TRADE UNION RESPONSES TO GLOBALIZATION

A review by the Global Union Research Network

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INTERNATIONAL LABOUR OFFICE • GENEVA
GLOBAL UNION RESEARCH NETWORK
The issue – the policies of the international financial institutions

Neo-liberalism has dominated the policies pursued by various governments in Turkey since the 1980s. Within two decades, Turkey has become a country whose economic policies were almost totally shaped by the International Financial Institutions (IFIs), and the chances of democratic government have been weakened.

Turkey has passed through successive International Monetary Fund (IMF) agreements, the most recent being signed on 11 May 2005. The results of the implementation of IMF policies, characterized by liberalization of goods, services and capital markets; privatization of state economic enterprises, utilities and social services; cuts in public investment, expenditure and employment; deregulation of labour markets; and elimination of agricultural subsidies, have had adverse consequences for workers and trade unions. The unions were partly successful in preventing a reduction in the wage levels and working conditions of their members, as compared with non-union and informal workers; but due to the loss of their members in the public sector, and faced with difficulties in organizing the private sector, they have become smaller organizations with less influence. The civil service union movement that developed after 1990 also faces the threat of deregulation measures introduced in 2004–2005 under the regulatory reform.
of central and local administration which entails retrenchment in public employment, privatizations, flexible work patterns and contract work.

**Background on trade union representation in Turkey**

In Turkey the total number of wage and salary earners is 11,948,000 (54.1 per cent of total employment) (TURKSTAT, 2005). Of these, 42 per cent are public and private sector “workers”, employed under the Labour Act of Turkey (No. 4857) and covered by the social security system (ÇSGB, 2005a). Twenty per cent are “civil servants” and “contracted personnel” employed in the public sector and covered by their special social security system (Emekli Sandığı, 2005). The rest, approximately 38 per cent, are undeclared labour (i.e. not declared to the authorities and hence not covered by social insurance schemes. Undeclared labour exist both in the informal and formal economy. An ever-increasing part of undeclared labour is in the formal sector).

The official statistics of the Ministry of Labour and Social Security on the total number of workers organized in trade unions (2,945,929 in July 2005) are inflated due to trade union competition and percentage rules on representation. An unofficial but more realistic estimate would be only half of this figure. Thirty-six per cent of organized workers are employed in the public sector. The workers’ unions are organized under the umbrella of three different confederations: TÜRK-İŞ, DISK and HAK-İŞ. TÜRK-İŞ is the largest confederation, with 70 per cent of the unionized workers, DISK is the second with 13.4 per cent and HAK-İŞ is the third with 12.5 per cent (ÇSGB, 2005b).

The total number of civil servants organized in trade unions is 747,617 in 2005 (47 per cent). The civil servants’ unions are also organized under the umbrella of three major confederations: KESK (35 per cent of total membership), Türkiye KAMU-SEN (42 per cent) and MEMUR-SEN (21 per cent) (ÇSGB, 2005c).

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1 Under the Trade Unions Act No. 2821, to have the right to represent the workers at a given work place, unions must prove that they organized at least 10 per cent of all workers within the industry.

2 For example, the total membership of YOL-İŞ, the construction workers’ union in Turkey, is given as 130,000 in the official statistics for 2005 whereas the real figure is only 44.8 per cent of this (YOL-İŞ, 2005).

3 The main union organization, the Confederation of Turkish Trade Unions (Türkiye İşçi Sendikaları Konfederasyonu – TÜRK-İŞ) was founded in 1952 and is the oldest. The Confederation of Progressive Workers’ Trade Unions of Turkey (Türkiye Devrimci İşçi Sendikaları Konfederasyonu – DISK) originated from a faction of TÜRK-İŞ and was founded in 1967. Confederation of Turkish Just Workers’ Unions (Türkiye Hak-İşçi Sendikaları Konfederasyonu – HAK-İŞ) was founded in 1976. A small number of unions remain independent.

4 Confederation of Public Labourers’ Trade Unions (Kamu Emekçileri Sendikaları Konfederasyonu – KESK) was founded in 1995. Its affiliates have been the forerunners of the public employees’ trade union revival after 1989. Confederation of Public Employees’ Trade Unions of Turkey (Türkiye Kamu Çalışanları Sendikaları Konfederasyonu – Türkiye KAMU-SEN) was founded in 1992. The Confederation of Civil Servants Trade Unions (Memur Sendikaları Konfederasyonu – MEMUR-SEN) was founded in 1995. The differences between the three confederations are mainly political. A small number of unions belong to other confederations.
The central challenge for labour: How to influence policies

One alternative for the trade unions in Turkey would be to accept the core economic policies imposed by the IFIs, while trying to reform them through conditions of good governance and a social plan for restructuring. However, in spite of the fact that trade unions have become smaller organizations with less influence, they have not accepted these policies. While rejecting the policies of the IFIs, they have been able to develop their own alternative economic programme and to defend it at various levels.

The Labour Platform and its alternative economic programme

Since 1999, Turkish trade unions have taken the novel step of forming the Labour Platform. In 1999, the confederations of the labour and civil service unions, professional organizations and various associations in Turkey came together to form an informal alliance called the Labour Platform. The motivating force behind this alliance was opposition to neo-liberal economic policies.

In 2001, the Labour Platform adopted its own economic programme (revised in 2002) which contained provisions for national planned development, publicly provided services, public investments in various sectors, control of capital movements, rescheduling of public debt and an immediate halt to privatizations not only of social services but also of utilities and state economic enterprises, including state banks.

The aim of the present study is the examination of the development and main contents of the policies and the alternative economic programme of the Labour Platform, and its impact, if any, on the stand-by agreements with the IMF.

The research gaps on labour resistance to globalization

This study is the first of its kind on the Labour Platform and aims to fill some of the gaps in research on labour resistance in Turkey to corporate-driven globalization. Until the middle of 1990s, the crises of the trade unions went hand in hand with the decline of industrial action and labour militancy all over the world. There were strong reasons for arguing that labour movements had ceased to be the actors of social transformation (Castells, 1996 and 1997;

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6 Since 1998, Turkey experienced one close monitoring agreement (1998) and three successive stand-by agreements (1999, 2002 and 2005) with the IMF.
Trade union responses to globalization

Gorz, 1982; Laclau and Mouffe, 1985; Touraine, 1986). However, starting from the mid-1990s and the search for alternative economic policies to corporate-driven globalization, labour unrest grew in many countries and was reflected in various types of militant labour action, often in coalition with the other social movements (Silver, 2003). In many developing countries, such unrest was closely related to the policies imposed by the IFIs. But these acts of labour resistance to capital-driven globalization, especially those in developing countries, are not well recorded and in many cases have not been empirically studied. There are various reasons for the weakness of research in this area, the insufficiency of data being one of them (Silver, 2003). There is a strong need to fill the gap in social research on labour resistance to neo-liberal globalization and on alternative economic policies. National-level research on trade union resistance can be carried to the global level by comparative research. Such comparative research will also help the trade unions to overcome national bias and country/region-centred approaches to alternative trade union policies in the era of globalization.

The Labour Platform is not a formal, legally established organization. The organization acting as the mouthpiece for the alliance changes periodically. This practice, which is an advantage for the democratic working of the Platform, is a disadvantage when it comes to collecting and preserving Platform documents. Collecting information on the activities of the Platform’s local branches is also difficult and can only be done by scanning press coverage. Our wider research is based on the examination of the complete set of primary documents (Declarations of the Presidential Committee, press releases and correspondence with the member organizations) collected from the archives of the member organizations of the Platform (Labour Platform, 2004). Periodicals, general congress documents and other reports of the member organizations are used as secondary resources. Personal participation at Platform demonstrations held in Ankara has also been an asset for the evaluation of the primary documents.

Formation and structure of the Labour Platform

The formation of the Labour Platform is connected with the effects of the 1997 Asian and 1998 Russian crises on the Turkish economy and with the signing of the Close Monitoring Agreement with the IMF in June, 1998 (IMF, 1998). The agreement, which was to last for 18 months, contained conditions that had direct effects on the trade unions and workers, such as wage restraint in the public sector, the elimination of indexation from collective agreements, privatizations, cuts in public investment and social expenditure, social security reform and the acceptance of international
arbitration for concession contracts,7 paving the way for costly build, operate and transfer (BOT) energy projects.

In December 1998, the workers’ confederations (TÜRK-İŞ, DİSK, HAK-İŞ) made a joint declaration stating both their urgent short-term demands and their long-term macroeconomic demands. Regarding the latter, the unions called for the abandonment of IMF policies and privatizations (TÜRK-İŞ et al., 1998). In January 1999, the three civil servants’ confederations KESK, Türkiye KAMU-SEN and MEMUR-SEN joined in. This was the first time in Turkish labour history that all the trade unions had formed an alliance to defend workers’ rights and to develop an alternative to the current economic policies (TÜRK-İŞ et al., 1999).

In mid-1999, the draft law on social security, which was one of the conditions of the IMF Close Monitoring Agreement, began to be discussed in parliament. The national social dialogue channels on social security reform being closed as a result of the IMF agreement, the unions resorted to the creation of a wider, permanent alliance for resistance. In July 1999, the six workers’ and civil servants’ union confederations, the three pensioners’ associations, the professional associations of doctors, veterinarians, pharmacists, dentists, engineers and architects and financial consultants formed the Labour Platform.

The Platform is an informal organization. Each member organization has equal representation rights and decisions are consensus-based. The proposals for mass action coming from the bigger union confederations naturally carry more weight. Relations between the constituents of the Labour Platform are not without internal conflict, due both to trade union competition and to political differences (TÜRK-İŞ, 1999). The loose and informal character of the Platform also does not help its proper functioning. Each member organization tries to activate the Platform when they need it most for their own issues and problems.

The member organizations of the Labour Platform represent workers and civil servants with different political views and party political attachments. Even though it is not possible to assess the real political tendencies of the membership, looking at the election results in Turkey we can safely say that the majority of organized workers and civil servants are far from being “leftist”, let alone being radical anti-capitalists. The adoption of a strong anti-IMF/
anti-globalization programme from the start by the Platform had no political or ideological choices attached to it and was basically a response to the real-life experiences of its members.

Activities of theLabour Platform: 1999–2004

The activities of the Labour Platform during the years 1999–2004 developed in conjunction with the stand-by agreements signed with the IMF.

In the formative months, the constituents of the Platform agreed to an action plan against neo-liberal economic policies (e.g. wage restraint for the public sector, cuts in public investment and social expenditure, social security reform, privatizations in telecommunication and energy sectors and elimination of backward indexation in labour contracts, pension adjustments and agricultural price subsidies) prescribed by the Close Monitoring Agreement with the IMF. The action plan included local and national demonstrations, partial work stoppages and sit-ins. The Platform also initiated the informal, de facto organization of local Labour Platforms (Labour Platform, 2004).

In December 1999, Turkey signed a stand-by agreement with the IMF for the period 2000–2002. This agreement had all the characteristics of a typical IMF structural adjustment programme. A pre-announced exchange rate path set the depreciation rate at 20 per cent for 2000 (Turkish Treasury, 1999).

During 2000, the Labour Platform and its local branches engaged in protest actions and demonstrations in all major cities in Turkey. Hundreds of thousands of people took part, denouncing the IMF policies (Labour Platform, 2004).

In February 2001, the IMF programme collapsed after a financial crisis. The Turkish lira was devalued. Many workers including salaried employees in manufacturing, banking and telecommunications lost their jobs. There was a new IMF programme, this time with a floating exchange rate regime to replace the 1999 pegged regime and with further structural changes entailing the liberalization of markets, elimination of agricultural subsidies and privatization of state economic enterprises and public utilities (Turkish Treasury, 2001).

The Labour Platform denounced the bankruptcy of the IMF policies and asked for a strong national social dialogue to overcome the economic problems. The Platform constituents agreed to initiate an alternative economic programme to the IMF policies. In March 2001, a labour policies symposium was organized with the participation of representatives from the Platform organizations and academics and the programme of the Labour Platform was adopted (Labour Platform, 2004). In 2001, Labour Platform workplace meetings and demonstrations in major cities against the new IMF programme were repeated and the alternative programme of the Labour Platform was widely publicized (Labour Platform, 2004).
In February 2002, the 2000–2002 stand-by agreement with the IMF was replaced by a new stand-by agreement for 2002–2004, with an increased target of 6.5 per cent primary surplus (Turkish Treasury, 2002). Among other things, retrenchment of 45,800 workers from the public sector was specified as a performance criterion for the agreement.

The Labour Platform was relentless in its opposition to the IMF agreements and reacted with an increased surge of demonstrations (TÜRK-İŞ, 2003). The main item on the Platform’s agenda in 2004 was the draft laws for public administration reform supported by the IMF and the World Bank, which meant the downsizing of the central administration, privatization of public utilities and public services, and downsizing and deregulation of public employment (Labour Platform, 2004).

On the political level, campaigns on two issues marked the Platform’s activities: the national elections and the occupation of Iraq. The political stand of the Labour Platform regarding the early elections of 2000 reflected the political differences among the member organizations. The Platform asked its members not to vote for parties which did not support the demands listed in its alternative Labour programme. However, this call did not meet with a corresponding political response, and the grassroots voted independently in accordance with their personal political leanings.

The Labour Platform was politically very active against the war in Iraq and nationwide demonstrations and meetings were organized (Labour Platform, 2004). It campaigned for non-interference by Turkey in the war and contributed to the parliamentary rejection of Turkey’s involvement in the occupation of Iraq.

The programme of the Labour Platform

The structure of the alternative programme of the Labour Platform has some eclectic characteristics due to the structure of the Labour Platform itself, which brings together groups of workers and civil servants with different occupations, status, wage levels and so on. But overall, it is a national, democratic, social programme placing strong emphasis on the public sector as the channel for planned national development. Nowhere in the programme is this stated explicitly, but some of the policies suggested are national–Keynesian. The distinguishing feature of the programme is that it combines an alternative national macroeconomic programme with the demand for trade union rights and other labour standards (which goes further than the demand for a social clause). Its corollary on the global level would be a programme similar to the New International Economic Order as advocated by the Independent Commission (1977–1983) headed by the former German Chancellor Willy Brandt and supported then by the ICFTU (Gumbrell-McCormick, 2000).
Trade union responses to globalization

In the programme, the economic policies implemented by governments under the direction of the IMF and the World Bank are cited as the main cause of the crisis and of the economic/social problems in Turkey. Privatizations and downsizing of the state are rejected and the importance of the public sector is emphasized. A national and social development plan is seen as the way out of the country’s economic instability, stagnation and poverty. The programme calls for rescheduling of the internal and external debt, control of short-term capital movements, reform of the state banks instead of their privatization, tax reform, public investments, an increase in the public expenditures for education, health and social security, and the cancellation of all IMF-imposed legislation (concerning sugar, tobacco, electricity, natural gas, public contracts, international arbitration, Central Bank, foreign investments and so on).

The effects of the activities of the Labour Platform and its alternative programme

The activities of the Labour Platform and its alternative programme did not have a direct effect on the macroeconomic policy framework imposed by the IFIs. This may be attributed to the unaccountability of these institutions to the people of Turkey and to the people represented by the Labour Platform.

It had limited effects on the implementation of these policies, through national social dialogue and political pressures on the government. The public sector unions were able to keep the indexation clauses in their collective agreements and protect the real wages of their members, so also pulling up the average wage levels by constituting a growth point.

The activities and alternative programme of the Labour Platform brought some results in an indirect way by creating a climate of public opinion that favoured the labour demands. Several laws adopted by parliament were sent back by the President to the parliament with a request for reconsideration. Also worth mentioning are the postponement and/or annulment by the constitutional court and the administrative courts of some of the arrangements relating to the implementation of the IMF economic programme, among which there were major privatization deals.

Social dialogue with the International Monetary Fund

Right from the start, the Labour Platform had sought social dialogue with the Government and employers on the adoption of short-term measures to

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8 Many unions lodged cases with the administrative courts against the privatization deals. The total or partial cancellation of several critical privatization deals were effected through court decisions.
improve the working and living conditions of its members, the implementation of ratified ILO Conventions and a macroeconomic policy framework which would be an alternative to the IMF programmes. Apart from the formal social dialogue bodies, the informal dialogue channels with Government have always been kept open.

The IMF also supports national social dialogue but for different purposes. In the IMF stand-by agreements and the periodic reviews, national social dialogue was promoted as a tool for securing the consent of the trade unions on certain issues such as the elimination of wage indexation from collective agreements, the downsizing of public employment, privatizations and social security reform. In IMF parlance, “social dialogue” has been a euphemism for securing trade union concessions on neo-liberal restructuring.

In the period between 1999 and 2004, Turkey signed two stand-by agreements with the IMF (1999, 2002) which were periodically reviewed, but neither the IMF nor the World Bank in any way incorporated the criticisms made by the trade unions into the formulation of their policies and strategies towards Turkey. The dialogue between the IMF and the trade unions, which was to have been the local counterpart of the global social corporatism to be realized by the GUFs, did not develop at all.

In the primary documents of the Labour Platform (1999–2004) there is no mention of any contact with the IMF/World Bank representatives or local offices. In the documents of the most representative workers’ confederation, TÜRK-İŞ, only one contact with the IMF has been recorded. In June 2004, the Head of the Turkish Desk of the IMF visited TÜRK-İŞ and asked for support for IMF structural adjustment policies, while the President of TÜRK-İŞ heavily criticized the conditionalities in the stand-by agreement and the periodic reviews (TÜRK-İŞ, 2004, pp. 15–17). As explained above, all trade unions in Turkey, whatever their political leanings, strongly oppose the IMF policies. In addition to producing extensive publications criticizing those policies, they were involved in almost continuous street protests, demonstrations, sit-ins and so on, at both national and local levels. To that extent, the IMF’s representatives did not need to visit the trade unions in order to know their thoughts on IMF policies. Therefore, the IMF visit to the TURK-İŞ confederation can be seen simply as a public relations exercise, and not social dialogue.

Conclusions

Economic reality is both the environment and the result of social interaction by human beings. It has been common practice to treat the labour movement as passive recipients of capital-driven globalization. They may be scattered and weak, but there are national and local examples of trade unions’ trying to
create a counterforce to the dominant global alliance of TNCs, some governments and the IFIs. The Labour Platform of Turkish trade unions is a national-level example of such practices.

The Labour Platform lives on, despite some internal difficulties, and its economic programme has been widened to include the joint labour demands against “the regulatory reform of the State” and “the reform of the social security systems” as imposed by the IMF and the World Bank. The Labour Platform and its constituents were able to delay, if not prevent, the implementation of IFI policies through grassroots action and other activities. What is more, they were able to challenge the supremacy of the neo-liberal project and upheld the belief in the possibility of “another world” through their alternative economic programme which had a national, social and developmental character based on a strong public sector.

This paper does not aim to discuss the feasibility and/or the sustainability of the policies and alternative programme of the Labour Platform. It attempts to show, through the examination of the policies and alternative programme of the Labour Platform, that the implementation of neo-liberal policies causes responsive changes in the organizational forms and policies of the trade unions and that the trade union movement tries to resist and change the socio-economic environment created by liberal policies, through its social practice. In Turkey, the responsive policy of the Labour Platform has been the rejection of the basic tenets of globalization and, however rudimentary, the creation of their own development programme.

Such responses, if expanded spatially and politically, have the potential to change the policies of capital-driven globalization and the anti-democratic rules of global governance. However, it is equally true that if spatial and political expansion do not occur, such responses may eventually prove ineffective. The Labour Platform itself may not escape the same fate.

Trade unions do have structural limitations in their quest for change in liberal economic policies, and social researchers cannot foretell the outcome of their social action. However, neglect of labour resistance to the core policies of neo-liberal globalization, and an overemphasis on strategies of reforming the IFIs’ policies through local and global social dialogue and a social plan for restructuring, not only may mislead people in their search for truth but may also constitute an ideological barrier to change.
References


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