Yardımlaşma Ve Kültür Derneği (GÖÇ-DER)
- Representatives of the Association, Gökkuşluğu Women Association/Gökkuşluğu Kadın Derneği
- Programme Coordinator, Mor Çatı Women's Shelter Foundation/Mor Çatı Kadın Sığınağı Vakfı
- Social Works Coordinator, İstanbul LGBTTT Solidarity Association/İstanbul LGBTTT Dayanışma Derneği

- Activist, Romani People Platform/Roman Platform
- Project Coordinator, Anadolu Kültür/Anatolian Culture
- Secretary General, Tarlabası Community Centre/Tarlabası Toplum Merkezi (TTM)
- Founder, Association for Solidarity with Tarlabası Property Owners and Tenants/Tarlabası Mülk Sahipleri ve Kiracıları Kalkındırma ve Sosyal Yardımlaşma Derneği
- Representative, Women's Solidarity Foundation (WSF)/Kadınlarla Dayanışma Vakfı(KADAV)
- Programme Officer, Foundation for the Support of Women's Work/Kadın Emegini Değerlendirme Vakfı (FFSW/KEDV)
- Volunteer, Alucra Development and Education Foundation (ADEF)/Alucra Kalkınma ve Eğitim Vakfı

APPENDIX 2: LIST OF ROUND-TABLE TALK PARTICIPANTS

Date: 15 May 2014

Place: Ramada Istanbul

- Ayşe Yetmen, Women's Solidarity Foundation/Kadınlarla Dayanışma Vakfı (WSF/KADAV)
- Ceren Suntekin, Tarlabası Community Centre/Tarlabası Toplum Merkezi (TTM)
10.02.2014
- Ayşe Coşkun, Foundation for the Support of Women's Work/Kadın Emegini Değerlendirme Vakfı (FFSW/KEDV)
- Nacide Berber, Mor Çatı Women's Shelter Foundation/Mor Çatı Kadın Sığınağı Vakfı
- İlyas Erdem, Migrants' Association for Social Cooperation and Culture (GÖÇ-DER)
- Tüzin Baycan, Istanbul Technical University, Department of City and Regional Planning
- İrfan İlze, Istanbul Metropolitan Municipality, Department of Urban Transformation, Directorate of Urban Planning
- Zeynep Erdal Caner, Istanbul Metropolitan Municipality, Department of Urban Transformation, Directorate of Urban Planning
- Neslihan Küçükdemiral, Department of Urban Transformation, Directorate of Urban Planning

APPENDIX 3: FIELDWORK INHABITANTS

We conducted 55 interviews, and only one was not used due to missing information. The major characteristics of the interviewees are as follows:

- Among the 54 respondents, 32 are male, and 22 are female.
- The largest group of interviewees belong to the 20-29 age group (21), followed by the 30-39 age group (17), the 40-49 age group (7), the 50-59 age group (5) and over 60 (4).
- The ethnic distribution of the respondents is as follows: eight Kurdish, eight Syrian-Kurdish, one Nigerian, five Romani, three Greek, two Armenian, one Greek-Turkish origin, two Americans, one Azerbaijani and 23 Turkish.
- Among the interviewees, 29 are single, and 25 are married.
- Eight of the interviewees are housewives, and five are retired. The others have very different occupations, including a waste collector, a textile worker, a photographer, a jewellery designer, four musicians, two engineers, two publishers, two cafe managers, two salespersons and two teachers, among others.
- The respondents also belong to various income groups. Among the 54 interviewees, 11 placed themselves in the low-income group, 17 have a medium-low income, 17 have a medium-high income, and nine have a high-income. As these figures show, there is a wide range of diversity in terms of income levels. Since there are no statistics regarding the number of families that belong to each income group in Beyoğlu, it is not possible to confirm that the sample is representative. However, general observation supports the robustness of the sample.

List of persons interviewed

R	Interviewee	Age	Gender	Position in household	Income* group	Ethnic group
1	Mukhtar of Çukur Neighbourhood	51	M	Married, father of 5 children	ML	Kurdish
2	28School bus driver	34	M	Married, father of 4 children	L	Kurdish
3	(Propane) delivery man	32	M	Married, father of 2 children	ML	Kurdish
4	Syrian waiter in a restaurant	40	M	Married, father of 5 children	L	Syrian-Kurd
5	Old Syrian man	52	M	Married, father of 8 children	L	Syrian-Kurd
6	Old Syrian woman	50	F	Married, mother of 5 children	L	Syrian-Kurd
7	Syrian woman	45	F	Married, mother of 7 children	L	Syrian-Kurd
8	Young Syrian man	23	F	Married, father of 2 children	L	Syrian-Kurd
9	Syrian woman	25	F	Married, mother of 5 children	L	Syrian-Kurd
10	Syrian woman	30	F	Married, mother of 6 children	L	Syrian-Kurd
11	Young black Nigerian man	30	M	Single	L	Nigerian
12	Romani musician	49	M	Married, father of 3 children	ML	Romani
14	Old Romani woman	68	F	Married, mother of 5 children	ML	Romani

R	Interviewee	Age	Gender	Position in household	Income* group	Ethnic group
15	Old Romani man	64	M	Married, father of 3 children	H	Romani
16	Old Armenian man (born in Istanbul)	61	M	Married, father of 5 children	MH	Armenian
17	Young Armenian man (born in Istanbul)	22	M	Single, living with mother and father	ML	Armenian
18	Woman	58	F	Married, mother of 1 married daughter	H	Turkish
19	Woman	49	F	Married, mother of 2 children	MH	Turkish
20	Artist woman (jewellery designer)	27	F	Single, living alone	H	Turkish
21	Kurdish old man	67	M	Single (widower), living alone	ML	Kurdish
22	Kurdish woman	46	F	Married, mother of 2 children, separated from husband	ML	Kurdish
23	Kurdish woman	34	F	Single	L	Kurdish
24	Young Azerbaijani man	23	M	Single, living with friend	L	Azerbaijani
25	Man from Black Sea region (Giresun, Alucra)	47	M	Married, father of 5 children	MH	Turkish
26	Woman from Giresun, Alucra	29	F	Married, mother of 1 child	ML	Turkish
27	Man from Black Sea region (Trabzon)	23	M	Single, living with his family (father, mother and sister)	ML	Turkish
28	Woman from Black Sea region	21	F		ML	Turkish
29	Man from the Black Sea region (Gümüşhane)	21	M	Single, living with family	MH	Turkish
30	Greek man (came from Athens for education)	33	M	Single, living alone	ML	Greek
31	Greek man (came from Athens for education)	27	M	Single, living with a Greek friend	MH	Greek
32	Rum woman Born in Istanbul)	30	F	Single, living alone	MH	Greek
33	Young American Woman	27	F	Single, living with two American friends	MH	American
34	LGBT	25	M	Single, living alone	H	Turkish
35	LGBT	26	M	Single, living alone	MH	Turkish
36	LGBT	26	M	Single, living with 2 friends	MH	Turkish
37	Artist man (actor)	38	M	Married, father of a child	MH	Turkish Kurdish
38	Artist man (musician)	29	M	Single, living alone	ML	Kurdish
39	Young Syrian man	20	M	Single	ML	Syrian Kurd
40	Artist man (musician)	38	M	Single (divorced), living alone	H	Turkish
41	Woman musician	29	F	Single, living with parents	MH	Turkish
42	LGBT	36	M	Single	H	Turkish
43	LGBT and Actress	38	F	Single	H	Turkish
44	Young Kurdish man	23	M	Single, living with his family	ML	Kurdish

R	Interviewee	Age	Gender	Position in household	Income* group	Ethnic group
45	Young American man	29	M	Single	H	American
46	Mother of Disabled Child	38	F	Married, mother of 2 children	ML	Turkish
47	Mother of Disabled Child	43	F	Single (divorced) has 3 children	L	Turkish
48	Mother of Disabled Child	35	F	Married, mother of 2 children	ML	Kurdish
49	Teacher of Disabled Children	30	F	Single	MH	Turkish
50	Mother of Disabled Child	37	F	Married, living in a household with 2 children	ML	Turkish
51	Retired, Mukhtar of Bostan neighbourhood	62	M	Married, living in a household with wife	MH	Turkish
52	Mukhtar of Bostan neighbourhood	51	M	Married, living in a household with wife	H	Turkish
53	Young Romani man	33	M	Married, living in a household with wife	ML	Romani
54	Romani Musician	29	M	Single	MH	Romani
55	Educated migrant	28	M	Single	L	Greek-Turkish origin

(*)L (low) = TLY 1500 per month, ML (medium-low) = TLY 1501-2500, MH (medium-high) = TLY 2501-5000, H (high) = TLY 5001+.

APPENDIX 4: LIST OF ENTREPRENEURS INTERVIEWED

	Age	Gender	Origin/ City of Birth	Education	Business	Size of Enterprise
R1	38	Male	Ağrı	Low education	Hotel and a gift shop	14
R2	45	Female	İstanbul	Undergraduate degree	Puppet designer	1
R3	48	Female	Kayseri	Secondary School	Jewellery producer and seller	5
R4	27	Male	İstanbul	Undergraduate degree	Organising and participating fairs	4
R5	52	Male	İstanbul	Secondary School	Jewellery designer	3
R6	56	Male	Antalya	Secondary School	Jewellery (Street Vendors)	1
R7	27	Male	Malatya	Secondary School	Tourist Goods (Street Vendors)	4
R8	31	Male	İstanbul	Low education	Restaurant	6
R9	52	Male	Bursa	Low education	Manufacturer of metal accessories	2
R10	26	Male	Ağrı	Low education	Import-Export (Wholesalers of giftware)	3
R11	52	Male	Erzincan	Secondary School	Electrical Products Dealer	10
R12	47	Male	Van	Secondary School	Dried Nuts Seller	4
R13	45	Male	Diyarbakır	Low education	Restaurant owner	15
R14	30	Male	Bolu	Undergraduate degree	Hardware dealer	4
R15	55	Male	Armenian/ İstanbul	Secondary School	Producer	5
R16	49	Male	Mardin	Dropout (primary school)	Copper Goods (Street Vendors)	1
R17	59	Male	İstanbul	Undergraduate degree	Café-Bar Manager	9
R18	35	Male	İstanbul	Secondary school	Owner (Music instruments)	2
R19	32	Male	Malatya	Undergraduate degree	Co-founder (Web design)	3
R20	58	Male	Giresun	Secondary school	Director (Food and Drink) in Hotel	50
R21	67	Male	Erzincan	Primary school	Co-owner (Hardware store)	2
R22	44	Male	Kastamonu	Undergraduate Degree	Co-owner (Café, Bar)	9
R23	50-55	Male	Malatya	Undergraduate Degree	Co-owner (Café)	15
R24	34	Female	İstanbul	Graduate degree	Former Co-owner (Finance director in Design and marketing sector)	22 (main office) 74 (whole country)
R25	21	Female	İstanbul	Undergraduate degree	Manager (Wood products)	3
R26	26	Female	Ankara	Undergraduate degree	Founder (e-commerce)	2 (permanent)
R27	29	Female	Hannover	Undergraduate degree	Editor and Manager (journal and coffee shop)	2
R28	40	Male	Senegal	Secondary school	Watch seller (street vendor)	1

	Age	Gender	Origin/ City of Birth	Education	Business	Size of Enterprise
R29	50	Male	Niğde	Secondary school	Antique dealer	3
R30	35	Male	İstanbul	Secondary school	Perfume shop (Arabian firm)	5
R31	28	Male	Trabzon	Undergraduate degree	Jewellery (Street Vendor)	2
R32	59	Male	İstanbul (Armenian)	Undergraduate degree	Kitchen utensil manufacturer and seller	3
R33	38	Female	İstanbul	Secondary school	Sunglasses shop	1
R34	38	Male	Şırnak	Undergraduate degree	Second-hand bookseller	2
R35	39	Male	İstanbul	Secondary school	Optician	3
R36	51	Male	İstanbul	Secondary school	Hotel restaurant	21
R37	37	Male	Siirt	Low education	Greengrocer	2
R38	24	Male	İstanbul	Secondary school	Pizza shop	30
R39	34	Male	Kırşehir	Secondary school	Wig shop	3
R40	36	Male	Giresun	Secondary school	Electrical Lighting Equipment	7

NOTES

- 1 Gecekondu areas are the housing areas built without an official permission on public land or one's own land.
- 2 Minorities in the Ottoman period were defined as non-Muslim groups, mainly Greeks, Jews and Armenians
- 3 Official statistics on the ethnic composition of population of Istanbul have not been collected since 1965.
- 4 (2002) Turkish Statistical Institute, Area of regions.
- 5 (2014) Turkish Statistical Institute, Population by provinces and districts.
- 6 (2014) Turkish Statistical Institute, Population by age groups.
(Online statistics) Eurostat (2013) Migration and Migrant Population Statistics.
- 7 (2002) Turkish Statistical Institute, Population by literacy, education level and sex.
- 8 (2012) Turkish Statistical Institute, Income and Living Condition Survey.
- 9 <http://www.hurriyetemlak.com/Emlak-Endeksi>
- 10 (2010) Turkish Statistical Institute, Main labour force indicators by provinces.
- 11 <http://www.unhcr.org/pages/49e48e0fa7f.html>
- 12 These ministries are the Ministry of Development, the Ministry of Family and Social Policies and the Ministry of Employment and Social Security. While the Ministry of Development defines the general economic and social policies and the general guidelines for urban policies and strategies, the Ministry of Family and Social Policies and the Ministry of Employment and Social Security are responsible for implementing and auditing the policies and strategies that aim to improve the material well-being of all groups, especially disadvantaged people.
- 13 Turkey has sent a considerable amount of its workforce to Western European countries such as Germany, Belgium and the Netherlands. Migrant workers have not turned back to Turkey as expected and emigration continued to Europe with family reunification and asylum seeking.
- 14 The roots of integration policies in Turkey dates back to Ottoman Empire and are necessary for the understanding of existing integration policy and perception of diversity. In the Ottoman Empire, the status of individuals was defined with respect to religion – Muslims and non-Muslims. The non-Muslim population was accepted as minorities and these people with different religions and ethnic backgrounds were provided special rights and responsibilities. Towards the end of the Empire, there appeared several nationalistic movements among certain minorities, which began to argue for their civil rights. In order to meet the demands of these groups, from 1839 onwards, reforms were initiated leading to the change of the structure of the Empire to a constitutional monarchy in 1876 (*I. Meşrutiyet*) and other reforms (*II. Meşrutiyet*). However, all these changes were not able to impede the increasing separatist nationalist movements of the existing minorities and became one of the most important factors in the partitioning of the Ottoman Empire by the Sevres Agreement (1920). Following the War of Independence, the Treaty of Lausanne, which was signed in 23 July 1923, formed the basis of the new Turkish Republic in only a delimited part of the former Ottoman Empire. According to this Treaty “Turkish nationals belonging to non-Moslem minorities can enjoy the same civil and political rights as Moslems”; non-Muslims included only Greeks, Armenians and Jewish people who have been living inside of

- the boundaries of the new Republic. Ethnic groups that belonged to Muslim religion, such as Arabs, Kurds, Circassians, besides many others, were not identified as minorities.
- 15 “*The Law on Protecting Family and Women against Violence*” of 2012 was adopted to raise public awareness of violence against women, as well as to protect women against violence
 - 16 Istanbul is defined as a region as well as a Greater City Municipality within the administration system of Turkey.
 - 17 <http://www.aile.gov.tr/mevzuat/3294-sayili-sosyal-yardimlasma-ve-dayanismanmayi-tesvik-kanunu>
 - 18 Central Social Solidarity Fund revenues are comprised;
 - 10% from funds that exist or are to be established by statute or decree with the force of law under the decision of the Council of Ministers
 - Payments inserted into the budget
 - Half the revenue from fines for motoring offences
 - 2.8% of total payments from income and corporation taxes
 - 15% from advertising income from Turkish radio and television
 - All types of donations and assistance
 - 19 Tarlabası is the most deprived neighbourhood in Beyoğlu and the Municipality has already developed various renewal projects, not yet implemented.
 - 20 During 6-7 September 1955, a large-scale attack organised by several groups reacting to the existing political conflict between Greece and Turkey targeted Greek, Armenian and Jewish citizens of Turkey living in Istanbul. Some people committed acts of violence in neighbourhoods where Istanbul’s non-Muslim population was mostly concentrated.
 - 21 The organisations that were important in finding the first samples of the target groups were the Çukur and Bostan Neighbourhood Units, the Turkish-Armenian Minority Schools’ Teachers Support Organisation (Türk Ermeni Azınlık Okulları Öğretmenleri Yardımlaşma Vakfı), the Hrant Dink Foundation, the Istos Publishing House, the Beyoğlu Lider Women Cooperative and the Müjdat Gezen Arts Centre (MGSM), among others.
 - 22 The Gezi protests took place in May 2014 in order to protest against the project that aimed to transform Taksim Square and construct a shopping mall in the place of Gezi Ppark.
 - 23 A small settlement in South East Anatolia.
 - 24 Street stalls operating with the permission of the Beyoğlu Municipality.
 - 25 In Turkey, migration from different regions and rural areas to metropolitan areas is continuing, and while some of these migrants have different ethnic origins, those who belong to the dominant group also have substantial cultural differences, and so can also be defined as immigrants.
 - 26 Twelve main ethnic groups have been defined, but there have been studies identifying many more. The largest group constitute people who identify themselves as Turkish with respect to language, history and culture (80 – 85% of the total population).
 - 27 Labrianidis and Hatziprokopiou (2010:195) underline that Kloosterman and Rath (2003) counted over 1,700 publications on immigrant entrepreneurs, most of which are focused on supply side issues related to ethnicity.

Governing Urban Diversity:

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Economic Performance in Today's Hyper-diversified Cities

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