



Beyond a Business Center: Osmanbey Market as an Inner-City Industrial Agglomeration in Istanbul

İş Merkezinin Ötesinde: Bir Kent-İçi Sanayi Kümelenmesi Olarak Osmanbey Piyasası

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ABSTRACT

This study examines the formation and current characteristics of an inner-city agglomeration in Istanbul. Osmanbey, in Şişli district, is conventionally characterized as merely a commercial center, yet this study challenges this argument by showing that Osmanbey is an inner-city industrial agglomeration specializing in ready-to-wear production. Combining intra-metropolitan location theory with industrial cluster literature, the research reveals the play between global forces and local urban processes. Through mixed-method analysis—including newspapers, phone directories and structured interviews with 65 firms, and in-depth interviews with 16 sectoral actors—the paper traces Osmanbey's transformation from a residential area in the 1950s to a hub for garment production by the 1980s, driven by Türkiye's integration into global markets and the relocation of manufacturers from traditional centers like Sultanhamam. Findings highlight Osmanbey's resilience as a cluster where firms, workshops, and suppliers form interdependent networks, leveraging proximity to reduce costs and facilitate rapid adaptation to market volatility. The district's spatial division into "brain" (design/model-making), "factory" (workshops), and "showcase" (showrooms) reflects its stratified role in global value chains, with skilled labor and artisanal production coexisting alongside precarious, invisible labor. Despite municipal policies favoring deindustrialization, Osmanbey persists due to its embedded socio-economic ecosystem, though economic crises perpetuate cycles of firm turnover and spatial relocation. The study contributes to urban and economic geography by demonstrating how "ordinary" agglomerations in the Global South sustain industrial activity amid post-industrial narratives.

Keywords: inner-city agglomeration, Istanbul, Osmanbey, industrial organization, ready to wear industry

Öz

Bu çalışma, İstanbul kent içinde bulunan bir sanayi kümelenmesinin oluşumunu ve güncel özelliklerini konu edinmektedir. Şişli ilçesinde bulunan Osmanbey, geleneksel olarak yalnızca bir ticaret merkezi olarak tanımlansa da bu çalışma semtin ekonomik peyzajının, görünenden çok daha girift ve Osmanbey'in hazır giyim üretiminde uzmanlaşmış bir şehir içi sanayi yığılması olduğunu ortaya koyar. Araştırma, kent merkezleri ve sanayi faaliyetlerini ele alan literatürden faydalanarak, küresel dinamikler ile yerel kentsel süreçler arasındaki etkileşimi gözler önüne sermektedir. Telefon rehberleri ve 65 firmayla yapılan yapılandırılmış görüşmelerle niceliksel, gazete arşiv taraması ve 16 sektör çalışanıyla derinlemesine mülakatlar aracılığıyla niteliksel veriler toplanarak karma bir metodoloji uygulanmıştır. Bu çerçevede Osmanbey'in 1950'lerde bir yerleşim alanıyken, Türkiye'nin küresel pazarlara entegrasyonu ve Sultanhamam gibi geleneksel merkezlerden üreticilerin taşınmasıyla 1980'lere gelindiğinde, bir hazır giyim üretim merkezine dönüşüm süreci izlenmiştir. Bulgular; Osmanbey'in atölyeler, tedarikçiler ve firmalardan oluşan karşılıklı bağımlılık ilişkileriyle kurulu bir küme olarak dayanıklılığını sürdürdüğünü göstermektedir. Mekânsal yakınlık, firmaların maliyetleri düşürmesine ve piyasa dalgalanmalarına hızla uyum sağlamasına olanak tanımaktadır. Bölgenin mekânsal olarak "beyin", "fabrika" ve "vitrin" biçiminde tarihsel olarak öne çıkan rolleri, ülkenin küresel değer zincirleri içindeki katmanlı

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rolünü de yansıtmaktadır. Merkezi ve yerel yönetimlerin sanayisizleştirme yönündeki politikalarına ve ekonomik krizlere rağmen Osmanbey; firma devinimi, mekânsal yer değiştirme, ürün pazarını değiştirme gibi döngülerle kent içindeki rolüne devam etmektedir. Bu çalışma, Küresel Güney'deki "sıradan" yığılmaların, post-endüstriyel anlatılara rağmen, nasıl sanayi faaliyetlerini sürdürebildiğini göstererek, kentsel ve ekonomik coğrafya literatürüne katkı sunmaktadır.

Anahtar Kelimeler: kent içi sanayi kümelenmesi, İstanbul, Osmanbey, sanayi örgütlenmesi, hazır giyim sanayi

INTRODUCTION

City centers offer a unique environment where major economy policies and local realities meet. Especially as a result of global economic restructuring in the 1980s, metropolitan centers have been discussed in terms of deindustrialization dynamics after the decentralization of large-scale industrial activities and the rising service economy (Hutton, 2008; Taft, 2018). At the same time, given their potential for face-to-face communication, labor pool, rental workplaces, shared infrastructure services, and transportation facilities, urban centers are dynamic spaces open to different economic roles in line with changing macroeconomic policies. In the 1990s, centers with such potential were reindustrialized through creative industrial activities (Hutton, 2008). As part of flexible production, production processes have been fragmented vertically into smaller pieces and scattered globally to be more secure against economic crises. For creative industries, small scale businesses need to come together spatially and develop face-to-face relations for their production processes (Gordon & McCann, 2000; Scott, 2014). Hence, they are attracted to inner-city locations where they can form trade- and non-trade-related interdependencies and operate within a social milieu (Storper, 1995; Scott, 2014;). These interconnected businesses are nurtured in an environment in which various city attractions are possible, thereby enabling the dissemination of sectoral information (Malmberg & Maskell, 2002).

Istanbul has, since the 1980s, been envisioned as a post-industrial metropolis as seen from its urban policies. Yet, Türkiye has integrated itself into the global economy with its garment industry, which has led to the city-wide spread of small-scale production. Although the vision for deindustrialization persists, a significant portion of industrial production still takes place in Istanbul (Sayın, 2022). Furthermore, in spite of the fact that large-scale garment businesses have decentralized to İstanbul's periphery of or to Anatolia, Istanbul remains the most important locale for Türkiye's small-scale garment industry (Dedeoğlu, 2011; Temurçin & Aldırmaz, 2017).

In the present study, it is argued that Osmanbey—an inner-city district in Istanbul labelled as a 'commercial center' in the media, academic studies, and urban planning reports—is actually an industrial agglomeration specializing in ready-to-wear production. Within the district, rival and complementary businesses form an invisible network of tangible and intangible linkages to create an economic system. Through an analysis of quantitative and qualitative data, the study aims to reveal the historical roots of its formation as a ready-to-wear cluster and its current dynamics.

The research is guided by intra-metropolitan location theory and the industrial clusters literature, which explain the dynamic relationship between production activities and inner-city characteristics. These approaches, which stem from economic geography, focus on the possibilities of the urban space rather than the dichotomy of industrialization and deindustrialization. Structured interviews, phone books, newspaper articles, and in-depth interview data are analyzed to explain the formation of Osmanbey as a ready-to-wear production district and how it functions today. Regarding the district's current activities, the study gives special attention to the linkages formed between businesses having complementary relationships and to the district's spatial dynamics. The findings

contribute to Istanbul studies by showing how an inner-city center labelled as a commerce center functions as an industrial agglomeration. The international industrial cluster literature has been criticized for concentrating solely on particularly significant, ideal success stories from the developed world (Nadvi & Schmitz, 1994; Martin & Sunley, 2015). In contrast, the present study enriches academic literature by investigating a more regular, insignificant case study from the Global South.

1. Literature Review: The Relationship Between Inner City and Industrial Clusters

The 1980s marked a dramatic transformation in terms of urban space and capital accumulation processes. Until this period, national economies were mostly guided by an industry-oriented development organized in a protectionist manner, but after the global crisis of the 1970s, a new capitalist mode of production became dominant. This period, characterized by the termination of the compromise between capital, state, and labor power is called disorganized capitalism by some scholars (Lash & Urry, 1987). The main manifestation of the new capitalism was the end of the large-scale Fordist factory as the dominant mode of production. The dynamics and geography of production underwent a major transformation as capital became more independent of 'place' in order to overcome the capitalist accumulation crisis. In response, academic literature became dominated by discussions on deindustrialization, the end of the Fordist production regime and flexible production (Bluestone & Harrison, 1982; Piore & Sabel, 1984; Lash & Urry, 1987). With the easing of national protection policies globally and technological advances, industrial firms have shifted their labor-intensive production processes to the 'periphery' where abundant, cheap and unorganized labor is available to reduce costs (Felipe & Mehta, 2016). It points to a migration of production facilities both within countries and between early capitalist countries and others.

This transformation of the dynamics of capitalist production also means the transformation of urban space. Rising economic sectors have been reproduced in city centers through office complexes, luxury housing investments, and places of consumption (Hutton, 2008; Taft, 2018). Furthermore, it is not only the geography of production activities that is transformed; a new mode of production has emerged with increasing communication and information technologies (Piore & Sabel, 1984). This new regime of production and accumulation, whose main characteristic is flexibility, also manifests itself as new labor processes and spatial organization. In certain sectors, demand-driven, small-scale production systems that can respond to changing conditions in a short time have become dominant (Eraydın, 2000). Flexible production fragments the production process and enables vertical disintegration, which means that production process can be carried out in different geographical locations by small-scale businesses specialized in different stages (Scott, 1988).

Within this framework, small-scale businesses specialized in specific stages of production geographically co-locate to decrease the cost of production, leading to the re-industrialization of certain urban spaces. Therefore, although urban centers today are characterized by their financial sectors, luxury housing, and places of consumption, certain centers also have become the location of 'new' types of production activities (Hutton, 2008; Scott, 2014). While in urban sociology studies, the relation between city centers and production activities are mostly discussed in terms of deindustrialization and reproduction dynamics, the geography of production is a much more complex issue in the contemporary world.

By addressing the relationship between production and space in a dynamic way, approaches emerging from economic geography allow us to see urban centers not as a static landscape but as a

continuously transforming ‘process’. One of the earliest such approaches is incubation theory, which argues that city centers are incubators for small and newly established firms where urban infrastructure services, rented office space, a labor pool, and face-to-face communication facilities are available (Hoover & Vernon, 1959; Struyk & James, 1975; Leone & Struyk, 1976). Industrial businesses that develop new products in a market are inexperienced and need to be close to the city center to access customers and develop relationships with market actors (Cameron, 1960, cited in Davelaar & Nijkamp, 1986). Related to this, Jacobs draws attention to the importance of old, cheap building stock for a city center to be an incubator (Jacobs, 1969 as cited in Davelaar & Nijkamp, 1986, 4). According to the complex incubator theory, when businesses reach a certain stability in production and grow, their need for the externalities of the center diminish while the high cost of land and labor become obstacles to further growth. Consequently, they leave the incubator and move to cheaper, larger spaces where they also employ non-skilled cheap labor (Leone & Struyk, 1976; Davelaar & Nijkamp, 1986).

Related to this, product turnover theory argues that when a new product—known as unstandardized—is developed, its production is not stable because demand is still unknown. Businesses producing such products need to be located close to areas offering a labor pool. Once demand for the product has stabilized, it becomes logical for the firm to invest in technology to replace labor. Consequently, the product becomes standardized, and production can be shifted to places where costs are cheaper (Almor et al., 2006; Güvenç et al., 1991).

By integrating these approaches and incorporating the qualities of labor and the characteristics of the businesses, Scott (1983; 1986) has developed Intra-metropolitan industrial location theory. Here, a ‘business’ is a system in which different labor processes are intertwined and economic transactions take place. Small-scale enterprises tend to operate in sectors characterized by volatile demand, high competition, frequent economic crises, uncertainty, and high labor intensity. In these sectors, organizations are dependent on the skills of the labor force rather than technology, as their products are not standardized and vary according to demand. Clustering is expected in sectors where production processes are labor intensive and vertically fragmented, the end products are diverse and variable, and linkages between organizations are intricate. These clusters tend to gravitate towards the city center, where the urban labor pool is more accessible (Scott, 1981; 1983). The intra-metropolitan industrial location theory explains how Istanbul continues to be Türkiye’s most important industrial center despite 40 years of deindustrialization policies. It helps explain both the city’s deindustrialization and the continued presence of industrial firms.

In the literature, it is argued that in the 1990s, both in the metropolises of early capitalist countries and the rest, new economies have emerged in the center, located alongside other economic realities like luxury housing, consumption, and office complexes, and benefiting from the center’s innovation environment (Hutton, 2008). Accordingly, centers that previously housed Fordist forms of production, today host communication and information-intensive production activities in which cultural and technological factors are synthesized in production processes and high-value cultural products are developed like media, fashion, or industrial design. This is interpreted as a new era in the economic history of the city center (Hutton, 2008; Scott, 2014).

As a result of the fragmentation of economies of scale, industrial regions that create economies of proximity have been formed through clustering of many small firms (Müftüoğlu, 2005) that distribute the risk of production in a very fragile economy amongst themselves. Clustering in the city center

primarily occurs because the center facilitates relationships between businesses. This proximity reduces both tangible and intangible costs (Storper, 1995; Malmberg & Maskell, 2002; Eiriz, 2020). Accordingly, because these businesses are specialized in different stages of the production process, they must be linked to complete the production of goods. These linkages may reflect interdependency if the organizations are producing a good together or rivalry if they perform the same work. Organizations form a system of invisible linkages through flows between them of both goods and sectoral information. Proximity facilitates the exchange of goods, information, control, and access to customers and labor (Ganesan et al, 2005; Torre & Rallet, 2005; Torre, 2014).

However, the environment of a cluster does not just comprise businesses in production processes; it also involves the externalities of the center, such as cafes, hotels, cultural facilities, and offices. Sectoral information wanders around the corridors of this environment to become an intangible net that ties businesses together. All elements, from the urban infrastructure to the circulation of information, codes of behavior, institutions, labor force, and customers, create a social environment called the urban milieu that gives each cluster its identity and role (Yeung, 1994; Storper, 1995; Bathelt et al., 2004; Lelo, 2025). The literature also emphasizes the importance of the cluster's relationships with the outside in global relations of production, called "global pipelines" (Bathelt et al., 2004).

Unlike cases usually discussed in the literature, Osmanbey is not a cluster of high-value cultural production. Instead, its identity largely stems from its designers and skilled labor pool. As a cluster in the middle of the metropolis, Osmanbey is a district focused on ready-to-wear products, composed of wholesale clothiers, accessories manufacturers, designer firms, workshops, and city attractions. To understand the changing characteristics of the district, it is important to briefly consider global production chains and Türkiye's transformed role within them.

Global Production Chains and Türkiye's Transformed Role

As a labor-intensive sector, the garment industry has played a strategic role in late capitalist countries' engagement with the global economy since the 1980s. Because it requires low fixed capital and is labor intensive, it has been a typical starting industry for export-oriented industrialization to create employment and ensure rapid growth (Fernandez-Stark et al., 2011). It has become a truly global industry in terms of the geography of production, consumption, and its labor force (Spener and Capps, 2001). It is a production system that operates through the transnational relationships of networks of firms that create value by engaging in geographically dispersed but interrelated economic activities (Neidik & Gereffi, 2006). The different stages of the value chain, such as design, production, and distribution, involve different skills and therefore different professions. Hence, they can be separated and performed in different geographies (Lane & Probert, 2004). High value-added activities like design, sales, and marketing tend to be carried out in house, whereas production can be outsourced to manufacturers in developing countries with lower labor costs. This leads to asymmetric power relations between global brands as the buyers and their manufacturing suppliers located all over the world (Gereffi, 1999; Neidik & Gereffi, 2006; Fernandez-Stark et al., 2011).

Within this framework, the global value chain approach identifies three different roles and models whereby countries specialize in these globally fragmented production processes (Gereffi, 1999; Gereffi & Memodoviç, 2003), namely assembly, original equipment manufacturing (OEM), and original brand manufacturing (OBM). Assembly refers to manufacturers that cut, sew, and trim the

product based on the designs, fabrics, and other inputs provided by the buyer. Assemblers generally produce simple goods with imported inputs, are labor intensive, and only require unskilled labor (Lane & Probert, 2004).

OEM businesses, also called full package producers, organize and complete all the production stages by procuring the necessary inputs and raw materials themselves. They are also responsible for distribution and sometimes design. Some of these manufacturers have also expanded into the global market by creating their own brands (Neidik & Gereffi, 2006; Fernandez-Stark et al., 2011). Along these production stages, added value gradually increases from assembly to brand creation. In parallel to this categorization, three organizational models have been identified based on the manufacturers' role in design, production, distribution, and marketing (Lane & Probert, 2004; Dunford, 2006). The first type is called 'firm' that designs a collection and produces a sample model before outsourcing production to workshops and then marketing and distributing the goods itself. This requires skilled labor and managerial staff, who receive relatively high wages. The second type is cut-make-trim businesses, referring to workshops that produce the model provided by other firms. The third type is the integrated firm that uses technology-assisted synthesized labor processes to achieve vertical integration so that all production stages are completed within the firm (Dunford, 2006).

The garment industry was Türkiye's primary entry point into the global economy, given that, by the 1980s, it had accumulated significant experience in this sector (Tokatlı & Kızılgün, 2009), and that its access to quality fabrics and skilled labor provided a significant global competitive advantage. While Türkiye was initially integrated into global garment markets as an assembly country, it had to develop new strategies during the 2000s, when Western markets abolished quotas for Asian exporters. In response, Türkiye used its fabric and labor superiority to become a higher value segment (Fernandez-Stark et al., 2011) and upgraded its role to become a full package producer capable of design (Neidik & Gereffi, 2006; Tokatlı et al., 2011). After facing an economic crisis in 2001, Türkiye shifted its primary export focus from labor-intensive to capital-intensive sectors, so ready-to-wear production lost its position as the primary sector (Balaban, 2011). In line with the transformation in Türkiye's role in global markets, workshop-based production emerged after the 1980s, while firm formation became more prominent after the 2000s.

Based on the perspective outlined above, the following section discusses the formation of the Osmanbey market and its current role in İstanbul as an example of the dynamic relationship between urban centers and production activities. We will argue that, as an example of the working of local and global forces, Osmanbey is not just a commercial center but a deeper system of networks.

2. Methodology

This study adopts a mixed-methods case study design, combining both qualitative and quantitative approaches to examine the historical formation and current characteristics of the Osmanbey ready-to-wear agglomeration (Creswell, 1999). The research focuses on two main domains: the historical evolution of the district's economic geography and its contemporary organizational and spatial dynamics. Given the difficulty of accessing systematic historical data on the economic transformation of urban areas, the study utilizes a combination of conventional and creative data sources.

To reconstruct the historical formation of the agglomeration, archival research was conducted using the digital archives of two major Turkish newspapers, *Milliyet* and *Cumhuriyet*. Articles were identified through keyword searches ("Osmanbey") and analyzed using a qualitative content analysis

identify recurring themes such as the transformation of residential spaces into workplaces, the emergence of garment-related activities, and the shifting identity of the district.

In addition to archival sources, a key quantitative dataset was constructed using the two-volume *Istanbul Telephone Directory of Professions* (1987), published by Ziraat Bank. This directory, organized alphabetically by profession, provides address-based information on businesses. Based on this source, a place-based database was created to map the economic landscape of the late 1980s. First, the approximate boundaries of the Osmanbey agglomeration were identified through field knowledge and archival references. Subsequently, 83 streets within this area were delineated, and all businesses classified as industrial economic activities, particularly ready-to-wear producers and wholesalers, were recorded. In total, 2,107 businesses were identified, categorized, and spatially analyzed.

The analysis of the current characteristics of the agglomeration is based on fieldwork conducted in 2018. Repeated site visits were carried out to understand the spatial boundaries, internal differentiation, and everyday functioning of the district. In line with intra-metropolitan industrial location theory (Scott, 1986), particular attention was given to the interrelations between different types of businesses involved in the production process. Two types of interviews were conducted: structured interviews with firms and in-depth semi-structured interviews with sectoral actors. First, face-to-face structured interviews were carried out with 65 firms operating in the district. These interviews collected standardized information on firm characteristics, including ownership status, firm age, and the spatial organization of production networks (e.g., the locations of workshops, suppliers, and target markets). The data obtained from these structured interviews were analyzed using descriptive quantitative methods that allow for the identification of the geographies of the agglomeration.

Second, to explore the relational dynamics of production in greater depth, 16 in-depth semi-structured interviews were conducted with actors occupying different positions within the production process, including cutters, designers, fabric wholesalers, accessory producers, workshop owners and workers, production planners, product trackers, and firm owners. These interviews lasted between one and two hours and focused on three main themes: business histories and trajectories; the organization of production processes, and inter-firm relationships and spatial practices. All interviews followed a semi-structured format based on a common interview guide, ensuring comparability across respondents while allowing flexibility to capture individual experiences. The qualitative data were analyzed using a two-stage coding process (Auerbach and Silverstein, 2003). In the first stage, open coding was applied to identify recurring themes such as proximity, dependency, labor organization, and crisis strategies. In the second stage, these themes were systematically compared across different actor groups (firms, workshops, and suppliers) to identify patterns of similarity and divergence. Rather than relying on individual statements, the analysis focuses on recurring patterns and relationships, with selected quotations used to illustrate broader findings. By combining archival analysis, spatial database construction, and multi-scalar interview data, the study provides a comprehensive account of the historical formation and contemporary dynamics of the Osmanbey agglomeration.

3. Findings of the Research: The Formation and Characteristics of Osmanbey Market as a Ready-To-Wear Agglomeration

Osmanbey, a district in Şişli, is one of Istanbul's most central locations. Although its borders cannot be defined precisely, its approximate area has emerged historically. The Istanbul Encyclopedia defines it as extending "from the intersection of Halaskârgazi Caddesi and Vali Konağı Avenue towards the north, on both sides of Halaskârgazi Caddesi" (1994). It borders Harbiye to the south, Nişantaşı to the east, Mecidiyeköy to the north, and Kurtuluş to the west (see Figure 1). The following subsections explain in terms of the interrelationships of businesses and Osmanbey's spatial dimensions the formation of its economic landscape, its spatial dynamics in terms of the types of businesses making up this landscape, and its current characteristics.

To understand the formation and the current dynamics of the region both the spatial data and the qualitative data were used. The interview data were evaluated through a thematic reading focusing on recurring patterns and shared experiences among different actors within the production network. Several interrelated themes emerged from the interviews, including the importance of spatial proximity for coordination and monitoring, the vertically disintegrated and flexible organization of production, the interdependent relationships between firms and workshops, and the continued advantages of inner-city location for garment production. The findings also revealed overlapping labour roles, the significance of skilled labour, and the ways firms adapt to economic fluctuations through flexible organizational structures. Direct quotations are presented in the findings section as illustrative examples of these broader thematic patterns identified across the interviews.



Figure 1: The location of Osmanbey in Istanbul and the research area (retrieved from IBB maps and created by the author)

3.1. Formation of Osmanbey Ready-to-Wear Cluster: The Rise of Osmanpaşa

Having been a rural area until the 1950s, Osmanbey was predominantly a residential area with neighborhood-scale commercial services until the 1960s (Tekeli, 2013). Because it was inhabited by a cosmopolitan, higher income population, it gradually attracted commercial and service units serving this population's tastes (Tekeli, 2013). Advertisements in contemporary newspapers show the kinds of commercial activities that started to transform the district. Its main axis, Halaskargazi Avenue, attracted businesses like banks and stores to gain a more central role. Meanwhile, Rumeli Street—the main street on the Osmanbey side and nowadays one of Istanbul's most central shopping areas—began to attract clothing stores and developed an identity with shoe, fabric, accessory and clothing stores. For example, a 1970 news article described Rumeli Street as "an ultramodern boutique" with its stores lined up along the "boutique" constituting a European-like shopping axis in line with the

residents' "modern" tastes (Milliyet Newspaper Archive, 1970). Significantly, this area gained importance as the main street for a more modern fashion vision within the city.

The opening of the first Bosphorus bridge crossing (currently called the 15 July Martyrs Bridge) in 1973 made, the Mecidiyeköy-Osmanbey-Nişantaşı axis more important and the city's central business areas were restructured, which accelerated the transformation of Osmanbey's apartments into workplaces. For example, during the 1980s, the eastern side of Halaskargazi Avenue lost its residential character to become an urban scale centre (Tekeli 2013), with the upper floors of apartment buildings being transformed into offices and workplaces and ground floors into arcades (Yilgür, 2012; Tekeli, 2013). According to Tekeli (2013) it was during the 1980s that Osmanbey developed as a ready-to-wear wholesale commerce. However, Yilgür's research on Nişantaşı based on oral histories hints at a more complex role (Yilgür, 2012) in which garment workshops were primarily located on the lower floors of newly built apartment blocks.

As previously explained, this was also the period when Türkiye entered global markets with ready-to-wear production, which became the most important pillar of its export-oriented growth strategy (Balaban, 2011). In particular, Turkey's garment industry experienced a golden age following the dissolution of the Soviet Union, which opened new markets (Balaban, 2011). As a spatial manifestation of this, İstanbul became the hub of small-scale garment production, with specific districts dominated by garment workshops (Temurçin & Aldırmaz, 2017). As its apartments were converted from residential to rented businesses, Osmanbey became an incubator for the new businesses of an expanding sector.

Both the newspaper reports and interviews about Osmanbey and in-depth interviews conducted for this study indicate that manufacturers coming from Sultanhamam and Mahmutpaşa played a very important role in the formation of the Osmanbey market—a term used commonly by interviewees. As the centre of İstanbul's traditional clothing production, Mahmutpaşa was also known for its low-cost, affordable garment goods produced for large populations. In a newspaper interview, Ulvi Orhan, a former chairman of the Association of Osmanbey Textile Businesspeople, said that, in the 1980s, some manufacturers from Sultanhamam who wanted to upgrade their production and differentiate themselves in terms of quality, moved their businesses to Osmanbey (Hürriyet, 2012). Indeed, all the interviewees mentioned that they had started their career in Sultanhamam before jumping to Osmanbey. Consequently, when Turkey's ready-to-wear sector expanded in the 1980s, Osmanbey had several advantages as a new business centre. Specifically, it provided a suitable area for the clustering of various garment-production businesses targeting a more upper-class segment and wanting to produce for foreign markets rather than the domestic market, and for newcomers to the sector.

This is exemplified by a newspaper article in Milliyet depicting the transformation of Samanyolu Street, parallel to Halaskargazi on the Osmanbey side, which commented that Samanyolu Street, steeped in years of history, was being "invaded" by garment workshops and wholesalers and was now even referred to as "Osmanpaşa" by locals. The article went on to satirize the district's transformation: "A fast pace of life has replaced the flats where İstanbulites lived; cutting and sewing workshops have replaced the authentic living environments and sewing machines have replaced the living rooms" (Milliyet Newspaper Archive, 1982). Similarly, an article in Cumhuriyet remarks that while Rumeli and Vali Konağı Avenues, the district's main clothing shopping streets, have become a "showcase" for prominent brands, their back streets have become an open-air factory. It referred to

these back streets as the garment manufacturers' "main streets," with the city's highest production costs (Cumhuriyet Newspaper Archive, 1988).

Another development occurred that enabled Osmanbey market's spatial expansion is due to its proximity to Bomonti—one of Istanbul's most important districts. While Bomonti's identity is completely different today, characterized by luxury housing and consumption venues, it used to be one of Istanbul's densest industrial zones during the 1970s, filled with chemical, plastic, chocolate, and clothing factories (Tümertekin, 1997). During the 1990s, the district's southern portion, comprising large factories, was decentralized, whereas its northern portion, characterized by small-scale production on rental floors, maintained its industrial character by integrating into the Osmanbey market. Having been an incubator for manufacturers from various sectors, Bomonti became a suitable location—after these industries became decentralized—for Istanbul's expanding garment industry (Doldur, 1993; 2009). However, while Doldur (1993) discusses how Bomonti became a locale for garment workshops, its relationship with Osmanbey remains unexplained.

It was not just Bomonti that integrated into Osmanbey market. This first period of Turkey's integration as an example of the assembly model into the global ready-to-wear geography was evidenced by the spread of workshops within the urban space. As the interviewees noted, both the Bomonti Industrial Zone and the area north of it and the western side of Halaskargazi were filled with workshops.

"I used to live in Feriköy. In those years, we used to go to work like a herd. Every business in textiles was here. The street now occupied by cell phone shops was full of workshops: that street, the back street." (Yasemin, worker at a workshop, Osmanbey)

In order to understand Osmanbey market's economic landscape in terms of the post-1980s' production dynamics, we drew on the records of the 1987 İstanbul Phone Book. More specifically, we searched the directory to identify all industrial businesses located in Bomonti itself, the neighborhood north of it, the west side of Halaskargazi Street, and the two streets in the heart of Osmanbey market. This revealed the area's economic landscape during this early period in terms of the types of industrial establishments and spatial characteristics.

A total of 162 establishments were identified for the two streets chosen from the Osmanbey side, namely Dere and Matbaacı Osmanbey streets. Of these, 135, more than 80%, were categorized in the directory as ready-to-wear manufacturers or traders. Most of the others were weavers, shoemakers, accessory producers, etc. Another 281 manufacturers were identified in the Osmanbey-Bomonti zone and the west side of Halaskargazi. Of these, 55% were categorized as garment manufacturers or traders, and 66% if weaving, leather, footwear, and accessories businesses are included. The directory recorded nearly another 300 businesses in Bomonti Industrial Zone, of which 30% were categorized in garment manufacturing and trade, 21% in chemicals, 12% in weaving, and the rest in various sectors. In the Halide Edip Adıvar neighborhood, located north of Bomonti, there were 60 establishments, of which approximately 50% were in the garment manufacturing and trade category.

These figures indicate that, by the end of the 1980s, it seems that was a diversification of economic sectors in some parts of the region due to Bomonti's industrial character. But also, Osmanbey market had become a district specialized in ready-to-wear sector. A street-by-street analysis of the distribution of these establishment reveals specific zones of concentration within Osmanbey. Figure 2 presents an abstracted map of all the area's manufacturers in the area to improve its readability, revealing the spatial dimensions of the Osmanbey ready-to-wear cluster in the late 1980s.

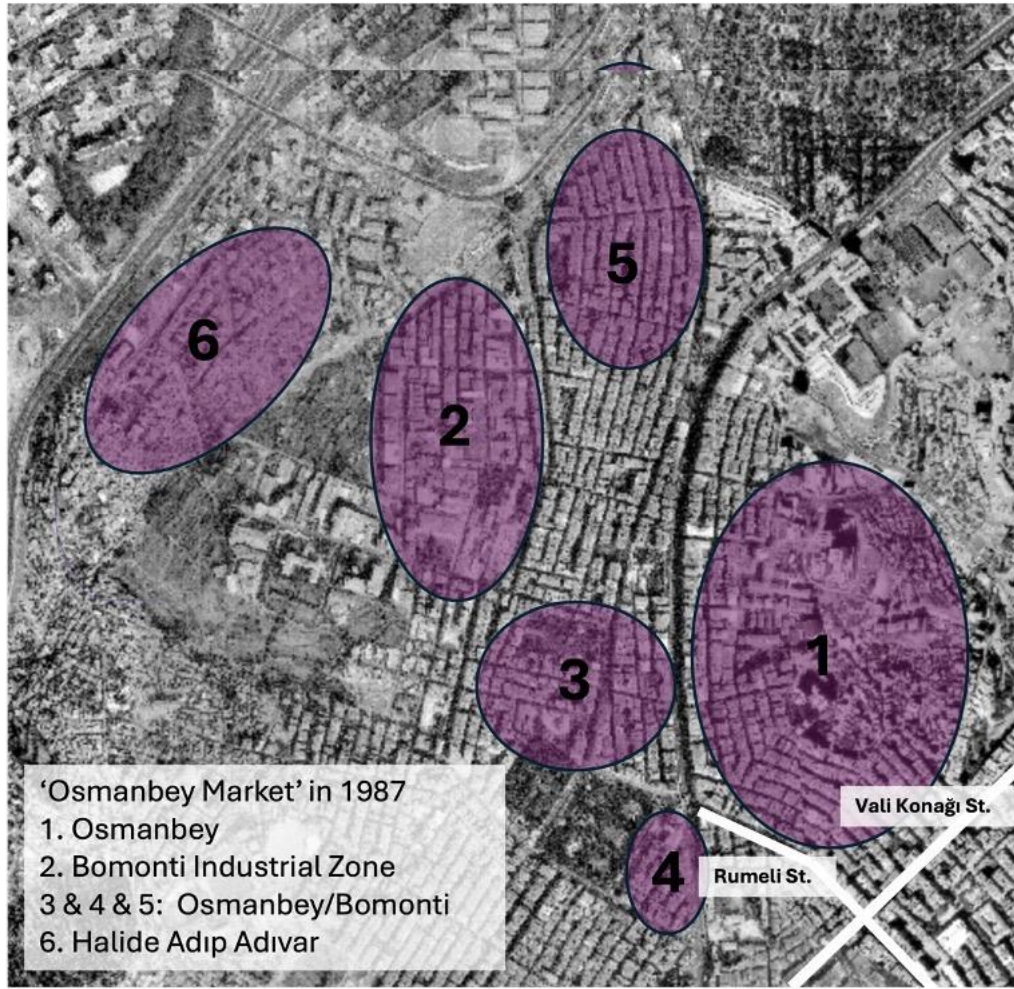


Figure 2: The concentration zones of production activities in Osmanbey Market (based on 1987 “Istanbul Phone Book”)

As Figure 2 shows, Osmanbey had the highest concentration of manufacturers and was dominated entirely by garment manufacturing and trading. The following section will explain in detail which kinds of establishments these are. Regarding the area between Bomonti and Osmanbey, the figure shows three zones of concentration, along with another zone of manufacturing establishments, of which half were for ready-to-wear garments, along certain streets in the Halide Edip Adıvar neighborhood, an evolving residential area behind Bomonti.

Although the 1980s was a period in which the dream of Istanbul as a global city became crystallized along with the goal of deindustrialization, global economic dynamics were much more effective in shaping the city. In the 1980s, Turkey’s entry into the global garment market as an assembly manufacturer led to the formation of distinct clusters in Istanbul. In particular, Osmanbey’s unique historically determined conditions combined to construct it as a garment industry cluster. While Osmanbey’s residual character transformed, certain streets became the modern showcase of ready-to-wear shopping. It also became an inner-city industrial zone that welcomed and integrated garment workshops into Osmanbey market while incubating manufacturers aiming to differentiate themselves by abandoning traditional production. In this way, global and local dynamics came together and manifested themselves in space.

3.2. Osmanbey Market Today: Interrelations Between Businesses and Spatial Characteristics

By the 1990s, the Osmanbey ready-to-wear cluster had developed an identity and a socio-cultural structure. In terms of its institutional structure, the Textile Businessmen's Association was founded in 1999, while newspaper articles of the 2000s referred to Osmanbey as the heart of Istanbul's textile industry, an inner-city location for small-scale garment manufacturers, where labour and land prices were very high. As explained earlier, Turkey went through a severe economic crisis in the 2000s while Asian countries became a major competitor in the global garment industry due to their cheaper production. Turkey overcame this challenge by leveraging its skilled labour force and superior access to the quality fabric market. It thereby reproduced its position in global markets as a full package producer that could both adapt to fast fashion and produce its own designs. This is evidenced in the increasing number of firms designing and producing a single model (i.e., sample making) while outsourcing the rest of the production process (Tokatlı & Kızılgün, 2009). The increased emphasis on design led to the development of Istanbul's fashion industry, making the city the heart of fashion in Turkey (Enlil et al., 2011), as became visible in Osmanbey market.

Today, the cluster encompasses the area from Halide Edip neighborhood in the west, north Bomonti, the wholesale fabric suppliers on Abide-i Hürriyet Street and adjacent streets, and the Osmanbey side of Halaskargazi. Within this area are various sub-regions devoted to ready-to-wear production, although there are also residential, commercial, cultural, and mixed-use areas, along with hotels and cafes. It supports the work of Pratt (2004) that states the idea that the urban context itself functions as a production factor for small, specialized manufacturers who rely on proximity to collaborators and suppliers. They comprise a cluster where goods, design, and knowledge are transferred between workplaces to establish both interdependent and competitive relationships within an economy of proximity (Torre, 2014).

Osmanbey cluster is differentiated from other ready-to-wear agglomerations of small-scale producers in the city in terms of the quality of product and labour (Yörük, 2006). According to the interviewees, Osmanbey, which has the highest labour costs and land values in Istanbul, specializes in embellished and non-standardized products, which requires skilled labour. The field observations indicated that the district mainly consists of firms, workshops on the mezzanine floors of apartment buildings, and fabric and accessory suppliers. However, the interviews revealed that the surrounding hotels, cafes, restaurants, and cultural venues contribute significantly to its social milieu and nurture face-to-face relationships.

The global apparel literature identifies three types of organizations involved in production: firm, workshop, and integrated factory (Lane & Probert, 2004; Dunford, 2006). In line with this, Osmanbey market includes small-scale family firms and workshops alongside the head offices of large textile producers with factories in Anatolia.

Interviewees involved in different stages of production described a vertically disintegrated production structure organized around three main departments: model making, cutting, and sewing, alongside showrooms where products are presented to buyers. Creative processes are concentrated in the model-making department, where designers and pattern makers work, while cutting and sample production require highly skilled labor. Firms also include management functions such as accounting, planning, and production tracking, with roles often overlapping, particularly in smaller firms or during economic crises. Firm owners can take on various roles, such as accountant, even designer, or product planner, especially during economic crises. Since production is coordinated directly by firms, close proximity between workshops, fabric suppliers, and accessory manufacturers

is considered essential for efficient communication, monitoring, and cost reduction throughout the production process.

Osmanbey cluster is dominated by small-scale family firms. More specifically, the interviews with firm representatives revealed that 74% were tenants and 26% owners. The interviewees described these firms as Osmanbey's brain, given that their main department is the model-making department that designs, pattern cuts, and produces samples, while the cutters are known as craftsmen.

"Let's consider the model making department as the brain, the cutting department as the craftsmen ... the next job is the workshop." (Fahir, product tracker at a firm, Halide Edip Adıvar)

As already mentioned, while Osmanbey is largely made up of small-scale, export-oriented firms, a number of large companies that also produce for the domestic market, including Dagi and Ipekyol, locate their head offices (management and model-making department) there. At the time of the fieldwork, the most common firm type is what the interviewees called "Laleli firms," referring to their showrooms located in Istanbul's Laleli district. These firms mainly produce for the Russian and Ukrainian markets. Most of the 51 companies that completed the structured interviews said that they generally produce for more than one market. Of these, the Russian region, including Russia itself, Eastern Europe, and Central Asia, accounts for 32%, followed by the Middle East with 28%, the domestic market with 22%, and Western Europe with 8%. One interviewee highlighted the risks of depending on one market:

"The sector is the most affected by the crises, the whole sector you see here depends on Laleli, depends on Russia. 80-90% of our production goes to Russia and Arabic countries. Arabic countries are already in turmoil; there has been devaluation in Russia for two years; bilateral relations have deteriorated; they don't buy goods. And when they don't buy goods, you struggle. If Russia buys, you are good; if not, you are bad." (Mesut, workshop owner, Osmanbey)

Global or regional buyers and customers visit Osmanbey's showrooms, establish relationships with certain firms, and then place orders. Based on the size of the order, these firms organize the production in coordination with workshops and fabric and accessory suppliers. Depending on the product, they may choose to produce in their own sewing departments rather than outsource to workshops. The findings from the structured interviews with 58 firms revealed that all retain model-making and cutting departments while half have a sewing department. The interviewees stated that if the product is non-standard and delicate, then it is cheaper to produce it in house.

In most cases, once the firm has produced a sample model, the product is sent to a workshop for mass production, and the cut models are sewed. Planning reports for Osmanbey, which characterize the district as purely commercial and claim that production is decentralized from there, actually misrepresent the situation. This field study showed that workshop production is in fact spread throughout the area, from apartment basements in Halide Edip to mezzanine floors in Bomonti and terraces in Osmanbey. Within these workshops, the internal division of labour is much simpler than in firms, mainly comprising the owner, product tracker, and workers. Workshops also differ from firms in terms of atmosphere and working conditions. In the firm, production is artisanal whereas workshops engage in disciplined mass production through control of the labour force. At the same time, however, because most of the area's businesses are small-scale firms that are not strongly institutionalized, the borders between a firm and a workshop are not so clear. Depending on whether the sector happens to be expanding or contracting, firms can begin to work as workshops or

workshops can become firms by recruiting a designer to develop their own collection. As one interviewee put it:

“In this sector, the machinist wants to open a workshop, the workshop owner wants to become a company, the company owner wants a mansion on the Bosphorus.” (Can, workshop owner, Halide Edip Adivar)

Regarding the location of workshops in Osmanbey, the interviews revealed that firms work with different workshops based on the quality of the product. As shown in Table 1, based on 55 responses, they mostly work with those located in Çağlayan where the interviewees called the “factory” and with those in Osmanbey itself. Çağlayan’s workshops tend to be larger than those in Osmanbey. Apart from these, some workshops are used in Okmeydanı, which are both cheaper and also nearby. For cheaper and lower quality products, production is outsourced to workshops located in more peripheral areas of Istanbul.

Table 1: Analysis of the location of the workshops that firms outsource production (based on the structured interviews)

Intensity of Relations	Location Of Workshops	Number of Firms
The central core -The most intense relations	Çağlayan	19
	Osmanbey	18
	Okmeydanı	11
Around the core - less intense relations	Bayrampaşa	4
	Merter	2
	Topçular	1
	Kağıthane	2
Periphery - poor relations	Hadımköy	1
	Beylikdüzü	1
	Others	2

According to Yörük (2006), İstanbul’s garment market workshops can be divided into two groups: those in Osmanbey and the others. He describes Osmanbey as a large tailor shop and the workshops in other districts as factories. Although Osmanbey’s tailoring quality has suffered due to current sectoral crises, it remains differentiated from other districts due to its boutique production and higher skilled labour force that has developed the ability to do delicate work.

In line with intra-metropolitan industrial organization theory, firms produce standardized goods that only require non-skilled labour in large factories further away from Istanbul. However, they still need skilled labour force for their non-standard goods, which only exists in İstanbul—hence, the continued presence of Osmanbey market. According to Can, a workshop owner to which İpekyol outsources, İstanbul’s skilled labor pool is the main factor that keeps ready-to-wear industry here.

“İpekyol has a factory in Edirne, they have their standard work done there; [but] the labour-intensive work is here [in Osmanbey], the hard work is in the workshops. That’s why Istanbul

is so important; there is labour, there are people here who know how to do it, and the reason this place hasn't disappeared until now is because of its qualified labour." (Can, workshop owner, Halide Edip Adıvar)

It is quite costly to rent workspaces for workshops in Osmanbey district, especially in North Bomonti and Osmanbey east of Halaskargazi. The field observations revealed that there are also invisible workshops located in the basement, mezzanine or upper floors of almost every apartment building. The fieldwork also revealed that this was enabled through partnerships with firms. In order to establish face-to-face communication, supervise production, and ensure product quality, firms may want to work with the same workshop in order to develop relations of trust. The firm provides the workshop with capital and forms a partnership in which they remain separate organizations, although the workshop works only for this firm and therefore depends on it. In a crisis, however, the workshop is responsible for its own workers. Despite making the workshop more dependent on the firm, workshops may prefer this arrangement because they receive capital and can more easily monitor and pressure the firm. One workshop owner provided the following explanation:

"I work with one firm because if the companies know that you work with two or three firms, they think, "It is okay if I don't pay. What the hell, the other will pay." But if we depend only on him [one firm], he thinks, "They should not go bankrupt, I should pay him." (Melih, workshop owner, Halide Edip Adıvar)

One of the most important differences between firms and workshops concern labour mobility. As discussed earlier regarding labour processes within firms, workers like designers, production planners, and product trackers are constantly on the move following the products. This physical mobility also enables the circulation of the sectoral atmosphere, trends, and information. Conversely, a workshop's labour force is fixed in the workplace, immobile, and isolated from the sectoral information circulating within the agglomeration.

The crucial element that makes Osmanbey a ready-to-wear agglomeration is the presence of fabric and accessory suppliers. These are particularly important because they enable products to be differentiated in terms of quality and identity. The interviewees overwhelmingly reported that their fabric and accessory suppliers were located in Osmanbey. Although such suppliers can be found throughout the area, Abide-i Hürriyet Street and adjacent streets, Nakiye Elgün, Efe, and Kırığı, have become specialized streets where woven fabric wholesalers are located.

The interviewees also noted a reciprocal relationship in that the fabric market influences and shapes the designs while the designs shape the fabric market. Most importantly, they suggested that customers and designers create the model by "touching the fabric." Therefore, communication between firm owners, customers, designers, and fabric suppliers is very prominent. In this market, designs are inspired by popular models, so product differentiation is achieved through specific fabrics and accessories. Hence, the proximity of suppliers is one of the most important dimensions of garment production in Osmanbey. One example of flexible production is that the area's fabric manufacturers, although they are wholesalers, have recently rented a loom from a weaving factory on the periphery of Istanbul to increase their competitiveness.

"Generally, the designer does not develop the models. They look at the models with their own customers, get inspired, and decide on the fabrics based on the model. That is why it is very important to have the fabric and accessories here. In our firm, there is one fabric and one accessory follower." (Emre, firm owner, Bomonti)

Because Osmanbey specializes in producing embellished women's clothing, accessories are as important as the fabric. Accessory manufacturers are mostly in contact with designers, product planners, and product or accessory trackers. After designing the required accessory for a product, materials are purchased wholesale from Eminönü or Tahtakale. The accessory firm then makes a sample before outsourcing mass production to a group they call "the women." As isolated home workers, these women are the sector's most vulnerable and invisible stratum.

Emre, a firm owner, explained how important it is to be close to fabric and accessory suppliers, particularly the importance of having the production stages together for small production and the inability of small producers to leave Istanbul:

"How can I open a factory in Kars? Where can I find accessories and fabric suppliers? Without them, customers will not come here. The state says it will give incentives [to firms investing outside İstanbul], but it never thinks about this. I can't even go to Çorlu [an industrialized region west of İstanbul], no matter how many incentives it gives; you can't leave İstanbul for small production. The workers and accessories are all here. The customer also comes here. Someone else moved production to Çorlu and put someone in charge, but he couldn't do it. You can't go anywhere else from here, I can't move to Alibeyköy [a district within İstanbul] for example, I can't reach the customer. You can't serve the customer in Alibeyköy, you can't go to the fabric store right away." (Emre, firm owner, Bomonti)

In Osmanbey, firms, workshops, fabric and accessory suppliers, which are the main actors of garment production, establish interdependent complementary relationships in which goods are exchanged and sectoral knowledge is disseminated. There are both competitive and cooperative relationships between those doing the same work. As Güvenç et al. (1991) point out, the survival of an industrial agglomeration as a whole is not possible with the survival of all the firms that make up the cluster, but only with the continuous death and birth of firms. In line with this, the firms whose representatives completed the structured interviews are quite young, with 54% established since 2000 and half since 2010. The in-depth interviews revealed that firms use various tactics in response to crises, such as declaring bankruptcy and restarting, also changing their product markets and product types, and relocating.

"In Bomonti, textiles won't end; those who run out of money leave; those with capital start. Every crisis removes some people [and] brings some people back, is an opportunity for some people." (Mesut, workshop owner, Osmanbey)

"When you drown in our sector, you don't drown in a lake, you drown in the open sea. Our sector is like that. When you drown in the open sea, you take all the small boats around you with you: glassware, fabric, jewellery, materials, linings." (Mesut, workshop owner, Osmanbey)

3.3. Spatial Dimensions of Osmanbey Market Today:

Figure 3 presents Osmanbey's current spatial dimensions and its spatial division of labour. Outside the Osmanbey cluster, two areas are also important in that the interviewees referred to Çağlayan the factory and heart of Osmanbey as the brain or showcase. Nişantaşı is also a specialist creative cluster for freelance fashion designers.

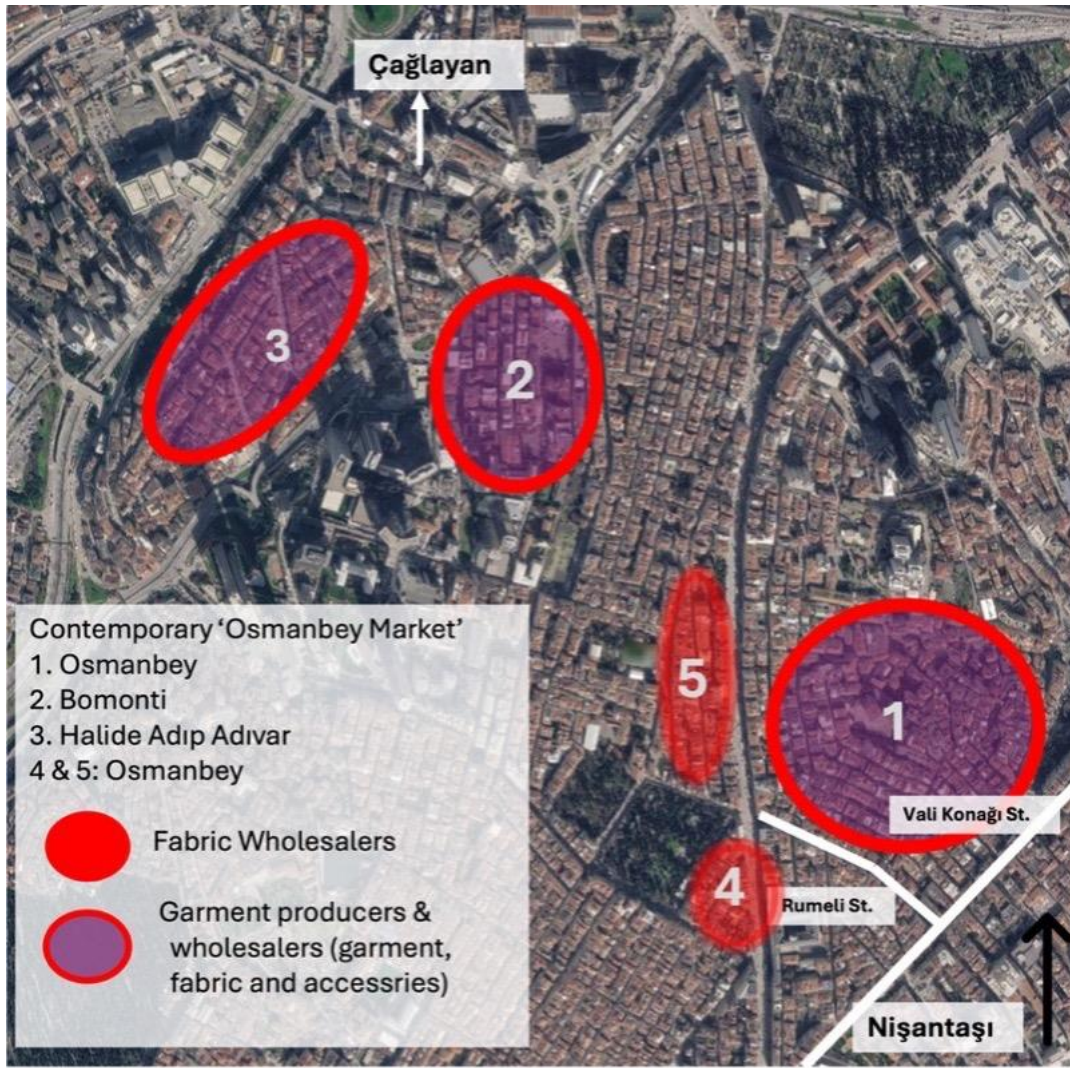


Figure 3: Contemporary concentration zones of ready to wear economy in Osmanbey Market (based on the data of the field research in 2018)

Osmanbey includes various distinct sub-districts. Since 2000, the area between Bomonti and Osmanbey has been deindustrialized, with only Abide-i Hürriyet Street and adjacent streets remaining part of the agglomeration. In this area—Zone 4 in the figure, weaving and ready-to-wear workshops have been transformed into businesses specializing in the wholesale fabric wholesale trade, which is a crucial part of Osmanbey market. Zones 1, 2, and 3 contain the cluster's so-called brain due to the density of firms managing the production process. However, as explained earlier, these zones also host workshops, fabric and accessory manufacturers and wholesalers, showrooms and other functions, such as hotels, cafés, and restaurants, that contribute to the area's atmosphere. At the same time, the workplaces within each area differ. For example, the sector is centered on Zone 1 on the Osmanbey side, with newspaper articles referring to this area north of Rumeli Street as the heart of fashion and textiles; it is also the place where the businesses want to be—the market itself:

"If you want to be in the market [garments], you have to be here, in Osmanbey." (Mustafa, workshop owner, Osmanbey)

The Osmanbey side hosts the firms' showrooms on the buildings' lower floors and workshops on their upper floors, while fabric and accessory suppliers are scattered throughout the area. The

interviewees also described Osmanbey as the “showcase” because firms whose design and production spaces are located elsewhere locate their showcases in this area. Rents are the highest in the sector, and the workplaces are quite small, so some firms locate their brain team in Bomonti or Halide Edip. In Bomonti, there are institutionalized retail brands supplying products to the domestic market (e.g., İpekyol and Kom), medium-sized contract manufacturers exporting to Europe and the USA (e.g., Alfabet, ATK, and Türkmen Holding), and small-scale firms. Along Akar Street on the Halide Edip side—Zone 3 in Figure 2—larger firms operate from whole buildings.

When companies go bankrupt, especially during crises, they may change locations to restart the sector. Osmanbey and Bomonti can be expensive for such firms, whereas the Halide Edip side allows them to stay within the area and restart their business with a cheaper rent. For example, Melih, who owned a workshop in Halide Edip Adivar, moved from Çağlayan to Bomonti and from there to Halide Edip Adivar because of rents. The Halide Edip is in many ways the edge of this market. According to the structured interviews, 78% of firms had moved to their current location from elsewhere, with about half moving from within the neighborhood. Halide Edip is also an area where firms may invest their capital savings, with 26% being owners, of which almost all are located in Halide Edip.

Within the garment market, Osmanbey and Bomonti do not differ in terms of product quality. Instead, the interviewees suggested that there is a division of labour between them in terms of the size of the firms. While they refer to Bomonti as Osmanbey, when asked specifically about Bomonti, they differentiate it in terms of the size of the rental floors. More specifically, because Osmanbey is smaller, businesses have moved certain functions to Bomonti. These developments were explained by several interviewees:

“The reason for moving from Osmanbey to Bomonti is that, in general, the shops are small here [Osmanbey]. One keeps a warehouse in Bomonti, makes a showroom, and when he grows, he moves there ... Osmanbey is smaller, more difficult for manufacturing.” (Mesut, workshop owner, Osmanbey)

“Anyone who already has a store here has their production base either in Bomonti or in Çağlayan. This [Osmanbey] is smaller, so they move their production there [Bomonti]; Bomonti is bigger.” (Meryem, accessory manufacturer, Osmanbey)

However, there is a significant difference between Osmanbey and Halide Edip, especially regarding fabrics and accessories production. Zone 4 in Figure 2, comprising Abide-i Hürriyet and adjacent streets, was historically embedded with sectoral knowledge as a specialist area for knitted fabrics, and wholesale trading in expensive, high-quality products. More recently, however, rising fabric costs and the spread of digitally printed fabrics have strangled the sector, especially on the Halide Edip side. Currently, the area hosts firms that print patterns on imported fabric elsewhere according to the customer’s designs and just trade, and fabric manufacturers who reproduce the imported fabric themselves using their own printing machine. There are also accessory shops that sell cheaper, ready-made rather than artisanal products. This area also differs in scale and social milieu from the rest of Osmanbey market regarding its workshops. In Halide Edip, the labour force is disciplined and mainly immigrant, working in larger workshops than in Osmanbey. Observations and interviews were conducted in both types of workshops. Melih, the owner of one workshop in Halide Edip, is responsible for supervising the workers by checking their work and regulating non-work time like toilet and cigarette breaks. In a smaller workshop in Osmanbey, on the other hand, production is artisanal, with the owner working alongside the others, and tasks conducted amidst friendly conversation. This workshop is located on the building’s top floor, so it is possible to see from its

terrace workshops on the upper floors of other buildings and the showrooms on the lower floors with customers coming and going, which makes it possible to inhale Osmanbey's ready-to-wear atmosphere.

1. Discussion and Conclusion

This study has demonstrated that Osmanbey, commonly described as a “commercial centre,” functions in practice as a resilient inner-city industrial agglomeration embedded within Istanbul's urban fabric. By combining historical reconstruction with an analysis of contemporary production relations, the study reveals how global economic transformations and local spatial dynamics have co-produced a complex and enduring production landscape.

The findings contribute to the literature on inner-city economies by challenging dominant narratives of deindustrialization. While much of the urban literature portrays metropolitan centres as sites of declining industrial activity replaced by consumption and service functions (Hutton, 2008), the case of Osmanbey demonstrates that industrial production not only persists but is actively reproduced through new organizational forms. In this sense, the study supports intra-metropolitan industrial location theory (Scott, 1986), showing how labour-intensive, non-standardized, and flexible production systems continue to depend on central urban locations due to their reliance on skilled labour, dense inter-firm linkages, and face-to-face interaction. Evident in the global literature that industrial clusters and agglomeration economies are central to post-Fordist urban development. These clusters foster innovation and economic growth by facilitating knowledge exchange and resource sharing among firms (Hervas Oliver et al., 2015; Gilbert, 2017).

At the same time, the findings complicate idealized accounts of industrial clusters often derived from cases in the Global North. Unlike high-value “creative clusters,” Osmanbey represents what may be termed an “ordinary” or hybrid agglomeration, where design-oriented firms coexist with small-scale workshops, informal labour arrangements, and varying degrees of precarity. The cluster's resilience is not based on stability, but rather on continuous processes of firm turnover, spatial adjustment, and market reorientation. In line with Güvenç et al. (1991), the survival of the agglomeration depends not on the persistence of individual firms, but on the ongoing renewal of the system as a whole.

The spatial organization of the agglomeration—conceptualized in this study as “brain,” “factory,” and “showcase”—offers a useful lens for understanding both local production dynamics and Türkiye's position within global value chains. While design and coordination functions are concentrated in central locations such as Osmanbey and Bomonti, production is partially decentralized to nearby districts such as Çağlayan, reflecting a spatial division of labour that mirrors the fragmented structure of global garment production. However, the continued importance of proximity demonstrates that even in globally dispersed production systems, local agglomeration economies remain crucial.

Importantly, the study also highlights the social and economic inequalities embedded within this production system. While skilled workers and firm owners benefit from proximity and access to markets, more vulnerable actors—such as workshop labourers and home-based accessory workers—operate under precarious and often invisible conditions. These findings suggest that the flexibility and adaptability of the agglomeration are closely tied to uneven labour relations and risk distribution across the production network.

From a policy perspective, the findings call into question planning approaches that frame areas such as Osmanbey solely as commercial or post-industrial zones. Such perspectives risk overlooking the

productive functions and interdependencies that sustain these urban economies. Recognizing the coexistence of production, trade, and urban infrastructure is essential for developing more informed and inclusive urban policies. It is highly mentioned that global policy responses towards small-scale manufacturing in cities are currently undergoing a shift to a more progressive agenda focused on material cultural production. Instead of supporting the industrial decline for the sake of more luxurious and commercial use, emerging strategies like Industrial Land Preservation programmes, vertical mixed used zoning, workforce development seek to integrate them into the city's "creative" and "knowledge" ecosystems (Grodach et al, 2017; Grodach & Martin, 2025). The spatial distribution of industries within metropolitan areas has evolved, with a focus on integrating industrial sites into urban environments. This is evident in the transformation of industrial land use patterns where urban planning supports mixed-use developments and sustainable growth (Roost & Jeckel, 2021).

Compliance with Ethical Standards

1. Conflict of Interest

The author(s) declare that they have no conflicts of interest, either before or after publication, involving themselves or any potential third parties.

2. Ethics Committee Approval

This study is based on a doctoral dissertation completed in 2021 within the PhD Program in Urbanism at the Graduate School of Science, Mimar Sinan Fine Arts University. The research was conducted in accordance with the principles of academic research ethics, and a signed declaration confirming compliance with these principles has been provided.

3. Generative Artificial Intelligence (GAI) Usage Statement

Generative artificial intelligence tools were used solely for language editing, including grammar, spelling, and clarity improvements.

4. Financial Support

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