Globalization and Social Exclusion in Istanbul

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Introduction

Most accounts of globalization and urban reconfiguration start with a picture of an urban fabric whose stability and balances are disturbed by newly intensified global networks. These networks penetrate urban life and restructure the economy, introducing new types of employment and levels of income commensurate with the wealthier areas of the world, resulting in new levels of differentiation between those who become part of the networks and those who are left out. Those denizens who are included in the networks, these new segments of the population — the bankers and the young professionals — acquire globalized consumption habits and lifestyles, seeking global brand names in upscale shopping malls. They spend their leisure time and discretionary incomes in spaces that replicate similar ones in other globalizing cities, and take up residence in gated communities and gentrified neighborhoods with predictable compositions. All this produces new levels of inequality and polarization in employment, incomes and in the use of the built environment. Within the global ideological climate of neoliberalism these developments are not sufficiently counterweighed by social policy. In any case, the state's resources are depleted by the strain caused by the pressures of globalization, and the political will and the social mobilization necessary to instigate a climate of change are absent. Hence, the structural tendency toward polarization threatens to evolve into a potentially explosive situation of social exclusion.

As in other globalizing cities of the third world, Istanbul also experienced the shock of rapid integration into transnational networks and markets and has witnessed the emergence of new social groups since the 1980s. A thin social layer constituting a new bourgeois and professional class, able to operate in global markets and remunerated at world scale, adopted the lifestyle and consumption habits of their transnational counterparts. The impact of this development on urban geography was rapid: globalized spaces of commerce and leisure emerged along with secluded residential areas on the outskirts of the city. Concomitantly, the employment opportunities and social integration mechanisms of the previous period deteriorated, leading to growing inequality between the two poles of the social spectrum — in terms of incomes, spaces of residence, cultures of consumption and practices of everyday life. Indeed, the outward signs of income and consumption polarization in Istanbul are difficult to ignore. Poverty has become visible during the last decade, as well as obscene displays of wealth. Practices more often associated with Latin American levels of income inequality — such as scavenging in garbage bins, the *cartonero* phenomenon of collecting salvageables in wealthier neighborhoods, begging, and street children at busy intersections attacking SUVs with squeegees — have become increasingly common. In certain neighborhoods at night, it looks as if the largest sector of employment is in personal services such as valet parking and bodyguards. Istanbul has lost its predominantly middle-class and relatively homogeneous character to one more commonly associated with extreme disparities of

income, wealth and power. The figures indicating a worsening income distribution (from a Gini coefficient of 0.43 in 1984 to 0.58 in 1994 and arguably higher now), drastic although they are, fall short of reflecting the change in mentalities and sense of the city most inhabitants share. In middle-class perceptions and in the sensationalist accounts of the popular press, Istanbul is believed to be on a dangerously 'explosive' course — a conjecture about the breakdown of social order taken as so self-evident that the sources for the perceived tension are no longer debated; rather, commentators attempt to account for the relative safety of the city and try to explain the surprising absence of active strife. This perception of imminent conflict has intensified during the successive crises of the last decade which caused further unemployment, erosion of real incomes and increasing difficulties in access to public goods. Most radically, the earthquake in 1999, which led to a virtual halt of migration to the city, produced widespread pessimism and seemed to signal definitively the end of an era of easy growth and accommodation.

Dynamics of growth in a third-world metropolis

Istanbul's population grew from 1 million in 1950 to 5 million in 1980 and 10 million in 2000. As in all large cities in the developing world, most of this increase was due to migration and to the higher population growth rate among the new migrants. During the period of successful modernization, the literature on migration and on urban growth focused on problems of integration of the new population (Karpat, 1976; Kartal, 1983; Erder 1996, to cite three studies from three different decades). Employment was the focus of economic integration. Problems of absorption of the immigrants into the modern sector were acknowledged, especially through the construct of the informal sector, yet formal employment was always considered a possibility, and economic development promised the eventual dominance of the wage relationship in the organized sector. The modernist model that became the aspiration for developmentalist purposes derived from the first-world experience, where, during the post-war boom of Fordist regulation, most of the population was successfully incorporated into formal wage relations under legal supervision. It was hoped that industrialization through import substitution and the imitation of the Fordist model would permit a transformation of the informal into the formal in due time.

Perhaps more important than social integration through employment was incorporation into the urban fabric through settlement and housing. This is a comparatively neglected dimension of the process of modernization which was never a solely economic phenomenon. Incorporation of the new immigrants into the modernizing social order could not have occurred without their physical integration operating through the acquisition of housing: the dynamics of incorporation depended closely on the ease with which immigrants could access land and housing. This 'moral economy of housing' (*cf*. Bugra, 1998) served as an ersatz institution facilitating both the economic and the social dimensions of incorporating rural immigrants into the urban fabric. The acquisition of a house meant the definition of residence and locality. It provided the potential for the mobilization of networks which were substantially locality-based and permitted the utilization of patronage mechanisms, for material and ideal rewards alike, through a politics conducted primarily at the local level. Social integration occurred through membership in networks (*cf*. Granovetter, 1985).

Land appropriation and informal housing construction were collective affairs — an informal partnership organized by entrepreneurs who received the returns (monetary reward, political allegiance) that were due to them (Erder, 1996). Thus, the entire illegal process of land occupation and allocation, indeed of construction, contributed to the strengthening of networks. When the migrants first arrived, it was empty spaces within the inhabited city which were first filled with illegal squatter (*gecekondu*) housing. The potential supply of this inner-city land, however, was far too small to respond to the needs of the vast wave of migrants that began to arrive in the city. Hence, the natural

space for expansion became the immediate perimeter of the settled area — land that was primarily public, i.e. de facto ownerless. The urban ecology of Istanbul was transformed through the expansion of the settled area of the city as 'illegal' settlement occurred in places where least resistance was encountered. Public authorities contributed to the chaotic development of the city and to the emergence of the legal-illegal division through implicit collusion with the perpetrators.

Most migration was chain migration, and initial networks depended on a shared reference to a common universe — usually place of origin (Erder, 1999). New immigrants found dwellings in the neighborhoods of earlier arrivals, then gradually became integrated into the community as they too started building on a plot on the edge of an already inhabited area. The need for collective action continued after settlement: one form which took center stage during the process of formalization was the campaign for collective goods (Castells, 1977). In fact, municipal services were brought soon after a neighborhood evolved. In addition to political access and the struggle for collective goods, the neighborhood also served to provide an environment for the perpetuation of a residence-based informal economy. Work could be exchanged among neighbors, trust deployed for purposes of employment and exchange contracts, and, perhaps most importantly, there was an information exchange intended as entry into links with the formal economy (White, 1994). This accumulation of social capital within the residential space was the principal arsenal for survival in the hands of the new immigrants.

Gecekondu settlement and the process of becoming a homeowner also offered immediate economic returns. Most immigrants managed to acquire a degree of ownership of a house after 'illegally' appropriating land and informally building a dwelling. There were very few cases of ongoing official vigilance against illegal construction: all sides were aware that when a neighborhood or even a single house was inhabited, the likelihood that the authorities would tear it down decreased drastically. Throughout the developmentalist era, migrants took over land and constructed housing on the periphery of existing cities. Under the Ottoman legal system all land, unless it was explicitly recognized as private or belonging to a foundation, was considered to belong to the state. From the point of view of the subjects, real property was something that had to be carved out of the realm possessed by the state, and subsequently had to be defended from the state. Hence, the closer the rights of possession were to those of private property, the more valorized was the occupied land and the house on it. Given the nature of the state that succeeded the Empire, the legal system and the property regime never made a full transition to a modern order. Although migrants were implicitly permitted to appropriate the land, the property regime remained ambivalent and full ownership was only rarely ratified (Keyder, 1999; 2000).

As the geographical limits of the city grew, urban centrality came to be redefined; in other words, as long as the city continued expanding there was a progression of inclusion. Thus, illegal appropriation allowed immigrants to participate in the sweepstakes for urban rent. This rent, commodified as the increasing value of the property, was arguably the most important reason why the urban masses remained appeased during economic liberalization and the declining labor incomes of the 1980s (Boratav, 1995). Earlier migrants gained higher positions in the hierarchy (due to better locations — both in the material terms of housing and within the established networks) as newer, and therefore less privileged, migrants arrived; social integration seemed to proceed with success, as had been envisaged in the optimistic scenarios of modernization. The crucial element in this process which anchored the migrant into a place of political and social practice, which made possible material accumulation and permitted the building of networks necessary for access to the material world, was the fact that housing was relatively easily and universally acquired.

Once the house was built and the owners were reasonably certain they had got away with appropriating the land, improvements were made and floors added as circumstances permitted. The lifecycle of a squatter neighborhood was such that after a few elections it could become an area of multiple-storey apartment buildings. Old style shanty towns

of ramshackle single-family habitations are now increasingly rare in Istanbul. Today's peripheral neighborhoods are distinguished by the unfinishedness of three- and four-storey buildings, constructed out of cheap concrete and brick and often lacking a final plastering, that are located haphazardly within what seem to be random settlement patterns. Often it is family units linked in kinship that occupy the apartments in the buildings. The ownership of such a dwelling goes a long way towards preventing poverty in cases of temporary unemployment or a downturn in income. If a family also enjoys rental income from the ownership of a second unit, it is covered against most risks.

The two mechanisms of incorporation, employment and housing, naturally intersected and complemented each other. Incorporation through the labor market was couched in the political sphere both because employment was often the product of patronage, and more importantly because networks leading to jobs were often alimented through their success in mobilizing political contacts. Thus, the migrant world was penetrated by patronage and clientelistic networks within which market mechanisms were embedded. These networks were primarily located in neighborhoods which were also the unit of organization of clientelistic groups. Most politics within the immigrant communities revolved around local issues and the organization of the new population exhibited specific features, especially in the form of a shared place of origin supplying the cohesive principle (Günes-Ayata, 1994). Urban politics was the natural arena in which immigrants engaged; they elected and supported politicians who could credibly promise local returns. Migrants became citizens through their allegiance to the space of residence (Holston, 1999).

In addition to economic, political and social dimensions of incorporation, residential dynamics served to substitute and compensate for the lack of more formal mechanisms of social security. In the first world, in cases when the wage relation failed, the state was expected to intervene to underwrite subsistence by means of a well-developed welfare regime (Esping-Andersen, 1990; 1999). Such formal and institutionalized welfare mechanisms were lacking in the case of Turkey. The extent of decommodification was limited, confined to free public education and rudimentary health care. Redistributionary mechanisms were weak, and served retired state employees or those who had been fortunate enough to be formally employed. The new migrants, who were most likely to suffer poverty and were most vulnerable to risks and who, in all likelihood, did not have formal employment, were not covered under any scheme of formal social assistance. In the absence of formal mechanisms the welfare regime relied on kinship and neighborhood reciprocity, working through social networks. These networks functioned best and were often based in the concrete space of residential proximity. As immigrants settled in newly forming neighborhoods, families were anchored into social and political networks and endowed with a sentiment of belonging, which could be tapped, with varying degrees of success, for purposes of insurance against risks. Rootedness in place, which could only be accorded to families who owned their own housing, and were therefore not temporary, was an essential component of belonging. Thus, housing and residence, and belonging in a neighborhood were also certificates of mutuality and cooperation.

Changes under globalization

The shift in this picture coincided with the end of the era of successful developmentalism when the mechanisms of incorporation began to fail. A number of different perspectives may be identified which refer to different dimensions of a complex but unitary phenomenon: de-industrialization, post-Fordism, globalization and, perhaps the most comprehensive rubric, the transition from national developmentalism to neoliberal capitalism. The thesis of polarization in global(izing) cities (e.g. Fainstein et al., 1992) was formulated with first-world global cities in mind, but the contrast in the periphery between the newly emerging globalized elite, their income levels, political preferences

and material culture, and those that are left behind in the old shantytowns is even more glaring. Although polarization is descriptively accurate in referring to the social transformation of global cities in the third world, the category of exclusion perhaps brings a new concreteness to the phenomenon by permitting the specification of dynamics other than those of distribution through the market (Atkinson, 2000; Geddes, 2000). Social exclusion refers to a failure of social integration at economic, political and cultural levels — a market phenomenon reinforced by failures in the welfare regime and by the lack of cultural integration (Byrne, 1999; Andersen, 1999). Within the urban context, social exclusion also connotes spatial segregation and consistent inequality in the experience of space (Madanipour, 1998).

The decade of the 1990s, when the impact of globalization (processes which occupy spaces where internal and external actors are linked without the mediation of the state) was most visible, witnessed important changes in all these dimensions which together define exclusion. These changes derive from the structural transformation of the market for labor, new pressures on and demands from the land market and property regime, and shifts in the patterns of migration and in the profile of the immigrants. These changes may ultimately be traced to the collapse of national developmentalist and populist practices, to the ending of peripheral Fordism which depended for its success on the protection of the national economy, and to transnational processes that now dominate Istanbul's evolution. The economic and social polarization these transformations lead to are those that are also found in the rest of the world. As in most other countries, and especially those in the grips of austerity measures and neoliberalism, the terrain is also characterized by a declining state capacity and a lack of political will to counteract the marginalization and inequality resulting from these processes of exclusion.

Most of the physical transformation associated with globalization in Istanbul has taken place since the mid-1980s: gated communities, five-star hotels, the city packaged as a consumption artifact for tourists, new office towers, expulsion of small business from the central districts, beginnings of gentrification of the old neighborhoods, and world images on billboards and shop windows (Oncu, 1997). What was visible in terms of the transformation of the built environment was the result of accelerated transnational flows of capital, commodities and images. These flows now dominate the field of social transformations heretofore accepted as delimited by national territory and influenced primarily by state policy. State-directed and state-enabled projects of homogenizing incorporation have lost their dominance in determining social and spatial change.

Changes in the labor market and employment opportunities in Istanbul resulted both from the national trend in the relative decline of the formal sector and from the deindustrialization of the urban economy. As the import-substituting industries of the developmentalist era gave way to less structured patterns of employment, the formal sector began to lose its relative weight. Liberalization implied that the protected smoke-stack industries of the previous period were now under pressure to rationalize and become profitable by decreasing employment. Concurrently, the state was forced to operate under a new fiscal discipline adopting austerity measures, implying that it could no longer sustain its employment policy through ever increasing public employment. Employment by the state, long the best option in the formal sector, stopped growing. Furthermore, urban growth coalitions in Istanbul have been committed to the image of the global city as an ideal and a project, with policies aimed at making Istanbul a gentrified city pleasing to the tourist gaze. They have sought to accelerate de-industrialization or, more accurately, the expulsion of manufacturing, while promoting service sector investments, preferably oriented to the global market (Keyder and Oncu, 1994).

As a result of the policy choices of globalization-oriented urban coalitions, new manufacturing centers developed outside of Istanbul. Shantytowns which were originally built to be close to the centers of manufacturing remained behind as residential units without any economic logic as producers left the city. Construction had provided seasonal

but easily accessible employment for the unskilled labor force as long as the city maintained its growth rate. When urban growth slowed down, and possibly reversed after the earthquake of 1999, the construction sector also stopped being the reliable, albeit seasonal, provider of jobs. Now, the only major outlet for employment in the shantytowns, and by far the largest sector in manufacturing, is textiles and apparel. This is the major new sector of non-traditional exports and competes with the entire range of lower-wage economies in the rest of the world. Hence, it is overly sensitive to fluctuations in currencies, in fashions in demand, and such unpredictable occurrences as the SARS epidemic, which briefly made travel to Hong Kong and southern China risky and increased the demand for relatively upscale apparel from Istanbul manufactories. The textile sector also favors young women, offers low wages, and can easily switch between factories, workshops, subcontracting and home work. Hence, it fulfills none of the requirements of stable, formal wage employment for male bread-winners.

When employment shifts from manufacturing to services, only a small fraction of the new jobs represent an upgrading in quality. Even before the reversal in the fortunes of the world economy, the globalization of Istanbul did not proceed at a sufficient rate to provide momentum for highly remunerated professional employment in global sectors such as finance and business services. Most of the new jobs that are supposed to substitute for the loss of employment in manufacturing are in personal services. Yet, without a sufficient weight of the population (highly remunerated single professionals) whose consumption pattern would justify the expansion of such personal services, this rubric remains limited in scope. Boutiques, cafés, upscale eateries, health clubs and the like, represent only a small fraction of the city's employment base. The tourism sector could be expected to constitute a substantial source of employment, but the number of visitors has not grown rapidly and this is as yet a project that remains to be realized. There is, of course, a mismatch between the kind of employment created in a globalizing city and the skills and cultural capital of new immigrants. The kind of analysis offered by W.J. Wilson (1997) for inner-city blacks in the US can be applied here as well. When there were unskilled jobs available in the manufacturing sector there was work; when the manufacturing sector disappears, young black males are left behind by the new service economy in which there is demand for the more educated, the more culturally endowed, and generally female workers.

Since service sector employment in its lower reaches tends to be more casual, sporadic, short-term, contracted, and has a higher degree of informality, the result of the comparable development in Istanbul has been rapidly diminishing opportunities for formal employment for the new migrants. The share of unionized workers or even workers covered by formal social security arrangements has been declining; they now constitute a small minority among urban workers. Under these circumstances, socio-economic integration through wage employment seems a more remote possibility for the new immigrants than it was for earlier settlers. In fact, in the new service sectors in Istanbul, notably the new shopping centers, large retail complexes, and in tourism-related hotels, restaurants and shops, a new feature is the employment of young women. These are mostly secondary school graduates, and their entry into the labor force is a new phenomenon signaling a major shift in employment opportunities from manufacturing to services, from male to female, from brawn to cultural capital, and from local to global.

Opportunities in self-employment, especially in small retail and crafts have also declined. Along with liberalization in the trade of goods and services, large retail centers have opened on the perimeter of the city. European-style *hypermarché*s such as Carrefour have driven many traditional grocers and vendors out of the market. Hardware giants like Bauhaus and Praktiker, carrying a full range of do-it-yourself items, have increasingly threatened the once ubiquitous carpenters, plumbers and various handymen plying their trade in neighborhoods. Istanbul is now experiencing the gradual transformation of the neighborhood fabric where every small street used to boast a grocer, a shop for fresh produce, a haberdashery and various repair shops. All this 'modernization' signals declining opportunities for the more traditional service sector.

The new commodification of land

Changes in the process of land occupation and housing construction to serve as a mechanism of incorporation have perhaps been even more drastic. The moral economy of urban land use now seems to have reached its limits mostly because of the conflicts of interest between new sources of demand for land. As the old laws which considered maintenance of public land to be foundational to the legitimacy of populist government have been relaxed, new demands from the capitalist sector have come to the forefront. Formerly populist politicians now respond to these market-mediated demands rather than to a potential constituency of new immigrants. They have shifted their allegiances from populist developmentalism to neighborhood upgrading under capitalist logic. For instance, the mayor of a squatter municipality has zoned a segment of the public land under his jurisdiction as 'business district' to be allocated to multinational companies. Others have designated large areas to provide for eventual requests by private universities for campus land. Big construction firms have also entered the competition for land, building gated communities, middle-class housing complexes and office towers. There are now developments in the close periphery of Istanbul, undertaken by construction companies, of inexpensive flats in large apartment blocs, akin to HLM's in European cities. There are several hundred thousand of such flats which were completed in the past decade or are still under (slow) construction. There is also a new state agency which competes with these private companies for land. This Mass Housing Administration which hardly existed 15 years ago, is now responsible for one-third of housing starts in Istanbul (Isik and Pinarcioglu, 2001: 132). It encourages the formation of housing cooperatives and offers inexpensive long-term credit to buyers. Added to these material transformations is the shift in political attitudes away from populism and toward the acceptance of the market as the arbiter of allocation — a new social and legal imaginary that has been internalized by politicians and residents alike. Hitherto seen as poor people without resources to find adequate shelter, the migrants are now regarded as invaders of public property and beneficiaries of unfair privilege. National and local politicians are both less willing and less able to engage in a clientelistic exchange with the migrants.

The situation in the land and property market of Istanbul may be characterized as the ending of a period that witnessed the gradual privatization and commodification of land which used to be held by the public authority and kept *extra commercium*. After almost half a century of accommodation during which a fiction of state ownership was maintained, and privatization was surreptitiously but incompletely achieved, land has finally become a commodity. On the agenda is legislation that will decisively kill the romantic notion of public land: the state now says it will sell public land to private persons — not, however, to make the market work, but for its fiscal needs. Now, the 'fictitious' commodity has been accepted as real in both popular consciousness and political behavior. The consequences are evident: there is no longer the possibility of land occupation and informal housing construction. The new immigrants have to come in as tenants, and often into the least desirable, the cheapest and the meanest dwelling units.

Changes in the 'welfare regime'

What I have briefly described in the case of Istanbul parallels the well-known pattern of polarization in global cities dominated by the rapid dismantling of Fordist balances. It is possible to argue, however, that such polarization is not inevitable and that the de-commodification envisaged in formal welfare programs evolving in tandem with Fordism and Keynesian management in the post-second world war environment was supposed to counteract precisely such failures of the market. The literature on the underclass in the US and on social exclusion in Europe argues, however, that welfare regimes have not only been unable to cope with these developments, but have also lost

their capacity and legitimacy to do so. A similar argument may be advanced in the case of Istanbul as well. Here too there was a delegitimization of populist discourse which was increasingly replaced by a deliberate and complacent defense of market liberalism. This made it unlikely that new gains could be expected in formal decommodification. The welfare regime in the Turkish case relied on the survival of traditional links and the operation of networks through which various mechanisms of reciprocity supplemented the market. Formal welfare provision by the state was confined to the formal sector and even then only provided an insignificant unemployment compensation. If, *pace* Polanyi (1944), the sequence of events in the first world is described as a disembedding of the market during the nineteenth century, followed by various attempts to re-embed it by means of evolving welfare systems in the twentieth, in the third world, the twentieth century witnessed various attempts to introduce capitalism by replacing traditional embeddedness with state-governed populist redistribution (Olofsson, 1999). This is why debates on welfare in the third world have occupied a less prominent position in the neoliberal agenda than they did in the developed world. What did happen was the erosion of the non-formal dimensions of the welfare regime, while no attempt was made to substitute for them with institutionalized welfare.

Of all the non-formal dimensions of the welfare regime, the most effective during the entire developmentalist era had been the implicit policy permitting land occupation and construction of informal housing for the new immigrants. As described above, in the particular case of Istanbul the acquiring of land and housing, and the networks accessed through this process, were crucial elements of social integration at economic, political and cultural levels. The emergence of social exclusion was, therefore, in large part due to the collapse of these mechanisms through changes that made access to land and housing difficult — both because of the new nature of the land market, and because of the changing composition of the new immigrants. Without the grounding accorded by being situated in the place of a socially constituted neighborhood, the new immigrants could not count on the information, the mutuality and generalized reciprocity enjoyed during the process of urbanization in the earlier era. Failures in the market now meant they might have to relocate in search of cheaper housing, without the chance to establish neighborhood credentials. Since no formal mechanism of social housing existed, the failure of the informal mechanisms translated to being adrift and groundless, and in some cases homeless.

Ethnic dimension of new immigration

There is a further specificity which adds to the difficulty of sustaining neighborhood-based networks in the case of newer immigrants in Istanbul. The migrants of the last decade, who arrived in a city with diminished opportunities, are different from the previous waves: Kurds from eastern and southeastern provinces predominate in the 1990s' migration. This particular change in the regional distribution of the places of emigration since the second half of the 1980s is accompanied by a parallel change in the motives behind the decision to emigrate. Compared to the previous flows of migration, push factors have become more important than pull factors. While the earlier migrants were attracted by employment opportunities, possibilities of house ownership through appropriation of public land and better access to education and health services, for the newcomers the decision to migrate is likely to be based more on necessity than on the prospect of a better life. More specifically, it is the last two decades' devastation of what had already been the poorest regions of the country which has pushed people toward the big cities. This devastation is primarily due to the ethnic/separatist war, itself in part related, in various ways, to globalization and the collapse of national developmentalism. Hence, the migration of the last decade has been predominantly from the affected regions and closer in nature to forced migration. Of these displaced migrants several hundred thousand have ended up in Istanbul.

It has to be mentioned that the regions from which the Kurdish population emigrate are the least developed and least modernized in the country, and were therefore the latest to yield migration. During the course of the last half century, migration to Istanbul has followed a predictable course, starting with the regions historically most linked to the capital through supplying seasonal labor (the Black Sea), and following with the agrarian economy impacted most by market integration (the Anatolian interior). In this case of uneven development, just as the flows to and from other regions into Istanbul were about to equilibrate, migration from the southeast and the east, the latest regions to begin their transformation under the impact of market integration, started and fed into the cycle of newcomers into the city. This meant that Kurdish peasants could not establish a bridgehead in Istanbul to the same extent as other ethnicities or localities.

A migration driven by adverse political and economic conditions, without preparation and with scant links remaining with the place of origin, implied a number of negative conditions. For most of these migrants pushed out of their habitats, there is no place to go back to. The villages in some cases have been razed to the ground (more than one thousand villages have suffered this fate according to official figures); in other cases villages have ceased to exist as economic units. It is unlikely that these new immigrants can maintain links with the place of origin through property or kinship which could generate an income supplement (in kind if not monetary) for them. Financial resources that new immigrants bring with them would be meager compared to the funds available to the previous ones during the early phases of their settlement in the city.

Most new migrants have ended up as tenants in the older shantytown neighborhoods. They thus occupy a distinctly lower status in the social hierarchy; they do not participate in the older communal functions, they have their own coffee-houses, and may be members of ethnic associations that are necessarily more political than the associations that are entirely oriented to consolidating locality-based networks of the older migrants (Tugal, 2003). The new Kurdish migrants are distributed in a few, relatively distant shantytowns where they have found accommodation. There is yet another specificity to this recent wave of migration: often male migrants arrive in Istanbul without a family, and do not find the resources to later bring their family either. For these young single males, the options for housing are limited; they end up living in 'inns', sharing a room, or in the most dilapidated sections of the inner city, long abandoned and still far from being gentrified, associated in the media mind with crime, deprivation and vulnerability. They are most often 'self-employed' as street vendors or shoe-shiners while waiting for an employment opportunity which can only be casual and informal. In the absence of construction work for unskilled laborers, and especially following the most recent collapse of the formal sector in the latest crisis (since February 2001 when it was reported that more than half a million workers in the formal sector lost their jobs in Istanbul), there is indeed a danger that these new immigrants have now calcified into a permanent underclass, moving back and forth between unemployment, self-employment and casual, informal work, always in need of outside assistance for survival (*cf.* Lash and Urry, 1994; Castells, 1998).

More importantly, the 'social capital' available to new immigrants, too, is likely to be more limited in the absence of a more continuous pattern of chain migration. If social integration depends on the existence of networks, the new migrants are not in a fortunate situation in terms of being able to tap into existing links in order to generate networks to be used toward employment or housing. The new immigrants are socially excluded: unlike the older immigrants who could assure socio-economic integration through the mobilization of network relations, they lack the material resources and the social capital necessary for any integration. They also often face the threat of political exclusion. For them, existence in the city is an enforced game of survival in a hostile environment. Against this background the failure of the informal welfare mechanisms of the previous period becomes more alarming.

Conclusion

As the perception seeps into public consciousness that the old mechanisms of social integration have lost their currency and exhausted their effectiveness, a discourse that is very similar to the nineteenth-century burgher aversion to the uninvited 'dangerous classes' begins to emerge (Baeten, 2001). Along with the celebration of the market, the attack on welfare and the collapse of developmentalism, there is also the fear that older (or, in the case of the periphery, newer — because an urban underclass with no hope for house ownership or formal employment has only recently come into being) forms of class conflict and struggle might be resurrected. There is no sign yet of a guilty bourgeois conscience; rather, the rhetoric of 'social explosion' seems to be designed to drum up middle-class fear. Media headlines that are variations on the theme of 'shantytowns are restless' have become common. Official discourse and the behavior of the police tend to intensify the perceptions of exclusion by constantly politicizing, and treating as matters of law enforcement, problems and conflicts that arise from unemployment and poverty. The bitter new immigrants, and the older ones who have for one reason or another fallen back, are not amenable to incorporation through patronage with municipal concessions dangled as a reward: their politics tend toward problems of human rights, equal citizenship and recognition. The media translate the demand for full citizenship rights (civil, political and social) into the terms of cultural difference, somewhat covertly in ethnic terms, and much more overtly in class terms overlaid with the modern/traditional divide. Thus, the failure to modernize is represented as the consequence not of the absence of mechanisms of incorporation, but of an inability to relinquish 'traditional' attitudes. Poverty is treated as an individual problem of a transitory nature, manageable through more conscionable charity.

In combating such multi-leveled social exclusion, the older mechanisms of social integration that helped incorporate the migrants into the urban world of Istanbul no longer provide remedy. Nor is it possible to ascribe the impasse to temporary economic difficulty, or to conjunctures of successive crises; there is, in fact, a more permanent and structural transformation. Given the changes in the nature of employment, the greater commodification of land and housing, and the operation of global markets, Istanbul will never return to the situation where immigrants could be accommodated and gradually incorporated into the formal sector. Whatever growth there will be will most likely be 'jobless', with the employment available to new immigrants generated in sectors that offer none of the formal benefits and stability that were expected in previous times.

What is now being contested is the basis of social solidarity, and how the state may be transformed from its previous developmentalist character to one that will respond to the need for a new social policy. Social integration in its new version is not going to grow on the basis of a nation-state motivated solidarism of the homogeneous; it will require a redefinition of the nature of the political community. Above all, however, the society will need to imagine the welfare institutions which will replace the informal mechanisms that prevailed during the transition from the traditional world and think about new modes of embedding the market.

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