Rethinking socio-economic and spatial dimensions of Urban Projects as a shift from 1980s to an authoritarian neoliberalism in Turkey through The Kanal Istanbul Project

Introduction

Countries that industrialized at different times developed many urban projects so as to become international touristic and financial centers and to attract capital. To reach that achievement global cities had to perform competitively. As a result, cities become commodities that are packed, promoted and marketed in capitalist societies. Istanbul’s global city projects are constructed by policies made by the ruling parties and other elite groups who, after the 1980s, put emphasis on letting Turkey’s economy articulate in the world economy. With Erdogan’s government especially, big urban projects have become visible through which national and international power instruments fully supported and construction or real estate sector had been used as a driving force behind economy.

It is within this context that, in this paper, I will firstly talk about the neoliberal predicament from the time interval between the 1980s and the 2001 economic crisis and secondly, the rise of AKP (Justice and Development Party) to the political stage so as to conceptualize its current policies through history. In addition, Istanbul as a global city and its acceleration after the 1980s will be framed for the actual AKP’s new capitalism. Lastly, the Kanal Istanbul Project will be the base for my research by examining this project’s targets and profits with respect to social and spatial projection in the city. I will mainly argue that AKP’s will to create its own new conservative neoliberalism in Turkey through the usage of Islam merging with corporatism can be postulated as a new capitalism and an authoritarian
neoliberalism. I will deal with this project’s profit and market centered approaches which it
designs to bring to Istanbul and why it can be visualized as a failure.

**Preface to the neoliberal policies in 1980s**

In order to understand AKP’s neoliberal policies, it is necessary to note that a country’s
past heritage shapes current positions of politicians and economic actors in a given society
(Bugra & Savaskan, 2014: 26). For this reason, in this section, I will briefly mention the rise and
fall of the Turgut Ozal era and his neo-populism which will orient us to the existing debates on
AKP’s neoliberal policies.

**Ozal Era, the rise and fall**

In 1980s Turkey, Turgut Ozal remains a “critical figure” for the comprehension of the
transition of the neoliberal model. As Onis (2004: 1-2) points out, Ozal’s diverse background in
economic bureaucracy, private business and international organizations contributed to the rapid
liberalization of the Turkish economy. Born in Malatya, the eastern part of Anatolia and
periphery of Turkish society, he had a conservative and religious family and because of this, he
discounted the center-periphery divide in Turkish society. Therefore, due to his heritage of a
traditional past and market oriented progress, his Islamist leanings enabled him to call upon the
conservative masses on the periphery and, at the same time, through closer integration and closer
relations with the Western world, he could address the secular elites through glamorous projects
aimed at modernization and economic reforms. As the undersecretary of the Prime Minister,
Ozal became the architect of the 24 January 1980 reforms on the Turkish economy which
allowed for the liberalization of the economy. He was the politician who paved the way for the
expansion of the Turkish economy to the external economy for his success on the basis of a
number of macroeconomic legends and reached the peak of his influence by becoming the president of the Republic as the leader of the ANAP (Motherland Party) in November 1989 until his death in April 1993 (Pamuk, 2014: 272, Onis, 2004: 4-6-7). These economic decisions impacted the Washington Consensus which constituted important consequences for the future economic stability of Turkey.

1989, marks the end of the Ozal era, and can be considered as the final stage of Ozal in his political career due to his altered political attention on the Kurdish question and the foreign policy issue of the status of Turkey as an active regional power (Onis, 2004: 17). Besides, political instabilities emerged after the 1980 coup d’etat and submission to the forces of commercial globalization formed the two basic components that made the 1990s unique, compared to earlier periods in Turkey (Pamuk, 2014: 283, Onis, 2004: 18).

As Onis (2004: 19) states about Turgut Ozal’s role as a politician in Turkish economic history “his background as an engineer and planner resulted in a certain tendency to underestimate the costs of financial imbalances and inflation from the perspective of sustained economic growth”. Thus, Ozal’s whole era, with his accentuation on consumerism and lack of frugality as well as a lack of sufficient institutional framework to structure the financial sector led to a “highly fragile, debt-led growth that Turkey experienced during the second phase of its neoliberal experiment” (ibid. pp.20). All in all, in order to understand the post-1989 era, the effects of the political inconsistencies that occurred after the 1980 military coup, Ozal’s failure to overrate the accountability problem and the rule of law led Turkey to experience extreme economic fluctuations in the 1990s, which reached a climax within the context of 2001 crisis (Pamuk, 2014: 283, Onis, 2004: 20).
Ozal and his neoliberal populism

As Onis describes in his article (2004: 22), neoliberal populism demonstrates itself through “neoliberal policies aimed at improving economic efficiency and eliminating rent-seeking behavior associated with heavy protectionism and excessive state intervention of the import-substitution period”. Therefore, within the context of the neoliberal populism that emerged in the 1980s and post 1980s era through globalization and market oriented understanding, a new type of populism came to be. One of the key features of neoliberal populism is that its reforms compose of a top-down fashion, instigated by astonishment without having organized political forces behind it. The policy execution “tends to be autocratic and this autocratic style of policy implementation tends to undermine representative institutions and personalize politics” (ibid. pp.23). Besides, under this neoliberal populism, as Onis continues to argue is (2004: 23), “an all-powerful and charismatic leader plays a crucial role in this scenario in terms of implementing the reform package and legitimizing it in the eyes of the broad segments of the electorate”. Exclusion of the key interest groups for consultation and active dialogue takes place. As a result, neoliberal populism necessitates liberal economics and it is merging with “illiberal politics” or “a kind of shallow democracy” (ibid.).

At this point, Onis tries to compare Turkey’s neoliberal populism with some Latin American countries in which striking similarities between the two can easily be grasped on their neoliberal process. He uses Carlos Menem, a neo populist reformer in Argentina, as an example to compare him to Ozal. For Onis, both leaders can be interpreted as politicians who have a traditional background coming from the periphery of their societies and are charismatic characters. Moreover, as Onis emphasizes “both enjoyed strong links to the economic and state elites in their countries whilst at the same time managing to convey a strongly anti-elitist
discourse that clearly appealed to the middle and lower strata of their societies” (Onis, 2004: 23-24). It is within this context that AKP’s neoliberal policies and political discourse, which struggled to attract masses in the wake of its stage in Turkish politics, has some parallels to Ozal or Menem in terms of its gaining popular votes. In other words, by expressing itself as new conservative, AKP meant that secularism, the abolition of religious and political discourse etc. was necessary. Since its priority was given to the economic liberation which ignored Islamic references it negotiated more peacefully than the Welfare/Virtue or Felicity Parties in the history of Turkish politics. However, after its hegemonic power and reign in Turkish politics, this party became more authoritarian benefiting from religion in all aspects of social life to retain votes which I will touch upon later throughout in this paper.

2001 economic crisis and AKP’s appearance on stage as a protagonist

The years between 1987 and 2001 can be construed as the time period in which economic and political tendency towards unsteadiness interpenetrated and gaining stability was not easy to achieve (Pamuk, 2014: 276). In order to prepare a new program within international support, Kemal Dervis, who was working as a top-ranking manager in the World Bank, was invited to Turkey to become the Minister of Economic Affairs. “The optimism that characterized the early Ozal era has, to a large extent, been reversed in the subsequent decade and only until very recently, with a substantial time-lag, following the electoral victory of the Justice and Development Party” (Onis, 2004: 29). The depth of the crisis in the 1990s engendered a huge political reaction among citizens of Turkey and during 2002 elections all of the parties who took responsibility for the economic crisis of the 1990s were excluded from the parliament. At this juncture, the Justice and Development Party, whose formation took place after dividing itself from the Islamic movement under the leadership of Necbettin Erbakan, managed to enjoy this
opportunity and won the elections as a single party (Pamuk, 2014: 283). The new program under the leadership of Dervis and with the support of the IMF subsumed both long term structural and institutional changes. More importantly, this long term economic program that was framed by Dervis’s team and the IMF was accepted among AKP politicians and continued to be implemented afterwards (ibid. pp.285-286). However, AKP’s economic policies could not extend beyond the institutional regulations and financial discipline understanding within the 2001 package; hence, they could not formulate long term industrialization, growth and employment perspectives. Nevermore, the first five year recovery and economic growth of AKP led to an increase in its votes in 2007 by which prompted it to become a more powerful majority in the parliament (ibid. pp. 290).

**AKP, a brief background**

The reformists who formed AKP after separating themselves from the *Milli Grous* movement managed Istanbul through local elections in 2004. By defining itself as “new conservative”, AKP believed that New Conservatism corresponded to the advocacy of democracy, the European Union, the open market economy and individual freedoms. Moreover, new rising industrialists in Anatolian towns supported AKP, as its globalization discourse and EU positioned approaches gave priority to economic liberation which ignored Islamic references more than other conservative Parties and integrated harmoniously to the global economy (Pamuk, 2014: 309). It is within this context that, this paper will attempt to draw attention to Istanbul as a global city through AKP’s neoliberal policies. AKP emphasizes a consumerist economic model which expresses itself with shopping mall centers and increasing housing constructions (ibid.291). However, this neoliberal economic model that AKP overrates through consumerism will have inevitable effects on space of the given environment.
Case study: Istanbul Kanal Project

Istanbul as a global city

For the period between 1980 and 1990, it can be stated that Turkey did not join the globalization process as a country whose productive character was dominant, rather it was a country who was consumerist, whose agriculture was degrading and whose industry was stagnant. Thus it became a country in which rentality was dominant and Turkey was articulated to the world economy as such. So, this general feature of the country as a whole was felt in Turkey’s most developed capitalist region bluntly, namely in İstanbul (Sonmez, 1996: 101-111).

Nazım Planı, which was confirmed on July 29th, 1980, signified the growth of İstanbul to the west side of the city in parallel with Marmara Sea and this was an accurate choice. However, because of preferences of capital accumulation and profit maximization, this Plan was left by conquering the city from its northern part (Sonmez, 2000: 105-108). Especially, for the post-1983 period, new mayor of Istanbul, Bedrettin Dalan, “used the vast powers and resources newly conferred to metropolitan mayoralties to put into motion a series of urban renewal projects” (Keyder & Oncu: 1993: 29).

The polarization in İstanbul started to be felt strictly because of the changes in its space which can be explained as north and south distinction of the city. The people who kept wealth started to move their office centers, houses and social spaces to the northern part of the city whereas middle and low income groups continued to live in traditional and historical buildings in the southern part of the city. From the beginning of Istanbul’s selection for European Capital of Culture in 2010, its stance given to this fact undoubtedly spawned desire to transform Istanbul into a competitive global city by some private entrepreneurs and politicians. Although those
Urban Renewal Projects have the aim at demolishing constructions of inferior quality, creating a sustainable urban environment as well as raising the standard of living of the urban poor, it seems conspicuous that targeted requests cannot attain their goals. Those interventions to the urban space and housing scene are used as tools for making rent on urban spaces and marketing them to some powerful actors in the city (Kuyucu & Unsal, 2010: 51-70).

**Eulogy to construction**

Real-estate prices in Turkey are higher than in the United States and targeted masses for those constructions, that have right to settle, are people from financial circles and workers of big international companies in Istanbul (Pérouse, 2011: 134-135-136). However, it is mostly the pious middle class who are vigorously attached to the ex-Turkish Prime Minister, Recep Tayyip Erdogan, and the majority of the population aspires to that kind of life style in which they can go to shopping malls and worship at neo-Ottoman mosques together. Thus, it solely creates a mixture of Islam and America that those communities breathe and cohabit, that Erdogan developed and has been developing by putting his efforts to standardize the population.

The Kanal Istanbul Project, which tries to conquer northern part of Istanbul through a canal construction that will be 43 kilometers length, 400 meters width and 25 meters depth, subsumes Yenikoy, Sazlidere dam, Arnavutkoy, Basaksehir and Kucukcekmece Lake itinerary (Kuzey Ormanlari Savunmasi). As Yoann Morvann states in his article:

Erdoğan, a former mayor of Istanbul, intends to maximise the city’s economic potential through a number of mega-projects. The Turkish prime minister launched his campaign (on 27 April 2011) with the announcement of, in his own words, a “crazy project”: the creation – in time for 2023, the centenary of the

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creation of the Republic of Turkey – of a canal linking the Black Sea to the Sea of Marmara (Morvan, 2001).

Source: http://www.kuzeyormanlari.org/wp-content/uploads/2014/05/fft16_mf41467.jpeg

In this new city, it is stated that there will be constructions that will represent German, American, Chinese, Japan, French, Brazilian, Iranian, Spanish, Indian, Thai, and Italian architectural characteristics. Besides, those buildings’ administration will be given to those who are citizens of their own countries. Apart hotels, cookhouses (as evi), Ottoman bazaars will be in its space along with mosques in each neighborhood of the Kanal, but there will be a central mosque or kulliye in the middle of eastern shore of the Kanal. Moreover, for all those fictive plans, it is believed that modern and traditional architectures will be juxtaposed and fourteen-
story to two-story buildings as well as villas will be sited. Through constructions such as palace, waterside houses etc., the canal will be open to tourism.²

Besides, when these references are considered, one cannot help but accept the fact that the public space, in this case the mentioned Kanal Istanbul Project, become a playground for AKP in which it exercises its symbolic power on each and every citizen. Its drive in doing this could be understood when looked at the term gigantomania, used especially by the Nazis and Stalin in Soviet Russia to refer to the passion towards constructions that are disproportionate in size and relevant to the worship of power (Bora, 2011). It can be construed as an obsession with size and power fetishism through phallic buildings or durability and strength within the used materials for constructions to let them be demonstrated as immortal. As Pérouse argues “there is a kind of megalomaniac will to transform the city to make it a huge space of voyage tourism and a major financial place”.³ Even a possible earthquake that would occur in Istanbul would attract clients to this area, in which risk of an earthquake is very low in Arnavutkoy. Another issue that I want to underline on Kanal Istanbul is the Montreux Convention that Turkey signed in 1936. For Saydam (2013) “According to Montreux, commercial ships do not pay any fee while passing through the Bosphorus” and he asks how one can persuade the ships to pass through Kanal Istanbul with a certain fee while there is the Montreux Convention.⁴ Thereby, this new canal with a toll waterway would be charming for the ship owners who demand to decrease their times for the journey and would lead AKP to accomplish its neoliberal dreams since the AKP’s “aim is to make Turkey one of the top 10 world economies in time for the centenary of the modern

² Available: Kanal Istanbul Projesi- Tanitim Filmi http://www.youtube.com/watch?v=1ER2g2UBd0Y
Although those features of the Kanal Project seem to be a dream in terms of its spatial projection in the city, as I struggled to emphasize overall in this paper, the market oriented, profit centered neoliberal policies of AKP within the Kanal Project can be construed as a new capitalism in Turkey. Now I will briefly explain why this is the case.

Corporatism, which relies on the primacy of private property, enterprise and capitalist mode of production, rejects class conflicts and has solidarity practices that can be deciphered as hierarchical and authoritarian societal model. In this context, Islam’s social imagination for suitable society corresponds not to a space in which different classes struggle, but to an environment where one can see functionally distinctive groups. As a result, Islam sees class conflicts as a threat to welfare of the state under this corporatism understanding. Besides, even if Islam is seen by the orientalist view as feudal, unprogressive and contrary to rationality, which cannot be compatible with capitalism and modernity, this assumption is erroneous on account of AKP’s neoliberal policies merged with Islamic references in contemporary Turkey (Cavusoglu, 2011). Because there exists a market nexus that is used with the help of the religion to form a trust among market actors in economic relations, thus AKP’s neoliberal policies backed with religion corresponds to a new capitalism in Turkey (Bugra & Savaskan: 2014, 47).

**Conclusion**

In this paper, I aimed to designate the 1980s as a major period so as to understand the AKP’s neoliberal policies through construction and the housing development in Turkey, taking the Kanal Istanbul Project as a case study. This project was announced by Erdogan in April 2011.

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and in September 2014 it was declared that its inauguration would take place soon\(^6\). All in all, I wanted to demonstrate this Project’s aims within market and profit oriented understandings which address the limited number of customers who can afford to pay real-estate in the created “hyper reality” of Istanbul’s major important green space, namely in northern part of the city.

I took 1980s as a significant period for neoliberalism in Turkey since, without taking into consideration policies implemented by the ANAP government, it is difficult to grasp new capitalism or shift from neoliberalism to the “authoritarian” neoliberalism in contemporary Turkey. As Onis (2004: 8) states in his article for the ANAP under Ozal’s figure “the political party that he helped to create was based on a hybrid ideology combining elements of liberalism, conservatism with strong Islamist connotations, nationalism and welfarism”. Therefore, with this “hybrid ideology”, Ozal was able to appeal to both the center and the periphery, which can be construed as a similar predicament for the AKP under Erdogan. However, the division created by Ozal is overcome by the AKP with the rise of political Islam that overrated excluded groups or the periphery (Bugra & Savaskan, 2014: 43). As a result, I presented 1980s neoliberalism under Ozal’s policies to pave the way for a better comprehension of the rise of authoritarian neoliberalism under the AKP, since its coming to be cannot be recognized without the effects of the ANAP’s failure on neoliberal policies in the post-1989 era and 2001 economic crisis.

Later, I put emphasis on the construction aspirations of the AKP referring always to the 1980s as a major period in Turkey under neoliberal policies. The difference between Dalan’s neoliberal efforts in 1980s in Istanbul and AKP is that through AKP “the Islamic free-market conservatives succeeded in further integrating Istanbul into the circuits of global capital” (Tugal,

Thereby, by using the Kanal Istanbul Project as a case study, I tried to point out the transition of neoliberalism initiated by the ANAP to the authoritarian neoliberalism under the AKP. At this juncture, I framed the concept of new capitalism laden with Islamic elements under the leadership of the AKP, which can be represented as a rupture from the neoliberal policies of the 1980s. I tried to emphasize the notion of “authoritarian neoliberalism” because, even though I could not mention in this paper earlier but expected readers to perceive, the Kanal Istanbul Project along with other urban projects such as the third bridge and the third airport etc. in Istanbul was set by the arbitrary decisions of the AKP government without consultation of any specialists on the future effects these projects will have on its surrounding environments.

The spatial projection of the Kanal Istanbul Project is pictured through neo-Ottoman retro-futurism (Morvan & Logie, 2014: 80) with its Islamic elements and market oriented targets. Enlargement of Istanbul to its northern part remains as a failure since more construction means less green spaces and the northern side of the city is the vibrant area in terms of its greenness and sustainability. In order to breath, Istanbul needs its northern region without having urban projects planned for construction and real estate housing. As Saydam (2013) repeats, this project has to be abrogated at once before it would be too late for the future of Istanbul.

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Visuals

• http://www.kuzeyormanlari.org/wp-content/uploads/2014/05/fft16_mf41467.jpeg
• http://www.megaprojeleristanbul.com/#kanal-istanbul

Video

• Kanal Istanbul Projesi- Tanitim Filmi http://www.youtube.com/watch?v=1ER2g2UBd0Y