

Economic Policy Research Foundation of Turkey

# Industrial Relations System in Turkey

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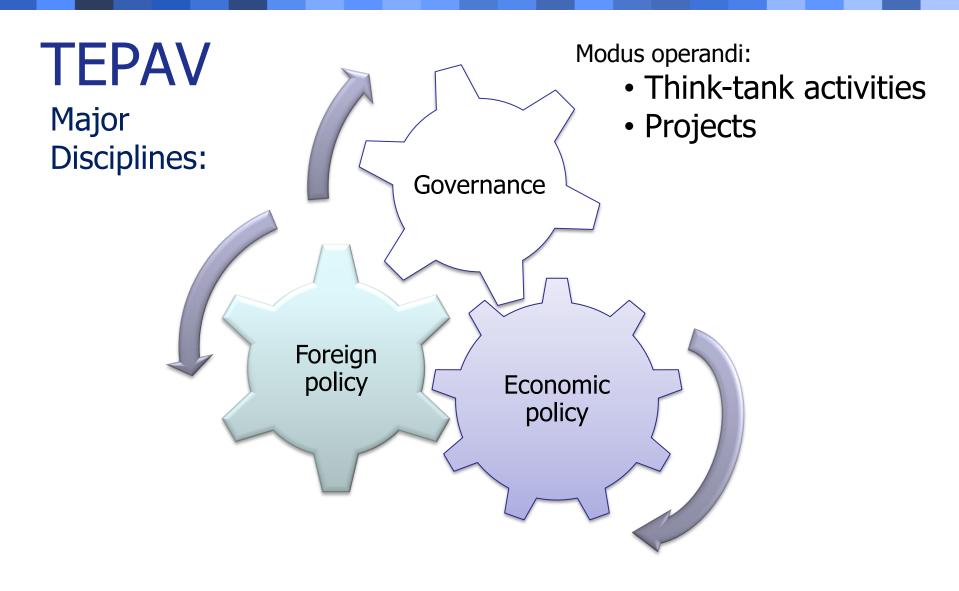
#### Framework

- TEPAV: Economic Policy Research Foundation of Turkey
  - → Our mission & areas of expertise

- Industrial Relations System in Turkey
  - → A brief history
  - → Stakeholders and their roles
  - → Industrial relations and the global economic crisis

#### **TEPAV**

- Founded in December 2004 by the support of The Union of Chambers and Commodity Exchanges of Turkey (TOBB)
- A private, nonpartisan, nonprofit think tank devoted to independent research
- Board of trustees comprised of TOBB representatives and experts
- Our mission is to contribute to
  - → the competitiveness of the Turkish private sector
  - public policy design and capacity building needs of the public sector



#### What we do at TEPAV

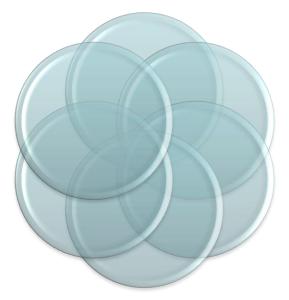
- Focusing on policy analysis and establishing platforms
  - Cutting edge research
  - → Playing a "connector" role, dialogue mechanisms
- Working extensively with public institutions and academia
- Enriching the information content of the public policy debates related with our research agenda
- Feeding policy-making process by translating knowledge into solutions

## **Cross-cutting Themes**

Competitiveness and Labor Market

Public Sector Reform

Training & Capacity Building



Impact Assessment

Regional
Economic
Integration and
Development

**EU Affairs** 

# Industrial Relations System in Turkey

## Industrial Relations (1)

- Definition: the means by which the various interests involved in the labour market are accommodated, primarily for the purpose of regulating employment relationships.
- Concerned with:
- 1) Relationships which arise at and out of the workplace
- 2) Processes through which these relationships are expressed
  - collective bargaining
  - worker involvement in decision making
  - dispute settlement
  - management of conflict between employers, workers and trade unions

Source: International Labor Organization

## Industrial Relations (2)

- Different perspectives on IR:
  - → Pluralist: powerful and divergent sub-groups, with their own set of objectives. Conflict is dealt by collective bargaining, and could be channelled towards positive change.
  - → Unitarist: the organization is perceived as an integrated and harmonious whole, emphasizing mutual cooperation. Trade unions are considered as unnecessary, and conflict is perceived as disruptive.
  - → Radical/Marxist: this perspective sees inequalities of power and economic wealth as having their roots in the nature of the capitalist economic system. Therefore conflicts are seen as inevitable, and trade unions as a natural response of workers to the exploitation of capital.

## History of IR in Turkey (1)

- The first trade unions were established in 1890s, in the late Ottoman era.
- Labour Code (1936):
  - based on the French model
  - did not allow unionization or collective bargaining
- Associations Act (1938):
  - → banned all class-based organizations until 1946
- Trade Union Law (1947):
  - unions allowed to exist under government control
  - →no collective bargaining or right to strike

# History of IR in Turkey (2)

- The first well-established unions are founded in 1950s
  - →TÜRK-İŞ founded in 1952
  - The constitution of 1961: a relatively more liberal regime
  - → strike & collective bargaining rights were granted
  - →DİSK (1967) and HAK-İŞ (1973) were founded
  - → Unions: more emphasis on social change

## History of IR in Turkey (3)

- Military coup in 1980: suppression for trade unions
  - Change of constitution and trade union laws
  - → Trade union development suspended
  - → Some trade unions were closed
  - → Unions lost influence and informal employment increased

#### Current legislation:

- → Labour Code (no. 4857), enacted in 2003
- → Trade Union Law for Public Servants (no. 4688), adopted in 2001
- → Trade Unions Act (no. 2821), adopted in 1983
- → Collective Labour Agreement, Strike and Lockout Act (no. 2822), adopted in 1983
- → A change of Law No 4688 is in progress:
  Public servants will be granted collective agreement rights.

#### **Employer Unions**

- Central Organization of Chambers of Industry and Commerce
  - → TOBB: Union of Chambers and Commodity Exchanges of Turkey
    - 252 Chambers of Industry and Commerce
    - 113 Commodity Exchanges
- Central Organization of Employers Associations
  - →TİSK: Turkish Confederation of Employer Associations
    - 22 Employer Associations

### Employer Unions (2)

- Turkish Industry & Business Association (TÜSİAD)
- Independent Industrialists and Businessmen's Association (MÜSİAD)
- Turkish Exporters Assembly (TÎM)

#### **Labor Unions**

- Confederation of Turkish Trade Unions
  - →TÜRK-İŞ: 35 Trade Unions
- Confederation of Turkish Real Trade Unions
  - → HAK-İŞ: 12 Trade Unions
- Progressive Workers Union Confederation
  - →DİSK: 17 Trade Unions
- The Confederation of Public Workers' Unions
  - → MEMUR-SEN: 11 Trade Unions
  - → KESK: 11 Trade Unions
  - → KAMU-SEN: 12 Trade Unions

#### Vocational/Occupational Unions

- Central Organization of Craftsmen
  - →TESK: Turkish Confederation of Tradesmen and Craftsmen
    - 13 Occupational Federations
    - 82 Unions of Tradesmen and Craftsmen
- Union of Agriculture Chambers
  - →TZOB: Union of Turkish Chambers of Agriculture
    - 727 Chambers of Agriculture
- Union of Chambers of Turkish Engineers and Architects
  - → TMMOB: 23 Occupational Chambers

## **Key Statistics**

	Number of Trade Unions	Number of Members
TÜRK-İŞ	33	2,239,341
DİSK	17	426,232
HAK-İŞ	7	431,550
Other	37	135,556
Total	94	3,232,679
Eligible Workers		5,022,584

	Number of Trade Unions	Number of Members
MEMUR-SEN	11	515,378
KAMU-SEN	12	394,497
KESK	11	232,083
Other	64	53,144
Total	98	1,195,102
Eligible Civil Servants		1,874,543

Collective Agreements:

	Number of		
	Agreements	Workplaces	Workers
2000	1,646	6,844	208,595
2001	4,454	14,211	775,478
2002	1,773	7,453	255,059
2003	1,607	7,806	629,240
2004	1,482	7,922	325,386
2005	3,977	14,388	587,456
2006	1,704	5,456	304,392
2007	1,975	9,738	466,429
2008	1,704	9,623	262,786
2009	1,995	11,544	504,796

Source: Ministry of Labour and Social Security

#### **Economic and Social Council**

- Founded in March 1995
- According to the Economic and Social Council Law (2001), the Council consists of:
  - → Prime Minister, Ministers of Development, Finance, Economy, Labor and Social Security, Agriculture, Industry and Commerce, Energy, and the Undersecretaries of these Ministries
  - → TOBB, TÜRK-İŞ, TİSK, TESK, TZOB, HAK-İŞ, DİSK
  - → Other social partners determined by the Prime Minister
- Duties and responsibilities:
  - → To include all the social and economic partners in the process of economic and social policy making
  - → To follow the studies made and the decisions taken by the Economic and Social Council of the European Union

#### Minimum Wage Setting Commission

- According to Labour Code (no. 4857) Act 39, minimum wages are set by the Ministry of Labour and Social Security through the Minimum Wage Setting Commission
- The commission consists of the representatives of:
  - → Ministry of Labour and Social Security
  - → Ministry of Development
  - → Turkish Statistical Institute
  - → Treasury
  - → The Labor Union Confederation with highest members (TÜRK-İŞ)
  - → The Employer Union Confederation with highest members (TiSK)

## Global Crisis and IR in Turkey

- Producing Turkey Platform:
  - → campaign led by TOBB
  - →with the participation of TÜRK İŞ, HAK İŞ, TESK, TİSK, KAMU SEN, TİM, TÜSİAD, MÜSİAD
  - → supported by TÜRKONFED, AGSD, AMPD, DEİK, TİKAD, BMD, TÜMSİAD, BAKTAD, MOBİSAD, OSBÜK, PARSİAD, TÜFOD, MOSDER, OMSİAD, TÜRES

## **Producing Turkey Platform**

- A non-governmental initiative to stimulate Turkey's economy
- Advertising campaign (May-June 2009)
  - → Production-consumption-employment are all related in an economy
  - → The remedy exists: increase consumption to support the industry & stop the recession
  - → Posters & flyers used in each city, with the support of municipalities

## **Producing Turkey Platform**

- Collaboration with other organizations
  - → Cheques delivered in shopping malls (July-August 2009)
    - TOBB in collaboration with Forum Ankara Outlet
    - Cheques worth 50 TL (22 €) delivered to the first 100 customers each day
  - → "Renovate your home" campaign (August 2009)
    - TOBB, Halkbank, building materials supplier firms
    - Credits supplied with low interest rates for home renovation

# **Advertising Campaign**







## **Advertising Campaign**





#### Initiatives taken by the government

- Short-term employment\*:
  - →if working hours reduced by more than one third
  - → the firm is able to apply to Turkish Employment Agency (İŞKUR) for "short-term employment"
  - the employees are paid short-term wages by İŞKUR (depending on their tenure)