20th century witnessed Istanbul's unexpected and tumultuous economic, politic, social and spatial transformation. In the first quarter of the 20th century, Istanbul lost half of its population and went through a stagnated duration; however the city regained its importance and former population at the end of 1950’s.

The city’s macroform and transportation infrastructure could have easily handled the needs of the city at the beginning of the 20th century. However migration accelerated by industrialization began with 1950’s and increased need for more transport infrastructure in the urban area and other cities. Due to these rooted changes, the city’s macroform turned inside out in terms of spatial context.

During this tumultuous and multi-layered transformation period, Istanbul's central business district was restructured and Istanbul pursued being the centre of commerce and economy in the country. In the last decade of the 20th century, with the influential effect of producer services, this transformation and change was reflected to the sectoral and spatial environment.

1950 and following years are the times of radical transformation of the economic, social and cultural structure for Istanbul.

The structure and function, cultural and ethnic diversity, the appearance and silhouette the city had sustained for thousands of years has started to change first gradually in the 1950s, then dramatically in the 1970s and finally 1990s and 2000s Istanbul has become an unorganized, unplanned giant metropolis. In this framework, Istanbul's fastest transforming district, Beyoğlu underwent through some big changes in economic, cultural and daily-life aspects. In this context, Beyoğlu district is a perfect example to observe the transformations that the Turkish city went through between the years 1950 and 2010 and the influence of producer services during this transformation period.

This research is aimed at analyzing the workplace geography of Beyoğlu district in the period 1950-2011.
This research focuses on:
- recognition of sectoral assemblages
- discovering the economic and spatial differentiation and segmentation
- characterizing and monitoring the economic and spatial transformation processes by using policies, actions, and tools.

This research analyzes the economic landscape of Beyoglu in the 20th century period with adopting a relational perspective. It looks in detail to the characteristics and activity assemblages of economic structure of Beyoglu, spatial formations of change and transformation, and the effect of these all economic processes to the formation of the district and the city.

**Keywords**: Central Business District, Beyoglu Economic Geography, Urban Change and Transformation

**Introduction**

Beginning of the century while the empire was being unwound; Istanbul, with its renewed docks, economic activity, a large part of which constituted money and goods brokers, bankers, buildings, electricity, new telephone network and an electric tram to accelerate the everyday rhythm of life, was the most important city of a large economic region, the Southeast Europe. 20th century Istanbul was tumultuous and an unexpected economic, political, social and spatial change has been witnessed. In the first quarter of the 20th century, the city stagnated and lost half of the population, but in the 1950s, was able to regain its former population of the beginning of century. The city’s macroform and transport infrastructure that could easily handle the needs of the city in the first half of the twentieth century was turned inside spatially due to accelerated immigration, industrialization and intercity transportation by the beginning of 1950. Growing industry with import-substitution policies overtook the resources that could remedy the city’s growing population’s housing needs. Urban development process in Istanbul, was shaped by informal and build-and-sell procedure and the city has evolved to a spaceless, a giant metropolis of 12 million with loaded urban landscape with in the last quarter of the 20th century. Last years of the 20th century and the first decade of 21st Century has witnessed a snowballing effect of capital, shopping, travel, communication, in other words, the service sector rather than manufacturing and production.
During this turbulent and multi-factored process of change and transformation, Istanbul's central business area was reorganized, in each period; the city has continued to be the center of trade and economy in the country. In the last decade of the 20th century, with producer services’ transformative effects in the city, the change and transformation was reflected in the sectoral and spatial environment.

After 1950, Turkey experienced a rapid urbanization and it caused not only the spread and concentration of cities, but also the texture of the cities went through a transformation.

As well as the development of the residential area of Istanbul, the city’s commercial center became populated along the development axis, on the other hand the city went through structural changes to respond to the needs of modern trade organizations and new technology.

In this context, 1950 and the following years were the era of change for Istanbul: radical transformation of the economic, social and cultural structure. The city's thousands of years of continuous urban structure and functions, cultural and ethnic diversity, appearance and silhouette started firstly to change gradually in the 1950s, then continued to change dramatically after 1970. In the 1990’s and 2000’s it became an irregular, unplanned, a giant metropolis.

In this context, Beyoglu district, which was the most important area to undergo a rapid change of economic activities in Istanbul in this period, has experienced significant transformations in economic, cultural and everyday life pace. In this frame, Beyoglu district constitutes the scope of this study, being the perfect example for the transformation Turkey has experienced between the years 1950 and 2010, and how the concept of “the city” evolved in Turkey during this period.
1. Outline

1.1. The aim of the study
This study aims to identify the sectoral and spatial transformation and their underlying causes in Istanbul’s Beyoglu district by analyzing the spatial differentiation and diversification of workplaces between 1950 and 2010. The other goal of this study is to reveal the basic spatial transformation axes of workplaces, producing meaningful maps that reflect this transformation by analyzing and comparing 1955 Telephone Guide records and 2009 Istanbul Chamber of Commerce records.

1.2. The research questionnaire
1. How is spatial distribution of workplaces in Beyoglu district?
2. What are the dominant sectors in Beyoglu’s workplace spaces?
3. Which political and economical elements effect the distribution of workplaces in Beyoglu from a historical view?
4. How has the sectoral transformation of workplace landscape in Beyoglu changed between 1950 and 2010?

1.3. Data set and Sample Space
The data used in this study was taken from phone registry records in 1955 and Istanbul Chamber of Commerce (ITO) registry records from 2009.

Istanbul Chamber of Commerce records consist of the full name, title, address and contact information, the year of foundation, sector, and degree of each company along with deleted record information. These data are gathered by notification from workplace owners.

Telephone registry records are mostly used in history research to identify individual’s genealogy and location in a specific space at a specific time. City telephone registry records that are published annually or biennially supply valuable information about the inhabitants of the city (the ones who have phone lines and who want to be listed) and their socio-economic status. Along with home and work contact information, economic activity reports can also be found in telephone guides. All information about the schools, public offices, banks, newspapers, etc. are listed in telephone guidebooks.

This study utilized data from 2009 Istanbul Chamber of Commerce registry records and 1955 Istanbul Phone registry records. An important step in data set preparation is data control. At
this point, it is necessary to point the insufficiencies of the data resources and cautions taken against these insufficiencies.

There were two insufficient aspects in Istanbul Chamber of Commerce records. First, in terms of city history, the representation of companies in Istanbul changed parallel to the change in metropolitan area and Turkish economy. For instance, it is almost impossible to find sectoral information of the workplaces in Istanbul during 1960s. Secondly, these records were created in the first hand to control commercial and legal activities of companies and they are not ideal sources for spatial information. Specifically, the changes and updates of company addresses cause serious problems in terms of spatial representation. Not to follow up on the companies that have left or changed their original addresses and to map without checking can be misleading.

Despite these disadvantages, Istanbul Chamber of Commerce (ITO) registry records supply a very valuable database.

1. Being a very important tool in the analysis of industrial and economic development, spatially coded ITO records constitute a unique database for investigating globalization and economic restructuring processes.
2. When compared with the records of sectoral organizations, ITO records are more exhaustive with information from all sectors.
3. Unlike formal statistical data, in ITO records, “lines of work” are identified.

1.4. Methods
Exploratory data analysis and techniques developed for sample or model identification enable the representation of workplaces and their lines of work. Therefore, data from 1955 telephone registry records and 2009 ITO registry records were stratified according to street, neighborhood and sector information.

Stratification was done according to Lebart’s cognitive two-phase model. With the first phase, the data were classified with direction indicating chi-square that shows local connection density (sparsity). In the second phase, correspondence analysis (CA) was applied on the output obtained from the first phase.

CA is a versatile factor analysis technique developed for reducing qualitative cross tables. In this technique, each row and column of the data table are identified as data profiles and represented by points (Güvenç and Kirmanoğlu, 2009)\(^3\). Row profiles are represented by row

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points and column profiles and represented by column points. N rows and M columns enable the possibility to represent n row-point and m column-point representation.

Two methods were used for analyzing the data. First of all, a data reduction method is used for summarizing and depicting qualitative contrast invisible to the naked eye. By clustering the neighborhood units according to their distinctive and similar economic activity profiles, a chaotic picture of a huge neighborhood economic activity matrix of Beyoglu’s 1955 and 2009 economic activity landscape can be communicable. Clustering the Beyoglu District’s neighborhood is not a random grouping. Every neighborhood profiles in the same group must be similar. Secondly, this study uses Correspondence Analysis, a variant of factor analysis devised for reducing large data sets.

2. Social, Spatial and Economic Transformation of Istanbul and Beyoglu During Historic Development Process

2.1. Social, Spatial and Economic transformation of Istanbul during Historic Development Process

In 20\textsuperscript{th} century Istanbul, the public and economic transformation can be summarized in four periods. In these four periods, not only the will to create a nation state and global developments, but also the evolution of the concept of “the city” and capital accumulation played important roles.

To analyze the economic and spatial transformation periods along with the politics, actions and tools that led to them, Tekeli’s model of a modernized Turkish city\textsuperscript{4} was used in this study by adapting it to Istanbul in each of the fore-mentioned four periods. Each period is different from the others in terms of economic and public spatial arrangement and its contribution to production.

2.1.1. Shy Modernity 1900-1929: The Fall of The Empire, War Years and Losing The Capitol Status

In the 15 years between the declaration of the Second Constitution and the fall of the Ottoman Empire in 1923, it was tumultuous for Istanbul. In this period, significant transformations

happened not only in city form but also in daily life pace in Istanbul. On the other hand, Committee of Union and Progress’ (CUP) national economy politics and the hardships of the ongoing war affected Istanbul’s public topography immensely.

Istanbul, being the 10th largest city in Europe with a population almost one million, underwent serious public and economic transformation with a big wave of migration in the beginning of 1900s. The city was a big example of contradiction with 200.000 “White Russians” that had run away from the Bolshevik Revolution and their new ways of living and habits, new spatial organization and newly gained wealth from war and ongoing poverty.

While traditional small shop owners were experiencing stagnation and recess, the newly wealthy created by national economy politics of CUP and the non-Muslim merchants became more financially powerful (Toprak et. al., 2008)5. In Galata and Pera, shops owned by Rums were thriving.

Even though the commerce in Istanbul was mostly controlled by non-Muslims, the shops and workplaces in the Historical Peninsula were run by Muslim Turks. However, the contribution of Muslim Turks to economy was very limited: 4% in foreign trade, 3% in brokering, 15% in domestic trade and 25% in retail trade. Therefore, Muslim Turks were very content when domination of non-Muslims in commerce and trade was ended with the 1923 Izmir Economic Congress. With the foundation of Turkish Republic in 1923, Istanbul was no longer the nation’s capital, however it still continued its status as the capitol of business and commerce.

The population that had continued to increase until 1922 dropped to 700.000 in 1927 due to loses in the war, loses in civilian lives and departure of immigrants and minorities. The number of transit commerce ships dropped to half while import started to gain a serious importance and numerous foreign-trade businesses were founded. Towards the end of 1920s, with the help of policies supporting Turkish merchants, Turkish merchants began to play important roles in foreign trade and wholesale trade.

2.1.2. 1930-1958 Radical Modernity: Shrinking Economy, Old-generation Merchants, New-Generation Merchants

This period can be interpreted as the city’s rare times of shrinking and being forgotten. However, the city still continued to develop and the modernity project was reflected on the city and the city space radically.

The end of the Second World War was a turning point for Turkey, as it was for other countries that were not directly involved. With the end of war, the developments in transportation and agriculture triggered a big migration wave in the country. Istanbul’s dominating position made it a focus for migration and with the application of Prost plan in the last years of the second quarter of the century, the city’s social and physical infrastructure became more developed. This development continued in the third quarter with building operations started by the Prime Minister Menderes. Lots of new arteries, public squares and docks were built during this period. However, this development couldn’t be matched when it came to housing. Great numbers of people who had migrated were pushed to the rural areas and slums while small manufacturers started to be settled in apartments. As a result, the housing stock changed rapidly in middle and high-income neighborhoods. The first ten years of this period were highly influenced by the 1929-1930 Great Depression. The Depression hit hardest the merchants involved in foreign trade. While import increased between the years 1930 and 1940, private foreign trade shrank.

In the 1930s, the state applied quotas in trade to promote and protect domestic industry and a very tight protective policy was employed. The devastating effects of the Great Depression, the quotas in import and taxes applied during the World War II caused most of Istanbul’s non-Muslim merchants shut down their businesses.

Even though a stagnant period was existent towards the 1950s, the city went through an economic, public and habitual transformation that could not be easily detailed, but mostly described by written and visual media. Nonetheless, Istanbul was still the most important city in the country both population and economy-wise. It became the basis of private industry due to being home to 6 % of the population, opportunities created by its location, its openness to commercial connections, the existence of a bourgeois class, the vastness of its domestic trade, its means of transportation and its capital potential (Toprak et.al., 2008). Even though Istanbul went through a restless transformation process during this period, it kept its important place by extending its prestige from foreign and wholesale trade to manufacturing industries.

With increasing migration in the 1950s, building and construction became newly emerging sectors. New arteries and constructions to improve transportation, and slums that occupied large empty spaces in rural areas changed Istanbul’s morphology dramatically. During this period, informality peaked in financial structure and non-Muslim merchants left the city.

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2.1.3. 1960-1983 Populist Modernity: Monstrous Industry City with Slums, Jitneys and Hawkers

After the devaluation in 1958, promotion of import instead of non-manufacturing investments such as city services and housing sped up the industrialization process. By the third quarter of the 20th century, Istanbul became a monstrous industry city filled with slums and hawkerers, losing most of its green areas. The population increased two and a half fold to 4.7 million in the 1980s from 1.9 million in the 1960s. The city turned into an enormous industry city with its leading position in food, textile, metal, chemistry and machinery sectors (Güvenç, 1994)7. Wholesale and retail trades flourished in this period. Wholesale trade mostly concentrated on textile and fabric sectors, followed by engines, machinery and food. Istanbul housed half of construction, mining and chemistry sectors. While retail trade flourished in quality and quantity, with the growing population and multi-layered structure, Istanbul had a huge domestic market and demand. The first Bosphorus Bridge, main arteries and industry that spread to the neighboring cities made Istanbul the main center of merchandise circulation (Toprak et al., 2008)8.

2.1.4. 1984-2010 While Modernity Wears Out: Global City, New Times

In the 1980s, with the expansion of liberal policies, foundation of city municipalities and increase in municipal income, new urban development processes appeared in the overgrown city of Istanbul. 1980s brought together political, economical and physical transformations very similar to the ones in the 1950s. Adopting a liberal monetarist ideology intended to be a part of the capitalist world was reflected in Istanbul’s commerce and import boom, and the increase in luxury goods in domestic market (Toprak et al., 2008)9. As a result of proliferation of cluster housings, and investments in urban infrastructure, communication and transportation services, a new urban area emerged around Istanbul’s metropolitan area. With improvements in intercity transportation, transformation of the city was supported and decentralization and central reconstruction processes were accelerated. In

this context, while the traditional “Historical Peninsula” region lost its manufacturer and service sectors and became a center for tourism and cultural heritage, Beyoğlu was shaped by workplaces and housings.

In the last quarter of the 20th century, Bosphorus and coastal regions witnessed the emergence of new cultural centers, regional service sectors, global transportation connections, consumer habits, thus the emergence of a new social environments. Housing areas started to spread parallel to commercial centers and subcenters.

The city, which had been the center of industry in the beginning of 1990s, transformed into being the center of service sector in twenty years.

2.2. Social Spatial And Economic Transformation Of Istanbul During Historic Development Process

Beyoğlu has been a district of Istanbul since 1924. However, there were some border changes over the years, and the district has reached its final borders in 1954. Beyoğlu district north-side neighbor is Sisli district, east side is Besiktas and Bosphorus, south is the Golden Horn and west is Eyup.

During the Ottoman Empire years, especially in the 16th century, foreign embassies in Galata began to be relocated in Beyoğlu and this area (specifically between Galatasaray and Tunnel) started to develop as housing area (Mantran, 2001)\(^\text{10}\). All the changes and transformations in administrations and commerce shifted the commercial activity centered in Beyoğlu’s Galata

to the housing areas towards the north. Istiklal Street, located between Tunnel and Taksim, was lined by shopping arcades on both sides; all commercial activity in Beyoğlu took place along this street (Tekeli, 1987). In this period, Beyoğlu was not only the center of entertainment but also a shopping center with luxurious shops and offices. Towards the end of 19th century, work line specification and the appearance of specified sectors, and their reflection in workspaces were observed. During this time, while traditional shopping system was still apparent in the Historical Peninsula, in Beyoğlu and Galata a newer, more modern business environment was emerging. In this period, the new styles of offices and inns started to appear and this area became filled with business establishments, storage units and banks (Tekeli, 1987).

In 1870s, the outer appearance of shops and inns in Beyoğlu started to change as in all Istanbul. In this period, vast shopping arcades, sometimes in huge block, were built in order to handle the needs of the growing population and the developing commercial activities (Tekeli, 1987).

In the first years of the republic, Beyoğlu reached to a vast size and at the same time, housing areas were mostly converted to business places (Mantran, 2001). The most important factor that effected Beyoğlu’s development most was defining the Golden horn and Bosphorus areas as industrial areas in the Prost Plan. As a result of this plan, these areas have been filled with factories and business establishments since 1940s.

Till 1950s, areas left by non-Muslims and minorities were filled with Turkish businessmen and intellectuals who understood the concept of “modern city”. Beyoğlu was the most elegant area in Istanbul, with cinemas, theatre houses, art galleries, restaurants, cafes and luxurious shops (Dökmeci, 1990).

Overgrowing of Istanbul with big waves of migration, emergence of new modern districts, distribution of new entertainment facilities, business places and wealthy families to these new modern subcenters caused Beyoğlu to lose its appeal after 1950s. One-direction traffic from

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Taksim to Tunnel was a major setback in access, therefore it started to affect the business life in the area negatively, and luxurious shops started to be replaced by cheaper ones eventually. Even though Istiklal Street didn’t totally lose all its charms thanks to some luxurious stores that had stayed and its location being close to main arteries; it was far away from the glorious days of past, being filled with empty buildings and workshops (Dökmeci, 1990)\(^{16}\).

In the eighties, all kinds of businesses and professions were existent in Beyoğlu, however Istiklal Street was converted from a culture and art center to a retail commerce center filled with shops selling clothing, fabrics, furniture and glassware (Eldem, 1997)\(^{17}\). Beyoğlu, on the other hand was filled with auto repair shops, banks, broker offices, construction businesses and film companies on one side; foreign consulates and religious buildings on the other side (Eldem, 1997)\(^{18}\).

Nowadays, commercial activity and service sector has spread all over Beyoğlu intensely. After the Historical Peninsula, Beyoğlu is the second district that carries the property of being a traditional center.


This research focuses on the Central Business District change and transformation in Beyoğlu district in fifty years. This study is based on two important data sources, 1955 Phone Directory registry records and 2009 Istanbul Chamber of Commerce registry records.

3.1. 1955 Phone Directory: Beyoğlu Business Area Structure and Composition

7,401 records are located in the 1955 Phone Directory that includes Istanbul workplaces. In 1955 Phone Directory records 30.57% (2,259 records) were located in Historical Peninsula part, 28% of percent (2,120 record) were located in Galata part and 14% of percent (1,018 record) were located in Pera part.

When we look at Beyoğlu District, 3,314 entries covered workplaces in Beyoğlu District. Figure 2 represents central activity distribution of Central Business District of Beyoğlu. Retail and wholesale trade, restaurants and hotels sectors were the most important component (38.42


% of activity distribution in Beyoğlu. Financial institutions, insurance, real estate sectors with 18.38% can be said to hold an important role in the workplace landscape in Beyoğlu. Manufacturing activity, community services, social and personal services are several other key elements that make up the 1955 Beyoğlu workplace landscape.

Figure 2: 1955 Beyoğlu Workplaces Sectoral Distribution According To The Number Of Offices

Figure 3: 1955 Beyoğlu Workplaces Sectoral Distribution According To The Percentages Of Offices
3.1.1 1955 Neighborhoods of Beyoğlu District’s Business Area Structure and Composition

Twenty-nine neighborhood units are located in Beyoğlu in the 1955 Phone Registry record. The first analysis of the economic landscape of Beyoğlu neighborhood in 1955 is basically divided into five different groups. These different groups are:

(a) Furniture;

(b) CBD Support Services, Retail Trade, People and Entertainment Services;

(c) Public Administration and Furniture;

(d) Public Services and Foreign Institutions;

(e) CBD Services and Wholesale Trade; as listed.
Map 1: Beyoğlu workplaces 1955 general economic neighborhood profiles
3.2. 2009 Istanbul Chamber of Commerce Record: Beyoğlu Business Area Structure and Composition

When we look at 2009 Istanbul Chamber of Commerce records, there are 294,786 records in Istanbul and there are 13,021 records in the Beyoğlu District.

![Figure 4: 2009 Beyoğlu workplaces sectoral distribution according to the number of offices](image)

![Figure 5: 2009 Beyoğlu workplaces sectoral distribution according to the percentages of offices](image)
Figure 3 represents central activity distribution of Central Business District of Beyoglu in 2009. Retail and wholesale trade sectors were the most important component (37.27%) of activity distribution in Beyoglu. It can be said that manufacturing activity in the Beyoğlu with 15.95% held an important place in the workplace landscape in Beyoglu. Professional, scientific, technical operations sector and construction industry are other important activities for Beyoglu.

3.2.1 2009: Neighborhoods of Beyoglu District’s Business Area Structure and Composition

Record data produced from 2009 Beyoglu neighborhood business analysis through different categories of variables were formed by an examination of 13,021 records. 2009 Istanbul chamber of Commerce Records were coded according to the NACE 1.1 codes. There has been forty-five neighborhood workplace information in the records. The first analysis of the economic landscape of Beyoglu neighborhood in 2009 is basically divided into ten different groups. These different groups are;
(a) Wholesale and Retail Trade, Rental Activities;
(b) CBD Services, Culture - Arts, Health;
(c) CBD Services, Cultural - Art, Health, Retail Trade, Leather Manufacturing, Service Operations;
(d) CBD Services, Culture - Arts, Health, Household Services;
(e) Mining, Transportation and Storage, Tobacco Manufacturing
(f) CBD Services, Culture - Arts, Health, Mining, Transportation and Storage
(g) Mining, Transportation and Storage
(h) Wholesale and Retail Trade, Rent, Food, Textile Manufacturing, Construction, Culture - Art, Furniture, Telecommunications
(i) Food, Textile Manufacturing, Construction, Culture - Arts, Telecommunications, Furniture, Paper, Plastic, Machinery Manufacturing
(j) Metal, Electronics Manufacturing, Wholesale Trade, are listed.
Map 2: Beyoğlu Workplaces 2009 General Economic Neighborhood Profiles
4. Conclusions

Beyoğlu district has always carried a very specific role throughout Istanbul’s history. While the area between Tunnel and Taksim is an important center for commerce, culture and entertainment, it still keeps its dynamism as the focal point of metropolitan Istanbul’s central financial area (Kubat, 1990).19

The place of Beyoğlu in Istanbul’s financial life has gone through some changes over the years; the main finance centers were shifted to other areas. However, Beyoğlu has kept its position as “the heart of the city” with retail commerce, culture, art and entertainment.