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The politics of the urban land market in Turkey: 1950–1980

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In Turkey, for approximately 30 years, from roughly about 1950 to 1980, the enormous growth of land and building rents has sustained a pattern of city expansion based almost entirely on market forces. In one way or another, nearly all major social and economic groups in large cities found something to gain from this tumultuous expansion; the consensus generated on the basis of short-term material benefits sustained a speculative boom which precluded the emergence of a more active territorial and housing policy inspired by social targets. This welding together of diverse class and group interests around 'non-planned' growth, is the subject of this article.

Today, in the 1980s, the 'private' building boom of the past 30 years, supported by market forces alone, appears to have reached an impasse. New mechanisms, based on public intervention, are in the process of emerging amid sharp conflicts. The 'housing problem' has become a major political issue on the national agenda, indicating that the miraculous market mechanism has stalled. In attempting to examine the logic of the private building mechanism of the past three decades, I hope to be able to shed some light on the current impasse – the outcome of which is as yet uncertain.

I Urban land rent as a major channel of accumulation

Land speculation exists in all cities. It implies the channelling of savings into building sites, tied to the increase in the value of property rather than the return on investment. The speculative demand for land depends upon the differential between the rates of remuneration of land and other factors of production. It implies a wait-and-see attitude in the face of sharp, short-term fluctuations in the price of building sites. Furthermore, it entails a 'risk' element, i.e., the possibility that other forms of investment may yield a better return on savings. The term 'speculation' suggests a gamble – a calculated one to be sure – that the price of building sites will increase more rapidly than other factors of production, yielding an appreciable rent.

The very pervasiveness of land speculation in Turkish cities during the 1960 to 1980 period suggests that the phenomenon cannot be dismissed as an individualized, high-gain high-risk activity confined to a select few operators in the urban land market, however big their profits may be. Rather, we observe the emergence of the urban land market as the most dynamic sector of the urban economy, a major distributive and redistributive arena. In such a context, the creation and distribution of urban land as a major resource assumes critical importance. To the extent that access to urban land opens a major channel of accumulation, interest groupings which become structured around its allocation become the key to understanding the urban dynamic which prevails.

To be able to explain why access to urban land has in fact been *the* central issue in Turkish cities in the 1950 to 1980 period, it may be useful to begin with a few rudimentary comments about land prices in general. Unlike raw land, urban land is only partly primeval natural endowment. It is, in addition, serviced land. In this sense, urban land is produced.¹ Any building site commands a price that is essentially a function of three factors: (a) its location within the physical fabric of the city; (b) the provision of various types of infrastructure and social overhead facilities (roads, sewers, water, light, buses etc.); and (c) legal controls or restrictions such as zoning ordinances, building codes, etc. The market value of any particular site depends upon the combination of these three factors.

Of the three factors which combine to determine the market value of any particular site, the first – its relative location within the physical fabric of the city – can generally be assumed to be the one least subject to change, the most durable feature. The provision of various types of urban infrastructure and social overhead facilities, since they depend upon large public investments, are subject to modification over relatively long periods of time. Legal restrictions, on the other hand, since they entail administrative (or perhaps more accurately political) decisions, are technically the most easily modified or relaxed and hence constitute the most easily changeable feature of urban land in the short run. Therefore, short-term fluctuations in the spatial configuration of land prices and uses can generally be assumed to be associated with changes in legal restrictions.

In Turkey, during the period 1960 to 1980, a set of historically specific circumstances combined to render the above generalizations about the behaviour of urban land markets totally invalid. The massive migratory flows from rural areas, focused mainly on major metropolitan centres, generated pressures for expansion toward peripheral, undeveloped land in such a rapid fashion, and on such a large scale that the relative location of any particular site in the physical fabric of these cities became subject to continuous and short-term change. Thus escalation of land prices became purely a function of time; excluding any

¹ Theoretical controversies on whether urban land is a 'commodity' or 'non-commodity'; and the debate on the problem of 'urban rents' under capitalism – the formation of absolute or monopolistic rent as distinct from differential or positional rent are beyond the scope of this paper. On the intricacies of this ongoing debate, see for instance, Harvey (1978), Massey and Catalano (1978) or Roweis and Scott (1981).

modification of the existing level of public service provisions and/or legal restrictions. Inflationary pressures in the larger economy contributed to the overall and continuous escalation of land prices. Urban land, given very high rates of inflation, proved to be one of the few 'inflation resistant' forms of investment in a context where insufficient differentiation of credit institutions was coupled with public intervention in the financial system to ensure flow of credits to 'productive investment'. Durable legal restrictions became very difficult to maintain under pressure for horizontal and vertical growth. Land owners and developers, knowing that legal controls were liable to be modified or diluted sooner or later, more or less continued to develop and exchange land as though such controls did not exist. Thus a highly speculative market mechanism was set in motion, nourished by a set of factors, which in combination, led to the enormous growth of land rents. In order to reconstruct this mechanism, each of the factors touched upon above needs to be further specified to elucidate the interlinkages between them.²

1 *Massive migratory flows*

The demand generated by massive migratory flows to a few major metropolitan centres in Turkey is perhaps the most apparent factor in explaining the enormous growth of land rents. As elsewhere in peripheral formations, mechanization and commercialization in agriculture provided the impetus for the shift of manpower from agriculture, spurred in turn by the industrial growth in the major urban agglomerations and further intensified by the population explosion itself. Thus, while at present Turkey remains the least 'urbanized' of southern European countries, postwar population movements have been phenomenal in terms of absolute numbers. Between 1950 and 1980 Turkey's population doubled, increasing from 20.9 million to 44.7 million in three decades. During the same period the urban population grew from 3.9 million (19% of total) in 1950, to 7.2 million (25%) by 1960, 12.7 million (36%) in 1970 and 20.3 million (45%) at the 1980 census. The major determinant of this growth was migration which accounted for over 60% of the increase. In 1980, more than one-third of the urban population lived in three metropolitan centres – Istanbul (4.4 million), Ankara (1.9 million) and Izmir (1.1 million). Their combined population was 7.4 million in 1980, up from 1.5 million in 1950.³

² Empirical materials on the political economy of urban land in third world cities have been confined to squatter land and property markets. For recent formulations see Leontidou (1985) or Smart (1986). My own attempt to treat the urban land market as a whole remains circumscribed by the Turkish materials in the absence of systematic comparative studies to draw upon.

³ For a good, comprehensive source on the facts and figures of rapid urbanization in Turkey, see Danielson and Keleş (1985). This recently published volume also contains an extensive bibliography of urban research in Turkey. Wynn (1984) and Hudson and Lewis (1985) contain chapters on Turkey in comparative perspective with other southern European countries.

2 *Inflationary pressures in the larger economy*

This huge flow of population centred in a few cities is not sufficient to explain the enormous growth of urban land rent. The shortage of supply of urban land was certainly a restricting factor which pushed up the prices of building sites. But the 'demand' for urban land was also spurred by the highly variable inflation and economic growth rates in the economy at large. The postwar Turkish economy has been characterized by periods of inflationary expansion, followed by attempts to impose stringent stabilization measures aimed at deflation. This pattern can only be understood starting from the inward-oriented, import-led type of growth that has prevailed in Turkey since the 1950s.

On the whole, the economic growth of the postwar period in Turkey can be described in terms of the creation of an import-substitution industry geared toward the manufacturing of consumer goods for the internal market. The ready availability of foreign loans and credit in the postwar period and the existence of a large, virtually untapped consumer market at home defined the broader parameters of the industrialization efforts. State intervention through tariffs and quotas to reduce competition from imports, coupled with financial incentives designed to encourage investments, resulted in a very rapid, but profoundly uneven, growth. On the one hand, an advanced sector, composed of state-owned and large private firms, made swift progress, shut off from international competition and exploiting the opportunities provided by a large internal market. On the other hand, a backward sector, composed of small artisan shops and manufactories, continued performing in low capital intensive activities with non-unionized, low wage labour. As manpower gradually left agriculture, the backward sector, including the building industry, became the major outlet as a reservoir of manpower.

Emblematic of this 'import-substituting industrialization' was rapid economic growth, with real GNP growth ranging between 6 to 9% annually during periods of inflationary expansion, followed by severe balance of payments crises. The outcome was a cyclical pattern, repeating itself with remarkable regularity at roughly ten-year intervals: periods of economic and political liberalization, culminating in economic crisis, regime breakdown and direct military rule – in 1960–61; 1971–73 and 1980–84.⁴

Alternating periods of rampant inflation and contracting economic growth in the macroeconomy spurred the demand for land which proved to be one of the few inflation-resistant forms of investment. Few, because owing to the nature of the financial system itself, alternative avenues for channelling savings were very limited.

⁴ On the postwar model of economic and political development in Turkey, see Kruger (1974), Ahmad (1977) and Keyder (1979). For various interpretations of the most recent political-cum-economic crisis, see Pamuk (1981), Ahmad (1981), Schick and Tonak (1981), Sunar and Sayari (1982).

3 *A very weak and undifferentiated financial sector*

The remarkably small and undifferentiated nature of the financial system in Turkey has both drastically curtailed sources of institutionalized finance for housing, and at the same time nourished the flow of private savings into real estate.

In its broader features, the Turkish financial system has been characterized by an overwhelming dominance of banks which accounted for more than 90% of total credits outstanding in 1980.⁵ Moreover, four banks collectively represented more than 50% of total bank assets. The contribution of contractual savings institutions, insurance and reinsurance companies, private pension funds, credit cooperatives, the securities market and parallel markets has been negligible in terms of both assets and credits. Savings and loan institutions or building societies do not exist; neither do credit unions or the like.

Banks in turn have traditionally been subject to tight state regulation, interest rates on both loans and deposits being determined by governmental decrees. During the three decades in question here, the state policy was to maintain a highly complex system of preferential interest rates on loans to priority sectors, to encourage resource allocation. There was no such preferential circuit channelling credit to residential construction. Moreover, commercial banks were legally prohibited from using their own resources for longterm home mortgages. In effect, the only bank extending credit for housing finance was the governmentally owned real estate bank, the EKB. Specializing in the finance of residential construction, the EKB extended credit at highly concessionary rates with limited funds, rationing its lending mainly to civil servants. Thus, within the banking system as a whole, housing credit accounted for no more than 1.7% of outstanding loans in 1979, representing a steady decline from 12.7% in 1960 and 5.9% at the end of 1970.⁶

The only other source of institutionalized housing finance, apart from EKB, was the Workers Social Security Fund (SSK), primarily responsible for pensions as well as health and disability payments for the unionized labour force. The small amounts of housing credit made available by SSK have been limited to workers covered by social security for at least five years as well as being confined to apartment blocks with rigid standards and complicated by lengthy procedures.

As shown in Table 1, these two sources of institutionalized finance have accounted, in the past decade, for less than 10% of all housing produced in the regular, formal market. The state has made itself responsible for perhaps 9% or less of total credit going into housing. For the most part, therefore, house building has been financed either directly by private savings or by short-term commercial and suppliers' credits at comparatively high costs. The residential

⁵ For accounts of the basic features of the financial sector in Turkey, see Fry (1972, 1979) and World Bank (1983).

⁶ State Statistical Institute figures as quoted in Kent-Koop (1982: 28).

sector had been, in effect, left to take care of itself. It has been able to do so, because of high inflation and low labour costs. Rocketing land and real estate values, coupled with very low interest rates for savings deposits, have nourished the flow of private savings into residential construction, resulting in a 'building miracle'.

Table 1 Housing supply

Year	Total ¹ production	Private sector	%	Cooperatives ²	%	Public ³ sector	%
1975	97 431	88 662	90	7 892	8	877	2
1976	102 110	99 024	90	9 166	9	920	1
1977	119 409	107 065	90	10 917	9	1 427	1
1978	120 615	107 194	89	12 148	10	1 273	1
1979	124 297	108 894	87	13 978	11	1 835	2
1980	139 207	123 789	89	12 056	9	3 362	2

Notes:

¹ Total production figures are based on the number of occupancy permits issued annually and therefore cover units conforming to building codes, i.e., built legally with adequate infrastructure. In the three largest metropolitan centres – Istanbul, Ankara and Izmir – 'legal' housing, conforming to building codes, is estimated to be 50–60% of total annual residential construction.

² Such cooperatives generally draw their members from trade unions, civil servants or professionals. The SSK provides loans only to cooperative, covering one to two-thirds of total cost of individual dwelling units. The EKB also constructs public housing.

³ Public housing refers to units constructed by municipalities as part of slum prevention programmes; also includes disaster housing etc. constructed by EKB.

Source: State Planning Organization.

4 *The clientelistic nature of electoral politics at the grass-roots level*

The last, but certainly one of the most critical factors which needs to be taken into account in grasping the dynamics of the urban land market in postwar Turkey, is the clientelistic nature of urban politics at the grass-roots level.

Among peripheral countries which have experienced rapid but profoundly uneven economic growth in postwar years – with per capita income still standing at \$1370 in 1985 – the Turkish case appears to be an exception to protracted authoritarian rule. Multiparty, competitive elections have been the norm when the postwar decades are taken into consideration as a whole; periods of direct military rule have been short and intermittent. This is not to enshrine Turkish 'democracy' or to minimize the importance of the military in the political arena. Rather, it is to underline the fact that competitive multiparty elections, in a system wherein party support at the grass-roots level is based on clientelistic networks, constitute an important factor in shaping the outcome of distributive processes in the urban arena.

Electoral strategies based on expedient use of governmental sources of patronage have been characteristic of Turkish political parties since the inception of multiparty politics in 1950. Constrained by a largely small peasant population on the one hand, and the Kemalist ideological umbrella of a 'classless' society cleansed of ethnic and religious distinctions on the other, political parties initially lacked and later failed to develop stable class-based constituencies. Thus 'politics' became rooted in exchange of the vote for short-term individual benefits rather than broader appeals of programme and ideology, and mass-based political parties became dependent upon material incentives to generate popular support and sustain consensus. Within the context of a national system characterized by extensive state intervention in the economy and society and a highly centralized administrative system as in the Turkish case, such material incentives have entailed, by definition, state resources. The successful use of such governmentally controlled sources of patronage as high agricultural support prices, liberal credit policies, electrification of villages etc. in mobilizing and rewarding peasant support, first by the Democratic Party governments in the 1950s and later by the Justice Party, which took over its mantle as the party of mass patronage in the 1960s, has been extensively written upon.⁷

We also know that Democratic Party and Justice Party governments succeeded over a period of 25 years in sustaining a remarkable degree of electoral consensus in large cities, exhibiting a particularly strong showing among the urban poor. Remarkable, because the story of large cities in Turkey, up until the 1980s decade, has been one of deteriorating finances and diminishing autonomy of action. The progressive trend throughout the postwar decades has been one of widening budget deficits, drastically constraining the capacity of local governments to keep up with the existing level of service delivery, let alone make new investments. Given the sheer scale of population movements to large cities and the paucity of investments in infrastructure in the absence of a substantial influx of resources from the centre, the distribution of actual, material benefits (however critical they may be by virtue of their scarcity) cannot by itself account for the strong showing of DP-JP governments in the urban arena.

It is in the potency of non-material resources which do not have immediate monetary costs, which do not constitute a direct drain on public purse strings, that we must look for answers.⁸ These have to do with the selective implementation of regulatory powers of local government, particularly in the areas of urban planning, the issuing of construction licenses, the enforcement of zoning and building codes. These regulatory and bureaucratic powers can be used to confer significant advantages or disadvantages of an economic nature without outright public expenditure. Given the scarcity of actual, material

⁷ On rural clientelism in Turkey, see Sayarı (1977), Ergüder (1980), Özbudun (1981), Kiray (1982) and Sunar (1985).

⁸ The distinction between monetary and non-monetary sources of patronage is from Chubb (1981; 1982) whose work on patronage and power in southern Italian cities provides invaluable insights.

benefits to distribute, i.e., urban goods and services of the conventional type such as roads, electricity, sewerage, water etc., the most expedient form of dispensing patronage was that of *non-exercise* of legal controls or their selective relaxation. As a result, a public political discourse couched in terms of technical imperatives of planning and the calamitous consequences of 'urban anarchy' was accompanied, at the grass-roots level, by the tacit understanding that land use and building controls would sooner or later be relaxed, modified or diluted in response to particularistic and individualistic demands.

Of course, discretionary implementation of bureaucratic controls and surveillance powers of local government as a form of dispensing patronage (and as outright corruption) is a phenomenon to be found in all large cities, everywhere. Its potency and scope as a general clientelist strategy in large Turkish cities has been dependent upon a combination of escalating population pressure, rampant inflation and rocketing land and real estate values such that nearly all major social and economic groups, representing a broad cross-section of the population, found something to gain in the ensuing speculative expansion.

II Interest groupings in the urban land market

During the three decades of tumultuous, speculative expansion which completely transformed the face of metropolitan centres in Turkey, all major social and economic groupings found something to gain. As has already been suggested, it was precisely these short-term material benefits and the political consensus generated on the basis of them, which sustained the dramatic urban boom based on market forces alone. Why and how then, did this miraculous mechanism stall towards the end of 1970s? The logic of the impasse must be sought not so much in the transformation of the basic parameters within which the dynamics of the market mechanism unfolded; but rather in the blocked opportunities of various interest groupings in the urban arena. For today, in the 1980s, massive migratory flows to urban centres continue unabated, high inflation rates, a weak and undifferentiated financial sector and clientelism in urban politics remain as the basic features of the broader, macro configuration. But after 30 years of building boom, the very processes of speculative growth which served to maintain political cohesion during the past three decades, have come to undermine it in the 1980s.

To elaborate this argument it will be necessary to look at the various interest groupings in the urban land market and their varying patterns of access and accumulation over time.

1 *The squatters or the urban poor*

Among the major social groupings in large Turkish cities, the urban poor is the most distinctive and yet the least susceptible to precise definition because of the

myriad and continually shifting nature of its economic pursuits. Among the key sectors of the economy, it roughly corresponds to the vast array of 'marginal' pursuits; in terms of residency patterns, it more or less coincides with evolving squatter neighbourhoods surrounding large cities. In the context of the urban land and housing market, it represents a population whose ownership of land is not legally recognized, but who are in actual possession of a saleable or rentable value in what has been termed the 'secondary' or 'informal' market.

For the bulk of the immigrant poor population of large cities in Turkey, the 'marginal economy' composed of petty commercial and service activities ranging from family-run food shops to hawkers and vendors of every variety, has traditionally served as a 'refuge sector' in the absence of alternative possibilities. Without a fixed profession, changing their trade from day to day as the vagaries of the city's marginal economy dictate, the 'subproletariat' of large metropolitan centres in Turkey has been variously estimated at around one quarter to one third of the working population.⁹ Analytically distinct from such marginal pursuits, but included among the urban poor, are 'public employees' in the lowest rungs of the bureaucracy – municipal and state. Employment in municipal services such as garbage collection, public transport, maintenance, or as clerks, janitors or drivers in various public bureaucracies does not generally entail substantial material benefits, but in terms of stability and security it confers a real sense of privilege. A final analytically distinct but small category of the urban poor are the proletariat proper, employed by large and medium-sized firms in the manufacturing sector. According to recent official statistics, out of a total active labour force of 15 million for the entire country, approximately 2.5 million are covered by the Workers Social Security Fund. A secure industrial job then, is a rare opportunity, mainly confined to such industrial growth poles as Istanbul, Adana or Izmir.¹⁰

It is evident that none of these employment opportunities constitutes an upward channel of mobility. Certainly, a secure factory job or stable employment in a public bureaucracy is much coveted, but given the continuous erosion of wages and salaries under inflationary conditions, neither leads to substantial enrichment. It is in fact not the 'job market' but the 'secondary land market' which has provided a channel of accumulation for the urban poor.

In terms of residential patterning, the urban poor are associated with the peripheral ring of 'squatter neighbourhoods' which have become a permanent feature of large Turkish cities since the 1950s. But given a history of approximately 30 years, the distinction between neighbourhoods with squatting and non-squatting histories has in many instances become blurred through time.

⁹ For estimates of the size of the 'informal' or 'unorganized' sector employment in Turkish cities, see Tekeli (1977) and Kuran (1980).

¹⁰ In this paper I have not attempted to discuss or even list the voluminous literature on Turkish squatter settlements, as it is likely to hold little surprise for those familiar with the literature on 'marginality' and squatter settlements elsewhere. See Şenyapılı (1980) for a comprehensive bibliography on Turkish squattments.

In its early phases, the phenomenon of squatment entailed occupying vacant municipal or state land and building a one-room house with the help of relatives. Gradually, however, the original squatter neighbourhoods became absorbed into the physical fabric of large metropolitan centres, no longer resembling villages in stark contrast to the multistorey concrete neighbourhoods of the city proper, but simply built up, congested, low income neighbourhoods. Furthermore, the legal status of the land built upon ceased to be a strict guide, since 'legalization' in pre- and postelection years became a frequent practice as the population of these neighbourhoods became an indisputably important clientele group in urban politics. Local governments began to retroactively 'plan' such neighbourhoods to provide electricity, roads and bus services, if not running water or sewerage.

Most importantly, the rentability and saleability of land and buildings – regardless of legal status – and the general appreciation of land values under inflationary conditions, has enhanced the profit-making potentialities of markets represented by evolving squatments. The dynamism of this 'secondary' or 'informal' land market is only partly related to the potential for legalization of ownership; to the extent that it is possible to buy and sell lots as well as build houses purely for rent and resale purposes in a market that caters to nearly half the city population, the opportunities for capitalization are high. The 'informal' housing market, composed of buildings erected without legal permits, expanded from 4.8% to 21.1% of total housing between 1955 and 1980; or in terms of numbers, from 170 000 in 1955 to an estimated one million dwellings in 1980. By 1980, approximately 70% of the total population in Ankara, 50% in Istanbul and 20% in Izmir lived in 'squatter housing'.¹¹

For successive waves of immigrants in the 1950s and 1960s, access to this secondary land and real-estate market became much more than a source of security; it proved to be a channel for substantial accumulation. Having once acquired a foothold, they were often able to legalize their ownership rights; take advantage of high inflation and rising property values to become owners of multistorey buildings, rentals etc. Concomitantly, the vast opportunities for capitalization in this market attracted outside investors and developers. Vacant 'public' land having been very rapidly depleted, such investors began to buy large tracts of agricultural land on the periphery, to resell in tiny plots to new immigrants. Thus by the mid-1970s, it was no longer possible to squat in the time-honoured fashion. Access to the secondary land market was now mediated through developers, locally known as 'squatter lords' who sold split-deeds in unserved, agricultural land at the price of 'urban land'.¹² Thus, once the land grab bonanza of the 1950s and 1960s was over, fresh waves of immigrants arriving from the mid-1970s onwards were forced to pay enormous rents in peripheral neighbourhoods without the most basic infrastructural services, while

¹¹ The figures are quoted from Danielson and Keleş, (1985: 42).

¹² This process of 'pirate subdivisions', i.e., the sale of plots of unserved land by speculators has been frequently documented elsewhere in other third world cities. See for example, Gilbert (1981), Deneke (1981), Moser (1982) or Smart (1986).

at the same time trying to save the exorbitant sums necessary to acquire the split-deed of some unserviced land even further out in the periphery. This structuration of the secondary land market coincided, in terms of migratory patterns, with the rural exodus from the most backward, eastern provinces of Anatolia where commercialization had just begun to make its impact felt upon the feudal land tenure system, releasing fresh floods of migrants in search of work.

In summary, the 'squatters' of the 1950s and 1960s have been among the major groupings in the urban arena to benefit from the 'non-planned' speculative boom of the postwar decades. But their short-term material gains have been added, in the long run, to the social and economic costs to be underwritten by fresh waves of migrants. Thus the political consensus generated by the tidal wave of speculative expansion in the earlier decades was eroded in the mid-1970s. The immigrants no longer provided a stable reservoir of votes for conservative political parties, as evidenced by the 1975 local elections, when for the first time in Turkish electoral history the urban vote in the three major metropolitan centres swung to the left of centre.

2 *The new middle classes or middle income groups*

The terms 'new middle classes' or 'middle income groups' are once again nebulous concepts; controversial in meaning, vague in scope. Included are the urban professionals, military and civilian bureaucrats, middle and upper rung employees of the larger modern enterprises such as marketing firms, banks, industrial concerns etc.; in sum, the 'salarariat' of the large metropolis. What distinguishes this group in the context of the urban land and housing market is that the mandates of their 'modern', 'westernized' life style and 'respectability' (though not always their income) assign them to the 'formal' residential sector. But also given their 'fixed income', they are a group whose limited savings are susceptible to continuous erosion under inflationary conditions. The weakness and undifferentiated nature of the financial system implies that their only channel of inflation-resistant savings or old age security lies in investment in the formal land and housing market. For this group, an *arsa* (a piece of urban land) tucked away someplace, to be sold when the need arises, is the equivalent of gold coins for the peasant family or investment in European financial markets for the very wealthy. It is, in fact, more than that, for urban land is associated with windfall profits. If judiciously chosen, it can lead to considerable profit through locational advantages likely to accrue over time and building ordinances destined to change. If by some unfortunate combination of circumstances neither opportunity materializes, then resale value will have kept up with inflation. Thus the word *arsa* in middle-class Turkish nomenclature has come to evoke a whole series of associations, much broader than that suggested by the literal translation of the word. It connotes a pattern of savings, embodies future hopes and aspirations, symbolizes a whole way of life. Next to university education for the

children, a couple of *arsa* has been the traditional means of reproducing the middle-class way of life in Turkish cities. Moreover, as the worth of a university diploma has progressively declined, the urban land and real estate market has come to assume critical importance as the future guarantee for the coming generations.

While the middle classes or perhaps more appropriately the 'fixed income' groups have always constituted the backbone of the 'formal' residential sector in large Turkish cities, their channels of access and accumulation in the urban land market have been subject to considerable change during the three decades following the second world war. State sponsorship of 'modern', 'westernized' middle-class housing, begun in the 1930s during the mono-party, Etatist era continued up until the mid-1950s. Residential expansion of middle-class neighbourhoods during this period took the form of spacious, suburban style housing – single or two-story buildings with gardens – built on state credit, on very cheaply acquired state or municipal land. Thus in Ankara such neighbourhoods as Bahçelievler (1935); Mebus Evleri (1932); Güven Evleri (1936–37); Sümerbank Evleri (1949) or 19 Mayıs Evleri (1950–51) were a product, basically, of the Etatist policies of subsidizing middle-class – then synonymous with government employees – housing.¹³ In Istanbul, such state sponsored new residential development took place somewhat later and lasted up to the mid-1960s, resulting, once again, in spacious suburban style neighbourhoods as Merkez Bankası Evleri (known as Mecidiyeköy today); Etiler; Gayrettepe; Levent or Ataköy – catering mainly to upper and middle level bureaucrats of various state enterprises, state owned banks etc.

Today, in the 1980s, none of the above cited suburban style residential neighbourhoods remain, all having been transformed either into high-rise luxury apartment complexes or commercial areas commensurate with appreciating land values and changing building codes and regulations. In the process, the residential patterns of the middle classes have changed; the trend toward suburbanization and the shift of middle and upper income families toward outlying neighbourhoods of single family dwellings has been replaced by high-rise luxury apartment dwellings such that modern, westernized life style for upper and middle income families became associated with inner city apartment residence. This transformation was directly related to changing state policies from the mid-1950s onwards. As the drive toward import-substituting industry accelerated and the state funds distributed through the Real Estate and Credit Bank were increasingly diverted into infrastructural investments, direct subsidy of middle-class housing dwindled. Thus by the mid-1950s, exactly when large metropolitan centres began to experience explosive population growth, suburban-style residential development for middle classes was already past history. Instead, a very important piece of legislation – the Condominium Law – was passed in 1965, making apartment flat ownership legally possible. The

¹³ Recently, a detailed historical account of one of these middle-class neighbourhoods, *Bahçelievler* in Ankara has been published. See Tekeli and İlkin (1984).

possibility of joint ownership in apartment blocks made high-rise residential developments the typical pattern of middle-class expansion in the 1960s and 1970s. The concomitant trend toward peripheral expansion of squatter communities resulted in what today, in the mid-1980s constitutes the typical residential patterning of the large metropolis in Turkey, namely high and middle income groups concentrated in high rent apartments relatively close to the centre of the city and low income groups forming an outer belt.

This process of transformation of middle-class residential patterns is of more than historical interest. The beneficiaries of state subsidized housing in the earlier eras were able to capitalize on the land cheaply acquired, thus becoming one of the important groups to accumulate in the urban land market. The condominium Law of 1965, coupled with the relaxation of building codes and regulations which facilitated the development of high-rise apartment complexes, meant that in a very short span of time entire neighbourhoods of suburban style housing were eradicated to be replaced by apartment blocks. In the context of appreciating land values, fixed-income groups whose savings were invested in urban land and housing either became owners of huge apartment blocks or, at the very minimum, exchanged their land for a number of luxury flats in the apartment complexes constructed upon it. This pattern of accumulation and capitalization in the urban land market was specific, however, to cohorts of fixed-income groups who were the beneficiaries of direct subsidies in the earlier eras. Thus, inevitably, the process had exhausted itself by the mid-1970s with new cohorts of fixed-income groups both blocked from access to urban land in the absence of state subsidies and unable to pay the rents of luxury flats which had become the *sine qua non* of middle-class life style.

3 *Entrepreneurial groups and contractors*

In attempting to trace the interlinkages between local entrepreneurial groups, building contractors and the speculative expansion of the urban land and real-estate market, a number of specific features of the postwar Turkish model of development have to be kept in mind: First, as has already been touched upon, rapid but uneven growth has resulted in a clear bifurcation between an advanced sector, composed of state-owned enterprises and large private firms, on the one hand; and a highly competitive but backward sector performing low-capital intensive activities with non-unionized, low wage labour, on the other. A second important trend has been the rising share of state investments in total investments, increasing from approximately 40% in 1950 to nearly 70% in 1980. Furthermore, a very high fraction of both state and private investments has been concentrated in construction; mainly public works in the case of state investments and dwellings in the case of private sector, as opposed to machinery and equipment (See Table 2). Thirdly, manufacture and commerce of home furnishings, ranging from ceramic tiles, piping and installation to kitchen and bathroom fittings, has emerged as an attractive area of investment for local

Table 2 Composition of gross domestic capital formation (percentage distribution; current prices)

	1950	1955	1960	1965	1970	1975	1980	1982
A) Private sector								
1. Dwellings ^a	25.8	30.1	20.6	21.9	19.6	11.5	24.5	11.8
2. Other buildings ^b	10.7	9.2	6.5	8.4	7.4	2.7	3.9	2.6
3. Other construction	1.4	0.76	0.6	0.8	0.4	0.0	0.1	0.6
4. Machinery and equipment	23.0	17.6	22.3	15.2	19.2	27.0	2.1	25.6
Total	60.9	57.6	50.0	44.3	46.2	41.2	30.6	40.2
B) Public sector								
1. Dwellings	1.4	0.5	0.3	0.9	0.5	0.8	0.8	1.6
2. Other buildings	12.2	10.7	11.4	13.7	14.0	21.7	13.4	22.0
3. Other construction	17.3	22.1	24.8	28.1	24.8	18.3	24.6	13.7
4. Machinery and equipment	8.2	9.1	13.6	12.9	14.5	18.0	30.6	24.1
Total	39.1	42.4	50.0	55.7	53.8	58.8	69.4	59.8

Notes:^a Includes hospitals, schools, hotels etc.^b Includes infrastructural investments; highways, energy, communications etc.Source: *National Income, 1938, 1948-72* No. 625, and *National Income, 1962-73* No. 712, State Statistical Institute. Figures for 1975, 1980 and 1982 are unpublished data provided by SIS.

entrepreneurial groups; large, modern sector enterprises becoming linked forward into the house-building market.

In the construction sector, the coexistence of a small number of large, technologically advanced companies on the one hand, and a large number of small-scale competitive firms has been accompanied by a clear market segmentation.¹⁴ Large contracting companies have tended to concentrate on state financed public works investments such as cement mills, irrigation projects, dams, power plants etc., which have formed the bulk of expanding state investments in the postwar decades. Such large contracting firms, initially taking advantage of huge profit margins in public tenders to build large machine parks and adequate capital to undertake big projects in the 1950s and 1960s, branched out to the booming Arabian Gulf states in the 1970s. The competitive edge of Turkish contracting firms in these markets stemmed from the low-paid Turkish workers, with approximately 250 000 Turkish construction workers deployed abroad in 1985.¹⁵

In house building, given the absence of substantial state subsidies and hence the lack of large scale development projects or new towns, the involvement of these giant corporations has been minimal. Instead, the building industry in large metropolitan centres has expanded in a very fragmented fashion, dominated by small-scale firms, taking advantage of very high rates of inflation, acute housing demand and cheap labour to generate high profits in the short run. The prevailing mode of operation of these small firms in the formal housing market has been to acquire land in exchange for a couple of flats in the apartment building to be constructed, thus minimizing the initial capital outlay. Once the problem of acquiring land is solved, suppliers' credit can be used for construction materials. The remaining building costs can then be covered by marketing flats from the ground up in a piecemeal fashion on an installment basis, with large cash downpayments. The profitability of such an operation depends entirely on whether and how long the contractor can hold off in selling the entire set of flats. If by the time the apartment block has been finished a number of flats still remain to be sold, then their value would be nearly double the original price, enabling the contractor to start on the next building project in the chain.

The operational flexibility of such small, frequently 'one-man firms', and the

¹⁴ The coexistence of large firms with small-scale competitors is a general characteristic of the construction sector in advanced industrial economies. The big firms tend to concentrate in national or international operations; a large number of small construction firms compete in local markets. Specific country differences can be observed in the extent to which large contracting firms are linked forward into the house-building market or backward into the production of construction materials. On such differences between German and British construction sectors and the role of institutional factors shaping them, see Grant and Streeck (1985).

¹⁵ On Turkish contractors abroad see for instance: 'Turkish contractors: it is time to take them seriously' in *International Management*, July 1985; 'Middle East construction market and Turkish construction firms in the Middle East', *Middle East Business and Banking*, June 1984; or 'Turkish contractors in trouble as neighbours' boom ebbs' in *International Herald Tribune*, November 16 1984.

low level of initial capital outlay required has rendered the house-building market highly competitive, with little incentive for large firms with advanced technology and superior credit facilities to try to out-compete the smaller firms. The generally high overheads of such large firms, their commitment to a skilled labour force – which once dispersed, is often difficult to reassemble – and their high capital intensity means that their competitive edge resides in longterm, large scale projects. In the absence of large housing projects supported by the state or local government, they have left the private housing market to small firms. Thus, in housebuilding, traditional methods of construction based on an abundance of cheap labour have undergone little change. The explosive residential growth of the postwar period in the metropolitan centres has proceeded with no prefabrication of building materials, little standardization of such components as doors, windows etc., or the use of such modern methods as 'lift-slab'.

But while traditional methods and materials of construction in house building have undergone little change, middle-class residential expansion has created a vast market for house fittings, ranging from central heating equipment to ceramic tiles and floors; bathroom and kitchen furnishings; wallpaper and light bulbs, in addition to the more conventional durable white goods. Thus many of the large, modern conglomerates to emerge in the postwar decades have branched out into the manufacture of household fittings and furnishings, becoming linked into the expanding residential market.

Towards the end of the 1970s, a series of bottlenecks emerged which signalled the transformation of the general pattern discussed above. First, with the drop in the volume of work in the Middle East, many of the larger Turkish contractors have become interested in expanding their local operations. But the forward linkages of these large contractors into the domestic house-building market is difficult, if not impossible, in the absence of substantial state subsidies in large scale residential development. For these large firms to enter the domestic residential market, parallel developments are needed in standardization of design and construction materials, use of modular design and limitation of variables, in sum, establishment of new construction related industries that would produce the components needed by the industry. The diversification of large contracting firms into the production of construction materials, through backward linkages, is once again contingent upon state-sponsored, large scale housing projects which would make the use of industrialized construction techniques feasible. In sum, the giant construction companies which have in the past eschewed the residential market in the large metropolitan centres are today, in the 1980s, in the process of reassessing its potentialities; their opportunities being entirely dependent upon public intervention in the form of both direct state investment in housing or various programmes of incentives and subsidies.

The bottlenecks encountered by small firms in the residential market have been of a different variety, stemming from a number of factors which have combined to transform the parameters of both initial capital outlay and also financing requirements. First, after two decades of dense, high rise residential

development, the supply of serviced land near or in the city centre has been depleted. Owners of such land as remains, demand half ownership in apartment blocks to be constructed upon it, making future profits or at least heretofore high profits very unlikely for the building contractor. Secondly, the rocketing costs of construction materials have made suppliers' credit increasingly expensive with interest rates of more than 70%. Finally, the concomitant increases in the size of cash downpayments and instalments demanded of would-be owners has simply eliminated the most numerous clientele group – the fixed-income segment – from the middle-class residential market altogether. In sum, the mode of operation of small firms which have spearheaded the residential boom of the past three decades is no longer viable under the changed circumstances. Thus despite the pent-up demand, continued inflation and cheap labour, the heyday of short-term, high profits for one-man firms in the residential market appears to be over.

4 *Local politicians and city administrators*

The limitations imposed upon the local autonomy of action by central government and its agencies have been the starting point in all discussions of local government in Turkey.¹⁶ It is undoubtedly true that local autonomy has been heavily constrained by a bureaucratic and centrist tradition of formal state tutelage, and the resources available for local government have been severely limited. But it would be wrong to infer that as a consequence, local governments have perforce been passive spectators in the tumultuous urban expansion of the postwar years. On the contrary, they have been a major vested interest group. For in the absence of a substantial influx of public resources from the centre, the underpinnings of clientelistic power at the local level has come to rely increasingly upon selective implementation of regulatory and bureaucratic codes. And discretionary implementation in the areas of urban planning, the issuing of construction licences, enforcement of zoning and building codes has emerged as the most important single resource used to generate and maintain consensus among district client groups in local politics.

The constraints upon local financial resources needs little elaboration, given the massive influx of population and the inadequacy of existing infrastructure in large metropolitan centres (see Table 3). Among the various functions of local government, the emphasis has been upon the provision of physical services – from sanitation to utility provision. Coupled with the fact that municipal authorities in Turkey have only limited social welfare responsibilities (education and most health and social services are the domain of central government), the balance of outputs in large cities has been skewed towards public works and maintenance activities. But the rising real costs of these services under inflationary conditions, deteriorating capital stock and the fact that local

¹⁶ On central-local government relations in Turkey and the limitations on local autonomy during the 1950–1980 period see for instance, Tekeli and Gülöksüz (1976, Danielson and Keleş (1980), Eke (1982), Nadaroğlu (1982).

Table 3 Total municipal budget, urban population and budget per urban inhabitant, 1950–1980.

Year	Total budget current TL million	Urban population (1000) ^a	Budget/urban (current TL)	Inhabitant (980 TL) ^b
1950	138.6	5 910	23.5	1 949
1955	311.4	8 159	38.2	2 183
1960	1 190.6	10 523	113.1	3 637
1965	1 351.1	13 153	102.7	2 575
1970	3 007.0	16 941	177.5	3 282
1975	9 449.6	21 587	437.7	2 890
1980	68 576.7	25 027	2 740.1	2 740

Notes:

^a Refers to population residing within municipal boundaries including settlements of less than 10 000 if they are independent municipalities.

^b Using the GDP deflator.

Source: *Sector Report on Municipal Finances, 1982, SPO.*

governments have been dependent upon central funding has placed severe restraints on available resources. The progressive shrinking of financial resources has precluded large scale capital spending. Piecemeal increments to existing infrastructure as bottlenecks arise have become the prevailing pattern. Under such conditions of scarcity, even the most rudimentary physical services such as street maintenance and garbage collection represent scarce resources regulated by brokerage mechanisms. In a city where most roads are in need of urgent repair, the question of whose road will be repaired first, if at all, tends to become a source of clientelistic demands and particularistic appeals. And it would be misleading to associate the demand for such rudimentary services exclusively with the immigrant population. The provision of water, for instance, has certainly been of prime importance in squatter neighbourhoods. But water shortage and rationing has been a chronic problem for middle and upper income neighbourhoods as well.

The resilience of clientelistic consensus under conditions of such scarcity underlines the importance of patronage resources which do not have direct, monetary costs for local government. The potency of selective implementation of building, zoning, planning codes as a machine tactic has already been emphasized. At the risk of repetition, it must be pointed out that such selective implementation has been critical for all groups involved in the urban land and real-estate market, although the benefits in question have been of different levels. In the awarding of highly lucrative public works contracts, granting of building licences or introducing slight variations in the city plans, millions may be at stake. But the surveillance powers of local government are of vital importance in the day-to-day survival of the bulk of the impoverished urban population as

well. Vigilant control can stop all new construction in the secondary market. Preparation of local physical plans for peripheral neighbourhoods is only a retroactive exercise; but since it is tantamount to legalization of existing land-use patterns, the ensuing appreciation of property values tends to generate windfall profits. And one step further, the legalization of ownership rights in municipal or state land in actual possession of squatters by distributing deeds can be, and indeed has been, an expedient form of dispensing patronage. In the formal housing market where violation of building codes is widespread, omission of controls once again entails significant economic gains. And relaxation of restrictions on building heights has transformed, in various states, the entire face of middle-class neighbourhoods in large Turkish cities, while at the same time conferring important benefits on a large segment of the urban population.

To the extent that nearly all major social and economic groupings have had something to gain in the chaotic, unregulated boom of the land and real-estate

Table 4 Support for the two major parties in large Turkish cities in national elections: 1965-1977 (all data in percent of votes cast)

	Justice Party	Republican People's Party	Other minor parties
1965			
Turkey	52.9	28.7	18.4
Istanbul	52.0	30.4	17.6
Ankara	46.5	30.2	23.3
İzmir	62.1	29.8	8.0
1969			
Turkey	46.5	27.4	26.1
Istanbul	47.8	33.8	18.4
Ankara	42.4	36.0	21.6
İzmir	53.2	35.1	11.7
1973			
Turkey	29.8	33.3	36.9
Istanbul	28.5	48.9	22.6
Ankara	29.2	44.8	26.0
İzmir	40.9	44.6	14.5
1977			
Turkey	36.9	41.4	21.7
Istanbul	28.8	58.3	12.9
Ankara	31.2	52.5	16.3
İzmir	39.7	52.7	7.6

Sources: Özübudun, 1976 and Ergüder, 1980b.

market, the politics of mass patronage in large metropolitan centres has been only minimally dependent upon direct public expenditures. Thus, incumbent Justice Party governments encountered little difficulty in maintaining their mass electoral base in large cities up until the mid-1970s. The first discernable shift to opposition parties occurred in the 1973 elections, becoming progressively more pronounced towards the end of the decade. By 1977 more than half of the voters in the largest cities were supporting the Republican People's Party (see Table 4). Political violence escalated concomitantly; with neofascist and splinter radical leftist factions competing with one another and among themselves to gain control over neighbourhoods in the peripheral, poorer areas of large cities. Reports of armed skirmishes between the police and such groups, widely publicized in the daily press, provided dramatic evidence of rapidly disintegrating clientelistic consensus.

In explaining this swift and radical shift to opposition parties in large Turkish cities, two different types of interpretation have been advanced. Interpretations which trace the underpinnings of clientelism to the characteristics and values of the supporters themselves, have emphasized the political ethos of the marginalized poor, their lack of prior experience in political participation, the 'uncivic' society and so on. The assumption here is that clientelism is a backward form of political participation, associated with poor, uneducated, recently urbanized populations in large Turkish cities. By the same token, a trend towards demand articulation through class-type organizations and the ascendance of horizontal and occupational ties as the basis of party loyalties is seen as an inexorable process, a necessary concomitant of autonomous processes of socioeconomic and cultural change. Interpretations of this variety have read into election results in large cities the eclipse of clientelism and the manifestations of a longterm trend toward realignment along class lines in urban politics.¹⁷ Arguments about the inevitable demise of clientelism in the face of uneven social and economic change are obviously difficult to refute when couched as sweeping generalizations with abstract time horizons. But within the specificity of the mid-1970s juncture in Turkish urban politics, the sharpness of sectarian and religious cleavages and the strength of regional ties in the communal organization of the poor, thrown into sharp relief in the escalating political violence of the late 1970s, is clearly at variance with such an interpretation. Furthermore, as has been emphasized in the preceding analysis, to focus on the cultural values and traditions of the urban poor as the principal underpinning of clientelism in large Turkish cities is to disregard various sectors of the middle classes and entrepreneurial groups which have been a very important source of strength.

A more plausible explanation can perhaps be formulated, proceeding from interpretations of the structuralist variety. Analyses of the structuralist variety have linked clientelism as the dominant form of political organization to an underlying context of resource scarcity and economic dependency. In this view,

¹⁷ See for instance, Özbudun and Tachau (1975).

the cultural values of the urban poor are no longer seen as producing distinctly 'backward' forms of political behaviour. Instead, both the values of the poor and their political expression are seen as rational adaptations to external structural constraints, economic and political. Hence the emphasis is upon the ways in which mass-based clientelist parties maintain intricate and often fragile coalitions through the distribution of material benefits. To the extent that the key to clientelistic consensus resides in the maintenance of a continuous flow of benefits, any 'crisis' which undermines the resource base of political machines, while it need not necessarily spell the demise of clientelism as such, is likely to engender a mass shift in the electorate support to 'anti', opposition parties.¹⁸ The facts of the Turkish case fit such an argument, *if* the term crisis is interpreted to encompass both monetary and non-monetary underpinnings of clientelistic power in large cities. The effects of the growing gap between the basic service needs of the urban population and resources of local governments in dealing with them were compounded, from about the mid-1970s by a more general economic crisis, a combination of world wide recession and domestic balance of payments difficulties. Thus the already fragile informal economy of large cities was further strained and the margins of subsistence for the urban poor significantly reduced. But it must be kept in mind that incumbent governments had in the past been able to maintain clientelistic consensus in large cities, despite sharp and growing cleavages and despite shrinking finances. The expanding resource base which formed the underpinnings of clientelistic power resided in a seemingly unlimited fund for patronage expenditures – the relaxation of building, zoning, planning regulations and codes. But this resource proved to be increasingly circumscribed in its impact, given the crystallization of vested interests, the structuration of the land market and blocked opportunities. By the time the urban land and real estate market ground to a standstill, in the wake of the 1980 military takeover, the prognosis for reconsolidation of clientelistic consensus in large metropolitan centres was far from optimistic for mass-based political parties.

III Short-term gains and longterm costs: the balance sheet of 30 years of speculative boom

The ravages of 30 years of speculative growth in large Turkish cities, the destruction of the urban fabric and the degradation of the natural environment need little elaboration. What has to be underlined perhaps, is that the 'building boom' which served as the basis of political consensus among diverse groupings in the urban arena by providing short-term material benefits, accentuated, in the long run, the existing social and economic cleavages among them. The very groups which were aligned in the creation of a specific built environment found that the immobile physical landscape they participated in creating compounded

¹⁸ For interpretations along these lines, see Boratav (1983) and Keyder (1984).

and solidified the inequalities among them. Thus the speculative boom which sustained political coherence at one historical moment, came to undermine it in the next. Towards the end of the 1970s decade, a number of reversals occurred.

The middle classes who had poured their savings into concrete blocks in central areas of large metropolitan centres found themselves hemmed in by encroaching commercial activities, noise and pollution. Unable to move out towards the periphery in the absence of suburban development projects, they were locked into a cycle of perpetual interior decoration and renovation in progressively deteriorating neighbourhood environments. For new cohorts of 'fixed-income' groups the prices and rents of such flats, pegged to inflation rates approaching 100%, had become permanently and unequivocally out of reach. With its traditional channels of investment resistant savings and accumulation blocked, 'anarchy of uncontrolled urban growth' and 'the need for planning' emerged as the keynote of the late 1970s for the middle classes.

For the fresh waves of immigrants, flooding large cities at rates approximating 200 000 per annum, securing a foothold in the secondary land market was no longer automatic. Most of the state and municipal land on the periphery of large cities was already occupied by earlier cohorts of squatters; the adjacent agricultural land had been bought up by 'developers' to be sold in tiny plots at the price of urban land. Thus, within the secondary land and housing market there had emerged sharp cleavages between the newcomers and the older cohorts, coinciding with differences in regional origins.¹⁹ It was the latecomers from the most backward eastern provinces who had actually to buy their land, paying exorbitant prices for unserviced land of dubious legal status, sectarian and ethnic differences becoming built into spatial configurations.

For the myriad of small, typically 'one-man' construction firms dominating the housing market, the impasse of the 1970s signalled a crisis much beyond a temporary slump; an episodic decline in demand. The absolute scarcity of centrally located land after three decades of high-rise development jeopardized the economic viability of small firms by increasing both initial capital requirements and also financing costs. In the absence of institutionalized finance and preferential credit for suburban housing development, coupled with politico-legal arrangements sheltering the housing market from large-scale competitors, the possibilities of a recovery appeared remote. For the large firms in the polarized construction market, the expanding horizons of the Middle East market in the late 1970s compensated for the domestic decline in public investments. But with the Middle Eastern construction boom ebbing towards the middle of the 1980s, domestic public projects once again resumed critical importance. The potentialities of the domestic housing market for such large firms depended, on the one hand, upon an influx of substantial state funds for housing development projects and on the other, the 'political design' of subsidies. Clearly coinciding with interests of construction industry were firms dealing in the production and

¹⁹ See for instance, Dubetsky (1977) or Heper (1982).

commerce of all types of home furnishings which now depended upon state subsidies to stimulate housing expansion.

For mass-based clientelistic parties which had been able to consolidate their power around the politics of speculative expansion in large cities during the postwar period, it had become increasingly difficult to contain social tensions and postpone the explosion of conflicts by the end of the 1970s. Reinstatement of clientelism as the dominant mode of generating consensus and maintaining stability – the translation of social and political conflicts into individual competitions – now necessitated a vast transfer of resources from the centre to large cities, to be distributed in the form of patronage expenditures.

Thus after three years of direct military rule between 1980 and 1983, the first party government to be established by ANAP, the conservative Motherland Party, specifically targeted large cities as its future base for popular appeal by providing for a large influx of resources from the centre.

In 1984, the outlines of a national housing policy emerged through the creation of a new National Housing and Investment Administration. The total amount of public funds flowing through the NHIA, which operates under a broad policy framework of stimulating private initiative in the construction sector, has been significant and is projected to increase. The inflow of funds for 1985 was estimated to be around 5.6% of total budgetary tax resources. Thus already, within two years of its existence, the NHIA has become the largest construction and housing finance agency in the country; it is poised to play a critical role not only in shaping access to housing, but also defining developments in construction as well.

Simultaneously with direct subsidies in housing, the ANAP government has introduced major changes in the legal framework of municipal finance, aiming to both increase the revenue base of local governments and also their discretionary powers. Thus the share of municipalities within the national budget has increased from 3.7% in 1983, to 4% in 1984 and 4.6% in 1985, signalling a substantial diversion of resources from the national budget to the local level.

Finally, the concomitant overhaul of the political-institutional framework of metropolitan government has increased the discretionary powers of local government by creating a two-tier system providing for electoral representation at both levels.²⁰

Given the expanding resource base for potential patronage expenditures of the conventional type, to what extent can we expect a reconsolidation of clientelistic consensus in large Turkish cities towards the end of the 1980s? Speculation about future political development is bound to be of limited usefulness. What can be said with plausibility is that the new mechanisms of 'public intervention' are in the process of transforming the social and economic terms of the urban question in Turkey. To what extent and in what direction, remains to be seen.

²⁰ For a detailed discussion of post-1983 politico-administrative reforms in metropolitan governance, see Öncü (1986).

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Le marché des terrains urbains est le secteur le plus dynamique de l'économie urbaine et il constitue un excellent refuge contre l'inflation. La période 1950–80 a été bénéfique pour tous les groupes sociaux de l'environnement urbain et du marché des logements: les squatters, qui purent exploiter leurs parcelles en construisant un logement dessus, la classe moyenne qui avait mis ses économies dans des terrains, et qui put souvent vendre une maison pour un développement plus intensif, et les petits entrepreneurs peu concurrencés par les grosses sociétés occupées par des contrats dans le Golfe. La prospérité que cela entraîna pour ces groupes les conduisit à soutenir le gouvernement. Cette situation constitue un exemple de l'utilisation d'avantages non monétaires, c'est-à-dire la non-application des règlements de construction urbaine, pour assurer l'ordre social alors que les ressources du gouvernement étaient maigres. Le renforcement des partis d'opposition après 1977 est lié à une crise au niveau de ces bénéficiaires: à partir de cette date, les nouveaux immigrants n'ont pratiquement plus rien à squatter et sont forcés à payer des prix élevés pour les terres, tandis que la classe moyenne est touchée par l'élévation des loyers et la détérioration de l'environnement, et que la baisse du nombre de contrats dans le Golfe amène les gros entrepreneurs à entrer en concurrence avec des sociétés plus petites. La question est de savoir s'il est possible de trouver de nouveaux moyens de rendre le régime populaire vis-à-vis du peuple; l'auteur mentionne une politique du logement subventionnant l'habitat pour la classe moyenne par exemple.

Der städtische Grundstücksmarkt ist der dynamischste Sektor der urbanen Wirtschaft und stellt so einen wichtigen Schutz gegen die Inflation dar. Im Zeitraum zwischen 1950 und 1980 profitieren alle Gruppen von dem städtischen Grundstück- und Wohnungsbau: die Ansiedler, die ihre Grundstücke mit dem Bau von Wohnungen entwickeln konnten, die Mittelschicht durch ihre in Grund und Boden investierten Ersparnisse, die ihre Häuser für intensivere Erschließungszwecke verkaufen konnte, und kleine Baufirmen, die von großen, mit Verträgen im Arabischen Golf beschäftigten Unternehmen nur wenig Konkurrenz hatten. Die von diesen Gruppen genossenen Vorzüge führten zu größerer Unterstützung der Regierung. Das ist ein Beispiel, wie man mit nichtmonetären Leistungen, wie etwa der Nichtanwendung von Baugenehmigungsvorschriften, für soziale Ordnung sorgen kann, wenn die staatlichen Ressourcen beschränkt sind. Das Entstehen von Oppositionsparteien nach dem Jahre 1977 hängt mit der Krise in der Vergabe solcher Leistungen zusammen. Neue Einwanderer können sich nicht mehr niederlassen und müssen hohe Bodenpreise bezahlen, die Mittelschicht hat sich mit exzessiven Mieten und einer sich verschlechternden Umwelt auseinanderzusetzen und die geringeren Möglichkeiten im Arabischen Golf bedeuten verstärkte Konkurrenz zwischen Großfirmen mit kleinen Bauunternehmern. Es stellt sich die Frage, ob es andere Möglichkeiten gibt, das Volk an die Regierung zu binden; in dem Vortrag wird als ein Beispiel eine auf die Subventionierung des Wohnungsbaus für die Mittelschicht abzielte Wohnungspolitik angeführt.

El mercado de tierras urbanas constituye el sector más dinámico de la economía urbana y es una cobertura clave contra la inflación. 1950–1980 fue el período en el que todos los grupos se beneficiaron del mercado de tierras y viviendas urbanas: los "squatters" los cuales pudieron proyectar sus solares y construir apartamentos, la clase media con sus ahorros invertidos en tierras y capaz de vender sus casas para un desarrollo más intensivo, y pequeñas empresas constructoras que experimentaron poca competencia de empresas mayores que estaban

ocupadas con contratos en el golfo de Arabia. Los beneficios recibidos por estos grupos provocaron el apoyo del gobierno. Este es un ejemplo del uso de unos beneficios no monetarios, o sea, la no aplicación de regulaciones de planificaciones, para garantizar un orden social en condiciones en las que los recursos del gobierno son escasos. El desarrollo de partidos de oposición después de 1977 está relacionado con la crisis en el flujo de beneficios: nuevos inmigrantes ya no pueden asentarse y se les obliga a pagar precios elevados por las tierras, la clase media se encuentra apretada por alquileres altos y ambientes deteriorados, y la reducción de oportunidades en el golfo de Arabia significa que grandes firmas compiten más con pequeñas empresas de construcción. La pregunta es si son posibles nuevos medios de incorporar gente al régimen: el informe menciona una política de vivienda dirigida a subvencionar las viviendas para la clase media como un ejemplo.