What are the dynamics of creative economy in Istanbul?

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INTRODUCTION

This paper aims to examine the strategies for the development of creative economy in Istanbul. To this end, we tried to unfold Istanbul’s advantages and disadvantages. Main topics are creative space and its criteria, marketing policy as well as Istanbul’s advantages and disadvantages. Main research questions are as follows: what do we need to improve creative economy in Istanbul? Which marketing policies should be developed to increase the competitive advantage of Istanbul?

Istanbul has many advantages since it is the cultural, financial and industrial capital of Turkey. The importance of the city for the country increases day by day. To understand the capability of Istanbul some basic factors should be clarified.

Characteristics of the city make it more attractive. Istanbul has a unique natural and historical heritage. The creative capacity of Istanbul derives from its history. Multicultural life gives the city another important value. There are no barriers for new comers. Additionally, life never stops in Istanbul thanks to its location as a crossroad. Another important point is that a great variety of people from each and every socio-economic groups of the country live in Istanbul.

On the other hand, there are also some disadvantages. Central government and local authority try to change the city’s atmosphere to market the city in the global arena. But there is no well-defined marketing strategy, planning policy or partnerships. Supporting legal framework of creative economy is another weak point. Lack of well prepared strategy for the city obstruct the development of creative economies.

Our research project aims to understand how the city and the creative economy re-create each other. To understand the situation, research is based on swot analysis method. Another goal of project is, with the help of the analyses, is to design policies to support the creative economy in Istanbul.

CREATIVE SPACE AND PLACE MARKETING

Many of the formerly most prosperous cities have suffered waves of deindustrialisation in their economies. They have broadly recognised that they might tap the growth displayed by the service sector of the economy. (Hall, T.; 1998) In today’s world, economic progress in industrialized countries forms a new community structure called “information society;” changes in characteristic of international relations destroy traditional differences between national and international policies. On the other hand, important shifts taking place in the economy, art and culture become more connected to the economic life.

Creativity and innovation require a context in which they may be nurtured, developed and passed on or made into something more generally useful. Creativity requires a context and
organization. In other words, creativity is a process (requiring actants, knowledge, networks and technologies) that interconnects novel ideas and contexts. (Pratt, 2004)

According to Florida (2002) today the activities and offers of the space become more important than the past because creative people’s demands are different than the other workforce communities. Therefore the creation of ‘creative space’ becomes an important element to attract creative businesses and workforce.

In order to compete effectively places develop various marketing strategies. Places need to attract tourists, factories, companies and talented people, as well as find markets for their exports, and this requires that places adopt strategic marketing management tools and conscious branding. (Rainisto; 2003) In that process culture becomes a tool to attract people to the city. On the other hand, in marketing, customer’s needs and preferences are important. To create attractive creative space, creative people’s spatial preferences are becoming key elements for the regeneration.

Traditional location requirements are no longer important as was previously the case. Therefore cities need to establish new advantages for themselves. As image assumes ever-greater importance in the postindustrial economy, economic development is driven by programmes of place promotion. Cities emphasise not only their business opportunities but also their lifestyle activities. Good place to live as well as a good place to work. (Hall, T.; 1998)

On the other hand, there are some problems about the creative milieu, like measurement of culture and creative activity, lack of research and data, and difficulty to define ‘creative class.’ Therefore, our research became much more related with the creative space.

**FACTORS OF SUCCESS IN CREATIVE SPACE**

Florida and Montgomery define the requirements of space for creative/cultural industries. Florida's approach is based on spatial preferences of ‘creative class’. On the other hand, Montgomery describes the successful cultural quarter with defining managerial approach, organizational model and functional character of space. (Table 1)

<table>
<thead>
<tr>
<th>FLORIDA PLUG AND PLAY COMMUNITIES</th>
<th>MONTGOMERY CULTURAL QUARTERS EVALUATION CRITERIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment opportunities</td>
<td>Variety of cultural venues</td>
</tr>
<tr>
<td>Low entry barriers / openness to new comers</td>
<td>Cultural animation events and festivals</td>
</tr>
<tr>
<td>Greater diversity</td>
<td>Space for artists</td>
</tr>
<tr>
<td>Higher levels of quality of place</td>
<td>Small-firm economic development of arts, creative and media businesses</td>
</tr>
<tr>
<td>Night activities</td>
<td>Managed workspace provision</td>
</tr>
<tr>
<td>Active, participatory recreation</td>
<td>Presence of arts development agencies and companies</td>
</tr>
<tr>
<td>Pack the time full of dense,</td>
<td>Arts and media education and training</td>
</tr>
<tr>
<td>Active outdoor recreation</td>
<td>Public art programmes</td>
</tr>
<tr>
<td>Environment open to differences</td>
<td>Arts funding regime</td>
</tr>
<tr>
<td>Authenticity and uniqueness.</td>
<td>Community Arts development initiatives</td>
</tr>
<tr>
<td>Historic buildings,</td>
<td>Area marketing and audience development</td>
</tr>
<tr>
<td>Established neighbourhoods,</td>
<td>Day and night time activities</td>
</tr>
<tr>
<td>A unique music scene or specific cultural activities.</td>
<td>Ongoing cultural programme</td>
</tr>
</tbody>
</table>

Table 1: Successful Creative Space Criteria’s (Florida, 2002; Montgomery, 2004)
If we take a deeper glance at the requirements of successful creative space, we can notice that there are some similarities between the definitions of Florida and Montgomery. For example, day and night time activities and the permanence of activities are emphasised by both authors. Space for artists is another common point. According to Florida, artists and their works nurture innovative capacity. On the other hand, according to Montgomery, artists help to create a successful cultural quarter.

Florida warns us about the spatial quality of creative space; according to his analyses creative people prefer enjoyable areas than the formal office buildings. And he adds that active outdoor facilities and unique values are needed in the space. Areas' openness to different kinds of people and ideas are the key factors of preferences of creative people.

On the other hand, Montgomery criticises four different cultural quarter developments. And he concluded that to create a successful cultural quarter it should be designed with stakeholders. And the facilities should be organised for the whole year, unique and local shops should be supported instead of chain store, he emphasizes ongoing and stable arts funding regime needed, he warns about gentrification problems; “living cultural elements of space should be protected”. Finally he emphasizes “…not every urban area can or should be a cultural quarter. Cultural quarters only work where there are venues, work places for cultural producers and working artists.”

With the globalization process similarities between cultures are increasing. Especially new cultural consumption patterns are occurred. Life styles and preferences became more similar than previous. But there are still some differences between cultures. For example Florida’s some ideas are not relevant for Turkey, like income levels of creative people, preferences of activities, language, and etc.

To understand the issue each cities should analyse their realities about the creative economy. In order to analyze the Turkish case, the research should be started with Istanbul. Because Istanbul is the cultural capital of Turkey and there is an agglomeration of the creative sector.
According to the definitions, Beyoğlu and its surrounding area has the greatest potential for the cultural activities and creative milieu. If we look at the spatial preferences of creative people of İstanbul; they live, work and entertain in Beyoğlu and its surrounding area. (Enlil, Kurtarır, Back, Çekiç, Seçkin, İslam, Özkan; 2005) Because, Beyoğlu has such properties;

- The historic core
- Cultural and entertainment centre
- Hub of transportation
- Variety of activities
- Lively street culture
- Social diversity

It can be claimed that Istanbul can answer to the creative peoples some requirements. On the other hand, such areas should be supported to benefit from creativity to develop its economy, in İstanbul. (Table 2)

- Arts funding regime,
- Supporting urban policies,
- Cultural audience,
- Ongoing cultural program,
- Freedom of expression,
- Higher levels of quality of place.

**ISTANBUL ON STAGE**

During the last decade, Istanbul Metropolitan area has made essential progress as an international financial centre where the service sector keeps an important place beyond present planning. Decentralization of industrial areas along the shore has changed the image of the city, and this approach has provided a higher rate of mobility for urban functions.

However, all these developments have rather been unplanned and the Master Plan for the Istanbul Metropolitan Area (scale of 1/50000) and local plans of municipalities that are on Büyükdere –Ayazaga axis have been insufficient to direct the growth of this axis as a contemporary Central Business District (CBD). Developments are created locally by central authority with declared tourism areas.

**DEMOGRAPHY**

Istanbul, as it could be observed today, is undergoing a process that is called metropolitanization which causes a rapid change and conversion in the economic and social structure in parallel to urbanization.

Istanbul has a population of 10,018,735 according to 2000’s census, which formed 5.6% of the Turkish population in 1950. This proportion reached 15% in 2000. Extreme growing, spreading and insufficient accessibility conditions have caused the city to become a multicentral metropolitan city from a single centred city. By 1985, Istanbul sustained its growing process in an illegal and unplanned way and today functions per person are under acceptable standards.
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</thead>
<tbody>
<tr>
<td>Istanbul</td>
<td>1.666.477</td>
<td>3.019.032</td>
<td>5.853.558</td>
<td>10.018.735</td>
</tr>
<tr>
<td>Marmara Region</td>
<td>3.814.185</td>
<td>6.838.167</td>
<td>11.146.333</td>
<td>17.365.027</td>
</tr>
<tr>
<td>Turkey</td>
<td>20.547.188</td>
<td>35.605.176</td>
<td>51.420.757</td>
<td>67.803.927</td>
</tr>
</tbody>
</table>

Table 3: Demographic Development (DIE; 2000)

DEVELOPMENT PROCESS OF BOSPHORUS

If we look at the unique values of Istanbul it can be claimed that the most important and unique natural asset is Bosphorus. Because of the legal and institutional deficiencies and populist decisions, Bosphorus has lost some parts:

- Bosphorus is defined as a special area, and a law was enforced for the area in 1983
- Main aim of the law: cultural and historical value and natural beauty of Bosphorus should be protected and developed by protecting public interest. To define the reconstruction criteria in order to stop the construction demand that causes population increase,
- Bosphorus Area divided into four parts and new institutions established for each part: Coastal side, Front view side, Back view side, Transition side
- Institutional structure has changed by the new Construction Law (1985) Greater Municipality of Istanbul became responsible from the front view area and other municipalities became responsible from the back view areas and transition areas.
- The New Construction Law has changed the limitation about construction. It gave the construction permit in the Bosphorus area and allowed some additional flats in the existing buildings, and amended some decisions of Bosphorus Conservation Plan
- With the amnesty laws, squatter settlements became legal
- Unplanned transportation system occurred: Arbitrary shortcuts, pedestrian ways and neglecting topography
- Populist policies of government, municipality and related laws triggered illegal settlements

This experience gives us important lessons about urban policy. Selling places is not the way to protect the values; organization module should include each parties of the society, the area cannot be protected without using, the special law should say something about the usage of space, institutions should not be established by the borders may be instead of borders concepts should be decided firstly. For example; cultural development program, protection of nature, cultural heritage conservation and cultural facilities can be the concepts of possible partnerships.

INDUSTRIAL DECENTRALIZATION

The post-1980 global developments have been main factors in transforming Istanbul into a global city. A new post-industrial structure based on information and communication technologies has emerged. The idea of substituting the industry with the service sector has increasingly gained prevalence. Industry is in a process of becoming the “third sector” and separates the places of production from the metropolitan space where such production is monitored and controlled. As a result, production activities shift to the periphery, while management and control activities tend to move towards the metropolitan centre. As part of the process of industrial decentralization the metropolitan centre specialises in the decision – making process.
Cities try to provide the necessary infrastructure, business centres, airports, telecommunication networks, etc for the purpose of attracting international business. We could assert that Istanbul possesses the qualities, which are necessary to become a global city, but it needs better initiatives.

The city of the future will be transformed from an “office city” into a “city of business centres”. We can say that starting with the 1980s; Istanbul has increasingly become a candidate for such changes.

**URBAN REDEVELOPMENT OF A POST-INDUSTRIAL CITY: ISTANBUL 2005**

The urban redevelopment process of postindustrial Istanbul was governed locally by the central authority with declared tourism areas by March 11, 1994. All these developments have rather been unplanned and the master plan for the Istanbul Metropolitan Area. (Scale for 1/50000) Transformation of industrial areas into service sectors by declared tourism areas and centers have been supplied.

- The global developments which took place after 1980 have been main factors in transforming Istanbul into a modern metropolitan centre. We can assert that Istanbul and the Büyükdere street attempt to draw parallels with relevant global developments in this continent.
- A new post-industrial structure based on information and communication technologies has emerged.
- The idea of substituting the industry with the service sector has increasingly gained prevalence.
- The fact that industry is going through a process of becoming “the third sector” separates the places of production from the metropolitan space where such production is monitored and controlled. As a result, production activities shift to the periphery, while management and control activities tend to move towards the metropolitan centre. As part of the process of industrial decentralization the metropolitan centre specializes in the decision – making process.
- Today, it’s obvious that the globalization process and the economic policies pursued by Turkey have a direct impact on the metropolitan centre of Istanbul, the most important decision-making centre of Turkey.
- The main characteristic of post-1980 economic policies which had the direct impact on the physical space within the Istanbul Metropolitan Centre, has been the implementation of an export-oriented industrialization strategy.
- Economic policies of this era, Turkey’s effort to integrate itself into the world system, created the need for modern offices equipped with high-technology facilities.
- Economic policies have urged the reorganization of companies and a modern metropolitan centre has emerged without an updated plan.
- Activities of companies that have chosen a location on the Büyükdere Street are mainly service companies so much needed for globalization and they grow rapidly in line with capital requirements.
CONCLUSION

As mentioned above, cultural industries and cultural strategies have become important elements in urban policies and the creation of consumption patterns and varieties of these patterns have become the main aims of local authorities. With the increasing importance of symbolic economy, the policies of image creation for place promotion has become inevitable for governments. The main purpose of this approach is to establish an attractive city for investors and visitors. And “different levels of government have become increasingly proactive in place promotional activities.”

The most common examples of image creation activities are spectacular architectural projects; like flagship museums. The other important image creation activities are international sporting and exhibition events, opera houses, symphony orchestras and festivals. These areas have become a must see site for the tourist gaze. For example, museums provide a bridge between the need of city governments for high visibility, prestige cultural projects and the needs of museums to generate greater public awareness and attendance. (Hammet and Shoval, 2003)

Istanbul follows these popular activities. The number of art galleries and museums increased the importance of biennale and number of participants has increased, price of the ‘work of art’ is higher today and the number of international events has increased. Additionally, F1 competition will be held in August in Istanbul. In the beginning of these developments government should take care of both local and global necessities. Partnership models should be considered.

Elitist cultural activities have potential to increase the gap between space and society and this gap can cause bad image and unsustainable projects. We mean that not only shape but also content or function is important. There is a tendency to imitate successful architectural projects in foreign countries and implement them in Istanbul without adopting them to the conditions and requirements of the city, like the proposal of the Galata Bridge. However, copied architectural projects can cause identity problems. To reach that goal, the best policy for Istanbul’s image is to rehabilitate and introduce the existing image components.

Organising capacity and the strategic planning approach are the key factors of the sustainable urban development processes. Coherent relation between legal framework and institutions is needed because hegemonic struggle on public space causes illegal and unhealthy settlements. Flagship developments should turn back to the local inhabitants. Sense of confidence should be created. Residents of Istanbul should be able to have confidence in the administration and institutions as well as the future of their city.

On the other hand, marketing is not the unique issue of Istanbul because earthquake is another important reality for Istanbul. The municipality should deal with this issue. Unhealthy settlements should be immediately rehabilitated. Promotion activities are very expensive therefore government should decide priorities while spending its limited money.

To cope with the new problems local and central government have to identify the new structure of economy. For example, with the traditional ways government cannot answer the needs of creative economy. To understand the condition of the new economy researches should focus on it. For example, during our research, we couldn’t find any data about creative economy.

With this paper, we aimed to present the initial version of our research that aims to understand the theoretical approaches to creative economy and the Istanbul case. In the further steps of the research we will focus on sectoral differentiations, potentials of Istanbul separately and urban policy model for Istanbul’s marketing.
### Table 4: Analyses of Istanbul's Characteristics from Creative Economy aspect (Kurtarır, 2005)

<table>
<thead>
<tr>
<th>Creative Istanbul</th>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
<th>OPPORTUNITIES</th>
<th>THREATS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
<td>Service sector development</td>
<td>Instability</td>
<td>New investments creates new jobs &amp; demands</td>
<td>Economic Crisis</td>
</tr>
<tr>
<td>Location / Centrality</td>
<td>Being at the intersection point</td>
<td>Migration problems</td>
<td>New faces</td>
<td>Un-sustainability</td>
</tr>
<tr>
<td>Organizations / Actors</td>
<td>Demand to invest</td>
<td>Organizational weaknesses</td>
<td>Brain storming richness</td>
<td>Weak partnerships</td>
</tr>
<tr>
<td>Cultural Heritage</td>
<td>Variety of cultural heritage</td>
<td>Unprotected historical sites</td>
<td>Competing advantage</td>
<td>Decreasing responsibility of stakeholders</td>
</tr>
<tr>
<td>Global Network</td>
<td>Service centre for the region</td>
<td>Lack of the International Firms Headquarters</td>
<td>Increasing global relations</td>
<td>Selling values Losing identity</td>
</tr>
<tr>
<td>Variety</td>
<td>Cultural, identity</td>
<td>Variety of problems</td>
<td>Creates alternative activities</td>
<td>Uncontrolled development of activities</td>
</tr>
<tr>
<td>Nature</td>
<td>Unique natural atmosphere (Bosphorus…)</td>
<td>Less protection of natural sites</td>
<td>Environmental Quality</td>
<td>Losing liveable atmosphere</td>
</tr>
<tr>
<td>Historical Atmosphere</td>
<td>Living History</td>
<td>Lower quality of life</td>
<td>Motivation for creativity</td>
<td>New comers’ unconsciousness</td>
</tr>
<tr>
<td>Social Diversity</td>
<td>Ethnic variety, social status</td>
<td>Representation problems for participation</td>
<td>Richness of cultural life</td>
<td>New demands for space, Migration</td>
</tr>
<tr>
<td>Flagship Projects</td>
<td>Place Promotion Instruments</td>
<td>Inharmonious structure</td>
<td>Can increase Istanbul’s competitive capacity</td>
<td>Short life</td>
</tr>
<tr>
<td>Being On Stage</td>
<td>Leader city of the country</td>
<td>Make-up implementations</td>
<td>Funding opportunities</td>
<td>Short life projects Bad image</td>
</tr>
</tbody>
</table>
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