GLOBAL TRENDS, DOMESTIC INSTITUTIONS AND CONTEMPORARY ORGANIZED LABOR: THE CASE OF TURKEY

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2007

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Thesis submitted to the
Institute for Graduate Studies in the Social Sciences
in partial fulfillment of the requirements for the degree of

Master of Arts
in
Political Science

by

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Boğaziçi University

2007

"Global Trends, Domestic Institutions And

Contemporary Organized Labor: The Case of Turkey"

Labor across the globe has been suffering a downturn in its membership which has been blamed on the process of globalization and more specifically on union's inability to adapt to the realities of transnational capital. Opponents of this theory point out that this process has not been universal, and that unions in both advanced and new industrialized capitalist economies have proved resilient to the worldwide structural pressures. These scholars have argued that domestic institutions, rather than global pressures, maintain a decisive influence over the success of unionism in global capital. This thesis addresses their arguments through the case of Turkey, first exploring the domestic institutions in advanced capitalist economies and their unions' relative experiences in global capital, then comparing these to the institutions common to the import substitution industrialization model used by Turkey previous to its shift to liberalized export-orientated growth. An examination of the historical and contemporary development of organized labor in Turkey comes to the conclusion that the domestic institutions needed to sustain unionization in the global economy were not developed by the unions, and this has led to their current weakness and decline in the face of global trends.

“Türkiye Örneğinde Küreselleşme Süreci, Ulusal Kurumlar ve Günümüz Örgütlü İşçi Sınıfı”

Günümüzde sendikalar üyelik bakımından sıkıntı yaşıyorlar. Bu durumun nedenleri olarak küreselleşme süreci ve daha spesifik olarak sendikaların uluslararası sermayenin gerçeklerine kendilerini adapte edememeleri gösteriliyor. Bu teoriye karşı çıkanlar sendikaların yaşadığı bu sürecin evrensel olmadığını; hem gelişmiş ülkelerdeki hem de yeni sanayileşmiş kapitalist ekonomilerdeki sendikaların global yapısal baskılara karşı dayanıklı ve esnek olduklarını iddia ediyorlar. Sendikacılığın başarısında global baskılardan ziyade domestik kurumların daha etkili olduklarını savunuyorlar. Bu tez yukarıda bahsedilen argümanları Türkiye örneğinde inceliyor. İlk olarak gelişmiş kapitalist ekonomilerdeki domestik kurumları ve bu ülkelerdeki sendikaların globalizasyon sürecindeki deneyimlerini inceliyor; bundan sonra ise bu kurumları Türkiye’nin ihracat ağırlıklı liberal ekonomi modeline geçmeden önce uyguladığı ithal ikameci sanayileşme modeline özgü kurumlar ile karşılaştırıyor. Örgütlü işçi hareketinin tarihsel ve güncel gelişiminin analizinden çıkarılan sonuç global ekonomide sendikalaşmayı desteklemesi gereken domestik kurumların sendikalar tarafından yeteri kadar desteklenmediğidir. Bu durum günümüzde sendikaların globalizasyon sürecinde yaşadığı sorunların en önemli kaynağıdır.

ACKNOWLEDGEMENTS

I would like to thank both Zühre Aksoy and Mine Eder for their invaluable support and advice and seemingly unending patience with me. I would also like to thank Fikret Adaman, whose information and assistance have greatly added to this paper. Those I interviewed and spoke with– Tonguç Çoban, Aziz Çelik, Gün Bulut, Burcu Yakut-Çakar and Burcu Ayran – have been extremely generous to me with their time and resources. Thanks also to Cengiz Yönezer for his Turkish translation of this thesis's abstract and all his other help. Finally, I thank Gül Sosay and Zühre and Fikret (again) for agreeing to sit on my jury.

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ABBREVIATIONS

Political Parties

DLP – Democratic Left Party (*Demokratik Sol Parti*)

DP – Democrat Party (*Demokrat Partisi*)

JDP – Justice and Development Party (*Adalet ve Kalkınma Partisi*)

JP – Justice Party (Adalet Partisi)

MP – Motherland Party (*Anavatan Partisi*)

NAP – National Action Party (*Milliyetçi Hareket Partisi*)

NSP – National Salvation Party (*Milli Selâmet Partisi*)

RPP – Republican People's Party (*Cumhuriyet Halk Partis*i)

TPP – True Path Party (*Doğru Yol Partisi*)

TWP – Turkish Worker's Party (*Türk Işçi Partisi*)

WP – Welfare Party (*Refah Partisi*)

Others (selected)

CME – Coordinated Market Economy

ISI – Import Substitution Industrialization

NIC – Newly Industrialized Country

LME – Liberal Market Economy

SAL – Structural Adjustment Loan

SEE – State Economic Enterprise

CHAPTER I

INTRODUCTION

On many levels, Turkish labor today stands in a weaker position than it did three decades ago, a period of time in which the interests of labor: welfare, worker's rights, full employment state policies, etc., were rejected, reduced or marginalized in Turkey's political sphere. This period of time corresponds with the world-wide promotion of a set of economic and ideological trends relating to free-market capitalism often referred to as globalization. Turkey's economic reorientation during the early 1980's ties in closely to the trends most often associated with global capitalism. It removed its protectionist barriers, shifted from import substitution to export-led growth, and severely reduced the power of labor interests through a series of laws and punitive actions taken on the militant-wing of the unions. Turkey's economy has changed greatly since the economic reforms of 1980 and by the progression of the Washington Consensus-based reforms implemented in the 1990's.

Turkish unions, however, did not go gently into the night after 1980; despite strict new legislation they rallied and resisted but like many (but not all) developed and developing nations, have been unable seriously weaken or alter the progress of privatization or secure greater job security. Since the late 1980's and 1990's, when unions were able to muster the largest and longest strikes ever in Turkey, the unions have spiraled into a protracted decline in numbers and their actions have seriously quieted. Was this only a delayed reaction to the similar process of decline seen in other "globalized" economies or is there something imbedded in Turkey's domestic institutions which predisposed weakness in unions?

Organized Labor's struggle to resist the privatization, liberalization, and production changes which constitute globalization has been documented in numerous countries from economic backgrounds similar to Turkey, yet research on the numerous recent developments within Turkey's organized labor have been understudied. The lack is unfortunate, as for political economists the overt nature of the switch from ISI to export orientation that Turkey undertook offers a remarkable case study on how a political intervention on the part of the state is involved in the promotion of a supposedly "stateless" free market economy. In addition to the nature of the change, the international actors and ideology involved (particularly the IMF and World Bank) are interesting for almost the opposite reason, as they have exerted similar pressures on states across the globe, fueling predictions of a convergence of economies and a consequent protracted decline of organized labor (Strange 1997; Troy 2001). In Turkey, labor's part in resisting the convergence of its economy exemplifies the relationship between domestic and international that has developed through economic and political changes. For these reasons, this thesis proposes to examine how recent developments in global industrial relations have been reinterpreted in their implementation by domestic institutions. In doing so, the thesis hopes to find if there are imbedded historical institutions that have affected contemporary Turkey's organized labor's capacity to organize and bargain collectively.

Worldwide, labor unions as institutions remain important representative bodies of the working class in spite declining in numbers over the last twenty years. No organizations represent the working class as fully or completely as labor unions have and do, imperfect as that representation may be. Therefore, the strength of unions can be treated as an indicator of the relative power and rights of the poorer,

working segments of a society. This is not always true, as unions may be concentrated in older, relatively well-off industrial sectors of the economy. Generally speaking, however, through the majority of nations a strong union remains an accessible indicator of the standing of lower-class interests. Through the collective efforts of these organizations it is possible to formulate and popularize a redistributive agenda to counterbalance to the influence of capitalists' interests within nations.[1] To this end, research has shown that counties with high union density have less wage dispersion on the national level (Pontusson and Rueda 2000; Aidt and Tzannatos 2002).

Well-functioning unions also serve as a more mundane but crucial part of civil society, distributing information and representing a large section of the wage earner's interests. Though their scope is often linked to their membership to a degree that detriments their overall influence in society, unions reserve a powerful potential mouthpiece for the producing classes and for the economically excluded. Despite losing some of its membership since the late 1970's, unions still represent some 1.5 million working men and women in Turkey, making them the largest single civil society organizations for the working classes. They have the resources to lobby governments, critique government and businesses' practices, and generally to formulate and provide a socially-conscious agenda as a counterbalance to unfettered capitalism.

[1] "unions approximate the logic of democratic decision making (one person, one vote) more closely than markets do, and whenever the mean wage exceeds the median wage, we would expect a majority of union members to favor redistributive wage demands

…the importance of union density as a determinant of wage inequality deserves to be underscored one more time. Across the [Social Market Economy]-[Liberal Market Economy] divide, the effects of union density are consistently egalitarian, and for each cluster of countries they are greater than those of any other independent variable in our analysis. This finding suggests that conflicts of interest between unions and employers constitute an important dimension of the politics of wage distribution." (Rueda and pontusson 2000:359)

In following the development of unionism, there is also an implicit tracing of the ideological shift away from the classic "compromise" state, which nurtured the tripartite arrangements of the cold war era, and towards the neo-liberal free market agenda which stresses the need for an unregulated market separate of state or organized labor interference. This shift is encapsulated by the IMF's austerity programs, which have made a point of demanding that states adopt a neo-liberal agenda or risk losing access to the billions of dollars of loans that the Fund provides. Yet, it would be wrong to reduce the force of global capitalism to one actor, or even a select group of actor's intentions. Every observable scale – national sub-national, supranational – has it own unique power relations which alter and mutate outcomes, even though a series of similar goals and practices may be definable amongst interests in multiple places. Thus, although the upward and downward shifts in power relations have been a global (though not universal) trend, the effects have been rendered and mediated by the national and local conditions which these trends have encountered. Turkey has been no exception to this, and how it has reacted can provide valuable insight into how individual factors, or localized combinations of factors, interact with supranational structural and ideological shifts.

The first part of this thesis will review the literature on the global trends in economics and production and their relation to union decline. This means looking at the concept of globalization to distinguish its elements which are most relevant to our argument. In this thesis globalization consists of interrelated processes: first, there is the expansion of economic relationships between states and the reduction of legal and logistic barriers to these relationships. Shaping the nature of this change is the second process, the rapid spread of neo-liberal economic theory as a basis for state policy. If we can grasp some of what global capitalism has meant for the

development of industry and states' economic policies, we will be much better equipped to examine the effects these have had on the working classes. The second part of this chapter will then look through the prism of these processes onto unions and production and examine how different national institutions have reacted to global pressures.

Once we have explored these currents trends, the second part of the essay will begin the focus down to see the process of globalization in the specific context of one nation-state, Turkey. Laying a historical groundwork for the third chapter, the second chapter will compare and contrast the work of other researchers to lay out a brief history of Turkish labor before the Ozal government policies were implemented in the 1980's. Its main purpose is to highlight and analyze key labor institutions and their origins in order to set the stage for an analysis of the current, post-Zonguldak/EU accession period.

The third chapter will, through critical works, international correspondences and a number of interviews, analyze what remains problematic for Turkish Labor and the influence of international actors and economics in light of what has been written in the previous chapters. The chapter hopes to show that the problems within Turkey's labor in the 1970's – bread and butter focuses, inaction for non-union workers, and internal debates – have had a synergistic effect with the restructuring programs of the IMF to create a labor market which is heavily informal and generally hostile to labor organization.

Critical for this chapter are the voices of union officials that have been interviewed, which are used as an additional text might be, featuring a more intimate knowledge of current union workings that illuminate and exemplify the academic arguments made and the survey research conducted by other academics. These in-

depth interviews focused on the organizing capabilities of the unions represented, and to that end a recent series of workshops[2] in Istanbul on organizing have also been inspirational and valuable for directing this research. The four union representatives chosen for the interviews all work with the international relations of their union in some capacity and through DISK, Tekgida-Is and Petrol-Is, represent some of the most vocal opponents to the governments restructuring plans; privatization has been a particularly contentious issue amongst these three, not least because the most recent major privatizations (TUPRAŞ and TEKEL) involved the latter two. The fourth, Kristal-Is, has been involved in some of the largest and longest strikes of the last decade. Unfortunately, Hak-Is and DISK affiliate unions could not be reached for interviews. However, although there are small number of union voices in this thesis, they are not meant to be representative of the general outlook of union representatives; rather, their particularly extensive experiences with organizing, striking, global and state-owned companies help us deepen the thesis's own exploration of the links between local organizing, global capitalism and the direction of international union relations in Turkey. Contemporary labor hopes seem to hinge on the involvement of external bodies and their willingness to help assuage the limitations to organizing faced by unions involved more and more in Transnational Corporations (TNCs). Therefore, this third chapter also explores the mixed implications of globalization for Turkey's workers in the international relationships which may be able to lay the ground for a more empowered, transnational solidarity amongst those unions who seek to struggle for their workers.

[2] These were part of the Organizer's Forum in Istanbul, September 27-9, 2006.

CHAPTER II

UNIONS IN GLOBAL CAPITALISM

For political scientists, two broad categories of influencing factors can be formed when researching labor union activity. The first is structural and based on economic theories of inflationary and competitive factors; as well as cyclical and long-term effects such as recessions or the transformation of the production process. In addition, the welfare benefits of the union to the individual worker, the labor costs to the employers and the implications of industrial density in a country may all be considered as structural effects that aid or hamper union growth. Structural effects are generally quantitatively measurable and thus rely more upon concrete figures than institutional research.

However, the second, more qualitative set of factors grouped under the heading of institutional factors have been shown to be an important, if somewhat more abstract factor in union research (i.e. Crouch and Streek 1997; Ebbinghaus and Visser 1999; Hyman 1987; Khun 1998; Pontusson 1995; Reuda and Pontusson 2000; Thelen 2001). Institutional factors roughly correspond to the political, rather than to the economic, dynamics of the nation-state, but may also reflect regional and international trends or agreements; ultimately they seek to construct a more complete picture of the dynamics of power which cannot be solely measured by quantitative analysis. We turn to Rueda and Pontusson for a more detailed description of institutional factors:

> When economists speak of "institutions," they have in mind not only codified rules or formalized organizational arrangements but also government policy and the distribution of power among organized interests. Commonly, the sectoral distribution of employment and other dimensions of industrial structure are also referred to as institutional variables. From the perspective of comparative political

> economy, the interesting question is not whether institutions in this broad sense matter but rather which institutions matter and how (why) they matter. (Pontusson and Rueda 2000:357-8)

The "distribution of power among organized interests" is a subjective assessment that must be attempted in order to trace the progression and regression of unionism in nations. We must be careful not to place too much weight on any certain divide between structural and institutional factors. Numerous studies have attempted to show the importance of both, whilst acknowledging the difficulty of drawing a clear distinction between the two (Pontusson 1995; Crouch and Streek 1997; Thelen 2001). In practice, structural and institutional factors are closely linked and any attempt to isolate analysis to one or the other may overlook their continual interaction. The importance of these factors lies not in their separation, but in their synergy, in how they can build upon each other or, alternatively, undermine or redefine the consequences of one another.

While acknowledging these difficulties, for the clarity of presentation this thesis roughly defines structural factors as those related to the economic "numbers" and quantifiable factors of the market; while institutional factors will more or less follow the definition given in the quote above.

Global Trends: Technology, Production and Privatization

The economic trends of the past few decades have produced similar pressures on a wide swath of nations and require us to first look down from the global trends of the international scales in order to ask how the institutional and structural interact in Turkey. The first problem is to establish how certain disparate national spaces have reacted to new economic policies and the global hegemony of neo-liberalism. Although this thesis will focus on Turkey in the later chapters, this chapter will look

more broadly at unions by examining studies on a variety of states in order to establish and analyze the recent trends in unionism. First, some of the extensive research on Western industrialized countries will be examined, followed by a selection of research on the institutions of import substitution nations, whose economic policy followed a path similar to Turkey's.

"Globalization" as a process and a concept must be unpacked and refined across the variety of national spaces within which it occurs. Numerous volumes on the subject have been written and, in order for the concepts within this thesis to be understood in their proper context, an overview of the common bases of this process, as it is understood in this thesis, must be undertaken. Globalization, as the process of the expansion of global capitalism, can for the sake of this argument be roughly broken into four interrelated trends. These are technological growth, neo-liberal hegemonic force, the shifting of the concept of the state, and the shift in traditional production processes of factories.

The expansion of technology has made more direct, faster communication possible over greater distances. The fax machine, the Internet, and cellular networks have greatly expanded the scope and speed of business decisions and have therefore deepened the possibilities for remote management and logistic coordination across large distances. At the same time, advances in technology have also allowed for greater travel and an increase in the human flows across borders, although these numbers pale in comparison to those for information and financial transactions. Also, changes in container shipping have resulted in significant decreases in the cost of transporting goods, so that globally integrated production has become viable and previously unreachable markets have been targeted by multinational firms.

Secondly, since the mid-70's there has been a strong push from the US – operating largely through its unparalleled influence on the IMF and World Bank – for a global convergence towards an idealized, unregulated state regime founded on neo-liberal economic theory. This process has been accelerated by the relatively stable climate of US and European military and economic hegemony[3] over a majority of the non-communist states which oversaw the growth of neo-liberal market principles in the 70's and 80's. From their origins in the energy crisis of the early 1970's, these principles have developed into a basis for the US's economic principles, and have become the set of directives known as the Washington Consensus (Benin 2001:145-48). These have been in turn adopted by several key transnational actors, in particular, the IMF, World Trade Organization (formerly known as the GATT) and the World Bank.

Through the congruence these actors influence with rapidly expanding technologies, the previously favored variations on Keynesian economics and import substitution models [ISI], which stressed the role of the state as an economic mediator and the domestic market, have been superceded in the eyes of many Western economists in favor of an export orientated, open market which maximizes options for the capitalist class. Foreign trade has certainly increased since the 1970's, almost doubling as a percentage of GDP within OECD states (see appendix C). At the same time individual and corporate taxation, especially upon the wealthy, has been reduced in many states (see appendix D). However, these are not indicative of the disappearance of the state, as some students of globalization have claimed (Ohmae 1990), rather they are what could more accurately be called a priority shift at

[3] Hegemony as leadership is both the maintenance of a political unity and alliances within the dominant group and the moral and intellectual leadership of that group. As a process it involves programs which integrate, assimilate, and occasionally neutralize other interests in society (Tunay 1993:13).

the state-level that, through the deregulation of trade and finance, encourages the free flow of capital and prosperity through foreign trade on a private level (Garret 1998; Hirst 1997; Palan and Cameron 2004). In other words, the changes in technology which are credited for the spread of globalization have been accompanied by a state-level policy shift in which states and world leaders actively encouraged the growth of trade through a number of methods: including cuts in state spending through the privatization of state-owned industry and services, the removal of tariffs and quotas on imports and exports, and the reduction of labor costs through a combination of inflationary monetary policy and the legal/political disenfranchisement of unions and the working classes (See Munck 2004a, 2004b; Harrod and O'Brien 2000).

These transformations have meant that decisions and regulations previously made at the state level have either been allowed by the state to shift up, to the transnational level, or have shifted down to the subnational level of domestic markets or regions (Sassen 1998). Decisions on state spending and budget planning are now commonly linked to external actors such as the debtor countries who must meet goals set by the IMF, or shaped by regional and multinational trade agreements (i.e., the WTO, NAFTA, ASEAN). At the same time not just states but cities and regions compete for foreign investment, seeking the new buzzword for economic success, "competitiveness". The most mundane definition of this concept would be the maximizing of potential profits in the market through the minimizing of costs. However, drawing profits in order to attract more investment often entails pressure to lower labor costs while improving development and marketing, creating a market where the tendency is to further reduce un- and semiskilled worker's wages even while skilled wages increase (Sassen 1998).

Lower labor cost was one of the core motivations behind the push to usher in a new work regime which could take advantage of the new technologies and the liberalizing trade environment. Outsourcing, or subcontracting, often spurred by the deregulation of labor and new legal work contract types, has become a main component of "flexible production" techniques.[4] The basic process consists of contracting part of the production or service processes managed by a larger firm to a smaller firm or firms; while this is by no means an entirely new concept, it has rapidly expanded through its promotion as a cost-cutting technique capable of addressing increased competition and become a fixture of modern management techniques.[5] The impetus for a new system arrived as it became apparent that the long-established Fordist industrial organization system was becoming more and more problematic for those companies which had to compete in rapidly changing global industries. While Fordism is able to produce cheaply through economies of scale and the "deskilling" of the production process (which allows for minimal instruction time for new workers) (Buroway 1983), it is also hindered by its self-generated necessities: large, often self-sufficient factories that require large capital investments, product standardization, and geographically concentrated production. Problems arose as economies of scale in the system reached their limits and the average consumers tired of standardized products. The concentration of the workforce in large factories had also contributed to the success of organized labor and therefore reduced the savings of deskilling.

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[4] Legal deregulations might include reducing or removing the costs of hiring and firing workers, altering the minimum wage and/or removing overtime requirements for non-standard hours. These laws might also indirectly affect the flexibility of labor markets by reducing unions' ability to fight them via tighter strike laws or collective bargaining constraints (Castree, et. al. 2004:138-40).

5 For example, a recent book from the Harvard Business School Press on management describes subcontracting as "a revolution in business operations as dramatic as the industrial revolution and the advent of mass production a century ago" (*The Economist: Global Executive* [2005]). The hyperbole of this statement aside, however, the fact that such a statement could be made by scholars of the business world and not become laughable demonstrates the importance of subcontracting to the modern firm.

In contrast, flexible production is based upon the fragmentation of production into numerous firms interlinking at the domestic and transnational scale to provide the maximum flexibility of output at the lowest cost. The new techniques of flexible production have given companies a competitive edge in markets with companies still organized along the lines of Fordist production techniques. In the automotive sector, for example, the deficiencies of the Fordist system were exploited by Japanese firms, whose ability to constantly redefine and introduce products through continuous adjustments in manufacturing and highly-coordinated supply networks took advantage of new communication and information technologies (such as the fax machine and personal computer). This put severe pressure on American auto manufacturers to reorganize their production to become more responsive to market fluctuations. Other industries found similar advantages to increasing "flexibility" both in labor numbers and in skills; and the term has become ubiquitous in discussions of modern management techniques (Baldoz, et. al. 2001; Castree etc.2004; Herod 1995; Moody 1997). More importantly for this discussion, however, the major purpose of flexible production has transformed from quality control to a cost control technique (Moody 1997). It does this by combining "economies of scale with economies of scope" (Castree, et. al. 2004:137). Kim Moody (1997) has identified three dimensions of greater flexibility in the new production regime. First (functional), multi-skilling allows the full-time industrial worker, the former union archetype, to take on a number of tasks to fit the needs of the moment. Second, (numerical), subcontracting allows for a smaller number of full-time workers to be supplemented with an expanding and contracting peripheral workforce on temporary or highly unstable work contracts. The traditional end-to-end factory has spread its duties to a web of facilities, and in doing so has become

less self-reliant – a hub of a wheel of production. Third (temporal), new work patterns and enforced overtime allow for the number of workers to be supplemented with a greater number of work hours when necessary. What initially appeared as a drive to increase quality has developed into a business strategy which relies on a core of skilled, multi-tasking workers supplemented by a periphery of semi- or unskilled laborers that, while previously used to a limited degree, has now become a system which divides worker from worker.[6]

Perhaps the most visible transformation of the state's role has been the increased sell-off of state-owned or managed industries and services known as privatization.[7] Privatization has reversed the expansion of national industries and services that became popular in the decades immediately before and after WWII, when many nations opted for a buildup of their industrial capacity through State Economic Enterprises (SEEs). Typically these were heavy industry requiring large concentrations of capital, such as the steel and coal industries, which were operated and developed by the state. Additionally, numerous services such as health and education were and often remain part of the state. In contrast to the private sector, the concern for profitability in the public sector is generally muted by parallel concerns, such as the guaranteed employment of state citizens, the social welfare of the populace, and the failure of the private sector to provide some needed services. State management of these enterprises came under heavy scrutiny (a pressure which remains today) after the 1970's oil-crises and a global downturn in demand made them a burden on the state's finances. However, following worldwide trends in the

[6] At the same time there have been increased divisions between the skilled mental laborers and those involved in the physical factory (Baldoz, et. al. 2001:8-10). The mental labor that once took place in and around the factory is now organized into a network of places separating, for example, research and design, production scheduling, and accounting from the factory. These jobs are now linked to the factory through computer networks and various communication technologies that have facilitated their implementation.

[7] Privatization here means the specific transfer of ownership and/or management of goods and services from the public government to the private sector.

1980's and 90's hundreds of billions of dollars in the public sector in a wide variety of states were privatized or slated for privatization (Suleiman and Waterbury 1990:3). The abovementioned changes in production have also contributed to the pressure on the management of SEEs to mimic the private sector, as their concentrated capital and centralized bureaucracy make it difficult for the SEEs to compete with more "flexible" competitors (Starr 1990:38). Despite these concerns, it must be emphasized that privatization is as much a political as an economic choice. The state, removed from the full pressures of the market, is seen as an inefficient producer and provider in neo-liberal thought; it is this assumption which drives the calls for privatization. Indicative of this, scholars point out that although state-managed adjustments of the SEEs might eventually make them profitable, the prevailing neo-liberal climate hampers any efforts to renew any obvious involvement of the state in the economy; and through this climate's influence on the conditionalities of bi- and multi-lateral loan agreements, privatization has become the only real choice for indebted states (Starr 1990:36-8).

Union Decline and Resilience in Global capitalism

Because of its explicit aim to limit state regulation and implicit tendency to reduce wage costs, the current global economic environment has proven hostile to the strength of unions in most nations, yet the current outcome of its effects has been far from universal. The most accessible way to track the impact of global capitalism on organized labor in countries which are active in the global market is to look at union density and bargaining coverage which together provide a rough assessment of

labor's strength in a country.[8] Union density is defined as the percentage of workers in unions in relation to the total active workforce. It is significant as a rough indicator of labor's capacity to mobilize the public and promote its agenda in a democratic environment.[9] Union Coverage is the number of workers covered by a collective bargaining agreement (generally these are based on contracts established by unions in the same industry). High levels of bargaining coverage show the level of coordination in the economy and perhaps indicate a general social consciousness of labor issues, in that the process of collective bargaining has a larger impact on the populace.[10]

The results of time lapse surveys of Western Europe produce a picture of divergence in unionization rates, rather than a convergence, as globalization advocates might have expected (Ebbinghaus and Visser 1999; Scruggs and Lane 2002; Western 1995; Visser 2006) Furthermore, the unionization pattern amongst these countries indicates a widening of the divergence over time. Looking at 16 unions in Western Europe, Ebbinghaus and Visser found that union density in Western Europe declined from 40 to 34 percent from 1980 to 1990 (1999:4). With the exception of France, bargaining coverage has suffered similar downturns. The sharpest fall was in Britain, where union density declined from 51 percent in 1979 to

[8] There is good evidence of density's value as a statistic expressing union influence (Pontusson 1995; Aidt and Tzannatos: 2002), but it can overstate the influence of unions in situations where union freedoms and workers rights are restricted, as often occurs in those economies with anti-labor governments or institutions (Rudra 2002). It might also understate unions influence in states where workers have a high level of collective rights outside of unions, as in France (density is about 9%, but bargaining coverage is 90%).

[9] As Rudra notes, however, this figure can also be misleading if certain institutions such as worker rights are not enforced or denied by the state (2002). Thus, a more accurate understanding of these figures' significance requires a deeper examination of the national institutions which may distort their significance. For the purposes of this thesis, however, the declining density of unions as an overall trend provides evidence for the assumption of a widespread structural transformation.

[10] For example, France, which has a very low union density (<9%), has seen massive demonstrations against privatization and changes in labor laws that would make it easier to dismiss workers. Compared to places such as the US, which has a slightly higher density, labor reforms have struggled to pass or died in the legislature. One might argue that, in a country with less than 9% union coverage but with over 90% bargaining coverage (The US has just over 15% coverage), the second number is a more accurate indicator of labor's mobilization capacity.

33 percent in 1995. That said, some countries have seen very little decline (Sweden) or have had initial losses, followed by gains (Spain), while in a few countries (Denmark and Finland) density actually rose slightly (See appendix B). The mixed empirical results regarding trends in unionization evident in this brief review reinforces doubts over any universalizations of structural change on the economy. A closer look at the imbedded institutions shared by those economies that have had the most resilient unions can help provide an explanation for this diversity. In order to do so, it is necessary to further develop the detrimental effects of global capitalism on union membership. A more intimate knowledge of what has triggered the downturn in union density will provide evidence about the strategies and conditions of unions in the countries that have proven to be more resilient.

Unions in the New Work Regime: Worker Division and Dispersion

Technology has no political or social agenda, but those who introduce it into our lives always do; where our working lives are concerned, this can mean turning technological change into social change. Clearly, the changes in technology have had an effect on the worker's environment; they have made fewer workers necessary in the traditional strongholds of union membership – industry and manufacturing – both directly, through automating the production process, and indirectly, by assisting the coordination of work outside the factory. However, as in the case of the self-acting mule more than a century before (Lazonick 1979), the outcomes of technology are shaped by the conditions and practices imbedded where the technology is introduced. When increased automation of the production process is introduced, there is generally a reduction in the number of workers required. While automation

can be blamed for part of the overall decrease in demand for industrial labor, it cannot be held responsible for the decreasing demand for the full-time, long-term workers in lieu of the more flexible kinds of workers discussed above. This generally does not reduce the number of workers overall; instead, these organizational changes have spatially fragmented the production process that formally was done solely in one factory or workplace.

Through enhanced logistical capacities, flexible production practices and the liberalization of capital flows nationally and subnationally, the dominant trend has been for capital to increase its mobility at the expense of labor (Castree, et. al. 2004:132-6). Through these changes, the realistic options the firm has to control labor costs increase in number and severity. The most drastic move would be the relocation of the production facilities, an action which the above factors all reduce the cost of undertaking; therefore the threat of moving the workplace away from labor becomes more acute as these factors develop. The firm might also choose to reduce the workforce and either to relocate the production at another site or subcontract it out to another firm. All of these adversely affect the bargaining power of local labor by putting them into competition with other areas with potentially lower living costs and/or weaker labor legislation. Workers are forced to constrain their own demands or risk losing their job and perhaps a number of their community's jobs. What drives these developments is what they imply as much as what they actually are; because of this the implications of these changes are widespread even though technology is unevenly distributed and capital mobility is far from absolute (See Castree, et. al. 2004:150-156 and 160-4); the credible *threat* of capital's mobility is often enough to intimidate workers into lowering their demands to avoid the risk losing their workplace. It is likely that the implied threat

of mobility allows firms to extract their demands from the workers even when practical considerations make this an unrealistic option.

"Contingent labor", the workforce that forms through outsourcing or subcontracting, has also become a central component of the flexible work regime. As Aydin notes (2005), through the global fragmentation of production and increased flexibility in the labor market, "flexible firms have been able to minimize the cost of labor at the expense of worker protection rights and social benefits" (212). Subcontracting simultaneously reduces the amount of work originating from the main company and places that work into the hands of a number of smaller workplaces. For unions, the effect has been to reduce the number of workers available for organizing at any one location, and through this dispersal of the workers increase the costs and challenges of organizing. Non-union subcontracted workers who are unskilled or semi-skilled are often willing to work for lower wages than those of the main company, creating inter-worker competition and driving down wages for that work in any company, thus increasing the cost to employers of unionized workers filling similar positions. Another concern to unions is that such techniques can be used to "hollow out" a company which the union had previously struggled to organize. The result is that if a firm wishes to be disingenuous in its collective bargaining procedures, subcontracting allows it easy access to a non-unionized workforce even while it maintains a minimal, skilled union force at its core.

The geographical dispersion of workers, even within a single state, raises still more difficulties for unions. Moreover, as stated earlier, the cost of organizing workers increases as they are dispersed amongst firms, thus reducing the incentive

and then the financial capability of these unions to organize new workplaces.[11] As jobs leave the factories unions struggled to organize, unions lose members; the process may then accelerate as workers are pushed into smaller, non-unionized workplaces and the effectiveness of the sapped unions to organize these dispersed workers is decreased.

The context in which subcontracting occurs therefore becomes very important to the future of union organizing capacity. How companies and unions manage the increased mobility of capital seems to be related to the relationships that the companies have had with the unions (whether there is a tradition of including workers/unions in management decisions [such as in centralized bargaining and works councils] or there has been a history of conflict between the unions and employers or management), and to whether the conflict occurs within a country with high minimal labor costs and enforced labor standards or in one with generally low labor costs and/or limited enforcement (Thelen 2001; Ramalho 2004b). If a union is well organized and less restricted, it can respond more effectively to the dispersion of the workforce, and sometimes reduce its scope.

The division and dispersion of work described above has utilized technological innovation but it has been the changes in production, in combination with improved technology, that have dramatically reduced the need for and the desirability of the long-term, full-time industrial worker. More specifically, these changes have been the result of states' relaxation of labor laws, increased competition amongst exporters encouraged through trade liberalization, and the incessant push for more flexibility on the part of the employers. Technology has

[11] Some empirical evidence has reinforced the casual arguments associated with this in advanced capitalist countries, observing that countries that maintained larger factories tended to see smaller drops in their unionization rate (Pontusson 1995:529-30).

been a participant, but its utilization has been formed by the market ideology that has encouraged a liberalization of the economic functions of the state.

Thus it is crucial to recognize that the state remains a highly influential actor; ultimately it decides how widely and deeply new labor techniques may proceed. Consider that it is often the state that validates and encourages subcontracting by placing special conditions on those workers. For example, subcontracted workers are often excluded from bargaining agreements made by the main factory, and/or are restricted from unionizing. Even if such workers are not directly prevented from unionizing, they often lack the legal protection and job security that regular workers receive, which makes the prospect of joining a union less desirable to such workers. The state's role in developing countries, where subcontracting has been especially unfavorable to unions, is highlighted when workers there are faced with weak legal protection, poor implementation and a large reserve labor force.

Losing the Public: Privatization and Unions

The push to reduce the state's involvement in the market through privatization has been, especially for unions, one of the most contentious features of structural adjustment programs. Unions' reasons for resisting privatization are manifold, but at their heart is the fact that the most heavily unionized sectors are the public ones, which privatization directly targets. The workers in these sectors are often used to guaranteed employment and steady hours, both of which are threatened by privatization. Unions, meanwhile, often have an easier time bargaining with the state than the private sector, as the state relies upon their support and has less immediate concerns over its own market competitiveness in terms of labor costs, and

may in fact treat its own industries as a social welfare system. However, high levels of unionized workers in the state has made protecting their jobs and wages as much a political maneuver as a social concern for politicians. Indeed, because of the political weight carried by large unions, especially those organized in the public sector, privatization has been used as a vehicle to reduce union strength by conservative governments in countries such as the US, Britain and France (Starr 1990:26).[12]

As privatization decreases the heavily unionized state sector, unions face numerous new obstacles. First and foremost is that the public sector has been an important source of union membership whose union density, unlike the private sector, has not significantly decreased in most countries. This makes the public sector a valued resource of money and votes for unions already under pressure from the trends described above. Privatization threatens the formerly guaranteed full-time work force unions had come to expect from the state by exposing the workers to the restructuring efforts of private management. This begins the series of processes described above: jobs are often outsourced or subcontracted to reduce labor costs; if the firm is international, the previously national capital becomes exposed to the currents of global capitalism; what were previously well-paid but low-skilled jobs in effect supplemented by the state, become a burden to the private company; the workers often find themselves in competition with those of other countries and wage demands are met with threats from the firm to move elsewhere. Thus the collective

[12] A word of caution: ideology is a strong part of the push for privatization but it is only part of a complex of reasoning. Demonstrating this, privatization as a process has been undertaken by both socialist and conservative governments (Starr 1990:25-7).

bargaining strength of the union is undermined in the private sector by a reduced and more tenuous workforce.[13]

Informal economics

Expanding with privatization and subcontracting, the portion of the economy that escapes state regulation and union influence has become a burden on organizing the workforce and collective bargaining. This informal, unregistered or "black" economy is often dismissed as error, as a lack of implementation – an aberration of the state or local government often rooted in the failure of these to fully absorb migrants or immigrants. However, some scholars (Bulutay 1995; Sassen 1998; Peker 1996) have begun to conceptualize the informal economy as a product of formal practices, created through weakened state regulation, high immigration and internal migration, and the difficulties of monitoring subcontractors. The intrinsic nature of subcontracting and flexible production has opened new spaces for the informal economy; as workers are pushed from factories into the small or even individual units sought by subcontractors, a synergistic relationship has developed between the intentional loosening of regulation connected with flexible production and the unintentional growth of work, which is partly or wholly removed from the regulation of the state.[14]

[13] Compounding this problem is that the growing private service sector, where many former union members have ended up, is not as conducive to unionizing as large industry or the public service sector. Between 1970 and 1995, industry in Western Europe declined from one half to one third of the total workforce, with a concordant rise in the service sectors (Ebbinghaus and Visser 1999:8). Unions are often not as well organized in these sectors as they are in the traditional industries, and so lack the organizing power or bargaining clout which would draw workers to them. Many workers in the service sector may also be temporary or part-time, and thus have less incentive to join a union.

[14] In its essence, the informal economy is defined by the formal economy, and by what is regulated (Sassen 1999; Kahveci 1996). This does not include such activities as babysitting, for instance, which

The dispersion of production that is associated with flexible production hinders the ability of the state to monitor and regulate labor practices. As the scale of this dispersion moves to the transnational, regulation by one state becomes extremely difficult. Transnational production and the inability of unions to retain membership have created a space for informal economies to expand and imbed themselves, countering the prior belief that unregulated areas of the economy would disappear with economic development.[15]

In both developed and developing economies informal economics has grown; this previously marginal and separate phenomenon has become integrated into – rather than parallel to – the economy and its employment. Informal workers work precariously and for less pay than regular workers, without contracts or legal protection, and often temporarily or seasonally. Each of these features complicates any efforts to organize these workers. These workers are more likely to be female, which represents a double barrier of gender and informality dividing a large portion of this sector from the traditionally male-dominated unions.[16] These features, along with the extralegal nature of their work makes it extremely difficult for the unions to

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are generally expected to be informal. Rather, it means activities such as construction, where part-time workers are often undeclared. So a university student working undeclared as a tutor is not informal by this definition, but a professional teacher whose boss is not declaring his or her full salary is.

15 "Contrary to earlier predictions, the informal economy has been growing rapidly in almost every corner of the globe, including industrialized countries – it can no longer be considered a temporary or residual phenomenon. *The bulk of new employment in recent years, particularly in developing and transition countries, has been in the informal economy*." (Daza 2002:5)
"Throughout recent decades, instead of disappearing as the modern economy expanded, the informal sector has actually grown in the rural and urban areas of most developing countries. At the same time, the industrialized countries have witnessed a gradual evolution of the informal sector within their labour markets. This process has manifested itself in the burgeoning of more vulnerable forms of employment and income erosion in traditional sectors." (Velasco 1999:4).

[16] Women have had historically weak representation in labor unions for a number of possible reasons including the difficulty of organizing unions in the industries women most frequently work in, limited time because of the double burden of domestic and waged labor, internal union dynamics, and social and cultural biases against women's presence in unions. (See Chhacchi and Pittin 2004:65-8) However, in several western European nations female union membership has surpassed male membership (See Appendix A) – perhaps indicating a future shift in the gendered perception of the union worker?

approach informal workers or their employers about organizing without endangering the former's employment.

However, as the percentage of informal workers increases the need for unions to recognize the importance of organizing and ultimately bringing regulation to this sector grows. If these workers continue to be ignored by organizers, union membership risks hitting an artificial ceiling created by the normalization of the flexible production's core and periphery in the eyes of the union member. In other words, an otherwise legitimate operation's manager has little incentive to declare (formalize) his entire staff if his unionized "core" workers are content to work alongside their much less costly informal counterparts. Other conditions such as high unemployment and weak monitoring may give this employer even less incentive to hire more unionized workers. The union itself is in a difficult position: it can allow such actions to continue with a guaranteed but limited number of unionized workers, or it can fight to unionize these and, without proper legal and logistical support from the state or civil organizations, risk losing all they have invested in the organization of the workplace. As informal workers are, for the reasons mentioned above, so difficult to organize, unions may chose to be resigned to the existence of these unregulated workers.

Divergence in Union Decline: Lessons from Developed Economies

The trends relating to global capitalism developed above pose complex challenges to the growth and functioning of unions. Most unions have suffered from the negative influence of these factors; yet despite the almost universal presence of these challenges in open economies, the overall trend towards lower union density is

not universal. Under similar pressures, unions have reacted differently at the national scale (Ebbinghaus and Visser 1999:2) and this has given strong evidence that it is possible for unions to survive and even flourish in global markets. Several labor market institutions have provided a resilience to the unions, particularly those in northeastern Europe that have strong neo-corporatist traditions. Unions in these countries have suffered little density loss or have even grown despite structural changes in the economy. What emerges is strong evidence that these neo-corporatist countries showed much smaller fluctuations because the assured role of unions within the bargaining system reduced the risk and increased the desirability of negotiating rather than imposing economic changes, and increased the cost of employers decentralizing the bargaining structure (Thelen 2001:101).

Labor relations in developed capitalist countries have for the most part remained institutionally diverse. Whilst widespread structural changes by employers seeking greater flexibility have been accompanied by a shift away from macroeconomic bargaining and full employment policies in every industrialized country to *some* degree, this has not translated into a universal model for labor relations. Despite the hegemonic influence of those who promote global capitalism as a universalizing liberalism, numerous scholars have argued against the idea that economies are converging towards deregulation of the labor market and increasingly weaker unionism vis a vis capital, at least statistically, quite the opposite is shown to have occurred and the fate of unionism in different states is for the moment diverging farther apart in the global economy (Thelen 2001; Pontusson 1995; Crouch and Streek 1997). These findings weaken the convergence theory by discrediting the arguments that there will be a decline in coordinated bargaining, that unemployment

pressures will reduce union efficacy, and that tensions within unions will arise from the worker's increasing lack of solidarity

In relation to the economic organization of developed capitalist states, two broad directions for unionism have distinguished themselves over the last two and a half decades (Thelen 2001). The Liberal Market Economies (LMEs), typified by the US and UK, have seen dramatic declines in density (especially as this translates into membership) and, starting around 1980, these declines have continued to push down membership. Within these states bargaining generally occurs at the enterprise or industry level, rather than the national level. For reasons discussed below, decentralized bargaining seems to have increased the negative impact of global capitalism on union membership. On the other hand, density changes in the CME (Coordinated Market Economy) represented by states such as Finland, Sweden, Denmark, and (more recently) Italy, have generally shown a different pattern. The institutional strength of labor in these countries has not prevented a reorganization of bargaining coordination, but has maintained a system based on cooperation between the employers and the unions. The scale of this bargaining underwent a shift in numerous countries as in the 1980's, and lower plant-based/firm-based levels arose in Sweden and Germany to complement the national efforts at coordination, with mixed results for these unions (generally little impact in Sweden, but accelerated decline in Germany) (Crouch and Streek 1997; Visser 2006). In Italy, unions have declined in density but through reorganization were able to reinstate centralized bargaining; membership declines have since slowed despite adverse economic conditions (Baccaro 2000).

Relationships between business and organized labor vary greatly in their tone and interactions in LMEs and CMEs. Whereas managers in LMEs show a

preference for making decisions unilaterally, or without union consultation, the continued legal and numerical strength of worker solidarity in CMEs has pushed employers to negotiate rather than dictate how efficiency will be increased with the workers (Thelen 2001:100-1). Organizing power in CMEs might have been much more critical in the past however, as a history of strong labor has been important to these countries' employers developing their present day strategies to co-exist with these institutions. As Thelen (2001) has noted,

> We can see [Germany and Sweden's industrial relations] as an equilibrium situation – employer's dependence on labor cooperation shores up the power of unions which in turn keeps employers focused on strategies that depend on labor cooperation. But if so, it is also clear that this is an equilibrium that is founded on a particular balance of power. (101-2)

Contemporary institutions and power balances have allowed unions to determine how efficiency will be increased and to maintain a high level of legal job security.[17] In Italy, for example, agreements were reached between "social partners", as organized business and labor groups refer to each other, in which labor voluntarily tied wage gains to productivity and inflation. Managerial unilateralism, while prevalent in the US and UK, are in the CME states seen as ineffective and even dangerous to plants engaging in sensitive Just-In-Time practices. An important separation of the interactions between domestic institutions and global trends emerges: while the neo-liberal agendas and institutions of the US and UK have generated conflictual labor relations and privatizations seeking to disempower unions, the most successful CMEs have reorganized their state sectors to be more efficient and even expanded into services (Thelen 2001:87; Visser 2006). [18]

[17] The four most resilient European unions were those in which the unions maintained control over the execution of unemployment insurance, another important aspect of centralized bargaining (Visser 2006).

[18] Impressively, countries such as Denmark, Finland and Italy have done so despite relatively high unemployment (about 6-9 percent[OECD 2006]), which can undermine worker solidarity.

Cases such as these are important as they illustrate the potential of labor movements to adapt to and absorb the pressures of post-Fordist production and global capitalism, but they also reinforce the continuing importance of the disposition of the state towards organized labor. Differences in the effects of global capitalism on unions seem to be based on norms developed through bargaining relations and refined through the involved parties' willingness to cooperate. The state is a crucial supporting actor in these processes; the government must be trusted to be fair to both parties, as in these states it has maintained an active coordinating/mediating role and monitors the implementation of the agreements. It is therefore not surprising that the most successful unions in developed countries have correlated with social democratic leanings, as these are generally an indication of the politicization of popular support for organized labor (Pontusson 1995:522-3). Within this environment a climate of social dialogue between business and organized labor can help to reduce industrial conflict.

An idealized separation of the diverging patterns of unions might be visualized as below:

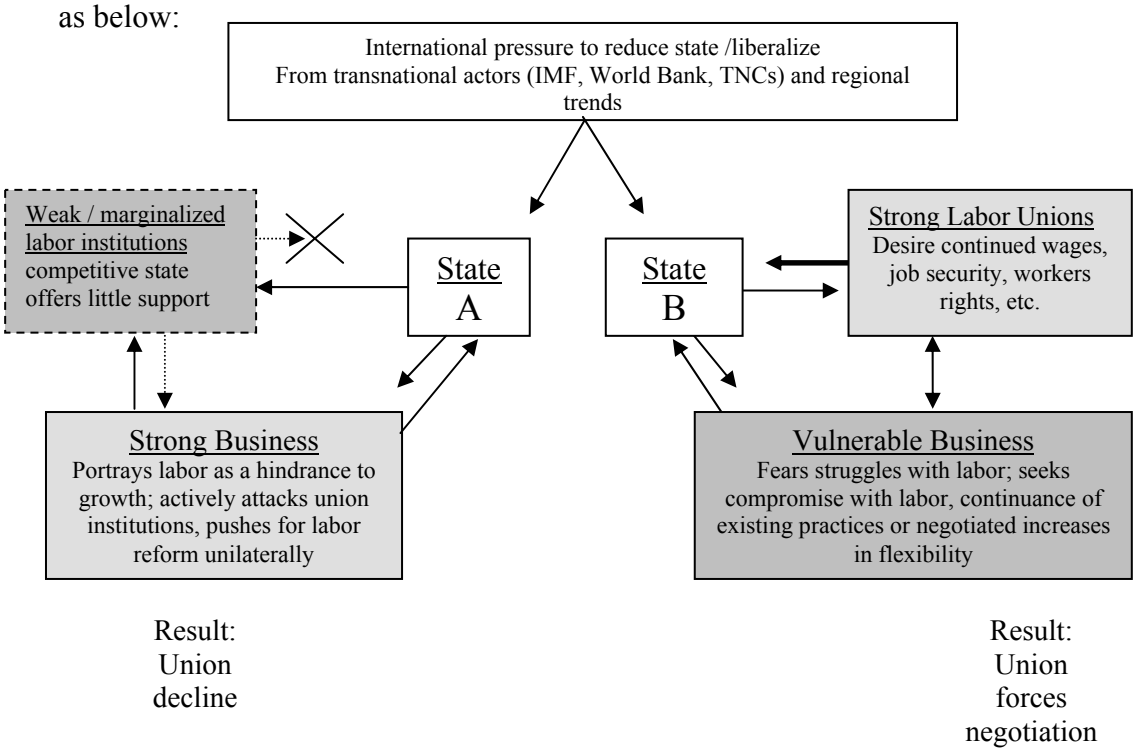

Illustration 1: Divergent power relations in global capital

In weaker labor union environments, pressures from global capitalism impinge on labor's ability to lobby government support. The government is able to ignore labor's concerns because (1) it refocuses its interests on overall macroeconomic growth and prioritizes this over inequality, domestic wages, and full employment; (2) the main supporting constituency of the government is not overtly concerned with unions (as, for example, many European labor parties); (3) unions lack the organizational capacity to seriously impede the implementation of new labor laws and/or flexible production. This final point is important, because flexible production, while potentially detrimental to unionization; is reliant upon supply chains and tight scheduling which is extremely vulnerable to well-executed industrial action (Herod 1995; 2001; Wills 1998). This vulnerability has only added to the differing conceptualizations of collective bargaining that occur between the more combative labor relations of LMEs and the CMEs or other strong labor states that have developed and continue to develop mutually beneficial bargaining institutions dependent on labor's cooperation. While the former becomes more dependent upon its unions for the intricate functioning of the economy, the latter sees an end-game situation with unions that might pose serious threats to the stretched supply lines of any spatially dispersed producer-contractor relationship (Thelen 2001).

A breakdown of the implications of each of these states demonstrates how unions' strength might diverge:

Table 1: Summarizing the possible effects of global capital in strong and weak labor union environments

A EFFECT ON UNIONS	PROCESS	B EFFECT ON UNIONS
Possible decrease in industrial workforce through automation; union density declines as members transfer to the service sector	Increased Technology	Possible decrease in industrial workforce through automation Union density maintained through organizing in service sector
Unions marginalized from government Economic policy becomes technocratic Collective bargaining shifts to the enterprise level Efficiency sought through decreased domestic labor costs and lower taxation	Neo-liberal ideological pressure on state policy	Tripartite agreements continue Collective bargaining may be partially decentralized Efficiency sought through gains in productivity and wage restraint
Workforce fragmented; Capital becomes markedly more mobile Irregular, non-union workforce increases	Flexible Production	Workforce slightly fragmented; Capital mobility seriously hampered by domestic investments in productivity/workforce; Irregular workforce's impact on unionism restrained by legislation
Unions struggle to maintain public sector; Regular public sector workforce decreased through successful privatizations or the entrance of private competitors into former monopolies	Privatization / deregulation of state monopolies	Minimal impact on the public sector; High percentage of workforce remains in the public sector / unionized

These two situations (A and B) are separated for the sake of analysis; in reality the responses to global capitalism are often much more complex and within any single state elements of both situations are likely to appear as structural and political changes occur.

Three elements which counteract unions' downturn in global capitalism can be distilled from the works and trends examined above. First, union density and coverage must be strong enough to intimidate and challenge employers. Their strength depends on union density, legal protection from the state and the ability to coordinate workers into collective action. This alone is not enough, however, if the

employers feel they are likely to profit from a struggle with the workers and it is in their interests (politically and financially) to do so. In order to assure this is not the case, the government must be willing to both implement the legal support for workers rights and to intermediate fairly between employer and union. To do so requires a healthy tripartite relationship and willingness within both the unions and business leaders to negotiate fairly and avoid lasting conflict between the two parties. In lieu of such a relationship, the establishment of popular support for such action, as might occur through a political party[19], may be able to legitimize such a process and establish these norms between labor and business which protect workers rights if it is trusted by both sides. Finally, any restructuring of the economy has to coincide with a renegotiation of the union-employer relationship and the continued fair and honest intervention of the government to regulate and enforce the rights won by labor.

Newly Industrialized Countries' Unions and the Legacies of the Import Substitution Industrialization Model: Rough Transitions to Global Economies

Up to this point, the global trends of labor unions have been discussed through literature examining the diversity of the more industrialized nations. The richness and depth of the literature on unions in these countries makes these works an important basis from which to study global trends on unions; yet the diversity within even this select group should highlight rather than hide that numerous historical differences exist in the development of these economies and those of this thesis's case study, Turkey. The relatively high level of agriculture and late industrial development of the Turkish Republic have led some to refer to it as a

[19] Potentially, as has occurred in Italy, this popular support could come from the unionized workers themselves (Baccaro 2000). However, such action would be nullified if any of the tripartite actors were disingenuous in their actions.

"semi-industrial" economy (Onis 1998), a category distinct from the mature industrialized capitalisms of states such as the UK, Germany or the US. It is also a category that is distinct from developing countries in general, in that a substantial degree of industrialization has been accomplished within the state. For this reason, the term Newly Industrialized Country (NIC), is often applied to countries with similar levels of industrialization as Turkey.

More specifically, however, Turkey is a state with a newly liberalized economy that before 1981 practiced a very different sort of economics. Like many NICs – such as India, Brazil, and Egypt – Turkey invested heavily in state-owned industries in the decades before the 1980s, and favored Import Substitution Industrialization (ISI) as a growth strategy. Because of the similarities between these states' economic organization and institutional development, certain trends and patterns can be drawn between labor organizations' development and the context in which, under the auspices of the IMF, their transformations into market-led, export-based economies took place.

Previously in this chapter, the dynamics of developed economies' labor institutions was examined. The prospects for labor in global capitalism were shown to vary greatly between the institutional frameworks of these states. Weak political and organizational strength meant that the A groups would suffer declines when exposed to global capitalism's currents, while the strength of labor in B allowed those unions to consolidate their positions because of their continued intrinsic importance to the economy and state. In this section, it is argued that ISI states, while institutionally and individually unique, have a general tendency to develop weak labor organizations which collapse in ways similar to the A group when their economies are opened to global capitalism. The similarity in the effects stems from

global capitalism's tendency to exert similar pressures on states, and the LME style institutions that are promoted within these countries through transnational organizations such as the IMF and World Bank, often in the form of the standardized goals of Structural Adjustment Loans (SALs) (Onis 1998).

While the differing domestic institutions above have shown that economic convergence into a single model cannot be assumed, the argument made for former ISI states is that they had all previously developed roughly similar domestic institutions which pushed these states' labor unions in roughly similar directions. When global economic pressures were placed on the labor unions in former ISI countries, they were shown to have particularly striking disadvantages which can be traced in their developmental history. These disadvantages appear in the transition to global capitalism when the unions are exposed to the vagaries of global markets, and these unions display many of the vulnerabilities of declining unions in industrialized countries (with the caveat that individual cases invariably present important exceptions). In their general tendencies to decline, the weaknesses in unions of former ISI states will help to illustrate the validity of the earlier points made on the more developed economies and their relevance to understanding the problems within Turkey's organized labor.

ISI as a policy

ISI was based on the premise that with the development of local markets and local industry a country could escape from its dependence on more advanced countries' goods. It was to consist of two stages: first the substitution of simple consumer goods through domestic, labor-intensive manufacturing; crucially, this

would be followed by a more difficult development of capital-intensive industry such as steel, chemicals and machinery. The second step required the development of a bourgeoisie that would invest in such industry, and thus was more difficult but also crucial to successful industrialization and national advancement.

The promises of ISI were manifold and interlinked. According to Barkey (1990), there were nine principle expectations from ISI. First, the balance of payments issue would be addressed by the increased local manufacture of previously imported goods, spurred on by the retreat of foreign investment in the wake of new tariffs on selected imports and by the low-cost of domestic labor. (2) This would lead to the increased importing of goods that would (3) develop the domestic industries. Fourth, the developing economy's industry would begin to expand vertically and to develop intermediate and investment goods through new linkages, eventually forming an industrial entrepreneurial class. In addition to the formation of this class, the strategy hoped to (6) result in the increased technological capacity of the country, (7) expand its internal market through increased domestic wages and diminish dependence on the exported goods which began the process. In other words, it hoped to expand and develop a national economy through creating an internal market that would be capable of supporting the domestic industry through its consumption. Finally, the process would be reinforced as it continued to raise domestic standards of living and opened new possibilities for domestic industrial expansion.

The nationalist and populist implications of this strategy are quite clear – a "backwards" country would in time develop industrial capacities important for national defense and achieve a standard of living similar to those of the more developed countries. In practice, however, the limitations of the strategy became

apparent throughout the 1970's, as the oil crisis compounded the internal political problems of ISI[20] and forced many of these economies to petition the IMF for emergency loans. The IMF and World Bank were imposing neo-liberal restructuring plans on those developing economies who sought loans, consequently discrediting ISI theories and drastically altering the development programs of these states. The domestic crises that occurred as a result of failed ISI programs therefore resulted in swift policy changes referred to as Structural Adjustment Programs (SAP) which sought to "change the recipient country's economy from an inward orientation, emphasizing government intervention, to a free market orientation with an export-led growth strategy" (Shaker 1995:1).

In comparing four ISI countries – India, Mexico, Egypt and Turkey – John Waterbury (1993) found that the formation of labor unions in each of these countries had similar deficiencies that stemmed from the institutions these countries shared (234). He observes that the timing of development in these states in comparison to the industrialized Western countries differed in terms of the development of industry, class struggle and mass action. In the advanced capitalism of Western states, industrialization and economies of scale were closely followed by the growth of a powerful working class that engaged in disruptive industrial action to secure its rights. These struggles eventually became contemporary political and economic arrangements. Within many ISI states, attempts were made to reconcile potential labor conflicts before such organized worker action became a serious threat to business or the state. Because of this, the state tended to build unionism from the top down, or to favor and nurture a single union which would remain apolitical – in so

[20] O'Donnell sees four reasons for the eventual collapse of ISI: excessive protection, exchange rate controls, the lack of creativity in ISI, and the relatively small size of domestic markets. Barkey and Waterman add to this the unwillingness of governments to readjust their economies due to internal political favoritism and a lack of autonomy on the part of the government (Barkey 1990:11-3).

far as it would not challenge or question the political leadership and remain restrained in its industrial action. This tacit agreement to minimize the scope of the union's actions came with the state's own tacit promise to steadily increase the unionized sectors' wages. In this way bargaining tended to occur as more of a gentleman's agreement between friendly leaders, rather than from the collective struggles of the workers (Waterbury 1993:235-6). Because it was not through collective, class-forming actions that the unionized workers received their legal recognition and constitutional rights these unions did not have to suffer the difficult birth of their predecessors in other countries, but they also did not develop the internal capacities for struggle or proactive politics.[21] To paraphrase Waterbury (1993), they were given the corporatist rules under which they would operate, and therefore could not adopt any other role than that of defending the material privileges they were granted (236).

Compounding these problems was the narrow spectrum of the populace that unions represented. ISI rapidly developed heavy industry and assembly plants, but these countries had remained largely agricultural much longer than the developed states. This meant from the outset that unions in ISI were organizing in states with a smaller industrial density and therefore a proportionally more limited industrial workforce than those which had developed in the previous decades. However, the nature of ISI was to vigorously promote industrial development and this meant that industry and its workers held a favored place in the government's agenda. Those employed by the state in State Economic Enterprises (SEEs) generally held well-paying jobs and the security of a government supported union. At the same time, these enterprises were often inefficient, substandard and chronically losing money,

[21] India is for historical reasons exceptional in this case; it has thousands of unions and many of them are associated with political parties (see Waterbury 1993:242-6).

which made it easy to turn public opinion against the unions by casting them as economic parasites (Waterbury 1993:259). Generally the areas left untouched by the state's economic projects were left unorganized; even when unions did involve themselves in the private sector (as they have in Turkey and India), it was generally in the large-scale industries which provided the workforce. Heavily underrepresented in the small-scale workplaces and services, these unions developed a privileged but unrepresentative working class, impairing any previous links with other working groups such as peasants and informal workers.[22] At the micro-level, the tendency of these unions to base salaries on seniority and the consequent lack of incentive for the younger workers created internal divisions and conflicts with management (Waterbury 1993:236).

The weakness of organized labor within ISI became apparent when the governments in crises began to implement Structural Adjustment Programs and liberalize their economies. Within ISI, the state attempted to develop both the industrial business classes and a domestic market based on a stable, well-paid working class. This arrangement differed strongly from those coordinated economies from which trilateral agreements were made in that, within ISI, the social dialogue that came about from business's desire to avoid costly industrial action was, for want of an immediate need, mostly limited to bilateral talks between state and business, business and labor, and state and labor. Deregulation and privatization estranged the state from the working class and export-led growth minimized the importance of the domestic economy in the short-term. Without the organizational capacity to sustain resistance or the political capacity to alter the government's

[22] Such links were not irreparable, however, as the recent linkages formed between landless peasants and labor unions within the Brazilian Left have shown (Keck 1992).

program, union's in formerly ISI states have struggled to adapt to the challenges of global capitalism discussed above with little or no protection from the state.

Because the unions in ISI did not necessarily engage in widespread class-based struggles to gain their rights and recognition;[23] their power to influence the state and business classes outside the confines of ISI institutions was limited. Through their limited scope and closed relations, they rarely transcended the image of a privileged and exploitative employees association with the wider working population. At the same time their relationship with the state's top down project developed to contain worker unrest, unions formed by the state often became symbols of the bureaucracy of the state and its impenetrability, rather than of the defenders of the working class.

The structural adjustment plans required by these lenders meant a dissection of the state-centric industrial policies and inward looking economies that unions had developed within. The nature of the change, from inward stability to the highly competitive and fickle export market, forced unions to adjust to the number of detrimental new realities within global capitalism (see above) within a very short span of time. Even worse for unions, because of the crisis level which these countries had reached before changes were enacted, processes like privatization were mostly taken in haste by the state, and with little or no concession to organized labor (Starr 1990). Reductions in SEEs, the removal of trade barriers protecting domestic markets, high inflation, and conservative shifts in the governments' outlooks all conspired against the former relationship that unions had with the state. Constrained by the state's unwillingness to support them and unable to muster the political and social resistance necessary to alter this, unions in former ISI countries have suffered

[23] Although both Egypt and India have histories of popular mass movements involving labor, these were both linked to nationalist and anti-colonial sentiments.

large declines in their states' transitions to the global economy (Waterbury 1993:258-9).

This is not to say that resistance has not occurred, but its effectiveness has depended on labor's ability to produce legitimate political and economic alternatives in the neo-liberal economic climate of global capitalism. A few labor movements have been able to do so through generating cross-cutting alliances with other parts of civil society, in what has been labeled social movement unionism. Through the legitimacy it earned struggling against military autocracy, Brazilian labor has been able to merge unions and other Left-Wing, peasant and socially concerned factions under the banner of a political party (Keck 1992). It has been successful at forging and maintaining these links by retooling its organizing efforts to go beyond bread and butter issues and broadening its agenda to democratization (Eder 1997:187; Ramalho 2004). Its shift in macro-organizing seems to have had an effect on its relationship at the shop floor as well, where its confidence in the political sphere has eroded its more conflictual stance and opened the door for what it hopes to be mutually beneficial negotiations with employers (Ramalho 2004:170-2). The result of this has been real growth in union numbers in Brazil over the last decade (over 4 million new members [IBGE 2006]).

What Brazilian labor has effectively done is to find a way to reintegrate labor's message in society and reinvigorate it by placing it into a broader message of social democracy, similar to what the political movements of the more successful states discussed above have done. Its leaders and members have also redefined their methods by redefining their approach, and through increased focus on democratization have become more open to compromise. This has allowed a late-industrializing state like Brazil to form a political counterhegemony to the neo-liberal

logic of global capital. Brazilian labor was able to mature its movement and earn popular legitimacy in its struggle against autocratic rule, whether or not the same can be accomplished by unions struggling against much subtler politicians or employers is debatable. It has yet to be seen if the Brazilian model can be adapted to other labor movements, but it offers a promising lesson to labor movements struggling to develop alternatives to the neo-liberal agenda of global capitalism.

Swimming Upstream in the Currents of Global capitalism: Is there a future for Labor in decline?

The transformations that economics and labor have undergone over the last few decades have universally challenged unions, but their resilience has varied greatly. While many unions saw dramatic declines in their membership, others experienced very little or none at all. With similar economic changes and the reorganization of production affecting all of these unions, institutional differences must be examined to find the source of their continuing disparity.

Researchers have found that those nations whose unions have maintained a high density and have a history of tripartite cooperation, especially through national bargaining coordination, have suffered very little union density loss and retained a high-level of wage coordination. Powerful, well-organized labor movements have made democratic states more reluctant to side with unionists or pass anti-union legislation which might reduce job security or impose upon their ability to organize and bargain collectively. In weighing this power, it should be conceded that initial union density is likely to play a part in this, as the increased costs of fighting a numerically powerful union base would discourage employers and states from doing

so and lead them to find alternative ways to adjust to competitive pressures. Yet pre-established paths and practices remain important even when numbers are high; the institutions which make such coordination of interests possible would more readily allow for labor, state and business to come to a more amicable agreement than in those states which lacked such previous experiences. Intriguingly, it has also been observed that those economies with strong labor forces might even have an *increased* desire for coordination, as the new production methods require tighter scheduling and are, in the face of determined and well-organized labor, more susceptible to strikes.

On the other hand, states who have seen a high level of uncoordinated bargaining and therefore industrial strife between their weakened working class and employers have been more inclined to impose neo-liberal economics without the cooperation of the unions or in direct opposition to them. Unions that have very little experience struggling for political or social change are at an even greater disadvantage in such cases, as the "bread and butter" privileges of unionism are what the global economy most aggressively attacks. Without the support of the state, labor unions often find themselves more and more at the mercy of mobile, antagonistic capitalist forces. The restructuring of the workplace becomes emblematic of this, creating greater gaps between the skilled and less skilled workforces.

The effects of the detachment of the state from labor unions are readily apparent in economies that had previously adopted ISI strategies. While these developing economies had sponsored a form of state-dependent unionism, their unions never achieved the level of tripartite coordination and power sharing of the most resilient unions in developed economies. With weak linkages to non-union and

non-state actors, they also did not have the initial support base to rally an effective support to negotiate government changes. Social movement unionism has been a corrective to this in Brazil, but its unions were forced to legitimize themselves through active struggle against sustained and overt repression. Other ISI states seem to have been unable to generate the same response through a combination of historical dependency on the goodwill of the state and a lack of numerical strength within the unions themselves, both of which have been aggravated by the semi-exclusive nature of union membership within these states. Except for Brazil, these unions now face the challenges of global capitalism without the support of a socialist democracy, and all are constrained by the criteria the IMF and WB have placed on their governments. Without their own state's support, union prospects for change and support have taken a more international tone, with transnational linkages being formed union to union, and transnational bargaining appearing in such forms as international framework agreements. Where these will lead to can now only be a matter for speculation, but in the challenges that all but a small percentage of the world's organized labor faces remains considerable fodder for skeptics.

CHAPTER III

TURKEY'S UNIONS UP TO 1984: FALSE STARTS AND UNSTEADY FOUNDATIONS

Organized labor in Turkey has had a turbulent history spanning over a century, but only emerging in its modern incarnation about sixty years ago. Labor unions or worker's associations have never been as powerful or large as those in other countries with long histories of worker action, such as Britain, Germany or Sweden. Turkish labor has also faced numerous challenges, both structural and ideological in nature, that none of these other unions had to struggle with as regularly or intensely. Yet, at several key points in the last century, the government of Turkey has felt the pressures of organized labor strong enough to take both punitive and preventive actions against them, and at times even to seek a compromise (though never, perhaps with the notable exception of the 1961 constitution, have the terms been very favorable for labor). Still, for most of its existence, Turkish labor has been a reactive force, dominated by the state's influence more than the rank and file, while remaining politically and ideologically fractured.

Pre-1946: Ottoman organization and Early Republican repression

Unions have been present in Turkey since the first was formed within the Ottoman Empire in 1894 (Nichols and Sugur 2004:144). Even before that, however, there was evidence of a nascent working class consciousness in the form of some fifty strikes between 1872 and the first half of 1908 (Benin 2001:77). On July 23,

1908, the Young Turk Revolution took place in the midst of a period of declining economic conditions for many workers. Although initially supportive of one another, the Committee of Union and Progress (CUP) quickly began to fear the potential disruptive capacities of the young labor movement, and thus began a cycle of supporting then crushing labor action, which culminated in the 1909 anti-strike law (Benin 2001). Still, the labor movement was not completely suppressed through the legislation, and illegal strikes continued.

The socialist forces generally supported the nationalists throughout the War of Independence, yet the nationalists proved intolerant of these groups once their usefulness was spent. Further strikes occurred in support of the nationalist forces during the War of Independence and a group of radical Leftists known as the Green Army (*Yesil Ordu*) fought on the side of the nationalists (Benin 2001:84-6). However, with the eventual victory of the Turkish forces and the formation of the Turkish Republic in 1923, the grip of the nationalists soon began to tighten. Initially, the right to unionize and strike was recognized by the nascent republic. The Izmir Economic Conference was bold enough to bring a platform of labor rights to the newly formed Grand National Assembly, though following this the movement was quickly suppressed by the government. In addition, a socialist political party formed mostly of intellectuals – the Turkish Workers Association – was briefly tolerated by the state but banned with all other political opposition when rebellion in the southeast broke out in 1925 (Isikli 2005:481).

Despite the early demonstrations of growing class-consciousness, the labor movement was still relatively underdeveloped,[24] and the prevalence of industry in Turkey was far behind that of Western European countries at the time. The most

[24] The General Worker's Association of Turkey (*Turkiye Umum Amele Birligi*), established in 1923, had around 44,000 members (Benin 2001:85).

significant social force in the early days was unquestionably the nationalistic forces and the popular support they won during the War of Independence. The labor movement's limited size and initial support of the nascent state did not save it from being addressed as a serious threat once the military-led nationalist front had established itself in the government. The nationalists seemed intent on consolidating their power by eliminating any perceived or potential ideological rivalry; as a result the more independent workers coalitions' shows of dissent from the government's policy were treated harshly and accused of attempting to undermine the state (Benin2001; Eder 1993). Laws were quickly changed when a revolt in the East gave the excuse to ban unions and collective worker action in the name of the preservation of the state. A decade later, another law put further restrictions on the right to strike (1935), and in 1936 strikes were prohibited outright. In 1938, the Law of Associations, based upon similar laws in fascist Italy, banned all "class based" associations (Nichols and Sugur 2004:144).

As the early days of the Republic have implied, the labor movement in Turkey and, by extension socialists, never became consistent partners with the nationalist forces, as they did in other nations such as Egypt, for a variety of reasons of which the lack of a sustained common threat was far from least.[25] This lack of consensus was further exasperated by the ideological project of the state, which in theory sought to eliminate differences on the basis of class, race, religion and ethnicity and to put in their place a unifying concept of Turkishness and the Turkish nation (see Parla and Davidson 2004; Richards and Waterbury: 1990 *esp*.330-52).[26]

[25] For an interesting comparison between Turkish and Egyptian labor histories, see Ayşe Oncu's "Street Politics" (1994).

[26] In a famous speech in May 1935, Atatürk described his conception of society: "The source and will of sovereignty is the nation…We consider the individuals who accept an absolute equality before the law, and who recognize no privileges for any individual, family, class or community to be… populist. It is one of our main principles to consider the people of the Turkish Republic, not as composed of

The labor movement was further weakened by the State Economic Enterprises established in the 1930's which, through incorporating economic development into the body of the state, actualized the concept of working for the nation into the ideology of the Turkish state while simultaneously placing the anti-socialist government in control of the majority of the industrial wage earners livelihoods. As Eder (1993) has noted: "Populism denied the legitimacy of any economic and social interest groups… formed on a class basis, etatism meant the effective control of the national economy by the state." (511). The undermining of working class organizations' legitimacy, and their cooption into the service of the government, is a pattern that runs throughout the history of the Turkish Republic, up to and beyond 1980. As we shall see, however, the quality of this ideology has transformed through the consequences of other factors emerging in the economy and the society.

1946-1960

Turkey maintained a fragile neutrality up until the end of WWII, when the country briefly sided with the Allies. The war was difficult on the populace, especially the working classes, who had to endure 11-hour work days under martial law (Benin 2001). After these dark and lean times of relative isolation, the period immediately after WWII is notable both for the emergence of international actors in Turkish labor politics and the reemergence of unionism, though both occurred in a

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different classes, but as a community divided into various professions according to the requirements of the division of labor for the individual and the social life of the Turkish people…. The aims of our party…are to secure social order and solidarity instead of class conflict, and to establish harmony of interests" (cited in Richards and Waterbury 1990: 339). It is clear from this extract that the aims of the party were to minimize the idea of class conflict vis a vis the promotion of a national identity and the project of building the Turkish Nation.

manner defined if not desired by the state.[27] 1946 marked two especially important events for Turkey: one on the domestic side and the other external. First, the emergence of a second political party, the Democrat Party (DP), in addition to the Republican People's Party (RPP) was significant for Turkish labor as workers suddenly had a second party courting its favor, despite the fact that the DP was largely formed by and for the nation's most powerful capitalists (Benin 2001). On the international level, Turkey joined the United Nations (UN) and by extension the International Labor Organization (ILO), which immediately began to pressure the government to increase worker rights (Dereli 2006). The right to unionize was granted by the government through an amendment to the laws of associations, nominally clearing the ways for workers to unionize. The RPP maintained firm control over who was allowed to unionize, and thus sought to build a compliant worker's organization that would not take any action outside of the government's interests. The accusation of destroying national unity was used as an excuse to shut down socialist unions and parties who appeared too radical to fall under the sway of the government. In addition to these less formal mechanisms, Article 5 of the 1947 Unions Act made any political activity or attempt at political propaganda by a union illegal, a requirement which could be interpreted as widely as the ruling party saw fit (Eder 1993). Also essential was the requirement that unions' dues must be distributed through the state, thus insuring that unions remained financially dependent on the state and adding yet another check to organized labor's power (Isikli 2005).

Berik and Bilginsoy (1996) claim that the labor movement did *not* play a significant role in the transition to a multiparty system or the subsequent changes in

[27] For instance, unions were allowed by the Trade Unions act of 1947, on condition that national interests would be put above their own organizational and economic goals. In addition, unions were expected to gain the permission of the state to join international organizations (Dereli 2006:36-7).

Turkey's labor law (41). These "gifts from above" may have therefore had the paradoxical effect of weakening any militant labor factions and rendering the labor movement dependent on the maintenance of good relations with the state, while nominally removing them from any direct political action. Union leaders did indeed take a clientelistic and often sycophantic stance towards the state and the party in power. This is not surprising since not only their unions' allocated fees but also their own jobs were dependent on the maintenance of friendly relations with the political leaders of the day (Isikli 2005).

This style of unionism was codified with the formation Turk-is in 1952. Again, the involvement of international actors, this time the American AFL-CIO, was blended with the wishes of the domestic government. Turk-is was established in the image of the AFL-CIO, known for its fervent anti-communist stance at the time, and the Turkish union was seen by the political elite as a vehicle for class compromise rather than workers rights (Berik and Bilginsoy 1996). This image of a union meshed well with the domestic ambitions of both the DP and the RPP, which sought to both develop a pool of skilled workers and prevent the spread of radicalism (Eder 1993; Isikli 2005). In order to maintain the privileged relationship Turk-is held, independent unions were repressed and labor leaders continued to be selected from within the ruling parties' ranks (Eder 1993).

Despite politically tainted union representation, the amount of workers in unions and their political rights grew steadily through the 1950's. Much of this growth can be contributed to structural change in the economy: both urbanization and industrialization, pushed by the government, increased rapidly throughout the decade. While severe restrictions on class organizations remained, the relationship between the government and labor during this period was never one of outright

oppression, and was even mutually beneficial to a limited degree: workers real wages increased while political parties were assured a pliable group of representatives for labor. Laws were passed giving workers such benefits as paid vacations, weekends, and lunch breaks (Eder 1993). Whether or not these moves came from a legitimate concern for workers well-being is debatable, however, and as Berik and Bilginsoy (1996) claim, this was in effect a move to pacify workers and improve the state's image in the eyes of the workers (42). Adding some weight to this claim is the fact that strikes remained illegal throughout this period. That right would only be granted when the military intervened in 1960 to oust the pro-business Democratic Party (DP), whose despotic leadership had fallen out of favor both with the military and the business groups which had brought it to power.

The 1960's and 1970's

Economic change 1960-1970

Economically, conditions were very conducive to unionism from 1960-1979. Turkish society became more and more urbanized throughout the decades, although a large degree of rural-urban migration remains a feature of this period. Industry grew rapidly, though job creation lagged behind (see below). GDP and Real wages also grew steadily from 1960 to 1977, with the exception of the period from 71-3. By 1971, there were over 1,000,000 unionized workers and by 1980, there were between 1.5 and 2 million (Margulies and Yildizoglu 1984). Both the government and industrialists desired to develop a skilled workforce, and were therefore supportive of the stable workforce a union could develop and control. Even DISK, which

organized mainly in the more competitive private sector and outside the favor of the government, grew quickly in these decades, reaching around 600,000 workers before 1980.

The picture for workers and organized labor was not entirely positive, however. Until 1970, most private manufacturing consisted of small-scale enterprises, which made organizing in the sector more difficult and competition between firms more intense.[28] In the import substituting industries, where unions were generally strongest, capital intensive production of consumer goods was favored over labor intensive industries due to the economic incentives for doing so (see Waterman 1990). This meant that the number of workers did not grow as quickly as it could have, and the technology in factories kept unemployment at high levels. Many potential workers ended up in the informal economy or service sectors. These factors established a two-tiered workforce long before the organizational changes in the 1980's exacerbated the situation (See chapter 3). On one level, there were the state enterprises import substitution industries supported by government policies and assembling consumer goods such as cars and appliances. On the other, there were the small scale producers of more mundane goods that relied on cheap, plentiful labor to compete. It is likely that Union leaders encouraged this situation through their willingness to organize solely around bread and butter issues, which made their cause unappealing initially to smaller industries and in the final years of the 1970's to almost all Turkish producers.

[28] Eder (1993) notes that while there were only about 1,170 factories in 1970, there were around 175,000 non-factory workplaces at that time (521).

Opening and Dividing: Politics in the 1960's

Politically, the 1960's were marked by several political advancements in favor of unions and increasing ideological tensions within union leadership, culminating in the splitting of Turk-is and the formation of DISK. The ramifications of this split would eventually develop into open confrontations and violence in the streets and factories between the radical left and right. Accordingly, this period is book ended by two coups with distinctly different constitutions resulting from them. In a way, the introduction of the 1961 constitution was an experiment in liberal labor laws that ultimately failed to prevent a rise in class struggle and ideological extremism.

In 1960, as a result of its despotism and isolation from its former support base in the business community, the DP was ousted in a military coup and the military leadership responsible drafted a new constitution. Paradoxically, this seeming failure in democracy paved the way for greater democratic rights, especially for the working classes. The constitution that emerged from the 1960 coup granted numerous rights to workers and to unions, following the recommendations and conventions of the ILO (Dereli 2006:37). For the unions, the most important sections of the constitution were articles 46 and 47, which granted the right to organize, form trade unions, engage in collective bargaining and strike. These rights were quickly qualified, however, by a revision of the constitution in 1963, which banned general, solidarity and political strikes in what can be seen as an attempt to limit collective bargaining as a political or class-based event, and focus union leadership on "bread and butter" issues such as wages and monetary benefits.

As is hinted by the changes imposed in 1963, these rights were likely granted only partially out of the honest belief that the right to strike and bargain collectively was important to a pluralistic democracy (Dereli 2006:38); there was another element which sought to appease a growing working class and further imbed the concept of the benevolent state in the minds of the workers. It is telling that political leaders at the time praised the state for its foresight in preemptively granting rights that other countries working classes had to struggle for.[29] However, the irony of these statements has not been lost on the scholars who point out that such conflict came later, and was perhaps even encouraged by the granting of these rights and the unfulfilled expectations they brought with them (Berik and Bilginsoy 1996; Eder 1993; Nichols and Sugur 2004).

Nevertheless, in the first half of the 1960's Turk-Is's leadership fulfilled the role of labor's chaperone, barely hiding its support for the ruling Justice Party (JP) (under Suleyman Demirel) while claiming to be a neutral power "above" politics (Nichols and Sugur 2004: 146-7). The changes to the constitution in 1961 also allowed Turk-Is to affiliate with the OECD, ICFTU, International Trade Secretariat (ITS) and ILO – opening the doors to international recognition of and influence on Turkish unionism. More immediately significant was that, despite several of its leaders going directly into parliamentary positions for the conservative JP, Turk-Is's façade of political neutrality and willingness to focus solely on bread and butter issues allowed the confederation to collect the funds allotted to it through USAID and the AFL-CIO, which from 1960-70 were considerable enough to surpass the

[29] Before the new constitution was enacted, the minister of labor at the time, Bulent Ecevit, remarked that "In almost all the Western Democracies the rights we are about to grant the Turkish Worker with this law were only acquired after long and bloody struggles…There can be no doubt that by granting the Turkish Worker these rights without necessitating such struggles, you will have rendered history and society a great service… In the countries of the West, application preceded the laws… with us the laws will come first and application will follow" (cited in Eder 1993:516).

money gained from members' dues (Isikli 2001: 495-8). The political decisions and affiliations of Turk-Is's leadership, along with the bureaucratic structure that fostered in Turkey, created a divide between the union elite and the rank-and-file that in retrospect has had a weakening effect on the workers' solidarity with their unions actions (see below and Chapter 3).

Turk-Is soon began to feel the strain of ideological divisions within itself; as a confederation it had little real control over the actions of the sectoral unions it represented and some of the more radical of unions were able to call wildcat strikes without the approval of the confederation. Disagreements between some of the affiliated unions of Turk-Is and the confederation's leadership grew, and several unions began to act independently of the confederation's politics (Isikli 2005). The division was manifested politically in the formation of the Turkish Workers Party (TWP) in 1961 and the support it garnered from Turk-Is affiliates despite the confederation's tacit support of the ruling JP. By 1965 the party had secured parliamentary representation and the backing of some unions leaders, some of whom left their unions to become parliamentarians for the party.

In 1967, the internal divisions of Turk-Is erupted, and the first significant challenge to Turk-Is's monopoly of unions came in the form of DISK. The direct cause for its formation came when the confederation leaders of Turk-Is failed to support striking Pasabahce workers, resulting in the socialist leaders of unions splintering from the confederation (initially four unions: Maden-Is, Lastik-Is, Basin-Is and Gida-Is). There is reason to believe the split was also political in origin, as there was significant overlap between the founders of DISK and the founders of the Workers Party (Nichols and Sugur 2004:147). Because Turk-Is was predominant in the public sector, DISK organized mainly in the more competitive, often smaller

scale firms of the private sector. Greater competitive pressures in the private sector pushed DISK to be more proactive in its collective bargaining and radical in its strike action. The ideological divide between the workers in the two confederations was fostered both by the differing natures of the private and public sectors, and by the Turk-Is leadership's tendency to select conservative, JP supporters to fill the jobs in the factories they organized (Berik and Bilginsoy 1996:47).

Further dividing and complicating the workers' struggles, the foundation of the ultranationalist MISK in 1970 and six years later, Hak-Is, a confederation of religious conservative workers, meant that four major confederations with distinct ideologies were representing the unions.[30] Any hope for unity in the working class seemed to dissolve as these divisions intensified through the late 1960's and 70's. A brief respite came near the end of the 70's (see below), but was too short-lived and politically unstable to halt the ideological divides and intense rivalries that marked much of this period. As a result, political violence at the factories grew as the competition between the nationalists and socialists intensified.

The shifting ground of politics in the 1970's

Despite the military intervention that imposed controversial economic and legal reforms through a temporary suspension of democratic rights, increasing ideological tensions, global economic downturn and a revolving carousal of political leadership helped drag Turkey into economic and political stagnation by the end of the 1970's. Throughout the decade, no political party was able to form and maintain a steady leadership or to gain the trust of either the unions or the increasingly

[30]These new confederations were aligned with political parties: the ultranationalist MISK (National Action Party [NAP]) and Islamicist Hak-Is (National Salvation Party[NSP]). Both of these would remain relatively insignificant (although Hak-Is would become important later on in the 1980's and 90's).

powerful business classes. Increasing mistrust and lack of constructive social dialogue weakened the economy and radicalized opponents. Any hope of a sustainable and mutually beneficial tripartite agreement between the government, business and unions became impossible in this tumultuous economic and political climate. The drastic measures to restore stability taken in 1980 were framed as a necessary last resort, implementing the suggestions of the IMF and business community through the iron grip of military rule.

For DISK, the decade began with the JP's attempts to legally disenfranchise the confederation through Act No. 1317, which would require a union to have 1/3 of the registered workers in an industry organized in order for it to be recognized at the national level. This law threatened to greatly hinder the smaller DISK in its organization efforts, especially in those sectors dominated by Turk-Is. In response to the passing of the bill, DISK organized massive street protests in the Marmara region. These protests soon grew beyond DISK's control and resulted in the June 15-16 events, the declaration of martial law and the brutal suppression of the protest (Berik and Bilginsoy 1996; Eder 1993).

Following these demonstrations, some radical student groups continued a campaign of urban violence eventually brought to an end by military intervention. This intervention was started on March 12, 1971 by an ultimatum to the government seeking its resignation and was followed by two years of interim government overseen by the military. Though this intervention and the restoration of calm were initially applauded by both Turk-Is and DISK, the subsequent prosecution of DISK members, the closing of the TWP and the upholding of Act 1317[31] by the military leadership quickly soured the event for the confederation. The interim government

[31] This act was eventually weakened through the legal objections of the TWP, when the constitutional court ruled parts of the bill unconstitutional (Dereli 2006: 39).

ruled until general elections were held in 1973, in which the RPP, realigned under Bulent Ecevit to a social-democratic base of ideas, came to power.

This election had the potential to be significant for the Left in Turkey, as it was the first time a non-business orientated and even nominally Left-wing party had gained a majority share of the government. Turk-Is became more centrist in its political orientation and this eventually pulled the confederation's leadership away from the JP and over to the rival RPP, which promised to be more accommodating to unionists. However, after the 1973 elections the RPP government did not have the requisite majority to rule outright and was forced into an unstable coalition with the Islamicist and right-wing NSP. The coalition did not last the year and established a pattern of unstable and infighting coalitions through the 70's. Between 1973 and 79 the government changed four times, with punitive measures and favoritism unsettling the relationship between those in power and the business classes (through the representative bodies of the Union of Chambers, TOB, and Turkish Industrialists and Businessmen Association TUSIAD) (Barkey 1990:149-68).

Despite the political and social turmoil, the numerical strength of both Turk-Is and DISK labor unions grew and the 1970's saw some victories for organized labor. Partially in response to the confederation's increasing political strength, and partially to do with the cronyism within the parliament, legislation was passed to protect workers from being fired, mainly through increases in severance pay. Workers treated this as an *ad hoc* form of unemployment insurance, and fought for increases in this pay in lieu of actual job security legislation (Dereli 2006:41-2). Yet the unity of the confederations' rank-and-file was harmed through the poorly thought out implementation of the payments; in practice the seniority-based payments meant that employers would often fire their senior workers in order to avoid such payments

(Berik and Bilginsoy 1996: 50). Other factors, such as a flattening of the wage differences between skilled and unskilled workers due to flat wage demands, also caused tension between the workers (Dereli 2006: 41).

The "bread and butter" focus of the unions has been lamented as a major shortcoming of Turkey's unions, especially during the period of relative political freedom and opportunity in the 1960's and 70's (Berik and Bilginsoy 1996; Dereli 2006; Eder 1993; Isikli 2005). Outside of strike action for wages and severance benefits, few moves were taken to establish "unifying" demands such as improved working conditions, unemployment wages, or increased involvement in workplace management and/or processes. Members were socially and politically divided amongst numerous lines: party affiliation, regional identities (*hemserilik*), and ethnicity, as well as the seniority and skill divisions mentioned previously (Eder 1993; Berik and Bilginsoy: 1996). Also, the de facto divisions that existed between the public and private sectors further fractured Turkish workers - neither the workers nor the employers in the two sectors were able to harmonize at the bargaining table (Dereli 2006:41).

These divisions would be exacerbated by the final years of the 70's; Turkey was politically deadlocked by economic crises that would eventually lead it to seek the help of the IMF. First, the poorly managed ISI policy resulted in an economic crisis of over-spending and under-producing that created a severe foreign currency debt within the country and the state (see Barkey 1990:149-79). Secondly, the social sphere was being rendered apart by the violence between nationalists and left-wing groups both on the streets and in the factories. Placing still more pressure on the economy and government, strike action reached an all-time high and the number of

days lost to strikes rose sharply from 1977 up to the 1980 military crack-down and coup (see appendix E).

The lack of social cohesion was reflected in the politics of the unions. The RPP was eventually successful in wooing both confederations and gaining their trust. However, the RPP's own grip on political power was never stable enough to deal with the massive economic problems the country was facing and cater to the unions' wage demands simultaneously. Politically, the short term solution was to please both sides of the bargaining table by offering both the industrialists and unions economic incentives which the government could ill-afford. A minor success was achieved in the waning years of the decade, when a social contract, limiting wage hikes sought by workers, was finally agreed upon by Turk-Is (Dereli 2006: 41). Its intentions were to spread to both private and public sectors and encompass all unions, creating a standard of wages based upon the (record high) wages of 1978. It was planned to have an immediate impact on the conflict between union and worker, and perhaps even boost the wages of those outside the unions. It was an ambitious plan that earlier on might have eased the tensions between and within the groups involved, paving the way for further tripartite negotiations. As it was, the deal was too little, too late – the record high wages assured by the contract could not have been very appealing to the industrialists, and so the contract was discarded when the JP came to power the next year.

Setting the Stage for the 1980 Coup

As the economy teetered on the brink of collapse, the business elite became more and more critical of the government's inability to address labor union militancy and the critical state of the economy. Against the backdrop of a record number of

strikes (mostly in the private sector), triple-digit inflation, and daily street violence, the newly formed businessmen organization TUSIAD (formed in 1971) and the more established TISK both took up virulent antiunion stances. They unified their opinions on the necessity of breaking the unions' wage demands and TISK issued a series of demands which included wage restraint, a reduction in the number of unions, a reduction of and limitations on in severance pay, the removal of links between trade unions and political parties, the incorporation of government representatives into the bargaining process (in the hope that they would encourage a lower wage settlement) (Senses 1993: 100). Though there was no official recognition of TISK's influence, when the military takeover finally came on September 12, 1980, the new legislation imposed by the coup's government contained all the elements of the business leaders recommendations (Senses 1993; Eder 1993; Nichols and Sugur 2004).

On January 24 1980, the Demirel government, now with former World Bank employee Turgut Ozal in charge of economic affairs, proposed a bold and immediately controversial restructuring plan designed to shift the economy towards exports, to reduce the overvaluing of the lira, increase foreign exchange reserves, and generally place the financial operations of the government under market pressures. These measures divided the business elite but enraged DISK, which reacted to the January 24 proposals by launching a series of strikes. Those strikes, combined with the ones provoked by the members of TUSIAD (which used strikes as a convenient way to get rid of excess workers without paying severance [Eder 1993]), had 1980 well on its way to becoming a banner year for strikes before industrial action was stopped by the coup in September. Industrial strife and economic crises were joined by increasing street violence (an average of 20 deaths a day in the months before the

coup) and finally political deadlock, giving the military a number of causes to intervene.

The Early 80's: The Coup's Immediate Effects

There is little debate that the coup of September 12 1980, was decisive and far-reaching in its impact on labor. Although the long terms effects are explored in the next chapter, a look at the impact of the first years of the coup will illuminate the historical breaks the government made with regard to labor relations. At the same time, the coup's relevance to the ISI traditions and the history of the paternal state show that there is also a continuance of the state's mentality that seems paradoxical alongside the radical break in economic policy ushered in by the coup.

These paradoxes are distilled in the coup's effects on labor, which sought to restore labor unions' to the apolitical ideal they were founded upon while at the same time radically altering the economy. In eliminating the politically charged activities of unions, particularly those of the Left, perhaps the most dramatic and immediately relevant move by the junta was the closing down of DISK and the prosecution of its leaders and active members. In total, almost 2000 DISK officials were detained and 264 of them were sentenced to a total of 2035 years of imprisonment (Koc 1992: 9). The Left were also attacked through the rhetoric of the military leaders of the junta, who accused DISK's leaders of being terrorists who wanted to topple the state (Berik and Bilginsoy 1996: 52). In contrast to the harsh measures imposed upon the Left-wing DISK, Turk-Is and Hak-Is[32] were allowed to continue and even cooperated with

[32] Initially, DISK, Hak-Is and MISK were all suspended. The latter two were quickly allowed to continue activity, however (Berik and Bilginsoy 1996:52-4). Out of the major labor confederations it was only DISK which suffered the lasting wrath of the junta and its ensuing government (the union

the government in these initial years. The opaque divide between continuity and change is exemplified by the general secretary of Turk-Is at the time of the coup, who became minister of social security for the intern government (Senses 1993).

Despite their continued links to the government, the actual weakness of the labor unions' position quickly became evident when the 1982 constitution was introduced with significant new restrictions on labor. These restrictions were extensive, and conformed for the most part with the recommendations made by the business organization TISK before the coup. Much weight was put on depoliticizing labor by making it illegal for unions to establish political parties, to support political parties in any way, or to be supported by them (Margulies and Yildizoglu 1984). Unions also remained unable to strike for any politically motivated purposes, or to conduct sympathy or general strikes. Even more potentially devastating from the unions' point of view was the new and broad terms of act 2822 in which the government could deny the legality of a strike which "might damage society or destroy national wealth" (Nichols and Sugur 2004:150).

Strikes were not allowed again until 1984, the interim saw a supreme arbitration board manage all industrial disputes. Labors' resistance during this period was subdued, only a few wildcat strikes and slowdowns marred the more than three years of strike prohibition. When the ban was finally lifted in 1984, the impact of the coup's crackdown and the institution of the above measures was shown in the meek response of labor – a mere four official strikes occurred that year and 21 in the next (See appendix E).

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was officially closed until 1991). A lack of worker interest and new legislation resulted in MISK's numbers becoming irrelevant after the coup and virtually disappearing from labor relations.

Analyzing the Road to the Coup

The dramatic unseating of unions political and economic power was undertaken purposefully in preparation for the economic changes recommended by the IMF, which would result in numerous changes unfavorable to almost all employees in Turkey. These economic changes are explored in the following chapter, but for now the questions remain: how and why was labor so easily bypassed and then marginalized by the state? Why was restructuring enacted without the input of organized labor in the formative and crucial early years of the transition? It is clear that the Left in Turkey views this period as a "victory" for the Right and capitalism: a former DISK activist shortly after the coup declared that "the workers as a class were defeated" (Kara 1984). While in light of the developments later that decade this assessment might now seem exaggerated (see chapter 3), it does point to the strong feelings of an end of an era that the coup brought about. In some ways this statement was true; industrial relations did change in the 1980's and 90's, much of it for the worse as far as the unions were concerned. One should hesitate to place too much weight on the concept of a grand shift between the eras however. The coup in fact highlighted the problems labor had had up to that point: Turk-Is courted the favor of the new government as it had done before, perhaps at the expense of its workers and certainly of DISK. The radicals on both ends of the political spectrum took the brunt of the blame for the social and economic problems preceding the coup, but it was the Left which suffered the most and the longest. During the coup, as before, the imbedded power of the state – represented by the military – dictated the terms of democratic society in Turkey and, in deciding how

the economy would be shaped, it responded to propositions favorable to business. Unlike previous coups, however, the resulting 1982 constitution and 1983 labor laws gave little concession to labor and took away much of what had been granted in earlier drafts. This was possible because the labor unions never broached far beyond the special interest group that their circumstances had led them to become, and looking back in this chapter, we can see that Turkey's unions remained reactionary in their postures leading to the coup and were only briefly (during the late 70's talks on the social contract) were able to cooperate on alternatives to the wage and benefit strikes they engaged in.

As we have seen, the global competition and neo-liberal hegemony that have marked the last few decades have placed a great deal of strain upon unions. At the same time, the immersion of the national economy into the global market, as well as the liberalizing and privatizing that has accompanied this, has had extremely negative effects on some unions' membership and very limited effects on others. The difference seems to stem from a combination of numerical realities and political traditions. To be an effective influence for the working classes in a global economy, a union needs a solid membership base, a relationship of trust and interdependence between the state and business classes in collective bargaining issues, and politically proactive agendas that provide alternatives to business and the state. Turkish unions failed on all these accounts.

. First of all, unions in Turkey were never very strong numerically – at its peak in the late 1970's, union density never exceeded 30 percent.[33] In more industrialized countries such as those of Northern Europe, union density was

[33] Between 1970 and 1979, union density rose from 16 percent to 27 percent (Nichols and Sugur 2004:151). Although this is a significant gain, it still places Turkish union density much lower than the EU average (39.7) and more significantly than that of other European states where unionism has been more resistant to economic changes (such as Sweden [78]and Italy [49.6]). (Visser 2006:45)

commonly above 60 percent at that time. Although Turkish unions dominated the SEEs and large private factories, smaller companies were neglected despite their sizable presence in the economy. Because of this, unionized workers became a privileged but limited group within a class. Without the large reserve of non-union employees left unorganized by the Turkish unions, employers might have been more hesitant to face the costs of breaking the unions, even with the support of the military. Also crucial is that collective bargaining coverage was in practice limited to the unionized industrial worker. There were no attempts to expand coverage outside of the limited industrial or SEE spheres or to create and nurture linkages between peasants and workers (Benin 2001: 66).

Organized labor's already limited numerical strength was further undermined by the internal divisions within unions, which meant that unified strike action was less likely and general work stoppages difficult to obtain across the ideological spectrum of the union members and leadership (both were also illegal). Divided between nationalistic, government-appointed leadership (much of Turk-Is and the fascist MISK) and radically leftist politics (DISK), with little real internal democracy in any of the groups, dialogue between workers was severely hampered. These divisions damaged the attempts to unite the unions at the bargaining table, to build the capacity for social dialogue and to develop the tripartite relationships that have marked the more resilient unions.

High levels of conflict between the workers and industrialists, although potentially indicative of a healthy degree of class consciousness, seem to have been an indicator of deeper problems within the unions instead. Turk-Is was founded by a pro-business party in order to facilitate the growth of skilled labor, rather than as an extension of class interests. Even after the appearance of DISK, there was no strong

tradition of labor-friendly politics in government, nor did any strong, steady political power base for these unions emerge. The constraints on Turk-Is's political involvement in the 60's seems to have limited the scope of unionism in DISK as well, as both confederations were concentrated on short-term, bread and butter issues and seldom fought for more meaningful political changes such as regulations governing working conditions, shop floor representation, control of labor processes or the bargaining structure. The success of the unions therefore focused on winning wages; this narrowed agenda limited the possibilities for wage restraint inherent in tripartite cooperation and centralized bargaining. Because of this, the business classes had little to lose but much to gain in the demise of unionism.

Another crucial element of the almost exclusive focus on wage and benefit gains by the unions is the end-game, profit/loss mentality it created both in the unions and employers at the bargaining table. Chapter 1 has indicated that a trusting relationship between government, business and labor allows the three to move into the global economy with less domestic turmoil and relatively few concessions from organized labor. No such harmony could be found in the Turkish brand of corporatism. Instead, what emerged was a society which was being torn apart by street battles between the Left and Right, where the government seemed completely impotent to affect lasting change, and in which employers struggled with strikes conducted by unions who continued to demand increased wages – a tripartite "social dialogue" that took a long-term approach to the economy seems all but impossible in this context. In the 1970's, bi-lateral, rent-seeking relations between the state and labor and the state and business developed at the expense of relations between all three parties, and the disharmony this created meant that even these became inevitably poisoned. Noting the negative developments in Turkish labor relations at

the time, Barkey (1990) writes: "As political parties and private sector organizations became progressively embroiled in each other's affairs, their dialogue was increasingly characterized by acrimony and mutual suspicion" (149). Legally and internally limited by what their action could accomplish, unions never developed the capacity to work politically or move beyond an end-game mentality in bargaining as other unions had (i.e. Sweden and Brazil [see Thelen 2001 and Keck 1992 respectively]). The one notable attempt at forging a social contract (which would have placed agreed upon wage constraints on the bargaining process), failed when the government was ousted. It is admittedly unlikely to have made much difference so late into the crisis, but it does demonstrate that social conflict was beginning to move the parties involved to seek resolution.

In the end, resolution for the crises Turkey faced in 1970 was found through the 1980 coup, in which the state apparently chose to address both the IMF and the interests of the business classes as the way out of economic crisis, while silencing any opposition from labor groups through a series of punitive measures. In doing so, the state tacitly admitted its failure to avoid class struggle, contrary to what Ecevit had optimistically proclaimed almost 20 years before. In reality, the distorted growth of the labor movement saw labor rights which came through the magnanimity of a pro-business government rather than the strength of a mature working-class political faction. These "granted" rights did not need the formation of worker solidarity or a shared history of struggle for the Turkish worker qua worker. In essence, the nascent working class enjoyed its heyday before either it or the economy had matured enough to incorporate and shape its demands effectively. It is no wonder that some DISK members see the 1960 coup as a mixed blessing; as one noted: "Without the

(1960 coup) we might not have experienced the political richness of the 1960s, but we might not have had to endure the poverty of the 1980s either."(Kara 1984:22)

Though it is not the purpose of this thesis to forge such counterfactual questions, it is tempting to ask whether a more de facto democratic union base, in cooperation with a functioning representative government, would have been able to smoothly manage a transition from ISI to export-led growth. As it happened, the dramatic shift in the economy overseen by the military coup weakened labor greatly and left changes in the legislation that would hamper labor's efforts to rebuild and reorganize in the new reality of a neo-liberal economy intent on keeping the costs of labor at a minimum. This economic shift would also provide Turkey's labor movement with new opportunities and growing international support, as the next chapter will show, but workers continue to be haunted by what their unions did and did not accomplish before the 1980 coup.

CHAPTER IV

TURKISH UNIONS AFTER THE COUP: THE DALLIANCE OF THE LOCAL AND GLOBAL

This chapter seeks to build upon the work of the previous two chapters by establishing how the experiences of global capitalism as a trend relate to the case of Turkey. In doing so, it proposes to answer the question that has been implicated throughout this thesis – how has government policy merged with changing economic conditions to influence the course of organized labor in Turkey? Events in the late 1980's and early 1990's indicated that labor was, despite the reversal of fortunes it suffered in 1980, about to reform and recover into something even larger and more significant than it had previously been. This did not occur; in the mid to late 90's organized labor instead lost the momentum of its mass action as workers' success in struggling for increased wages was muted by retaliatory layoffs and the continued marginalization of union voices concerning the future of SEEs and privatization. The reasons for this are discussed in this chapter, and the linkages to the progress of global capitalism and globalized production, as determined in the first chapter, are explored through Turkey's experience.

The consequences of global capitalism, like Turkey's adoption of the process, have been mixed within Turkey, although the general trends have been unfavorable to the worker. This was implied from the onset, as the initial opening of the economy coincided with a dramatic government intervention against the power of the labor unions, in which the ability of labor to demand its rights and act to protect them was greatly reduced. Consequently, the years immediately following were marked

by a dramatic decline in the actions of organized labor and a continual fall in real wages. The previous chapter briefly covered some of the anti-organization laws established in the 1982 constitution and the 1983 labor laws; these and their consequences will be further discussed below. Despite their blatant severity, or perhaps because of this, the passivity of labor could not be maintained by the strict new legislation that followed the direct repression of the coup. Meanwhile, structural conditions became increasingly unfavorable to the unions and were exacerbated by the state's exclusion of labor unions' from its choices. This meant that industrial growth was encouraged through measures which insured low wages and increased inequality in Turkey.

Evidence suggests many workers would choose to unionize if given the opportunity. Surveys conducted on workers have found that the overwhelming majority of workers see an advantage to being unionized (see appendix N). In addition, a large portion (42%) of workers believed that collective action would be the most effective way of securing a better life (although a significant portion (35%) preferred individual action, perhaps indicating that unionism, at least in its present form, was not an appealing option to them) (appendix O). Yet, collective bargaining coverage has been declining steadily since the early 1990's.[34] It should be made clear that Turkish labor has never been entirely passive against the threat of lost wages and benefits; over recent years, numerous strikes have occurred (see ICFTU 1998; 2004a; 2006a) and have met with limited success, securing workers severance

[34] Çelik and Lordoğlu (2006) note: "There is a serious confusion on the union density and trade union membership statistics in Turkey. The information available on the membership of workers' and public employees' organizations is fragmented and generally contradictory. There are very different figures relating to union density, union membership and the total number of employees which have the right to organise according to internationally recognized ILO conventions. The lack of standard international statistical guidelines on trade union membership leads to serious problems. Turkish union density figures are not comparable across countries and they have not been acknowledged by the ILO." Therefore, the number of workers covered by collective bargaining is used as a more accurate segregate for union density (see appendix L).

pay and occasionally gaining the reinstatement of the workers. However, the large scale strikes and spontaneous grassroots activity of the early 1990's that seemed to demonstrate a new life for union action currently show no signs of reoccurring. A desire for more unionization has been shown to exist amongst workers, yet there has been limited legal change in the unions' favor and losses in membership. At a political level, a neo-liberal economic agenda has been continued and more than a decade after the MP's ousting from power privatization has greatly increased, in spite of the vehement efforts of several unions.

In order to understand the political and economic outcomes for organized labor during this period, it is necessary to place the growing unrest and resulting strike action of labor unions and the eventual, limited victories achieved, in the context of Turkey's new climate of industrial relations and more broadly in the global trends of labor practices; this is what is attempted below. First, this chapter will attempt to distinguish the most distinct structural and institutional factors and their effects. It will follow this with a look at how they have combined and blended into political outcomes. Finally, this chapter will take a look at what political opportunities exist for Turkey's unions at the transnational scale.

After 1980: Structural and ideological changes

Turgut Ozal, as leader of the Motherland Party (MP) and prime minister of Turkey for most of the 80's, oversaw an incredible shift in the direction of the economy. The economy was opened and a series of Structural Adjustment Loan (SAL) programs devised by the IMF and World Bank were implemented. These programs developed several key goals for the Turkish economy: (1) the international competitiveness of the economy would be enhanced through a flexible exchange rate

policy; (2) the efficiency and competitiveness of the SEEs would be improved through the removal of price controls and government subsidies; (3) a tight monetary policy would control inflation; (4) exports would be encouraged and import duties on imported materials used in export manufacturing abolished; (5) trade, external payment procedures and the capital market would all be liberalized to encourage transnational investments, especially Foreign Direct Investment (FDI) (Shaker 1995:47). The results of the open-market policies are apparent in the shift in the nature of the economy indicated by jump in of the percentage of trade in GDP, followed by the Turkish economy's coming into line with the trends of the OECD, clearly showing a new degree of integration into the world market (see appendix C).

In order to achieve the economic goals set, a committee of technocrats was setup to implement the policies without "political interference." They were charged with expediting liberalization and privatization in particular, and did produce some initial macroeconomic success. The GDP had declined in 1979 and 1980, but from 1981-1987 the GDP grew at an average of around five percent (OECD 2006). Export growth showed remarkable gains – between 1980 and 1987 the average annual rate of growth in total exports was over twenty percent (Senses 1993). The success of the export market was due in no small part to the incentives offered by the government for export-industries, including tax rebates, preferential export credit and import permits for specific products (Senses 1993).

These changes resulted in an environment of high inflation and increasingly unequal income distribution (see appendix F and H, respectively) (Shaker 1995). The reasons for these problems are linked to the inherent characteristics of the economic program Turkey adopted. Scholars have observed that the economic transformation undertaken entitled two tacit adjustments detrimental to workers.

First, the creation of an exportable surplus and the related suppression of domestic demand through a reduction of domestic wages (Senses 1993:108) was accompanied by financial changes that increased inflation to correct the price distortions of the previous economy. These actions meant that between 1980-6, real wages declined by 17 percent (Berik and Bilginsoy 1996: 51), while value-added in manufacturing grew by about 6 percent over the same period (see appendix G). The implications of this become more significant when we consider that inequality, when measured by Gini coefficient, increased from its already high level of 43.5 in the mid 1980's to 49.1 in the mid-1990's over the same period, concentrating any increased wages in fewer hands (see appendix H). The full extent of this trend was disguised from the workers, as much of the reduction in worker's wages was accomplished through attrition induced by inflation rather than wage cuts. Conspiring with these real wage losses, unemployment also rose sharply, reaching around 20 percent in the mid-80's, before falling back to the low teens (estimates for the period vary from a peak of 25% and low of 10% [Benin 2001: 168] to a high of 18.2% and a low around 15% [Senses 1993: 104]).[35] Thus, a crushing pair of economic factors helped assure the increased "competitiveness" of the Turkish worker. The combination of the two allowed employers to pay lower wages without actually cutting salaries (inflationary pressures acting for them) while maintaining a firm grip over the workers through a threat of layoffs reinforced by a large labor surplus.

[35] Unemployment's growth was the result of numerous factors. Increased competitiveness meant that excess labor was shed and surplus value extraction amongst the working population was increased through intensified work and greater capacity utilization . Because these factories had been previously underutilized, very little new employment was created, even though the economy was growing at around 8% annually (Balkir 1993:163). Other factors included the increased rural-urban migration spurred by the conflict in Southeastern Turkey and the government's reduction of agricultural subsidies.

The Adverse Effects of Subcontracting

In addition to the rise in unemployment and increases in inequality seen in the years following the coup, the penetration of new management techniques such as TQM and especially its "flexible" production methods grew steadily in the second half of the 1980's and especially the 1990's. Part of this is attributable to the Turkish economy deepening its ties to the global market: economic indicators show the Turkish economy has been increasingly exposed to transnational capital in terms of the number of manufacturing workers directly under the control of foreign management, which grew from three percent to seven percent of the workforce, and the amount of FDI inflows, especially near the end of the decade (see appendix I and J). Management and production techniques seem to have penetrated even quicker, acting as a vanguard for transnational capital (Yildirim 1999). However, although "softer" techniques such as TQM have been applied to unionized workers and larger, more automated production facilities in Turkey (Yucesan-Ozdemir 2003b; Yildirim 1999), it is likely that the largest portion of cost-cutting has not been through capital investment or employee development but the reduced cost of contracted and temporary labor, which has quickly been adapted to the informality ingrained in Turkish labor market (See below).

Starting in the 1980's, subcontracting has become a fixture of the Turkish economy, to the detriment of union organizing for the same reasons as on the global scale discussed in chapter 2, but also for reasons attributable to Turkey's own labor market. The advantages of "outsourcing" or subcontracting work to smaller companies are claimed to be an increased specialization; in Turkey, they are in practice a cost-cutting tool used by larger companies to reduce their labor costs and

prevent the unionization of their workforce.[36] Subcontracting in Turkey has, like the economy, developed from a combination of globally popular business trends and domestic legal and economic conditions. On the global scale, sub-contracting with international firms has fueled the growth of small-medium sized firms that rely upon cheap, non-unionized labor to provide the contracting firms with low cost products. Domestically, legal restraints preventing the implementation of subcontracting were removed by the post-coup labor legislation and the practice between Turkish firms grew quickly. A survey taken in five Turkish cities showed that more than half of the small to medium-sized businesses opened since 1980 had these arrangements (see footnote in Aydin 2002: 264).

Part of the reason for this has been the inherent characteristics of Turkey as a "semi-industrial" (Onis 1998) economy which retains a large number of small enterprises, especially in the poorer regions of the country. With the importance of flexible production growing in the global economy, the accompanying fragmentation of labor into low-skilled peripheral industry has matched well with the structural conditions in Turkey. Large growth in temporary work has been seen in Western countries, but this has been outpaced by the Turkish labor market.[37] The quick growth and current prevalence of the practice can therefore be attributed at least in part to the country's structural compatibility to the practice, carried over as a result of ISI's incomplete implementation (See chapters 2 and 3).

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[36] For example, Ayran (2006) describes employers reasoning as such: "When we ask them why they subcontract, they say outsourcing, they say 'we should outsource because we are not specialized in security, for example, or technology on the computer. We [the company] are maybe sometimes planning to even outsource human resources (HR)', even a HR man, director, told me this in a meeting. They have many excuses to cover what they do…"

[37] For example, Yucesan-Ozdemir (2003b) notes that from 1985-1997, Britain and France saw the percentage of temporary workers in the national workforce rise from 5%-8% and 6%-13%, respectively. In the same period, the percentage increased from 5% to 14% in Turkey. Underreporting in Turkey may also make these figures significantly higher in actuality.

A Legacy of Turkey's Growth: The Informal Economy

In the third chapter the Turkish populace's rapid changeover from an overwhelmingly rural to an urban majority of was briefly discussed; the implications of this shift deserve a degree of explanation at this point as they are an integral part of the complications contemporary organized labor faces in Turkey. In the post-WWII era, Turkey has experienced a continuing process of rural to urban internal migration. Though this process has been accompanied by a degree of industrialization, the job creating capacities of these industries has been limited and many of the migrants who have recently moved to cities have found themselves pushed into the informal, marginalized sectors of the economy in order to secure an income.[38] The state's involvement and favorable attitude towards larger and capital-intensive businesses meant that informally produced basic and cheaper goods dominated the lower-end of the market but the increase in medium-sized businesses as a result of the liberalization of the economy in the 1950's meant a space for smaller companies to emerge. Therefore, before 1980 migrants in general tended to improve their situation and move into the formal economy over time, while their children and newer immigrants remained in the informal sector (Peker 1996).

As discussed above, the 1980's and the economic changes that were brought about in Turkey dramatically reduced the real wages of workers and deregulated labor markets. These reduced wages mean that more members of the family were forced to work while unemployment in the formal sector was on the rise. At the same time, new agricultural policies and conflict in the more rural southeast of the country created a large pool of migrants who were forced to leave their homes on

[38] For a more in depth look at this phenomenon see Peker (1996).

short notice, and thus often had little of the planning or support for their that those who migrated before relied upon (Peker 1996). This miasma of difficulties has created a larger group of people who are forced to exist far longer in the informal sector.

The Effect of Subcontracting on Workers and Worker Organization

Unions' response to the expanding informal sector has been, at best, very limited and organizing efforts have remained focused solely on the formal sector.[39] The practice of subcontracting from large main workplaces to numerous, often widely dispersed small-scale enterprises complicates the already difficult process of organizing workers both legally and logistically. Statistics for small and medium enterprises tend to be unreliable due to underreporting of wages and undeclared workers, but the unionization rates in 1993 were telling: enterprises with 10-24 workers were around 20% unionized, those with 250-499 employees 95%, and firms with more than 500 workers almost 100% (Dereli 2006:49). Most subcontractors are small companies with very few employees, even those which deal with very large primary industries. For example, Eder (1993) noted that even in the automotive sector, small scale employers (those with less than 10 people) had the majority of employees (548). This complicates the already difficult process of organizing workers:

> In the past all workers in the glass companies were regular, but nowadays both in factories and out of factories there are many outsourcing and subcontracted workers to work for the same companies. And we don't control, we don't recruit them because they are small companies, they are tricky companies. (Celik 2006)

[39] Addressing the informal sector is a nascent issue for the unions, despite its deep roots in the Turkish economy. Actions on the part of the unions have so far been limited to a handful of workshops and discussions between the leadership of business, labor and the state.

According to these unions it is technically illegal to use subcontracted labor in the main production process, where unions are concentrated. However, this often occurs and is difficult for unions to prevent. For them, the problem lies both in a lack of implementation of current laws and difficulties of addressing these illicit, but often subtle practices:

> The employer puts pressure on the worker to resign from union membership… not concretely, but by doing such things as promoting subcontractors to an upper level than the blue collar ones. This is an impossible thing. Also, they are not acting legally; this is an illegal act because in the main job main workers and subcontractors cannot work together. But they do this (Ayran 2006)

The problem is also the increased competition of working in a global market, especially for smaller companies that do not have the luxury of economies of scale or the budgets for large investments in production, and therefore rely upon low labor costs. Economists have noted the tendency of the global economy to develop a dual work force, especially in NICs (Bulutay 1995). While large companies are able to hire a core workforce with relatively good wages and benefits, because of the competitive pressures faced by the large number of small workplaces and the smaller profit margins they work for, smaller companies in Turkey that work with large producers generally pay salaries that are a fraction of those of larger main workshops and offer substandard working conditions. The workforce of these smaller companies tends to be more flexible as well, with temporary or unregistered (*de facto* temporary) workers[40] comprising a large portion of workers. Weak government regulation of these workplaces encourages these practices, while economic pressures make them a necessity (see ICFTU 2006a).

[40] Unregistered, or informal, workers create additional problems for unions, as they do not legally exist in a company and because of poor monitoring on the part of the authorities are easily fired from a company for unionizing. They have been estimated to be 30-40% of the workforce in Turkey (ICFTU 2004a). Considering the difficulties unions face organizing registered workers, the daunting task of organizing the unregistered sector seems to have discouraged at least some of the unions from even attempting. None of the union officials spoken with was able to offer any example of their union attempting to organize these workers.

This dispersion of jobs amongst numerous companies makes it more difficult and sometimes legally impossible to organize workers. The difficulty of organizing workers in small companies is well documented (i.e. Pontusson 1995); yet in Turkey there are additional legal constraints. One example of this has been the tacheron system, in which labor contractors find workers for a main employer who thus side-steps the necessity of granting a work contract to these workers. The workers are in effect legally disenfranchised from their rights at the main company and the state, as they receive no recognition as employees at the main firm and are *de facto* excluded from the social security program (Yucesan-Ozdemir 2003b). Other legal difficulties stem from labor laws which make it impossible to bargain collectively in shops with less than 10 workers, thereby preventing unions from organizing numerous smaller companies. This has led some companies to take advantage of the laws by legally dividing themselves to avoid being unionized. In at least one reported instance, a company divided itself into 28 small companies, each less than 10 employees, and thereby sidestepped any requirements for collective bargaining (Koc 1992:12). As only the status of the company and not the workers themselves changed, the company was in effect legally subcontracting to its own workforce to avoid unionizing.

With high unemployment and a large informal sector chronically affecting Turkey, it comes as no surprise that *the* major reason why workers do not unionize is that they fear being unemployed (See Appendix M). Legally, the workers have limited protection, a problem which is worsened by adverse economic conditions and poor implementation of the existing legislation. As high unemployment increases the value of any job, and the legislation to punish employers for anti-union practices is weak, employees are often justly frightened of any pro-union action on their part.

Union organizers have little to assuage their worries; even when organizing is legally possible, financial constraints can make organizing and protecting workers in smaller companies too costly for the unions:

> When you go to [small companies and subcontractors] to recruit some workers they ask you "when we are dismissed by our employers, will you protect us?", in terms of wages, in terms of other benefits. But generally we cannot afford this condition. (Celik 2005)

The large number of workers under small employers makes ignoring them harmful to unions' bargaining power with larger companies, which remain free to retreat to subcontracting to smaller unorganized partners. Unionizing these workers through a larger workplace where they might be brought in as contracted labor is illegal. This is doubly harmful to organization efforts as although contracted and temporary workers are excluded from unions, they can still be counted in the total number of workers required by the 50+1 clause (ICFTU 2004a). Developing strategies to make organizing more effective and minimize the risks to workers is a logical step; yet because of the poor state of current legal implementation, these strategies would have to be set within a wider political campaign that would work to reduce current legal imbalances favoring the employer.[41] Still, the lack of action on the part of unions towards informality in the labor market begs the question what do the unions themselves gain that the working class as a whole does not? No definite answer exists but employer-friendly nature of many unions (discussed later in this chapter) might provide clues to the direction of the answer.

[41] There has been a great deal of work addressing these issues on the international scale, where the unions hope to place their agenda in with the EU accession criteria (see below).

Institutional Continuity after 1980: The Legacy of the State-sponsored Unions

At this point it would be valuable to shift our focus away from the structural and economic changes in the labor market during after 1980 and focus on the reactions of the unions themselves, and how their relationships to the state and the business community have affected their efficacy in preserving or promoting organized labor power. This involves considering the legacies left by Turkey's ISI development, as discussed in the previous two chapters, as well as the countries more unique historical development of relationships between state, business, union and worker. Much of the severity of the challenges that face unions –unemployment, privatization and the restructuring of work and production – can be linked back to two more qualitative failings of the unions that have haunted them and the Turkish Left since 1960: a lack of strong leadership and a number of clashing interests in the working classes. Workers at times have been able to overcome their own union's demands for passivity to generate popular action, but these actions were ultimately isolated and unsustainable as they found no concrete political outlet. The feasibility of popular leadership for the working class originating in the Left has been further undermined by the lack of ideological consistency within labor's leadership, which can be seen in the allegiances of the workers themselves.[42] The lack of a consistent agenda, especially in the largest union, Turk-Is, can be attributed to the legacy of patrimonial state traditions in Turkey which have left a legacy of confederation presidents who have generally minimized the conflict with the state or adopted a centrist position in line with a centrist party.

[42] For example, a survey conducted by the DISK union Birlesik-Is, which is generally considered a Left-leaning union, showed that only a third (36%) of its members were likely to define themselves as a member of the working class. They were slightly more likely (38%) to define themselves by the company they worked for.

It is therefore significant that Turkish labor confederations and unions – weakened, dissolved or complacent with the 1980 coup – were either unwilling or unable to form any significant resistance to the major economic changes that sent real wages spiraling downward, and did not organize to establish a political counterweight to the government's ideological shift towards the global economic hegemony signaled by its adoption of IMF criteria and neo-liberal policy under Ozal's government. Reductions in wages were therefore able to occur through the calculated actions guided by IMF and World Bank recommendations and orchestrated by the government and local business leaders (i.e., see Senses 1993; Shaker 1995; Bugra 1994; Aydin 2005) through a series of legal changes meant to increase the competitiveness of Turkish labor in the world market.

Significantly, the official mouthpieces of the workers, the unions, were almost entirely excluded from the implementation of this process.[43] For the unionized worker especially, Turkey's new economic direction meant a tacit demotion within the national project. Previously, the worker had held a difficult but essentially dual place in the economy as both a worker and consumer. The economic shift to export-led growth, combined with the gradual removal of import tariffs, quotas and other trade mechanisms which had previously insulated the Turkish market and worker from competition now placed more Turkish workers in competition with the labor of other nations, both directly (for those workers in exporting companies) and indirectly (competing in domestic markets with a world standard of price/quality, etc.). Exports being favored, the Turkish worker's place as a consumer was sacrificed to that of producer of goods. Their wages were no longer seen as an integral part of the

[43] The general secretary of Turk-Is, who supported the coup, was brought on as the social security minister. This had little effect on the fortunes of the rank-and-file outside of reconfirming the divisions between their interests and that of their leadership, however (See below).

economy's growth, they became a burden for the employer to bear (a feeling which had already been more pervasive in the highly competitive private sector).

The Imminent Threat of Privatization

The anti-union mentality of the Ozal and most other post-1980 governments has weakened labor in what was its previous stronghold, the SEEs. For Turkish unions before 1980, perhaps the main benefit of state-owned companies was that as institutions supported by the state, they promised a degree of stability in the workforce that cannot easily be found in the private sector. Despite programs to modernize and streamline the SEE's in Turkey, most have still maintained this basic quality while in the hands of the state. Part of this continuity has been the result of the struggles of the workers and unions to slow the privatization process and turn public opinion against such action. Looking at the fortunes of Kristal-Is, which is Turk-Is union organized solely in the private sector, it is easy to see why some unions have struggled to retain the companies within the relatively protected hands of the state:

> Twenty years ago, in terms of glass production, there [was] no other producer in Turkey. I mean, glass imports were very limited. Domestic production has had 90-95% of the domestic market. But in the middle of the 90's Turkey opened the doors, because of customs [sic], because of the WTO. After that we faced many difficulties: from eastern and central European [producers]; from southern Asia; from China. Many low cost glass [producers] penetrated into the Turkish market. After that, glass prices decreased very rapidly… because of that we faced the migration of capital to Eastern Europe and Russia. For example, Sise -cam, our employers, went to Bulgaria, Romania and Russia to set up glass companies. Because in these countries wages are lower and social standards are also lower than Turkey and [Sise cam] preferred to set up there. (Celik 2006)

It is interesting to note that Sise Cam, the company that controls the majority of the glass industry in Turkey, is itself a Turkish company.[44] National ties have not saved the Turkish workers from the effects of liberalization and capital mobility in the private sector. It is not only the location of new factories that has changed however, as was pointed out earlier in this chapter, the reorganization of work in the global economy has meant both spatial and temporal shifts for Kristal-Is's workers.

The Ozal government's privatization schemes made reductions in size and increases in efficiency, chiefly through lower labor costs, a priority for SEE's, ostensibly in preparation for their divestiture from the state. While cost-saving measures were put in place in the mid-1980's, until recently privatization has been a slow process in Turkey (Shaker 1995; see appendix K). Between 1986 and 1998 only about one-sixth of the 60 billion (US dollars) worth of revenue expected had been sold (Cam 2002).

This could potentially be seen as a partial success for the unions, however the major factor in the delays has not been unions' dissent, but buyer disinterest in an economy prone to financial crises (Onis 1998). But the difficulties for the labor unions arose from the palatable shift in the government's attitude towards its formerly pampered industries. The Minister of State, Yusuf Bozkurt Ozal, tellingly commented in June 1988, "If we can get rid of the SEEs, we can also get rid of the labor unions. The objective of the state is to serve the public, not run companies. The present degenerate situation leaves us face to face with the labor unions" (cited in Koc 1992:10). The disposition of the state under the MP government was openly hostile to the idea of strong labor and SEEs, and portrayed them as a burden on the state. Ozal's government wanted to change the conception of the SEE from the ISI

[44] Şişe Cam is a subsidiary of Is Bankasi.

orientated socioeconomic objectives for developing the domestic market and providing public services (Shaker 1995:51). The government therefore introduced cost-cutting measures that included temporary, non-unionized contract workers becoming the dominant the new employees in the public sector, raising the number of contract workers from 20,000 to 500,000 in a little over a decade (Cam 2002). As a result, the number of union density amongst workers with social security in the public sector[45] fell from almost 100 percent in 1988 to 70 percent in 1994 and again to just under 60 in 1999 (Social Insurance Institute in Ankara, cited in Yucesan-Ozdemir 2003:193). Recent declines in the number of public enterprise workers covered by collective bargaining are shown in the table below:

Table 2: Collective Bargaining Coverage (Public and Private Sectors) 1985–2004

	Public	Private	Total
1985–1986	995.000	630.000	1.625.000
1989–1990	909.787	403.406	1.313.193
1995–1996	789.886	491.883	1.281.769
1999–2000	648.119	388.934	1.037.053
2003–2004	513..354	441.075	954.429

Source: State Institute of Statistics, Ankara, cited in Çelik and Lordoğlu (2006).

The workers' struggle to maintain the SEEs as they had once been, has forced them to battle against both new legislation and this new disposition of the state.

Unfortunately for the unions, the same process of downsizing and "streamlining" described above faces those unions who are organized in the SEE's in line for privatization. Petrol-Is, which organizes in the former SEE, TUPRAS, which privatized in late 2006 (postdating the quote below). The union was afraid that the company would face the same result as others:

[45] It should be noted here that public sector means work in the SEEs which can be unionized, as opposed to the civil servants, doctors and teachers which until 1997 could not form unions and continue to be unable to collectively bargain or strike.

> After privatization, all of the companies are trying to [be] smaller. All of the companies and all of the plants. So, they begin to lay off, collectively. For example, if there were 3000 workers in a plant before privatization, after privatization nearly 4/5 of the workers are laid off. … Of course production doesn't increase. But new technologies and they preserve a core worker circle; the others are subcontracted. (Bulut 2006)

Another large state-owned company that has been recently privatized is Tekel. It's practices up to this point have remained tied to supplying work to the communities it is established within, one of the original purposes it had as an SEE. That function is threatened by privatization:

> …when the Tekel monopoly is privatized, the private company will dismiss most of the workers… the problem is Tekel is an enterprise who employs the unemployed people in rural areas; it has such a social responsibility and social function. So this function will finish if a private company buys the monopoly. No more such a function… Only for promotions or advertisements they use social responsibility, [that's] something different. (Ayran 2006)

As mentioned earlier in this chapter, unions have been somewhat successful, in combination with Turkey's own economic instabilities, at slowing the process of privatization, but have failed to stop it completely. In an attempt to stop the state from selling off its industries, the unions have generally appealed to the public and its sense of nationalism;[46] however, as in the case of TUPRAS, these have ultimately failed to make significant headway against the government's international commitments to privatize. As recent years have indicated (see appendix K), the process of privatization has not been stopped, and has accelerated considerably in the last few years. Part of the reason for this has been outside the unions' control; economically, the stabilizing of the economy has made these industries much more attractive to both foreign and domestic investors. Yet perhaps the most crucial element has been the unions' lack of a viable alternative for the government, which has international commitments to a program of privatization as part of its IMF loan agreements. The unions' opposition to privatization often falls back on nationalist

[46] "Petrol-Is says all of the factories in the public sector, like energy, like petrochemicals are… related to the public interest. So [Petrol-Is says] to privatize is to violate the public interest." (Bulut 2006)

sentiments and nostalgia for the company, but such a negative campaign gives the government little practical incentive to modify their approach to privatizing. According to Bulut (2006):

> Including Petrol-Is and Kristal-Is, all of the Turkish unions are reactive. For example, we are privatizing. [Turk-Is] says "No! We are against it." Where is the alternative? They give no alternative, Petrol-Is too. So Petrol-Is tries to be proactive but [it isn't] yet.

This uncertainty over direction and the inability to contribute positively is indicative of the greater lack of a cohesive figure or party for the Left in Turkey since 1980.

The Strikes of 1989-1991: Turk-Is Reacts

In order to better understand the lack of a unifying, popular leadership within the unions it is necessary to review the key moments where organized labor has failed to expand the institutional role it filled under ISI. From the very start, Turk-Is's official reaction to the coup was initially accepting and even welcoming. The direct involvement of Turk-Is's leadership in the managing of the interim government (and in support of the military regime) in fact resulted in the confederation's suspension from the ICFTU (Nichols and Sugur 2006:152). Consequently, Turk-Is was never closed down; and while their main rival, DISK, was legally prevented from reopening for over 10 years, Turk-Is absorbed many of their members, who were stranded without the more radical confederation. Nichols and Sugur astutely observe that the purpose of the coup was to "weaken trade unionism in general but to confer an advantage to Turk-Is in organizing" (Nichols, et. al. 2006:12). This was not surprising, Turk-Is had always been the favored union of the government, maintaining the closest ties to parliamentarians while being the least outspoken on politics, in line with its roots in American-style unionism (see Isikli

2005) . The junta and interim government's support of Turk-Is had two implicit goals: through incorporating and allowing the expansion of Turk-Is they sought to make the coup less blatantly anti-union, while vis-à-vis Turk-Is's malleability as a top-down organization, they would be reinforcing passivity in the workers. Legally, Turk-Is's new dominance was insured through the introduction of the double threshold requiring a union to have both 10% of a sector's workforce and a majority of workers (50% plus one) in individual enterprises in order to obtain collective bargaining rights.

Despite the efforts of the coup's leadership, anti-labor legislation, rising unemployment and decreasing wages eventually began to worry the entirety of unionists, who had seen their Left wing representatives crumple under the initial attacks of the coup. The direct economic threats to the rank-and-file affected the Right wing and centrists along with more radical union members and widespread discomfort with the imposed changes forced union leadership to react. Talks of privatization in particular mobilized Turk-Is, whose rank-and-file members covered the political spectrum but whose leadership was mainly center-Right and initially welcoming to the coup. Any reduction in the importance and size of SEEs, which privatization implied, directly challenged Turk-Is, who garnered the majority of its membership and influence from these enterprises. In addition, the attempts to pacify the more radical workers by diluting them within Turk-Is instead resulted in the radicalization of the confederation's rank-and-file (Berik and Bilginsoy 1996:54-5). The confederation was put further in a corner by the government and the rhetoric of the MP's leadership, and within this context the opinions of the leadership shifted against the government and unions began to reengage in struggles to demonstrate their importance and appease the rank and file.

Starting in 1985, Turk-Is slowly began to mount a resistance to the Ozal government's policies and vocal anti-unionism. Quickly increasing from 1987, strike action reached an unprecedented crescendo between 1989 and 1991. The strikes of this period were notable for their length and the number of workers involved, and in these categories actually surpassed the strikes of the late 1970s (See appendix E). Included in this period were three lengthy and important strikes in the coal, paper and automotive industries. 11,000 paper workers from SEKA and 48,000 miners in Zonguldak went on strike in September 1988 and December 1990, respectively. Joining these two was a third and even larger strike, uniting a surprising spectrum of politically disparate unions, including the notoriously "yellow" and nationalistic Turk Metal union. The metal workers strike emanated from an inability to resolve bargaining positions between MESS (part of TISK) and Turk-Metal, Otomobil-Is, and Celik-Is in October 1990, leading to more than 135,000 workers and 280 workplaces going on strike. While these strikes were ongoing, Turk-Is finally responded by calling for a general strike on January 3, 1991. Despite its illegality, the general strike occurred much to the ire of the government, which promptly declared that the workers would be punished.

While not the largest of the three major strikes, the miners' strike of Zonguldak was exceptional in that it transcended the workers and became a community's struggle. Erol Kahveci wrote optimistically that the strike "marked the beginning of the strengthening of the Turkish workers' movement after ten years of military-backed governments" (the latter referring to the MP's ushering into power after the coup) (Kahveci 1996:197). The strike resulted from a number of economic difficulties striking the region. Pit closures, the threat of future closures in preparation for privatizing and most significantly, a decline in real wages that had

affected the workers while food prices had skyrocketed (Kahveci 1996:195). Angry at the government's inaction and the impotence of Turk-Is, about 70,000 of the workers, their wives and children marched and shouted for "bread, peace and democracy" in the city of Zonguldak on a daily basis. Local shopkeepers donated to the workers and occasionally joined their marches. The municipal government stopped charging the miners their water bills during the strike. In early January, when the workers' buses were blocked from entering Ankara, they declared a march to the capital which was only stopped by the intervention of the military.

While other strikes were more significant in terms of the number of workers they featured, the involvement of the community in the Zonguldak strike made it something closer to the ideal of a counterhegemonic social movement than a wage strike. The strike was, at least in the beginning, the result of rank-and-file action and grassroots organization. It began with the workers and their immediate union leadership, and continued despite the disapproval of the confederation leadership. The involvement of groups from various strata of society showed a concern for the working class of the region that transcended unionized labor and united the shop keepers and local leaders with the miners. Whole communities were actively involved in the strike, and participation in the struggle cut across gender and occupation. In this sense, it resembled a positive step towards the cross-cutting alliances that had allowed unions to become a social force in other developing economies such as Brazil and South Africa (Eder 2000; Keck 1992; Waterman 2004).

The exceptional amount of community involvement perhaps reflected the importance of the miners and other SEE employees to the community. The community had much to lose, in that a large portion of its population was connected

to the state-run steel or coal industries (Dincer et. al. 2005). The shopkeepers would lose their customers and the municipality its revenues without these workers and their jobs. Still, that the community could see these linkages and respond to them in a concrete and unified manner shows the capability of unions to transcend their narrow band and draw support from various sections of the community. This underscores the potential unions have as a catalyst to unify disparate groups for social change, especially against economic inequality. Unfortunately, this fertile ground for change continues to lay fallow; the example of Zonguldak has remained exceptional and in the decade and a half since transnational capital, its neo-liberal agenda and flexible production practices have penetrated deeper into the Turkish economy.

Labor Waning – Explaining contemporary labor declines

Despite the resistance of the government and employers, these major strikes were ultimately successful in securing better wages for the workers, but for the rank-and-file the scope of the victory was limited. In chapter 2, the limited, wage-centric focus of unions in ISI countries was examined and in chapter 3, the history of Turkey's labor relations made it clear that wages, rather than political action for the workers, were the favored goal of Turkey's unions. The limitations of this approach become clear in this section. This is true despite the fact that there was some success in securing wages: the metal workers were able to win their demands and their wages and benefits were dramatically increased. (130% increase first year, 65% increase next year) (Eder 1993: 538). Similarly, the mine workers received an offer that was more than twice what they were initially offered (though this amount was only about half what that had asked for) (Kahveci 1996:199). In addition to monetary gains, the

mines were not privatized, though this had much to do with a lack of interest in their low quality coal and lack of profitability (Dincer, et. al. 2005).

Ironically, perhaps the most crushing blow to future organizing was that unions by and large *were* successful at bringing the employers and the state to the bargaining table. Through their strikes, the unions won some gains in wages but their inability to change the political and legal challenges that the constitution had created made them vulnerable to the employers afterwards. Moreover, the momentum of the major strikes and of labor as a proactive force could not be maintained with an only grudgingly involved Turk-Is leadership and an emotionally and financially drained community of workers. Labor as a social force could not, for the reasons stated above, consolidate itself purely through gains in wages, nor was it able to generate any lasting political effects that would alleviate the legal restrictions organized labor faced. Part of the responsibility for this can be put on the legislation which barred unions from political action; though unions seemed willing enough to challenge other legislation, they were unable to alter the law or receive any amnesty from the government after they broke it (in this instance, concerning general strikes). Long-term goals and legislative changes were bypassed for the short-term wage gains and bonuses that would appease the militant workers – a failure that was in part grounded in the pragmatic limitation that Turk-Is and its affiliates never demonstrated a capacity to campaign for more than that – and so the massive organizational efforts of the early 1990s resulted in fleeting victories for the workers.

Thus following the large scale strikes in the early 1990s, the MP lost popular support, but a divided left allowed the True Path Party (TPP) to take the majority of parliament. Despite this loss, the TPP had taken votes from the MP by co-opting some of the principles of the Left through expressing a concern over income

distribution and the poor, especially in rural areas (Onis 1998:335). However, the failure to develop a consistent platform or secure political gains on the divided and contentious Left[47] combined with a lack of strong political links between unions and any party meant that any gains the unions could achieve would be limited. Although the TPP and DLP managed a brief alliance which provided some legislative results for unions, no agreement could be reached on critical job security legislation (Genis 2002). The failure of either party to achieve acceptable results in the political sphere drew union votes towards alternatives, notably the political Islam of the Welfare Party (WP).

Political Islam and Workers

Some scholars have argued that the rise of political Islam and the trends of global capitalism can be seen as a failure of the Left, and by extension of unions, to develop a unifying voice of leadership (Onis 1998 *esp*.329-343; Berik and Bilginsoy 1996). Aydin (2005), drawing from the works of Ayse Bugra and Erol Keyman, argues that in Turkey the leadership role unfulfilled by the incompetent politics of the Left in the late 1980's and early 1990's has been filled by the rise of political Islam.

Developing the work of his predecessors, Aydin's (2005) argument links the economic and political developments of the 1980's and 90's; he contends that the "Deregulation of production and the relations between capital, labor and the state have undermined the basis of class identity and replaced it with other identities based

[47] In the 1989 municipal elections, the Left promisingly captured numerous key municipalities. Their fortunes turned in the general elections two years later, when the deep divisions between and within the Social Democratic People's Party and the Democratic Left Party (DSP)cost the Left votes in the urban areas that had been their base of support (Önis 1998:335).

on religion, culture and ethnicity" (214). Globalization, in the form of post-Fordist production practices and the retreating of the state from direct economic intervention, has been accompanied by a rise in individualist, liberal values. In Turkey, the response to these two trends has been the development of networks of reciprocity and trust based on shared Islamic values. In addition, the increased tolerance of religion in politics has allowed Islamic organizations to flourish, while the growing importance of small and medium businesses located in religiously conservative cities has invigorated these groups with capital.

Parallel to this process are the political and organizational failures of the Left. In the wake of the growing inequality resulting from the neo-liberal development program, Turkey's major Left Wing parties, such as the Democratic Left Party (DLP)[48], did not make any serious efforts to formulate a redistributive program which might have attracted discontented workers (See Onis 1998:334-5). This allowed the leaders of the WP to effectively assume the redistributive platform of the Left, repackaged as a class neutral call for a "Just Society" (Aydin 2005:211). At the same time, the party was able to promise an Islam-based platform friendly to the rural and conservative business-elites. After the closing of the WP in 1997, Left wing parties in the late 1990's again failed to establish a plausible alternative program or to reestablish links with trade unions, despite the unions' successfully campaigning to legalize such action.[49]

For the reasons developed in chapter 3, class identity was never firmly established in Turkey even before the coup, and the failure of any Left wing party to seize upon the angst of the early 90's seems to have resulted in the further diffusion of class into religious identity qua political Islam. This can be seen in the voting

[48] See Kiniklioglu (2002) for a look at the leadership and political problems of the DLP.
[49] The law forbidding unions to engage in political activities or establish links with political parties was abolished in 1997 through act 4277 (ICFTU 1998).

patterns of traditionally blue collar areas, which shifted to the favor of the WP (and later its successor, the Justice and Development Party [JDP]) during the 90's (Berik and Bilginsoy 1996). In regions and businesses supporting Political Islam, the growing importance of Hak-Is, a confederation of unions founded with Islamic ideals and historically linked to the ruling JDP, has been a testament to the fusion of religion and economics. However, the sustainability of blending class and religion has yet to be seen, as the conflicting approaches to social integration of Hak-Is and its counterpart for employers. MUSIAD, has shown (Bugra 2002).

The strong ideological ties within MUSIAD and its constituent companies (see Bugra 1998 and 2002; Keyman and Koyuncu 2005) have meant that the resistance organized by small and medium scale employers has often been effective in blocking the organizing efforts of the unions. The fickle and often extralegal nature of small enterprises in Turkey has also prepared these groups for collective action. The subcontracting boom in particular has relied upon the informal and often primordial networks of trust and reciprocity present between these companies, including kinship ties and quasi-religious organizations such as MUSIAD (Aydin 213, also see below). Unions, especially those which have implicit connections to these networks of trust, may possibly be seen as disruptive to these established practices. This has resulted in some extraordinary measures being taken by employers to "bust" unionization drives. Ayran recounts one such instance when Tekgida-Is attempted to organize a small enterprise near Izmir:

> I have experience that the solidarity among the employers is more [than amongst unions]. For example, we had a strike recently in Izmir, in Karmez. The number of workers wasn't very much, only 15 or 20. Not too much, but the employer resisted and rejected the unionization. We got everything – the recognition, the competency – it was only signing the collective bargaining agreement but the employer didn't come to that dais – you know the parties are invited to the signing and if one party does not come to that signing there is a time to wait more and then you can go on strike. In the law you have 60 days… So we announced the strike and we went through with the strike and it was more than 100 days it continued. But we have learned that the employers around that company also objected to unionization

> because they knew that if we got that company the other workers would be affected and we will threaten all the other employers. So the employers solidarity there was more and because of that we failed. The employer then dismissed most of the workers and we lost that enterprise because of the solidarity of employers. (Ayran 2006)

Employer solidarity was able to defeat the attempts of the unions. In this case, legal obstacles were overcome, but they contributed to the defeat of the unions' efforts by allowing the employers time to organize and resist unionization. Organizing workers is therefore complicated by the development of employer solidarity over worker disharmony, set against a greater lack of sufficient job security in the Turkish economy.

Political and ideological conflicts in the Unions

The shifting nature of the political affiliations of the workers should make it no surprise that within Turk-Is, ideological and political positions vary greatly between the sectoral unions. As a result, the confederation leaders of Turk-Is has maintained little control over its constituent unions and have been unable to stop internal conflicts. Structural and institutional factors both contribute to inter-union conflict. The historical development of Turkey's union's and the coup are partially to blame, while the economic reality of high unemployment makes gaining any new membership a costly struggle many unions are desperate to win. These struggles greatly weaken the voice of the worker in these unions, as they are continually forced to allocate resources to win new members both from employers *and* away from the rival unions. The increasing penetration of global capitalism and the subsequent reduction in union membership have only increased the tensions between the unions who collaborate with and win the favor of employers and those who must struggle to maintain their membership against employers and other unions.

The autocratic rule of many unions' presidents contributes to this by allowing leaders to follow their own interests rather than those common to the workers. This tendency can be seen in the top offices of several of the unions in Turk-Is whose presidents have had lengthy careers. These unions often have leaders who maintain a firm grip on their unions through collusion with employers, cronyism and regional ties (hemserilik). Typical of these unions, the presidents of Turk Metal and Saglik-Is both have been in power for over thirty years (Nichols and Sugur 2004:170). This was mentioned by Bulut (2006)in his interview:

> [Turk Metal] is not a trade union. There is a word in Turkish – Sanduka. Sendika is ours, Sanduka are the dead people in the cemetery. The president of Turk Metal [has been in office] nearly 25 years. I think 5 or 6 times our leadership has changed during this time.

The lengthy terms of these presidents strongly suggest a lack of functioning democracy within the unions. An overall lack of functioning democracy in such key issues as financial decisions was observed when union workers from a number of sectors were interviewed, although the results did show wide variation (see appendix P). As can be seen from the survey, the lack of worker input in financial decisions was particularly acute in the metal sector (where Turk Metal is heavily organized) reinforcing the findings of Nichols, et. al.(2006) and the observations of Bulut. This begs the question, why has democracy failed to form within them?

Nichols and Sugur describe the continued lack of democracy in these unions as the "reproduction of union autocracy". Their research leads back to the unions' origins but it is a process which is also, as the title of the paper suggests, continually reproduced in the here and now (Nichols, et. al. 2006). Looking at several different factories in the Izmit Triangle, these authors have found that the union was far removed from the actual employees of the plant, who often turned to management for the help and guidance the seldom seen union failed to provide. Workers

described the union as undemocratic, unappreciative, an "employer's union", and a "parasite" (Nichols et. al. 2006:9). Despite the obvious worker discontent, Turk Metal has remained the biggest union in the metal industry for over 25 years.

A major reason for Turk Metal's current dominance lies paradoxically in the catalyst for the present day union weaknesses, in that it resonates from the 1980 coup. By closing down other unions, especially DISK, the coup allowed Turk-Is members an advantageous position and Turk Metal is an example of this – its membership swelled from 60,000 in 1979 to 200,000 in '87. A large part of this growth came from its absorption of the members of DISK affiliate Maden-Is, which was closed down by the coup (Nichols et. al. 2006). The effects remain to today; Turk Metal presently has 240,000 declared members while the contemporary DISK union Birlesik Metal (formed through the merger of Maden-Is and Otomobil-Is), has only 56,000 (13). The double threshold established in 1983 has further strengthened Turk Metal's grip on the national scale, and made dual unionism legally impossible at individual workplaces. Any union which finds itself with a large majority of the workforce becomes very difficult to dislodge in the current legislative environment, and through the coup Turk Metal has achieved this position.

Turk Metal has also developed a reputation as a favorite of the employers; the union for those employers who do not want a union. This was evident from the comments of some of the interviewees:

> When we try to organize some workers somewhere, if the employer can not prevent it they invite some other unions (because they don't want DISK).
> You know Turk Metal is difficult. Turk Metal is a very right wing union. They always collaborate with the employers, and also in textiles we faced similar (problems). (Coban 2006)

> sometimes there is a trade union, Turk Metal, it is an ultra conservative union. We want to organize at a worksite, we make some preparations – then we see that they are organized there.
> They have some guys in the bureaucracy, they have some contacts. Through these contacts they solve this problem in unethical ways. So sometimes we have a major struggle against them. (Bulut 2006)

> some autocratic, some undemocratic trade unions have affected the trade union movement. They don't want to criticize the government; they don't want to struggle against the employers. They [only] want to protect their position. So, because of these autocratic trade unions nowadays we don't have a real effect on Turkish society or Turkish political life...in the metal industry there is a big, big and yellowish union.
> (Celik 2006)

The workers have resisted Turk Metal's place as a union, but there has been very little success in ousting the union from its position. Even with mass action at the enterprise level, the union has maintained its grip on the companies it has organized, many times with the help of the employers, who have fired those who protested Turk Metal's presence (ICFTU 2004b). It is this combination of the 1980 coup's legacy, pro-employer policies and de facto closed shop practices which have made Turk Metal difficult to dislodge and as a result sustained its autocratic leadership (see Nichols, et. al. 2006).

Turk Metal may be an extreme example of an employer-friendly and undemocratic union in Turk-Is, but the larger problem of inter-union rivalry indicated in the comments of the union officials and the repression of its own membership has been a widespread problem for the unions in Turkey with limited resources. Poor legal implementation on the part of the state is also to blame; although unions in a confederation are supposed to be limited to a single sector, the sectors themselves are arbitrarily defined and, as indicated by the comments above, not always applied. In between confederations, even this sectoral limitation does not prevent the unions from cannibalizing each other's members to reach the 10% threshold needed to bargain collectively.[50] Progress in removing these barriers has been hampered by the conflicting interests of the confederations. Turk-Is, whose unions gain the most from this law, has campaigned against DISK for the law to be

[50] The 50% threshold needed at the enterprise level represents another barrier to union cooperation, only one union can legally bargain for the workers at an enterprise, and this encourages competing unions to give concessions to the employer for this right.

maintained, though some of Turk-Is's member unions have gone against the confederation and sided with DISK.[51]

The rosy picture for Turkish organized labor in the 1990s ended with increased wages for a limited number of workers, as it is the reality of the legal and organizational shifts that were implemented in the 1980's that now took their toll on the unions. Soon after the new contracts resulting from the workers' struggles were signed, disgruntled employers began to more actively de-unionize their companies.[52] This is evident from the collective bargaining coverage: the number of workers covered drops by about 400,000 workers in between 1992 and 2000, while the percentage is almost halved (18.8%-10.1% [see appendix L]). The first device of the employers was to use the law, heavily skewed to their advantage, to sack workers who participated in the general strike of January 3 and to rehire non-union labor (Eder 1993: 551). The illegality of the general strike allowed the employers to do so with impunity. The second move was to increase subcontracting practices and bypass the need for additional union labor. In the years following the great strikes, employers have continued to shed their unionized workforces in favor of "streamlining" and "outsourcing", resulting in the reduction of labor costs through firing permanent employees and favoring more temporary contracts and subcontracted workers.

[51]For instance, Both Petrol-Is and Kristal-Is have campaigned to drop the threshold.
[52] The state as well – between 1990 and 1995, the number of workers in the Zonguldak mines decreased from 34,000 workers to less than 20,000, and currently stands at just over 14,000 (Kahveci 1993: 200; Dincer, etc. 2005).

Merging the Structural and the Institutional: Legal Hindrances to Organizing

The political failures of Turkey's unions provide a good example of the difficulty in separating the structural and institutional factors in practice. This is because the factors often feed off one another and create a synergy that exists as a whole rather than a sum of isolated causes. In Turkey, this is especially true of the relationship between the problems created by unemployment and "flexible production" and the cumbersome nature of the law is a legal minefield for unions and workers to navigate when recruiting or conducting a strike. The clumsy and numerous legal procedures and prerequisites for collective bargaining mean that employers[53] regularly challenge the competency of newly organized workers and find loopholes through which they can prevent the union's efforts. The legal process is problematic even before a worker is unionized; before the worker can join a union they must have their application notarized, a process which is costly and time consuming. This alone is a major deterrent to many workers, though it is relatively straightforward in comparison to the procedure of gaining the legal right to collectively bargain and conduct strikes at a workplace, referred to as competence. If the union wishes to organize at a workplace, they must notify the employer, gain their consent, and also apply to the ministry of labor. Although the latter process is legally limited to 15 days, it may in reality last up to 5 months (ICFTU 2004a). Worse still, when challenged by the employer, as it almost always is, gaining competence can take up to two years.

[53] Ayran acknowledges that some employers are much more receptive to unions than others, and do not legally challenge the claims to competency. But claims these examples are rare (at a conference for union organizers attended by the author (Istanbul, September 27, 2006), one union official stated that such examples were significantly less than 10%).

In the meantime, the employee is left with little real job security. It is illegal for the employer to fire employees for unionizing; but the effectiveness of this law is hampered by the fact that the employer is legally entitled to fire workers without notice or severance wages for the rather subjective reason of "acting in bad faith".[54] As a result, employees are regularly dismissed for unionizing and it has been estimated that in between 1992 and 28, some 80,000 workers were fired for joining a union (ICFTU 2003). The years since have seen the unions' efforts to organize or protect workers continue to face constant challenges by employers (ICFTU 2004a; 2006a). When workers decide to challenge an illegal firing, they once again face a lengthy legal battle. Yet, even when forced to pay compensation to their ex-employees the employers are not legally compelled to hire them back, and face only moderate pecuniary penalties (ICFTU 2006b).

When a strike is legally enacted, legislative procedures and restrictions continue to dilute the impact such action might have on a company. First, there is a three month period from the start of negotiations before a strike can be enacted. The employer must then be informed of the strike one week prior to its start, giving the employer time to react and adjust for the period. Provided that these are overcome, there is still a risk that during the strike, the government may arbitrarily invoke the national security[55] clause to stop it. This is what eventually stopped the strikes at Zonguldak in 1990-1, when the Gulf War was sited as the cause. Less plausible instances, such as when cola and glass factory strikes were ended, have shown the government's willingness to invoke this clause (See Margulies and Yildizoglu 1984

[54] This broad terminology is found in Labor Act 1475. Unions have tried to write better job security into the contract to protect their workers from subcontractors, but have, not surprisingly, found limited success (Koc 1992:32).
[55] This clause allows the state to stop any strike which may damage the national wealth or harm national security.

and ICFTU 2004a). Aziz Celik of Kristal-Is, describes his own unions difficulties with the law:

> In the last [four] years we went on three strikes… Because of job security, because of organizing problems and because of wage conflict. But, the government banned all of them on the grounds of national security. They think [that stopping the glass production] endangers the Turkish national security. It must be very fragile! (Celik 2006)

As it stands, the broad definition of "national security" in the law allows the government a great deal of legal leverage with which to affect the outcome of a strike in favor of the employer.

Further hindrance to organizing comes from subcontracted workers illegally doing jobs that are part of the main production process. Such practices were reported by several unions.[56] Here the problem is not the law, which states that the main production process must be handled by permanent workers, but rather the lack of legal implementation. In this way both the presence of the law and the lack of its implementation are hindering Turkish unions' organizing efforts. Unionized workers are always the first line of monitoring for illegal practices, and according to Celik, their complacency is partially to blame: "Union members want to protect their interests. They feel more comfortable if the existing unskilled [peripheral] workers secure their privileged positions, I think. I think, they feel lucky, they feel… selfish."

Unless they are fired or forced to resign from their unions, the core workforce, where the union members are concentrated, does not have its wages directly affected by subcontracting. The workers therefore have little direct incentive

[56] This problem came up during the Organizer's Forum in Turkey (attended by the author in Istanbul, September 27, 2006), which involved both Turkish and international unions. It was also mentioned in the interviews conducted for this thesis. Bulut's (2006) comments are representative of these discussions: "there's a problem, and the main problem is double wages [two-tiered wages]. Workers doing the same work receive different wages. For example, they are not subcontracted workers, for example they are engineers. All the engineers receive high wages, but new ones – engineers and not subcontracted, they are [regular] workers – receive lower wages."

to fight for their fellow workers wages, and class-consciousness is historically weak in Turkey (see chapter 3). As a result, a two-tiered wage structure is created which places the unionized worker in an advantageous position, perpetuating and eventually normalizing the situation.

International Relations: the Future or Dead End?

International organizations have always had an effect upon Turkish unions, but the importance of their involvement and intercessions on the unions' behalf since the 1980 coup has increased with the liberalizing of the economy and the search for answers to the challenges facing Turkey's unions. Since the inception of Turkey's unions, their constitutional rights have been heavily influenced by ILO standards and recommendations (See chapter 3). These standards are generated by the ILO according to norms established in industrialized countries with developed workers' rights, and are expressed through a number of conventions which countries voluntarily ratify. These standards played a crucial role in fomenting the 1961 constitution's liberal labor legislation and were again invoked when the ILO and ICFTU criticized the restrictions in the 1983 labor laws (Berik and Bilginsoy 1996:54). ILO and domestic pressures combined to influence the government's decision to remove a limited number of these restrictions in the late 80's and to establish numerous new conventions in the early 90's (Dereli 2006:46-7; Genis 2002:287). Still, the ILO's own influence remained limited by its weak enforcement of its standards and its inability to impose effective punishments on the states who fail to comply with the conventions they have signed.

Since the early 1990's, however, the ILO's opinions have gained new weight through the EU accession process, which potentially offers financial incentives and development schemes to members, as well as fewer trade restrictions to the potentially lucrative European markets. The opportunity to gain access to these markets, and the potential roadblock that infringements on labor rights may pose, have compelled the Turkish government to revise several of its labor laws. These include Acts No. 4277 in1997 (see above footnote), 4688 in 2000 (loosening of restrictions on public sector employees, who are now allowed to unionize but not collectively bargain), and the expected removal of the public notary fee for workers who join unions (ICFTU 2006b).[57]

In developing criteria for union and labor laws the EU has used ILO standards and opinions as a base for evaluating the state of workers' rights in Turkey. Tonguc Coban, the International Relations director of DISK, described the changing political terrain:

> ILO does not have any power, only says you must change your law, and our strategy was to bring the ILO criticism to the EU process.
> So from the beginning of the relations with the EU, we always supported the process but we put the problems in our labor relations and we sent many records to the commission, to the parliament – through the ETUC (European Trade Union Confederation) (Coban 2006)

The process is hampered by sluggish reform and implementation, and the pressure is indirect; however, according to Coban the EU accession process has forced the government to reexamine many contentious labor laws that it might have otherwise ignored when they were only a domestic issue. Coban was cautiously optimistic about the process:

[57] Numerous other legal changes can be attributed to the Turkish Government's desire to conform to ILO conventions and EU directives: Acts 4857 (2003) and 4773 have legally increased job security; the establishment of an employment organization (Iş-Kur) in 2003, and new sanctions on sexual harassment at work in 2004 (Dereli 2006: 48). Some have argued that the redirection of individual labor law under 4857 undermines the workers' strength and exposes them to still deeper forms of flexibility in the work contract through the law's neo-liberal conceptualization of the worker qua commodity and by placing the enforcement of his or her rights in the hands of the employer (Özdemir and Yucesan-Ozdemir 2006)..

> … in the end, after the EU process was started there are five fundamental criteria, which will look in the negotiation process and if there is a violation of that criteria we may suspend the process. One of those is trade union rights – it's a real gain for us. Because, until now, any EU convention has never mentioned that. They always considered the TU rights under the social chapter, but now they consider it under the fundamental criteria. (Coban 2006)

By lobbying the EU the labor unions have regained some influence on the decisions of their own government, in which their influence has been diluted during almost two decades of political detachment imposed on the unions by the 1980 coup.

The EU process is fragile and constantly changing, however, and because talks could still break down or criteria be renegotiated, it is too early to access the exact dimensions or the durability of labor reforms stemming from the accession process. Although the accession process remains precarious, as long as the government listens and enforces the recommendations made the by EU commission, it will remain an influential body in Turkey. Some major issues also remain to be addressed by the process; mainly the lack of a single standard for labor relations within the EU itself, and the follow-through process of implementation of newly established rights in Turkey.

In the long-run, the most potentially valuable piece of the EU process is qualitative: the establishment of a functioning social dialogue between various groups in Turkey. For unions, this would necessarily constitute open and equal discussions with the government and business leaders. The EU has earmarked funds for this and already begun a series of workshops and discussions on topics such as informal labor and unregistered workers (Birlesik Metal 2005). Yet the establishment of such a dialogue will have to overcome the legacy of mistrust established between these parties as a result of the 1980 coup and the consequent anti-labor stance in much of the government. Moreover, the process will have to build a foundation that was never firmly established even before 1980. The divisions

between labor unions themselves will be another issue that must be overcome, as divisions on policy issues and grudges carried over will slow and frustrate the process of securing legal changes, not to mention the much slower and more delicate process of building trust. Some indications of the past divisions have already reared up, as DISK has dropped out of the project early on, citing insincerity on the part of the employers[58], leaving the project without its key support of the Left wing confederation. If the EU is to succeed, it will have to overcome decades of conflictual relations.

Another face of international relations for Turkish unions has been the invigoration of their relationship with transnational unions, such as the ICFTU, and the unions of different countries. This trend has its roots in the mobility of capital (Herod 1995; Harrod and O'Brien 2000). Facing numerous obstacles domestically, some Turkish unions have developed international ties in order to pressure TNCs who resist unionizing. The first level of this cooperation is often involvement in international and regional unions, such as the ICFTU or ETUC, and their sectoral affiliates. The problem with these bodies is that, much like the ILO, they are relatively weak and unable to conduct direct action without the involvement of their members. Their function is mainly information exchange and coordination, which nonetheless can be invaluable to unions organizing in TNCs. At the transnational, union-union level, coordination can lead to direct solidarity actions but it also faces other challenges. Obstacles to transnational action might include the biases towards isolation and protectionism, or prejudices stemming from nationalism which have

[58] Coban (2006) explained DISK's decision: A few days ago, a new project was started by the EC, it's the project for the social dialogue. It's four million Euro, the aim is to improve the social dialogue in Turkey on all levels. This project will be conducted by some private company. But we declared we will not be part of that project because [the employers] are not sincere, they always promise to change but you are not doing anything for these legislations. Because… there is nothing to discuss anymore, the criticisms are there… the government promised until now. And the government cannot say to us: "you are social partners, first you must agree amongst yourselves and bring those decisions to us."

always plagued union cooperation. Unions from developed countries and less developed countries may also have histories of mistrust or current protectionist sentiments (Eder 2000; Jakobsen 2001). This is where international union confederations can assist and ease the communication and coordination between unions; however, this also requires a trusting relationship between the confederation and its affiliates.

Despite the obstacles, Turkish unions have had some success in establishing effective links at the transnational level; the most successful campaigns have involved direct union-union contact and solidarity actions. One example of this is Petrol-Is's campaign against a Norwegian based petrochemical company in the Black Sea region of Turkey, near Trabzon. In January, 2006, 50 unionized workers at the company were fired, then individually contacted and offered work if they resigned from the union. Petrol-Is brought this action to the attention of the union of International Chemical, Energy and Mineworkers (ICEM), which then relayed their problems to the parent company and the Norwegian union which organized it, which were able to pressure the Turkish branch into rehiring the workers (Bulut 2006; ICFTU 2006b).

This example illustrates how transnational action, through the increased levels of coordination and communication possible in the modern world, can be successful. Roberto Munck (2004) argues that the global cannot exist without the local; labor actions must be rooted in local "nodes" of actions, even when addressing a company or other operation that is multinational. The campaign to reinstate the Petrol-Is workers was able to use transnational ties which exploited the vulnerability of the company to union action in its original country, Norway. However, such actions rely on all the actors involved having sufficient organizing capacity. Each national union

must be able to conduct its part of the organizing process. In Norway, unions are highly involved with the management, large and well-organized. These factors made the union the ideal partner to put pressure on the parent company. Still, Petrol-Is would never have been able to utilize the pressure of the Norwegian unions if it had not had the initiative to organize in Turkey, to complain to the ICEM and to coordinate solidarity between its own members and those of the Norwegian members. Gun Bulut therefore echoes the ideas of Munck when he describes how the campaign was won:

> I think the most important point is the domestic dimension. The trade union movement in Turkey, in my personal view, should develop an internal capacity. What capacity? Strategic capacity, staff capacity, activist capacity. These capacities have to be, should be developed, internally. And external supports are secondary, of course they are vital at moments, but in general they are secondary. Otherwise a strong union movement will not be built. My second point, for example the workers in the northeastern part of Turkey would have been laid off if the Norwegian union and the ICEM hadn't intervened in the problem. But if the workers at the gates had left the gates, such support would be in vain – perhaps, maybe, probably. So, the internal dynamics are more than the external support. So, if your internal dynamics have begun to develop, to be built in, you can use this. (Bulut 2006)

Petrol-Is was fortunate to have the organizing capacity to conduct this campaign. The larger question is whether or not Petrol-Is is an exceptional case in Turkey. Other unions may not be so willing or able to conduct a struggle transnationally. Even though any internal resistance to working internationally and transnationally may break down through the EU process as it exposes more and more unions to working internationally and transnationally, their ability to translate any cross-border linkages into concrete action requires developing their domestic organizing capacities. These, as we have seen, remain deeply problematic.

Conclusions and Prospects

Despite the disastrous effects of the 1980 coup on organized labor, the formally government-friendly Turk-Is was able to stage the largest and most effective strikes in Turkey's history less than a decade after collective action was readmitted by the government. Yet these remarkable events have been followed by a decade of union decline in terms of numbers. The volkgeist which seized the workers in the late 1980's quieted in the second half of the 1990's. Meanwhile, the government has implemented a number of planned privatizations of its companies, despite union protest, and Left-wing political parties have been badly defeated in the recent elections.

The factors discussed in the first chapter – technology, hegemony, the shifting concept of the state, and production changes – have all made an appearance in the Turkish economy, but their roles have not been equivalent. If we were to adapt our chart from the second chapter for the fourth, the following would present us with a broad picture of global capitalisms effects on the Turkish economy:

Figure 3.1: Global Capitalism's Effects on Turkish Labor

PROCESS	***EFFECT ON UNIONS IN TURKEY***
Increased Technology	Limited introduction in some sectors compensated by increased use of lower cost peripheral workforce Direct impact of new technology in core companies, where workforce is reduced through increased automation and the introduction of multi-tasking to the workforce
Neo-liberal ideological pressure on state policy	Tacit agreements between labor, state and business break down or are less favorable to unions Collective bargaining process does not change scale, but is hampered by legal restrictions imposed by the state Efficiency sought through wage reductions in small companies, and increased technology in larger companies

Flexible Production	Workforce fragmented further than before through increased informalization Capital mobility increased through low skill level and informality of workforce in small companies / lack of legal restraints and declining unions in larger companies Irregular workforce's impact on unionism increased both by legislation promoting subcontracting and by the lack of implementation of existing laws
Privatization / deregulation of state monopolies	Growing impact on the public sector; delayed less by union resistance than lack of interest in investors SEEs adopt "efficiency" goals High, but decreasing percentage of workforce remains in the public sector but the number of workers unionized in the sector decreases

Technology has certainly played a part on the macroeconomic level of financial transactions and in some developed sectors of industry, especially at main facilities. However, it has been the reorganization of labor which has consolidated capitals' power to bypass the labor unions and exploit the large pool of surplus labor available in the economy.

In addition, the changing nature of the state has meant that employees have become separated from their consumer function, and both have been commodified through the state's retreat from its former labor protections (Ozdemir and Yucesan-Ozdemir 2006). The state's support of labor market flexibility through employer-friendly revisions and poor implementation of the still existing labor codes have had much to do with the difficulties unions face in organizing. Onerous processes and numerous legal loopholes allow many employers to circumvent unions. Legal changes in 1983 introduced subcontracting and allowed for the exploitation of the periphery labor force. Irregular forms of work, which have long been part of the Turkish economy but have grown more prevalent over the last decades, are a difficult challenge unions have mostly avoided addressing and have undermined organization efforts in smaller companies, which fight virulently against unionism, and larger

companies, which are able to disperse their employees amongst contractors and maintain a minimal core of unionized workers.

Informal work has also risen with the increased competition in the economy, and persistent unemployment. Although the informal economy was present before 1980, the increase in subcontracting and poor regulation has allowed the employers of unregistered workers new opportunities to interact directly with the formal economy. Moreover, multinational companies who seek cheap labor in Turkey turn to its numerous small and medium-sized enterprises because of their access to cheap labor. The willingness of the employers to turn to the cost-cutting implicit in the informalization of work stems largely from their desire to compete against cheaper markets available worldwide. As alluded to above, this global pressure to reduce wages can also reproduce itself at the domestic level, as many large domestic companies increasingly rely upon periphery labor and economies of scale to remain competitive.

For workers, their unions are often a mixed blessing. A unionized job is almost always better for the worker in terms of wages and benefits, but the problematic relationship between some unions and their workers has adversely affected workers' trust in these organizations. The lack of internal democracy in many unions is likely to be a significant factor in workers' discontent with their unions. Union-union conflicts, again a product of legal constraints, have also damaged the integrity of organized labor and weakened its power vis a vis capital.

International and transnational relations with other unions present some opportunity for improvement. There have been positive legal steps made for labor in the EU accession process. This process remains tenuous and unresolved, however, and any legal changes will require implementation and cooperation on the part of the

state and employers. Ultimately, what is necessary is for Turkish labor to take proactive steps to implementing policy change and securing political support through generating workable alternatives with other segments of civil society. Its membership base is shrinking and it lacks the support of a large political party, these weaknesses cannot be resolved solely at the EU's negotiating table, they must come from the unity and creativity of the workers themselves.

CHAPTER V

CONCLUSION

The effects of global capitalism on states across the globe have been shaped, created and recreated through their unavoidable interactions at the state level. The structural forces that global capitalism represents – transnational capital flows, increased trade, competition and economic interdependence – have effects that are, as Thelen (1994; 2001) has argued, deeply imbedded in the choices made by the state which in turn have been shaped by how their particular economic institutions have developed. With the onset of flexible, multi-scalar production in the global market this has led to a divergence rather than a convergence of labor union strength in states. For those states that have proactive labor forces built around a legitimized tripartite bargaining structure, the multi-skilling and fragile supply chains of the new production techniques have renewed unions' importance. In the majority of economies, however, unions' have been undermined by the "footloose" nature of capital and increased competition that globalized production produces between workers. Hegemonic pressure to have less restrictive markets or risk loosing the desired capital investments of TNCs, whether or not this was an imminent threat, has bred a "competitive" model that has resulted in the strategic retreat of the state from direct management of the public's welfare. In these economies unions have seen their power undermined by the state's tacit and overt support of business interests over those of the worker through privatization, reduced coordination of collective bargaining, increased flexibility in workers' contracts and reduced job security.

Global capitalism in Turkey, where the state has been redirected in line with this second group, has had a detrimental effect on labor's power and organizing capacity despite the lethargic pace of much of the transformation from ISI policies to neo-liberal capitalism. The 1980 coup's crackdown on unionists, especially on those of the Left, was followed by a multitude of changes to the labor law which hampered unions' abilities to strike and to organize. Decreasing agricultural subsidies, conflict in the East and a high amount of unused capacity made unemployment a chromic problem in the new economy. The structural effects of high unemployment and increased competitive pressures on the market combined with the neo-liberal, anti-labor stance of the post-coup government damaged any union efforts to establish a place in the new economy.

At the same time the changes taking place in production reduced and continue to reduce the need for and the scope of the large scale, highly centralized factory system of the Fordist work-regime. The flexible production techniques popularized in Turkey have made subcontracting, informal labor and competition with low-cost markets widespread problems for labor unions. Subcontracting, both locally and transnationally, has reduced factories' dependence on the regular worker, fractured the production process and dispersed the workforce. Flexibility – in numbers, in work types and in hours – has become desirable to employers, and the contracts enforced by unions are seen as a hindrance to all three. There can be little doubt that unions' inability to adjust to organizing against these new challenges has reduced union membership.

Contemporary problems for unions in Turkey, like those of their counterparts in other states, are rooted in the country's economic and political development. The labor movement in Turkey was created by the state and granted its rights, a reversal

of the order that has occurred in most of Western Europe, where workers struggled to form organizations and to win their rights through collective action, which was legitimized through popular mandate. The lack of a maturation period rooted in conflict with the state, and the imposed apolitical nature of the unions were initially insignificant to their growth. While the government was dedicated to a policy of industrial growth through ISI a symbiotic relationship of favoritism was allowed to grow between the workers in SEEs and the state who rewarded their support with ever-increasing wages. The independent DISK, which organized in the private sector, faced more difficult struggles but was able to grow in the private sector through the government's financial incentives to industrialists and commitment to domestic growth. When the bankrupt state was forced to redraw its path to economic growth, however, the undeveloped political capacities of the unions were ill-equipped to either provide or demand alternatives.

As was indicated above, unions have been marginalized in the current economic era because they have had limited influence on the decisions of the government they have never been properly incorporated into. The more resilient unions have been able to politically manifest their agendas at the state level. Turkish unions, with their limited roles in the government and "bread and butter" focus in their demands, never developed the political capacity of their more successful counterparts. Instead, they have remained internally divided by ideology, cronyism and mistrust. While business elites have at crucial times consolidated their strength and realized political objectives, labor has never been able to overcome its own barriers for any extended period. Unions in Turkey originated as an institution of the government – their existence and the majority of their rights have been the result of government decree – and they have never fully escaped this legacy.

Part of the reason for this stunted development is that competent leadership has been limited for Turkey's workers, and rarely popular or democratic enough to unify the workforce politically. The leadership has instead been tied to existing political connections or, in the case of the left, involved in self-defeating struggles for control. Labor has, as it did in the late 70's and early 90's, been able to disrupt and even change the government, but these are negative acts, and require more strength than direction. The potential labor had in these crucial moments was squandered by its lack of popular authority or sincerity towards issues beyond workers' short-term benefit. Unions have therefore never translated their workers' needs into a coherent agenda for the Left. Instead of viable social democratic alternatives, the hegemonic pressures of the neo-liberal agenda merged with those of political Islam. The latter's blend of promised social justice and religious traditions was attractive enough to pull the blue collar vote away from the parties representing the traditional Left. While labor was openly opposed to the moderately Islamic but openly pro-business MP, the WP and JDP have been able to strike a rhetorical balance that both the MP and the leaders of the Left failed to achieve. Currently, the internal problems of the confederations and the unions themselves, especially within Turk-Is, complicate any comprehensive agenda for the unions. Such an agenda will require leadership working in conjunction with these workers to produce coherent political results, though how this will be accomplished poses a question for further research.

While the increased mobility of capital worldwide has hampered unionization, a bright spot may be found in the new value placed on transnational union relations. Turkish unions have found some promising success in acting with their counterparts across borders, although these ties remain fragile and dependent

upon the adequate organizational strength of each union involved to succeed. Parallel to this, the EU accession process, through its social charter, promises to restore a degree of strength to labor and to aid tripartite social dialogue. However, given their tumultuous past relations, the sincerity of the government and business leaders towards integrating organized labor into a tripartite agreement is uncertain. Other domestic problems haunt the promises of international solidarity. The rank-and-file remain relatively detached from the processes and negotiations of the top leadership; theories on how to connect these groups must be explored and developed. Civil society and unions are weakly connected; how the success of such coalitions in other states might be reproduced in Turkey has yet to be resolved. There is now a certain urgency to these debates; labor's membership in Turkey has been declining for the past decade and a half and whether or not it can, with or without international involvement, develop a more equalitarian alternative to the neo-liberal agenda in the coming years hinges on its ability to reconcile with its past and move confidently into the future.

APPENDIX

Appendix A: Trade Union Membership in Selected Capitalist Countries

Table 2. Union membership in 24 countries and the European Union, adjusted data, 1970–2003, in thousands

Year	United States	Canada	Australia	New Zealand	Japan	Republic of Korea	European Union	Germany	France	Italy	United Kingdom	Ireland
1970	[1]18,088.6	2,211.0	[9]2,512.7	[14]529.0	11,605.0	473.3	33,939.5	6,965.6	3,458.0	4,736.2	10,068.3	381.7
1980	[2]17,717.4	[6]3,543.3	[10]2,567.6	714.0	12,369.0	948.1	43,663.6	8,153.6	3,282.0	7,189.0	11,652.3	490.7
1990	16,739.8	3,897.6	2,659.6	603.2	12,265.0	1,932.4	39,261.6	8,013.8	1,968.0	5,872.4	8,952.3	441.5
1991	16,568.4	—	–	514.3	12,397.0	1,886.9	43,093.0	11,969.4	1,935.0	5,913.3	8,626.5	441.1
1992	16,390.3	3,802.8	2,508.8	428.2	12,541.0	1,803.4	41,707.8	11,083.1	1,940.0	5,906.1	8,142.9	437.9
1993	16,598.1	3,768.0	2,376.9	409.1	12,663.0	1,734.6	40,084.7	10,264.9	1,870.0	5,661.0	7,831.3	428.6
1994	16,740.3	—	2,283.4	375.9	12,699.0	1,667.4	38,742.2	9,709.5	1,800.0	5,489.5	7,450.2	432.9
1995	16,359.6	—	2,251.8	362.2	12,614.0	1,659.0	37,558.4	9,334.8	1,780.0	5,341.2	6,791.0	453.4
1996	16,269.4	—	2,194.3	339.0	12,451.0	1,614.8	36,677.7	8,826.5	1,650.0	5,266.4	6,631.0	475.0
1997	16,109.9	3,517.0	2,110.3	327.8	12,285.0	1,598.6	36,286.9	8,538.0	1,650.0	5,142.3	6,643.0	472.6
1998	16,211.4	3,553.0	2,037.5	306.7	12,093.0	1,484.2	36,335.8	8,326.9	1,650.0	5,123.4	6,640.0	491.6
1999	16,476.7	3,595.0	1,878.2	302.4	11,825.0	1,401.9	36,620.4	8,218.3	1,720.0	5,276.8	6,622.0	—
2000	16,258.2	3,740.0	1,901.8	318.5	11,539.0	1,480.7	36,640.5	8,067.0	1,780.0	5,212.2	6,636.0	—
2001	16,288.8	3,831.3	1,902.7	329.9	11,212.0	1,527.0	36,361.9	7,601.8	1,800.0	5,332.6	6,558.0	512.3
2002	15,978.7	3,923.6	1,833.7	334.8	10,801.0	1,568.7	36,261.2	7,433.9	1,840.0	5,308.5	6,577.0	519.7
2003	15,776.0	4,036.5	1,866.7	—	10,531.0	1,606.0	—	7,120.0	1,830.0	5,327.7	6,524.0	515.7
1970–1980	[3]1,034.8	1,276.2	[9]54.9	[15]185.0	764.0	474.9	9,724.1	1,188.1	–176.0	2,452.8	1,584.0	109.0
1980–1990	[4]–977.6	[7]354.3	[10]92.0	–110.8	–104.0	984.3	–4,402.1	–139.8	–1,314.0	–1,316.6	–2,700.0	–49.2
1990–2003	–963.8	138.9	–792.9	[16]–268.4	–1,734.0	–326.4	[16]–3,003.3	–893.8	–138.0	–544.7	–2,428.3	74.4
1970–2003	[5]–1,940.4	[8]493.2	[11]–646.0	[17]–194.2	–1,074.0	1,132.7	[17]2,321.7	154.4	–1,628.0	591.5	–3,544.3	134.2
Percent change												
1970–1980	[3]5.4	57.7	[11]2.2	[15]35.0	6.6	100.3	28.7	17.1	–5.1	51.8	15.7	28.6
1980–1990	[4]–5.5	[7]10.0	[12]3.6	–15.5	–.8	103.8	–10.1	–1.7	–40.0	–18.3	–23.2	–10.0
1990–2003	–5.8	3.6	–29.8	[16]–44.5	–14.1	–16.9	[16]–7.6	–11.2	–7.0	–9.3	–27.1	16.9
1970–2003	[5]–11.3	[8]22.3	[13]–25.7	[17]–36.7	–9.3	239.3	[17]6.8	2.2	–47.1	12.5	–35.2	35.2

NOTES: [1]1973; [2]1983; [3]1973–1981; [4]1983–1990; [5]1983–2003; [6]1984; [7]1984–1990; [8]1984–2003; [9]1976; [10]1982; [11]1976–1982; [12]1982–1990; [13]1976–2003; [14]1971; [15]1971–1980; [16]1990–2002; [17]1970–2002.

Table 2. Continued—Union membership in 24 countries and the European Union, adjusted data, 1970–2003, in thousands

Year	Finland	Sweden	Norway	Denmark	Nether-lands	Belgium	Spain	Switzer-land	Austria	Hungary	Czech Republic	Slovak Republic	Poland
1970	828.4	2,325.2	683.2	1,107.7	1,429.9	1,230.6	—	759.8	1,355.4	—	—	—	—
1980	1,332.2	3,038.7	937.5	1,604.5	1,517.2	1,650.5	1,030.0	852.6	1,443.5	—	—	—	—
1990	1,526.8	3,259.9	1,033.7	1,755.5	1,347.8	1,645.6	1,193.4	820.2	1,374.6	3,000.0	3,820.0	1,920.0	[6]6,300.0
1991	1,510.2	3,198.0	1,022.5	1,762.7	1,381.1	1,657.8	1,424.1	821.0	1,364.5	—	—	—	—
1992	1,451.0	3,146.3	1,022.6	1,762.5	1,459.0	1,651.4	1,545.4	823.1	1,359.8	—	—	—	—
1993	1,396.1	2,965.4	1,023.5	1,757.4	1,502.0	1,649.1	1,613.9	807.2	1,343.2	—	2,680.0	—	—
1994	1,376.1	2,923.2	1,042.1	1,749.3	1,491.0	1,636.1	1,586.7	802.8	1,325.1	–	—	—	—
1995	1,419.7	2,943.1	1,061.2	1,784.6	1,536.0	1,680.7	1,517.5	789.5	1,310.5	1,860.0	2,000.0	1,150.0	3,420.0
1996	1,442.7	2,920.1	1,080.7	1,809.7	1,533.0	1,695.7	1,544.3	787.9	1,269.6	—	—	—	—
1997	1,461.6	2,875.7	1,103.7	1,814.0	1,578.0	1,715.6	1,582.9	769.7	1,237.6	—	—	—	—
1998	1,478.8	2,892.1	1,128.2	1,822.6	1,606.0	1,728.9	1,741.0	753.2	1,221.5	1,000.0	—	—	2,700.0
1999	1,499.5	2,931.6	1,121.3	1,799.3	1,661.0	1,745.2	1,852.0	731.1	1,209.3	—	—	—	—
2000	1,504.4	2,950.5	1,114.3	1,803.5	1,578.0	1,805.7	1,963.6	687.3	1,187.3	—	—	—	—
2001	1,529.0	2,976.9	1,103.6	1,780.9	1,571.0	—	2,040.6	642.6	1,165.2	650.0	1,075.2	700.0	1,500.0
2002	1,513.4	2,985.1	1,114.4	—	1,578.8	1,849.8	2,117.5	—	1,151.0	—	—	—	—
2003	1,495.0	2,984.2	1,108.7	1,710.5	1,575.2	—	2,196.8	—	—	—	—	—	—
Absolute change													
1970–1980	503.8	713.5	254.3	496.7	87.3	419.9	—	92.7	88.1	—	—	—	—
1980–1990	194.6	221.2	96.2	151.0	–169.4	–4.9	163.4	–32.4	–68.9	—	—	—	—
1990–2003	–31.8	–275.7	75.0	–45.0	227.4	[1]204.2	1,003.4	[4]–177.6	[1]–223.6	[7]–1,210.0	[7]–924.8	[7]–450.0	[7]–1,920.0
1970–2003	666.6	659.0	425.5	602.8	145.3	[2]619.2	[3]1,166.8	[5]–117.2	[2]– 204.4	—	—	—	—
Percent change													
1970–1980	60.8	30.7	37.2	44.8	6.1	34.1	—	12.2	6.5	—	—	—	—
1980–1990	14.6	7.3	10.3	9.4	–11.2	–.3	15.9	–3.8	–4.8	—	—	—	—
1990–2003	–2.1	–8.5	7.3	–2.6	16.9	[1]12.4	84.1	[4]–21.7	[1]–16.3	[7]–65.1	[7]–46.2	[7]–39.1	[7]–56.1
1970–2003	80.5	28.3	62.3	54.4	10.2	[2]50.3	[3]113.3	[5]–15.4	[2]–15.1	—	—	—	—

NOTES: [1]1990–2002; [2]1970–2002; [3]1980–2003; [4]1990–2001; [5]1970–2001; [6]1989; [7]1995–2001.

Source: Visser (2006)

Appendix B: Union Density in Selected Capitalist Countries

Table 3. Union density in 24 countries and the European Union, adjusted data, 1970–2003, in percent

Year	United States	Canada	Australia	New Zealand	Japan	Republic of Korea	European Union	Germany	France	Italy	United Kingdom	Ireland
1970	[1]23.5	31.6	[5]50.2	[14]55.2	35.1	12.6	37.8	32.0	21.7	37.0	44.8	53.2
1980	[2]19.5	[6]34.7	[16]49.5	69.1	31.1	14.7	39.7	34.9	18.3	49.6	50.7	57.1
1990	15.5	32.9	40.5	51.0	25.4	17.6	33.1	31.2	10.1	38.6	39.3	51.1
1991	15.5	—	—	44.4	24.8	16.1	34.1	36.0	9.9	38.7	38.5	50.2
1992	15.1	33.1	39.6	37.1	24.5	15.1	33.4	33.9	9.9	38.9	37.2	49.8
1993	15.1	32.8	37.6	34.5	24.3	14.5	32.7	31.8	9.6	39.2	36.1	47.7
1994	14.9	—	35.0	30.2	24.3	13.4	31.7	30.4	9.2	38.7	34.2	46.2
1995	14.3	—	32.7	27.6	24.0	12.9	30.4	29.2	9.0	38.1	32.6	45.8
1996	14.0	—	31.1	24.9	23.4	12.2	29.5	27.8	8.3	37.4	31.7	45.5
1997	13.6	28.8	30.3	23.6	22.8	11.9	28.8	27.0	8.2	36.2	30.6	43.5
1998	13.4	28.5	28.1	22.3	22.5	12.1	28.2	25.9	8.0	35.7	30.1	41.5
1999	13.4	27.9	25.7	21.9	22.2	11.1	27.8	25.6	8.1	36.1	29.8	—
2000	12.8	28.1	24.7	22.7	21.5	11.1	27.3	25.0	8.2	34.9	29.7	—
2001	12.8	28.2	24.5	22.6	20.9	11.2	26.6	23.5	8.1	34.8	29.3	36.6
2002	12.6	28.2	23.1	22.1	20.3	11.1	26.3	23.2	8.3	34.0	29.2	36.3
2003	12.4	28.4	22.9	—	19.7	11.2	—	22.6	8.3	33.7	29.3	35.3
Absolute change												
1970–1980	[3]–2.5	3.3	[11]–.7	[15]13.9	–4.0	2.0	1.9	2.9	–3.4	12.6	5.9	3.9
1980–1990	[4]–4.0	[7]–1.6	[12]–9.0	–18.1	–5.8	3.0	–6.7	–3.7	–8.1	–10.8	–11.4	–6.1
1990–2003	–3.1	–4.7	–17.6	–28.9	–5.6	–6.5	–6.7	–8.6	–1.9	–5.1	–10.0	–15.8
1970–2003	[5]–11.1	[6]–6.5	[13]–27.3	[16]–33.1	–15.4	–1.5	[17]–11.5	–9.5	–13.4	–3.3	–15.5	–17.9

Notes: [1]1973; [2]1983; [3]1973–1981; [4]1983–1990; [5]1983–2003; [6] 1984; [7]1984–1990; [8]1984–2003; [9]1976; [10]1982; [11]1976–1982; [12]1982–1990; [13]1976–2003; [14]1971; [15]1971–1980; [16]1990–2002; [17]1970–2002.

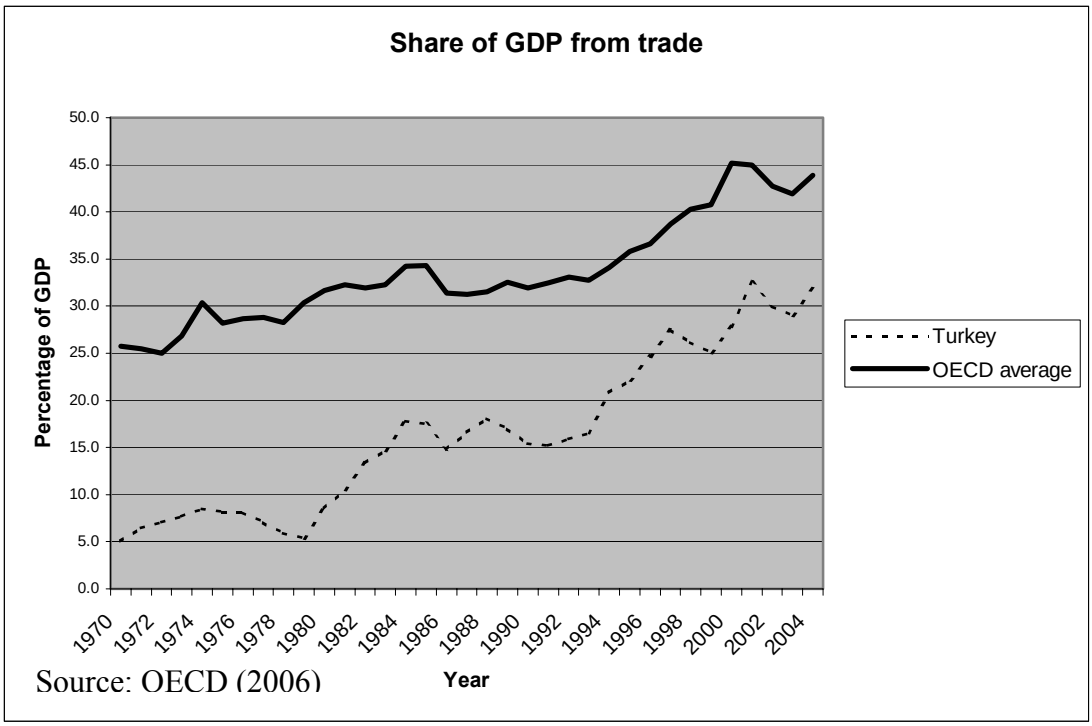
Table 3. Continued—Union density in 24 countries and the European Union, adjusted data, 1970–2003, in percent

	Finland	Sweden	Norway	Denmark	Nether-lands	Belgium	Spain	Switzer-land	Austria	Hungary	Czech Republic	Slovak Republic	Poland
1970	51.3	67.7	56.8	60.3	36.5	42.1	—	28.9	62.8	—	—	—	—
1980	69.4	78.0	58.3	78.6	34.8	54.1	12.9	31.1	56.7	—	—	—	—
1990	72.5	80.8	58.5	75.3	24.3	53.9	12.5	24.3	46.9	—	78.8	78.7	[9]53.1
1991	75.4	80.6	58.1	75.8	24.1	54.3	14.7	22.7	45.5	—	—	—	—
1992	78.4	83.3	58.1	75.8	25.2	54.3	16.5	23.0	44.3	—	—	—	—
1993	80.7	83.9	58.0	77.3	25.9	55.0	18.0	22.9	43.2	—	—	—	—
1994	80.3	83.8	57.8	77.5	25.6	54.7	17.6	23.3	41.4	—	—	—	—
1995	80.4	83.1	57.3	77.0	25.7	55.7	16.3	22.8	41.1	63.4	46.3	57.3	32.9
1996	80.4	82.7	56.3	77.1	25.1	55.9	16.1	22.9	40.1	—	—	—	—
1997	79.5	82.2	55.5	75.3	25.1	56.0	15.7	22.6	38.9	—	—	—	—
1998	78.0	81.3	55.5	75.6	24.5	55.4	16.4	21.7	38.4	32.8	—	—	24.2
1999	76.3	80.6	54.5	74.1	24.6	55.1	16.2	21.0	37.4	—	—	—	—
2000	75.0	79.1	53.7	73.3	23.1	55.6	16.1	19.4	36.5	—	—	—	
2001	74.5	78.0	52.8	72.5	22.5	—	16.1	17.8	35.7	19.9	27.0	36.1	14.7
2002	74.8	78.0	53.0	—	22.4	55.4	16.2	—	35.4	—	—	—	—
2003	74.1	78.0	53.3	70.4	22.3	—	16.3	—	—	—	—	—	—
													—
Absolute change													
1970–1980	18.1	10.3	1.5	18.3	–1.7	12.0	—	2.2	–6.0	—	—	—	—
1980–1990	2.9	2.8	.2	–3.3	–10.4	–.2	–.3	–6.8	–9.8	—	—	—	—
1990–2003	1.6	–2.8	–5.2	–4.9	–2.0	[1]1.4	3.7	[4]–6.5	[1]–11.5	[7]–43.6	[7]–19.3	[7]–21.2	[7]–18.2
1970–2003	22.8	10.3	–3.5	10.1	–14.2	[2]13.3	[3]3.4	[6]–11.2	[2]–27.3	—	—	—	—

Notes: [1]1990–2002; [2]1970–2002; [3]1980–2003; [4]1990–2001; [5]1970-2001; [6]1989; [7]1995–2001.

Source: Visser (2006)

Appendix C: Share of Trade from GDP in OECD and Turkey 1970-2003



Source: OECD (2006)

APPENDIX D: Global Taxation Rates on Individual Income in 1979 and 1990

Maximum Marginal Tax Rates on Individual Income

Country	1979	1990	Country	1979	1990	
Argentina	45	30	Israel	66	48	**1970 Average**
Australia	62	47	Italy	72	50	**65.5%**
Austria	62	50	Jamaica	58	33	
Belgium	76	55	Japan	75	50	
Bolivia	48	10	Korea (South)	89	50	**1990 Average**
Botswana	75	50	Malaysia	60	45	**45.5%**
Brazil	55	25	Mauritius	50	35	
Canada (Ontario)	58	47	Mexico	55	35	
Chile	60	50	Netherlands	72	60	
Colombia	56	30	New Zealand	60	33	
Denmark	73	68	Norway	75	54	
Egypt	80	65	Pakistan	55	45	
Finland	71	43	Philippines	70	35	
France	60	53	Portugal	84	40	
Germany (West)	56	53	Puerto Rico	79	43	
Greece	60	50	Singapore	55	33	
Guatemala	40	34	Spain	66	56	
Hungary	60	50	Sweden	87	65	
India	60	50	Thailand	60	55	
Indonesia	50	35	Trinidad and Tobago	70	35	
Iran	90	75	Turkey	75	50	
Ireland	65	56	United Kingdom	83	40	
United States	70	33				

Source: Babones (2006)

APPENDIX E: Strikes in Turkey 1960-2005

Year	No. of Strikes	Workers Involved
1963	8	1,514
1964	83	6,640
1965	46	6,593
1966	42	11,414
1967	100	9,463
1968	54	5,179
1969	81	15,134
1970	112	21,150
1971	96	10,916
1972	121	13,437
1973	55	12,286
1974	105	22,922
1975	113	13,848
1976	56	7,256
1977	167	59,889

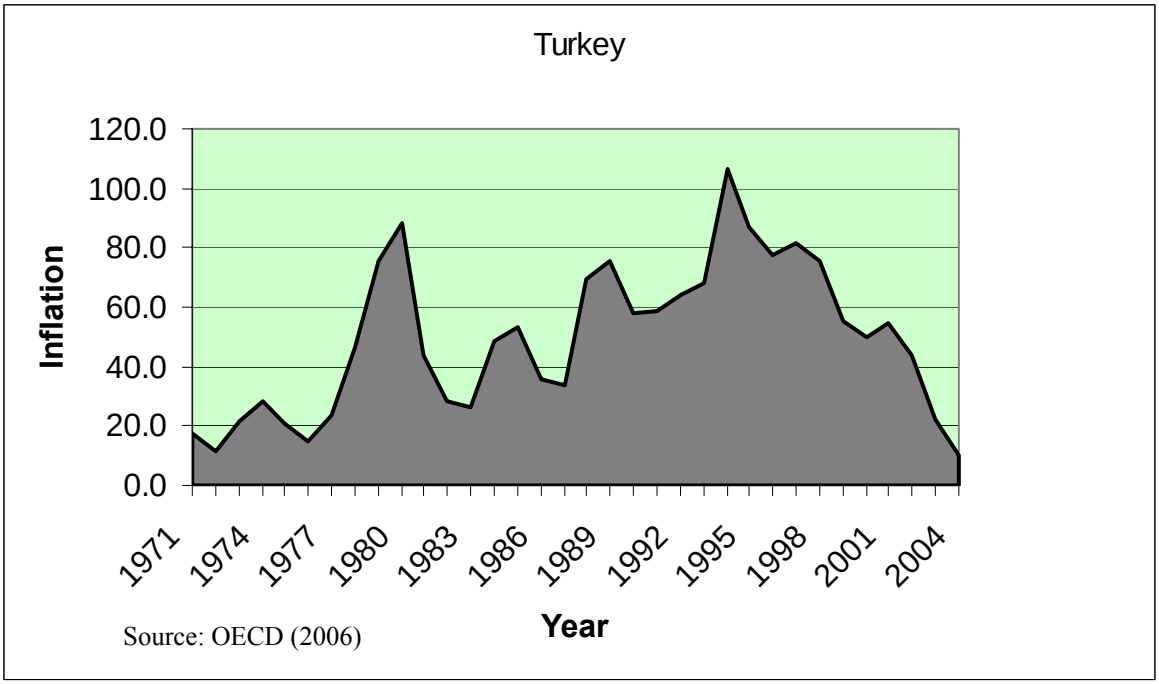
Year	No. of Strikes	Workers Involved
1978	175	27,208
1979	190	39,901
1980[59]	227	46,216
1981-3[60]	0	0
1984	4	543
1985	21	2,410
1986	28	7,926
1987	307	29,743
1988	156	30,057
1989	171	39,435
1990	458	166,306
1991	398	164,968
1992	98	62,189
1993	49	6,908
1994	36	4,782
1995	120	199,867

[59] Strikes prohibited September-December
[60] Strikes prohibited

Year	No. of Strikes	Workers Involved
1996	38	5,461
1997	37	7,045
1998	44	11,482
1999	34	3,263
2000	52	18,705
2001	35	9,911
2002	22	4,617
2003	22	1,535

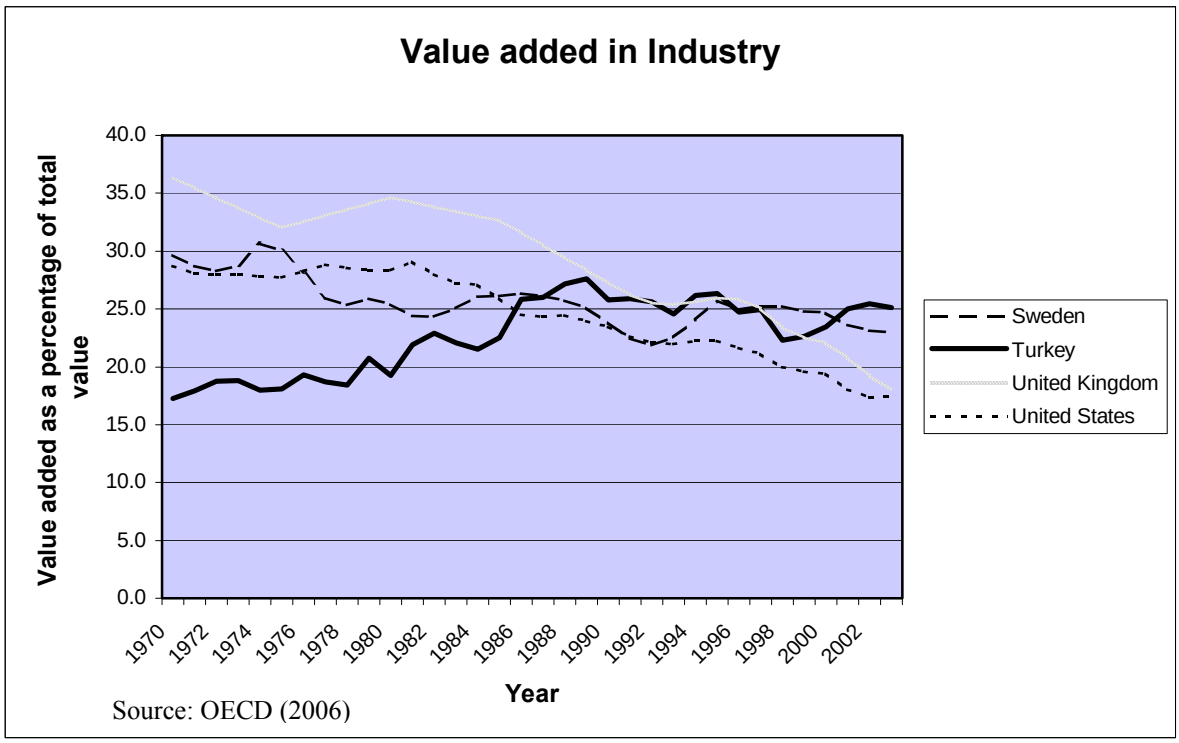
Source: 1963-6, Margulies, R. and Yildizoglu, E. (1984); 1967-2003, ILO (http://laborsta.ilo.org/)

APPENDIX F: Inflation in Turkey 1971-2004



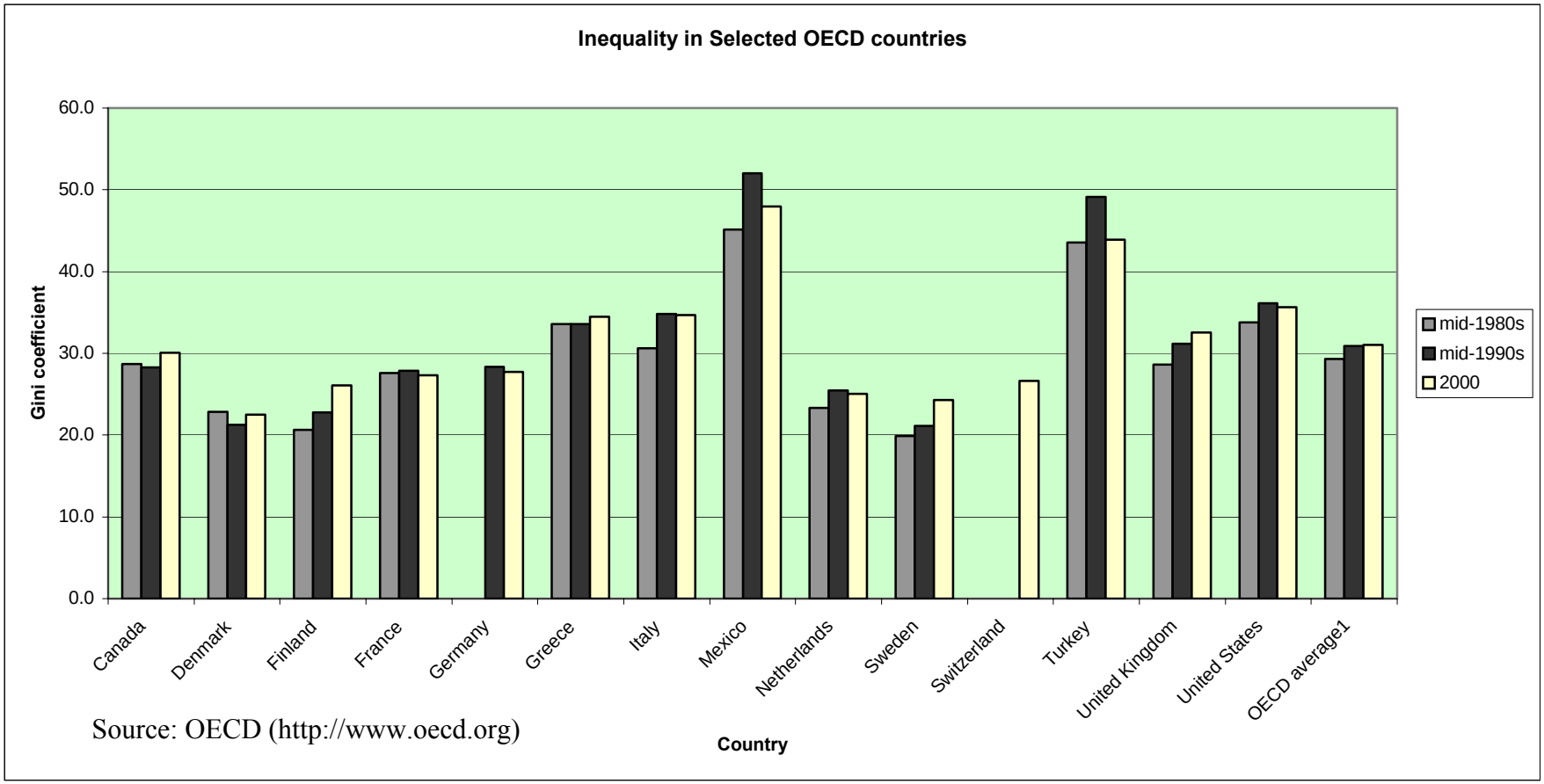
Source: OECD (2006)

APPENDIX G: Value Added in Turkish Industrial Production 1970-2002



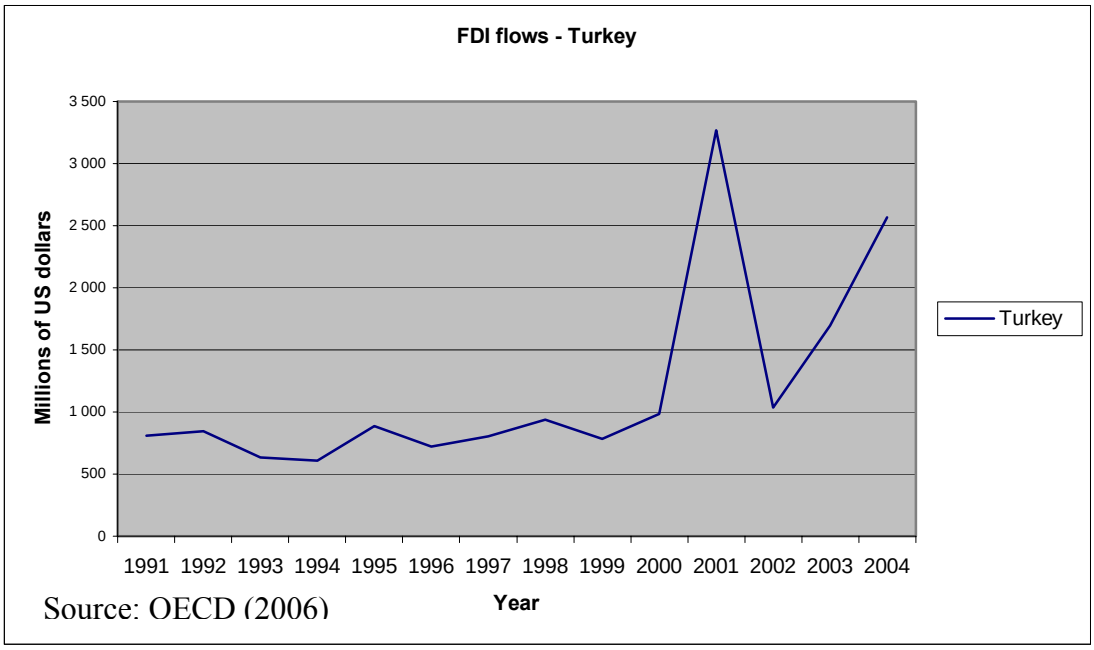
Source: OECD (2006)

APPENDIX H: Turkish Inequality in Comparison



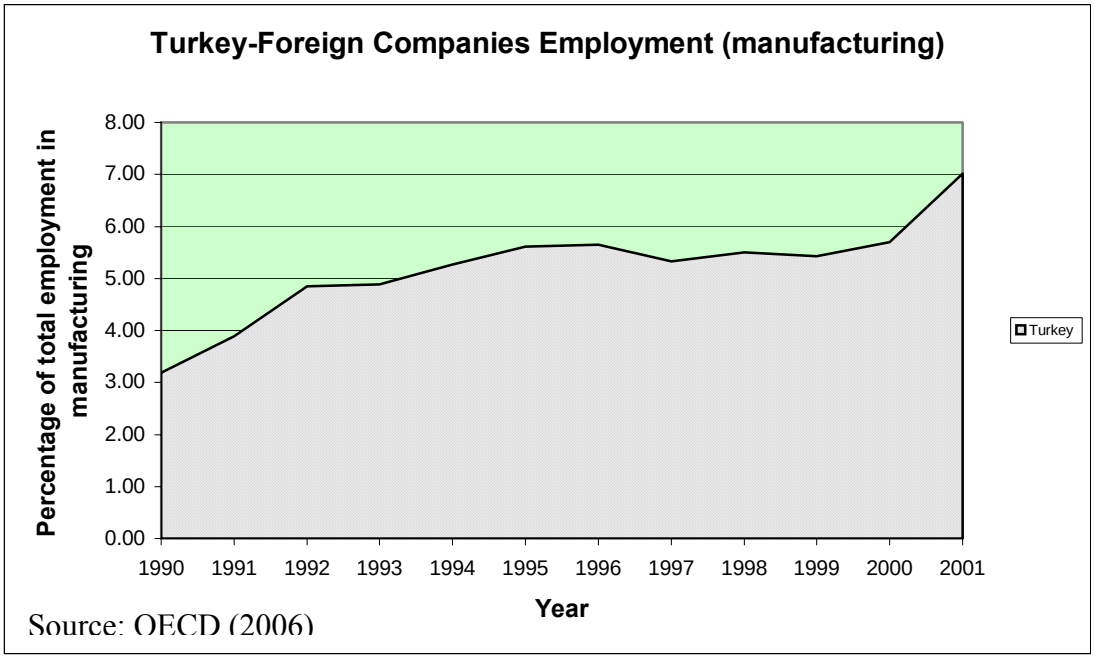
Source: OECD (http://www.oecd.org)

APPENDIX I: FDI Inflows in for Turkey 1991-2004



Source: OECD (2006)

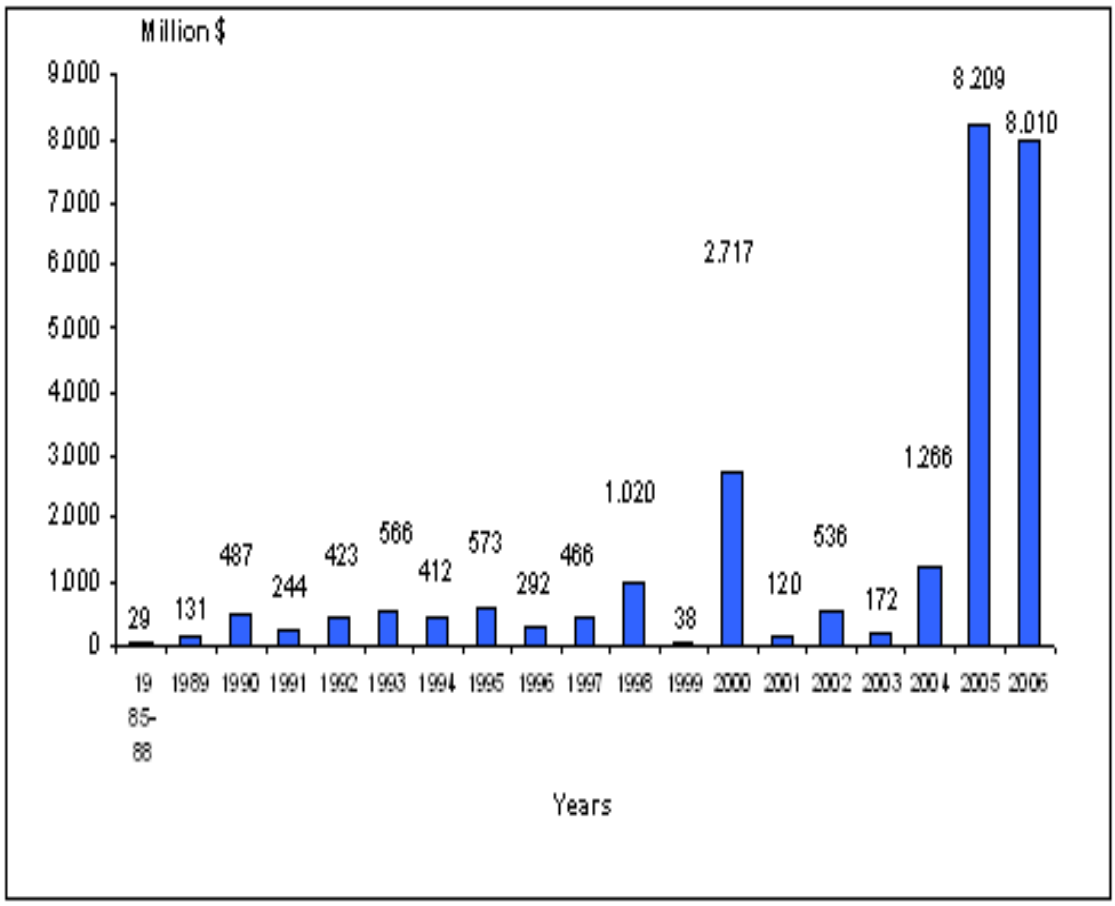
APPENDIX J: Employment by Foreign Companies in Turkey 1990-2001



Source: OECD (2006)

APPENDIX K: Privatization in Turkey 1985-2006

Privatization by Years: In Dollar Amounts Privatized



Source: Turkish Privatization administration (2006)

APPENDIX L: Official Union Density and Collective Bargaining Coverage

Note: Due to the lack of consistent and accurate data on workers, the figures given below should be taken as estimates. Part of the problem is that official figures for union membership tend to be overstated, as unions inflate the numbers they report to the state. In lieu of this, there are two sets of figures listed below: the first is the official and less accurate numbers (after 1967) and the second is union numbers calculated through the number of workers who hold a collective bargaining agreement.

Trade Union Membership (1965-1981)

Year	Total workers (1)	Trade Union Membership (000) (2)	Collective Agreements Coverage (000) (3)	2/1 Union density (according to official statsitics)	3/1 Union density (according to collective egreements coverage)
1965	921,458	360,285		39,1%	
1967	1,069,387	834,680	645,485	78,1%	60%
1970	1,313,500	2,088,219	819,373	159 %	62%
1975	1,823,338	3,328,633	930,336	182,60%	51%
1981	2,228,439	5,720,255	1,128,465	256,70%	51%

Source: Petrol-İş 95-96 Yıllığı, İstanbul, 1996; Sendikacılık Ansiklopedisi, Cilt 3, İstanbul, 1998

Official Trade Union Statistics 1984-2005

(Based on figures published by the Turkish Labour Ministry)

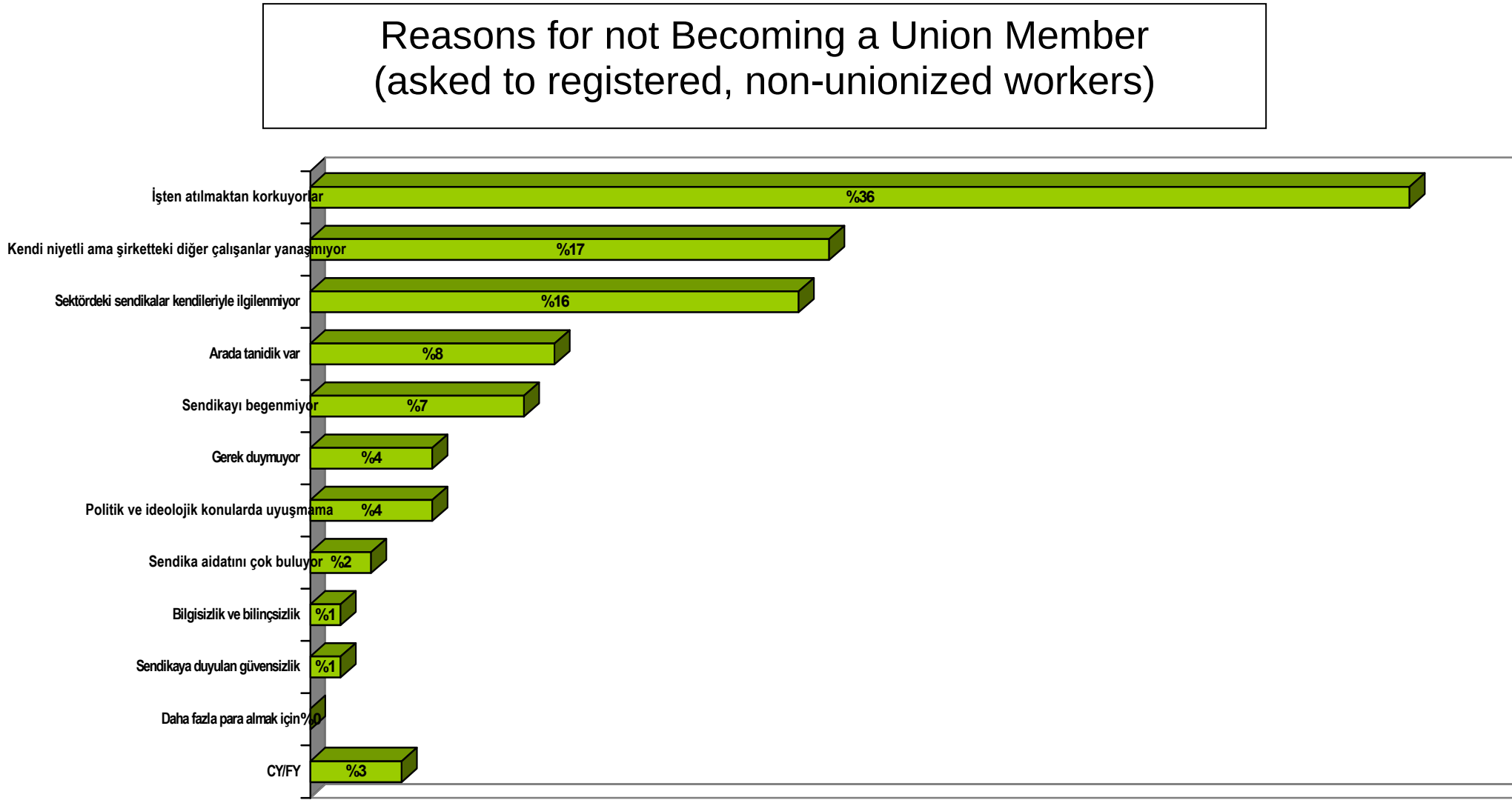
Year	Total Insured Workers	Union Membership	Union density (%)
1984	2.553.384	1.427.271	55,9
1985	2.819.517	1.828.471	64,9
1986	3.075.343	1.953.892	63,5
1987	3.268.030	2.044.797	62,6
1988	3.483.212	2.227.029	63,9
1989	3.564.214	1.834.969	51,5
1990	3.563.527	1.997.564	56,1
1991	3.513.064	2.130.811	60,7
1992	3.596.469	2.254.271	62,7
1993	3.742.380	2.485.681	66,4
1994	3.815.261	2.644.417	69,3
1995	3.905.118	2.667.014	68,3
1996	4.051.295	2.708.784	66,9
1997	4.215.375	2.774.622	65,8
1998	4.327.156	2.923.546	67,6
1999	4.381.039	3.037.172	69,3
2000	4.521.081	2.468.591	54,6
2001	4.562.454	2.609.672	57,2
2002	4.572.841	2.680.966	58,6
2003	4.781.958	2.751.670	57,5
2004	4.916.421	2.854.059	58.1
2005	5.022.584	2.944.929	58.6

Source: Celik and Lordoglu (2006)

Estimates of Real Trade Union Membership and Density 1988-2004

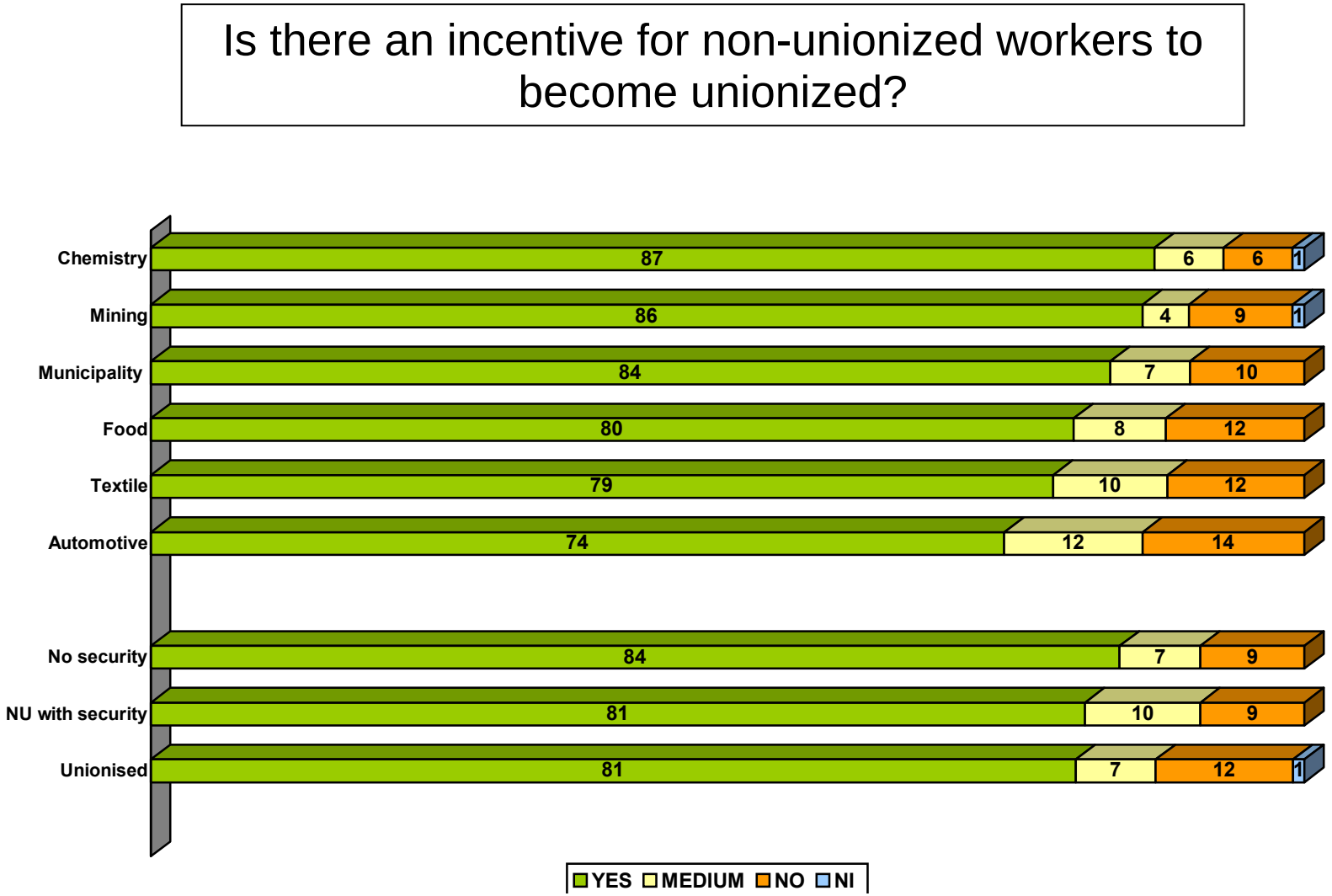
Year	Total Employee	Employee covered by collective agreements	Real trade union density (%)	Public servants union members	Total Trade Union Membership	Total Trade Union density
1988	7.170.000	1.591.360	22,2	-	1.591.360	22,2
1989	7.077.000	1.505.520	21,8	-	1.505.520	21,3
1990	7.419.000	1.385.919	19,3	-	1.385.919	18,7
1991	7.305.000	1.443.297	20,8	-	1.443.297	19,8
1992	7.595.000	1.556.928	18,8	-	1.556.928	20,5
1993	7.891.000	1.529.825	19,6	-	1.529.825	19,4
1994	8.323.000	1.407.682	17,0	-	1.407.682	16,9
1995	8.471.000	1.144.989	14,8	-	1.144.989	13,5
1996	8.953.000	1.137.788	14,4	-	1.137.788	12,7
1997	9.657.000	1.319.563	12,2	-	1.319.563	13,7
1998	9.697.000	1.209.155	12,1	-	1.209.155	12,5
1999	9.544.000	1.054.422	12,6	-	1.054.422	11,0
2000	10.345.000	1.042.473	10,1	-	1.042.473	10,1
2001	10.057.000	1.010.563	10,1	-	1.010.563	10,0
2002	10.625.000	1.007.305	9,5	788.946	1.796.251	16,9
2003	10.707.000	957.418	8,9	650.770	1.608.188	15,0
2004	11.344.000	919.364	8,1	787.882	1.707.246	15,1

Source: Celik and Lordoglu (2006)

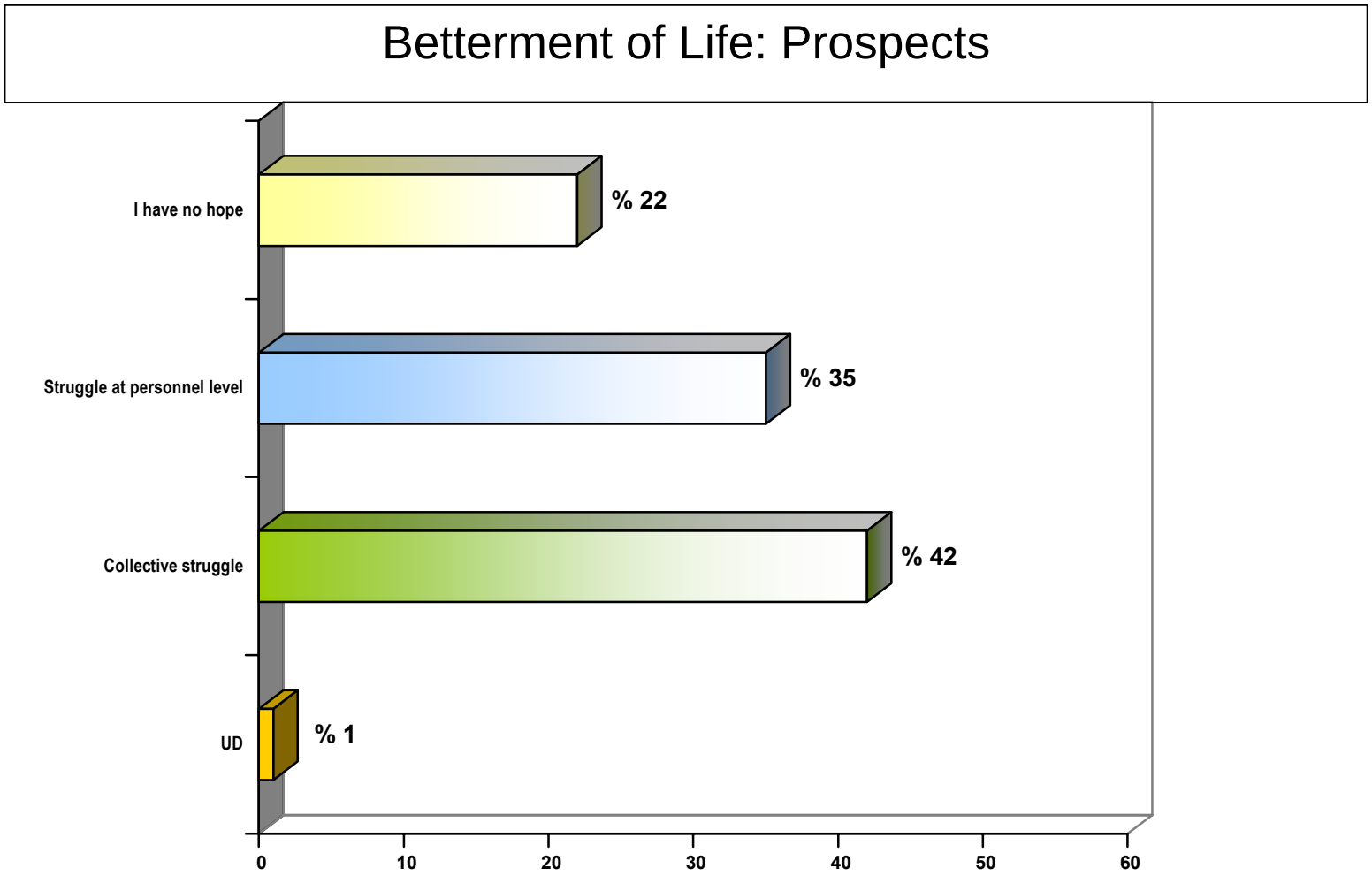


Source: Adaman, Bugra, and Incel (2005)

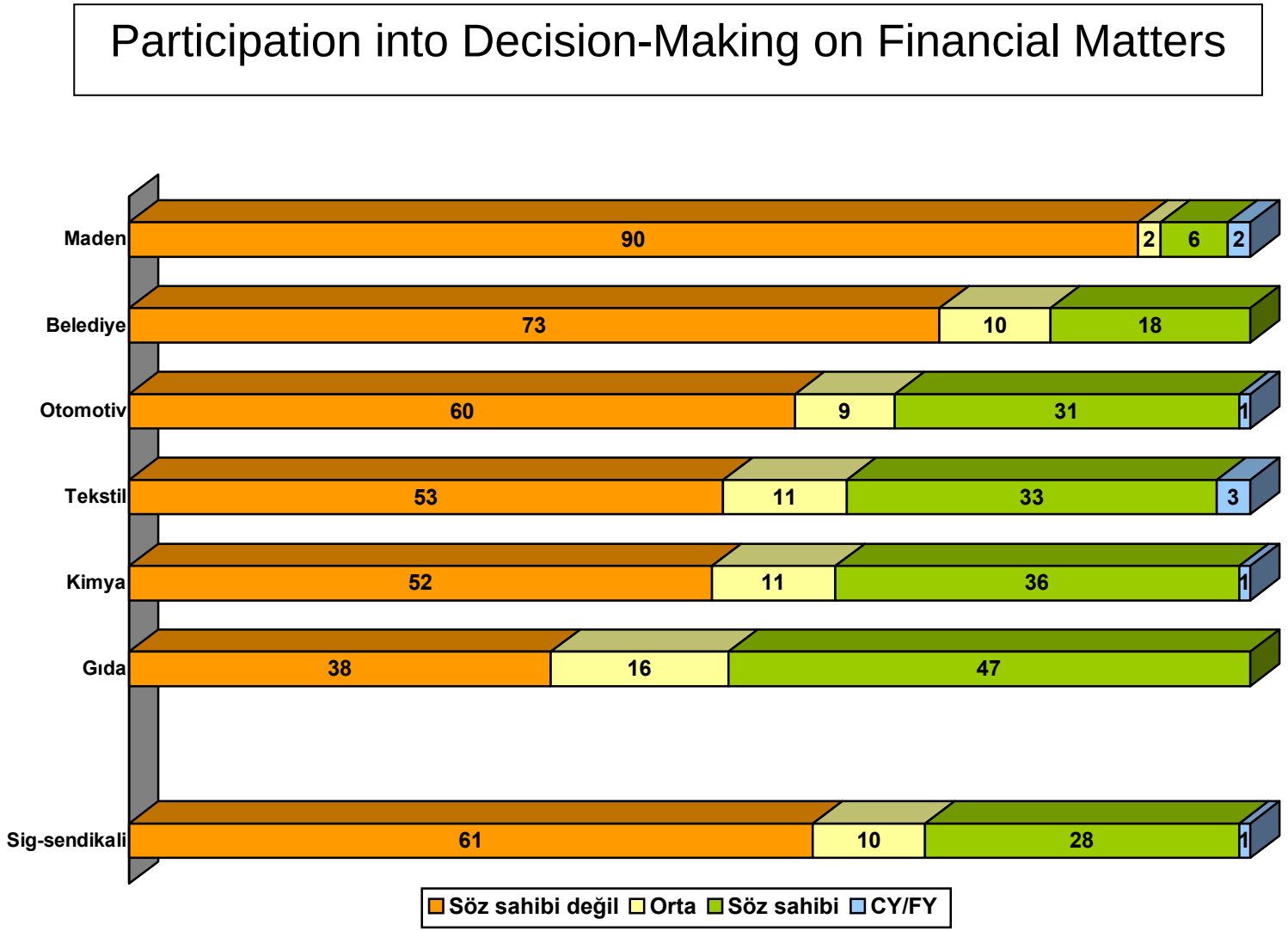
APPENDIX N: Presence of Incentives for Workers to Join a Union in Turkey



APPENDIX O: Turkish Worker's perceptions on bettering their lives



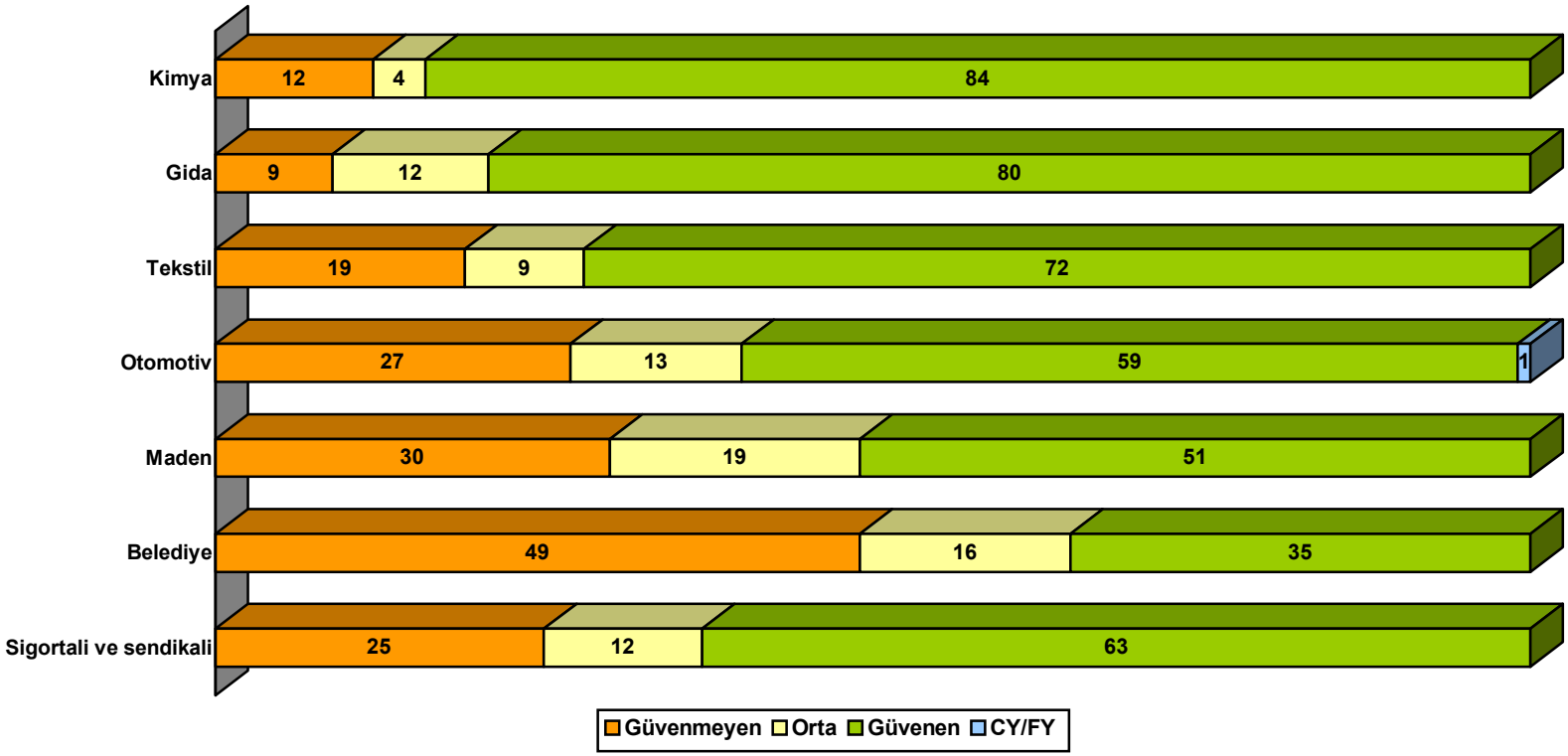
Source: Adaman, Bugra, and Incel (2005)



APPENDIX Q: Turkish Workers' Trust in Their Unions

Source: Adaman, Bugra, and Incel (2005)

Workers' level of trust in their union



Source: Adaman, Bugra, and Incel (2005)

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