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The Impacts of Industrial Decentralization in Metropolises

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41st Congress of the European Regional Science

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The Impacts of Industrial Decentralization in Metropolises

(Assigned to session 45-1)

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Abstract

The development of metropolises in many newly industrializing countries follows the new patterns created first by migration, and then, globalization. The dynamic transformation in developmental processes results in industrial decentralization and qualitative change in labor. This paper focuses on the new structures that emerged through this process in the Istanbul metropolitan area. While industrial decentralization and the situation of the migrant labor force that has left the metropolis are worth consideration, this study will attempt to summarize the tendencies of the remaining metropolitan labor in terms of its patterns of area utilization.

Introduction

The working class residential areas that popped up around big cities in the United States around the turn of the century, and those that emerged in Europe after the Second World War, called “red belts,” are being destroyed in developing countries, although this may not be admitted openly.

Along with the increasing tendency toward globalization, the disempowerment of the laboring populations in these localities was felt to be necessary. This is because these people are, by nature, opposed to the New World Order imposed by globalizing capitalism, and they form the only serious impediment to globalization.

Hence it has become possible, from the point of industrial decentralization, to reduce the class-based power of workers vis-à-vis the world order (Guglielmo, 1996).

The biggest support for industrial decentralization comes from communication technologies. Increased communication capabilities allow local, regional, and even transnational entities to consider new locations, and the importance of location becomes diminished. Hence deterritorialization resulting from ambitions of globalization is reduced to national, regional and local scales, through which it reproduces itself, and forms fertile ground for the growth of the New World Order.

Rapid urbanization in metropolitan areas resulted in many industries remaining in cities. The fact that industries close to the new centers have big lots is an encouragement for new structures to be built. Nevertheless, combined with the attractiveness and profitability of the service sector, industries are more than willing to move out of metropolitan areas. This move creates change and development (!) that is difficult, or even impossible to resist. This whole process in turn brings about incredible economic and political struggles over the distribution of urban revenue.

Urban Revenue and Its Redistribution in the Istanbul Metropolitan Area

The conflict over redistribution of urban revenues in Istanbul does not simply take place among globalized upper-income groups and the associated social segments. The devastating consequences of this conflict between local groups over appropriation of revenues are the factors behind the transformation of spatial structure in cities. What needs to be emphasized here, however, is the fact that this conflict occurs between the globalized superstructure and the local strata. It has been widely accepted that the social group that generates these sources of revenue have priority over the redistribution of incomes. Hence the arena where the conflict occurs is self-organized through various compromises within the urban context. These various alliances have contributed to the degradation of the Istanbul metropolitan area through the inefficiency they produce. At the same time, they debilitate the supervisory role of civic associations. From this point of view, it can be seen that liberal approaches (a la laissez faire) have created a kind of

segregation, through juxtaposition and overlapping, in the use of urban space in metropolitan areas.

In the Istanbul metropolitan area, a horizontal segregation formed by cultural structure and a vertical one formed by economic structure and social status are being experienced. The reflection of this formation in popular culture can be seen in *arabesque* practices and consumption patterns. In the economic sphere it thus becomes difficult to determine how capital accumulation occurs and where it is concentrated.

Stratification of labor force as a result of industrial decentralization in the Istanbul Metropolitan Area

With the working class reaction to industrial decentralization in Istanbul, five new social classes have emerged. This is significant in terms of the spatial patterns that have emerged within the metropolitan area, its periphery, and outside the metropolis (Dinçer 2000).

These groups can be categorized as follows:

1. The skilled labor force employed in high-tech industries within the metropolis,
2. The informal sector taking advantage of the varying employment potential in the city,
3. The labor force that is transferred from large industries to small and medium-sized manufacturing industries,
4. The new immigrants, and those who cannot go back to their hometowns and who therefore pick up daily or temporary work,
5. Retired people who expect to end their ties with the metropolis and who do not work unless necessary.

The skilled labor force employed in the high-tech manufacturies and the upper-level employees in both public and private sector comprise the skilled labor force of the

metropolis. This class of people can take advantage of almost all the services that are available in the city.

There are also people who have formerly worked as skilled workers or supervisors in various industries and who prefer working for themselves when the industry relocates. These people are self-employed, and considering their capital, they can be classified as small and mid-sized businesses. They can make small investments, and their line of production is quite varied. They have the flexibility to switch production from one item to another easily. These investors usually comprise what is called the informal sector. They usually live in the former *gecekondu* (translator's note: literally, homes that are built overnight, usually without permit on property belonging to the treasury) areas; however, they make investments in relatively prestigious neighborhoods.

Another group of workers do not have accumulated capital that can be invested, and they see themselves as the latest examples of the working class. These workers are experienced. According to surveys, they are waiting for their children to complete their education, after which they plan to go back home.¹

Some people followed the move of industries and left the city; the areas that they left were occupied by unskilled laborers. This unskilled labor force, in addition to the existing unemployed labor, is ready for any kind of work, regardless of its nature. The privatization of public services turns organized labor into disunited workers who face employment that is either temporary or on a day-to-day basis (Sassen, 1991).

This group generally consists of workers and civil servants who have retired from both public service and the private sector. They are not actively involved in the social and economic life of the city; they mostly resent their plight in the metropolis. The first wave of immigrants that are part of this group goes back home at the first chance they get (Dinçer 2000).

¹ This forthcoming study was carried out by the Department of Urban and Regional Planning of Yıldız Technical University in the former *gecekondu* areas of Ümraniye in 1999-2000.

“The Kendi Hesabına” Sector (The Self-employed)

The central and local administrations have created a new social and economic stratum by supporting the new socioeconomic structures, consisting of former industrial workers who are now employed in the service sector, with the so-called emerging values of the new order. This new stratum has popped up not only in the peripheral areas, but also in the decrepit residential neighborhoods in the new and old city centers. This new labor force, not having any standards or norms, provides services for both the globalized upper-income metropolitan groups and the middle-income groups who are usually the local workers of the service sector. Because they do not have to worry about any investment costs and since they are not dependent on any locality, this stratum has an excellent ability to adapt itself to the rapidly changing metropolitan conditions, and therefore, it would not be incorrect to view them as the defining social group of the developing metropolises.

Studies that were done to find out about urban poverty in Istanbul were carried out in the two oldest *gecekondu* areas adjacent to the historical center.² They enable us to arrive at the following conclusions:

- The population living in the former *gecekondu* areas has come to form, in the aftermath of industrial decentralization, the self-employed category. They are not tied down to a shop or atelier, and are therefore very mobile within and outside the city. They work by utilizing their cellular phones and using their vehicles as their workplace. Some work as family businesses, and some prefer having their children work for others (they must see this as some form of security).

² Studies that were conducted in the former *gecekondu* neighborhoods of Ümraniye and in Galata by the Department of Urban and Regional Planning of Yıldız Technical University in 1999–2000 are being prepared for publication.

- In these families the overall income may reach very high levels as every family member who has the ability works.
- These families continue living in the former *gecekond* areas because this provides them with the needed social and cultural security, but they make their investments in relatively prestigious areas.
- They expect to take advantage of the modern services available in the city; and they do use them outside their living space.
- Within the neighborhood they have developed mechanisms of coexistence based on their ties with people from the same hometown (associations, etc.)
- The woman usually finds domestic work in the homes of upper-income groups in other neighborhoods. However, this is usually kept secret.
- The rate of schooling is high. There are many families that allow their daughters to study in other regions.
- They generally support right-wing politics.
- Although they preserve their traditional family structure, they make all the effort to take full advantage of modernity.
- This population that keeps alive and directs the informal sector is not poor.

The situation, however, is completely different when we look at the population in dilapidated neighborhoods near the center. Part of this population, having low-medium skill, provides services for the service sector in the metropolis. Another part of it, having to put up with costly transportation for family reasons, works for the small and medium-sized manufacturers in the periphery of the metropolis. This population was seen to be close to retirement. Another segment of this populace residing in these areas

is unskilled and has recently immigrated. They do not have a permanent or secure job, but neither do they have the courage to return home, nor the means to do so. They generally take up temporary day jobs, and they seem to be suffering from the fact that they are latecomers in terms of reaping the benefits of the metropolis. Because they are dissatisfied, they display angry and violent behavior, they are usually hostile towards everyone else, and are aggressive.

These individuals not only try to resist their social conditions through their violent behavior, but also watch out for the benefits they might get from the very social structure that they resent. This particular class of people, consisting of outlaws, acts as if it were they who ran the “dislocated city” (Sachs 1995). Another interesting phenomenon is the rural pattern of daytime activities women in the neighborhood have among themselves. Out of a sense of neighborly relations, women get together in front of their homes, but they do not go anywhere for organized activities.

Metropolitan areas as the joints of articulation within the process of globalization are faced with social and cultural problems. These problems manifest themselves as segregation and conflict at all levels. Furthermore, these problems that emerge in the metropolis are not confined within the metropolis --they also spread to other urban areas. Consequently, smaller and medium-sized cities that are becoming industrialized as a result of industrial decentralization of metropolises are becoming the loci of new class formations. Expectations that new establishments will be set up in these cities not only affect social life, but also make a significantly negative impact on the agricultural economy of the city. While the skilled labor force working in these industries live in their ghettos, the local population that is not accustomed to outsiders have a hard time adapting itself to the cultural differences.

The working class, with respect to using its rights, experiences isolation, and lose its power to resist vis-à-vis cheap labor that is ready to accept available work. The working class that moves from large cities brings its newly-acquired culture, instead of reassuming the innocence it had prior to its move to the metropolis.

Metropolises thus get rid of classes that are naturally opposed to globalization. These classes carry their lifestyles and consumption needs with them to the city, thus

contributing to the expansion of a capitalist market. This further reinforces the local bourgeoisie. Throughout this whole process, the headquarters of industries continue to remain in the metropolis, and because of this the metropolis has command over a growing area. In the meantime, cost of labor becomes minimized while local resources are fully exploited. It is obvious that local politicians derive significant financial benefits from these developments.

Conclusions

The preliminary findings of the studies that have been carried out lead us to draw important conclusions with respect to local policy-making. Urban poverty in the center of Istanbul is quite high. The gentrification that will result from renovation of such areas might bring about serious social problems. On the other hand, the *gecekondu* neighborhoods are the loci of an enriched populace that has been able to take advantage of the change and transformation in the metropolis.

The chaotic context brought on by the segregation that occurs in the framework of globalization becomes normalized through a process of tacit compromising. Especially in terms of redistribution of revenues derived from space, we can speak of a self-regulating metropolitan social structure. Self-regulation and compromise are achieved through either by socioeconomic differentiation of spatial use or equal use. This use in question can be simultaneous or can take place within different timeframes. While displacement or replacement can be the method of spatial use, simultaneous use without interaction can take place as well. While the former is seen in occupation of cultural spaces, the latter is seen in choosing a location for residential purposes.

Approaches of classical planning based on causation cannot deal with the complex new collectivity of structures resulting from these developments and change. This requires systemic model of planning to handle these new tendencies. –Similarly, such a new approach will necessitate elimination of conventional boundaries in urban and regional planning, and will call for new definitions and orientations.

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