

2015

Annual Review of Labour Relations and Social Dialogue

Turkey

UTKU BALABAN
April 2016

- In contrast to the period from 2000-2010, the economic growth rate in Turkey slowed down over the last three years and turned negative in 2015.
- Turkey has problematic labour relations, exceptionally low female participation in the labour force and low union density. Albeit with some improvement in recent years, union density decreased much faster than in other European countries and the OECD countries during the last decade and Turkey has the lowest density within these two groupings. Pro-government union confederations managed to expand their membership at the expense of the other confederations. The government has problematic relations with the unions as well as with the business associations.
- The current government privatized more assets during its successive terms than all the previous governments combined. Turkey receives a meagre amount of foreign direct investment with respect to the size of its economy. The current account deficit accounts for a large portion of the government budget and has a chronic character. In 2015, the current account deficit declined as a result of the economic stagnation.
- Inflation is higher than the EU average. The poverty rate and Gini-coefficient have higher values than most other European countries and the pace of convergence to the EU average is slow. A major problem in this regard is the dysfunctional education and vocational training system.
- The current political tensions between business groups and the governments give the unions and pro-labour groups a large space to manoeuvre for mobilization. If this potential is properly exploited with further institutional assistance by the European Union, the labour unions may enjoy new opportunities to expand their memberships and pursue a more aggressive strategy in the near future.
- The four noteworthy developments in the government's labour policies are the changes in the severance pay system, a raise in the minimum wage above the inflation rate, changes in maternity leave rights, and amendment of the Labour Code to facilitate the private employment agencies.



Content

- Summary
- Socio-economic developments
- Governmental policies and legislation
- Industrial relations
- Tripartite social dialogue
- Forecasts

Annex - Information about:

- Collective bargaining, social dialogue, social security, education & vocational training, employment, wages
- Trade unions and employer organizations



1. SOCIO-ECONOMIC DEVELOPMENTS

In contrast to the early years of the last decades, growth rates in Turkey slowed down in the recent past. In 2014, the Turkish economy declined by 3.1 per cent.¹ According to the World Bank data, the GDP of Turkey was \$798.4 billion as of 2014. Turkey's GDP per capita has remained stagnant since 2010 with the average of \$10,500 accounting for roughly 29 per cent of the EU average (\$36,422 for 2014).² According to the data by the Turkish Statistical Institute, Turkish economy has been declining since 2013. The respective current values for the GDP in US Dollars for 2013, 2014, and 2015 are \$823, \$799, and \$719 billion.³

According to provisional figures by the Turkish Central Bank, FDI in Turkey for 2015 was \$11.9 billion. Industrial activities received 47 per cent of total FDI. FDI in the manufacturing industries accounted for 35 per cent of the total value, while the share of the energy, gas, steam and air-conditioning sectors within the total amount was 11 per cent. Agriculture had a negligible share of total FDI in 2014 (0.4 per cent), while the rest of the FDI (53 per cent) was in services. The top five investor countries in 2015 were Spain (\$2,178 million), the United States (\$1,568 million), the Netherlands (\$1,188 million), Azerbaijan (\$786 million), and Belgium (\$753 million) accounting for 58.9 per cent of all FDI in 2015. Within the last decade, the annual change in FDI volume was significantly volatile and the FDI decreased between 2012 and 2014 from \$10.7 billion to \$8.5 billion, while 2015 witnessed a peak in the FDI volume.⁴

However, according to provisional figures by the Ministry of Economics, FDI volume

increased to \$11.4 billion in 2015.⁵ The largest investor partner region is Europe with a share of 74 per cent of total FDI in 2014. The Near and Middle East countries stand as the second most important investor region. These two regions accounted for approximately 90 per cent of total FDI in Turkey between 2009 and 2014.⁶

The provisional values of the foreign trade volume for 2015 show a drop of 8.7 per cent in exports and 14.4 per cent in imports. The trade deficit rose from \$22 billion in 2003 to \$84.5 billion in 2014. The provisional figure for 2015 is \$63.3 billion. The foreign trade deficit grew by 30.3 per cent annually between 2003 and 2015 while the trade volume had annual growth of 7 per cent within the same period. In other words, the trade deficit grew faster than the trade volume over this period. The gradual replacement of labour-intensive sectors by the energy-intensive sector is one of the factors accounting for this divergence.⁷

Public expenditures were \$203.3 billion in 2015 and the budget deficit was \$8.2 billion. The public budget declined from \$305 billion in 2014 to \$203 billion in 2015.⁸ The slowdown in GDP growth and devaluation of the domestic currency shrank the public budget by a third in US dollar terms in 2015.

In 2015, 250 transactions took place with regard to privatization and these transactions amounted to \$1.99 billion.⁹

The inflation rate for 2015 was 8.8 per cent. The Turkish Central Bank has failed to meet its target inflation rates since 2011 by large margins. For instance, the target for 2015 was 5 per cent.¹⁰ In fact, the inflation rate in Turkey is still higher than the global average.

The most important development concerning wages in 2015 was the increase in the

¹ <http://data.worldbank.org/indicator/NY.GDP.MKTP.CD>

² <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD>

³ <https://biruni.tuik.gov.tr/medas/?kn=88&locale=tr>

⁴

<http://www.tcmb.gov.tr/wps/wcm/connect/TCMB+EN/TCMB+EN/Main+Menu/STATISTICS/Balance+of+Payments+and+Related+Statistics/Balance+of+Payments+Statisticss/Data>

⁵ https://www.ekonomi.gov.tr/portal/faces/home/yatirim/uluslararasiYatirim/uluslararasi-dogrudan-yatirim?_afLoop=686257672590813&_afWindowMode=0&_afWindowId=null#!%40%40%3F_afWindowId%3Dnull%26_afLoop%3D686257672590813%26_afWindowMode%3D0%26_adf.ctrl-state%3Dif6stbwe6_55

⁶ <http://www.tcmb.gov.tr/wps/wcm/connect/TCMB+EN/TCMB+EN/Main+Menu/STATISTICS/Balance+of+Payments+and+Related+Statistics/Balance+of+Payments+Statisticss/Data>

⁷ http://www.turkstat.gov.tr/PrelstatistikTablo.do?istab_id=621

⁸ https://portal.muhasabat.gov.tr/mgmportal/faces/khbDetail?biri mDizini=General+Government&_afLoop=2801621866424295 &_afWindowMode=0&_adf.ctrl-state=163ptmy9ie_4

For the exchange rates as of 3/10/2016:

<http://www.tcmb.gov.tr/wps/wcm/connect/tcmb+tr/tcmb+tr/main+menu/istatistikler/doviz+kurlari/gosterge+niteligindeki+merkez+bankasi+kurlarii>

⁹ <http://www.oib.gov.tr/yayinlar/yayinlar.htm>

¹⁰

<http://www.tcmb.gov.tr/wps/wcm/connect/tcmb+tr/tcmb+tr/main+menu/para+politikasi/fiyat+istikrari/enflasyon+hedefleri>

minimum wage from 1,000TL (Turkish lira) in the second half of 2015 to 1,300TL in the first half of 2016 in net amounts. The respective gross values (that include the social security and unemployment insurance payments and taxes), or the total cost for the employer, are 1,496TL and 1,935TL.¹¹ Taking the annual average exchange rates, the net figures correspond to \$367 for the second half of 2015 and \$438 for the first half of 2016. This 30 per cent increase in the minimum wage was brought to the negotiation table by the government as one of its promises in the November elections in the wake of a similar promise by the social democratic Republican People's Party. In response to criticisms by the business associations about this dramatic increase in the minimum wage, the government initiated a subsidy program that will require the government to reimburse 110TL of the gross minimum wage (i.e. approximately \$40 or 5.6 per cent of the gross minimum income) for all currently employed workers and for 10 per cent of the workers employed after this program takes effect.¹²

Turkey suffers from a long-term problem of low labour force participation rates due to the low participation rate of women, currently at 29.3 per cent, even though there was some improvement since the 2008 financial crisis. The low and stagnant female participation rate is generally attributed to the rural-to-urban migration that accelerated in the 1980s: rural-to-urban migrant women quit working in agricultural sectors and do not begin to work in service and industrial sectors in the urban areas. However, this factor is probably coupled with others, including the government's social policies since the participation rates remained stagnant even after the rural-to-urban migration slowed down. Within this particular context, the employment rate in Turkey was 53.2 per cent in 2014 and the unemployment rate for the same year was 9.9 per cent.

Turkey's at-risk-of-poverty rate, measured at 60 per cent of the country's median income, was 21.8 per cent in 2014.¹³ There was a steady decrease in the poverty rate from 25.4 per cent to 21.8 per cent between 2006 and 2014 (Turkish Statistical Institute (Turkstat) began to compile these data in conjunction with Eurostat in 2006).

According to World Bank data, the rates of poverty for the \$1.90 and \$3.10 per day thresholds for 2012 are 0.26 per cent and 3.1 per cent respectively (poverty headcount ratio, 2011 PPP).¹⁴ Turkstat continues publishing its data according to the World Bank's older thresholds at \$1 a day, \$2.50 a day, and \$4.30 a day. The respective values for 2014 are 0 per cent, 0.03 per cent, and 1.62 per cent.¹⁵

The Gini-coefficient by equalized household disposable income continuously dropped from 0.428 in 2006 to 0.391 in 2014 with the exception of year 2009.¹⁶ Nevertheless, Turkey still has the highest rate in Europe and convergence is taking place at a sluggish pace.

2. STATE POLICIES

In 2015, four noteworthy policy changes affected the industrial relations in Turkey.

The first one is the increase of the net minimum wage from roughly €330 to €400 at the beginning of 2016.¹⁷ As noted above, the minimum wage increase as of January 2016 is above the rate of inflation. The government initiated a subsidy program that will reimburse to employers 5.6 per cent of the gross minimum wage (110TL or roughly €34 a month). Since the expected cost of this program was not reflected in the government budget, time is needed to assess the actual social impact of the program on taxpayers (and given the tax structure in Turkey, again back on employees). Five million employees are estimated to earn minimum wage.¹⁸ Accordingly, the minimum size of the budget for this pro-employer subsidy program should

¹¹

<http://www.csgeb.gov.tr/home/contents/istatistikler/asgariucet/>
http://www.csgeb.gov.tr/media/1689/2015_birincialtiay.pdf
¹²<http://www.sgk.gov.tr/wps/wcm/connect/66de7b67-cc46-4560-9548-1b35058148a4/ASGAR%C4%B0+%C3%9CCRET+B%C4%B0LG%C4%B0+NOTU.pdf?MOD=AJPERES&CACHEID=66de7b67-cc46-4560-9548-1b35058148a4>
¹³ http://www.tuik.gov.tr/PrelstatistikTablo.do?istab_id=1387

<http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tessi010&plugin=1>

¹⁴ <http://data.worldbank.org/indicator/SI.POV.DDAY>

<http://data.worldbank.org/indicator/SI.POV.2DAY>

¹⁵ http://tuik.gov.tr/PrelstatistikTablo.do?istab_id=1605

¹⁶ http://tuik.gov.tr/PrelstatistikTablo.do?istab_id=1601

¹⁷

<http://www.csgeb.gov.tr/home/contents/istatistikler/asgariucet/>

¹⁸ <http://www.fortuneturkey.com/turkiyede-5-milyon-kisi-asgari-ucretle-calisiyor-3475>



be approximately €2 billion per year (roughly 1.2 per cent of the total government budget in 2015 as well as of the proposed budget for 2016). An interesting inference from this experimental program will be that the amount of the total subsidy paid at the end of 2016 will provide a net figure of the number of the employees earning the minimum wage.

The second is the government's proposal to amend the labour code in order to embed "flexicurity" in Turkey's employment relations.¹⁹ The amendment is to establish the operational procedures for the private employment agencies and to institute the principles about the relationship between the private employment agencies and the employees registered at these agencies.

Third, the government is currently working on a major reform of severance pay regulations.²⁰ According to current practice, employers are individually responsible for employees' severance pay, which is roughly one tenth of their salary. The proposed plan entails the transfer of this responsibility to a severance fund. The government argues that a significant majority of employees are practically denied their right to severance pay for various reasons, including liquidation of the businesses. Thus, employees often must go to court and the legal system has lost its functionality due to the high number of cases. Union confederations, excluding Hak-İş (a pro-government union confederation), oppose this proposal albeit with different reasons. In general, given the low union density, the current severance package regulations serve as a means to prolong workers' average duration of employment. Depending on the duration of employment, the severance pay becomes a major cost for the employers, who would otherwise lay off their employees more often.

Fourth, the most significant legislation in the social policy realm are the new maternal leave regulations that allow women civil servants to work half-time with full compensation for the first birth for 60 days, for the second birth for

120 days, and for any following births for 180 days. Women workers are given the right to work half-time for the same periods as the civil servants but they are not compensated for the hours on leave. This new regulation is compatible with the government's strategy to increase the birth rate in Turkey.²¹

A significant portion of the government budget is spent on social security and aid. The figures for 2014 and 2015 were 220 billion and 194 billion TL, making up 31 and 33 per cent of the total government budget respectively. The government budget lists 208 and 184 billion TL as "social protection not elsewhere classified". In other words, practically one third of the government budget is spent on activities that are not clearly defined in budgetary terms. Most of these resources are used for direct and in-kind social transfers. The entire social policy structure in Turkey is based on this chunk of the budget.²² This amount is distributed via an income-test taken by individuals who are not enrolled in any social security scheme: in 2014, 11.4 million people took the income-test in order to gain eligibility for social assistance. Only a miniscule portion of this population was granted some form of meagre and irregular income transfer (and mostly in-kind).²³

Changes in the labour legislation in 2014 allow workers to join a union via the official online system. This legislative change seems to have had a positive impact on unionization, as the membership size of three major unions increased in 2015.

The EU accession process is by and large in hiatus. The Syrian refugee crisis is being used by the Turkish government to force the EU to open some of the chapters. Negotiations between the parties continue as of the date of preparation of this report.

3. INDUSTRIAL RELATIONS

The Ministry of Labour and Social Security has not published any data about important collective negotiations since 2009. Thus, the

¹⁹ <http://www2.tbmm.gov.tr/d26/1/1-0597.pdf>

²⁰ <http://www.internethaber.com/kidem-tazminati-yeni-duzenleme-detaylari-soylu-anlatti-1560963h.htm>

²¹ <http://www.sabah.com.tr/gundem/2016/01/07/dogum-yapanlara-yeni-haklar-getiren-tasari-tbmmye-sunuldu>

²²

<https://portal.muhasibat.gov.tr/mgmportal/faces/khbDetail?biri>

mDizini=General+Government&_afzLoop=5047757635853400 &_afzWindowMode=0&_adf.ctrl-state=1008f7mn49_19

²³

http://www.sgk.gov.tr/wps/portal/tr/kurumsal/istatistikler/sgk_istatistik_yilliklari



official data series do not provide any information about ongoing important collective negotiations in Turkey.²⁴

A report for the Friedrich Ebert Stiftung in 2012 summarized recent developments on the internal situation of the trade union movement in Turkey.²⁵ Two persistent problems for the trade union movement are restrictive trade union legislation and employers' aggressive tactics to discourage unionization.

The exceptional character of the wave of strikes in the metal and automotive sectors between April and June 2015 can be regarded as the most important action of last year. These strikes were the largest and most widespread worker resistance in the last decade.

Workers in these sectors are primarily represented by Türk Metal within the Türk-İş Confederation, the largest union in Turkey in terms of membership. The other large union is Çelik-İş within the Hak-İş Confederation. In particular, Türk Metal is ill-famed for acting along with the employers' union (MESS) and stands as a textbook example for "yellow unions". Workers represented by this union and by Çelik-İş had been particularly agitated by the conditions of the last collective agreement ratified in 2012. Rumours also abounded about the union representatives' direct involvement in management's decisions about whom to layoff and whom not to layoff. The accumulated pressure resulted in a major outbreak in a number of factories first in Kocaeli and Bursa (the most industrialized cities in Turkey after Istanbul in terms of export volume and the share of manufacturing workers). Then, strikes and walkouts spread to Istanbul (the largest city), Izmir (the third most populous city), Eskişehir, and then Ankara (the capital city). The government banned the ensuing strike by referring to "national security" concerns. In the wake of the ban, workers stalled the production processes. In the meantime, some of the enterprises quit their membership in MESS, which had forced its members to comply with its original position. The worker resistance proved successful and most of their demands were accepted by the employers at most of these factories.

A noteworthy consequence of these strikes is a major disagreement within MESS, the employers' association. Some of the enterprises quit MESS because of its uncompromising stance vis-à-vis the demands by the workers and negotiated with the workers on their own. In other words, the worker resistance was influential enough to disrupt the employers' capacity for collective action.

The strikes resulted in positive results for the workers at the factories such as Renault, TOFAŞ, Mako, Ototrim, and Er-Metal. At the Ford factory in Kocaeli, the management succeeded in dividing the workers and made them start working without a new agreement. At Türk Traktör in Ankara, workers and the employer reached a compromise but the employer began to lay off some employees after the workers had returned to work.

Türk Metal still retains its right of representation at most of these factories even after the strikes. Given its convoluted relations with the employers and the government, Türk Metal's presence is generally regarded as a major obstacle to organized labour's collective action in the metal and automotive sectors. As mentioned above, these strikes took place in the two most strategic sectors in terms of the value produced. Furthermore, the resistance quickly spread over a large geographical area covering almost all industrial cities of the country. In other words, if a "non-yellow" union had been in charge but Türk Metal, this wave of strikes could have triggered others first in the subsidiaries in the abovementioned companies and then in the related sectors. In fact, the leadership of Türk Metal played an effective and crucial role in containing the workers' resistance within the confines of the individual plants and companies.

Another alarming trend concerns public civil-servant unions: the only "non-yellow" union in the government sector is KESK and it could barely keep its membership base in recent years while other union confederations expanded their membership base in the public sector at a high pace. Unionization nearly doubled within the last decade and surpassed the growth of the number of public employees,

²⁴http://www.csgeb.gov.tr/csgebPortal/ShowProperty/WLP%20Repository/csgeb/dosyalar/istatistikler/calisma_hayati_2009

²⁵ <http://library.fes.de/pdf-files/id-moe/09536-20121221.pdf>



which grew roughly by 24 percent between 2004 and 2012 (from 2.15 million to 2.66 million).²⁶ The three largest confederations are Kamu-Sen, Memur-Sen and KESK. Kamu-Sen is backed by the ultra-nationalist Nationalist Movement Party (MHP), Memur-Sen is pro-government and KESK is left-oriented. The extraordinary growth of unionization within the last decade has been mostly due to the pro-government Memur-Sen's high success in enrolment. Established in 1995, this confederation expanded its membership tenfold at the expense of the two other public employees' union confederations. If the trend continues, KESK will lose most of its leverage as a political organization and its capacity to defend the rights of its members as a union.

The close relationship between Memur-Sen and the government is reflected in the highly criticized collective agreements negotiated for public employees in recent years: the contractual wage increase for 2015 was recently agreed as 6.74 percent, lower than the expected rate of inflation (9.22 percent).²⁷ A structural problem is that public employees are not granted the right to strike. Accordingly, negotiations rather represent a medium of dysfunctional dialogue rather than actual bargaining.

In the private sector, the three largest union confederations, Türk-İş, Hak-İş and DİSK represent more than 95 percent of all unionized workers in Turkey. The size of their memberships dropped significantly during the first decade while the private sector workforce increased by at least 46 percent in the same time period.²⁸ One reason for the drastic drop in membership was the general stagnation in unionization in that time period and the second was more realistic membership figures after the threshold for representativeness for collective bargaining was lowered from 10 per cent to 3 per cent and later to 1 per cent (it is an open secret that unions used to artificially inflate their number of members in order to keep representativeness). Regarding yellow unionism, Hak-İş, a pro-government confederation that has political Islamist tendencies, has a growing membership at the

expense of the two other confederations. Even though Türk-İş is still the largest confederation, Hak-İş is moving forward as the predominant pro-government confederation in Turkey. Among the three confederations, the left-oriented DİSK has lost its share the fastest.

A trend toward the establishment of new labour unions can be observed. The records of the Ministry of Labour and Social Security indicate significant growth after 2009. The number of new unions each year in the last decade was between 91 and 96 while the figure thus far for 2016 is 168. This substantial increase is probably due to the above-mentioned new legislation that reduced the nationwide threshold to 1 percent.

Regarding the employers' organizations, as mentioned above the strikes in the automotive and metal sectors had a significant impact on MESS (the employers' association in the metal sector). The disagreement about how to handle the workers' resistance led to the withdrawal of some of the companies from this association in order to negotiate with their workers without binding themselves to the bargaining position set by MESS. This development is highly illustrative of the potential of the union movement in Turkey. These strikes took place under very unfavourable circumstances for the workers: the current government not only has an anti-union position but also small and medium-sized enterprises (SMEs), who account for most of the unregistered (and hence non-union) employment, are the strategically most important political ally of the government within domestic politics thanks to their influence in local politics. Thus, the SMEs set the standards for employment and compensation conditions and organized labour has no influence in this segment of the industrial topography. Furthermore, the current government has recently developed authoritarian tendencies.

The second issue is related to the ongoing tension between the government and some of the business associations. In 2015, some of

²⁶ <http://www.sgk.gov.tr/>

²⁷ <http://www.takvim.com.tr/ekonomi/2014/11/05/memurayuzde-674-zam>

<http://www.tcmb.gov.tr/wps/wcm/connect/d1ee7b1d-41fc-40e6-9071-61685e7babba/BA-Rapor->

<Int.pdf?MOD=AJPERES&CACHEID=d1ee7b1d-41fc-40e6-9071-61685e7babba>

²⁸ www.iskur.gov.tr



the major business people's companies were confiscated by the government as a result of the (absurd) allegations such as supporting terrorism by the community led by a religious leader, Fethullah Gülen. Among those business groups openly affiliated with Gülen's community, Koza Group's media companies were confiscated. Similarly, Boydak Group, which is the largest industrial corporation of Kayseri province, was put under administrative pressure. In March 2016, some of the family members were arrested once again with allegations of financially supporting the Gülen movement that is currently regarded as a terrorist organization.

TÜSİAD, the business association of the largest corporations of Turkey, adopted a submissive position and abstained from openly supporting the Boydak Group, a member of TÜSİAD. Overall, as in 2014, 2015 witnessed a further build-up of tensions among employers' organization and the Justice and Development Party (AKP) government's aggressive attitude played an important part in the unfolding of these clashes. Among the abovementioned organizations, MÜSİAD is the only one that unconditionally supports the government, while it is also the weakest among the others. Accordingly, the AKP government used different instruments such as taxation inspections and legislative action to change the structure of these associations in order to have the upper hand in the ongoing strife in 2014. In 2015, these methods were mostly left aside and direct appropriation via questionable court orders were most of the time used in the wake of President Erdoğan's declarations openly targeting business groups and business people, replaced the more subtle methods to silence the business people who had taken an anti-government position.

4. TRIPARTITE SOCIAL DIALOGUE

The most important channel for tripartite dialogue is the Economic and Social Council established by the Turkish Constitution. The Council held its last meeting in 2009 and has not met since then. Even though the Grand Assembly of Turkey (the legislative body) has been discussing a new bill to restructure the Council, there has not been any consensus on the content of the bill.

Labour unions, employer associations, and the Ministry of Labour and Social Security have been holding "Tripartite Counselling Board" meetings for the last four years. Participants of the Board pursued discussions on the Unions and Collective Bargaining Code, Seniority Compensation, Subcontracting, the 19th Chapter of the EU Accession Process, and private employment agencies. No consensus was reached at these meetings on these and other subjects. Furthermore, the government took unilateral steps and passed a bill on subcontracting to the related committee in the Grand Assembly. Government representatives attempted to create the impression that the bill was passed as a result of a consensus reached at the Tripartite Counselling Board. Upon these failing and reluctant attempts by the government, the Ministry of Labour and Social Security held the 10th Assembly of Labour on 26-27 September 2013. Like the previous ones, the meeting ended with no consensus on the aforementioned issues critical for both labour unions and employer associations.



5. FORECASTS

Despite its election victory in November 2015, which was mainly due to the violent military operations in the Kurdish regions, there are strong signs that the AKP government will no longer enjoy an unchallenged position in the coming years. In order to build alliances, it is expected that the government will continue to actively promote particular union confederations such as Memur-Sen and Hak-İş both in the public and private sectors and ensure their unconditional support in return. Second and more importantly, the SME owners such as the ones represented by MÜSİAD now account for the only segment of the business community that actively supports the government. They are small individually, yet big in total numbers.

In addition to the geopolitical developments, which are beyond the scope of this report, the potential clash among these two interest groups, pro-government trade unions and employers' association representing SME owners, appear as the basis of the basic domestic factors that will determine the fate of the government. Additionally, tensions between the government and big businesses can also be expected, particularly after the recent confiscations suffered by anti-government business people under the pretext of "counterterrorism". Isolating all other domestic and international influences, the developments shaping the relations between big business and the SMEs will probably act as the tiebreaker in the current political stalemate.

One of the issues that will have a direct impact on the policies of labour in 2016 will be the proposal of the government to reform the system of severance payments. As this is one of the few legal rights that help workers to protect themselves from their employers' potentially erratic "easy hire-easy fire" policies, workers in Turkey are not willing to give it up. Almost all governments since the coup d'état in 1980, including this one, had this reform on their policy agenda, yet none of them had the courage to take the actual step given the potentially negative and influential response by workers not only on the street or at the workplace but also at the ballot box. If the

proposed reform is passed in the parliament, it will certainly have political consequences. Provided that the reform survives the political turmoil, it will have a major and negative impact on the labour movement since it will increase the turnover rate of the workers at enterprises.

The raise in the minimum wage in 2015 will have a short-term important effect on the shop-floor relations in Turkey: workers who earned higher salaries than the previous minimum wage will demand pay raises. The reactions have begun to turn into collective action.²⁹ The key issue here is that discontent among the workers will not be limited to the unionized workplaces. Any worker at any workplace who earned more than the minimum wage before the recent raise will demand a similar raise. Given that roughly five million workers are paid the minimum wage right now and there are 11.6 million registered workers in Turkey, and only a minor portion of the registered workers work for compensation below the minimum wage, we can reach the conclusion that the discontent will be shared by almost seven million workers. This will have potentially disruptive effects at the shop-floor level. Most of the reactions by the workers will be limited to individual outbursts but the discontent itself provides a major window of opportunity for unionization activities, particularly at SMEs.

²⁹ <http://www.ulusalkanal.com.tr/emek/renault-iscilerinden-asgari-ucuret-protestosu-h88051.html>

<http://www.haberler.com/izmit-te-iscilerden-asgari-ucuret-farki-eylemi-8230228-haberi/>



ANNEX OF DATA

COLLECTIVE BARGAINING SYSTEM

There is a dual legal structure in Turkey that applies different rules for public and private employees. Public employees were granted the right of collective bargaining in 2012 with the Code numbered 4688, but this Code prohibits public employee unions from striking. In the case of a stalemate in collective bargaining, the parties apply to the Public Employees Arbitration Board (Kamu Görevlileri Hakem Kurulu). Public employee unions assign four members to the Board, while the majority belongs to representatives of the government. Accordingly, the public employee unions do not have the leverage against their employer/the government and the right to unionization does not have much meaning with regard to actual collective bargaining.

Furthermore, the AKP provides extensive support for Memur-Sen, a yellow union that has expanded its membership by ten times within the last decade. This confederation is heavily criticized for its position during negotiations, as the agreements by this confederation are generally believed to actually deteriorate the working conditions and even the wages of public employees.

A number of changes eliminated some legal barriers to unionization: the minimum age for union membership was dropped from 16 to 15. New members are no longer required to notarize the membership forms: notarization is a costly process in Turkey. Workers can make online applications for union membership.

Unions need to enrol one percent of the workers employed in one of the twenty branches of economic activity in order to conduct collective bargaining. The threshold used to be three percent before this change. Even though this is an improvement, the 1 per cent threshold still appears as a significant obstacle to effective unionization.

There are three levels of collective bargaining in Turkey: workplace, enterprise, and sector. The second level pertains to the collective bargaining for different workplaces belonging to the same employer. The third level consists

of negotiations between a number of enterprises and the union. The Code numbered 6356 brought about the novelty of a “framework contract” to provide the opportunity of collective bargaining at the sector level. However, this regulation is generally believed to be insufficient for this purpose.

Arbitration

There are four forms of arbitration mechanisms. First, if negotiations fail, the parties are obliged to resort to the arbitration mechanism. The Ministry of Labour and Social Security assigns the arbitrator in such cases. Second, the recent changes in the Labour Code numbered 6356 grant the Ministry the right to assign an arbitrator in the case of strikes. The Ministry has not used this right thus far, but the right itself potentially annuls the ability to strike in Turkey. Third, upon the failure of the negotiations, parties can accept the decision of a mutually agreed “private arbitrator” or the Higher Arbitrator Council. Lastly, a strike is prohibited in particular sectors such as oil drilling, banking, urban water supply, and enterprises belonging to the Ministry of National Defence. In these sectors, the Higher Arbitrator Council intervenes in the negotiations upon a stalemate without seeking approval from the negotiating parties.

Strikes

Public employees do not have the right to strike. The right to strike is severely restricted for workers employed in the private sector: the government reserves the right to postpone the strikes whenever it deems necessary. For instance, a recent strike in the glass manufacturing sector was postponed by the government in 2014.³⁰As noted, the strikes in the automotive and metal sectors in 2015 were also banned based on a reference to “national security”.

SOCIAL SECURITY SYSTEMS

As of 1 January 1 2012, the Act numbered 5510 (ratification date: May 31, 2006) unified the health-care services for different types of social insurance in Turkey. Accordingly, employees in the private sector, the self-employed, and civil servants received health-

³⁰ <http://www.kristalis.org.tr/yeni/?p=12789>

care services under the coverage of “General Health-Care Insurance”. Those who do not hold any of these statuses, either pay premiums for the insurance, the rate of which is equal to 200 percent of the rate the wage workers earning the minimum wage pay, or

apply to the Social Solidarity and Assistance Foundations for an income-test in order to determine their financial ineligibility to pay the premiums.³¹ The Foundations currently act as the agency to distribute most of the means-tested social assistance in Turkey.

Number of Insured Persons, Pensioners and Dependents, 2014 ³²	Insured Persons	Pensioners	Dependents	Applicants/Beneficiaries	Total	Rate of Insured/Pensioner
Wage Workers Under Article 4-1/a of Act 5510], 2014	13,967,837	6,112,784	18,447,686	-	37,015,094	2.29
Self Employed According to Act 1479 and 2926) [Under Article 4-1/b of Act 5510], 2014	2,943,837	2,292,768	9,213,757	-	15,184,919	1.28
Civil Servants [Under Article 4-1/c of Act 5510], 2014	2,910,148	1,821,495	6,278,643	-	10,201,181	1.60
Applicants/Beneficiaries of the Unemployment Insurance [Under Article 48 of Act 4447, 1999]	-	-	-	900,910	900,910	

Social Security Coverage ³³	2010	2011	2012	2013	2014
Insured Persons	16,196,304	17,374,631	18,352,859	18,886,989	19,821,822
Pensioners	8,820,679	9,274,682	9,635,709	9,893,634	10,227,047
Dependents	35,470,436	36,348,316	33,807,725	32,939,205	33,940,086
Rate of insured/pensioner (Insured Persons)	1.84	1.87	1.9	1.91	1.94
Funds	341,103	350,890	356,040	367,205	377,800
Rate of insured/pensioner (Funds)	1.37	1.41	1.42	1.50	1.54
Population of Turkey	73,722,988	74,724,269	75,627,384	76,667,864	77,695,904
Social security coverage	61,526,491	64,088,819	62,899,043	62,789,365	65,060,709
Rate of insured population	83%	86%	83%	82%	84%
Rate of unregistered insured population	17%	14%	17%	18%	16%
Billed Payments					
Pensioners covered under law No. 2022	1,363,670	1,337,989			
Pensioners covered under other laws	49,643	49,158	48,550	47,996	47,336
Persons making income-test	9,395,185	8,865,470	11,357,306	12,351,352	11,385,011

³¹ <http://www.mevzuat.gov.tr/MevzuatMetin/1.5.5510.pdf>

³² sgk.gov.tr

³³ sgk.gov.tr



EDUCATIONAL AND VOCATIONAL TRAINING

Indicators			Country/ Period	Turkey	Developin g countries	OECD	W orl d
Literacy rate	Adult	% ages 15 and older	2005-2013	94.9	79.9	..	81 .2
	Youth (% ages 15-24)	Female	2005-2013	98.4	84.1	..	84 .7
		Male	2005-2013	99.6	90.4	..	90 .8
Secondary Education	Population with at least some secondary education	% ages 25 and older	2005-2013	49.4	51.2	84.5	59 .7
Gross enrolment ratio	Pre-primary	% of preschool-age children	2008-2014	31	50	87	54
	Primary	% of primary school-age population	2008-2014	100	110	102	10 9
	Secondary	% of secondary school-age population	2008-2014	86	70	98	74
	Tertiary	% of tertiary school-age population	2008-2014	69	25	71	32
	Primary school dropout rate	% of primary school cohort	2008-2014	10.0	25.3	2.8	17 .6
Education quality	Performance of 15- year-old students	Reading	2012	475	—	—	—
		Mathematics	2012	448	—	—	—
		Science	2012	463	—	—	—
	Primary school teachers trained to teach	%	2008-2014	..	84
	Pupil-teacher ratio, primary school	Number of pupils per teacher	2008-2014	20	27	16	25
	Public expenditure on education	% of GDP	2005-2014	2.9	4.7	5.1	5. 0

http://hdr.undp.org/sites/default/files/2015_statistical_annex_tables_all.xls

The available data allows for a comparison between 2007 and 2012 concerning formal and non-formal education. The growth rate for formal education is larger than the growth rate for non-formal education.

Participation in education and training by settlement place, sex, age group, education attained and labour status (%) [Population age 18 and over]		Participation in formal education		Participation in non-formal education	
		2007	2012	2007	2012
Total	Total	5.8	8.3	13.9	15.4
Place of Settlement	Urban	7.2	10.1	15.0	17.8
	Rural	2.6	4.1	11.2	10.1
Gender	Male	7.2	9.8	17.3	17.5
	Female	4.5	6.8	10.5	13.4
Age group	18-24	24.5	33.9	26.0	26.7
	25-34	5.5	9.6	18.0	20.9
	35-54	0.8	2.0	11.6	14.4
	55-64	0.1	0.2	4.4	5.4
	65+	-	0.0	1.2	1.4
Education Attained	Not completed school	0.3	0.7	2.1	3.3
	Primary school	0.4	0.9	6.4	8.0
	Primary education and junior high school	5.8	12.4	13.8	14.4
	General high school	22.3	24.2	28.8	26.2
Employment Status	Vocational or technical high school	15.1	17.4	27.7	26.6
	Higher education	12.1	16.3	39.0	40.0
	Employed	5.2	7.7	20.1	21.1
	Unemployed	10.3	13.1	27.6	19.2

Source: Turkstat; http://tuik.gov.tr/PrelstatistikTablo.do?istab_id=2024

According to Turkstat data for 2010, approximately one third of the enterprises provided vocational training for their employees. The differences across individual sectors are significantly large. The table below

illustrates two main axes: first, a smaller portion of enterprises in labour-intensive sectors tend to provide vocational training than the others, while enterprises employing predominantly white collar workers have an



above-average tendency to the provision of vocational training. The available data do not provide details about the content of training provided.³⁴

Unsurprisingly, larger enterprises provide training for a larger portion of their employees than the smaller enterprises. The comparison between 2007 and 2010 reveals that workers at enterprises employing 10-49 workers had a higher percentage involving vocational

training for employees in 2007 than in 2010. Similarly, the percentage of those enterprises providing vocational training increased between 2007 and 2010 at a much slower pace than the enterprises employing more than 50 people. The above-mentioned ALMPs may have played a role in this surprising and regressive development, as they take some burden of training off the shoulders of employers.

Ratio of participants in vocational training courses to all persons employed, by enterprise size group and gender, 2007-2010 (%)						
Enterprise size group	Total		Male		Female	
	2007	2010	2007	2010	2007	2010
Total	13.0	15.6	13.0	15.4	13.1	16.2
10-49	8.4	5.2	8.8	5.4	6.4	4.5
50-249	8.3	11.8	8.4	12.0	7.9	11.0
250+	18.0	26.8	17.9	26.9	18.7	26.5

Turkstat, Continuing Vocational Training in Enterprises, 2007-2010
 Ratio of participants to vocational training courses to all persons employed = Number of participants of vocational training courses / Number to all persons employed*100
http://tuik.gov.tr/PrelstatistikTablo.do?istab_id=2020

EMPLOYMENT RATE

Employment rate, by sex (%)		2006	2007	2008	2009	2010	2011	2012	2013	2014
EU (27 countries)	Total	69	69.9	70.3	69	68.6	68.6	68.5	68.5	69.2
	Male	76.9	77.7	77.9	75.8	75.1	75.0	74.7	74.4	75.1
	Female	61.2	62.1	62.8	62.3	62.1	62.3	62.5	62.7	63.5
Turkey	Total	48.2	48.2	48.4	47.8	50	52.2	52.8	53.4	53.2
	Male	73.2	73.0	72.7	70.4	72.7	75.1	75.0	75.3	75.0
	Female	24.0	24.2	24.9	25.8	28.0	29.7	30.9	31.8	31.6

<http://ec.europa.eu/eurostat/tgm/download.do?tab=table&plugin=1&language=en&pcode=tesem010>

³⁴ http://tuik.gov.tr/PrelstatistikTablo.do?istab_id=2019

UNEMPLOYMENT RATE

Unemployment rate, by sex (%)		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Turkey	Total-Eurostat	-	-	-	-	-	9.5	9.0	9.1	10.0	13.0	11.1	9.1	8.4	9.0	9.9	10.3
	Total-Turkstat	6.5	8.4	10.3	10.5	10.8	10.6	10.2	10.3	11	14	11.9	9.8	9.2	9.7	9.9	10.3
	Male-Turkstat	6.6	8.7	10.7	10.7	10.8	10.5	9.9	10	10.7	13.9	11.4	9.2	8.5	8.7	9	9.2
	Female-Turkstat	6.3	7.5	9.4	10.1	11	11.2	11.1	11	11.6	14.3	13	11.3	10.8	11.9	11.9	12.6
EU (27 countries)	Total	8.8	8.6	8.9	9.1	9.2	9.0	8.2	7.2	7.0	9.0	9.6	9.6	10.4	10.8	10.2	9.4
	Male	8.0	8.0	8.3	8.5	8.6	8.4	7.6	6.6	6.6	9.0	9.6	9.5	10.4	10.8	10.1	9.3
	Female	9.9	9.4	9.7	9.9	10.0	9.8	9.0	7.9	7.5	8.9	9.6	9.7	10.5	10.9	10.3	9.5
http://biruni.tuik.gov.tr/isgucuapp/isgucu.zul																	
https://biruni.tuik.gov.tr/medas/?kn=72&locale=tr																	
http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&pcode=tsdec450&plugin=1																	
http://ec.europa.eu/eurostat/tgm/download.do?tab=table&plugin=1&language=en&pcode=tesem120																	

MINIMUM WAGE

Hourly real minimum wages in Turkey	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Constant prices at 2014 USD PPPs	3.60	3.10	3.30	3.60	4.60	4.80	4.80	4.80	4.70	4.80	4.80	5.00	5.10	5.20	5.30
Euro (Constant prices at 2014 USD PPPs)	2.80	2.40	2.60	2.80	3.60	3.80	3.80	3.70	3.70	3.80	3.80	3.90	4.00	4.10	4.20
https://stats.oecd.org/Index.aspx?DataSetCode=AV_AN_WAGE															
For yearly average exchange rates for converting foreign currencies into U.S. Dollars see https://www.irs.gov/Individuals/International-Taxpayers/Yearly-Average-Currency-Exchange-Rates															

AVERAGE MONTHLY SALARY

Average working hours and monthly average gross wage by sex and age group																		
Age group	The distribution of employees (%)			Contractual working hours per week (Hours)			Monthly paid hours			Hourly average gross wage			Monthly average basic gross wage (Euro)					
	2006	2010	2014	2006	2010	2014	2006	2010	2014	2006	2010	2014	2006	2010	2014	2006	2010	2014
Total																		
Total	100.0	100.0	100.0	44.9	44.7	44.7	199.7	200.1	199.6	3.07	3.80	3.84	552	695	698	613	760	760
<16	0.0	0.0	0.0	44.1	45.2	44.9	193.1	197.4	197.5	1.47	1.95	1.98	278	380	383	284	384	389
16-19	3.3	2.3	3.1	44.9	45.1	44.9	199.0	200.1	199.9	1.67	2.08	2.26	317	401	431	332	417	453
20-24	13.1	11.5	11.7	45.0	44.9	44.7	199.7	200.7	199.6	2.00	2.51	2.62	371	469	485	399	503	522
25-29	24.4	22.2	19.6	44.9	44.7	44.7	200.1	199.9	199.2	2.53	3.19	3.29	461	584	597	507	637	652
30-34	20.7	21.9	20.9	44.9	44.6	44.7	199.9	200.6	199.5	3.20	3.82	3.94	577	696	712	641	767	780
35-39	15.6	16.7	17.3	44.9	44.7	44.7	200.0	200.7	200.0	3.49	4.19	4.41	624	761	797	698	840	873
40-49	18.7	20.0	21.2	44.8	44.6	44.8	199.3	200.0	200.1	3.88	4.55	4.41	682	828	801	772	910	875
50-59	3.8	4.7	5.3	44.6	44.0	44.8	196.5	195.0	198.3	4.80	5.65	4.51	847	1,030	828	943	1,101	881
60+	0.4	0.6	0.8	44.5	44.4	44.6	195.3	195.1	195.1	5.97	7.30	6.59	1,099	1,341	1,212	1,165	1,425	1,265
Male																		
Total	77.0	75.4	72.6	44.9	44.7	44.8	200.3	201.1	200.6	3.07	3.77	3.82	548	687	694	615	759	762
<16	(*)	(0)	0.0	(*)	(0)	45.0	(*)	(0)	197.7	(*)	0.00	2.02	(*)	0	392	(*)	0	397
16-19	2.1	1.6	2.1	45.0	45.1	44.9	198.6	199.8	199.9	1.66	2.07	2.26	315	399	429	330	414	452
20-24	8.2	7.1	7.2	45.0	44.9	44.8	200.2	201.4	200.6	1.97	2.46	2.59	364	459	479	395	496	520
25-29	18.4	16.1	13.7	45.0	44.8	44.8	201.0	201.2	200.5	2.44	3.06	3.20	442	559	580	491	617	640
30-34	16.5	16.8	15.5	44.9	44.7	44.7	200.8	201.9	200.8	3.03	3.66	3.77	542	664	681	609	739	754
35-39	12.6	13.1	12.8	45.0	44.8	44.7	200.7	201.8	201.1	3.42	4.07	4.32	607	737	779	685	822	863
40-49	15.6	16.3	16.3	44.8	44.6	44.8	199.9	200.9	201.0	3.90	4.52	4.40	681	818	799	780	908	880
50-59	3.2	3.9	4.2	44.6	44.1	44.8	196.8	195.8	198.6	4.87	5.76	4.64	857	1,047	854	959	1,127	908
60+	0.4	0.5	0.7	44.5	44.4	44.5	195.0	195.2	195.2	6.00	7.55	6.75	1,101	1,382	1,247	1,169	1,473	1,296
Female																		
Total	23.0	24.6	27.4	44.7	44.5	44.6	197.5	196.9	196.8	3.07	3.88	3.88	567	719	708	606	763	753
<16	(0)	(0)	0.0	(0)	(0)	44.9	(0)	(0)	197.1	0.00	0.00	1.89	0	0	365	0	0	372
16-19	1.2	0.7	1.1	44.9	45.3	45.0	199.7	200.8	199.8	1.68	2.11	2.27	320	407	434	336	423	454
20-24	4.9	4.4	4.5	44.9	44.8	44.6	199.0	199.4	197.9	2.04	2.59	2.67	383	485	495	405	516	525
25-29	6.1	6.1	5.9	44.7	44.4	44.4	197.3	196.5	196.2	2.81	3.52	3.49	520	647	636	554	691	677
30-34	4.2	5.1	5.4	44.5	44.3	44.4	196.4	196.5	196.0	3.88	4.36	4.43	710	803	801	762	857	855
35-39	3.0	3.6	4.5	44.7	44.4	44.6	197.3	196.6	196.7	3.80	4.60	4.66	698	846	849	750	904	901
40-49	3.1	3.7	4.9	44.6	44.5	44.7	196.5	196.2	196.9	3.74	4.70	4.44	687	875	808	734	922	859
50-59	0.5	0.9	1.1	44.5	43.4	44.8	195.0	191.1	196.9	4.37	5.13	4.00	786	953	723	852	980	774
60+	0.0	0.1	0.1	44.2	44.3	44.8	198.6	195.0	194.9	5.66	5.41	5.61	1,072	1,025	998	1,125	1,055	1,078
Turkstat, Structure of Earnings Survey																		
(*) : Data are not given for hinder to obtain confidential figures by mathematical process.																		
(0) : Data not available due to insufficient number of obversion.																		
http://evds.tcmb.gov.tr/cgibin/famecgi?cgi=\$ozetweb&DIL=TR&ARAVRIGRUP=bie_dkdovizgn.db																		
http://tuik.gov.tr/PrelstatistikTablo.do?istab_id=1053																		

ACTUAL ANNUAL WORKING HOURS

Average annual hours actually worked per worker	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Turkey	1,937	1,942	1,943	1,943	1,918	1,936	1,944	1,911	1,900	1,881	1,877	1,864	1,855	1,832	..
OECD countries	1,843	1,828	1,819	1,812	1,813	1,807	1,808	1,802	1,794	1,700	1,776	1,773	1,773	1,770	1,770
http://stats.oecd.org/Index.aspx?DataSetCode=STLABOUR															

NORMAL WORK /ATYPICAL WORK

Turkey	Domestic Definition; %		Common Definition; %		Persons, thousands	
	Full-time employment (Weekly +30 hours)	Part-time employment	Full-time employment (Weekly +30 hours)	Part-time employment	Full-time employment (Weekly +30 hours)	Part-time employment
2000	91	9	91	9	19,561	2,018
2001	94	6	94	6	20,180	1,343
2002	93	7	93	7	19,946	1,409
2003	94	6	94	6	19,872	1,274
2004	94	6	94	6	18,429	1,201
2005	94	6	94	6	18,948	1,121
2006	92	8	92	8	18,873	1,551
2007	92	8	92	8	19,065	1,671
2008	91	9	91	9	19,381	1,812
2009	89	11	89	11	18,911	2,365
2010	89	11	89	11	20,003	2,593
2011	88	12	88	12	21,280	2,832
2012	88	12	88	12	21,878	2,940
2013	88	12	88	12	22,395	3,128
2014	89	11	89	11	23,182	2,752
	Dataset: Incidence of FTPT employment - national definitions http://stats.oecd.org/Index.aspx?DataSetCode=FTPTN_D		Dataset: Incidence of FTPT employment - common definition http://stats.oecd.org/Index.aspx?DataSetCode=FTPTC_I		Dataset: FTPT employment based on a common definition http://stats.oecd.org/Index.aspx?DataSetCode=FTPTC_D	

MIGRATION

	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
In-Migration by Province, 2008-2015 (Total)	2,273,492	2,236,981	2,360,079	2,420,181	2,317,814	2,534,279	2,681,275	2,720,438
In-Migration by Statistical Region, 2008-2015 (Total)	1,903,234	1,876,673	1,985,917	2,045,720	1,942,874	2,122,454	2,254,607	2,287,542
http://tuik.gov.tr/PrelstatistikTablo.do?istab_id=163 http://tuik.gov.tr/PrelstatistikTablo.do?istab_id=161 Note: Foreign population is not included.								

HUMAN DEVELOPMENT INDEX, 2014

Human Development Index and its components ³⁵ http://hdr.undp.org/en/data							
	Country/Region	Human Development Index (HDI)	Life expectancy at birth	Expected years of schooling	Mean years of schooling	Gross national income (GNI) per capita	GNI per capita rank minus HDI rank
		Value	(years)	(years)	(years)	(2011 PPP \$)	
		2014	2014	2014	2014	2014	2014
Turkey		0.761	75.3	14.5	7.6	18,677	-12
Human development groups	Very high human development	0.896	80.5	16.4	11.8	41,584	
	High human development	0.744	75.1	13.6	8.2	13,961	
	Medium human development	0.630	68.6	11.8	6.2	6,353	
	Low human development	0.505	60.6	9.0	4.5	3,085	
Regions	Arab States	0.686	70.6	12.0	6.4	15,722	
	East Asia and the Pacific	0.710	74.0	12.7	7.5	11,449	
	Europe and Central Asia	0.748	72.3	13.6	10.0	12,791	
	Latin America and the Caribbean	0.748	75.0	14.0	8.2	14,242	
	South Asia	0.607	68.4	11.2	5.5	5,605	
	Sub-Saharan Africa	0.518	58.5	9.6	5.2	3,363	
Least developed countries		0.502	63.3	9.3	4.1	2,387	
Small island developing states		0.660	70.1	11.4	7.9	6,991	
OECD		0.880	80.2	15.8	11.5	37,658	
World		0.711	71.5	12.2	7.9	14,301	

³⁵ Human Development Index (HDI): A composite index measuring average achievement in three basic dimensions of human development – a long and healthy life, knowledge and a decent standard of living. See Technical note 1 (<http://hdr.undp.org/en>) for details on how the HDI is calculated.



GINI-COEFFICIENT

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Turkey	42.8	40.6	40.5	41.5	40.2	40.4	40.2	40	39.1
EU (27 countries)	30.3	30.6	31	30.6	30.5	30.8	30.4	30.5	30.9
TURKSTAT, Income and Living Conditions Survey, 2006-2014									

GENDER PAY GAP

Gender wage gap, OECD (*)	2010 (%)
Turkey	20.065
OECD - Average	15.405
(*) The gender wage gap is defined as the difference between male and female median wages divided by the male median wages. Source: OECD (for 2010 only); http://stats.oecd.org/index.aspx?queryid=54751#	
Notes: UNECE: Data not available; http://w3.unece.org/pxweb/dialog/Saveshow.asp?lang=1 EuroStat: Data not available; http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=earn_gr_gpgr2&lang=en	

COLLECTIVE AGREEMENT COVERAGE

		Number of Agreements	Number of Workplaces	Number of Workers under Coverage (A)	Number of Workers (B)	A/B (%)
2013	Public	1,812	12,154	227,394		
	Private	832	5,151	433,392		
	Total	2,644	17,305	660,786	10,881,618	0.060
2014	Public	1,161	6,476	102,297		
	Private	516	5,964	261,910		
	Total	1,677	12,440	364,207	11,600,554	0.0313
Labour Statistics 2013, p. 88-92, 101, Labour Statistics 2014, p. 20 and 32, Ministry of Labour and Social Security http://www.csgb.gov.tr/csgbPortal/csgb.portal?page=istatistik http://www.csgb.gov.tr/csgbPortal/ShowProperty/WLP%20Repository/csgb/dosyalar/istatistikler/CalismaHayati-2013 http://www.csgb.gov.tr/media/1745/calisma_hayati_2014.pdf						

TRADE UNION DENSITY

OECD Data:

Trade Union Density (*) (%)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2012 (1999: 100)
Turkey	10.6	9.9	10.0	9.5	8.9	8.6	8.2	7.5	6.6	5.8	5.9	5.9	5.4	4.5	43%
OECD countries	20.8	20.2	19.8	19.5	19.4	19.0	18.8	18.2	18.0	17.8	17.9	17.6	17.5	17.0	80%

http://stats.oecd.org/Index.aspx?DataSetCode=UN_DEN
 (*) Trade union density corresponds to the ratio of wage and salary earners that are trade union members, divided by the total number of wage and salary earners (OECD *Labour Force Statistics*). Density is calculated using survey data, wherever possible, and administrative data adjusted for non-active and self-employed members otherwise.

Data by the Ministry of Labour and Social Security:

	Number of Workers ³⁶	Number of Unionized Workers	Trade Union Density (%)
2003	4,686,618	2,717,326	58.0
2004	4,857,792	2,806,927	57.8
2005	4,970,784	2,901,943	58.4
2006	5,088,515	2,987,431	58.7
2007	5,210,046	3,043,732	58.4
2008	5,414,423	3,179,510	58.7
2009	5,434,433	3,205,662	59.0
2013	10,881,618	1,001,671	9.2
2014	11,600,554	1,096,540	9.5

EMPLOYERS' ORGANIZATIONS DENSITY

The largest employers' organization in terms of the size of its membership is the Union of Chambers and Commodity Exchanges of Turkey (Türkiye Odalar ve Borsalar Birliği, TOBB). TOBB is composed of 365 chambers of commerce, industry, and maritime as well as commodity bourses/exchanges. Membership in chambers of commerce, industry, or maritime is mandatory for individual companies. Thus, the size of TOBB membership gives a rough figure about the number of enterprises in Turkey. As of 2014, the figure is approximately 1.2 million.³⁷

The Turkish Exporters Assembly (Türkiye İhracatçılar Meclisi, TİM) was founded in 1993 "as the roof organization of exporting firms [in order to] determine the issues related to the export, to conduct improvement studies, and to insure the transfer of the problems of the exporters to the highest competent authorities".³⁸ Membership of TİM is mandatory for all exporting companies. TİM is organized as the association of sixty exporter

associations for individual sectors under thirteen general secretariats. TİM has approximately 42,000 member companies.³⁹

The Turkish Confederation of Employer Associations (Türkiye İşveren Sendikaları Konfederasyonu, TİSK) is the main confederation for employers' associations composed of 22 member employers' associations. The available data for the membership size of individual employers' associations is shown below. TİSK has approximately 9,600 member companies employing roughly 1.23 million people.⁴⁰

The Turkish Business and Industry Association (Türkiye Sanayici ve İşadamları Derneği, TÜSİAD) is historically the most influential business group in domestic politics. The association had 597 members in 2013.⁴¹ Ninety-seven percent of its members represent an enterprise. According to the website of the association, its members account for 80 percent of all Turkish foreign trade, excluding energy imports. The total value added by its members is equal to half of

³⁶ <http://www.csgeb.gov.tr/>

³⁷ <http://www.tobb.org.tr/Sayfalar/Tarihce.php>

³⁸ <http://www.tim.org.tr/en/about-tim-about-us.html#>

³⁹ <http://www.tim.org.tr/tr/basin-odasi-yayinlarimiz-timreport.html>

⁴⁰ <http://tisk.org.tr/tr/Tisk-Tarihce>

⁴¹ http://www.tusiad.org/_rsc/shared/file/TUSIAD-RAPOR13-TAM.pdf, p. 84-90.



the total non-public value added. TÜSİAD member enterprises paid 85 percent of all corporate taxes, employed half of the registered employees, and accounted for 65 percent of the industrial output in 2013. Approximately 35 percent of the member companies operate in the manufacturing sector.⁴²

The Independent Industrialists' and Businessmen's Association (Müstakil Sanayici ve İşadamları Derneği; MÜSİAD) is also a politically-active business association that currently takes a pro-government position in domestic politics. Founded in 1990, the association has approximately 36,000 members employing 1.6 million workers.⁴³

The Turkish Confederation of Businessmen and Industrialists (Türkiye İş Adamları ve Sanayiciler Konfederasyonu, TUSKON) is another influential business association

composed of seven employer federations and 211 associations with 55,000 members.

WORKPLACE REPRESENTATION

According to the Unions and Collective Bargaining Code numbered 6356, workplace representation is strictly tied to the presence of a labour union at the workplace. In fact, there is no other form of collective representation than the union. Representation begins at a workplace once a union obtains the representation documentation by the Ministry of Labour and Social Security that grants the union the right to pursue collective bargaining negotiations with the employer on behalf of the workers. That is why the numbers of workplaces and workers under collective bargaining coverage best illustrate the extent of workplace representation in Turkey.

⁴² <http://www.tusiad.org/tusiad/verilerle-tusiad/>

⁴³ <http://musiad.org.tr/tr-tr/musiadla-tanisin>



TRADE UNIONS

National Trade Union Confederations

Original Name	Name in English	Affiliations	Number of Members (2015)
Türkiye Devrimci İşçi Sendikaları Konfederasyonu (DİSK)	Confederation of Progressive Trade Unions of Turkey	ITUC, ETUC, TUAC	143,233
Türkiye İşçi Sendikaları Konfederasyonu (Türk-İş)	Confederation of Turkish Trade Unions	ITUC, ETUC, TUAC, PERC, ILO	842,322
Türkiye Hak İşçi Sendikaları Konfederasyonu (Hak-İş)	Confederation of Turkish Real Trade Unions	ITUC, ETUC	385,065
http://www.csqb.gov.tr/media/1720/2015_temmuz_cd.pdf			

Public Employee Union Confederations, July 2015	Number of Members
KESK (Kamu Emekçileri Sendikaları Konfederasyonu)	239,700
Türkiye Kamu-Sen (Türkiye Kamu Çalışanları Sendikaları Konfederasyonu)	447,641
Memur-Sen (Memur Sendikaları Konfederasyonu)	762,650
BASK (Bağımsız Kamu Görevlileri Sendikaları Konfederasyonu)	3,389
Birleşik Kamu-İş (Birleşik Kamu İşgörenleri Sendikaları Konfederasyonu)	50,503
Hak-Sen (Kamu Çalışanları Hak Sendikaları Konfederasyonu)	4,482
DESK (Demokratik Sendikalar Konfederasyonu)	5,769
Tüm Memur-Sen (Tüm Memur Sendikaları Konfederasyonu)	8,681
Cihan-Sen (Cihan Sendikaları Konfederasyonu)	24,299
Independent Unions	42,850
	1,589,964
http://www.resmigazetegovtr/eskiler/2014/07/20140704-18htm http://www.resmigazete.gov.tr/main.aspx?home=http://www.resmigazete.gov.tr/eskiler/2014/07/20140704.htm&main=http://www.resmigazete.gov.tr/eskiler/2014/07/20140704.htm	

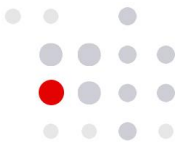
Trade Union Federations by branches

Sector	Union	Sector	Union	Sector	Union	Sector	Union
Mining and stone quarries	Türk Maden-İş	Textile, ready-made clothing and leather	Teksif	Transport	Demiryol-İş	Shipbuilding and maritime transportation, warehouse and storage	Türk Deniz-İş
	Genel Maden-İş		Öz İplik-İş		Öz Taşıma İş		Liman-İş
	Dev Maden-Sen		Tekstil		Hava-İş		Türkiye Dok Gemi-İş
	Pak Maden İş		Deriteks Sendikası		Tümtis		Limter-İş
	Öz Maden-İş		BATIS		Nakliyat-İş		Dgd-Sen
Petroleum, chemicals, rubber, plastics and medicine	Petrol-İş		Tüm Tekstil-İş	Pak Taşıma İş	Pak Deniz İş		
	Lastik-İş		Pak Tekstil İş	Karsan-İş	DLT		
	Öz Petrol-İş		Bağımsız-Sen	Şoför-İş	Tez-Koop-İş		
	Pak Petrol İş		Doku Ör-İş	Öz Ağaç-İş	Koop-İş		
	Tüm Petrol-İş		Dev Tekstil	Ağaç-İş	Öz Büro-İş		
Printed and published materials and journalism	Basın-İş		Giyim-Sen	Selüloz-İş	Pak Eğitim İş		
	Medya-İş		Tekstil Deri	Öz Kağıt-İş	Sosyal-İş		
	TGS		Hür Tekstil-İş	Tümka-İş	Bil-İş		
	Pak Medya İş		Tekstil-Sen	Pak Ağaç İş	Sinema-Tv Sendikası		
	Basın-İş		TOGBİS	Yapsan-İş	Sine-Sen		
Accommodation and entertainment	TOLEYİS	Dokuma-İş	Tüm Ağaç-İş	T. Büro-İş			
	OLEYİS	Türkiye Haber-İş	Hizmet-İş	Ak Market-İş Sen.			
	Turkon-İş	Öz İletişim-İş	Genel-İş	Oyuncular Sendikası			
	Pak Turizm İş	Dev İletişim-İş	Belediye-İş	TYS			
	Dev Turizm-İş	Pak İletişim İş	Pak Hizmet İş	Müzik-Sen			
	Futbol-Sen	Yol-İş	Hür Belediye İş	Öz Gıda-İş			
	Tüm Emek-Sen	İnsan-İş	Konut-İş	Tek Gıda-İş			
	Turizm İş	Pak İnşaat İş	Tüm Genel Hizmet İş	Şeker-İş			
	Spor-Emek-Sen	Devrimci Yapı-İş	Yerel-İş	Gıda-İş			
	Çukurova Eğl. -İş	İnşaat-İş	Konut-Sen	Pak Gıda İş			
Banking, finance and insurance	Basisen	Türk Harb-İş	İmece Ev İşç. Send.	Tüm Gıda-İş			
	Öz Finans-İş	Güvenlik-İş	Tüm Belediye-İş	Hür Gıda İş			
	BASS	Öz-İş	Sağlık-İş	Bağımsız Özgür Gıda			
	Banksis	Ö. G. K. Sen.	Öz Sağlık-İş	Bağımsız Gıda-İş			
	Bank-Sen	Güvenlik-Sen	Dev Sağlık-İş	Türk Metal			
Cement, clay and glass	Bank-Si-Sen	Pak Savunma İş	Sihhat-İş	Çelik-İş			
	Pak Finans İş	Güven-İş	Pak Sağlık İş	Birleşik Metal-İş			
	Türkiye Çimse-İş	Hür Özgüv-Sen	Tig-Sen	Tek Metal-İş			
	Kristal-İş	Öz Güvenlik-İş	Tüm Sağlık-İş Sen.	BAMİS			
	Öz Toprak-İş	Tes-İş	Öz Orman-İş	Pak Metal İş			
Energy	Cam Keramik-İş	Enerji İş	Tarım-İş	ÇESEN			
	Sersan-İş	Enerji-Sen	T. Orman-İş	Kalıp-İş			
	Pak Toprak İş	Ensan-İş	Pak Tarım Ve Orman	Tüm Metal-İş			
	Tüm Çimento-İş	Yeni Bes-İş	Birleşik Tarım Orman	Metsan-İş			
		Pak Enerji İş	Hür Tarım Orman-İş	Hür Metal-İş			
		Tüm Enerji-İş					

EMPLOYER'S ORGANISATIONS

Employers' Associations		Sector
Associations within TISK		
Turkish Wood Industry Employers' Association	Türkiye Ağaç Sanayii İşverenleri Sendikası	Wood
Turkish Heavy Industry and Service Sector Public Employers' Association (TÜHİS)	Türk Ağır Sanayii ve Hizmet Sektörü Kamu İşverenleri Sendikası (TÜHİS)	Public Sector
Turkish Ship Owners Employers' Association	Türk Armatörleri İşverenler Sendikası (TAİS)	Maritime Transport
Turkish Glass, Cement and Clay Industry Employers' Association	Türkiye Cam, Çimento ve Toprak Sanayii İşverenleri Sendikası	Glass
Cement Industry Employers' Association (ÇEİS)	Çimento Endüstrisi İşverenleri Sendikası	Cement
Leather Industry Employers' Association of Turkey (TÜDİS)	Türkiye Deri Sanayii İşverenleri Sendikası (TÜDİS)	Leather
Food Industry Employers' Association of Turkey (TÜGİS)	Türkiye Gıda Sanayii İşverenleri Sendikası (TÜGİS)	Food
Pharmaceutical Industry Employers' Association (İEİS)	İlaç Endüstrisi İşverenler Sendikası (İEİS)	Pharmaceuticals
Turkish Employers' Association of Construction Industries (İNTES)	Türkiye İnşaat Sanayicileri İşveren Sendikası (İNTES)	Construction
Public Enterprises Employers' Association (KAMU-İŞ)	Kamu İşletmeleri İşverenleri Sendikası (KAMU-İŞ)	Public Sector
Chemicals, Petroleum, Rubber and Plastics Industry Employers' Association of Turkey (KİPLAS)	Türkiye Kimya, Petrol, Lastik ve Plastik Sanayii İşverenleri Sendikası (KİPLAS)	Chemicals
Local Administration Public Employers' Association (MİKSEN)	Mahalli İdareler Kamu İşveren Sendikası (MİKSEN)	Local Administration
Local Administrations Employers' Association (MİS)	Mahalli İdareler İşverenleri Sendikası (MİS)	Local Administration
Turkish Employers' Association of Metal Industries (MESS)	Türkiye Metal Sanayicileri Sendikası (MESS)	Metal
Petroleum Products Employers' Association (PÜİS)	Petrol Ürünleri İşverenler Sendikası (PÜİS)	Petroleum Products
Turkish Health Industry Employers' Association (SEİS)	Türkiye Sağlık Endüstrisi İşverenleri Sendikası (SEİS)	Health Industry
Turkish Employers' Association of Cellulose, Paper and Paper Products Industries	Türkiye Selüloz, Kağıt ve Kağıt Mamulleri Sanayii İşverenleri Sendikası	Paper
Sugar Industry Employers' Association of Turkey	Türkiye Şeker Sanayii İşverenleri Sendikası	Sugar
Turkish Textile Employers' Association (TİTSİS)	Türkiye Tekstil Sanayii İşverenleri Sendikası	Textile
Clay, Ceramic, Cement and Glass Industry Employers' Association of Turkey	Türkiye Toprak, Seramik, Çimento ve Cam Sanayii İşverenleri Sendikası	Clay
Tourism Industry Employers' Association	Turizm Endüstrisi İşverenleri Sendikası	Tourism
Independent Associations		
Turkey's Bread Industry Employers Union	Türkiye Ekmek Sanayii İşverenleri Sendikası (TEİS)	Food
Gas Station Employers Union	T. Akaryakıt Bayileri Petrol-Gaz Şirketleri İşverenleri Sendikası (TABGİS)	Petroleum Products
Bread Industry Employers Union	Ekmek Sanayii İşverenleri Sendikası	Food
Turkey's Construction Contractors Employers Union	T. İnşaat Müteahhitleri İşverenleri Sendikası (TİMSE)	Construction
Public Sector Construction Contractors Union	Türkiye Resmi Sektör İnşaat Müteahhitleri İşverenleri Sendikası (TÜRK-İNŞA)	Construction
Textile Industry Employers Union	Türkiye Tekstil Sanayi İşverenleri Sendikası (TEKSAN-SEN)	Textile
All Bread Industry Employers Union	Tüm Ekmek Sanayii İşverenleri Sendikası	Food
Land Logistics Employers Union	Kara Nakliyecileri Nakliye Komisyoncuları Nakliye Müteahhitleri İşverenleri Sendikası (NAK-İŞ)	Logistics
Tobacco Employers Union	Türkiye Tütün İşverenleri Sendikası	Tobacco
Anatolia Metal Industry Employers Union	Anadolu Metal Sanayi İşverenleri Sendikası (AN-SEN)	Metal
Central Anatolia Bakery Employers Union	İç Anadolu Fırın İşverenleri Sendikası	Food
General Bread Industry Employers Union	Genel Ekmek Sanayi İşverenleri Sendikası	Food
Newspaper Owners Union	Gazete Sahipleri Sendikası	Journalism
Uşak Textile Employers Union	Uşak Tekstil İşverenleri Sendikası	Textile
Construction Contractors Employers Union	İnşaat Müteahhitleri İşverenleri Sendikası	Construction
Turgutlu Soil Industry Employers Union	Turgutlu Toprak Sanayi İşverenleri Sendikası (EGE-TOP-SEN)	Clay
Konya Bread Industry Employers Union	Konya Ekmek Sanayi İşverenleri Sendikası	Food
Local Government Public Employers Union	Yerel Yönetimler Kamu İşverenleri Sendikası (YEREL-SEN)	Public
Information and Communication Technologies Employers Union	Bilgi ve İletişim Teknolojileri İşverenleri Sendikası (BİTİS)	Communication
All Pharmacist Employers Union	Tüm Eczacı İşverenler Sendikası (TEİS)	Pharmaceuticals
Staff and Student Transportation Employees Union	Personel ve Öğrenci Taşıma Ulaşım Çalışanları Sendikası (ULAŞ-İŞ)	Transportation
Independent Technical Services Industry Union	Bağımsız Teknik Hizmetler Endüstrisi İşverenleri Sendikası (TEMSEN)	Services
Private Security Employers Union	Özel Güvenlik İşverenleri Sendikası (ÖGİS)	Private Security
Service Sector Employers Union	Hizmet Sektörü İşveren Sendikası (HİZMET İŞVEREN)	Services
Family Medical Doctors Health and Social Services Employers Union	Aile Hekimleri Sağlık ve Sosyal Hizmetler İşverenler Sendikası (AİLE-SEN)	Healthcare
Education Employers' Welfare Union	Eğitim İşverenlerini Kalkındırma Sendikası (EKASEN)	Commerce, office, education and fine arts
Touristic and Recreational Businesses Employers' Union	Turistik Eğlence İşletmeleri İşveren Sendikası (TEİİS)	Accommodation and entertainment
Insurance Experts Employers Union	Sigorta Ekspertleri İşveren Sendikası (SEİS)	Banking, finance and insurance
Transportation Employers Union	Ulaşım İşverenleri Sendikası (ULİS)	General affairs
Service Employers Union	Servis İşverenleri Sendikası (SİS)	Transport
Driver Training Employers Union	Sürücü Eğitimcileri İşverenleri Sendikası (SÜRSEN)	Commerce, office, education and fine arts
Electromechanic Metal Employers Union	Elektromekanik Metal İşverenler Sendikası (EMİS)	Metal

Source: csgb.gov.tr



About the Author

Utku Balaban is Associate Professor at the Faculty of Political Science, Ankara University

Imprint

Friedrich-Ebert-Stiftung | Regional Project on Labour Relations and Social Dialogue

Maróthyho 6 | 81106 Bratislava | Slovakia
www.fes-socialdialogue.org

Responsible:
Valeska Hesse

Commercial use of all media published by the Friedrich-Ebert-Stiftung (FES) is not permitted without the written consent of the FES.

The views expressed in this publication are not necessarily those of the Friedrich-Ebert-Stiftung or of the organization for which the author works.