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Turkey

Trouble in paradise: A cautionary tale for big capital in Turkey

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For some time now, Recep Erdogan, Turkey's former Prime Minister and current President, has been promoting the dream of turning Turkey into the “China of Europe.” Last April, when Economy Minister Zafer Çakırlan met with foreign investors in London he declared with pride that *“labor costs in Turkey are even lower than in China.”* At a meeting with the Turkish business community in 2010, Eric Schweitzer, head of the Berlin Chamber of Commerce, noted that *“exports from Turkey to Germany have tripled in last 20 years and Turkey can become the China of Europe.”*

Industry in Turkey is growing steadily, even while the rest of the Europe has been fighting the effects of the economic crisis and suffering the failed solutions embodied in austerity policies. Especially in the manufacturing sectors, a shift of investment towards Turkey from Europe is readily apparent. Today, Turkey is the world's eighth largest steel producer; in 2011-12, it was the fastest growing one among the top ten steel producing countries in the world. Almost every major automobile manufacturer has a production plant in Turkey and they are shifting partial production from all over Europe to Turkey. Between 2009-2014, employment in auto assembly in Turkey grew 350%. In the first seven months of 2014, Renault, Hyundai, and Toyota plants in Turkey exported 80% of their production; Ford exported 75% and MAN 85 %. Europe remains the largest market for these exports, despite declining demand due to the crisis. FIAT, which has been closing units in Italy, has just announced that they will export 175,000 FIAT Doblo cars from Turkey to the U.S. between now and 2021. This is just one of many examples.

But this profitable business environment for capitalists comes at a steep price for Turkish workers. The minimum wage in Turkey is around 330 Euros; many workers earn only the minimum “€” according to recent research, more than five million workers. It is quite common even for the skilled workers to be paid the minimum. Turkey has the highest death rate from workplace accidents in the whole of Europe and ranks third in the world. According to official statistics, every year more than 1,000 people die at work, and this is just the official number. Many workers are unregistered so there is no way to know the real figure. Research by a credible civil organization names 1,886 workers who died in workplace accidents in 2014 alone.

In the past few years a new phenomenon of “subcontracting” has been continually expanding as a new form of precarious work. “Subcontracted” employees work with fewer rights side by side with workers in the same factory who are doing exactly the same job but with different work-conditions. In one factory there might be workers employed by five or six different companies. But this insecure, unorganized “cheap labor paradise” of big capital is not enough for capital. An official government document entitled *National Employment Strategy* declares: *“Labor costs other than salaries are too high in Turkey. In order to increase employment, the “burdens on the employer” must be reviewed and new regulations have to be implemented.”* The document explains some of these new regulations in detail. Several new laws are awaiting enactment, including the introduction of a regional minimum wage (a lower minimum wage for some regions of the country), lowering the severance package fund (which would cut severance packages by half) protection of temporary work agencies together with a lot of other flexibility measures.

The vast majority of the Turkish workforce is unorganized; only around 5% of workers are covered by a collective bargaining agreement. This is the lowest unionization rate among the OECD countries. And the majority of these unions are basically company-controlled or “yellow” unions that were not chosen by the workers but got assigned to them somehow. From time to time, there are uprisings against this yellow unionism system. After last year's huge Soma mine massacre where 301 mine workers lost their lives, the so-called union which is “organized” in that mine could not even enter the region for a while because of the reactions of the workers' families. A worker from the Soma mine interviewed by *Al Jazeera* said: *“We didn't choose this union, the employer chose it. Now the employer is in*

prison because of the deaths, so the union should be there, too.”

During the collective bargaining negotiations of 2012, in order to protest the union which they were forced to join, 1,500 Renault workers on one shift stopped production and did not leave the factory. In order to prevent these workers from meeting up with other workers on the next shift, Renault management cancelled that shift. The next day, they dismissed 35 workers in order to put a stop to these workplace actions.

Widespread yellow unionism

Yellow unionism is very widespread in the metal sector. According to official statistics there are 1,400,000 workers in Turkey's metal sector, of which 170,000 are members of Türk Metal, which was built and strengthened during the years of the military junta in the 1980s. As an example, in 1978 Türk Metal had 12,000 members and Maden ?? (an affiliate of the Confederation of Progressive Trade Unions of Turkey, or DISK) had around 200,000 members. In 1983, just after the military coup, Türk Metal had 130,000 members and Maden ?? was closed down. All of its members, including in workplaces like Renault, Bosch, etc., were taken out of Maden and forcibly given to Türk Metal.

Against this backdrop, the 2014-2016/2017 group collective bargaining negotiations began in the metal sector. Unlike many countries, Turkey has only one level of collective bargaining, the company level. Nationwide or sectoral level collective bargaining does not exist. Group collective bargaining consists of negotiating agreements for a series of companies where a particular union and the Turkish Employers' Association of Metal Industries (MESS) is represented. So for different workplaces, all three unions separately negotiate with the MESS. This collective bargaining agreement covers around 120,000 workers, which represents only 8.5% of workforce in this sector. Around 100,000 of these workers are "represented" by Türk Metal and a minority, around 12,000, by Birlesik Metal ???. Thus the main force in this so-called "group collective bargaining process" is always the largest yellow union in the country. Every year Birlesik Metal Is organizes demonstrations, actions, etc., during the negotiating process in order to have an impact on the agreement which will be signed by other unions, because in the end the same agreement will be imposed on them. The MESS would never sign a different agreement for 12,000 workers when they have already signed the agreement for another 100,000 workers.

Surprises in 2014 collective bargaining

Everyone was expecting the collective bargaining process to go on in the same way this year. First, the unions presented their contract proposals. Birlesik Metal Is demanded an adjustment of younger workers' wages. In general, there is a huge gap between the wages of older workers and young workers in most of the unionized metal workplaces in Turkey. In some cases, a younger worker who does the same job as their older colleague earns only about half the wage. Since the MESS always wants to introduce pay raises as an across the board percentage of current wage scales, this widens the gap. To help close this gap, Birlesik Metal Is demanded different pay raises for different wage groups. There were also some political demands which are not normally part of collective bargaining agreements in Turkey, such as lowering the work week from 48 to 37.5 hours, and a demand for employers to pay the increased taxes workers incur because of wage increases. The main intention of these last two demands was to start a public discussion rather than actually win them through collective bargaining.

The MESS put forward their set of demands in these negotiations. They wanted to introduce further flexibility measures, change the duration of collective bargaining agreement from two to three years, and make no wage adjustments for low-wage workers. After a few meetings, the largest union and another very small one signed the

collective bargaining agreement as it was proposed by MESS with some minor changes. The MESS withdrew their demands for further flexibility but insisted on a contract duration of three years instead of the two years that had been the practice in the past. In order to sell a three year agreement they gave a slightly better pay rise of 9.78% for the first six months. This would be beneficial to older workers, but for low-wage young workers who make up nearly 60-70% of total workforce in some workplaces, this sort of an increase without any real wage adjustment has little meaning.

Türk Metal suddenly signed the agreement. Their membership was not fully aware of the duration or other details of the agreement; all that was announced was the raise for the first six months. The leadership tried to avoid any discussion on the whole collective bargaining agreement. But this draft agreement stirred a great deal of discontent among the Birlesik Metal Is membership, mainly because of the contract's three year duration. Turkey has high inflation rates and a rather unstable macroeconomic situation. For a majority of the workers, three years is too long a time to predict economic developments. In every previous collective bargaining agreement, it was possible to get some adjustment for the rate of inflation. A three-year agreement would mean that for every two agreements, workers would lose one agreement, meaning a loss of some extra inflation adjustments.

Closing the pay gap for younger workers

Even though the most visible discontent was around the duration of the agreement, the real reason for most of the workers' discontent was that there is no real improvement for low-waged workers. In some cases, a worker who started after 2005 might be paid around half the wage of a worker who started before the 2000s. This situation creates huge tension among the younger workers. Their wages are so low they cannot see a future for themselves. Since they cannot live on these wages it does not matter too much if they lose their jobs. They have nothing to fear and nothing to lose. This makes them the most militant section of the class.

This generation of workers represents almost 60% of the workforce and perhaps even more for the Türk Metal's membership, which is organized in bigger factories with greater turn-over. This new generation of workers would never accept an agreement without any plans to narrow this wage gap. Even though it was not the plan of the union leadership, the base of the union put so much pressure on the organization during the assemblies that the Birle?ik Metal ?? leadership was forced to take a strike vote during the collective bargaining period.

But a strike during collective bargaining negotiations with the MESS is quite different from a strike at the company level. Since MESS will not sign different agreements with the unions, companies must resign their MESS affiliation in order to sign individual collective bargaining agreements. This causes another problem. For some larger workplaces, ending affiliation to the MESS might be advantageous, but in smaller firms it might mean that in the next collective bargaining round those workplaces will be isolated and the unions there would have much less influence.

A defiant strike

The strike started on January 29 and was quite successful, covering 15,000 workers in around 50 factories across the country. As early as the first day of the strike, the largest companies started to resign their affiliation to the MESS and signed bilateral agreements with the union. These companies included multinationals like Alstom, Schneider, Bekaert. Then on the second day, the government intervened. The Ministerial Cabinet published a Governmental Decree banning the strike on the basis of "national security." Just after the Government Decree, employers declared a two-day holiday for the entire workforce in order to calm the situation. But sufficient calm was not restored. Even though the workers were forced back to work, they did not do any production inside the plants. This situation was

also ended, with further protocols with these employers in addition to the agreement with the MESS.

But for the majority of this sector in workplaces organized by Türk Metal, the low wage problem had not even been addressed. The anger was seething there, ready to explode. At the end of April, Renault workers started to demonstrate at the beginning and end of each shift. Soon after, these demonstrations began in almost every automobile factory in the Bursa region. These demonstrations were sparked by the fact that Türk Metal had signed a better collective bargaining agreement at the Robert Bosch company and a much worse one for their other workplaces. The Bosch contract was better because Bosch workers had changed their union three years ago and resigned from this yellow union, Türk Metal. They were later forced to go back to Türk Metal by the employer after some dismissals and pressures in the workplace. In order to head off discontent and any possible union change again, the company and Türk Metal signed a much better contract. But they did not calculate that this would create much greater discontent in other workplaces.

On April 18, workers at Renault Bursa began demonstrating at the end of their shift by chanting *"we don't want a union that's for sale."* After that, they organized demonstrations against Türk Metal at the beginning and end of every shift. At one point while these demonstrations were going on with more than half of the workforce participating, workers met with the local union president and told him *"you sold us"* and he replied *"if I sold you, that means I am a good pimp."*

There were several points at which the nature of these demonstrations changed. These comments of the local union president were one of these points. After that conversation, the entire workforce started to join the demonstrations. Renault Bursa employs around 4,800 blue collar workers. Since it is a huge factory, most of the workers do not even know each other and there is no effective communication channel between workers in different departments. That is why the internet, especially facebook, played a strong role in organizing these demonstrations. Because of facebook, other workers in the Bursa region also organized demonstrations in their workplaces.

The Renault workers decided to meet in front of the mosque of the industrial zone on May 5 to collectively resign from Türk Metal. This marks the second turning point in this protest. Türk Metal thugs attacked workers at this meeting. One worker was hospitalized. This attack strengthened Renault workers' determination and anger against this union grew among workers in other Türk Metal organized workplaces. Workers from Tofaş which is the FIAT subsidiary in Turkey, organized a massive demonstration during their shift against their Türk Metal shop steward, who had gone to Renault to beat up workers there. During the demonstration workers were chanting *"come here and beat us up, too."* Ever since these events, shop stewards of this yellow union have not been able to enter the plant.

These demonstrations disturbed employers, who more and more were thinking of measures to stop these actions. At first they tried to threaten workers. At Renault management distributed a letter to the workforce, saying that *"their demonstrations are disturbing workplace peace and constitute a crime and they will be dismissed if they continue with these actions."* These threats caused some worries among the Renault workers, especially since these workers knew that 30 workers had been dismissed in 2012 for protesting against this yellow union. They feared dismissal and, after discussions, decided if someone's time card wouldn't work when they entered their shift then the entire workforce would leave the plant and wait in the factory yard. For several days, workers waited in front of the factory until the last service bus arrived and would walk into the plant all together. Finally, on the 6th of May night shift, when the workers of the 24.00-08.00 shift arrived, the cards of some workers did not work. The entire shift left the plant and workers from other shifts and from neighboring factories coming off shift began to arrive in front of Renault and wait in the factory yard. Around 4.00 am, company management made a declaration to around 2,000 workers, saying that the dismissed workers would be reinstated, everyone is free to join or not to join any union they wish, and there would not be any dismissals because of unionization. Management also asked for 15 days to formulate and deliver a promise about the pay rise issue. After this declaration, all the workers went back to work, but they had gained more self-confidence and courage from seeing the strength they have when they act together.

Strike spreads

In the meantime, demonstrations continued at almost every factory organized by Türk Metal in Bursa region and workers massively resigned from this yellow union. On May 13, Renault management announced that the next day before every shift the General Manager would organize a meeting with the workers. Workers were asked to arrive early. Workers from 08.00-16.00 were told by the General Manager, *"There will be no pay rises and if there is another work stoppage workers will be dismissed."* Workers protested this and went back to their jobs. When the workers of the 16.00-24.00 shift arrived, they did not join the meeting and at the end of their shift at 00.00, when the next shift arrived, they did not leave the plant and the next shift did not go inside. Workers from 16.00-24.00 shift have been inside the plant ever since and no production is going on.

The next day, workers from Tofaş (FIAT) joined them and also stopped production by not leaving the plant. Afterwards, workers from other workplaces like, Mako Magnetti Marelli, Johnson Controls, Coşkunöz "suppliers for the auto industry in Bursa" joined them. In a week, these wildcat strikes against the yellow union and for compensatory pay raises started in automotive factories in other cities. Ford and Türk Traktör (Case New Holland) joined them as well.

These demonstrations and strikes all erupted spontaneously. There is very weak communication among workers from different factories; they mainly communicate through facebook postings. This creates a lot of confusion and space for manipulation by the employers. Renault workers are probably the best organized among all these workers. In each UET (small production units in Renault language, consisting of around 20 workers) there is one representative and then there are departments which consists of several UETs. In each department there is one spokesperson for each shift and there are three shifts, meaning three spokespeople in each department. But from among these three there is one department spokesperson. There are eight departments so there are eight representatives/spokespeople. After a while the company was forced to accept these representatives and started to negotiate with them. The Governor of Bursa met with these representatives several times during which the company presented some offers. Each time the workers' representatives went back to their plant and explained the offer and asked workers whether or not they were acceptable. At the same time, employers were threatening dismissal and arrests. Renault and Tofaş management petitioned the prosecutor's office for criminal charges against these workers and department spokespeople were taken to the prosecutor's office for depositions. Even under this pressure, up to now workers haven't given in to these threats.

The future " a new generation

Renault factories in Flins and Le Mans, Dacia Romania and probably Spain will be affected by these work stoppages in Renault Bursa and production may be halted. This situation puts Renault management in a difficult position. At this point they cannot produce any Renault Clio 4's, which is one of their best selling models. Renault management is ready to give the workers whatever they want, but the Metal Employers Association is blocking them because such a victory would mean that collective bargaining agreements in all workplaces would have to be altered.

Similar actions against the state-sponsored yellow unions of Türk Metal happened in 1998. At that time, the companies managed to contain the situation with false promises to the workers and mass dismissals afterwards. This time, workers seem to have learned a lot from their past experiences. From the very start, they blocked the company from dismissing any of their colleagues and they managed to built strong movement of wildcat strikes and factory occupations around the country.

Naturally, the companies attempt to ensure that production goes on and look for ways to contain this situation and

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restore the previously established order in the metal industry. They know they have to find a middle ground with their workers right now, but in the medium term they will also try to repress workers again through dismissals of leaders of this movement and try to bring back Türk Metal or built another yellow union. But one thing is clear after all this agitation. Whatever the outcome of these militant actions, the generation of new, young and futureless metal workers have now taken the stage. The successes they have achieved ensure that nothing will be the same again.