**HOW DO CREATIVE SECTORS RELATE TO THE HISTORICAL CITY CENTER: THE CASE OF GRAND BAZAAR IN ISTANBUL**

At the end of the 20th century, the [manufacturing sector](http://tureng.com/search/manufacturing%20industry) was removed from the cities, and instead the services sector that produces intangible assets such as information technology and knowledge was recommended for development. In addition, these new development policies defined culture as an economic variable, as well. Information, culture and creativity became key words for economic policies. The attempt to define culture and creativity as economically important factors has led to economic studies of creativity. UNCTAD (United Nations Conference on Trade and Development) asserts that creative economy is important for economic development, not only in developed countries but also in developing countries. UNCTAD also publishes Creative Economy Report to help countries plot their own road maps by emphasizing their unique strengths.

Creative sectors are defined differently by different social scientists, but the importance of city life appears to be the common denominator for all of them. The city exhibits not only a physical infrastructure, but also an intellectual infrastructure, in the form of cultural diversity, research resources, meeting places, and tolerance to alternative life styles. Cultural accumulation from the past, traditions and different lifestyles of the city offer an appropriate milieu for creativity. Landry (2000), a pioneer scientist in creative studies, argues that cities that have an ancient history and are able to transfer this history to current generations, have a great advantage in being creative.

In this paper, the relationship between creativity and historical city center is examined for the jewelry sector. The Istanbul jewelry sector has been located in the Grand Bazaar for more than five centuries. The jewelry sector has grown and its structure has morphed over the years, and therefore the municipality made the decision to move the entire business to a new site on the urban periphery. Even though, it started in early 2000s the relocation process has not yet been completed. Some of the firms have moved to the new location, but many refused to move and carried on in the historical center.

In spite of the advantages of the new facility, such as modern spaces and better technology infrastructure, many firms insist to stay in the historical center. This paper aims to find out the reasons by focusing on the relationship between creativity and place. According to the findings of this research, these firms resist the move because their location in the historical center affords them with meeting areas, allows them to maintain a relationship with the past, and to sustain traditions. Other advantages that were found include identity, belonging to a space, social proximity, face-to-face communication with customer, inspiration, and being close to other creative sectors. All these reasons seems to play an important role for a creative milieu.

It is believed that creativity is only important for the design phase in the jewelry sector. But every actor has strong relationships with each other in the Istanbul jewelry sector and design phase cannot be easily separated from other critical stages such as production and sale. For this very reason, it is clear that wholesale relocation of the sector will damage the creativity of the sector and also the “genius loci” of the Grand Bazaar, even though the reasons cited by the municipality are centered around conservation of the historical city center. Without doubt, measures should be taken to protect and preserve the historical center of the city. But while these measures are taken, social and commercial relations that are embedded in the place should not be ignored.