



Capacity building for social dialogue at sectoral and company level

Turkey

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Introduction

At the Helsinki European Council in December 1999, Turkey was officially recognised as a candidate for membership of the EU. In the wake of that decision, a pre-accession strategy has begun in Turkey. This included the creation of accession partnership documents, progress reports and participation in the European Community Programmes. In 2001, the government adopted its first National Programme outlining the measures to be undertaken for the adoption of Accession Partnership documents and the *acquis communautaire*. The National Programme was revised in 2003 and is under revision again in 2007.

Social affairs and employment, of which social dialogue forms a major aspect, are among key priority areas for Turkey in the EU accession process. As the European Commission's progress reports for Turkey stress, full trade union rights need to be respected, social dialogue – in particular, bipartite social dialogue – needs to be developed and strengthened, and the performance of the Economic and Social Council needs to improve. Furthermore, it is the responsibility of the Ministry of Labour and Social Security (MoLSS) to develop 'a genuine social dialogue' with social partners in the social field. The *Turkey Regular Report 2006* states that 'As regards social dialogue, no progress can be reported on the pending draft laws aimed at bringing the currently applicable Trade Union and Collective Bargaining, Strike and Lockout Laws in line with ILO and EU standards'. In the screening process, which was completed in all chapters, social dialogue and thresholds in collective bargaining process were among the issues most criticised by European Union in the chapter on social policy and employment.

There are several challenges to ensuring genuine social dialogue in Turkey: the shortcomings in legislation, the lack of any culture of cooperation between the government and social partners and the lack of any institutional capacity on the part of MoLSS.

The Council Decision of 23 January 2006 on the accession partnership with Turkey states that some of the country's short-term priorities are to 'establish conditions for an effective social dialogue ... by abolishing restrictive provisions on trade union activities' and to support social partners' capacity building efforts to increase their role in employment and social policy.

The latest Turkish National Programme for the Adoption of the Acquis of 2003 underlines that focus should be placed on strengthening the capacities of the social partners to provide conditions for an active and autonomous social dialogue.

Turkey has ratified all eight core standards of the International Labour Organisation. However, legislation and implementation on trade union rights and collective bargaining is still not in line with the commitments that Turkey made on these issues, particularly in relation to Convention Number 87 ('Freedom of Association and Protection of the Right to Organise') and Convention Number 98 ('Right to Organise and Collective Bargaining'). Turkey ratified the revised European Social Charter in September 2006 but maintains reservations on Article 5 (the right to organise) and Article 6 (the right to bargain collectively).

The new Labour Law provides for the establishment of permanent tripartite structures, within the Ministry of Labour and Social Security, to monitor the drafting and implementing of legislation in the area of social affairs; these are to include employer and employee representatives. However, progress is still needed to create the conditions for a free, genuine bipartite and tripartite social dialogue at all levels in line with the *acquis*.

Social dialogue in Turkey

Currently, social dialogue mechanisms operate on several platforms, such as the Labour Council, the Economic and Social Council, the Tripartite Consultation Board, the Minimum Wage Committee, the Supreme Arbitration Board and the general congresses and managing boards of the Turkish Employment Organisation, the Social Insurance Institution, the Vocational Qualifications Authority etc. However, these mechanisms have shortcomings in terms of ensuring a genuine social dialogue. First, the lack of a culture of cooperation between the government and social partners does not allow for compromises to be reached in a smooth manner. Second, there are several cases in which decisions have not been taken on the basis of a bottom-up approach due to a tendency towards centralised decision-making.

For instance, the Economic and Social Council, created in 1995, is supposed to facilitate dialogue between the social partners and the government on economic and social policies. Chaired by the Prime Minister or his deputy, it comprises 18 members representing the government and 21 members representing social partners and civil society. However, as the Progress Reports state, the Economic and Social Council does not function as it should in terms of the consultation of social partners at national level. Its structural deficiencies, such as the predominant position of the Government, undermine its value; this structure should be amended to lessen the Government's predominance.

Another problem is the relative weakness of social partners. The informal sector of the economy is very large: this weakens both sides of industry. Workers and companies that operate in family-based businesses or in traditional handcrafts do not feel the urge to join organisations to collectively defend their interests. Furthermore, social partners are slow to take initiatives and have a tendency to rely on the government to take measures and develop strategies. Moreover, they are not well informed about EU legislation and trends in the field of social policy and employment. However, social dialogue in Turkey does have an advantage when compared with other candidate countries: social partner organisations are genuine and have a long history of defending the interests of their members.

Social dialogue in vocational education and training

In the last decade, very meaningful and important dialogue and cooperation has taken place in the field of vocational training at sectoral level. In different sectors, some institutional arrangements have been set up between employer organisations and trade unions or the Ministry of National Education (MoNE). For example, in the metalworking sector, the Union of Metal Industrialists of Turkey (MESS) set up a vocational training centre in the metal industry with its partners. In the textiles sector, a member company of the Istanbul Textile and Apparel Exporters' Association (İTKİB) set up a vocational training centre with MoNE in order to extend the capacity of the skilled labour force in the sector. In the construction sector, the employer organisation (INTES) and the trade union (YOL-İŞ) set up a vocational training centre in an industrial zone. These vocational centres, set up by effective social dialogue at the sectoral level, are very interesting examples of what is possible.

Cooperation has also taken place between the private sector and MoNE, and schools affiliated to MoNE.

In addition to setting up training centres at sectoral level, the social partners have also cooperated on projects at sectoral level. For example, in 2000, in the metalworking sector, MESS and the trade union Türk Metal implemented a joint training project to boost the competitiveness of companies by raising the skills levels of the employees. More than 30,000 employees took part in the training. In the cement sector, both employer organisations and trade unions are cooperating to implement EU projects and to organise 'Social Dialogue Days' to discuss problems in the sector.

In an EU-funded project, 'Strengthening social dialogue for innovation and change in Turkey' organised by MoLSS, employer organisations and trade unions are cooperating to set up 26 grant-aided projects. Sectoral level projects include two in the leather sector, one on developing occupational health and safety models in the leather sector, and another

aimed at combating unregistered employment. Employer organisations and trade unions are cooperating to implement these projects.

Main actors

This chapter details only those industrial relations actors who are taking part in collective bargaining. In addition to these actors, there are other actors in Turkish industrial relations which do not take part in collective bargaining, such as the Union of Chambers and Commodity Exchanges of Turkey (TOBB), the Turkish Industrialists' and Businessmen's Association (TÜSİAD) and the Confederation of Turkish Tradesmen and Craftsmen (TESK).

Two different pieces of legislation cover unions' right to organise: the first covers blue-collar workers while the other covers public-sector workers. Although public-sector workers have no right to strike, they do have the right to negotiate and bargain collectively at national level. Thus, legislation, status, mechanisms and structures for public employees are completely different.

As Table 1 illustrates, in 2004, three trade union confederations represented 96 trade unions, while one employers' confederation represented 51 employer organisations.

Table 1: *Actors involved in social dialogue*

Year	Trade unions	Employer organisations	Number of confederations	
			Trade union confederations	Employer organisation confederation
2000	106	52	4	1
2001	104	49	4	1
2002	99	49	4	1
2003	93	50	3	1
2004	96	51	3	1

Source: *Ministry of Labour and Social Security Statistics (2000–2004)*

Union density and collective bargaining system

According to January 2007 statistics, almost 3,043,732 workers are member of unions in Turkey. With a workforce of 5,210,046, that means that the country has a union density of 58.42%. The leading trade union confederation Türk-İş represents almost two thirds of the three million unionised workers.

Using the latest statistics of MoLLS for May 2006 and January 2007, the union density for both employees and public-sector workers is shown in Table 2 and Table 3.

Table 2: *Membership of public-sector trade union confederations*

Kamu-Sen	327,329
KESK	234,336
Memur-Sen	203,851
Bask	4,734
Others (independent)	9,149
Total	779,399
Union density	49.70%
Total number of civil servants eligible for union membership	1,568,324

Source: *Ministry of Labour and Social Security Statistics, 2006*

Table 3: *Membership of private-sector trade union confederations*

Türk-İş	2,141,319
Hak-İş	372,780
DİSK	412,143
Others (Independent)	117,490
Total	3,043,732
Union density	58.42%
Total number of civil servants eligible for union membership	5,210,046

Source: *Ministry of Labour and Social Security Statistics, January 2007*

One of the major problems with social dialogue is the limited trade union density in Turkey, and the weak connection between density and collective bargaining coverage for blue-collar workers. Non-members of the authorised trade unions also have the chance to benefit from the Collective Labour Agreement by paying solidarity dues equalling two thirds of the union dues. However, the number of employees benefiting from collective bargaining is very limited.

Status and function

According to the Act on Unions, trade unions and employer organisations are constituted by workers or employers in the same branch of activity. However, according to the Act on collective bargaining, strikes and lock-outs, collective labour agreements can be concluded at the level of the workplace, of the company or of the group; however, they may not be concluded at sectoral level. Therefore, trade unions are not able to make collective agreements at sectoral level.

In the collective bargaining system, no social dialogue mechanism exists at sectoral level – such as information, consultation and codetermination systems in legislation. Public-sector workers' trade unions are established in certain branches of activities, but they do not have any role at sectoral level either; only confederations of public-sector trade unions have the right to negotiate collectively at national level with the government. Therefore, the roles and competencies of trade unions and confederations are limited at sectoral level.

Social dialogue at sectoral level

The collective bargaining system may be considered as a social dialogue platform because it is essentially a functional platform between trade unions and employer organisations. Unfortunately due to legislation, this dialogue can take place only at enterprise level and not, for blue-collar workers, at the sectoral or national levels.

According to legislation, trade unions are not permitted to engage in collective bargaining at sectoral level. However, group collective agreements have taken place in some sectors. For instance, the employer organisation in the metalworking sector, MESS, signed group collective agreements with a number of trade unions in the sector, such as Türk Metal, affiliated to the Türk-İş confederation, Birleşik Metal affiliated to DİSK and Çelik-İş affiliated to Hak-İş. In these group collective agreements, it was decided that an industrial relations evaluation committee would be set up to monitor and discuss the developments in industrial relations.

Currently, collective bargaining negotiations are going on between MESS and Türk-Metal, Birleşik Metal and Çelik-İş. This group collective labour agreement (CLA) covers almost 130,000 blue-collar workers and more than 100 enterprises. In this collective bargaining, Türk-Metal has the leading role, representing more than half of the 130,000 workers. Birleşik Metal comes second union in terms of representation of workers. These group collective bargains have taken place for many years in the metalworking sector. Apparently, this group CLA does not cover all the workers who are employed in the sector. According to the latest statistics of MoLSS for July 2006, there are 644,462 workers employed in the metalworking sector. However, it is important to note that some non-unionised enterprises also use as a benchmark the rate of wage increase and other core standards of the group CLA.

In addition to the metalworking sector, the textiles sector is another sector in which group CLAs are concluded. Employer organisations in the sector have been concluding such agreements on behalf of 135 affiliated enterprises for many years. The leading trade union confederations are Teksif, affiliated to Türk-İş; Öz-İplik-İş affiliated to Hak-İş and Textile Union to DİSK. Teksif represents nearly 35,000 workers, while Öz İplik-İş represents 10,000 workers and Textile Union 8,000. The group CLA covers approximately 60,000 workers in the sector. (In the 1990s this figure was only 200,000, due to economic crisis and global competition.) Finally, group collective bargaining has been conducted in a similar manner to that in the metalworking sector.

Social dialogue at company level

Since the 1960s, an effective, functional and institutionalised collective bargaining mechanism has existed in Turkey. Table 4 indicates the number of CLAs, and the number of workers covered by them.

The collective agreement mechanism has played a crucial role in social dialogue in industrial relations. According to legislation, collective agreements should be concluded in not less than one year and not more than three years. CLAs cover wages, working conditions, training, fringe benefits and the role and functions of shop stewards in the workplace.

Table 4: *Collective labour agreements and number of workers and workplaces covered, 2002–2005*

Year	Sector	Number of agreements	Number of workplaces covered	Number of workers covered
2002	Public	1,113	4,741	131,852
	Private	660	2,712	123,207
	Total	1,773	7,453	255,059
2003	Public	793	5,800	391,526
	Private	814	2,006	237,714
	Total	1,607	7,806	629,240
2004	Public	847	3,085	121,828
	Private	632	4,828	203,361
	Total	1,479	7,913	325,189
2005	Public	1,176	10,302	382,992
	Private	2,801	4,086	204,464
	Total	3,977	14,388	587,456

Some committees do exist at company level, in which social dialogue takes place. These are:

- the occupational health and safety boards (in companies that have at least 50 employees and have been operating for more than six months);
- the annual paid leave boards (in companies that have at least 100 employees);
- disciplinary boards

The key tools for social dialogue at company level in Turkey are information and consultation procedures in collective redundancy, and procedures for informing employees about employment and working conditions. Dispute settlement mechanisms, such as mediation and arbitration also appear to play a role in the collective bargaining process. Works council do not organise in companies. In this sense, the current state of Turkish social dialogue is far removed from the provisions of EU directives on information and consultation.

Case of the civil service

Public-sector trade unions have no right to strike or to insist upon a collective agreement. These unions and their central organisations can only negotiate collectively with government at national level. If they reach an agreement as a result of collective bargaining, the agreement will be signed by all parties and submitted to the Council of Ministers. However, if they fail to reach a satisfactory agreement, mediation may be entered into. In practice, however, this is not the same as collective bargaining for employees. If an agreement is not reached after this, a text listing the points that were agreed on, and those that were not, is presented to the Council of Ministers. In this sense, it is difficult to understand why bargaining is separated institutionally and legally for public-sector workers and public- and private-sector blue-collar workers. Moreover, due to the fact that they have only emerged recently, public-sector unions lack financial and institutional capacity.

Conclusion

Various bipartite and tripartite bodies, mechanisms and platforms dealing with both labour and economic and social issues exist at national level in Turkey. The problem facing actors and policymakers is to ensure that these institutions function effectively. To this end, a functioning Economic and Social Council is needed to remove the barriers among social partners.

In terms of sectoral social dialogue, the roles and competencies of trade unions and confederations are limited. Therefore, it is important to extend the coverage of collective bargaining, an important tool of social dialogue platform, to the sectoral and national levels. Moreover, bipartite sectoral committees and platforms are required to deal with sector-specific problems.

Despite the inadequacies and shortcomings of the current state of social dialogue in Turkey, successful examples do exist, such as vocational training centres and common projects at sectoral level. Social partners have demonstrated their willingness to cooperate by conducting common projects on vocational training, productivity and employment. The Ministry of Labour and Social Security has also made special efforts to promote social dialogue for innovation and change in Turkey.

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