Citation for published version:
Ozkiziltan, D 2014, 'A Political Economy of Insecurity? State and Socio-Economic Actors in the Making of Industrial Relations in Modern Turkey', Ph.D., University of Bath.

Publication date:
2014

Document Version
Publisher's PDF, also known as Version of record

Link to publication

© The Author

University of Bath

General rights
Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

Take down policy
If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.
A Political Economy of Insecurity?  
State and Socio-Economic Actors  
in the Making of Industrial Relations in Modern Turkey

Didem Ozkiziltan

A thesis submitted for the degree of Doctor of Philosophy

University of Bath
Department of Social and Policy Sciences

September 2013

COPYRIGHT

Attention is drawn to the fact that copyright of this thesis rests with the author. A copy of this thesis has been supplied on condition that anyone who consults it is understood to recognise that its copyright rests with the author and that they must not copy it or use material from it except as permitted by law or with the consent of the author.

This thesis may be made available for consultation within the University Library and may be photocopied or lent to other libraries for the purposes of consultation with effect from………………

Signed on behalf of the Faculty of Humanities and Social Sciences
CONTENTS

LIST OF TABLES .................................................................................. 4

LIST OF FIGURES ............................................................................... 5

ABSTRACT ........................................................................................ 7

LIST OF ABBREVIATIONS ................................................................. 8

CHAPTER 1: INTRODUCTION ............................................................ 9

1.1 Introduction ................................................................................. 9
1.2 Turkish Industrial Relations in a Nutshell: From 1960s to 1980s........ 10
1.3 The Political Economy of Industrial relations in Turkey: Investigating the Roots of Insecurity ......................................................... 17
1.4 Research Questions and Structure of the Thesis ......................... 26

CHAPTER 2: POLITICAL ECONOMY OF INSECURITY: A CONCEPTUAL AND THEORETICAL FRAMEWORK ............. 29

2.1 Introduction ................................................................................. 29
2.2 Security as a Concept ................................................................. 30
  2.2.1 Security as a Power Resource ................................................. 31
  2.2.2 Security as an Institutional Outcome ....................................... 33
  2.2.3 Security as an Institutional Rationale ...................................... 36
2.3 Political Economy of Security/Insecurity in Industrial Relations .... 39
  2.3.1 Power Resources of Actors in Industrial Relations: A Theoretical Background for Insecurity in Capitalist-Democratic Societies ...... 42
  2.3.2 Institution Building in Industrial Relations: Rational and Practical Arrangements in the Organisation of Policy Making ................. 50
  2.3.3 Flexible employment arrangements and labour movements: Challenge or opportunity? ................................................................. 56
  2.3.4 Political Economy of Security/Insecurity: Making Security/Insecurity an Institutional Rationale in Industrial Relations ................. 61
  2.3.5 Industrial Relations and the Capitalist State: The State as an Actor Placing Security/Insecurity within a Regulatory Framework ........ 69
2.4 Discussion & Conclusion .............................................................. 74

CHAPTER 3: METHODOLOGY .............................................................. 76

3.1 Introduction ................................................................................. 76
3.2 Employing Historical Institutionaialism in an Industrial Relations Study .... 76
3.3 Design of the Study ..................................................................... 84
3.4 Data Sources, Research Limitations and Ethical Considerations ..... 95
3.5 Conclusion .................................................................................. 96

CHAPTER 4: THE MONO-PARTY PERIOD (1923-45) ....................... 97

4.1 Introduction ................................................................................. 97
4.2 Legacy of the Ottoman Empire: A Background ......................... 97
4.3 The Political Economy of Industry and Industrial Relations in the Mono-Party Period ................................................................. 99
4.3.1 Actors .......................................................................................... 100
4.3.1.1 State ...................................................................................... 100
   4.3.1.1.1 Power and Ideology ......................................................... 101
   4.3.1.1.2 Economy ........................................................................ 104
4.3.1.2 Capital .................................................................................. 107
4.3.1.3 Labour .................................................................................. 110
4.3.2 Interests ................................................................................... 116
4.3.3 Interactions ............................................................................... 123
4.4 Discussion & Conclusion ................................................................. 128


5.1 Introduction .................................................................................. 132
5.2 The Political Economy of Insecurity in Industrial Relations ......... 133
5.2.1 Actors ....................................................................................... 133
   5.2.1.1 State .................................................................................. 133
      5.2.1.1.1 Power, the Political Atmosphere and Ideology in the Era.. 136
      5.2.1.1.2 Political Economy of Economic Development .......... 138
      5.2.1.1.3 The State as a Rule Maker in Industrial Relations ....... 141
5.2.1.2 Capital .................................................................................. 144
5.2.1.3 Labour .................................................................................. 147
   5.2.1.3.1 Labour Migration and Urban Labour Markets in the Post-War period ................................................................. 147
      5.2.1.3.2 Labour as an Actor in Industrial Relations ............... 150
5.2.2 Interests ................................................................................... 154
5.2.2.1 State ................................................................................... 154
5.2.2.2 Capital .................................................................................. 158
5.2.2.3 Labour .................................................................................. 161
5.2.3 Interactions ............................................................................... 165
5.3 Discussion & Conclusion ................................................................. 171

CHAPTER 6: THE PLANNED ECONOMY PERIOD ......................... 174

6.1 Introduction .................................................................................. 174
6.2 The Political Economy of (In)security in Industrial Relations ....... 175
6.2.1 Actors ....................................................................................... 175
   6.2.1.1 State .................................................................................. 175
      6.2.1.1.1 Power, Political Atmosphere and Ideology in the Era .... 180
      6.2.1.1.2 Political Economy of Industrialisation ....................... 184
      6.2.1.1.3 The State as a Rule Maker in Industrial Relations ....... 187
6.2.2 Capital ...................................................................................... 190
   6.2.2.1.1 State of the Private Industry ........................................ 191
   6.2.2.1.2 Employers as Collective Entities ................................. 192
      6.2.2.2 Labour ............................................................................ 194
6.2.2.2.1 Labour Migration and Urban Labour Markets in the planned economy period ........................................... 195
6.2.2.2.2 Labour as an Actor in Industrial Relations .......... 196
6.2.2.3 Interests ........................................................................ 204
6.2.2.3.1 State ........................................................................ 205
6.2.2.3.2 Capital ..................................................................... 216
6.2.2.3.3 Labour ..................................................................... 221
6.2.2.4 Interactions ................................................................... 223
6.3 Discussion & Conclusion .................................................... 239

CHAPTER 7: POLITICAL ECONOMY OF INDUSTRIAL RELATIONS IN THE 1980S: A POLITICAL ECONOMY OF INSECURITY? ............. 244
7.1 Introduction ........................................................................ 244
7.2 Economic policies in the Era .............................................. 244
7.3 State of the Economy and Industry .................................. 246
7.4 Socioeconomic Transformations in the Period ................. 249
7.5 Interests ............................................................................ 257
7.6 Interactions ......................................................................... 263
7.6.1 The 12 September Process and Industrial Relations: 1980-1983 ........... 264
7.6.2 Interactions after Turkey’s Transition to Multi-Party Democracy ..... 269
7.7 Discussion & Conclusion ..................................................... 282

CHAPTER 8: DISCUSSION AND CONCLUSION ....................... 285
8.1 Summary of the Research and Its Design ....................... 285
8.2 Findings and Conclusion .................................................. 289
8.2.1 The Roots of Insecurity: Political Economy of Industrial Relations in an Historical Context ........................................ 289
8.2.2 The Institutionalisation of Insecurity as a Rationale: The State and the Socioeconomic actors in the Making of Industrial Relations ........ 295
8.3 Contributions, Limitations and Recommendations for Future Research .. 299

REFERENCES ........................................................................ 303
LIST OF TABLES

Table 1: The industrial workplaces and the number of workers in 1922.............. 98
Table 2: Sectoral shares of the gross national product during the mono-party period.............................................................................................................. 106
Table 3: Sectoral distribution of the industrial establishment employing over 50 people in the early years of Republic................................................ 108
Table 4: Share of urban and rural population in the mono-party period.......... 111
Table 5: Sectoral distribution of employment in Turkey in the mono-party period (for population of 12 + years of age) ........................................ 112
Table 6: Estimated number of workers for the year 1946.............................. 115
Table 7: Shares of GNP by the main sectors 1948-1960 (TL millions with 1968 prices)........................................................................................................ 139
Table 8: Number of manufacturing establishments employing 10 or more people and the number of employees employed in these establishments........ 140
Table 9: Large and small establishments in manufacturing........................ 146
Table 10: Number of private and state-led large establishments...................... 146
Table 11: Sectoral distribution of employment in Turkey in the mono-party and multi-party periods............................................................................... 147
Table 12: Share of urban and rural population in the mono-party and multi-party periods............................................................................................. 148
Table 13: Summary of the labour markets in the multi-party period.............. 149
Table 14: Sectoral distribution of the workforce in non-agricultural activities in the multi-party period............................................................................... 150
Table 15: Number of manufacturing establishments employing 10 or more people and the number of employees employed in these establishments during the planned economy period ........................................ 184
Table 16: Shares of GNP by major sectors 1960-1980................................. 186
Table 17: Scale of manufacturing establishments and their share in total value added in the planned economy period.............................................. 191
Table 18: Share of the urban and rural population in the mono-party, multi-party and planned economy periods........................................................................ 195
Table 19: Sectoral distribution of employment in Turkey the in mono-party, multi-party and planned economy periods........................................ 196
Table 20: Sectoral distribution of the workforce in non-agricultural activities in the multi-party and planned economy periods........................................ 197
Table 21: Number of collective agreements concluded and number of workers covered by these agreements in the planned economy period.............. 226
Table 22: Strikes and lockouts that took place in the planned economy period. 227
Table 23: Share of public and private sectors strikes that took place after 1973 in the planned economy period (%)..................................................... 233
Table 24: Shares of GNP by major sectors 1960-2000................................. 248
Table 25: Share of the urban and rural population in the mono-party, multi-party, planned economy and the post-1980 periods................................. 250
Table 26: Sectoral distribution of employment in Turkey the in mono-party, multi-party, planned economy and post-1980 periods ......................................................... 251

LIST OF FIGURES

Figure 1: Security as an institutional rationale .................................................. 39
Figure 2: Political economy of security in industrial relations ....................... 67
Figure 3: Political economy of insecurity in industrial relations .................... 69
Figure 4: The structure of the empirical chapters 4, 5 and 6 ......................... 94
Figure 5: Changes in real wage levels in industrial sector in the mono-party period ................................................................................................................................. 127
Figure 6: An overview of the trade union structure and trade union membership in the multi-party period ......................................................................................................................... 152
Figure 7: Changes in and differences between the nominal wages in public and private sectors in the multi-party period ......................................................... 170
Figure 8: Changes in number of unionised workers in the planned economy period ........................................................................................................................................................................... 201
Figure 9: A comparison of the total number of waged workers and the total number of unionised workers in the planned economy period .................. 202
Figure 10: Unionisation rates amongst public sector and private sector workers .......................................................... 202
Figure 11: Trade union inflation in the planned economy period ................... 203
Figure 12: Changes in real wages during the planned economy period .......... 225
Figure 13: Differences in nominal wages between the public and private sector in the planned economy period ..................................................................................................................... 225
Figure 14: Changing structure of industry in the post-1980 period ............... 247
Figure 15: Sectoral distribution of the workforce in non-agricultural activities in the multi-party, planned economy and post-1980 periods ...................... 252
Figure 16: An overview of labour markets in the post-1980s Turkey .......... 253
Figure 17: Labour Force participation rate by gender in the post-1980 period .. 254
Figure 18: Unemployment rates in post-1980 period .................................. 255
Figure 19: Trade union density in the post-1980 period ............................... 271
Figure 20: Number of trade unions in the pre and post-1980 period ............ 272
Figure 21: Percentage of workers covered by collective agreements in the private and public sectors during the planned economy and post-1980 periods 273
Figure 22: Changes in real wages in the manufacturing sector between 1979-1989 (1979=100) ............................................................................................................................. 274
Figure 23: Real wage indices per hours worked in manufacturing industry between 1988-2006 (1997=100) ................................................................. 274
Figure 24: Real wage indices in manufacturing industry (2005=100) ......... 274
Figure 25: Number of strikes that took place between 1973 and 2001 ........... 278
Figure 26: Number of workers involved in strikes between 1973 and 2011 ..... 279
ACKNOWLEDGEMENTS

This thesis has been a long and fulfilling journey for me and on its completion I look over the past five years with joy and gratitude towards people and institutions who helped me along the way.

I would like to begin by extending my gratitude towards various institutions that helped me on my course to completion. I want to thank Jean Monnet Scholarship program for providing me with the opportunity to study MRes Social Policy programme at the University of Bath which paved way for this PhD. I would also like to thank British Institute of Ankara for their generous endowment of Strategic Research Initiative Study Grant to my field work in Turkey during spring 2013. I want to thank University of Bath for the University Research Studentship without which I couldn’t have completed this thesis.

A number of extraordinary individuals have contributed to completion of my thesis and none so with more enthusiasm than my supervisor Dr Theo Papadopoulos. I would always be in his debt for his guidance, inspiration, patience and friendship over these past few years! If it wasn’t for his warm and caring approach to the project, this thesis would not have been completed. I also want to acknowledge the support and guidance of my second supervisor late Dr Frank Longstreth, who is unfortunately not with us anymore.

I also want to thank Dr Emma Carmel for her valuable suggestions in developing the framework of the thesis. I would like to thank Maxwell for proofreading my final thesis and his help in refining the text. I also want to acknowledge Prof Dr Zeki Erdut for encouraging me to carry on my post graduate research abroad.

I want to thank my friends who have supported me throughout this journey, Joo for her wonderful friendship, patient ear and encouraging words of support and guidance, Shira for being a sister in spirit and offering me her love and care, Sung-Hee for being an amazing friend and keeping my secrets while sharing hers’, and Ozce for being my dearest friend. I also want to thank Regine, Hannah, Tigist, and Thomais for their contribution in making my PhD years a more enjoyable experience, and without these girls it would have been a much more arduous process. Also want to thank Ayse Taskin, who assisted me in gaining access to the resources in Turkish libraries. Without Ayse’s help, this thesis would not have been possible. I extend a special thanks to Danish, who patiently and enthusiastically assisted me with the final draft of this thesis and who provided his endless love, support, and encouragement during the times they were most needed.

In the end, I want to thank and express my eternal gratitude towards my family. Suha and Ayse Ozkizilatan, my parents and Esra Ozkizilatan, my sister have always been my bedrock against all of world’s problems. They have always supported me in every endeavour that I have undertaken and without their support, sacrifices and encouragement I could not have accomplished anything. I also want to extend my thanks to my aunt-uncle; Reha & Altan Ilter and my cousins; Umut & Murat Ilter for their help in gaining access to certain key resources without which this study would not have been feasible. Last but not the least I want to extend my deepest thank to my grandparents, Yildiz and Sevim & Tevfik for their support and love throughout my life and for always being proud of me.
ABSTRACT

Most of the contemporary literature on Turkey’s industrial relations emphasises the impact of globalisation in bringing about fundamental institutional changes in the domain of industrial relations that have resulted in diminished capability of organised labour to act as an independent socioeconomic actor. However, what is often overlooked in these accounts is the historical continuity of insecurity as an embedded rationale in the institutions regulating industrial relations, the roots of which can be traced back to the first steps towards industrialisation following the establishment of the Republic of Turkey. The emergence of what I call the political economy of insecurity in Turkey was carried out by the generations of political actors to come and has had two far-reaching consequences in the domain of industrial relations. First, it distributed power between actors in favour of capital and the state. And second, with an exception of a couple of years, it served as an effective tool for the political actors to steer the behaviours of labour in the direction of so-called social peace and order. Against this background, my study investigates the institutionalisation of insecurity as a rationale in the political economy of Turkey’s industrial relations during the 20th century. It highlights the centrality of the modern Turkish state in shaping the interests of and interactions between the socioeconomic actors in modern Turkish society and the economy by adopting a long historico-institutionalist perspective, beginning with the early years of republican period and ending with Turkey’s integration into the global economy.

The overall contributions of this study can be outlined in terms of theoretical, empirical and methodological aspects. Theoretically, this thesis brings forth new comprehension of the concept of security/insecurity by analysing it in relation to its different facets, i.e. security as one form of power resource, as an institutional outcome, and as an institutional rationale. Empirically, by taking an historical-institutionalist approach and by building on a power-sensitive perspective, the work investigates the formation and (re)configuration of Turkish industrial relations and calls attention to historically entrenched class alliances in the (re)distribution of power resources between the state, employers and labour, which is still an under-researched area. Methodologically, by examining industrial relations over a period of time as an institution, and by inserting power and actors at the heart of the analysis, this study presents a detailed and power-sensitive account of the institutional continuity, development and change that came into place in Turkey’s industrial relations.
LIST OF ABBREVIATIONS

AP: Adalet Partisi – Justice Party

CHP: Cumhuriyet Halk Partisi – Republican People’s Party

DISK: Devrimci Isci Sendikalari Konfederasyonu – Confederation of Progressive Trade Unions

DP: Demokrat Parti – Democrat Party

TBMM: Turkiye Buyuk Millet Meclisi – Grand National Assembly of Turkey

TIP: Turkiye Isci Partisi – Turkish Labour Party

Turk-Is: Turkiye Isci Sendikalari Konfederasyonu – The Confederation of Turkish Labour Unions
CHAPTER 1: INTRODUCTION

1.1 Introduction

The modern day Republic of Turkey came into existence on 29th October 1923. Following the establishment of the Republic, the founding father of the nation, Mustafa Kemal Atatürk steered the country towards industrialisation as a part of his radical national development project to modernise Turkey. Amongst this modernization programme, the establishment of industrial relations that were to shape labour-capital relations in modern Turkey received substantial attention from the founders of the republican nation. However, despite the political actors’ decisive steps taken towards the institutionalisation of labour-capital relations earlier in the history of the Turkish republic, its importance is rather underplayed in the narratives of Turkish industrial relations’ literature. Indeed, for many scholars of Turkish industrial relations, it was only with the social, political, economic transformation that Turkey underwent in the early 1960s that the meaningful interactions between actors of industrial relations truly began.

This thesis traces the historical trajectory of industrial relations in modern Turkey. It aims to make a contribution to the understanding of Turkey’s current political economy in the context of industrial relations by taking a much broader and long-term historico-institutionalist perspective. Indeed, the thesis explores the role of long-term institutional path-dependencies, as well as critical junctures, in explaining the dynamic relationship between labour, capital and the state in modern Turkey; and, especially, the key role of labour insecurity as an institutional rationale and power resource in this relationship. The next section 1.2 narrates the events in a way similar to the one that has been presented in much of the mainstream literature. In doing so it aims at providing – as is the case in many industrial relations studies that focus on the post-1980 period – a background to the transformations took place in the political economy of industrial relations in the years following the establishment of the 1980 military junta in Turkey. After having shortly summarised the mainstream argument that dominates the present-day industrial relations literature on Turkey, section 1.3 addresses the place of the approach developed in this study within this literature by highlighting its
significant points that diverge from the mainstream position. Finally section 1.4 presents the research questions and structure of the thesis.

### 1.2 Turkish Industrial Relations in a Nutshell: From 1960s to 1980s

The Republic of Turkey has had a turbulent political history, characterised by a series of military interventions since 1960. The military coup which was effected on 27 May 1960 ushered in a new era in the politico-economic history of Turkey and lasted until the coup d’état launched on 12 September 1980 (for a comprehensive overview see Ahmad, 1993; Kongar, 1998; Zurcher, 2004). The period spanning from 1960 to 1980, namely the planned economy period of Turkey, represents the “golden age” for the Turkish labour movement for many observers of its industrial relations (Koc, 1979; Ketenci, 1987; Talas, 1992; Koray, 1994; Guzel, 1996’ Cetik and Akkaya, 1999; Mahirogullari, 2005) and a brief overview of the various developments that took place in the period would appear to provide convincing evidence to substantiate this view. Indeed, legally, the 1961 constitution, when compared to the previous one, provided for a more pluralistic and liberal democracy, afforded more protection for fundamental human rights, guaranteed better civil, social and economic rights for citizens, and for first time in the history of the republic of Turkey recognised the right to unionise and strike (see e.g. Tanor, 1991; Ozbudun and Genckaya, 2009). As a complimentary to these progressive transformations in constitutional structure, political actors enacted the Trade Unions’ Law (no.274) and the Collective Agreements, Strikes and Lock-Outs Law (no.275) in the year 1963 and in so doing established the institutional framework of the industrial relations for the coming two decades. These laws introduced the long-awaited collective bargaining system to the domain of industrial relations and despite their shortcomings (Dereli, 1968; Celik, 1974; Guzel, 1996) brought many improvements with regards to workers’ utilisation of their power resources (Dereli, 1968; Kutal, 1977; Talas, 1992; Mahirogullari, 2005; Koray and Celik, 2007; Celik, 2010).

However legal measures that empowered the labour vis-à-vis the state and employers were only one factor that formed the background for the events that unfolded during the 1960s and 1970s. Politically, these years witnessed an
unprecedented vitality in the country’s political life with new political parties burgeoning and masses organising around different ideologies (Ahmad, 1993; Kongar, 1998). Economically, starting from the early years of the 1960s, Turkey entered into a period of inward-looking industrialisation, maintenance of which required not only new recruits to industrial establishments, but also workers’ integration with the internal markets as the consumers of domestic products (Keyder, 1987; Aydin, 2005; Unay, 2006). Socially, workers in the industrial sector, after long years of infancy, finally emerged as a separate social class and started to define and defend their class-based interests vis-à-vis employers and the state (Koc, 1979; Guzel, 1996; Mahirogullari, 2005).

All these factors acting concomitantly provided the Turkish labour movement with a solid base to grow starting from 1963, as mentioned above, the year when the Trade Unions’ Law (no.274) and the Collective Agreements, Strikes and Lock-Outs Law (no.275) entered into force. Collective labour relations were developed initially in public enterprises by the leadership of the Confederation of Turkish Trade Unions –Turk-Is¹ in a harmonious manner as the political actors appeared to find offering compromises to the Turk-Is–affiliated unions an effective method for maintaining the social peace and order in the domain of industrial relations (Bianchi, 1984; Cizre-Sakallioglu, 1992). Yet, it should be also noted that it was not only the various governments that devoted efforts towards maintaining harmonious relationship with the Turk-Is, for the Turkish industrial relations literature reveals that it, Turk-Is, starting from its establishment in the year 1952, stood in favour of developing good relations with them, under the guise of above-party politics (Kutal, 1977; Cizre Sakallioglu, 1991; Koc, 1998, 2002b; Celik, 2010). This, as is discussed in detail in this thesis, proved highly instrumental in the materialisation of economic interests of its rank-and-file regardless of which political party held power (also see Cizre-Sakallioglu, 1992; Celik, 2010).

Turk-Is’ conciliatory approach towards labour-capital relations, indeed, gave its fruits in state sector and throughout most of the 1960s and 1970s workers of

¹ A detailed account of Turk-Is and its relations with governments can be obtained from e.g. Kutal, 1977; Mahirogullari, 2005; Celik, 2010.
public enterprises, in return for ruling out class struggle, experienced remarkable improvements in their socioeconomic conditions. Nevertheless, when it came to private sector, Turk-Is’ benign attitude fell short of meeting the needs of its members (Ahmad, 1995; Guzel, 1996; Mahirogullari, 2005; Celik, 2010). A radical solution to this problem came again from within the Turk-Is in the year 1967, when a number of dissident member trade unionists broke up from this confederation and established the Confederation of Progressive Trade Unions (DISK) as a rival force. The DISK mostly appealed to the workers of private industry and it, unlike the Turk-Is, favoured class struggle, thus being inclined towards political unionism (see e.g. Kutal, 1977; DISK, 1978; Guzel, 1996; Koray, 1996; Baydar, 1999). Following the establishment of the DISK, collective labour relations made rapid progress in the private sector as well and members of DISK, as probed further in this thesis, began to reap impressive gains in their working and living conditions, starting from the late 1960s. However, unlike the Turk-Is, the DISK and its affiliated unions achieved this aim mainly through calling strikes, organising mass protests and demonstrations, which, at least in the eyes of the political actors and employers threatened social peace and order in industrial relations in general and in the workplace in particular (see e.g. Koc, 1979; Aksoy, 1980; Mahirogullari, 2005).

Against this background, the 1960s and 1970s witnessed a growth in the working class, not only in terms of numbers, but also in relation to their political and economic influence. For one thing, labour having been able to voice its interests on more equal footing with political actors and employers thanks to the legal, social and political developments that took place during the period, stood as a powerful interest group in the domain of industrial relations from the mid-1960s onwards. For another, they appeared not to hesitate to mobilise their power resources, when necessary, which became evident for instance in the number of collective agreements concluded, in rising wage levels and in the number of legal and illegal industrial actions that took place (Koray, 1994; Guzel, 1996; Mahirogullari, 2005). Last but not least, labour’s mobilisation of its power resources appears to have heightened the fears of the political actors and employers’ about the disturbance of social peace and order which came out in the
form of increased intervention in the labour movement activities especially towards the end of the period.

However, three important factors appeared to tame the power of Turkish labour movement during this era. Firstly, there were shortcomings in trade unionism in that not only was there division between the state and private sectors, but also between different ideologies and organisational structures which, in the final analysis, significantly limited the power of labour movement (Koray and Celik, 2007). Second, the political actors remained fiercely determined to keep the labour movements under control starting from the early 1970s. While they achieved this through offering compromises to the workers of the state sector, when it comes to the workers of private sector, this aim was mainly accomplished through making forceful interventions into workers’ mobilisation of their power resources (Koray, 1994, Mahirogullari, 2005). And third, it was the deep-seated socio-political and economic crisis Turkey underwent towards the end of the 1970s, which by significantly reducing possibilities of workers to increase their incomes, posed an important obstacle for the working class in its attempts towards materialisation of its economic interests (Aydin, 2005; Kazgan, 2006; Boratav, 2009).

However, this crisis that Turkey faced not only diminished the power of Turkish trade unionism, for as further discussed below, it at the same time became one important factor in shaping the closure of the planned economy period. Socio-politically this crisis found its roots in the ideological divisions and conflicts of interests that appeared both between extremist groups from right and left factions and between the political parties. These splits between people and political parties, as the historical accounts of the period make clear, paralysed not only the normal functioning of the parliamentary system (Sunar and Sayari, 2004; Zurcher, 2004; Aydin, 2005), but also the social peace and order of daily life (Benhabib, 1979; Ahmad, 1993’ Kongar, 1998; Zurcher, 2004). Moreover, economically, this

2 The trade unions law allowed workers and employers associations to establish in the form of trade unions, federations and confederations. It also stipulated that establishment of these mentioned occupational associations was free and voluntary. This liberal approach in law, triggered what is widely referred as ‘trade union inflation’ in the mainstream Turkish industrial relations literature, as the number of trade unions, federations and confederations grew rapidly in the period (Mumcuoglu, 1980; Isikli, 1983; Koray and Celik, 2007).
crisis stemmed from Turkey’s inward-looking industrialisation strategy, which eventually reached an impasse that required political actors to take drastic measures in order to maintain Turkey’s economic development (Kazgan, 2006; Boratav, 2009).

During the late 1970s, the state of socio-political turmoil that the country faced was a grave problem waiting for an effective solution to be adopted (for an overview see e.g. Tachau and Heper, 1983; Kara and Kum, 1984; Kongar, 1998). However, political leaders of the country appeared to find it more appropriate, before anything else, to alleviate the economic problems of Turkey as witnessed by their implementation of a neoliberal reform package in line with the recommendations of the experts of the IMF (Yalpat, 1984; Keyder, 1987; Yenal, 2001) and the of interests of a group of the industrial bourgeoisie (Aydin, 2005; Kazgan, 2006). This economic reform package, which is widely referred as the ‘24 January measures’, was aimed at switching Turkey’s economy from an inward-looking import-substitution industrialisation to an outward-oriented and export-led industrialization one and encapsulated, amongst other features, repression of workers’ wages, privatisation of state economic enterprises and extensive cutbacks in government expenditures (Onis, 1992; Sayari, 1996; Owen and Pamuk, 1998; Unay, 2006; Pamuk, 2008).

However, implementation of this economic reform package posed some serious challenges to political actors, for the 1961 constitution and the various socioeconomic laws enacted in accordance with the provisions of this constitution, provided different interest groups with various rights to mobilise their power resources in order to express their dissent. One of these groups was the workers and their reaction to the 24 January measures was hostile. Indeed, the extent of disputes that erupted in the domain of industrial relations following the announcement of these measures was serious and widespread. For instance, the general picture of labour unrest as of September 1980 was as follows: more than 53 thousand workers in 214 workplaces were on strike, more than two thousand workers were about to call a strike and more than 57 thousand workers were waiting for expiry of the strike postponement decisions taken by the government so they too could go on strike (Milliyet, 1980). What is more, in the meantime
around 150 thousand workers were waiting for the collective bargaining process to be concluded, which, at least in the eyes of the political actors, further added to the volatile situation that prevailed in the domain of industrial relations.

In the autumn of 1980, political actors therefore seem to be caught between two fires. On the one side, there were the interests of international financial organisations and a group of industrialists who stood in favour of effective implementation of the 24 January measures, which in its final analysis were aimed at initiation of Turkey’s integration with the neoliberal global economic order. On the other, stood the interests of the workers as socioeconomic actors of industrial relations, who lent their full support to the maintenance of the existing socioeconomic order and who, in order to materialise these interests, mobilised their power resources. However, the political actors clearly favoured interests of the former, for the period of unrest came to an end with another military coup, which, with its anti-democratic measures, created a suitable environment for the implementation of the 24 January measures. Indeed, the generals leading the coup d'état of 1980 on 12 of September with the so-called aim of restoring law and order, assumed power directly and thus dissolved parliament, suspended the constitution, closed down the political parties and ceased the activities of trade unions and professional associations (Sunar and Sayari, 2004; Zurcher, 2004; Cizre, 2008). In doing so, as repeatedly argued by many scholars, the leaders of the 1980 military coup provided a fertile ground for the execution of the 24 January measures (see e.g. Yalpat, 1984; Celasun and Rodrik, 1989; Ahmad, 1993; Bugra, 1994; Owen and Pamuk, 1998; Ongen, 2004; Boratav, 2005a; Kazgan, 2006). The 12 September process also initiated a new politico-economic period in Turkey, with some severe repercussions on the economic and industrial relations fronts.

Indeed, economically, the 12 September process significantly changed Turkey’s political and economic landscape (Keyder, 1983; Celasun and Rodrik, 1989; Onis, 1991; Yeldan, 2003). This change, for many observers was aimed at bringing the economic policy and practices of the country more in line with the requirements

---

3 For the speeches made by Kenan Evren, the leader of the 1980 military coup and the seventh president of the Turkish republic that explain the reasons urging them to stage a coup d'état, see Dinckal (2011).
of the emerging era of neoliberal globalisation, thus being able to handle to the pressures associated with it (see e.g. Keyder, 1987; Boratav, 1990; Aydin, 2005; Kazgan, 2006), and again for many, served the interests of owners of big capital and the international financial organisations (see Koc, 1982; Cizre Sakallıoğlu, 1991; Boratav, 2005a; Kazgan, 2006). When it comes to industrial relations, a remarkable transformation in their institutional structures occurred, which placed the urgent political and economic interests of the business and political actors at the forefront under the command of the generals who staged a coup d’état on 12 September 1980.

Little has changed, if anything, with regards to the policies and practices implemented in the domain of industrial relations by the successive governments after Turkey’s transition to multi-party democracy with the elections held towards the end of the 1983. Indeed, for one thing, in the post-1983 period the political actors have always remained reluctant to make any labour-friendly amendments to the institutional framework of the industrial relations and when these have to be made, the changes have remained short of achieving compliance with international legislation (Gülmez 2006). For another, they adopted uncompromising attitudes against the demands of labour and thus put it under the state’s firm discipline. To achieve this, they did not hesitate to mobilise all the possible power resources made available to them by the legal framework of industrial relations (see e.g. Cetik and Akkaya, 1999; Mahiroğullari, 2005; Koray and Celik, 2007). What is more, in their determined attempts to control and limit the labour movements, the political actors, in contrast to the benign approach they pursued to the workers of state sector during the years 1960-1980, took a firm stand against all industrial workers in the post-1983 period.

Yet, this was not all for Turkey witnessed notable changes in its socioeconomic configuration starting from the early 1980s. Amongst these, rapid growth of population, increasing rates of migration from rural to urban areas, and widening scope of informal economy played an important part in Turkey’s altering political, economic and social outlook in the post-1980s (TUIK, 2010). The political economy pursued in domain of industrial relations therefore, when coupled with the socioeconomic changes came into being in the post-1980 period, paved the
way for a remarkable transformation in domain of industrial relations in Turkey. Indeed, in the years following the 1980 military interregnum, the number of trade unions significantly decreased, trade union density notably shrank, coverage of collective bargaining considerably diminished, and the economic gains of labour dwindled both in the state and private sectors (Bulutay, 1995; Petrol-Is, 1995; Cetik and Akkaya, 1999). All these constrained the possibilities of labour in mobilisation of its power resources and placed it in a highly disadvantaged position vis-à-vis the state and employers with regards to the voicing and materialisation of its interests.

1.3 The Political Economy of Industrial relations in Turkey: Investigating the Roots of Insecurity

Currently, an important theme in the contemporary literature focusing on Turkey’s politico-economic history is the socio-economic and political transformation that the country underwent starting from the early years of the 1980s which altered many parameters that modern Turkish society stood for, including those describing the capital-labour relationship (Yalpat, 1984, Kepenek, 1987, Boratav, 1990, Owen and Pamuk, 1998, Aydin, 2005, Odekon, 2005, Kazgan, 2006, Unay, 2006, Boratav, 2009). For example according to Kazgan (2006), a leading expert on Turkey’s economic history, starting from the early years of the 1980s, efforts towards creation of social state were replaced by anti-labour policies and in this process while employers were watched for, trade unions were supressed. For Boratav (2005), a renowned scholar of Turkish political economy, the 1980s witnessed important limitations being brought to the trade unions, collective bargaining and social security system all of which played an important role in transformation of labour-capital relations in favour of the latter. Similar arguments could be also seen in other scholars’ studies. For example according to Aydin (2005), the political actors’ efforts towards restructuring the state in the early years of the 1980s led to the demise of class-based politics and placed labour at a highly disadvantageous position in industrial relations. Yalpat (1984: 23) has neatly summarised this change which took shape under the auspices of military rule as follows;
The clearest manifestation of the restructuring effort is seen in the domain of relations between capital and labor. The military government has drastically reduced real wages, severely curtailed workers’ rights to unionize and to strike, extended the work-week and the work-year, and legislated retractions of severance pay, seniority rights and social insurance benefits.”

Much in a similar way, most of the scant number of studies on the political economy of Turkey’s present-day industrial relations hold to the argument that Turkey’s integration with the neoliberal global economy, which was initiated under the rule of the Military Junta that was installed in September 1980 and which continued from then on, necessitated a fundamental structural transformation in industrial relations. Subsequently, as the argument continues, the post-1980 period witnessed the emergence and institutionalisation of a different type of political economy in the domain of industrial relations as compared to that of the planned economy period, which through various different policy and practices placed labour at a highly disadvantaged position vis-à-vis capital and labour (Ketenci, 1987, Dereli, 1988, Talas, 1992, Koray, 1994, Cetik and Akkaya, 1999, Mahirogullari, 2005). Indeed for example Koray (1996), a leading scholar in Turkey’s industrial relations studies, argues that export-oriented and neoliberal economic policies have shaped and driven many economic and political transformations in Turkey in the post-1980 period. According to her, these transformations that gained pace with the military intervention of 1980 also brought with some important alterations in the policies governing industrial relations which, compared to the pre-1980 period significantly “narrowed down the trade unions’ power and their sphere of influence” (Koray, 1996: 260). Likewise Talas (1992: 256), one of the founding fathers of study of social policy and industrial relations in Turkey; argues that the period between 1961-1980 represents the “golden age” for the Turkish labour movement with regards to the rules adopted in domain of industrial relations. For him, the policies and social developments came about in the post-1980 period occurred as a result of the political environment of the era and all these set the framework of the social policies of the period. According to Talas (1992: 231) therefore, in the post-1980 era;
“The policy implementations, the Constitution and the regulations have ignored the social policy especially the collective rights and freedoms aspects of this policy. Yet this is not all, these collective rights and freedoms were limited to a great extent and their influence was substantially reduced.”

A further review of the Turkish industrial relations literature reveals that many authors have employed similar arguments in their exploration of the labour-capital relations in the post-1980 period. For instance according to Ketenci (1987: 160) the progress achieved and vividness experienced in the world of work in Turkey starting from 1960s took a different course in the 1980s as the workers became a “different type of target” in the economic policies. According to her, the changes that came into place in labour-capital relations, in work life and in labour legislation in this period entailed many limitations and even losses for trade unions and for workers. Similarly, for Mahirogullari (2005), the way that the Turkish trade unions operated and the legal foundations that these activities rested on in the pre-1980 period underwent an important transformation as a result of the shifts occurred in Turkey’s political structure and economic policies in the post-1980 period. Accordingly, as Mahirogullari (2005) argues, the 1980s marks the beginning of a new period in Turkish labour movement as the policies adopted and practices implemented put Turkish trade unions under the discipline of the state. In a similar way, Cetik and Akkaya (1990) argue that trade unions experienced a glorious period of development between the years 1962-1977 as during this era industrialisation gained pace, high employment was able to be combined with high wages, and a perception of social state that is respectful to the rights of the working people was maintained at the political level. They neatly summarise the changes came into being in the post-1980 period as follows;

“The 24 January 1980 economic stability measures which was wanted to be put into implementation before the 12 September 1980 military intervention included those policies with the identifying components of export-oriented development [and] integration with the global economy in the long term. The state, in order to implement these policies and to obtain favourable
results, found it necessary to intervene into industrial relations [and thus] organisations and institutions were re-structured and re-regulated. The main purpose [in this process] was facilitating the implementation of the new economic policies” (Cetik and Akkaya 1990:90, brackets added).

Two important reasons seem to come to the fore in the employment of this narrative by these authors. First, this approach provides a firm basis for the scholars to explain the shifts in the political, economic and legal structures which shaped post-1980’s Turkey towards a more politically authoritarian regime. And second it helps the authors – especially those who look at contemporary industrial relations – to place their argument into a historical and political context, which highlights the shifts that occurred in the balance of power between the actors involved in industrial relations.

While there is no doubt in the credibility of this explanation that dominates the current scholarly literature on Turkey’s political economy in general and industrial relations in particular, this mainstream argument, as I posit, appears to miss at least three important points. First, many of these studies do not place enough emphasise on the rationale that has shaped and governed the political economy of industrial relations in Republic of Turkey since its inception and therefore remain incapable to provide their audience with a causal understanding of the reasons lying behind the way industrial relations became institutionalised in the years following the 1980 military junta⁴. Second, taking the planned economy period as the main reference point in explanation of the transformations that came into being in the industrial relations in the post-1980 Turkey, oversimplifies the complexity and dynamism witnessed in the industrial relations in Turkey in the years preceding the planned economy period and overlooks the historical continuity that occurred in the political economy pursued in domain of industrial

⁴ For the studies which do not place enough emphasis to the rationale that shaped and governed the political economy of industrial relations in Republic of Turkey see e.g. Tulas, 1992, Koc, 1998, Baydar, 1999, Cetik and Akkaya, 1999, Yeldan, 2003.
relations since the inception of the Republic of Turkey\(^5\). And third, many studies, in mentioning of the transformation of labour-capital relations in the post-1980 period, underemphasise the historical continuity in political economy of industrial relations pursued in private sector (see below and see Tuna, 1969a, Dereli and Ekin, 1982, Talas, 1992, Koray, 1996, Cetik and Akkaya, 1999) or they do not support their arguments with historical evidence (see e.g. Koray, 1994, Guzel, 1996, Buyukuslu, 1998, Koray and Celik, 2007).

True, first of all, in explanation of the post-1980 transformations that came into being in political economy of industrial relations, there occurs to be an *underemphasise* about the rationale that underlies the current day rules, regulations and practices related to labour-capital relations, the roots of which, as a careful examination of historical evidence suggests, reach back to the early attempts towards industrialisation in republican Turkey (see the Chapter 4). Instead, some of the studies highlight the changes in rules and regulations in the post-1980 period to account for the transformations that the political economy of Turkish industrial relations underwent. For example, according to Talas (1992) the 1982 constitution and the laws enacted in 1983 to regulate rights and freedoms related to trade unions, pulled back the development that was achieved in this area with the previous legislation. According to Koc (1998) working class and labour movements started to lose their rights in the process that began with the 12 September 1980 coup d’état. In a similar line, according to Yeldan (2003) the gains of labour have been rapidly worn down with enactment of 1982 constitution and the labour and association laws that followed (to follow this line of argument see e.g. Talas, 1992, Koc, 1998, Baydar, 1999, Cetik and Akkaya, 1999, Yeldan, 2003). While there is little, if any doubt that there has been a big change in rules and regulations in the post-1980 period, and labour has experienced substantial economic and political losses in this process (see chapter 7), these accounts, as I contend, remain short of providing their audience with a clear understanding of the existence of a rationale i.e. *protection* and *empowerment of capital* and its historical continuity in political economy of industrial relations in republican

\(^5\) For the studies taking the planned economy period as the main reference point in explanation of the transformations that came into being in the industrial relations in the post-1980 Turkey see e.g. Talas et al., 1965; Kutal, 1977; Rozaliyev, 1979; Koc, 1987; Talas, 1992; Koray, 1994; Guzel, 1996).
Turkey. Therefore, these accounts, as I contend, remain short of providing solid basis for understanding of a causal explanation regarding the reasons lying behind the way industrial relations became institutionalised in the post-1980 period.

Some others studies, on the other hand, make mention of the rationale that governed the political economy of Turkish industrial relations. However, these either do not provide adequate historical evidence to the audience regarding how this rationale was established and carried forward (Koray, 1994, Guzel, 1996, Buyukuslu, 1998, Koray and Celik, 2007) or do not bring their narrative up to the post-1980 period (Makal, 1999, Makal, 2002, Celik, 2010). For example, in his article where he examined the trade unions in the post-1980 period, Buyukuslu (1998: 67) right after asserting that “there is a rarely total break with the past” with regards to the practices and policies pursued in Turkish industrial relation and arguing that “the legacy of Ataturk’s regime and of the period of military interventions and transition to democracy has shaped the Turkish industrial relations system with an unique set of characteristics”, directly starts discussing impacts of the post-1980 policies on the country’s labour-capital relations. In their detailed study where they compared social dialogue in Turkey with the European Union, Koray and Celik (2007), despite having acknowledged that the empowerment and protection of capital in economic development process appeared to be an important factor in political actors’ (re)configuration of political economy of industrial relations since the early years of the Turkish republic, they derive this information through citing existing arguments in relevant literature regarding the continuity of the political mentality at the top political level rather than building it on historical evidence. On the other hand, Makal (1999, 2002) in his studies where he analysed Turkish industrial relations in detail in mono-party and multi-party periods respectively, employs a wide span of historical evidence and in doing so provides a vivid account of creation and maintenance of the rationale that shaped and governed industrial relations in Turkey during the early years of the republican era. Yet, he limits his analysis with the end of the multi-party period thus does not carry this argument to the present day industrial relations. In a similar way, Celik (2010) in his seminal study where he investigated the Turkish labour movements provides his audience with a clear understanding of the way political economy of industrial relations was created and
the labour-capital relations were shaped in the early years of the republican Turkey. Nevertheless, Celik (2010) brings his detailed analysis until the establishment of the DISK in 1967 and thus does not carry on his analysis towards the present day industrial relations.

Second, as has been also pointed out by Kocak (2008), there has been an overemphasis; in Turkey’s industrial relations literature on labour capital relations, in general, and on the labour movements, in particular, that evolved since the early 1960s following Turkey’s transition to a more pluralist democratic order and to an import substitution growth model (Talas et al., 1965, Kutral, 1977, Rozaliyev, 1979, Koc, 1987, Talas, 1992, Koray, 1994, Guzel, 1996). While there is no doubt that the 1960s marked the beginning of a new era in Turkey’s industrial relations, during which actors re-defined their interests and strengthened their positions vis-à-vis others, authors, by giving prominence to the post-1960 years, as I contend, have overlooked the remarkable historical continuity with regards to the (i) political economy adopted in the domain of industrial relations, (ii) characteristics that the trade unions displayed and (iii) the strategies they adopted in their relationships with the state and employers (for a detailed discussion see Chapters 4, 5 and 6). For instance in their analysis of Turkish trade unionism, Talas et al. (1965) limit their discussions regarding the mono-party period with the lack of industrial development and of class divisions in Turkey. To add to this their analysis of the multi-party period does not extend beyond a general overview of trade union - state relationship and general activities of trade unions between the years 1947-1960. According to them:

“27 May 1960 military coup represents a milestone in Turkish trade unionism. It would not be an exaggeration to argue that trade unionism has started in real sense in this period” (Talas et al., 1965: 66).

Likewise Guzel (1996: 166) analyses the pre-1960 period under one chapter and argues that in this period “trade unions only involved in social assistance activities and they left out economic and political [...] activities”. Much in a similar manner, Kutral (1977) in her study where she examines the Turkish trade unionism in planned economy period in depth, shortly discusses the Turkish trade
unionism in pre-1960 period in her introduction and finishes her examination of this period as follows:

“Therefore, Turkish trade unionism could not display the expected development in the 1950-1960 periods, it could not go beyond a trade unionism which is limited in rights, extremely weak in finances, open to pressures coming from the political power and lack of any character” (Kutal, 1977: 12).

Last but not least as Koray (1994) rightly noted, public sector workers has always taken the lead in establishment of trade unions and in the use of their collective bargaining rights in Turkey’s industrial relations system. What is more, at least until the final years of the 1970s, a degree of harmony was established and maintained in public sector industrial relations, with both the political actors and workers’ organisations playing an equally important role (see Bianchi, 1984; Cizre-Sakallioğlu, 1992). However, by contrast, even in the years when the trade union movement was at its height, that is to say during the 1970s, capital-labour relations in the private sector remained largely limited to certain types of workers and to a number of industrial establishments. To add to this, throughout the planned economy period during which Turkey achieved a respectful degree of industrialisation, industrial relations in private sector establishments were mostly tense, with social peace hardly ever being achieved (see Chapter 6). Given this situation, while the changes that came into place in the policies and practices governing industrial relations constrained the power resources of public and private sector workers equally, when talking about the transformation of labour-capital relations in the post-1980 period, the historical continuity in political economy of industrial relations pursued in private sector is not adequately emphasised and/or the arguments are not supported with historical evidence. For example Talas (1992) in his textbook where he provides a detailed account of Turkey’s social policies in an historical context confines his explanation of different type of political economies pursued in private and public sector industrial relations during the planned economy period to a paragraph where he argues that;
“While the collective bargaining system in public sector was successful to follow the increase in prices with the positive outcomes obtained, this mechanism has in a sense lost its efficiency in private sector. Private sector benefited from martial laws and the operation of labour markets in its favour and [and thus] left the wage increase demands of trade unions unanswered.” (Talas 1992: 227, brackets added).

Koray (1996), on the other hand, in her textbook where she analysed industrial relations in Turkey in comparative perspective, makes no mention of the different types of political economies pursued in private and public sector. In another detailed study, however, Koray (1994), acknowledges the incompatibility between the public and private sector industrial relations during the planned economy period as follows;

“It should not be forgotten that trade unions and [their use of] right to collective bargaining initially developed in public sector [...] When it comes to private sector, both the organisation of trade unions remained limited [...] and when the trade unions initiated a serious contestation for their rights, these immediately led to discrepancies and conflicts [between labour and capital]. It is possible to witness this both in the second half of the 1970s and the final years of the 1980s” (Koray, 1994: 155, brackets added).

In her study Koray (1994) also points out to changing conditions for public sector workers in the post-1980 period. According to her;

“The circumstances appear to have worsened both for private and public sector trade unions with the political, economic and legal changes came with the 1980s” (Koray, 1994: 156).

Nevertheless, in her analysis, Koray (1994) supports her argument neither with any kind of historical evidence nor she gives any explanation about how this
constituted a part of political economy pursued in private sector in historical context.

A number of studies, on the other hand, explain this duality in political economy pursued in industrial relations in terms of leadership position of public sector – which particularly became prominent during the planned economy period – in determination of working and living conditions for industrial workers (see .e.g. Tuna, 1969, Dereli and Ekin, 1982, Dereli, 1988, Cetik and Akkaya, 1999, Koc, 2003). For example Koc (2003), in his book where he analysed working class and labour movements in Turkey in an historical perspective, argued that the rights that the public sector workers gained through collective agreements in the planned economy period became goals for the private sector workers which they deemed worthy to fight for. Dereli (1988), where he overviewed the collective agreement system in Turkey in the post-1980 period, asserted that throughout the planned economy period, by taking the leadership position in collective agreements the public sector exerted influence on the collective agreements concluded in private sector. While there is no, if any doubt that the state-led establishments played an important role in showcasing the best examples for working and living conditions provided to the industrial workers throughout the planned economy period (for a discussion see Cizre-Sakallioglu, 1992, Koray and Celik, 2007), these accounts, however, do not provide their audience with any explanation of the rationale that lied behind this dichotomy that occurred in political economy of industrial relations in Turkey in the pre-1980 period.

1.4 Research Questions and Structure of the Thesis

It is against this backdrop that this study goes beyond the confines of the mainstream Turkish industrial relations literature. That is, in this thesis it is contended that the type of political economy pursued in industrial relations in Turkey in the post-1980 period has not been a by-product of neoliberal economic globalisation per se, but has gradually emerged as an outcome of the interplay of the actors, their interests as well as their ideas and their interactions with the institutional structures within the historical context. In other words, it is held that a political economy of insecurity in the domain of industrial relations has been created and managed by the political actors in Turkey who have assumed the role
of leading and shaping the country’s path to development, and this has displayed a remarkable historical continuity the roots of which can be traced back to the first steps towards industrialisation following the establishment of the Republic of Turkey. Hence, this study investigates the creation and management of the political economy of insecurity in Turkey’s industrial relations during the 20th century. To this end, it highlights the centrality of the modern Turkish state in shaping the interests of, and interactions between socioeconomic actors or in other words the labour and capital in modern society and adopts a long historico-institutionalist perspective, beginning with the early years of the republican period and ending with Turkey’s integration into the global economy. In this respect, this study seeks to answer the following questions:

**Q1:** How can we conceptually and methodologically analyse and explain labour’s disadvantaged position vis-à-vis the state and capital in the post-1980 period in the domain of industrial relations?

**Q2:** How did the institutional structures of industrial relations historically constrain and shape the political behaviours and strategies of the state, capital and labour during the (re)institutionalisation of industrial relations?

In order to address the research questions posed, this thesis comprises eight chapters, including theoretical and methodological divisions as well as four empirical ones. This opening chapter is succeeded by the chapter 2, in which a theoretical framework for the thesis is provided, which after explanation of the concept of security/insecurity by bringing it a novel understanding, incorporates the notion of the political economy of insecurity in the domain of industrial relations. That is, this chapter is designed and written with the aim of providing a conceptual-theoretical framework for guiding the remainder of the study. Chapter 3 introduces and discusses historical institutionalism as the analytical tool utilised in this research and also briefly outlines the issues of: data sources, contribution of the research as well as its limitations and ethical considerations. Chapters 4, 5 and 6 scrutinise the making of industrial relations in consecutive politico-economic periods of modern Turkey beginning with the early years of the republican period and ending with Turkey’s integration into the global economy. Chapter 4 covers the mono-party period, which spanned from 1923 to 1945, whereas Chapter 5
studies the multi-party period that extended from 1945-1960 and Chapter 6 analyses the planned economy period which started in the year 1960 and ended in 1980. All three chapters follow the same format in order to provide the reader with a clear framework for understanding the ideas, ideologies and interactions lying behind the political economy that steered and governed industrial relations in these focal periods. That is, these chapters start with a brief overview of political and economic climate of the era that is under the scrutiny. They then continue with presentation of the state, capital and labour as the actors of industrial relations, placing a special accent on the political and economic conditions in which they emerged and/or evolved. Following this, these chapters investigate the interests of and interactions between the actors with an aim of exploring the type of political economy adopted and pursued in domain of industrial relations in the periods in question. Chapter 7, being the final empirical division, concentrates on the socioeconomic and political transformations that played an important part in transformation of Turkish labour markets in the post-1980 period and interests and interactions of actors in the early-1980s together which shaped and influenced the political economy of industrial relations in the period. Finally, Chapter 8 concludes the thesis by bringing together findings of the empirical chapters and discussing its findings pertinent to the research questions. This chapter finishes with consideration of the contribution and limitations of the study and suggestions for future empirical research.
CHAPTER 2: POLITICAL ECONOMY OF INSECURITY: A CONCEPTUAL AND THEORETICAL FRAMEWORK

2.1 Introduction

This chapter is aimed at explaining what I mean by political economy of insecurity in industrial relations and thus provides a conceptual-theoretical framework to the thesis. The concept of political economy is used, in this study, to describe the ways in which actors, systems and institutions interact with each other and thus, form different modes of political regulation of the socioeconomic sphere in general and in industrial relations in particular (see Robbins, 1976; Cox, 1995; Clark, 1998 for more comprehensive explanations). Institutions, in the context of this study are defined as formal rules and procedures that structure and constrain the possibilities/resources of actors during their interactions (for similar definitions and views see North, 1990; Thelen and Steinmo, 1992; Peters, 1999; Lane and Ersson, 2000; March and Olsen, 2006). Path dependency is used to refer to the processes “in which preceding steps in a particular direction induce further movement in the same direction” (Pierson, 2000: 252), thus increasing the institutions’ resistance to change (ibid). The concepts of labour, capital and state, on the other hand, are used to refer to the actors of industrial relations who act as collective agents, have specific security-related interests and pursue them by interacting with each other in various forms through various institutions (see Salamon, 2000; Rose, 2004).

Section 2.1 in this chapter scrutinises the concept of security and brings forward a novel argument to the literature by analysing security in relation to three different but interrelated aspects, namely, security as a power resource, as an institutional outcome and as an institutional rationale. Section 2.2 explores security in the domain of industrial relations by placing a special emphasis on the power resources of actors, on institution building and on the institutionalisation of security/insecurity. This section finishes with an attempt to point out the special role of the capitalist state in the domain of industrial relations.
2.2 Security as a Concept

Security is often considered to be an essential human need (see Maslow, 1943; Cantril, 1988; Doyal and Gough, 1991) and therefore, a fundamental requisite for the continued existence, livelihood and dignity of people (CHS, 2002, 2003, also see Weisbrod, 2006). It is argued that security, when embedded in people’s lives brings about senses of belonging, stability and direction (ILO, 2004b) and gives people the power of self-control, which is necessary for real freedom and independence (Standing, 2002). Security is also understood in terms of national survival needs, i.e. protecting boundaries and citizens from external attacks (CGG, 1995). In this regard, for many, security on its own has enough power to become an end in itself and many values and lives can be sacrificed to obtain it (see e.g. UNDP, 1994; MacFarlane and Khong, 2006).

Security, just like many core values in human lives, reaches significance with its absence. Indeed, the concepts of security and insecurity are intrinsically interconnected and according to Dillon (1996: 33), they are both “humanity’s share”, needing to be explained and studied in relation to each other (see Dillon, 1996; Vail, 1999b). Security is defined in the dictionaries as the condition of being protected from or not exposed to danger; freedom from fear, doubt or anxiety and the quality of being securely fixed or attached (Oxford, 1989; Merriam-Webster, 2002). Safety, confidence, assurance, certainty, stability and fixity are the words given in lexicons to meet the meaning of security in different contexts. On the other hand, the concept of insecurity is explained as condition of not being sure; want of assurance or confidence (Oxford, 1989); not being adequately guarded or sustained; not being highly stable or well-adjusted and being beset by fear and anxiety (Merriam-Webster, 2002). Instability, uncertainty, precariousness, vulnerability and unsteadiness are some of the terms given as the synonyms or near synonyms to the concept insecurity (Oxford, 1989; Merriam-Webster, 2008; Thesaurus.com, 2008).

Despite the dictionaries offering us a general understanding of what the concepts mean, it seems that there is no clear-cut definition of them in the academic context. Indeed, the term security appears to have been used in many contexts and for many purposes by academic specialists, governments, corporations and
individuals to refer to things, people, means, ends, events and feelings (McSweeney 1999). In this respect, for example, McSweeney (1999) delineates security as slippery/elusive term, resisting definition (also see Wolfers, 1968; Krause and Nye, 1975; Buzan, 1991). For Buzan (1991), it, as a concept, has never been appropriately developed although it is widely used in the academic literature and has a practical dimension. On the other hand, Smith (2005) argued that security cannot be conceptualised neutrally since any definition stands for a specific view of the world. Thus, Rothschild (1995: 60) portrayed security as an idea of social and political significance of which changes continually over time.

Given all these arguments it would not be too far-fetched to contend that security and insecurity are versatile concepts being perceived in accordance with the dominating ideas, politics and requirements of periods and people.

Perhaps this versatility and complicacy of security/insecurity as concept stem from the fact that it is of vital interest to humanity (see UNDP, 1994; CHS, 2003; ILO, 2004b) and it appears in different aspects in our daily lives. Indeed, what I postulate in this thesis is critical examination of security/insecurity as a concept offers at least three different aspects for analysis, security as one form of power resource, as an institutional outcome, and as an institutional rationale. Security, with these three aspects, despite their addressing different phenomena, they are intricately intertwined and explaining them in relation to each other seems to be crucial in order to lay a meaningful background for understanding the concept within the context of industrial relations.

2.2.1 Security as a Power Resource

Security, being one of the fundamental human needs for a life of well-being, freedom and dignity, is commonly associated with power and power resources in the wider literature (UNDP, 1994; Krause and Williams, 1997; Buzan et al., 1998; Vail, 1999b; CHS, 2003; Booth, 2005; MacFarlane and Khong, 2006; Neocleous, 2008; Williams, 2008). For example, the Commission on Human Security (2003: 10) considered protection and empowerment necessary for the security of human

---

6 Indeed, for example, security has been one of the most controversial subjects in political philosophy (see Hobbes, 1651 [1985]; Locke, 1690 [2000]; Mill, 1859 [1991]; Mill, 1861 [2001]; Rothschild, 1995; Bilgin, 2003; MacFarlane and Khong, 2006).
beings and placed “freedom to take action on one’s own behalf” amongst the vital components of human security. In a similar vein, Williams (2008: 6) affiliated the concept with opportunities provided and capabilities acquired and denoted that “security involves the ability to pursue cherished political and social ambitions”.

The idea that security has close links with power seems to be not a new phenomenon. For example Hobbes (1651 [2008]: 57) related power with the security of being able to sustain one’s self and claimed that “the power of a man [...] is his present means to obtain some feature apparent good. John Stuart Mill (1991 [1859]: 190) placed the notion of security at the core of human life, considering it as a means to/resource to survive. Thus, he argued that ‘security is the most vital of all interests’ and ‘no human being can possibly do without it’.

Drawing on this continuing debate in literature, what I put forward is that security in its first aspect appears as one form of power resource enhancing the capabilities of individuals/groups in their efforts for materialising their interests. It, therefore, addresses various means, i.e. rules, regulations, policies or capacities that increase the possibilities/chances of individuals/groups to act as a social agent with distinct interests and agendas. In order to understand security as a power resource one needs to scrutinise it in relation to agency, structure, participation and empowerment (see ILO, 2004b for a similar approach).

Agency in sociology is generally defined as the ability to make meaningful and independent choices and pursue goals. Structure, on the other hand, is used to indicate institutional arrangements shaping opportunities and alternatives for the actors (see e.g. Barker, 2005; Alsop et al., 2007; Elder-Vass, 2010). Security as one form of power resource appears to be closely related to agency and structure, because, as I posit, it shapes and legitimises the social agency of individuals/groups and enhances their capacity to define and pursue their interests.

What is more, security as a power resource, by providing individuals/groups with social agency both opens the way for their participation in decision-making processes (see Pateman, 1970 for the concept of participation) and empowers them or in other words, increases “[p]eople’s ability to act on their own behalf – and on behalf of others” (CHS, 2003: 11). Empowerment that comes with
security as a power resource, in this way, as the ILO (2004a: 8 brackets added) succinctly put it:

“disempower[s] the powerful by creating circumstances in which no group or individual can abuse power to control others.”

Security, in sum, by equipping people with social agency and by providing them with suitable environments to act not only enables them to participate in the decision-making process, but also enhances their capabilities to influence policies in the direction of their own interests. Indeed, in the words of the Commission on Human Security (2003: 12) “[p]eople protected can exercise many choices. And people empowered can avoid some risks and demand improvements in the system of protection”. By contrast, when individuals/actors are deprived of security as a power resource it is highly likely that they lose control over the level of security they enjoy in their daily lives. “Individuals without power resources”, as Vail (1999b: 11) put it. “are less able to shield themselves from the debilitating effects of insecurity and have a much harder time finding substantive alternatives that allow them to minimise or escape from their predicament”. Security as a form of power resource in its final analysis, paves the way for the generation of security as an outcome in any sphere of daily life –social, economic, political– which is the subject of the subsection that follows.

### 2.2.2 Security as an Institutional Outcome

Security in its second aspect occurs as an institutional outcome and pertains to the ways institutions shape and influence people’s security related senses and experiences in the context of their various daily practices, both in terms of their individual and collective identities. The reason that security appears as an institutional outcome lies in the fact that people are not passive agents sensing and experiencing security/insecurity as they receive it. The vitality of security in people’s lives is likely to oblige them to enter into complex interactions or in other words to mobilise their power resources in order to attain, retain or increase the levels of it. Security, felt and experienced by individuals, therefore, is not self-
existent; it arises as consequence of interactions between actors (see UNDP, 1994; Neocleous, 2008).

Security as an institutional outcome has both individual and collective aspects. At the individual level, it embraces people’s feelings and experiences and refers to the fundamental concerns of people’s daily lives, which constitute humanity’s everlasting efforts towards survival, livelihood and dignity. Individual security as an institutional outcome, therefore, pervades many areas of human lives. For example, all individuals need freedom from or protection from any forms of violence, arbitrary punishment or false imprisonment -personal security (Orend, 2002). Moreover, they need assurance of human rights -political security (UNDP, 1994), they need to be able to take part in a market economy with acceptable conditions -economic security (Vail, 1999b) and they need minimum protection in the case of possibilities of income loss or requirements for income protection – social security (see Titmuss, 1974). The list is not exhaustive, for individual security as an institutional outcome can be extended to any area of daily life where there is a threat to an individual’s integrity as a human being (see UNDP, 1994 for further details).

Collective security is another dimension of security as an institutional outcome and according to Standing (2002) is a human need concerning belongingness and identifying with a social group, which, as with individual security, builds on feelings and experiences. Regarding feelings, collective security appears to offer a sense of belongingness to individuals, the need of which in psychology is considered to be a strong, essential and inescapable human motivation and the lack of which imposes risks on the health and well-being of individuals (Baumeister and Leary, 1995). In terms of experiences, collective security in its various forms, such as societal, class, community or occupational group (see UNDP, 1994; Standing, 2002) occurs to provide people with personal control and identity (UNDP, 1994, ILO, 2004b), which, for Standing (2002), is instrumental for controlling other’s behaviour or restricting their control.

Security/insecurity as an institutional outcome, both in its individual and collective aspects, reverberates to the work and working life in the form of what Standing (2002) entitled as “socio-economic security”. The concept of socio-
economic security was adopted by ILO (2004b) and promoted within the scope of socio-economic security programme. According to Standing’s (2002: 10) classification, the work-related security, i.e. socio-economic security (ILO, 2004: 14) that was pursued under the welfare state capitalism has seven forms:

(i) **Labour market security**: provision of adequate employment opportunities through full-employment policies that were placed under the state’s assurance;

(ii) **Employment security**: protection of labour against arbitrary or unjustified dismissals through rules and regulations;

(iii) **Job security**: provision of a level of control to the employees over their jobs and setting up career opportunities to them;

(iv) **Work security**: protection of employees against any health and safety risks at work;

(v) **Skill reproduction security**: provision of opportunities to gain and retain work-related skills;

(vi) **Income security**: protection of income of employees with the aim of reduction of inequality and protection of low income groups through various policy and practices

(vii) **Representation security**: protection of collective interest representation in the labour market through independent employee and employers’ associations that were politically and economically integrated into the state and were endowed with the rights such as right to strike.

Amongst these various forms of security, Standing (2002) and ILO (2004) single out the income security and representation security as basic security, without which, according to this argument, working people, especially those who are more vulnerable to the vagaries of the job markets, cannot pursue occupation they desire and cannot make their voice at work heart. Indeed, according to ILO (2004: 15);

“These two complement each other, and together are essential for equal good opportunity to pursue occupation. Unless
Security as an institutional outcome, indeed, appears in our daily lives in many different forms and in many different contexts. According to Standing (2002) and ILO (2004b) it reverberates to work and working life in seven different forms amongst which income and voice security come out as the basic economic security. However, security as an institutional outcome is only one aspect of what the concept security/ insecurity pertains to. In order to provide a robust background to the empirical chapters, security therefore needs to be scrutinised regarding one other conceptual aspect, which provides the subject of the next subsection.

2.2.3 Security as an Institutional Rationale

With regards to security as an institutional outcome, despite being one important need of humanity, not all the actors in a given institutional context can be associated with the same security needs. Indeed, one group’s needs might prevent satisfaction of others and thus might inflict insecurity on other group(s) (Dillon, 1996). What is more, institutions might well be devised to “allocate scarce and valued resources in unequal ways” (Ferrante, 2011: 119). Security in its third aspect, therefore, comes out as a rationale in institutions pointing to a legitimising paradigm that provides not only valid grounds for the rules, regulations and practices formulated, but also a solid basis for creation of institutional opportunities/constraints for actors in materialisation of their interests. At this point, brief consideration of the structure of institutions from the viewpoint of the distribution of power and policymaking is necessary in order to provide a better understanding for the rest of my thesis.

Institutions, being the “humanly devised constraints that shape human interaction” (North, 1990: 3), as many scholars seems to agree, give structure to the opportunities for the actors to pursue their interests (see e.g. Hall, 1986; North, 1990; March and Olsen, 2006). However, it appears that not all the institutions are designed for the creation of equal opportunities for the actors to materialise their interests. For example, according to March and Olsen (2006), institutions impact
on actors differently and therefore, empower one while disempowering others. This, according to them at the same time enables or disables actors in their actions in the framework of prescriptive rules. Ikenbery (1998-1999: 52), in the same vain argued that institutional arrangements exert influence on the distribution of power between actors within a political system, providing some with the upper hand and more resources, and some with less advantages and fewer alternatives.

A brief look at the institutionalist literature also suggests that the distribution of power within the institutions is markedly influenced by the structure of policymaking in the institutions. Indeed, for instance, according to Hall (1986: 19 brackets added):

“The organization of policy-making [within the institutions] affects the degree of power that any one set of actors has over the policy outcomes. [...] [Institutional] position also influences an actor’s definition of his own interests, by establishing his institutional responsibilities and relationship to other actors.”

Likewise, Korpi (1985: 38 emphasis added) opined:

“[t]he power resource approach, [...] leads us to view societal institutions largely as the residues of previous activations of power resources, often in the context of manifest conflicts which for the time being have been settled through various types of compromises. By developing institutions, bureaucracies, structures and rules for the making of decisions and for the distribution of rewards and punishments, the need to continuously activate power resources can be limited ... However, the benefits of order can be unequally distributed. My hypothesis is that the distribution of power resources between the parties is reflected and ‘built into’ these institutions and structures and that the parties may thus have unequal gains from their operation.”
Having said that, possible reasons lying behind unequal distribution of power resources by institutions need to be also addressed. While there might be a number of convincing explanations that can be derived from the available literature, what I posit is that, this situation, in some cases, can be explained by taking security/insecurity as an institutional rationale, operation of which shapes and steers the way policies and practices are formulated. Indeed, it is my opinion that protecting a group of actors or leaving them to face insecurity can appear as a built-in rationale in the institution building process. When this is the case, security/insecurity as an institutional rationale, paves the way for at least three policy outcomes regarding the policies and practices formulated based on it. First, it institutionalises a particular way of power distribution between actors. In doing so it would while empowering a group of actor(s), disempower other(s) and/or balance the distribution of power between them. Second, it would generate insecurity as an institutional outcome for those left with less power resources or security for those who were empowered vis-à-vis others. Third, it steers the behaviours’ of actors in desired directions and thus, may take their interests and interactions under control and/or align the interests of actors over the issues related to the supreme interests. However, to achieve all these outcomes, policymakers need to utilise, according to my hypothesis, at least two sets of policy instruments. First, they need to employ a strong logic to justify the necessity and importance of the way power should be distributed that was expected to come out when the policy and rules they designed were put into practice. Second, they must use the appropriate tools, i.e. rules, regulations and practices, to ensure that power is distributed between the actors in the way that the policymakers desire as an outcome.

What is more, security/insecurity as an institutional rationale, according to my thesis, constitutes an important source of path dependency in the policymaking process. That is, it, by institutionalising the distribution of power between actors, both enhances the capacities of those who started with a more advantageous position to increase their power over time and leaves a very remote possibility that the less powerful actors will be able to restructure the institutions with alternative

7 Despite my best efforts, however I could not come up with a satisfactory explanation in the available literature regarding the reasons of unequal distribution of power resources by the institutions.
rationalies (see Pierson, 2000, 2004). These factors taken together stiffen the institutions’ resistance to change and enable powerful actors to increase their influence in the institution-building process by creating a path dependency rooted in policy and practices.

Security/insecurity, when this becomes an institutional rationale in the policymaking process, resultantly, according to my hypothesis, gives way to the institutionalisation of a particular type of political economy, that is to say, one of security/insecurity in a given area, which produces and reproduces institutional opportunities/constraints for actors in mobilising their power resources and which institutionalises the distribution of power between them (see Figure 1 for a simple diagram). While one might provide many different cases to illustrate this argument, I contend that security in the context of industrial relations appears to constitute a notable incidence of this situation and this provides the focus of the subsection that follows.

Figure 1: Security as an institutional rationale

2.3 Political Economy of Security/Insecurity in Industrial Relations

Security as a concept, as studied above in detail, is complex and has a character with different aspects. Therefore, any study focusing on it should take into account the context of the concept it delineates. In this thesis with industrial
relations as the main area of its study, institution building is taken as the referent subject. More specifically, the concept of security/insecurity with respect to the ways it has become an institutional rationale in Turkey’s industrial relations is probed in terms of the outcomes in the way power has become distributed between the various actor and its consequent historical implications regarding institution-building processes.

At this point, it is crucial to emphasise that industrial relations, being the institution “within which intricate interactions between employees ... and employers are conducted, both collectively and individually” (Blyton and Turnbull, 2004: 3), appear to, as I understand it, embody security/insecurity not only as an outcome, but also as power resources and as a rationale. Indeed, there is little, if any, doubt that actors need security as an institutional outcome of industrial relations to protect their existence and to enhance their conditions in - and out of - the markets. Security as an institutional outcome in the context of industrial relations, therefore, appears to be embedded in actors’ interests. The concerns of actors regarding their security can find their expression, for example, in labour’s demands for better income, for freedom of organisation, for enhanced health and safety conditions in the workplace or for skill reproduction facilities against increasing technological innovations (see Standing, 2002; ILO, 2004b for further information). Capital owners also need security as an outcome in the domain of industrial relations in order to function properly in the markets. Their security demands can cover such matters as the stability of politico-economic institutions or the right to manage or secure property rights (see Salamon, 2000; Traxler, 2002; Rose, 2004). From this equation one should not omit the interests of the state, for being another actor in industrial relations, it also pursues security related interests, such as economic growth and the maintenance of the socioeconomic order (see Hyman, 2008). It is for this reason that, as I contend, actors seek security through industrial relations and their interactions produce security or insecurity as an outcome in accordance with the wider institutional context within which they interact.

Having said this, insecurity produced in industrial relations as one possible outcome of actors’ interactions should be explicitly addressed. Indeed, insecurity
might become an outcome in industrial relations despite the fact that all the actors pursue security-related interests to protect their existence and to enhance their conditions. To explain this, the asymmetry of power between actors i.e. the power of labour vs. the power of the state and employers that comes out as one key feature of the nature of industrial relations in capitalist societies needs to be highlighted (see Marshall, 1961; Hyman, 1975; Korpi, 1985; Kelly, 1998). Such an imbalance between the power resources of actors, accordingly, proves highly prone to make it possible for the more powerful actors i.e. the state and employers, especially in the absence of adequate protection for the vulnerable actors, to mobilise their power resources in order to increase their security levels (Hyman, 1975).

It is in this regard that actors, especially those who possess weaker power resources in capitalist-democratic societies, as I contend, need to be empowered by policies and practices that are created in the institution-building process in order to be able interact with other actors on an equal footing. In other words, labour being the less powerful actor in a capitalist industrial relations system needs to be provided with security in this process, which will thus provide them with better power resources to act as independent actor. It is for this reason that, as I posit, security/insecurity, besides being an institutional outcome of industrial relations, also comes out as a power resources and rationale in industrial relations.

This study therefore sees industrial relations as the humanly made structure that constrains and shapes possibilities and resources of actors in their search for security in labour markets in capitalist-democratic economies and builds hypothesis on the premise that industrial relations in capitalist societies embodies security/insecurity as a rationale in its structure that was inserted in the institution building process of it. Security/insecurity as an institutional rationale in industrial relations in this way, according to this work, becomes one major factor in the determination of which actor(s) are empowered and the degree of this empowerment. As a corollary of this view, the study approaches the industrial relations from a critical perspective, which considers industrial relations as “unequal power relation embedded in greater social and political inequalities” (Budd and Bhave, 2008: 92).
To provide a better understanding of the notion of security as an institutional rationale and a power resources in the context of industrial relations, in the following subsections I first examine its theoretical framework by scrutinising actors’ power resources and the way they mobilise them in industrial relations. I then consider the ways security/insecurity becomes an institutional rationale in advanced democratic-capitalist societies. Drawing on this background, I then attempt to place security/insecurity as a rationale in industrial relations in a conceptual framework by addressing the importance of the provision of a set of secondary power resources to labour. I conclude this section with a final subsection in which I posit that a capitalist state emerges as a separate actor in industrial relations with its distinct interests and specific security-related agendas.

2.3.1 Power Resources of Actors in Industrial Relations: A Theoretical Background for Insecurity in Capitalist-Democratic Societies

For many scholars of industrial relations, power lays the foundations of the industrial relationship (see Hyman, 1975; Kirkbride, 1985; Poole, 1986; Kelly, 1998, Salamon, 2000; Lewis et al., 2003; Blyton and Turnbull, 2004; Rose, 2004, Korpi, 2006). Indeed, for example, according to Hyman (1975: 26), “an unceasing power struggle is [...] a central feature of industrial relations”, for Kelly (1998: 9) power is “a concept which lies at the heart of the industrial relations”, and for Salamon (2000: 78) “[t]he industrial relationship is inherently a ‘power/authority’ relationship”. However, despite having occupied a central place in the study of industrial relations, very little attention seems to have been paid to it within the orthodox industrial relations literature (see Martin, 1992; Kelly, 1998; Lewis et al., 2003), thus making it almost, as Kirkbride put it (1985: 44), a “taken for granted” concept within the discussions surrounding the phenomenon. One reason for this lack of attention shown to the role of power in industrial relations perhaps lies in the fact that power, as a concept itself, appears to be a contested one giving way to the emergence of many different descriptions and explanations across the whole spectrum of social sciences (see e.g. Kirkbride, 1985; Korpi, 1985; Salamon, 2000; Lukes, 2005; Morgan, 2006). Any study basing its argument on power and power relations, therefore, should clearly point out the context which it is building on. This study draws upon Korpi’s (1985,
1998) power resources approach, in particular, and upon the radical perspective within industrial relations literature, in general. That is, Korpi’s (1985: 33) definition of power resources is borrowed, which “attributes (capacities or means) of actors (individuals or collectivities), which enable them to reward or to punish other actors”, for application to in the context of industrial relations.

Against this background, it therefore proves crucial to have a look at the connotations of power resources of actors in the context of industrial relations. According to Korpi (1985), capital and labour power are amongst the major basic power resources found in capitalist democratic societies, conversion of which provide the actors with other such resources. For him, “physical capital” when taken as the ability to control the means of production, comes out as a very substantial power resource in capitalist societies, because the number of actors who are susceptible to rewards or punishments by the use of this resource is large, the array of activities of other actors that can be rewarded or punished by means of it is wide and its impact on the livelihoods of people is immense. Moreover, for him, physical capital has high concentration potential in that it can be easily accumulated in the hands of a small number of actors (ibid).

“Human capital” on the other hand, according to Korpi (1985), although being amongst the most important power resources, its sphere of influence on other actors in democratic capitalist societies appears not to be as wide as that of physical capital for the fact that the number of actors that are receptive to the rewards and punishments of the activation of labour power as a power resource is smaller, the range of activities of other actors that can be remunerated or penalised by means of this resource is limited, it cannot be stored for long periods of time and it is mostly abundant.

In mentioning the power resources of actors, one should also consider that of the state. Korpi (1985), in his seminal study, nevertheless, barely touched upon this subject, addressing only the means of violence as one basic power resource that Western societies use characteristically attributed to states. Although power resources of the state are a complicated subject, which is outside the scope of this study, a brief review of the literature suggests that legislative, adjudicative, and enforcement powers of the state together with its role as an employer in labour
markets are power resources that it can utilise, thus affording it a prime position in industrial relations (see Blyton and Turnbull, 2004; Heery et al., 2008; Hyman, 2008; Masters et al., 2008).

Despite the socioeconomic actors’ power resources and disparities between them in capitalist democratic societies occupying a central place in a number of Korpi’s (1978, 1985, 1998) studies, it goes without saying that he is not the only scholar who pointed out inherent power imbalances and inequities in capitalist societies. Indeed, the available literature reveals that recognition of power disparities between capital and labour opened up a heated debate between scholars, especially those whose writings were influenced by, either implicitly or explicitly, Marxist thinking (see e.g. Parkin, 1971; Hyman, 1975; Block, 1980; Offe and Wiesenrhal, 1980; Fox, 1985). Fox (1985: 33 brackets added) neatly summarised the views of those who hold a radical perspective on the labour-capital relationship as follows:

“Why, asks the radical, do they [trade unions] not challenge management on all [...] issues which may clearly have major significance for the work experience, rewards and life destinies of their members? The answer he offers is twofold. First, employee collectives (unions and organised work groups) realise that while they can deploy enough economic power (that is the collective control of their own labour) and enjoy enough support from government and other sections of society to enable them to offer an effective challenge to management on a limited range of issues where their participation to decision making is seen as legitimate, they would need to have far more power than is customary at present if they were to achieve significantly larger aspirations. For, faced with demands which in effect struck at the foundations of management power, privilege, rationales and objectives, management would draw not only upon its full reserves of strength but also upon the support of other managements, employers’ associations and sympathetic
sections of society (including government), which were concerned to defend the status quo.”

Fox (1985: 33) continues;

“This leads to the second aspect of the radical’s answer. A mobilisation of power on this scale would require great resources of will, determination, confidence and aspirations. Why are these resources not presently available to the unions? Because [...] to some extent they accept as valid the principles on which the work organisation is constructed and the conventions by which management operates it.”

Exploration of inherent power imbalances and inequities in capitalist societies also necessitates a brief investigation of the ways the roots of these imbalances are explained in the literature, for many different interpretations are to be found, including those, which may not necessarily be counted as Marxist-inspired. However, despite this diversity what they seem to hold in common is the distinction between the structural power of capital and the agency power of labour in capitalist societies. Indeed, according to a prevailing consensus amongst scholars of political economy, capital owners enjoy structural power in capitalist societies, i.e. “the ability [...] to influence policy without having to apply direct pressure on governments through its agents –the power of ‘exit’ rather than ‘voice’” 8 (for a wider discussion see e.g. Parkin, 1971; Lindblom, 1977; Korpi, 1978; Block, 1980; Offe and Wiesenrhal, 1980; Przeworski and Wallerstein, 1988; Gough and Farnsworth, 2000). This widespread consensus also holds that labour possesses agency power, meaning that its numbers rather than its market competencies provides it with the necessary resources to materialise its interests. More specifically, labour needs to wield direct pressure on other actors through actions it takes –such as going on strike, voting for particular political parties or establishing networks with political power – and through representatives it is appointed to take part in governmental institutions – such as parliaments or

8 Gough and Farnsworth, 2000: 77.

Offe and Wiesenhal (1980), for example, explained power imbalances occurring between actors in capitalist societies in accordance with two processes. First, they laid stress on their ability to generate collective actions through which they define and defend their interests. They argued that while trade unions constitute the most important means of labour to mobilise workers’ power and thus to initiate collective action, capital possesses three different forms of collective action to mobilise its power resources it emerges: in the firm itself, in the informal cooperation that the employers are involved in and in the employers’ associations that are formed in accordance with legal formal structures. Second, these authors pointed to the structural power of capital owners’ stemming from their ability to control the means of production. According to them, this provides the owners with the opportunity of increasing the efficiency and productivity of their operations (ibid). By so doing, they argued, “*capital can release itself partially from its dependence upon the supply of labour, thereby depressing the wage rate*” (Offe and Wiesenhal, 1980: 75-76). In their account, however, labour lacks the structural power stemming from the fact that it “*cannot release itself from its dependency upon capital’s willingness to employ it, because there are next to no possibilities of reproducing itself more efficiently, namely on the basis of lower wages or even outside the labour markets*” (Offe and Wiesenhal, 1980: 76).

They bring further explanation to the structural power of capital as follows (Offe and Wiesenhal, 1980: 78):

“*[...] superior power also means superior ability to defend and reproduce power. The powerful are fewer in number, are less likely to be divided among themselves, have a clearer view of what they want to defend, and have larger resources for organised action, all of which imply that they are likely to succeed in recreating the initial situation.*”

\(^9\) For political power of labour, see e.g. Pizzorno, 1978.
The structural power of capital by way of explanation of power disparities between capital and labour also occupied a central place in Block’s (1980) study. According to him (1980: 231), “[c]apital has disproportionate control over wealth of all types” and capital owners’ control over the investment process creates a dependency relationship between capital and the state, the outcomes of which mostly favour the former’s interests. Indeed, in Block’s account (1980) in order to maintain high rates of economic activity, which is crucial for balancing the state’s budget and for stabilising the existing political order in the country, political actors are dependent on investments made by private capital owners. It is for this reason that, according to Block, (1980), political actors mostly refrain from making decisions that would erode business confidence in their actions. According to Block (1980: 31), this dependency relationship between political actors and capital owners sometimes even requires the former to take actions in order “to save capitalism from itself”, and “to increase its viability”. Even if this is the case, the structural power of capital can still manifest itself in different ways as he argued that (Block, 1980: 231):

“[a]ne can even speak of a modal process of social reform, where state managers extend their regulation of the market or their provision of services when faced with pressures from subordinate groups or threat of social disorganisation. Such actions are often opposed by many capitalists, but once the reforms are institutionalised they are used by state managers in ways that contribute to the accumulation process and to the maintenance of social control.”

The agency power that labour possesses in relation to quantitative advantage, on the other hand, has been traditionally regarded as the most effective power resource of labour in capitalist-democratic societies, mobilisation of which offers workers political and economic leverage in their interactions with their employers and the state (Hyman, 1975; Korpi, 1978; Engels, 1984; Kelly, 1998; Salamon, 2000; Streeck and Hassel, 2003; Blyton and Turnbull, 2004). In this regard, Engels for instance, in his classic study the Condition of the Working Class in England, in a very straightforward manner called attention to workers’
quantitative superiority, which is manifested through their organisation in trade unions. According to him (1984: 245):

“Unions [...] imply the recognition of the fact that the supremacy of the bourgeoisie is based wholly upon the competition of the workers among themselves; i.e. upon their want of cohesion. And precisely because the Unions direct themselves against the vital nerve of the present social order, however one-sidedly, in however narrow a way, are they so dangerous to this social order. The working-men cannot attack the bourgeoisie, and with it the whole existing order of the society, at any sorer point than this. If the competition of the workers among themselves is destroyed, if all determine not to be further exploited by the bourgeoisie, the rule of property is at an end.”

Despite this potential overwhelming influence of workers over capital owners and society, agency power possessed by labour seems to be mostly outmanoeuvred by the structural power held by capital owners in capitalist social orders. This disadvantage, which in Offe and Wiesenhal’s (1980: 87) account found its expression in the form of “power potential without the organisation versus power potential created by the organisation” and “use of power hidden and dispersed versus use of power open and concentrated”, was vividly depicted by Lindblom (1977: 176) as follows:

“But a sufficient degree of union organisation and ambition, it would seem, could at least in some circumstances put workers or their union leaders in a privileged position in government. It could happen if unions could successfully stop production, not simply in one firm or industry, but broadly as in a general strike. Ordinarily, however, a general strike – except as a demonstration for a few days – is impossible because it provokes the government [...] to break the strike [...] In short, the rules of market oriented systems, while granting a privilege
position to business, so far appear to prohibit the organisational moves that would win a comparable position for labour.”

It is true that a further overview of the industrial relations literature also suggests that in capitalist democratic societies, the structural power that capital enjoys overrides the agency power that labour holds. “[W]ithout an organisation to represent them” wrote Salamon (2000: 115), “individual employees are at a serious power disadvantage in their relationships with management”. Thus, “[i]t is the acquisition of power through the collective strength of its membership”, he argued, “which, to a large measure, determines the success of the trade union in carrying out its […] functions” (Salamon, 2000: 115). A very similar position was advanced by Offe and Wiesenhal (1980: 74), for according to them:

“In the absence of associational efforts on the part of workers, the conflict that is built into the capital/wage labour relationship is bound to remain very limited. The workers would simply have no bargaining power that they could use to improve their conditions of work or wages, because each individual worker who started to make such demands would risk being replaced either by another worker or machinery.”

In sum, a brief review of the literature reveals that power imbalances between capital and labour have deeply penetrated the politico-economic structure of capitalist societies. This asymmetry mostly stems from the fact that while capital exerts control over the means of production and thus enjoys structural power, labour gains strength only through its agencies, that is to say, through trade unions, collective actions and/or vociferous representatives. The means and resources capital and labour built their strengths on in capitalist societies continue to be a great concern of capitalist states as their survival largely depends on private sector activities. The policy and practices that the leaders of capitalist states implement in order to redress or maintain the power imbalances that occur between capital and labour is the focal interest of the subsection that follows.
2.3.2 Institution Building in Industrial Relations: Rational and Practical Arrangements in the Organisation of Policy Making

A thorough review of relevant literature reveals the idea of security/insecurity has always been in the ideational background of policies and practices driving the political economy of capitalist economies. Indeed, it could be said that with the onset of industrial capitalism and the political democracies, actors’ attempts to attain and retain security in socio-economic domain sparked an everlasting conflict of interest between them and increased the bitterness of argument within the literature as well as within the political domain on the place and uses of security/insecurity in socio-economic life.

The champions of insecurity, in this regard, have never problematized diffusion of insecurity in people’s daily lives including work and employment and they argued in favour of the merits of non-intervention in markets for the so-called benefit of the economy. According to them, insecurity should be considered at individual level and taken as indicator of vibrant and free operating markets (see e.g. Hayek, 1944, Mises, 1963, Galbraith, 1976, Friedman, 1977, Hutton, 1995, Barr, 2004, Nolan, 2008). For Friedman (1977: 171, brackets added), for example, inequality (and therefore insecurity) in a mobile and a dynamic society is “*a sign of dynamic change, social mobility [and] equality of opportunity*”. According to Mises (1963: 839) lack of social protection in labour markets is the incentive for the working people “*to keep fit, to avoid sickness and accidents, and to recover as soon as possible from injuries suffered*”. For many neoliberal economists, likewise, insecurity and inequality in the labour markets would effectively discipline labour, eradicate tendency to the state dependency, induce potential profitable investments, increase wealth, capital accumulation and economic growth (see Hutton, 1995, Wheelock, 1999b). Insecurity, being introduced as panacea of many ills in economic domain, undoubtedly have found many adherents in political arena where it is understood as a useful means of steering behaviours of actors of industrial relations to the needs of markets (Barr, 2004, Harvey, 2005).

However, ideas and policy implementations delivering insecurity to the markets and industrial relations have been strongly opposed by security proponents, who considered insecurity as a social problem, restraining exercise of individual
freedoms (see UNDP, 1994, ILO, 2004b, UN, 2008) and causing sheer dependence on market relations (Marx, 1976, Polanyi, 2001, Standing, 2002). According to many security adherents, insecurity in any area of human life is able to harm human lives and human potential, damage social justice, human dignity and self-respect by giving way for insufferable levels of worry, fear, desperation and incapacity (see Vail, 1999, ILO, 2004b). Existence of insecurity at the workplace according to Standing (2002: 3) makes people “oppressed/exploited, demoralised, demotivated, stressed” who would easily tend to “quit work or sabotage his/her workplace”. On the contrary, existence of security at the workplace according to Sengenberger (1992: 153), has a great potential to “influence worker motivation, productivity ... worker loyalty and discipline”. It is existence on the macro-economic level, according to Bertola (1990) is likely protect the overall stability of the economy in the face of national-level economic crisis.

Security in socio-economic life therefore is considered, by some, as a basis of real freedom, peace and wealth (see UNDP, 1994, ILO, 2004b) and has been passionately defended in political sphere by its advocates. In the aftermath of the Great Depression, for example, Roosevelt (1944) denoted that “true individual freedom cannot exist without economic security and independence”. In the face of socio-economic catastrophes that were argued to have been instigated by neoliberal globalisation, the UNDP (1994: 22) declared “[t]he world can never be at peace unless people have security in their daily lives”. Supporters of security, in this regard, stand up for its instrumentality in labour markets/industrial relations and address the exigency of alleviation of insecurity in social and economic institutions by inserting security to the heart of the political economy of capitalism (see e.g. UNDP, 1994, ILO, 2004b, UN, 2008).

It is against this ideational background that, as a careful overview of relevant literature reveals, provision of security/insecurity as an institutional outcome has for a long time been a main concern of policy makers in democratic capitalist societies. In this respect, the three decades following the Second World War witnessed, for example, a strong commitment from many advanced capitalist nation states to the provision of security and material prosperity for the working
people (see political actors e.g. Harvey, 1990; Marglin, 1990; Pinch, 1996; Standing, 1999; Clark, 2000; ILO, 2004b), with the aim of, according to a widely held consensus in the extant literature, maintaining the capitalist system and its class relations (see e.g. Marglin, 1990; Armstrong et al., 1991; Clark, 2000; Polanyi, 2001). The advanced capitalist states’ adherence to provision of social, political and economic security\(^{10}\) for the wider masses of society, as could be expected, has had its ramifications in the domain of industrial relations. Indeed, workers in these countries have enjoyed greater freedom and deference as well as enjoying greater power than ever before in their relations with capital and state (see Marglin; 1990, Armstrong et al., 1991; Polanyi, 2001). The post-war period, accordingly, saw the emergence of a so-called social-democratic compromise between labour, the state and capital, the repercussions of which exerted a considerable impact on industrial relations in that each actor agreed to use their power resources responsibly in return for further security and material well-being (Harvey, 1990; Boyer, 1995; Fotopoulos, 1997).

Such a concession, as the general lines of the narrative of what has been termed the *golden age of capitalism* recounts, has required the political actors to deal with the inherent disparities that appear between the power resources of actors. It is at this point that, as my argument suggests, security became an institutional rationale in industrial relations wielding a marked influence on the distribution of power resources between its actors and on the mobilisation of their power resources. Security as an embedded rationale in post-war industrial relations systems of advanced capitalist countries came with two sets of policy instruments. First, a strong rationale was provided to justify its necessity and importance. This seems to have been achieved by utilisation of the argument that security for labour is required, if the aim is the preservation of capitalist democracy as a socioeconomic order (Standing, 1999; Polanyi, 2001; Streeck and Hassel, 2003). Second, appropriate tools were developed and were put into practice to ensure that security remained as an institutional rationale in industrial relations. This was achieved, as an overview of the literature indicates, through expansion of welfare state provisions, in general and through provision of protective and pro-collective

\(^{10}\) For a wider inquiry into the connotations of socioeconomic security see ILO, 2004.
labour regulations, in particular (Crouch, 1978; Lipietz, 1989; Glyn et al., 1990; Harvey, 1990; Marglin, 1990; Standing, 1999; Clark, 2000).

Institutionalisation of industrial relations systems in advanced capitalist democracies in the post-war period, with security as an institutional rationale steering and shaping policy and practices paved the way for three key policy outcomes. First, it placed labour on an equal footing in its interactions with the state and employers, (Boyer, 1995 Standing, 1999). Second it created income security for majority of organised labour. And third, it steered the behaviours of actors in desired directions, in that labour recognised the managerial rights of capital in decisions regarding the organisation of production and investment, whereas capital and the state agreed that distribution of the benefits of economic growth should not be left to the vicissitudes of markets (Harvey, 1990; Marglin, 1990; Armstrong et al., 1991; Boyer, 1995; Standing, 1999; Upchurch et al., 2009).

Embeddedness of security as a rationale in industrial relations in advanced capitalist democracies of post-war period also, I posit, created a path dependency until it was replaced by insecurity starting from the mid-1970s. Indeed, firstly, security as an institutional rationale, having appeared as one result of the post-war socioeconomic consensus steered behaviours as well as expectations of actors in the direction of security (Glyn et al., 1990; Harvey, 1990; Standing, 1999; Stanford and Vosko, 2004). “[A]ny attempt to overcome these rigidities [securities]”, as Harvey (1990, brackets added) succinctly put it, “ran into the seemingly immovable force of deeply entrenched working-class power”. Second, it created its own ideological agenda that allowed states to intervene in the markets with aims, such as: promoting economic growth, reaching full employment, and the redistribution of wealth (Fotopoulos, 1997). Subsequently, security as an institutional rationale appeared not only to increase the power of labour over time (Harvey, 1990; Stanford and Vosko, 2004), but also provided legitimate ground for the workers’ demands, both of which contributed significantly to the resistance of labour to change (see Hardt and Negri, 2001).

As a result, according to my hypothesis the post-war era witnessed the pursuit of a political economy of security in industrial relations in advanced democratic
countries. Nevertheless, the years following the oil crisis of the early 1970s witnessed, first in the advanced democracies and then on a global scale, a gradual change in the ideological orientation of governments together with the policies and practices they implemented. A combination of many factors both domestic and external, such as rising inflation, increasing unemployment rates, slackening economic growth, ascendancy of neoliberal ideology, emergence of cross-border financial flows, technological advances, collapse of the Bretton-Woods system, the changing international division of labour etc. have been held responsible for this transformation in the available literature (Epstein and Schor, 1990; Glyn et al., 1990; Armstrong et al., 1991; Standing, 1999; Gilpin, 2001). Scrutinising these factors is outside the scope of this study, however, what should be emphasised is that, as a result of all these, the interests of financial capital, big businesses and private property owners (Fotopoulos, 1997; Duménil and Lévy, 2004; Harvey, 2005; McBride, 2011) started to be highly influential in the making of social and economic policies in many countries.

Regarding what followed, beginning in the mid-1970s, insecurity and inequality started to be discernible in many people’s daily lives in many different areas (for a critical approach to neoliberalism and insecurity see e.g. Vail, 1999a; Wheelock, 1999a; Standing, 2002; ILO, 2004b; Harvey, 2005; UN, 2008). That is, it is at this point that, as I contend, insecurity gradually became an institutional rationale in industrial relations. In order to embed insecurity into the policymaking process as a rationale, firstly, a compelling logic was provided to justify its necessity and importance. This was done through putting forward a so-called highly convincing argument that insecurity/inequality is good for economic growth and dynamism and is needed if the aim is to produce individual freedom and economic efficiency11 (Standing, 1999; Wheelock, 1999b). Second, appropriate tools were developed and put into use to ensure that insecurity as an institutional rationale drives and shapes industrial relations. This was achieved mainly through replacement of pro-collectivist and labour-friendly regulations with pro-individualistic and business friendly ones, which, according to a good number of scholars, launched a full-scale attack on wage regulations and the collective power

---

11 For the origins of these ideas see e.g. Galbraith, 1976; Friedman, 1977; Hutton, 1995; Barr, 2004; Nolan, 2008, and for a review also see Thompson, 2011.
of labour (Harvey, 1990; Boyer, 1995; Fotopoulos, 1997; Standing, 1999; Upchurch et al., 2009).

The neoliberal institution building process in the domain of industrial relations, accordingly, displaced security as an institutional rationale and replaced it with insecurity. This, I posit, produced at least three policy outcomes. First, it reduced the power of labour and placed it at a highly disadvantaged position vis-à-vis the state and employers (Gall, 2011 Gavin, 2001, Munck, 2004). Second, it gradually generated income inequality/insecurity for workers (see Standing, 2002). And third, it steered the behaviours of labour in the direction of more powerful actors’ interests. This has been done mainly through putting into practice a series of social and economic reforms, which established the supremacy of free markets and through new attendant policy and practices, they were able to control and restrain the behaviours of less-powerful economic actors (see Gill, 1998; Wheelock, 1999a; Duménil and Lévy, 2011). Insecurity as an institutional rationale, in this way, therefore, turned out to be a powerful source of discipline in the neoliberal institution building process paving the way for a situation which Gill called (1995, 1998) “disciplinary neoliberalism”: a notion referring to the institutionalisation of market dependency in order to take control of the behaviours of actors (Gill, 1995, 1998).

Insecurity, having become an institutional rationale in the industrial relations of many capitalist countries in the years following the break-up of the post-war socioeconomic consensus, as I contend, also became an important source of path dependency. Indeed, firstly having steered the behaviours of less powerful actors – namely labour – in desired directions, insecurity as a rationale made the institutional structures of industrial relations more resistant to change, a resistance which in the words of Gill (1998: 23-24) embodies:

“not simply suppressing, but attenuating, co-opting and channelling democratic forces, so that they do not coalesce to create a political backlash against economic liberalism and build alternatives to this type of socioeconomic order.”
Second, insecurity as an institutional rationale privileged capital owners in the process of neoliberal institution building (Gill, 1998; Vail, 1999a; Peterson, 2003; Duménil and Lévy, 2004; Harvey, 2005) and in so doing provided them with ample opportunities to increase their power and freedom “at the cost of”, as Demmers et al. (2004: 11) put it, “citizen’s political influence”. This situations was aptly depicted by Harvey (1990: 168, brackets added) as he argued that “to the degree that [...] states [are forced] to become more entrepreneurial and concerned to maintain a favourable business climate so the power of organised labour and of other social movements had to be curbed”. Insecurity as an institutional rationale, resultantly, provided a basis for the measures to “protect capital from popular democracy” (Gill, 1998: 25) and appeared to ‘lock in’ the power of capital within institutions, including industrial relations, making them more resistant to change (see Fotopoulos, 1997; Gill, 1998; McBride, 2011; Gill, 2012).

In sum, what a brief review of relevant literature suggests is that the political economy of security that steered and shaped policy and practices implemented in the domain of industrial relations in the post-war period yielded to a one of insecurity starting from the mid-1970s in the advanced capitalist societies. This new political economy reduced the power of labour vis-à-vis capital and the state, put it under the discipline of markets and the rationale embedded within it helped more powerful actors to maintain insecurity as an outcome on a continuous basis. It is against this background that the next subsection considers the basic requirements for institutionalisation of a political economy of security in societies, which embrace democracy as a political system.

2.3.3 Flexible employment arrangements and labour movements: Challenge or opportunity?

So far, this chapter has discussed, in an historical-institutional context, the ideational background of the idea of security/insecurity, the policy outcomes of political economy of security/insecurity pursued in labour markets of advanced industrialised countries and the path-dependencies that these policy and practices have created. This subsection is going to overview the impact of the introduction and expansion of flexible forms of employment in global labour markets and their
impacts on labour movements. In doing so, it will question whether new employment arrangements provide a challenge to the organised labour and thus facilitate the pursuit of political economy of insecurity or bring with an opportunity to revive the power of trade unions.


The flexible employment arrangements, which have been widely discussed in the scholarly literature through making use of various terms such as ‘irregular’, ‘temporary’ ‘atypical’, ‘unprotected’ ‘contingent’, ‘casual’, ‘precarious’ or ‘flexible’ generally refer to non-standard forms of employment (Felstead and Jewson, 1999, Dasgupta, 2001, Eyck, 2003). That is, these forms of employment remain outside the ambit of formal full-time employment arrangements which are traditionally regulated by statutory labour laws in capitalist states (Standing, 1999, Eyck, 2003) and which lack some distinctive characteristics of standard employment relationship (Felstead and Jewson, 1999, ILO, 2003, Kalleberg, 2006). There are various attempts, amongst a group of authors, towards classification of flexible patterns of employment (see e.g. Dasgupta, 2001, Standing, 2002, Eyck, 2003, Kalleberg, 2006, Jarczynski, 2010). For example, according to Eyck (2003) labour flexibility could be categorised by making reference to companies’ external and internal employment strategies. In this respect, according to him while types of employment such as outsourcing, temporary and subcontracted work fall into organisations’ external strategies,
those such as downsizing, part-time, compressed workweeks, telecommuting, key-time staffing, e-working belong to the companies’ internal strategies in their attempts towards flexibilisation of the workforce they employ. Standing (2002) on the other hand, presented a more complex picture of labour related flexibility by defining seven forms of it. These are: organisational flexibility referring to the option of companies’ contracting out employment relationship; numerical flexibility addressing companies’ use of external labour; functional flexibility indicating changes brought to the functions and functionalities of the individual workers; job structure flexibility pointing out to the changes introduced to the organisation of jobs; working time flexibility indicating shifts brought to the patterns of working time; wage system flexibility addressing a shift from ‘fixed’ to ‘flexible’ wages; and labour force flexibility pointing out to individual workers’ mobility between the sectors, jobs, occupations and to the prominence of individual labour relationships.

Regardless of how the non-standard forms of employment is categorised, there is an increasing concern in the scholarly literature that flexible employment arrangements are on the increase on a global scale (UNDP, 1994, Tilly, 1996, Vail, 1999, Zeytinoglu and Muteshi, 1999, ILO, 2004c, Fritz and Koch, 2013b). These new forms of employment, as is widely reported, not only launch attack on individual workers’ traditional security arrangements related to work such as minimum wage mechanisms, health and safety regulations, social protection provisions (UNDP, 1994, Standing, 1999, Vail et al., 1999, ILO, 2000a, UN, 2008) but also erode the basis of traditional industrial relations (ILO, 2000b, Munck, 2002, Stanford and Vosko, 2004, ILO, 2004d), which, during the post-war period, was established with the aim of striking balance of power between actors in advanced industrialised countries (Harvey, 1990, Boyer, 1995). Indeed, “flexible work patterns” as ILO (2000b: 10) has rightly pointed out “make it more difficult to organize workers for collective representation” for according to the ILO (2000b: 10) “[s]ubcontracting arrangements are causing the employment relationship increasingly to resemble a commercial relationship, making it difficult to identify the real employer for the purposes of collective bargaining”. Yet, this is not all for various other factors such as expansion of informal economy (ILO, 2000b), increasing uncertainty between formal and informal work,

However, despite serious adverse impacts of such labour market transformations over the traditional trade unionism, what a careful look at the events that took place in the world of work since the mid-1990s together with a thorough review of the specialist literature suggest is that, these shifts remained short of leading to the demise of labour movements (Moody, 1997, Barchiesi, 2002, Gallin, 2002, Munck, 2002, 2007, McCallum, 2013). In his seminal work Munck (2002) explains the shortcomings of the literature on workers and neoliberal globalisation as follows:

“The problem with most of the literature on labour and globalisation is that it tends to conceive of labour as passive victim of the new trends, the malleable material from which globalisation will construct its new world order. Capital is seen as an active, mobile, forward-looking player in the globalisation game while labour is seen as static, passive and basically reactive. The game has changed and labour is seen to have few cards.”

Indeed what a cautious overview of the events that has taken place since the 1990s in the world of work suggests is that, the shifts came about in labour markets despite having brought about formidable challenges, at the same time presented some suitable opportunities on a global scale for revival of a new type of labour movement. This new movement, dubbed as social movement unionism, has built its strength on the concern of tackling the common problems and issues that working people worldwide currently face (Moody, 1997, Barchiesi, 2002, Munck, 2002, 2007) and based its philosophy on the idea of global solidarity (Munck, 2002). In this respect, for instance, human rights, workers’ rights, gender and
environment have come to the forefront in this new type of trade unionism (Moody, 1997, Munck, 2002) and these concerns appeared to have helped the labour activists to overcome the fragmentations appear between the different types of workers that are employed in different industries as well as in different places of the world (Moody, 1997). Social movement unionism, accordingly as Moody put it (1997: 290) “is a perspective that embraces diversity of the working class that overcomes its fragmentation” and as Munck pointed out (2002: 125) has transcended the “economism of free collective bargaining and the tradition of political bargaining”.

Social movement unionism that started to gain pace all over the world since the last two decades has placed a great emphasis on incorporation of all types of workers into the movement including those working in the informal sector. (Gallin, 2002, Munck, 2002, Sundar, 2008). “Organising workers in informal employment needs to be a priority of the trade union movement at both national and international levels” argues Gallin (2002: 531) and continues “[i]t is impossible to conceive at the present time of organising a majority of workers at world scale without serious organising in the informal sector” (ibid: 532). Similarly a step forward in mobilisation of workers in informal sector, according to Munck (2002: 117) would be “the litmus test of the continued relevance of trade unions to the world’s workers today”. Yet despite this potential that the social movement unionism holds, and despite some limited success stories it has been also reported that, social movement unionism has not achieved true representation of informal workers yet (Dibben and Wood, 2011).

To conclude in the light of the discussions made above, the neoliberal globalisation which created a shift towards flexible employment arrangements and thus which significantly contributed to the erosion of power and membership base of trade unions globally, at the same time opened up new opportunities for trade unions to bring their organisational structures and activities out of the traditional boundaries. The social movement unionism being one of these opportunities in this respect currently stand as an important strategy for many trade unions to broaden their membership base and to restore their power vis-à-vis capital through
inclusion of broader political and social issues into their agenda that are of interest to a wider public. Thus, it could be argued that political economy of insecurity that currently pursued in domain of industrial relations on a global scale is not unrivalled.

2.3.4 Political Economy of Security/Insecurity: Making Security/Insecurity an Institutional Rationale in Industrial Relations

Security/insecurity when it becomes an institutional rationale in industrial relations, as argued above, asserts a considerable influence on the way power is distributed across individuals and actors. Having said this, this penultimate section deals with the question of how one can understand security/insecurity as an institutional rationale in a given country’s political economy of industrial relations. In other words, I seek to identify the minimum standards that would provide us with sufficient grounds to argue that the political economy of security/insecurity is pursued in the industrial relations of a country we are analysing. In order to do so, I employ a discussion that builds on both Standing’s (2002) basic security argument which was also espoused by ILO (2004) in its report on economic security and on the ILO’s declaration on Fundamental Principles and Rights at Work, its core labour standards and its principles concerning the right to strike.

According to Standing (2002: 199), “a just society requires policies and institutions that enhance self-control and basic security”. For Standing (2002: 196);

“[e]qual basic security implies that there should be equal freedom from morbidity, sustainable self-respect, and equal freedom from controls. There should be also equal good opportunity to develop one’s competencies”.

ILO (2004b: 15), building on Standing’s (2002) basic security argument, in a similar vein argued that;
“Distributive justice requires policies and institutions that promote the attainment of basic needs and real freedom, which together constitute basic security”.

A careful overview of Standing’s basic security argument which places its emphasis on the necessity of income security and voice representation security reveals that, this idea has strong connotations in the area of work and work relations. Indeed, according to Standing (2002: 238);

“[t]he security that is required is a combination of basic income security, without which there is no real freedom to make rational choices and without which survival is jeopardised, and strong voice representational security, for without voice the vulnerable will always be in danger of losing their income and other freedoms.”

It is against this background that, as the argument points out, dealing with the disparities that appear between the power resources of actors in labour markets of democratic capitalist societies requires provision of basic security at work for the less powerful actors. Indeed, according to Standing (2002: 203), a political system that is able to provide basic security and good opportunity underlies the “mechanisms to enable all groups to put pressure on the powerful to redistribute gains of growth.” Accordingly, what I argue is that, provision of basic security to the less powerful, has the power to make security an institutional rationale in the very structure of the labour markets where relations between employees and employers are established both at individual and collective levels. Such policy and practices, places the less powerful individuals and groups on a more equal footing vis-à-vis the more powerful ones in definition and protection of their interests.

In my opinion, basic security argument with its emphasis on income and voice security, has also profound ramifications in industrial relations for the interests revolving around representation and income security constitute one of the main concerns raised by labour in their interactions with other actors (see Rose, 2004, Budd and Bhave, 2008). The vital importance of these interests were also
acknowledged by some of the most noticeable international human rights treaties. For example according to the Article 23 of the Universal Declaration of Human Rights:\textsuperscript{12}

\begin{quote}
“Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection. Everyone has the right to form and to join trade unions for the protection of his interests.”
\end{quote}

Similarly according to the ILO’s Declaration of Philadelphia:\textsuperscript{13}

\begin{quote}
“Freedom of expression and of association are essential to sustained progress … All human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity.”
\end{quote}

Against this background, what I argue is that, adequate provision and protection of income and voice security for workers at the level of collective relations constitute the basic security for labour as a collective entity, as they empower labour as a collective actor vis-à-vis others placing the security at the heart of the institutional structure of industrial relations in the form of an institutional rationale. The minimum requirements that provides and protects the income and voice security for labour at collective level or in other words the required standards for making security an institutional rationale in industrial relations could be defined by making reference to the ILO’s declaration on Fundamental Principles and Rights at Work, its core labour standards and its principles concerning the right to strike:\textsuperscript{14}


\textsuperscript{13} For the full text ILO Declaration of Philadelphia, http://www.ilo.org/ [accessed: 18/03/2014].

\textsuperscript{14} Indeed, in my argument embedding security as a rationale in industrial relations where relations between labour and capital are established at collective level requires employment of different policy and practices. Provision of basic security in industrial relations therefore, differs from Standing’s (2002) and ILO’s (2004) basic economic security argument in one critical point that,
The ILO’s declaration on the Fundamental Principles and Rights at Work was adopted in 1998 with the aim being to commit member states to respect and advocate, regardless of whether they have ratified the relevant conventions. This declaration promotes a series of principles and rights that included freedom of association and the right to collective bargaining (ILO, 2013a). According to the ILO (2004a: 2):

“All workers and all employers have the right to freely form and join groups for the support and advancement of their occupational interests. This basic human right goes together with freedom of expression and is the basis of democratic representation and governance. People need to be able to exercise their right to influence work-related matters that directly concern them. In other words, their voice needs to be heard and taken into account.”

ILO’s commitment to freedom of association and right to collective bargaining was further expressed in its report on social justice. According to ILO (2004c):

“The fundamental principle of freedom of association and the right to collective bargaining is a reflection of human dignity. It guarantees the ability of workers and employers to join and act together to defend not only their economic interests but also civil liberties such as the right to life, security, integrity and personal and collective freedom. It guarantees protection against discrimination, interference and harassment. As an integral part of democracy, it is also key to realizing the other fundamental rights set out in the ILO Declaration.”

Income security comes in the form of right at work, rather than coming in the form of, as Standing (2002) and ILO (2004) asserted, right to a basic income on grounds of citizenship. Indeed, what I argue is that, although right to a basic income that would take the citizenship as its only prerequisite would be one of the ultimate tools to embed security into institution of industrial relations, this reflects an ideal solution to be materialised as Standing (2002: 205) put it as “a long-term objective”. To add to this, industrial relations as a long-established institution, in my opinion, has its own principles implementation of which equip the policymakers with enough tools to embed security in the very structure of industrial relations.
According to the ILO (2000b: viii) the principles of freedom of association and collective bargaining offers various advantages to the all actors of industrial relations as they are:

“[G]ood for labour, since they constitute the cornerstone of representational security in the formal and informal economies. They are good for business, as they unlock the door to sound human resources policy and open up the high road to competing in the global market. And they are good for governments, because they pave the way for collective action that can aid economic growth and poverty eradication. Having a voice at work helps fill information gaps and lays the foundation for trust and cooperation in the management of change – a vital function of social dialogue at the national, sectoral and firm levels.”

The ILO’s commitment to ensure that its member states promote and realise freedom of association and collective bargaining rendered two of ILO conventions, namely, Conventions 87 and 98 to be ranked amongst its core standards. These two conventions, which are commonly, referred to as ‘the twin conventions on freedom of association and collective bargaining’, together lay down the key principles of freedom of association, protection of the right to organise and free and voluntary collective bargaining (ILO and ADB, 2006). According to Convention 87, for example, workers have the right to freely establish and join trade unions and higher organisations, to draw up their constitutions and rules, and to organise their administration and activities. Moreover, workers’ organisations cannot be dissolved or suspended by administrative authority. Whilst under Convention 98, on the other hand, workers have the right to enjoy adequate protection against anti-union discrimination and against any acts of interference by either employers or public authorities. It also urges ratifying states to ensure respect for the right to organise and to encourage and promote the full development and utilisation of machinery for voluntary negotiation between employers or their organisations and workers’ organisations.
Despite the fact that the right to strike was not embraced within the ILO’s core labour standards, according to the Committee on Freedom of Association, which acts as a supervisory committee to ensure compliance with ILO conventions no 87 and 98 in ratifying states (ILO, 2013b), striking is a right that workers and their organisations are entitled to enjoy and is perceived as one of the means through which they can enhance and defend their economic and social interests. Accordingly, the right to strike was affirmed in numerous resolutions adopted by the ILO and has been promoted by many different ILO committees and conferences (Gernigon et al., 1998).

Drawing on the ILO’s core labour standards on the freedom of association and collective bargaining as well as its position on the right to strike, what I contend therefore is that, provision of freedom of association, an effective recognition of the right to collective bargaining and a sufficient guarantee of the right to strike are the minimum requirements to give voice to labour and thus equip it with the effective means to define and defend its interests at collective level. These principles and rights when configured and implemented in a way that protects and empowers labour, as I posit, are highly likely to (i) distribute the power resources between actors in a way that places labour on a more equal footing mainly by providing them supremacy over formulation and management of their organisational and representational activities (ii) generate income security as one institutional outcome for workers mainly by increasing their control over their wage levels and (iii) align the interests of labour with the other actors over the issues related to so-called national interests\textsuperscript{15}. The last but not least, they are also highly likely to create path-dependency in the policymaking process as they will enable labour to influence the institution-building process and thus will reinforce the institutional structures against change (see Figure 2 for a simple diagram)

\textsuperscript{15} See ILO, 2004c for a similar view.
At this point I consider it crucial to explain how freedom of association, the right to collective bargaining and the right to strike empower labour vis-à-vis other actors. Under my perspective, these principles and rights, when recognised properly, serve as secondary power resources for labour, thus making it possible to utilise its labour power and its numbers as its main power resources. Secondary power resources of labour, in this regard, legitimise the social agency of individuals, empower them in industrial relations and enhance their capabilities to act as an actor on equal basis. These power resources also provide labour with an institutional structure within which it can freely interact with other actors and can independently pursue distinct interests and agendas. Proper functioning of freedom of association, the right to collective bargaining and the right to strike therefore, I contend, indicate that security operates as an institutional rationale in industrial relations and this provides us with sound grounds to posit that a political economy of security is pursued in the focal context.

By contrast, when freedom of association, the right to collective bargaining and the right to strike are restricted or even worse are removed altogether from the
legal structures that govern industrial relations, this, it is suggested, means that insecurity operates as the institutional rationale in the political economy of industrial relations in the country in question. Indeed, in the case that workers are not provided with adequate and necessary rights to define and defend their interests, the possibilities of mobilisation of their main power resources are reduced and this, places them at a highly disadvantaged position vis-à-vis more powerful actors in industrial relations. The inadequacy or lack of labour’s secondary power resources in this regard, reduces its chances to act as an independent social agent with distinct interests and agendas. It decreases workers’ control over their wage levels and increases other actors influence over formulation and management of labour’s organisational and representational activities. It also makes it easier for other actors to steer their behaviours as a group. This situation, as I contend, further empowers the state and employers who are already more powerful vis-à-vis labour. In doing so, it also creates a path-dependency in which insecurity as an institutional outcome reproduces itself. Lack of adequate levels of freedom of association and insufficient protection or recognition of the right to collective bargaining as well as the right to strike and the outcomes that this situation produce, therefore, in my opinion, indicate that insecurity operates as an institutional rationale in industrial relations. That is, under such circumstances, it is put forward here that this is the result of a political economy of insecurity being pursued (see Figure 3 for a simple diagram).
Having briefly explained how one can understand whether security/insecurity appears as a defining feature of the political economy of industrial relations in a given country, I now continue with the specific role of the capitalist state in the institutionalisation of security as a rationale in industrial relations.

2.3.5 Industrial Relations and the Capitalist State: The State as an Actor Placing Security/Insecurity within a Regulatory Framework

So far, the chapter has discussed the relationship between security and power and its repercussions in the domain of industrial relations predominantly by focusing on labour and capital. In order to provide a more comprehensive background to the rest of the study, in this final subsection I place a special emphasis on the role of the state as an actor in industrial relations. I do this by asking two different but inter-related questions. First, what do the powerful actors need to do in order to ensure that the institutional rationale is appropriate to their interests in shaping the structure of industrial relations? Second, what is the role of the state in the institutionalisation of security/insecurity as a rationale in the domain of industrial relations?
To answer the first question, one should address the importance of political power and politics when it comes to placing security/insecurity within a regulatory framework of industrial relations. Industrial relations, as an institution – *as a good number of industrial relations textbooks seem to agree* – is an outcome of the policymaking process that has been shaped in line with the interests of all actors or, as in most of the cases, with those of the more powerful actors (see e.g. Hyman, 1975; Farnham, 2000; Salamon, 2000; Rose, 2004). Thus, not placing emphasis on the importance of politics and political power in industrial relations runs the risk of a one-dimensional approach to the subject that separates politics from economics and states from markets which, according to many scholars, are intrinsically interdependent (see e.g. Hall, 1986; Vogel, 1996; Amoore, 2002; Block, 2005; Hyman, 2008, Egan, 2009). In this regard, it is important to recourse to one of Polanyi’s (2001: 145) widely cited statements, where he carefully explained the relationship between markets and politics, stating that:

“There was nothing natural about laissez-faire; free markets could never have come into being merely by allowing things to take their course. [...] [L]aissez-faire itself was enforced by the state. [...] [L]aissez-faire was not a method to achieve a thing, it was the thing to be achieved”.

Hence, those seeing the labour markets from the Polanyian point of view assert that, as Amoore (2002: 63) succinctly put it, “*labour markets are politically and socially produced and reproduced over time.*” It is in this regard that, as I contend, markets and states, politics and economics are entities that are inextricably intertwined in the domain of industrial relations, making the political power, in the words of Hyman (2008: 263) an “*overt feature*” of it. Therefore, what needs to be emphasised is that powerful actors need to exert political influence on the decision-making processes of industrial relations – through employing structural and/or agency power – if their aim is ensuring that an institutional rationale that generates outcomes in favour of their interests is in operation.

At this point, it is important to address the second question about the position of the state in the formation of the regulative framework of industrial relations.
Indeed, it is important to point out the extent to which the state emerges as an actor in capitalist democratic economies in terms of the processes of policy formation with its distinct interests and agendas in train. Having said this, it appears especially vital to address whether or not in a political environment where the powerful actors are able to participate and exert influence on decision-making processes with the aim of materialising their interests, the capitalist state appears as a passive actor performing its functions in direction of the requirements of powerful actors or otherwise. To answer this question, one should firstly address the role of the capitalist state in structuration of industrial relations, which seems to have found a satisfactory explanation in Hyman’s (2008: 265) words. “Even in ‘voluntarist’ systems (where the state supposedly ‘abstains’ from involvement in industrial relations”), he asserts, the capitalist state:

“has an unavoidable role in procedural regulation. This typically involves defining the status, rights and obligations of the ‘actors’ and prescribing and enforcing the ‘rules of the game’. Such regulation can shape the major contours of the whole national system [...]”

Second, the role of the capitalist state in maintaining necessary circumstances – both in political and economic contexts – for capital accumulation needs explicitly be pointed out. What overview of the literature in this regard reveals is that the interests of capital owners as a class and of the state as an actor in capitalist-democratic economies do not necessarily always overlap. Indeed it is true that, as a good number of scholars seem to agree, capital owners enjoy special privileges in most of the capitalist economies, because capitalist states require maintenance of capital accumulation in order to perpetuate their existence (see e.g. Miliband, 1973; O’connor, 1973; Lindblom, 1977; Jessop, 1982; Edwards, 1986; Arnason, 2005). This privilege attributed to the capitalist class in Lindblom’s (1977: 171-172) words found its expression as follows:

“Corporate executives in all private enterprise systems, [...] decide a nation’s industrial technology, the pattern of work organisation, location of industry, market structure, resource allocation and of course executive compensation and status [...]”
Businessmen thus [...] exercise [...] public functions [...]Because public functions in the market system rest in the hands of businessmen, it follows that jobs, prices, production, growth, the standard of living, and the economic security of everyone all rest in their hands. Consequently, government officials cannot be indifferent to how well business performs its functions”.

However, this privileged position held by the capitalist class should not come to mean that capital and the state always pursue the same interests for what a careful review of literature suggests is that, the main role and interest of the latter is maintaining capitalism as an economic system, rather than performing the function of protecting and promoting the interests of capital owners (Miliband, 1973; Edwards, 1986; Jessop, 1990). “Capitalist regimes have mainly been governed by men” as Miliband (1973: 65) once eloquently wrote:

“who have either genuinely believed in the virtues of capitalism, or who, whatever their reservations as to this or that aspect of it, accepted it as far superior to any possible alternative economic and social system, and who have therefore made it their prime business to defend it.”

Therefore, “if the state is to perform its functions adequately it cannot be tied directly to the ‘interests’ of capital” argued Edwards (1986: 178) and continues “[i]t must have some real independence from capitalists”. It is in this regard that writers, such as Miliband (1973) and Jessop (1990), suggested that managers of capitalist states often define their role and interests in terms of national interests and public benefits. “[T]he state is a political force concerned with the collective interests of capital rather than an economic agent devoted to short-term profit” says Jessop (1990: 185) and he continues:

“and its role [...] is one of political management rather than the narrow minded, short-sighted pursuit of mere economic interest. It is this fact that lends so much credence to the liberal and
conservative claim that the state represents the ‘public interest’
or ‘national interest.’”

In a similar vein, according to Miliband (1973: 67 brackets added) the role of the capitalist state in politico-economic affairs rests on the view that political actors and the capitalist state are:

“above the battle of civil society, [are] classless, [are] concerned above all to serve the whole nation, the national interest, [are] being charged with the particular task of subduing special interests and class-oriented demands for the supreme good of all”.

Accordingly, what could be said is that although business as an interest group might still need to exert pressure on the decision making process in order to ensure that the appropriate rationale is in operation in the domain of industrial relations – for the state as an actor still enjoys relative autonomous power –, the politico-economic context within which the state functions is built on capitalist principles. This comes to mean that a capitalist state is expected to provide appropriate conditions necessary for maintaining a capitalist system, which in its final analysis serves the general, although not necessarily the particular, interests of the capitalist class (see Miliband, 1973; Edwards, 1986; Jessop, 1990). Therefore, it should come as no surprise that a capitalist state is likely to support the general interests of the capitalist system when it comes to industrial relations. Miliband (1973: 74 brackets added) neatly summarised this as follows:

“Whenever governments have felt it incumbent, as they have done more and more, to intervene directly in disputes between employers and wage-earners, the result of their intervention has tended to be disadvantageous to the latter [labour], not the former [capital]. On innumerable occasions, and in all capitalist countries, governments have played a decisive role in defeating strikes, often by the invocation of the coercive power of the state and the use of naked violence; and the fact that they have done so in the name of the national interest, law and order,
In sum, what I contend is that the state in capitalist-democratic countries has emerged as an actor in industrial relations, pursuing particular interests and specific agendas in the decision-making process of industrial relations. These interests mostly stem from political actors’ concerns about perpetuating capitalism as an economic system and their materialisation also serve the broader interests of capital as a class. Therefore, I put forward the view that the pursuit of a political economy of security/insecurity in industrial relations does not predominantly or necessarily revolve around the interests of labour and capital as the interests of the state as a separate actor need to be equally considered. The way the state, capital and labour define and defend their interests in the making of the political economy of security/insecurity will be the subject of empirical chapters that follow, which scrutinise Turkey’s industrial relations from a politico-historical perspective.

2.4 Discussion & Conclusion

This chapter has provided a conceptual-theoretical framework to what I mean by the political economy of security/insecurity in industrial relations. It has provided a novel understanding to the security as a concept by arguing that critical examination of the concept offers at least three different aspects to analyse, these being: security as a power resource, security as an institutional outcome and security as an institutional rationale. The chapter has also examined actors’ of industrial relations’ power resources and the way they mobilise them in industrial relations. Moreover, it has looked at the ways security/insecurity becomes an institutional rationale in advanced democratic-capitalist societies. Regarding this, it has been contended that the minimum requirements for making security an institutional rationale in capitalist-democratic societies are adequate provision of freedom of association, effective recognition of the right to collective bargaining and sufficient guarantee of the right to strike. It has been posited that the functioning of these freedoms and rights in favour of the interests of labour indicates that security is operating as the underpinning institutional rationale in
the industrial relations of a particular nation. By contrast, as has also been proffered, in the case that workers are not provided with adequate and necessary rights and freedoms to define and defend their interests, this empowers the state and employers who, by the nature of capitalist societies, already emerge as more powerful actors in the domain of industrial relations and provides them with further resources to materialise their own. Under these circumstances, insecurity operates as the institutional rationale in industrial relations, that is, it is the main subject of the political economy being pursued the country concerned.

Having adopted this perspective, the rest of the study is intended to go beyond the confinements of the dominant standpoint in the extant Turkish industrial relations literature, which attributes a central importance to globalisation in understanding the current political economy of insecurity pursued in industrial relations. Instead, what is contended in this thesis is that, industrial relations in Turkey embody insecurity as an institutional rationale and its roots can be traced as far back as the establishment of the Republic of Turkey. That is, insecurity as an institutional rationale has steered and governed policy and practices in the domain of industrial relations almost continuously as the country passed through different eras and this wielded a marked influence on the distribution of power between actors. In sum, the way insecurity pervaded the institutional structure of industrial relations in Turkey will be the subject of empirical chapters. However, before that the methodological approach, techniques and methods used in this study need to be explained and justified which is the purpose of the next chapter.
CHAPTER 3: METHODOLOGY

3.1 Introduction

This chapter presents the methods and techniques that were utilised in the thesis. Section 3.2 introduces historical institutionalism as the analytical framework of the study. This section firstly overviews the mainstream literature on the historical institutionalist approach and then critically reflects on the way this approach was utilised in the study\(^\text{16}\). The chapter continues with sections 3.3 and 3.4, which overview and discuss the issues of design, data sources, research limitations and ethical considerations. Finally, this chapter finishes with a conclusion.

3.2 Employing Historical Institutionalism in an Industrial Relations Study

Institutions are commonly defined as formal rules and procedures that structure and constrain the possibilities/resources of actors during their interactions (for similar definitions and views see North, 1990; Thelen and Steinmo, 1992; Peters, 1999; Lane and Ersson, 2000; March and Olsen, 2006). According to North (1990: 3), institutions “reduce uncertainty by providing structure to everyday life” and for March and Olsen (2006: 3) they are “structures of resources that create capabilities for acting”. Institutions, indeed, according to a prevailing consensus among the scholars appear as instrumental for making outcomes of actors’ interactions more foreseeable (North, 1990; Nee, 2001; March and Olsen, 2006) and for shaping the opportunities for the actors to pursue their interests (Hall, 1986; North, 1990; March and Olsen, 2006).

Historical institutionalism, on the other hand, is an approach employed in political studies, which attempts to shed light on the ways historically constructed institutions constrain and shape political behaviours and strategies of actors during the policy making process (Thelen and Steinmo, 1992; Beland, 2005; Hall, 2010). That is, historical institutionalists attempt to provide causal explanations to real

\(^{16}\) It should be noted that this study adopts a critical realist stance and in this context it attributes a central importance to the concept of the political economy of insecurity. It considers this concept as a mechanism that assists this researcher in bringing explanations to real world events, which, in the context of this study comes out as the institutionalisation of industrial relations in Turkey. That is, in this thesis the term political economy of insecurity is used as a descriptor of a generative mechanism that helps to explain the disadvantageous position of labour vis-à-vis capital and the state in the history of the industrial relations of modern Turkey.
world events and they have substantive agendas as they often aim to understand macro phenomena (Pierson and Skocpol, 2002). Institutions lie at the centre of the historical institutionalist analyses and they are not seen as given, but considered products of actors’ interactions and choices (Thelen and Steinmo, 1992). Institutions, furthermore, for many historical institutionalists appear as not only relatively enduring structures reflecting the historical circumstances, interests, ideas, goals, interactions and preferences of the initial actors (see March and Olsen, 2006), but also come out as the arrangements that historically shape the way political actors define their interests, frame their strategies and goals, structure their interactions and contribute to the expectations of predictability and order (see Thelen and Steinmo, 1992; Beland, 2005; March and Olsen, 2006; Sanders, 2006).

In historical institutionalist studies, institutions are not abstracted from the context within which they are formed and develop, therefore history and the broader socioeconomic and political environment, where events and processes that take place constitute the framework of the analyses and provide a robust background to the arguments that take this particular stance (see Hall, 1986; Sanders, 2006; Steinmo, 2008). However, history receives more emphasis than the environmental context in the historical institutionalist literature. Indeed, the historical institutionalist approach holds that “[w]ithout historical accounts, important outcomes will go unobserved, causal relationships will be incorrectly inferred, and finally, significant hypotheses may never even be noticed, even less tested” (Steinmo, 2008: 135). Nevertheless, it is not the ‘past’ on its own that the historical institutionalists are attentive towards, but rather they are interested in temporal dimensions of the social inquiry, i.e. paying attention to the process over time, as according to them “social life unfolds over time” (Pierson, 2004: 5). Indeed, for Pierson (2004: 2) placing the phenomena under investigation in time means liberating the study from the confinements of “snapshots”, which provides the researcher with the facility of seeing the “moving picture”.

Historical institutionalists, by placing institutions in time and in a broader environmental context seek to provide causal explanation to institutional stability and change. Institutional stability in historical in such accounts is marked by path-
dependence in that initial policy choices embedded in institutional structures are considered to have significant impact on the future policy making process (see Peters, 1999; Pierson, 2004). Institutional path-dependence, in this regard, is seen as a self-reinforcing process as each step taken forward along the same path is argued to increase the cost of return (Pierson, 2004). This, in turn brings with it the consideration of sequence of events and processes, for according to historical institutionalists the effects of earlier events in the sequence may be stronger than those of latter ones and might eliminate alternative policy choices over time (Pierson, 2004).

Institutions are also subject to change over time and by placing them in historical context, historical institutionalist attempt to capture the temporal dimension of institutional change (Pierson, 2004). However, given that in historical institutionalist accounts institutions are considered to reproduce similar outcomes over time, theorising institutional change is a significant challenge for historical institutionalist scholars. Indeed, within the historical institutionalist tradition there is no one way of explaining institutional change and different scholars understand it in different ways (see e.g. Thelen and Steinmo, 1992; Peters et al., 2005; Capoccia and Kelemen, 2007; Beland, 2009; Mahoney and Thelen, 2010). Nevertheless, what seems to be held in common is that institutional changes come into place when a ‘critical juncture’ arises, which is considered as a turning point bringing with it new institutional arrangements that are likely to produce new path dependencies (see Kennedy, 2013).

In order to shed light on the intricacy of real-life political outcomes, and to provide causal explanations to institutional continuity and change, historical institutionalists attribute great importance to the notions of actors, ideas and power relations in their arguments. Actors, under the historical institutionalist lens are understood as objects and the agents of history (Thelen and Steinmo, 1992). Their interests, strategies, goals and interactions are taken into consideration in providing historical accounts of institutional formation, development, change and continuity (Pierson and Skocpol, 2002; Sanders, 2006). Ideas, on the other hand are considered to be amongst the major factors shaping the policy change (Sanders, 2006; Beland, 2009) as well as the institutional continuity, for they
function “as the glue that holds an administration, party, or agency together in its tasks, help to garner public support and provide a standard to evaluate the institution’s policy outcomes” (Sanders, 2006: 42).

Power relations, for many historical institutionalist accounts, indicate the distributional and conflictual aspect of the institutions, for they are commonly understood within the mainstream historical institutionalist literature as the structures designed to allocate resources between actors with respect to the initial distribution of power amongst them (see Mahoney and Thelen, 2010). Power, in this regard, according to Pierson (2004), is a major factor in the self-reinforcement process of institutions, for those actors who are in a position to create and change the rules are also able to enhance their power. This, in turn, according to him will further obstruct institutional change and increase the power asymmetries within the institutions.

It is against this background that this thesis employs a historical institutionalist approach with the aim of providing a causal explanation to the way the legal framework of industrial relations distributed the power resources between the Turkish state, capital and labour in the post-1980 period. That is, it places Turkey’s industrial relations in a historical and broader socioeconomic and political environment and scrutinises (re)institutionalisation of political economy of the country’s industrial relations in four consecutive periods: the mono-party (1923-1945), the multi-party (1945-1960), the planned economy periods (1960-1980) and the post-1980 period. By doing so, it seeks to accomplish two aims. One, to shed light on the ways institutional structure of the industrial relations historically constrained and shaped the political behaviours and strategies of the actors of industrial relations during the policy making process in each consecutive period. Two, it endeavours to seek an answer as to whether or not the institutional changes made to the industrial relations during the military interregnum of 1980 represents, as widely argued in Turkey’s mainstream industrial relations literature, what can be interpreted as “a critical juncture” in historical institutionalist terms in the institutional history of Turkish industrial relations.

In adopting a historical institutionalist approach, this study rests on some key assumptions. First, it understands industrial relations as an institution being
constructed and shaped as a product of actors’ interactions and choices in a historical as well as a wider politico-economic and social environment. Moving on from this, second, the study contends that industrial relations historically shape the way labour, capital and state define and defend their interests, frame their strategies and goals as well as structuring their interactions. Third, it considers actors, i.e. the state, capital and labour, their ideas i.e. their interests and their power relations, i.e. their interactions, as the building blocks of the political economy of industrial relations and thus places them at the centre of its empirical analyses. And fourth, it is held that, as Pierson (2004: 2) aptly put it, “social life unfolds over time” and takes time seriously. Thus, the thesis places politics in time and attempts to identify the sequence of important events and processes in the (re)construction of Turkey’s industrial relations, with the aim of providing a causal understanding to those political alternatives that became unreachable with the passing of time (Pierson, 2004).

However, application of a historical institutionalist approach in this study does not go without limitations. Indeed, firstly, by focusing solely on the making of the political economy of insecurity in industrial relations in consecutive historical periods, this work leaves out the implications of the political economy pursued in industrial relations in individual industrial worker’s daily live. Secondly, this study, with its stress on the development of the state, capital and labour as the actors of industrial relations in historical process, is not concerned with the individuals and their relations with the institutions. Rather, it takes actors as collective agents and does not provide any insight about the way institutions shape individual behaviours (see Peters, 1999).

And last but not least, this study by employing historical institutionalism, which itself finds its roots in political science (Hall and Taylor, 1996, Rhodes, 2008), and which aims to identify and explain power and power resources on political level (see Hall and Taylor, 1996), locates its argument mostly at the level of politics, leaving the power relationship between actors of industrial relations, expected to be established in social and economic domains; mostly untouched. Indeed, it should be acknowledged that historical institutionalism as a methodological tool is seen politically-biased by some scholars given that it
places most of its emphasis on political level (see Pontusson, 1995 for a comprehensive overview). The emphasis of historical institutionalism on political level is also true for its analyses of power and power resources. Indeed as Hall and Taylor (1996: 941) aptly put it historical institutionalists are “more likely to assume a world in which institutions give some groups or interests disproportionate access to the decision-making process; and … they tend to stress how some groups lose while others win.” It is therefore important to remark that, individuals and groups hold different types of power resources in different domains of daily life and mobilise these in order to define and defend their interests. In what follows, disadvantages stem from the nature of actors’ power resources in a given context and/or restrictions placed on actors’ use of their power resources might not result in their total disempowerment at the level of politics given that they might hold different types of power resources in other domains (see Korpi, 1998). Indeed as Amoore (2002: 35) rightly pointed out “removing union representation, though undeniably circumscribing workers’ political expression, does not remove the social power relations of the workplace”. Having said that, a final note should be made on the thesis’ emphasis on the issue of power and power resources at political level. This study aims at providing a causal explanation to the way legal framework of industrial relations distributed power resources between the Turkish state, capital and labour in the post-1980 period. To this end, it assigns analytical primacy to the political level and despite acknowledging the importance of power resources and power relations that exist at many different levels, and despite accepting their significant role on industrial relations; it limits much of its empirical analysis with power resources of actors and power relations between them at the political level.

Besides a number of limitations that historical institutionalism itself presents, it goes almost without saying that adoption of a particular methodological tool in any study requires elimination of other potential methods/approaches. Indeed, having approached the issue of institution building in Turkish industrial relations; employment of historical institutionalism necessitated me to discard some other approaches within the school of new institutionalism, such as sociological institutionalism which would have been useful in revealing some other aspects of political economy of insecurity in domain of industrial relations in modern
Turkey. True, sociological institutionalism considers the institutions as norms and culture and argues that, institutions, rather than being ambitious projects of political actors, are autonomous units, which by wielding influence over actors’ choices, opinions and identities; shape the political outcome over time (Rhodes et al., 2006). Having found its roots in discipline of sociology (Rhodes, 2008), sociological institutionalism considers institutions as bodies operating at the supra-national level and emphasises the significance of global institutional structures and culture in constructing the identities and goals of nation states, institutions, and individuals at a global level (Schofer et al., 2012). It, what is more, sees actors embedded in various relationships in social, economic, and political domains beyond their control (see Koelble, 1995, Hall and Taylor, 1996).

Adoption of sociological institutionalism in this regard, as one can argue, might have helped the study to place more emphasis on the role of cultural factors in determining and shaping actors’ behaviours as well to put the country in a wider social context that the political economy of Turkey’s industrial relations has operated. It might have been also useful in highlighting the interdependencies and interrelations between industrial relations system of Turkey and wider global political economy.

However, at this point it should be emphasised that employment of sociological institutionalism as frame of analysis would have come with its own costs. First of all, as was addressed by Aspinwall and Schneider (2003), studies using sociological institutionalism as their theoretical approach place much of their emphasis on cultural aspects, making the culture identical with institutions (see also Hall and Taylor, 1996). Such an approach, nevertheless, according to Schofer et al. (2012: 62), de-emphases the role of actors, their interests and their power relations making these factors “derivative features of wider institutional environment”. In this regard, having set one of its main objectives to highlight the centrality of the modern Turkish state in shaping the interests of and interactions between the socioeconomic actors in modern Turkish society and the economy, employment of such a theoretical framework would have played down importance of the role of actors, their interests, ideas and power relations in the process of institution-building in Turkish industrial relations (see Koelble, 1995, Schofer et al., 2012). Second, considering institutions operating at the supra-national level
and accentuating their constrains and influences on the actors at national level would have easily underplayed the importance of initial ideas of the policymakers, i.e. Kemal Ataturk and his cohorts, in institution building in earlier history of industrial relations in Turkey. This in turn, might have run the risk of degrading the institution-building process in domain of Turkish industrial relations to a mere outcome of institutional structures that operate at macro-level. Such an approach according to me, would have diminished the important role of Kemal Ataturk’s national development project and the ideas and interests related to it in institution-building process of Turkish industrial relations. Third, while placing more emphasis on the importance of interdependencies and interrelations between industrial relations system of Turkey and wider global political economy might have added an extra dimension to the study, this might have resulted in making the study lengthy and puzzling. Indeed, in the first instance, this study has already placed the country in a wider socio-economic and political context. For example in the chapter on multi-party period, Turkey’s attempts to find a place in capitalist western world was emphasised in policymakers’ acceptance of right to establish associations for labour. Similarly, in the chapter on planned economy period, advanced capitalist democracies’ general approach to politico-economic institutions in the post-war period was acknowledged in Turkish policymakers’ efforts towards re-institutionalisation of industrial relations. Therefore, as I argue, further highlighting the interconnections between political economy of industrial relations of Turkey and wider world would have unnecessarily lengthened the study. Second, one of the important objectives of this study was investigation of creation and management of political economy of insecurity in domain of industrial relations. Thus, while, the role of interdependencies between politico-economic system of Turkey and the wider world can never be ignored in institution-building process of industrial relations, placing more emphasis on these subjects, would have set back the role of national actors, their ideas and their interactions with institutional structures in historical process, which, in its final analysis, would have led to deviation of study from the main aim it pursued.

Notwithstanding its limitations, this research builds on its strengths and methodologically contributes to the historical institutionalist literature. Indeed, by examining industrial relations over a time period as an institution, and by inserting
power and actors at the heart of its analysis, this study presents a detailed and power-sensitive historical account of institutional continuity, development and change as it occurred in Turkey’s industrial relations. In doing so, this study opens up a new dimension in understanding of institutionalisation of political economy of industrial relations in Turkey in that very few scholars, if any, have studied Turkey’s industrial relations by taking account of all the actors, their interests and interactions and placing them in a broader context.

Resultantly, methodologically this thesis strives to go beyond the limitations of many other studies conducted in the area of Turkey’s industrial relations, which pay very little, if any attention to the historical continuity of the current political economy pursued in industrial relations (see e.g. Ketenci, 1987; Dereli, 1988; Ekonomi, 1988; Boratav, 1990; Talas, 1992; Koray, 1994; Cetik and Akkaya, 1999; Aydin, 2005; Boratav, 2005b). Instead, in this thesis, it is contended that the roots of the current political economy pursued in the domain of industrial relations can be traced back to as early as the initial years of the establishment of the Republic of Turkey. Thus the study scrutinises institutional patterns over time in Turkey’s industrial relations and pays attention to all the actors, their interests and interactions, placing them in the broader historical, socioeconomic and political context. In doing so, it aims to provide a causal understanding and explanation of what I call the political economy of insecurity pursued in the post-1980 period in Turkey in the industrial relations context.

3.3 Design of the Study

This study was designed with the aim of providing a robust structure in exploration and understanding of the roots of the type of political economy pursued in industrial relations in the post-1980 period that is widely argued in the mainstream literature to have emerged following the coup d’état of 1980. In order to achieve this an actor-centred approach has been adopted to scrutinise the (re)institutionalisation of Turkey’s industrial relations by placing it in a wider historico-political perspective, whereby a wider account of actors’ interests, their interactions as well their social, political, and economic circumstances in which they emerged and developed has been obtained.
Being an industrial relations study, *the actors*, in the context of this work, refer to *the state, capital and labour* that act as collective agents, have specific security-related interests and pursue them by interacting with each other in various forms and various different levels through various institutions. Throughout the study, the terms ‘*political actors*’, and ‘*political leaders*’ are used to describe political elites who drew up the top political agenda relating to the country’s political economy of industrial relations. More specifically, with these phrases I am identifying the top level political actors, such as prime ministers, presidents and ministers of labour appointed as well as the spokesmen of the opposition political parties in the periods under scrutiny. *‘Employers’, ‘businessmen’, and ‘capital owners’* are used to describe those who owned and operated industrial establishments in the country, especially large ones. *‘Labour’, ‘working class’, ‘workers’,* on the other hand, are used to depict those who mainly derived their livelihood from industrial jobs and who, *with the exception of the mono-party period in which establishment of organisations on the basis of class interest was prohibited by law*, defined and defended their collective interests through the agency of their trade unions.

At this point it is considered crucial to point out that, this study focuses on collective level employment relations, in an historical context, established between those representing the interests of the industrial capital, of the state and of the organised labour working at the industrial establishments. In doing so, this study investigates and analyses employment relations in Turkey by building on a narrower definition of industrial relations which concentrates on employment relations on collective and formal level (for a discussion on the scope of IR as a field of study see e.g. Edwards, 2003, Kaufman, 2004, Rose, 2004, Heery *et al.*, 2008). Industrial relations as a field of study, indeed has a wider scope regarding the world of work that includes various forms of employment relationship (see e.g. Salamon, 2000, Edwards, 2003, Kaufman, 2004). In this regard, while one might argue that study’s emphasis on industrial relations rather than employment relations narrowed the scope of the study, thesis’ focus on collective level formal employment relationships could be justified by making reference to two important points.
First, this study, aimed at providing a causal explanation to the way the legal framework of collective labour relations distributed the power resources between the Turkish state, capital and labour in the post-1980 period. It is initially in this regard that, labour was taken as a collective actor, placed in the context of collective labour relations and the interests it voiced and the interactions it went into with other actors at collective level was analysed from an historical-institutionalist perspective. However this is not the sole reason of study’s focus on labour as a collective actor. Second, a thorough review of available resources suggest that, regulation and management of collective labour relations in republican Turkey has always constituted one important factor in country’s economic development strategy (see e.g. Dereli, 1968, Ahmad, 1993, Koray, 1996, Makal, 1999, Makal, 2002). Indeed, as has been widely argued throughout the empirical chapters of the study, not long after foundation of the Turkish republic, the political elites, in alliance with the capital owners geared the economic policies of the country towards industrialising the economy and accelerating national capital accumulation. These attempts laid the foundations of the political economy of industrialisation in the Republic of Turkey and forged the national development project of the country; a plan which was expected to be adopted and carried out by the generations of political elites to come. The national development project was indeed endorsed and maintained by the succeeding governments in republican Turkey and this situation changed little, if any, during Turkey’s articulation to the neoliberal global economic order which started to take place in the early 1980s.

In creation and management of this national development project, institutionalisation of industrial relations or in other words employment relations at collective level has received substantial attention both from the founders of the republican Turkey and from the political leaders of succeeding governments. According to a prevailing opinion between them, industrial relations was a crucial instrument in creation and maintenance of capitalist-industrial economic development and it should be regulated and governed in a way that would place the labour as a collective actor under the control and discipline of the state. This strong rationale laid the foundations of political economy of insecurity in

\[17\] For a detailed discussion see the interests sections in empirical chapters.
industrial relations in Turkey which was carried out, as was argued in the study, almost on continual basis, by the generations of political actors to come.

Therefore, despite the fact that Turkey’s articulation into neoliberal global economy that started in the early 1980s, brought with many different forms of work-related insecurities as an institutional outcome both for the organised and non-organised workers, what I argue is that, it changed very little, if any the rationale that managed and governed the collective level employment relations in Turkey since the early days of the republic. What this process changed according to the argument developed in the study has been the scope of the political economy of insecurity pursued. Indeed, as has been argued in details in the Chapter 7, the institutional outcomes that the political economy of insecurity generated in domain of industrial relations became more pervasive affecting a wider group of organised labour it has been doing previously.

It is also important to explain the level of analysis that the study has undertaken. This thesis scrutinises the relations between the actors of Turkish industrial relations at the national level over the institutionalisation of what I call political economy of security/insecurity in industrial relations or in other words over the recognition and exercise of freedom of association, right to collective bargaining, and right to strike. Therefore, it takes institution building as its referent subject and analyses the relationship between actors by addressing:

(i) interests of the collective actors over (re)configuration and implementation of rules shaping and regulating the freedom of association, right to collective bargaining, and right to strike;

(ii) translation of these interests into legal framework of industrial relations;

(iii) consequent historical implications of (re)institutionalisation of legal structures of industrial relations on distribution of power between actors and on actors’ utilisation of their power resources – through legal, illegal, official and unofficial means – with the aim of exerting influence upon the ways these rules were implemented.
Investigation of actors’ national level interests and interactions over the issues of freedom of association, right to collective bargaining, and right to strike, however, by no means should come to mean that this study has taken the actors of industrial relations as equals with regards to their power resources and with regards to the levels at which they operated. On the contrary, throughout the empirical chapters of the thesis, a continuous effort was made to explain the incompatibility between actors’ power resources and demonstration of the different levels at which they operated. In this regard, empirical chapters of the study, placed a special emphasis on the politico-economic, legal and social circumstances that surrounded state, capital and labour during the politico-economic periods under scrutiny, and in doing so they revealed that, state emerged as the most powerful actor in industrial relations, it played a central role in the way labour and capital emerged and developed. A detailed study of the legal framework and politico-economic and social circumstances that enveloped Turkish industrial relations in succeeding periods also unveiled that all these while having provided the industrial capital with plenty of opportunity to develop as a socio-economic class and to gain economic and political power, they played an important role in maintenance of labour’s disadvantageous position in industrial relations with regards to its existence as a class and to use of its power resources.

Building on this background, one of the main aims of the sections on interests was to demonstrate the different levels at which actors operated. In this regard for example a brief overview of all ‘interests’ sections suggests that, more often than not, the capital owners have been able to voice and materialise their interests over the recognition and exercise of freedom of association, right to collective bargaining, and right to strike at the highest political level via their representatives in Turkish parliament. Such a situation, on the contrary, has been rarely observed in the case of labour, for it, throughout the history of modern Turkey either failed\(^{18}\) to send true representatives of its interests to the Turkish parliament, or when this was achieved, their small number made it easy for the majority in parliament to ignore interests of labour in the process of (re)institutionalisation of

\(^{18}\) In understanding of this failure, one should consider the political, social, economic and legal circumstances that surrounded the Turkish working class.
political economy of industrial relations. Having encountered some serious difficulties in voicing its interests at the highest political level, labour in the history of Turkish industrial relations therefore mostly voiced its concerns on socio-economic level, through for example organising mass meetings and demonstrations, sending letters and telegraphs to the leaders of political parties all of which aimed at voicing their interests on the recognition and exercise of freedom of association, right to collective bargaining, and right to strike.

One of the main aims of the sections on interactions, on the other hand, was to address the historical consequences of the actors’ operation at different levels in materialisation of their interests. To do so, these sections were designed to depict the ramifications of actors’ mobilisation of their power resources through making use of legal or illegal means as well as through establishing formal or informal networks that were available to them. Accordingly what a thorough review of interactions sections of the study suggests is that, until 1960s, political elites and capital owners developed a clear consensus over the issues concerning recognition and exercise of freedom of association, right to collective bargaining, and right to strike, and they established a strong alliance between them during the process of institution building in domain of industrial relations. Resultantly the legal framework of industrial relations before 1960 distributed the power resources between actors highly in favour of the state and capital putting the labour at a considerably disadvantaged position as an actor in the domain of industrial relations. This situation showed some improvement in favour of organised labour in the 1960s with the new legislation. However, despite the fact that the 1961 constitution and the subsequent legal framework of industrial relations placed labour on a more equal footing vis-à-vis capital and state, labour’s use of its power resources that were legally provided, became more difficult in the face of a growing consensus between a group of political leaders and of capital owners over the necessity and urgency of placing labour under state’s firm control. Such an alliance, resultantly, entailed increasing intervention of the state in favour of

---

19 One important example to this situation could be given from planned economy period when the AP government attempted to close DISK under the pretext that it did not represent one third of the workers nation-wide (see Isikli 2005).

20 For a review of the ways labour voiced its interests at socio-economic level, see the chapters on mono-party multi-party periods and planned economy period and see Sulker, 2004a.
industrial capital during the 1970s. In sum, a careful overview of available evidence indicates that, throughout the politico-economic periods that the thesis analysed, actors of industrial relations did not operate with the same attributes, and power resources made available to organised labour did not correspond to those made available to state and capital especially when they forged a strong alliance between them.

At this point, it is important to bring some more explanation to the way terms interests and interactions were employed in the study. This study approached the industrial relations from a critical perspective, which considers industrial relations as “unequal power relation embedded in greater social and political inequalities” (Budd and Bhave, 2008: 92). It is in this respect that this study operationalised the terms interests and interactions to depict the contentious relationship between the actors of Turkish industrial relations on the issues of political economy of security/insecurity. More specifically, throughout the study, the sections on interests, in accordance with the studies’ conceptual-theoretical framework, were used to provide an explanation of the channels available to the actors to voice their interests, and of conflicting/overlapping interests of actors in the matters related to freedom of association, right to collective bargaining, and right to strike. Given that these rights and freedoms were fully accepted and guaranteed through the 1961 Constitution in Turkey and then were severely restricted with the 1982 constitution, the sections on interests dealt with different discussions between actors in different politico-economic periods. Indeed, while in the chapters on mono-party period and multi-party period, a detailed study of interests of actors revealed an existence of a heated discussion between them on the necessity and favourable/adverse outcomes of acceptance of freedom of association, right to collective bargaining, and right to strike; in the chapter on planned economy period, a comprehensive analysis of interests of actors brought out that in this period discussions between actors mostly revolved around the extent to which these rights and freedoms need to be exercised and degree and form of state intervention in exercise of these rights and freedoms. Finally in the chapter that studied post-1980 period, a careful overview of interests of actors brought to light that, while the interests of capital owners as well as the urgent concerns of those political elites who represented the interests of state called for the necessity of
limitation of rights and freedoms of labour in the area of collective labour rights, labour, under the administration and orders of the military government in the early 1980s, was forced to remain silent or at best, was expected to establish harmonious relationships with the groups holding political power.

The ‘interactions’ sections, on the other hand, were operationalised against the background of the sections on actors and on interests with the aim of providing an explanation to the historical implications of security/insecurity as an institutional rationale on the way(s) actors mobilised their power resources. This was again done by employing the conceptual-theoretical framework of the study. Accordingly, in the interactions sections of chapters on mono-party period and multi-party period, it was argued that throughout these periods, political economy of insecurity was implemented in domain of industrial relations and this not only assisted the political elites in their zeal for elimination of the conflict between labour and capital but also significantly curbed the power resources of organised labour placing it at a highly disadvantageous position vis-à-vis state and employers in domain of industrial relations with regards to mobilisation of their power resources.

While the political economy of insecurity pursued in the country until 1960s left a very limited space for occurrence of any antagonism between the actors of industrial relations, the legal and rhetorical changes in the context of industrial relations that came with the 1960 military coup as well as the political economy and social transformations of the period, opened a space for intensification of conflict of interests in domain of industrial relations. Therefore, in the interactions section of chapter on planned economy period, after the repercussions of implementation of political economy of security on actors’ materialisation of their interests were discussed, a considerable attention was paid to the discussion of the reasons underlying the intensification of conflict of interests between actors during the 1970s as well as to the explanation of political elites’ and capital owners’ changing reactions against organised labour’s mobilisation of their power resources in materialisation of their interests.

Finally the interactions section of the post-1980 period overviewed the series of events in the domain of industrial relations that unfolded following the military
takeover of September 1980; the military junta during which, according to the argument put forward in the study, political economy of insecurity was brought back to domain of industrial relations. This section argued that, the changes made to the legal framework of industrial relations in the beginning of the period, proved successful in minimising the conflict of interests between capital and labour mainly through placing heavy restrictions on freedom of association, right to collective bargaining, and right to strike. The years following Turkey’s transition to competitive electoral politics in the year 1983 initiated a new period in political economy of insecurity in industrial relations which, with its emphasis on provision of social peace at workplace, not only left a very limited space for trade unions and workers to organise and join industrial conflicts but also re-embedded insecurity as a rationale in institutional structures of industrial relations.

Methodologically, the thesis proceeds as follows. In the Chapter 1, I narrated the events that unfolded in the pre-1970 period in a similar way that has been presented in much of the mainstream literature. Following this, I posited that understanding the current mode of political economy adopted in Turkey’s industrial relations requires a deeper historical analysis that stretches as far back as the early years of the republican period and presented my research questions. In Chapter 2, which focused on the conceptual and theoretical aspects that the study is based on, I delineated the term “political economy of insecurity”, by placing a special emphasis on power resources of actors, on institution building and on the institutionalisation of security/insecurity in the domain of industrial relations. Building on this conceptual and theoretical background, in Chapters 4, 5 and 6, I scrutinise the institutionalisation of political economy of industrial relations in Turkey in the three aforementioned consecutive historical periods. These three empirical chapters are designed almost in the same way in that I analyse the actors, their interests and their interactions, respectively, in each chapter and finalise each with a discussion and conclusion section with the aim of creating a basis for comparison between the periods under scrutiny.

Regarding the analysis pertaining to the actors, I take the state, capital and labour separately, placing them broader socioeconomic and political context. In Chapter
5 on the multi-party period and Chapter 6 on the planned economy period, I examine the state by looking at the (i) power, the political atmosphere and the ideology that prevailed; (ii) the political economy of industrialisation undertaken, and (iii) the state’s role as a lawmaker in the domain of industrial relations in each period. While in the Chapter 4 on the mono-party period, the first two subsections remain the same, the state’s role as a lawmaker has been placed in the subsection on interactions given that in the mono-party period, the state rather than regulating industrial relations with specific laws, opted for intervening in this domain through the provision of broader laws, such as penal code or the law on associations and through various repressive actions.

The analysis on capital and labour in Chapters 5 and 6 also slightly differs from that in Chapter 4. Regarding this, the subsection on capital, while in Chapters 5 and 6, being overviewed under the subsections (i) the state of private industry and (ii) employers as collective entities, in the Chapter 4, there is no such division. Rather, I concentrate on the political actors’ endeavours directed towards the creation of a nascent bourgeoisie, given that the mono-party period witnessed neither a take-off in private sector industry nor was there any evidence of associational efforts being made employers. Moreover, when comes to labour, in Chapters 5 and 6, although I analyse this under the subsections (i) labour migration and urban labour markets and (ii) labour as an actor, in the Chapter 4 I do not go into such a division. Instead, I focus on the static structure of Turkish society in the period in question and the underlying reasons for this given that the period, similar to the case of the employers, witnessed neither a massive labour flow from rural to urban areas nor a rising awareness in working class consciousness.

Regarding the analysis of the interests of actors, in each chapter I look at the predominant concerns of the political actors who represented the views of the governing parties and where available those of the main opposition party, the employers and labour, in the domains of work and production. When studying interactions, on the other hand, I scrutinise the ways actors mobilised their power resources that were made available to them through the institutional structure of industrial relations and the consequences for organised labour. All the empirical
chapters are finalised with a discussion and conclusion section where, by referring to my conceptual and theoretical understanding, I draw the general outline of the type of political economy adopted and pursued in each period. The structure of the empirical chapters 4, 5 and 6 could be visualised as follows:

Figure 4: The structure of the empirical chapters 4, 5 and 6

In the final empirical chapter, that is chapter 7, I briefly overviewed a series of events in domain of industrial relations that were unfolded following the military takeover of September 1980. Given that political and economic circumstances surrounding the state, employers and capital have already been discussed in the previous chapter, this chapter concentrates solely on the interests of and interactions between actors in the post-1980 period. Finally, in Chapter 8, I bring together in brief outline what I have already discussed in my empirical chapters in the light of my conceptual-theoretical framework and in the context of the historical-institutionalist approach. Moreover, I consider the contributions of the research, the limitations of the study and put forward suggestions for future research avenues as the conclusion to the thesis.
3.4 Data Sources, Research Limitations and Ethical Considerations

This study utilises documentary data sources in order to probe long-term developments, changes and continuities in the political economy adopted in the domain of industrial relations in Turkey. The main documents drawn upon were:

(i) academic studies giving historical accounts of labour-capital struggles;
(ii) media sources offering detailed and time-specific narratives of conflicts of interests between actors;
(iii) Turkey’s individual and collective labour laws that structured the power resources of the actors;
(iv) publications of trade unions and employers organisations providing insights into the interests of workers and employers;
(v) parliamentary proceedings offering a first-hand account of the way political actors defined and voiced their interests.

In order to gather these data sources, I visited various libraries, and archives in Turkey and also largely utilised the interlibrary service provided by the University of Bath.

The narrative was created by combining the data derived from formal and informal resources. Although the main concern in data source-selection was the academic utility of it, from time to time it was necessary to combine these ‘formal sources’ with the informal resources; such as pamphlets published by trade unions and employers’ association to create a more comprehensive picture.

This study’s dependence on documentary data sources did have its limitations. For instance, this approach led to difficulty in selection of the empirical data as the various sources had differing points of view primarily because of the nature of the different people and institutions that were responsible for them. Also, the large quantity of documentary sources made it a challenge to keep the argument coherent, for it presented an embarrassment of riches, the result of which was that a considerable part of the gathered data excluded from the final draft.

This study, despite having drawn on solely documentary resources, builds its own strengths. Indeed, although it mainly makes use of similar resources to those used
in mainstream industrial relations literature, it represents a break from the conventional stance in that it introduces different understanding and explanations for the post-1980 changes that came into place in institutional structure of industrial relations by employing a different theoretical framework to this field. However, it is accepted that as an attempt to contribute to history-sensitive industrial relations research, further investigation making use of different data which could complement, support or challenge the main tenets promulgated in this thesis is needed.

Finally, regarding the ethical considerations, all such aspects have been taken into consideration, for it was recognised that analysis of secondary data also bears some ethical risks (ESRC, 2012: 25). With regards to the documentary data it utilises, this thesis, according to the ESRC’s (2012) categorisation, falls into the first category in that the data used is not sensitive and there is minimum risk of revealing the identity of individuals. Moreover, no access was requested to any classified documents that may have contained sensitive information.

### 3.5 Conclusion

This chapter has provided an overview and discussion of the methods and techniques employed in the thesis. After having briefly outlined historical institutionalism, I have explained that this study utilises a historical institutionalist approach as a analytical framework, which, I opine, is highly capable of shedding light on some crucial causal mechanisms, such as time, actors, interests, and power and which, as I contend, has been highly effective in assisting me to provide an understanding and explanation regarding the way the political economy of industrial relations was institutionalised in the post-1980 period in Turkey. In order to carry out a historical institutionalist approach I also indicated that I have employed documentary analysis and discussed its possible strengths and downsides. In the light of the concepts and methodology, the succeeding chapters will analyse the institutionalisation of the political economy of industrial relations in the Republic of Turkey.
CHAPTER 4: THE MONO-PARTY PERIOD (1923-45)

4.1 Introduction

The Republic of Turkey was established on the 29th of October 1923 under the leadership of Mustafa Kemal Ataturk in the aftermath of the Turkish independence struggle of 1919-1923, which followed the defeat, and break-up of the Ottoman Empire in the First World War. Following the establishment of the republican regime, Turkey ushered in an era of comprehensive modernisation in the: cultural, political and economic domains. Amongst this modernization programme, the establishment of industrial relations received substantial attention from the founders of the republican nation. The early republican period, therefore, set the stage for the formation of the underlying characteristics of Turkey’s political economy of industrial relations. However, to understand how this came about in the first place requires a close look to the emergence of the actors involved in industrial relations and the politico-economic and social environment in which they interacted in order to materialise their interests. This chapter, therefore, scrutinises the political economy of industrial relations in the mono-party period in order to place the central hypothesis of the thesis on a sound footing. Section 4.2 provides a background to the following sections by briefly outlining the legacy of the Empire. Section 4.3 scrutinises the industrial relations in the period under discussion through an in-depth analysis of the actors, their interests and the setting up of industrial relations during the focal period. Section 4.4 concludes the chapter.

4.2 Legacy of the Ottoman Empire: A Background

Throughout the mono-party period the founders of the Turkish republic under the leadership of Mustafa Kemal Ataturk, directed much of their efforts towards creating a modern, secular nation state out of remnants of the Ottoman Empire. These endeavours, known as the Turkish Revolution, sought to carry out a comprehensive transformation in society’s: political, social, economic, legal and cultural structures, in a short time (Aybars, 2000). However, materialisation of revolution proved to be a somewhat difficult task to achieve as the legacy of the
Ottoman Empire had set formidable challenges for the founders of the Turkish republic in three different domains.

First, there was the political legacy of the empire, which was still considered to be a threat to the republican regime by its founders. Indeed, although in appearance the sultanate was brought to an end with the proclamation of the republic, the new regime was in its infancy and needed safeguarding. To add to this, democracy, praised in the high speeches of the political elites was yet to be established (see Ahmad, 1993; Kongar, 1998). Second, the economic legacy of the empire combined with the destructive economic consequences of the long years of warfare required comprehensive solutions. Indeed, according to studies depicting the economic conditions of the period, the economy was heavily indebted and dependent on imports (see Sarc, 1948; Ahmad, 1993; Bayar, 1996), industrial production was highly rudimentary (see Table 1) mostly concentrated in small workshops scattered around Anatolia (Makal, 1999; Tezel, 2002) and most of the foreign trade and a substantial part of domestic trade were concentrated in the hands of the non-Muslim minorities and foreigners in a few big cities.

Table 1: The industrial workplaces and the number of workers in 1922

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Number of workplaces</th>
<th>Number of workers</th>
<th>Average workers per workplace</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textile</td>
<td>20,057</td>
<td>35,316</td>
<td>1.76</td>
</tr>
<tr>
<td>Leather</td>
<td>5,347</td>
<td>17,964</td>
<td>3.35</td>
</tr>
<tr>
<td>Mining</td>
<td>3,272</td>
<td>8,021</td>
<td>2.45</td>
</tr>
<tr>
<td>Woodwork and timber</td>
<td>2,067</td>
<td>6,007</td>
<td>2.91</td>
</tr>
<tr>
<td>Food</td>
<td>1,274</td>
<td>4,491</td>
<td>3.52</td>
</tr>
<tr>
<td>Cement, clay, pottery</td>
<td>704</td>
<td>3,612</td>
<td>1.93</td>
</tr>
<tr>
<td>TOTAL</td>
<td>32,721</td>
<td>75,411</td>
<td>2.30</td>
</tr>
</tbody>
</table>


Last but not least, as an overview of the relevant literature reveals, the political actors were severely short of high-skilled professionals, intellectuals and skilled workers (Aybars, 2000; Pentzopoulos, 2002: 102; Tezel, 2002) to assist them in their enthusiastic efforts for nation-building and national development. Indeed, the socioeconomic legacy of the Empire amalgamated with war causalities, mass
deportations and exchange of population\textsuperscript{21} left Ataturk and his friends with a highly diminished population, which within the borders of contemporary Turkey dwindled down to 13.6 million in 1927 from that of 15.8 in 1913 (DIE, 1973; Eldem, 1994)\textsuperscript{22}. To make the matters worse, much of these losses came from the skilled and semi-skilled urban (see McCarthy, 1983: 142; Pentzopoulou, 2002) and the male population (Aybars, 2000; Tezel, 2002). What remained to the young republic to form the building blocks of its human resources as a result was, as illustrated by Sarc (1948), the long neglected, illiterate and conservative peasant society, who demonstrably failed to satisfy the requirements of an ambitious development movement.

The legacy of the Ottoman heritage that was built on a more than six-centuries-old socioeconomic and political configuration, significantly affected the distribution of political power and the nature of the republican ideology in Turkey all, which is the main focus of this chapter.

4.3 The Political Economy of Industry and Industrial Relations in the Mono-Party Period

Industry and industrialisation, starting from the early years of the republic, received great attention from Kemal Ataturk and his associates, who helped him in establishment of the Republic of Turkey. In their minds, the country had to be raised ‘to the level of the most prosperous and civilized nations of the world’ (Ataturk, 1933) and be well placed in the league of the capitalist-democratic Western countries. To this end, the political actors launched numerous efforts to boost the industrial development of the country and thus became one key type of actor in industrial relations. The policies they devised and practices they implemented set the politico-economic environment for capital and labour and they at the same time laid down the fundamental principles of the political economy of industrial relations, the repercussions of which are to be explored in this thesis.

\textsuperscript{21} See Pentzopoulou (2002) for detailed information on the Lausanne Conference where the transfer of population between Greece and Turkey was agreed.

\textsuperscript{22} For an extensive account of Turkey’s population in the early republican period see Shorter (1985).
4.3.1 Actors

The mono-party period that lasted from 1923 to 1945, as was already stated above, witnessed concerted efforts by the political actors towards industrialisation. Whether or not the politico-economic climate and the social conditions of the period provided a suitable environment for state, capital and labour to emerge as the actors of industrial relations is scrutinised below.

4.3.1.1 State

The establishment of the Republic of Turkey on the remnants of a defunct Empire in 1923 was, without a doubt, the political success of military-bureaucratic élites led by Mustafa Kemal Ataturk. However, it was not the end of their task and a new battle had to be waged in the socioeconomic and political domains if their fortunes in the new Turkey were to go further than just a military triumph. According to Ataturk, independence of nations was rooted in their economic success. For this reason, he deemed the hard-fought victory that the Turkish nation achieved in the Turkish War of Independence would not be a long-lasting one if it was not consolidated by the country’s socioeconomic progress (Ahmad, 1981; Bayar, 1996; Aybars, 2000). However, in the Kemalist vision, steps taken forward for the betterment of the economy should follow only one path; the path which carried capitalist–democratic Western nations to economic success and prosperity, i.e. the capitalist road to industrialisation. Nevertheless, the perspectives of the Kemalist élites regarding the new Turkey were not confined to its economic development, for they wanted to raise the nation to the highest level of civilisation, which, in their eyes, only capitalist democratic and industrialised economies could reach. According to them, capitalist industrialisation, rather than being an end in itself represented a means to an end. That is, they saw national industrialisation to be correspondent with civilisation and to be the antecedent phase that forged democracy (Ahmad, 1993), which would finally place Turkey within the ranks of the already industrialised democratic Western countries.

Having built up such prospects in their minds, during most of the mono-party period, Ataturk and his friends geared the economic policies towards industrialising the economy and accelerating national capital accumulation
(Kazgan, 1977). These attempts laid the foundations of the political economy of industrialisation in the Republic of Turkey and forged the national development project of the country; a plan which was expected to be adopted and carried out by the generations of political actors to come. Yet, this was a highly challenging duty to fulfil for it required political power to be re-distributed, political ideology to be redefined and reorganisation of the economy. All of these are analysed in the subsections that follow.

4.3.1.1.1 Power and Ideology

The Republic of Turkey, from its establishment in 1923 until 1946, was ruled by an authoritarian and paternalist single party, the Republican People’s Party (CHP) – Cumhuriyet Halk Partisi. Its politics and ideology, as pointed out by numerous authors, formed and governed the early republican period’s politico-economic and socio-cultural structure to a considerable extent (Ozbudun, 1981; Kocak, 1986; Ahmad, 1993; Kongar, 1998; Aybars, 2000). According to the common consensus amongst the scholars, the CHP was composed of a coalition between military-bureaucratic élites or Kemalist élites/interchangeably – i.e. Kemal Ataturk and his close friends – and the socioeconomic elites – i.e. the large landowners, the merchants, Anatolian notables and industrialists and shared its political power with some non-party elements consisting of military and civilian bureaucrats (see e.g. Avcioglu, 1968; Yerasimos, 1987; Ahmad, 1993; Kongar, 1998; Waldner, 1999). This ‘triarchy’ was led by Mustafa Kemal Ataturk; the charismatic, founding father of the country (Yerasimos, 1987; Sunar and Sayari, 2004), the ideas and projections of whom substantially reconstructed the political and economic structure of modern Turkey (Aybars, 2000).

This alliance, as the general lines of the dominant narrative suggest, mostly served the best interests of both sides and was carried out throughout the mono-party period (see e.g. Kazancigil, 1981; Yerasimos, 1987; Ahmad, 1993; Kongar, 1998; Sunar and Sayari, 2004). Indeed, on the one hand, according to Yerasimos (1987), it offered the military-bureaucratic élites a favourable politico-economic climate in their efforts to modernise the country with their top-to-down reforms in the social and economic domains. On the other, as Avcioglu (1968) pointed out, it
provided the socioeconomic élites with a suitable environment for exercising political power and accumulating capital despite their role within the government mostly remaining a corroborative one. In this political division of labour, according to many historians, the republican regime, regardless of being built on popular sovereignty, saw the role of the rest of the society as being to convey legitimacy on their state power (see Kazancigil, 1981; Yerasimos, 1987; Ahmad, 1993; Kongar, 1998; Sunar and Sayari, 2004). Resultantly, even though at the outset the political structure of the state represented a rupture from the Ottoman Empire according to Sunar and Sayari (2004: 73):

“[T]he overall system remained similar in its structure to the Ottoman past. It was organised, cohesive, and closed at the top, with selective penetration and restricted institutional permeation of society. It was primordial, segmented, and disconnected at the bottom”.

The Kemalist élites established and maintained this exclusionary political collaboration of republican regime on the grounds of a particular ideology named Kemalism represented by six fundamental pillars/principles, i.e. republicanism, populism, secularism, reformism/revolutionism, nationalism and statism (for more information see Karal, 1981; Aybars, 2000). Having been formulated by Mustafa Kemal Ataturk, and built on pragmatic rather than theoretical considerations, these principles, according to historians, served to the political actors the necessary basis for fast progress towards Western-type modernisation (Ahmad, 1993; Aybars, 2000). Amongst these, statism and populism, which underpinned the young republic’s socioeconomic fundamentals (see Bianchi, 1984), formed a basis for the ruling élites’ outlook towards a better Turkish society (Aybars, 2000) and together played a leading role in the making of social policy and industrial relations in the early republican period (see Cizre-Sakallıoğlu, 1992; Aybars, 2000).

Yet, it should be noted that from time to time, the Kemalist élites needed to forge a compromise with the socioeconomic élites with whom they shared the power. Thus, for example, according to Avcıoğlu (1968), although the mono-party government was able to enact modern legislation in socioeconomic life, it was unable to ratify and implement an effective land reform law due to the opposition of the socioeconomic élites.
The statist pillar of the Kemalist ideology pertained to the political elites who exercised their power in the domain of economics underlined by the aims of nationalising the economy and of providing and maintaining a level of economic wellbeing for all. It, moreover, was blended with a nationalist ideology (Pamuk, 1981), which reverberated in the economic domain in the form of a national economy, the accent of which being placed on empowerment of the national bourgeoisie (Makal, 1999; Kazgan, 2006: 50-60). The populist doctrine, on the other hand, epitomised the priority of interests of the nation as a whole and thus critically complemented the statist pillar of the Kemalist ideology. It advocated building a strong alliance between the state and society for the sake of the latter. For, according to this principle, if the Turkish nation was to be elevated to the level of most developed nations, then solidarity and united action coming from all elements of state and society was essential (Ahmad, 1981; Makal, 1999; Aybars, 2000).

The statist and populist principles of the Kemalist ideology underpinned the Kemalist élites’ attitudes towards social issues and became highly instrumental in the making of social policy and industrial relations in the early republican period. Indeed, as has been indicated by scholars, they provided the political actors with the necessary powers and mechanisms to ensure the loyalty of capital and labour to the republican regime and assisted them in safeguarding the functioning of the national economy with the minimum level of conflict of interest possible (see Cizre-Sakallıoğlu, 1992; Makal, 1999). In addition, the statist and populist principles appeared to have legitimised the Kemalist élites’ absolute use of state power in the socioeconomic domain and offered them a rhetorical basis for their unrivalled domination over the interests and interactions of the economic actors (see Boratav, 2006). In brief, the Kemalist statism and populism served to allow the political actors to formulate and implement social policy measures in line with the country’s political regime (see Bianchi, 1984) and put them in a position of, in the words of Ahmad “the impartial guide of the people” by making them accountable for delivery of “what was best for them” (Ahmad, 1981: 157) in

---

24 The populist pillar of Kemalist ideology deviated significantly from the commonly held interpretation, for it was assigned meaning and interpreted by Atatürk himself, for an informed account of the concept see Taggart, 2000; for an in-depth discussion of the ideas and events influencing Atatürk's understanding of populism, see Makal, 1999.
nearly all domains of socioeconomic life, the scope of which inevitably extended
to the realm of industrial relations.

4.3.1.1.2 Economy

Throughout the mono-party period, the role of the state in the economy was
marked by its attempts to materialise the national development project devised by
Kemal Ataturk, which found its expression in the establishment of an
industrialised nation state, the political and cultural structures of which were to be
compatible with those of capitalist-democratic Western nation states. To this end,
the military-bureaucratic élites took the reins of state in hand and implemented a
number of political economy decisions regarding industrialisation and other forms
of economic development in the mono-party period after taking into account how
they saw the country’s external and internal politico-economic conditions. The
Kemalist elites launched their national development project with the
implementation of liberal economic policies in 1923. Subsequently, market
oriented economic policies shaped and governed their national development
project for six years and during this time span some of the national capital started
to accumulate in the hands of Turkish-Muslim bourgeoisie. Nevertheless, much
to the disappointment of the Kemalist elites, all these efforts neither triggered an
industrialisation movement nor paved the way for an expected increase in the
private sector investments. Instead, the small workshops and artisanal production
continued to be the country’s predominant modes of industrial production (see
Avcioglu, 1968; Tezel, 2002; Boratav, 2009) leaving industrial growth, as
illustrated by Table 2, behind that of agricultural and the GNP as a whole
throughout the period.

Turkey’s experience with a liberal political economy came to an end towards the
closure of the decade, with there being the recognition of an urgent need for a new
political economy of industrialisation. The Kemalist elites, starting from early
1930s in this respect, tightened their grasp on politico-economic issues and

---

25 For a detailed account of the liberal economic policies implemented in this period see e.g. Keyder, 1979; Bayar, 1996; Kazgan, 2006; Boratav, 2009.
26 For the various reasons lying behind this change see e.g. Basar, 1945; Sarc, 1948; Karpat, 1966; Ahmad, 1981; Yerasimos, 1987; Bayar, 1996; Boratav, 2009.
gradually replaced their market-centred political economy with a statist one prepared in line with the Kemalist ideology (Avcioglu, 1968; Tezel, 2002; Kazgan, 2006). Accordingly, between the years 1930 and 1939 the state came to be the main actor in socioeconomic domain and directed most of its resources towards launching an industrialisation movement designated to catching up with the capitalist industrial economies and to promoting national private industrial ventures (Avcioglu, 1968). To these ends, as was pointed out by Boratav (2009), the state acted as: investor, employer, operator, rule maker and supervisor throughout the period. It established and ran big scale factories and farms, exploited mines and forests, nationalised and constructed some necessary infrastructure and operated ships and railways (Sarc, 1948; Avcioglu, 1968’ Kazgan, 1977). Moreover, with the aim of boosting the private national initiatives and capital accumulation, it distributed credit to the investors, raised tariff barriers for domestically produced goods as well as supplying the private sector with cheap intermediate goods and inputs.27 (Avcioglu, 1968; Tezel, 2002).

Thanks to the statist political economy, Turkey accelerated its industrialisation process, laid down some necessary infrastructure, created a group of industrial bourgeoisie and by the end of the 1930s came to be a less dependent country on imports (Avcioglu, 1968; Kazgan, 1977; Ahmad, 1993; Boratav, 2006). During this period, the scale of the industrial establishments grew and the average number of workers at them increased from 3.9 in 1927 to 46.5 in 1933 and then to 78.1 in 1939 (Yavuz, 1995: 109). To add to this, the statist policies helped to increase the size of the skilled and semi-skilled workforce as well as the numbers of executives, managers and technicians in the country (Lewis, 1968; Tezel, 2002; Kazgan, 2006). Nonetheless, the statist political economy was not long-lived for it yielded to the war time political economy with the closure of 1930s.

The years between 1940 and 1945 were marked by Turkey’s attempts to avoid the Second World War, requiring the Kemalist élites to take severe measures in the social and economic domains. In order to be ready for war should this occur, they in this respect, abandoned their ambitious state-led industrialisation project and

27 This list of policy implementations is by no means exhaustive, for further information see Kerwin, 1951; Avcioglu, 1968; Kepenek and Yenturk, 1995; Tezel, 2002; Kazgan, 2006.
adopted a political economy that was shaped and guided by the 1940 National Defence Law which granted the government broad authority over the economic issues pertaining to work and working conditions (see Avcioglu, 1968; Boratav, 1982). Regardless of the wartime economic order that brought with it some strict measures in the economic domain, as was pointed out by Boratav (2006), the political actors, however, seem to have avoided harming private sector activities, allowing and even promoting the continuation of private capital accumulation in the hands of the national bourgeoisie. Turkey’s economic and military mobilisation came to an end with the conclusion of the World War II in 1945. The Kemalist élites’ decision to remain non-belligerent doubtlessly saved the lives of many millions. Yet, as the available literature reveals, the wartime political economy of the country brought Turkey’s industrial leap forward almost to a standstill, for a sharp decrease in the level of production both in agriculture and industry was recorded, a substantial rise in inflation rates was seen and a considerable drop in real wage rates was experienced (Tezel, 2002; Kazgan, 2006; Boratav, 2009).

Table 2: Sectoral shares of the gross national product during the mono-party period

<table>
<thead>
<tr>
<th>Years</th>
<th>Agriculture</th>
<th>Industry</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>1923</td>
<td>43.1</td>
<td>10.6</td>
<td>46.3</td>
</tr>
<tr>
<td>1925</td>
<td>44.7</td>
<td>8.9</td>
<td>46.4</td>
</tr>
<tr>
<td>1930</td>
<td>46.8</td>
<td>10.0</td>
<td>43.2</td>
</tr>
<tr>
<td>1935</td>
<td>38.8</td>
<td>15.7</td>
<td>45.4</td>
</tr>
<tr>
<td>1940</td>
<td>44.8</td>
<td>14.6</td>
<td>40.6</td>
</tr>
<tr>
<td>1945</td>
<td>39.0</td>
<td>15.6</td>
<td>45.4</td>
</tr>
</tbody>
</table>

Source: TUIK, 2009: 682.

The conclusion of the Second World War, with all its socioeconomic and political repercussions, foreshadowed the end of the mono-party period. The Kemalist élites, throughout their almost two decades of unrivalled domination, moulded an economy geared for capitalist industrialisation and took crucial steps in the creation of an indigenous Turkish bourgeoisie. Despite these efforts starting to yield fruits, industrialisation of the country on a full-scale level, however, was not achieved within the lifespan of the mono-party period and the sectoral share of industry of the gross national product remained fairly low compared to agriculture.

For a detailed account of these measures see e.g. Boratav, 1982; Tezel, 2002.
throughout the period (see Table 2). However, providing a full grasp of the political economy of industrialisation during the mono-party period also requires scrutinisation of capital and labour as both of these are indispensable for any progress to be made towards capitalist industrialisation.

4.3.1.2 Capital

The political actors, in the materialisation of the Kemalist national development project, attributed a special emphasis to the creation and empowerment of a national bourgeoisie, for in their point of view, as was denoted by a number of historians, this socioeconomic group would be the key element in maintaining the industrialisation/development of the economy once it was equipped with adequate instruments (see Avcioglu, 1968; Tezel, 2002; Boratav, 2009). What is more, the initiation of an overall industrialisation movement amongst the leadership of the national capitalist class, according to the Kemalist élites, as Ahmad (1993) succinctly pointed out, was the only way to catch up with Turkey’s democratic-capitalist counterparts and a significant indicator of the success of the Turkish revolution.

It was against this background of ideas that the Kemalist élites regarded capital owners as their major collaborator in their assiduous endeavours to build an industrialised capitalist nation state (McCarthy, 1983; Yerasimos, 1987; Tezel, 2002). However, they appeared to be highly selective in their choice of nationality in this partnership and welcomed only the Turkish bourgeoisie-to-be (Avcioglu, 1968; Tezel, 2002). That is, these élites saw the Turkish merchants, industrialists, big landowners and the notables within the Anatolian petit-bourgeoisie as the socioeconomic actors who would take charge of the country’s economic development (Tezel, 2002) regardless of their small number, insufficient capital and little experience and knowledge in business (Alexander, 1960; Kazgan, 2006). To remedy the situation, as documented by a good number of studies carried out on early Turkish political economy, the ruling élites in line with their national economic project equipped Turkish capital owners, or in other words the national bourgeoisie, with various opportunities throughout the period (McCarthy, 1983; Yerasimos, 1987; Tezel, 2002; Boratav, 2006; Kazgan, 2006) and expected them
to emerge as powerful stakeholders supporting the politico-economic interests of state.

As the parameters of the political economy of development/industrialisation shifted in line with the changing economic situation of the country, favourable circumstances offered to the Turkish capitalists, however, empowered different groups within the national bourgeoisie. In the early years of the mono-party period and under the conditions of liberal political economy, the Kemalist élites had no choice but to welcome capital accumulation in any form and by any group within the bourgeoisie on the condition that no harm was inflicted on their supreme development project and they allocated all available resources to generate a meaningful amount of national capital in private hands (Avcioglu, 1968; Kazgan, 2006, Boratav, 2009). Their efforts, at first sight, seemed have paid them back for the economic policies implemented paved the way for the enrichment of a group of businessmen identified by their Turkishness (Tezel, 2002; Boratav, 2009). Nevertheless, much to the disappointment of the political actors, these policies solely empowered the national commercial bourgeoisie and thus fell short of initiating restructuring of the national economy and the empowerment of national industrialists (see e.g. Avcioglu, 1968; Yerasimos, 1976; Boratav, 2005; Kazgan, 2006, see also Table 3 below).

Table 3: Sectoral distribution of the industrial establishment employing over 50 people in the early years of Republic

<table>
<thead>
<tr>
<th>Sector</th>
<th>number of industrial establishments</th>
<th>Sector</th>
<th>number of industrial establishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural industry</td>
<td>98</td>
<td>Building construction industry</td>
<td>13</td>
</tr>
<tr>
<td>Textile industry</td>
<td>96</td>
<td>Paper and cardboard industry</td>
<td>7</td>
</tr>
<tr>
<td>Mine extraction industry</td>
<td>51</td>
<td>Electrical industry</td>
<td>7</td>
</tr>
<tr>
<td>Mining industry</td>
<td>16</td>
<td>Chemical industry</td>
<td>7</td>
</tr>
<tr>
<td>Timber industry</td>
<td>29</td>
<td>Other</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Grand total</strong></td>
<td><strong>321</strong></td>
</tr>
</tbody>
</table>

Source: DIE, 1928: 10.
Nevertheless, the rise of the commercial bourgeoisie from amongst the ranks of nascent Turkish bourgeoisie came to a standstill with the closure of the 1920s. Underlying this was the Kemalist élites’ implementation of a statist political economy with the aim of fostering a national industry and forging a national industrial bourgeoisie. The implementation of statist political economy\(^\text{29}\), which lasted for almost the next decade, resulted in concentration of capital in greater masses in the hands of national businessmen (Boratav, 2009) and the establishment of larger-scale industrial enterprises (see Fisek, 1969, Bugra, 1994) along with the rise and empowerment of a national industrial bourgeoisie in the politico-economic domain (see Yerasimos, 1976, Bugra, 1994). The statist political economy, however, could not be maintained beyond the 1930s, for with the outbreak of the Second World War in 1939 the country’s industrialisation efforts yielded to wartime exigencies despite Turkey’s decision to remain out of it (Owen and Pamuk, 1998; Boratav, 2009).

Turkey’s wartime precautions and preparations, indeed, induced a change in the Kemalist élites’ politico-economic priorities. This transformation was embodied in the framework of the National Defence Law, which provided the political actors, with supreme powers in relation to governance of the economy (see Avcioglu, 1968; VanderLippe, 2005; Kazgan, 2006; Boratav, 2009). During this period, however, despite the heavy hand of the state on the economy, the National Defence Law mentioned above provided the Kemalist cadre with enough leverage so as not to prohibit the development of the private sector and Turkification of the bourgeoisie. What is more, it was not only the policies and practices of the ruling elites had an impact, for throughout the war years, according to the historical accounts provided by social historians, wartime profiteers seized every single opportunity to reap profits and to enrich themselves by taking advantage of the worsening economic situation (Okte, 1950; Avcioglu, 1968; Tezel, 2002; Zurcher, 2004; Boratav, 2006). The war years, therefore, according to a consensus in the literature, witnessed the most noticeable acceleration of capital accumulation in

\(^{29}\) For a detailed account of the achievements of the statist political economy when working towards the creation of a national industrial bourgeoisie in the mono-party period, see e.g. Basar, 1945; Kerwin, 1951; Avcioglu, 1968; Yerasimos, 1976; Bugra, 1994; Tezel, 2002.
the hands of the national elements since the establishment of the republic (Okte, 1950; Avcioglu, 1968; Boratav, 1982; Tezel, 2002). However, this ongoing process proved unsuccessful when it came to the materialisation of national economic project in the real sense, for, as reported by a number of historians, it was the large landowners and commercial bourgeoisie who came out of the war stronger (Okte, 1950; Avcioglu, 1968; Zurcher, 2004; Boratav, 2006). The politico-economic gains of industrial bourgeoisie, on the other hand, appeared to have remained limited (Tezel, 2002, Boratav, 2009). The tight control of the economy through the implementation of the National Defence Law, regardless of the fact that it benefited mostly the capital owners, weakened the alliance established between the military-bureaucratic and socioeconomic elites, thus marking the onset of a new period in Turkey’s politico-economic history, as is further discussed in the next chapter.

4.3.1.3 Labour

The Kemalist elites, while having paid significant attention to the emergence and development of a capitalist class in their dedicated efforts aimed at creating an industrialised economy, they did not accept the growth of a proletarian class in this process. That is, in the Kemalist view, labour needed to wait their turn in process of the making of a robust national economy, for according to Ataturk himself, there could be no working class without a developed industry (Aralov, 1967: 234). Much in consonance with this situation, while the socioeconomic architecture of Turkish society provided the political actors with a group of

---

30 As the scholarly literature reveals, throughout the war years, capital owners, especially those dealing with trade and agriculture, both Muslim and non-Muslim, benefited from the wartime economic order by prospering on the black market and by making fortunes from skyrocketing wartime inflation (see Avcioglu, 1968; Boratav, 1982). In what followed, thousands of Muslim-Turkish nouveau riches emerged in Anatolian provincial towns together with even greater prosperity for the non-Muslim merchants of Istanbul, which was set against a backdrop of the impoverished masses. In response to the drawbacks of their wartime economic policy and practices, the Kemalist elites introduced two wartime taxes, Wealth Tax -Varlik Vergisi- in 1942 and Land Products Tax -Toprak Mahsulleri Vergisi- in 1943. Yet, rather than establishing a sense of social justice within the ranks of the society and curbing the excessive profits made by those exploiting the wartime conditions, the way these tax laws were formulated and implemented, according to historians, did nothing more than enriching and empowering the Muslim Turkish capital owners, for they encumbered the non-Muslim bourgeoisie and the small peasantry with heavy taxes, which they painfully struggled to pay (for a detailed account of wartime taxes see e.g. Bugra, 1994; Owen and Pamuk, 1998; VanderLippe, 2005).

31 This was Ataturk’s idea regarding the Turkish working class, which found its expression in his discussion with the Russian ambassador Aralov (1967: 234) during the early 1920s.
potential businessmen ready and eager to grasp the opportunities offered by the Kemalist national development project, it did not manifest itself with dispossessed masses who would subsequently become waged workers and threaten conflict with the process of capitalist industrialisation. The evolution of Turkish working class, in this respect, took place under somewhat disparate circumstances, displayed distinct traits and proceeded with a different pace than in the case of Turkish employers during the mono-party period.

The Republic of Turkey inherited an urban workforce from its predecessor concentrated especially in the large trade centres, such as Istanbul and Izmir, working in modern sectors (see TIB, 1976, Snurov, 2006). These urban workers, the number of whom was estimated to be between 111,950 and 144,400 by the end of 1923 (Guzel, 1983)\(^\text{32}\), had more or less gained working-class consciousness thanks to the labour movements of the late Ottoman period (see Ekin, 1976; Gulmez, 1991; Karakisla, 1995). In addition, the country was not totally bereft of skilled and semi-skilled labour of artisan origin who could turn into waged workers should the need arise (see Alexander, 1960; Makal, 2002). However, despite this, the numbers available for the prospective third party of industrial relations remained quite insignificant throughout the mono-party period (see Yerasimos, 1976; Ahmad, 1995; Snurov, 2006). Accordingly, many scholars studying the social history of early republican Turkey depict labour in the mono-party period as large masses of peasants who had very little to do with a capitalist economic system (see Basar, 1945; Barkin, 1946; Dincer, 1946; Seren, 1947; Nalbandoglu, 1948; Ozeken, 1948a; Avcioglu, 1968; Makal, 1999).

<table>
<thead>
<tr>
<th>Years</th>
<th>Urban</th>
<th>Rural</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Population</td>
<td>Percentage</td>
</tr>
<tr>
<td>1927</td>
<td>3,305,879</td>
<td>24.22</td>
</tr>
<tr>
<td>1935</td>
<td>3,802,642</td>
<td>23.53</td>
</tr>
<tr>
<td>1940</td>
<td>4,346,249</td>
<td>24.39</td>
</tr>
<tr>
<td>1945</td>
<td>4,687,102</td>
<td>24.94</td>
</tr>
</tbody>
</table>


\(^{32}\) There are no available official statistical data for the number of the workers in the early republican period and these numbers indicate the estimated number of workers living in urban areas based on Guzel’s (1983) study.
According to a prevailing consensus in Turkey’s labour historiography, the most striking features of the country’s peasant population was that they were Muslim and they formed the majority (see Table 4). They were self-sufficient (see Ozeken, 1948a; Aruoba, 1982; Keyder, 1993) through cereal – in particular wheat-production (Ozbek, 2003; Boratav, 2009), with around 90 per cent of them having secure access to family land – of a small or medium size\(^3\) (DIE, 1973) – and cultivated mostly by employing family labour and primitive methods. Landless peasant households, which made up around 10 per cent of the peasant population, on the other hand, mostly engaged in sharecropping or worked for larger landowners (see Atasagun, 1941; Basar, 1945; Nalbandoglu, 1948; Avcioglu, 1968), although migration to the cities for urban jobs, on a permanent or temporary basis (Zaim, 1956; Ekin, 1968), was not an ignored option for them. Penetration of agriculture into the socioeconomic lives of Turkish people, therefore, retained the share of agriculture in total employment up to 90 per cent (see Table 5) and seemed to have left almost no room for proletarianisation even in agriculture (Nalbandoglu, 1948; Ozeken, 1948a; Pamuk, 1991; Keyder, 1993) let alone industry during the early republican period.

Table 5: Sectoral distribution of employment in Turkey in the mono-party period (for population of 12 + years of age)

<table>
<thead>
<tr>
<th>Years</th>
<th>Agriculture</th>
<th>Industry*</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>1924</td>
<td>89.8</td>
<td>4.6</td>
<td>5.5</td>
</tr>
<tr>
<td>1929</td>
<td>87.8</td>
<td>6.2</td>
<td>6.0</td>
</tr>
<tr>
<td>1933</td>
<td>89.4</td>
<td>4.9</td>
<td>5.7</td>
</tr>
<tr>
<td>1939</td>
<td>86.7</td>
<td>8.0</td>
<td>5.3</td>
</tr>
<tr>
<td>1944</td>
<td>86.5</td>
<td>8.3</td>
<td>5.2</td>
</tr>
</tbody>
</table>

* includes construction


The domination of traditional rural production and the availability of independent ways of surviving outside market relations in Turkish society, what is more, showed very little signs of change throughout the mono-party period and for the explanation of this continuity, a thorough review of the literature seems to offer

\(^3\) Although there is a scarcity of data giving distribution of land and landownership in the early republican period, this can be estimated by referring to some figures. According to the 1913 census, farmers with small to medium landholdings counted up to 87 per cent of the peasant families and only 8 per cent of peasant families remained landless. Yet, it should be also noted that the distribution of land was somewhat disproportionate and there were 50,000 families owning large holdings compared to 950,000 peasant families owning smaller ones or none (DIE, 1973).
five major and interrelated factors. First, according to many authors, the leading role of the agricultural sector in Turkey’s economy, in general, and the prevalence of small land ownership amongst the peasantry, in particular, maintained the connection of the masses with the land and agricultural production throughout the period (see Ozeken, 1948a; Avcioglu, 1968; Ekin, 1968; Kazgan, 1977; Keyder, 1993; Makal, 1999; Tezel, 2002). Second, the pronounced push-factors of migration from rural to urban areas, such as rapid population growth, mechanisation in agriculture\(^{34}\), and limitedness of arable lands, according to the historical accounts offered by authors, were not matters for discussion in those days (see Ekin, 1968; Makal, 1999).

Third, although some policies and practices of the period were conducive with the concentration of large landholdings in the hands of a very limited number of people (see Avcioglu, 1968; Birtek and Keyder, 1975), this did not result in an enclosure-like movement as seen in England (see Tezel, 2002), which forced the rural population move to the urban centres, permanently. Access to land for the majority of the rural population, instead, appears to have brought with it a rather different form of relation between peasant families and urban centres, where the latter provided the former – those who were not able to be fully self-sufficient-with supplementary means of livelihood during the seasons of low labour requirements in the agriculture (see Ozeken, 1948a; Ekin, 1968) or when the family budget was in need of additional income (Ekin, 1968; Makal, 1999). This sort of interrelation with the urban areas and the rural population created, in turn, what Ekin (1968) called “the peasant-workers”, referring to the peasantry’s temporary migration to urban areas when there remained nothing to do to earn money in the villages.

Fourth, according to an accepted opinion in academic works that set the ground for the Turkish labour studies literature, the interests and choices of the peasantry that is to say their strong affiliation to the land and agricultural life, exerted a

\(^{34}\) It is estimated that there were around 2,000-3,000 tractors in use in the pre-1929 period in Turkey. Yet, these vehicles, as indicated by a number of scholars, remained exclusively confined to the large landowners who took advantage of government subsidies for agriculture in the early years of the republic. What is more, mechanisation in the agriculture came to a halt with the onslaught of the 1929 Great Depression followed by the Second World War (see Avcioglu, 1968; Birtek and Keyder, 1975).
considerable impact on the continuity of the traditional relations of production and life styles during the mono-party period (Barkin, 1946; Dincer, 1946; Seren, 1947; Ozeken, 1948a; Sarc, 1949; Ekin, 1958, 1968; Makal, 1999).

Last but not least, the traditional socioeconomic order of Turkish society appears to have been so intricately entrenched in the economic functioning of the country and this situation seems to have suited so well the materialisation of the Kemalist élites’ national development project that the political actors displayed an interest in favour of the maintenance of the traditional architectural structure. Indeed, for one thing, as was pointed out in historical accounts of the period, most of the agricultural output was produced largely with manual labour using primitive methods and this displayed very little change until the end of the period (see Keyder, 1983; Pamuk, 2000). In order to maintain the existing agricultural structure, therefore, the Kemalist cadre subsidised the small and medium farmers throughout the period (see Birtek and Keyder, 1975; Hale, 1981; Kuruc, 1987; Ozbek, 2003) and in so doing, as I argue, substantially contributed to the stability of the socioeconomic structure of society. Yet maintenance of the agricultural production was not the only concern of the political actors, for equally important appeared to be their apprehension about a socioeconomic upheaval in society triggered by a mass migration movement from rural to urban areas; a considerable worry which let the political actors stay alert to taking every possible measure to prevent it (see Timur, 1971; Karaomerlioglu, 1998)\textsuperscript{35}.

The socioeconomic circumstances that surrounded the population engaged in agriculture, when combined with the economic and socio-political concerns of the Kemalist elites, resultantly, restrained the emergence of the working class from the ranks of the peasantry in the mono-party period (Dincer, 1946; Seren, 1947; Nalbandoglu, 1948; Ozeken, 1948b; Avcioglu, 1968; Ekin, 1968; Makal, 1999). However, it would be mistake to consider this period as an era completely bereft of the conditions necessary for the formation of a class-conscious working class. Indeed, in the first place, factories established thanks to the statist political

\textsuperscript{35} According to Karaomerlioglu (1998), for example, even in the heyday of the statist period, reservations of the ruling élites’ regarding the socioeconomic consequences of industrialisation restricted the extent of their endeavours towards this. In this regard, for instance, they established state factories far away from the city centres and kept the workers, as much as possible, away from the “potential dangers of urban life”. (Karaomerlioglu 1998),
economy required greater numbers of workers to work in industrial sector. In fact, the total of employed people in the industrial sector displayed a substantial increase during the mono-party period, with the figures escalating from an estimated 145,000 in 1923 (Guzel, 1983) to 275,000 in 1946 (see Table 6).

Table 6: Estimated number of workers for the year 1946

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers in medium and large scale industry</td>
<td>275,000</td>
</tr>
<tr>
<td>Workers in small scale industry</td>
<td>20,000</td>
</tr>
<tr>
<td>Handicraft workers</td>
<td>100,000</td>
</tr>
<tr>
<td>Domestic craft workers</td>
<td>100,000</td>
</tr>
<tr>
<td>Sea workers</td>
<td>6,000</td>
</tr>
<tr>
<td>Agricultural workers</td>
<td>200,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>701,000</strong></td>
</tr>
</tbody>
</table>

Source: Makal, 1999: 463.

Second, increase in numbers of the workforce employed in industrial sector was accompanied by industrial workers’ growing experiences of exploitation and oppression. Indeed, a brief review of historical accounts of the period reveals that throughout the period wages in industry mostly remained below subsistence levels. Moreover, almost no precautions were taken to reduce the long working hours, no provision made to provide adequate health and safety conditions at work, no initiatives were taken to establish a social security system to protect the workers and their families and hardly any measure was taken to improve the poor infrastructure of the urban areas. What is more, as is discussed further below, the political actors made every effort to inhibit the emergence of any kind of association for self-help and self-defence (see Hines et al., 1936; Ozeken, 1948a; Ekin, 1968; Gulmez, 1991; Makal, 1999; Snurov, 2006). Poor living and working conditions in the modern sector that the workers suffered, as was indicated by Guzel (1983, 1995), sowed the seeds of class-consciousness in the minds of the working population, created a sense of solidarity amongst the ordinary people and helped them to define and defend their interests in the years to come. However, the mono-party period ended before the working people gained their strength and the politico-economic interests of state and employers surpassed those of labour placing them in the position of the weakest interest group within the actors of

---

36 No data are available indicating how many of these individuals were peasant-workers and how many of them belonged to the urbanised labour force.
industrial relations throughout the era. This is further analysed in the following subsection.

4.3.2 Interests

The interests that the actors of industrial relations pursued in mono-party period echoed their security-related concerns in the domain of work and production and set the framework for the way industrial relations became institutionalised. The political actors, given their supremacy in the politico-economic arena, emerged and prevailed as the most dominant interest group. Capital and labour, on the other hand, given the political economy and social circumstances surrounding them, remained mostly incapable of making their presence felt as socioeconomic actors and their interests remained inferior to those of the political actors throughout the period.

The Kemalist elites, drawing on the experiences of already industrialised countries, deemed industrial relations a crucial area to be taken care of in the process of industrialisation and they therefore considered it to be an essential component of their national development project. The paramount importance they attributed to labour-capital relations therefore drove them to champion their own national interests within the area of industrial relations that is: the establishment of a capitalist economy, rapid accumulation of national capital and the advancement of industrialisation progress. Their projections for the politico-economic order of the country, was articulated by Kemal Ataturk as follows (Aralov, 1967: 234):

“There is no working class in Turkey because there is no developed industry. We need to turn our bourgeoisie into a class yet”.

In the context of such supreme interest and hegemonic ideas, the political actors throughout the mono-party period, assigned industrial relations the role of helping to establish and maintain social harmony/national solidarity (see Gulmez, 1991; Makal, 1999). In order to do so, as a thorough review of historical accounts reveals, the Kemalist elites, utilised a rhetoric which continually pointed out to the classless nature of the Turkish society and importance of its maintenance (see
Avcioglu, 1968; Aydemir, 1968; Makal, 1999). Kemal Ataturk’s inaugural speech made to the Izmir Economic Congress,\textsuperscript{37} appears to neatly illustrate dominant discourse employed by the political elites in the period. At the congress held even before the establishment of the Turkish Republic, he enunciated that:

“Our people, rather than consisting of different classes, is made up of classes [sic] whose existence and works are necessary for each other. At the moment, my audience are peasants, artisans [sic], merchants and workers. Which one of these could be antithetical to another? Who can deny that the peasantry needs artisans, artisans need peasantry, the peasantry need merchants and [...] workers?”\textsuperscript{38}

Perusal of the CHP’s party programmes suggests that Kemal Ataturk’s populist appeal to the structure of the new Turkish society, pertaining to the view that the existence of one economic group rests on others’ survival, formed the ideological basis of the interest that the political actors pursued in the domain of industrial relations throughout the mono-party period. The CHP (1931: 13-15, 1935: 8-9) indeed repeatedly elucidated in its party programs that:

“It is one of our main principles to consider the people of the Republic of Turkey not composed of different classes, but as a community divided into various professions in accordance with the division of labour required for the social and individual lives. The peasants, small producers, artisans, workers, employees, self-employed, big manufacturers, big business owners, merchants and large landowners are the main groups of professions constituting the Turkish community. With this principle, the main aims of the Party are to protect the social

\textsuperscript{37} This congress was convened with the aim of determining Turkey’s new economic policy with the participation of four different national interest groups, i.e. farmers, workers, merchants and industrialists. See Finefrock, 1981 for a detailed account of the Congress.

order and solidarity instead of class conflicts and to establish harmony of interests without harming others.”

Against this background what a thorough review of the available literature suggests is that the Kemalist cadres’ populist approach to industrial relations and their interest of maintenance of a classless, harmonious working life where all individuals work at their best and where none of the interests harm the others, carried at least three profound implications with respect to their hegemonic national project. First, in a classless society, they thought, all the interests would be defined in terms of so-called sovereign interests of the whole of society. It was going to be this harmony of interests, in their minds, which was to set the ground for the organisation of the society to achieve the paramount national interest, i.e. launching of a national industrialisation movement under the leadership of an emerging national capitalist class (cf. Avcioglu, 1968; Aydemir, 1968; Ahmad, 1981; Makal, 1999). Second, they expected the maintenance of a classless society through socioeconomic and political measures to eradicate class awareness and antagonisms even before they came about (see Kuruc, 1987; Ahmad, 1995, Tezel, 2002). Such a strategic manoeuvre, in turn, they believed would be the key to safeguarding the regime against working class militantism, which was likely to emerge as industrial development progressed, thus saving the country from the worst fear of the ruling élites, i.e. proletarian revolution (see Ahmad, 1995; Makal, 1999). Regarding this issue, Halil Mentese’s words, a large landowner and a member of parliament on the issue of legislation of the first republican labour code in 1935, seem to epitomise the general opinion amongst the ruling élites in a subtle way as he stated in his address to the parliament that (Kuruc, 1987: 78, brackets added):

“[…] our country is industrialising […] a few years later from now, we will have factories that will bring thousands of workers together. For this reason, if we realise the truth [and] take measures beforehand, we can save the country from the influences of international movements […] Even today, workers of our country have started to be harmed by communism.”
Third, and perhaps most important of all, the founding fathers of the Turkish republic associated perpetuation of national independence of the country with economic development, attainment of which, in the least time possible, was, according to them, contingent on the provision of national solidarity/social harmony (see Aydemir, 1968; Kuruc, 1987). “Political, military victories”, as Ataturk put it in Izmir Economic Congress39, “no matter how glorious they are, cannot survive and fade away in a short time if they are not crowned with economic victories”. For this reason, as a review of available accounts suggests, Mustafa Kemal saw economic achievements, just like military ones, as victories reached only by means of national solidarity (see Avcioglu, 1968; Ahmad, 1993). His speech addressed to Turkish nation on the occasion of the tenth year anniversary of the establishment of the Turkish Republic in this respect provides one of the clearest examples of his views as he declared that (Ataturk, 1933):

“We can never consider what we have achieved to be sufficient, because we must, and are determined to accomplish even more and greater tasks. We shall raise our country to the level of the most prosperous and civilized nations of the world. We shall endow our nation with the broadest means and sources of welfare [...] We shall perform greater tasks in a shorter time. I have no doubt that we shall accomplish this [...] because the Turkish nation is capable of overcoming the difficulties in their national solidarity.”

Nevertheless, despite the Kemalist rhetoric of national solidarity/social harmony and the political actors’ ideological commitment to the creation of a classless society, they, as a necessary part of their national project, welcomed the formation of a national bourgeoisie to be a distinct socioeconomic class, and made every effort for its development (see Avcioglu, 1968; Ahmad, 1993; Boratav, 2006). In return for this, as was also stated above, they expected the national bourgeoisie to be their major partner in the Kemalist revolution and to support them in their

nation-building project (McCarthy, 1983; Yerasimos, 1987; Tezel, 2002). It should come as no surprise that the Turkish bourgeoisie accepted the partnership offered by the Kemalist elites and with little hesitation, if any, voiced their interests in the politico-economic domain.

One area that served the best interests of the political actors and capital owners had been the former’s concerted efforts towards the creation of a classless society and their exercising of absolute control in the area of industrial relations. The parliamentary discussions in this regard offer quintessential examples of the degree to which capital owners gave countenance to the Kemalist élites’ approach to industrial relations. In his speech addressed to participants of one parliamentary session, Halil Mentese\(^40\) (TBMM, 1937: 355-56 emphasis and brackets added), a large landowner and a member of parliament, for example, enunciated that:

“The labour problem, today, has become one of the most important problems for all states of the world [...] I emphasize this because it should teach us a lesson [...] Working classes [sic] started tyrannising and causing trouble in these states. For us not to get to this point, because [...] the working masses [in our country] are increasing in leaps and bounds each year [...] I would like to bring forward this lesson from the history. The working classes’ acquisition of their rights by force undermines the state’s existence […]. For this reason, I advise [our Minister of Economy] […] to take social precautions with the hand of the state and to implement them with the assistance of capital and labour as soon as possible”.

Much in a similar vein, during another parliamentary session Emin Sazak (TBMM, 1936: 31 brackets added), again a large landowner and a member of parliament regarding the labour law that was to come into effect said that:

“[t]his [labour law] has many shortcomings […] If we enact this law as it is, we will give cause big trouble to the state. We

\(^{40}\) For information about the backgrounds of the members of parliament in the mono-party period see TBMM (2010).
The Kemalist elites, however, much in contrast with their welcoming attitude towards formation of a capitalist class, deemed emergence of a Turkish working class detrimental to the progress of their national economic project (Avcioglu, 1968; Ahmad, 1981, 1995). They, therefore, as can be inferred from their speeches, rather than envisioning a developed working class with its distinctive identity and interests, imagined a community of people ready to adopt the supreme national interests of the country. ‘Turkish workers’ as stated by Recep Peker, secretary general of the Republican People’s Party ‘will not be an element of fight and dissent, they will be supportive assistants to the Turkish state by believing wholeheartedly in its existence and perpetuity’. Kemalist proclamation of a classless society as a prerequisite to national solidarity, when come to labour in this respect, appeared to mean its unconditional subordination to the requirements of capitalist industrialisation proceeding under the guidance of a pro-capitalist political economy (see Makal, 1999).

Nevertheless, the interests that the Kemalist élites pursued with regards to labour and its position in industrial relations was not easy to materialise even though the number of proletarianised workers, according to the estimations, did not exceed 145,000 (see Guzel, 1983) at the beginning of the mono-party period. Indeed, it was almost self-evident from the beginning that there was a prevalence of interest awareness amongst that small minority of modern sector workers and amongst some intelligentsia of the young republic, spreading of which, at least according to the Kemalist elites, would end up with the attainment of such awareness amongst all of the working masses (see Ahmad, 1995; Makal, 1999). Those who had attained working class awareness, what is more, did not confine themselves to discussing their agendas in their small community and ventured into dissemination of their security-related interests on various occasions. For example, at the Izmir Economic Congress, where they were provided a platform on an equal footing with other economic actors to voice their interests, they came forward with a programme in which they demanded, amongst other things: the right to organise, the establishment of an eight hour working day, entitlement to
paid annual leave and sick leave, designation of paid weekly leave, enactment of maternity leave and adoption of May 1st as Labour Day\(^{41}\) (Okcun, 1997). In the following years, perhaps by virtue of the liberal and tolerate climate of the Izmir Economic Congress, labour continued to make its presence felt in politico-economic affairs. Moreover, the mono-party governments’ numerous attempts to legislate a labour law, in this regard, seemed to have opened up for them a fruitful avenue to voice their security-related concerns. For example, in response to the measures of a draft labour code that came under discussion in 1927, which adopted a pro-business approach to labour issues, the Worker’s Advancement Society – Amele Teali Cemiyeti\(^{42}\) – issued a memorandum, which besides directing attention to the shortcomings of the proposed law, recommended progressive amendments\(^{43}\) be made by the CHP government and this proposal was probably the one major reason for their closure by the CHP one year later in 1928 (see Snurov, 2006). Besides diplomatic initiatives through which workers expressed their interests, strike actions which took place under very difficult conditions also provided workers a platform to voice their interests. Indeed, as a review of available literature indicates, during the strikes workers protested against bad working conditions, unjust dismissals, low or unpaid wages and they called for amongst others, the right to organisation, enactment of an eight hour working day, payment of delayed wages, provision of paid annual leave and the adoption of a weekly day of rest (TIB, 1976; Guzel, 1983; Snurov, 2006).

However, it should be noted that despite the existence of a level of working class awareness within the ranks of the working people, labour pursued hardly any interest directed towards replacing the Kemalist regime with one that was more receptive to their concerns. Instead, they espoused attainment of some

\(^{41}\) It should be noted that labour as a participant of Izmir Economic Congress was represented by a group led by Aka Gunduz, a Kemalist loyalist, and some members of Turkish General Workers Association (Turkiye Umum Amele Birligi), an organisation established under the control of the Turkish National Trade Association – Milli Turk Ticaret Birligi (see Avcioglu, 1968: Ahmad, 1995). The delegates of labour, despite the fact that most of them were not genuine workers, did however, place some security-related and class-based interests before the congress. This demonstrated a degree of class interest awareness amongst those who represented labour, the dissemination of which would certainly put the Kemalists in trouble (see also Ahmad, 1995).

\(^{42}\) See Gungor, 1996 for information on this association.

\(^{43}\) In their proposal, alongside many others, they suggested subjection of dismissals to the approval of trade unions, conclusion of labour contracts solely with trade unions, and organisation of strikes without any prior procedure or action. See Gulmez, 1983 for a detailed account of this memorandum.
fundamental socioeconomic security interests and remained adhered to the Kemalist regime (Guzel, 1983; Sulker, 1983; Makal, 1999). Although one plausible reason for this cautious stance of labour could be argued to be the Kemalists’ rigid approach towards class conflict, this was only part of the story. In fact, what lay behind the labour’s disadvantageous position in industrial relations as an actor appeared to be the shortage of the number of workers who had developed a meaningful degree of working class-awareness, for as mentioned above, the majority of urban workers were of rural origin who associated their socioeconomic interests largely with the agricultural sector, seeing their urban jobs as a temporary source of income. As a result, the number of workers who did not develop any class interest awareness greatly outnumbered those that had and articulation of these interests by handful of workers appeared was too weak to rival that of other actors. This limitation arguably provided both the Kemalist elites and capital owners with a rare opportunity to materialise their interests with the minimum level of organised resistance, which is investigated further below.

4.3.3 Interactions

A review of the available resources suggests that the Kemalist elites, having claimed the dominion of state interests and through exercising their supreme authority and legislative power, played the leading role in the making of industrial relations in the period in question. Their commitment to the creation of a capitalist nation state and to rapid industrial progress as well as their expectations from the actors, in this respect, shaped and steered interactions between them in the domain of industrial relations. Under these conditions, there remained very little room to manoeuvre for labour and capital and thus, while the role of the latter in the institution building process of industrial relations was confined to an interest representation, labour appears to have been completely excluded from this process (see Kuruc, 1987; Gulmez, 1991; Makal, 1999).

Throughout the era, the Kemalist elites, by wielding the reins of the state apparatus, mobilised their power resources and not only went into coercive actions against labour, but also introduced some repressive measures that inhibited collective action by labour (Sencer, 1969; TIB, 1976; Ahmad, 1995; Makal, 1999; Snurov, 2006). The early interactions between labour and the state,
however, happened on somewhat democratic and favourable grounds. The Kemalist elites, for example, incorporated freedom of association in the first republican constitution and despite their shortcomings, the Law on Strikes dated 1908 regulating strike actions in public services\textsuperscript{44} and the Law on Associations dated 1909 permitting trade unions in private sector\textsuperscript{45} continued to remain in force during the initial stages of this period. To add to this, with the Code of Obligations passed in 1926 they laid the way open for collective agreements and introduced some pro-labour measures for individual contracts (see Gulmez, 1991; Makal, 1999). Thus it would appear that the Kemalist élites’ positive approach to the labour issue found its way onto the agenda of labour in these years, for a group of urban workers initiated the earliest labour movement of the republican period in industrialised urban areas and were able to establish trade unions, organise demonstrations to raise their claims, took strike action and published left-wing papers and journals (see Sencer, 1969; Tuncay, 1978; Sulker, 1983; Ahmad, 1995; Sulker, 2004; Snurov, 2006; Celik, 2010).

However, the political actors gradually introduced a repressive form to their interactions with labour as they came to increasingly ensure their supremacy in the state mechanism, and as they enframed their political economy of development. In the first instance, detention and persecution of leaders of the labour movement, prohibition of some publications aimed raising working class awareness, closure of workers’ organisations, especially those who had adopted pro-active stance and banning of their political activities, became the order of the day (TIB, 1976; Ahmad, 1995; Snurov, 2006). Yet, this was only the initial steps of the Kemalists and they further turned their political agenda into an anti-labour one through putting their legislative power into force. As early as 1925, they illegalised all class-based organisations together with any activities representative of class interests at a stroke with the Law for Maintenance of Order- \textit{Takriri Sukun Kanunu}\textsuperscript{46}, bringing the early republican labour movements to a total standstill (TIB, 1976; Dereli and Ekin, 1982; Bianchi, 1984; Ahmad, 1995). The

\textsuperscript{44} This law outlawed unionisation while also entailing compulsory conciliation before going on a strike in public services. For detailed information on this law see e.g. Gulmez, 1991; Celik, 2005.

\textsuperscript{45} This law permitted trade unions in the private sector and yet, widely authorised the police force on their surveillance. For detailed information on it see e.g. Gulmez, 1991; Makal, 1997.

\textsuperscript{46} This law was passed following the occurrence of Kurdish rebellion in the eastern regions of the country.
Rule makers further emasculated the power resources of labour by making amendments to the Turkish Penal Code passed in 1926, borrowing them from the penal code of Mussolini’s Italy (Ahmad, 1993; Makal, 1999). Accordingly, the Kemalist elites with the amendments made to article 201 of the penal code in 1933, sentenced those who caused work stoppages with the aim of making changes to wage levels or to pre-concluded working conditions up to five years of imprisonment (see Gulmez, 1991). They also prohibited the ‘pernicious propaganda’ aimed at the establishment of the domination of one social class over another, annihilation of one social class, infringement of society’s economic or social order or agitation of national feelings, by incorporating the notorious articles of 141-142 into the penal code in 1936. These articles imposed sentences of penal servitude up to 12 years47 against rioters venturing in these kinds of activities.

In the Kemalist élites’ efforts directed towards institutionalisation of industrial relations, besides the general regulations mentioned above, two special laws that were made exclusively for the regulation of industrial relations appear to have played an important role. The Law on Associations –Cemiyetler Kanunu – that was passed in 1938, totally banned the establishment of any class-based organisations, whilst at the same time prohibiting the engagement of any association with political activities (TIB, 1976; Bianchi, 1984; Ahmad, 1995; Makal, 1999). The first Turkish Labour Code Law no. 3008 passed in 1936 which, according to a prevailing opinion in the literature, was inspired from Italy’s fascist-corporatist labour regulation (Karpat, 1966; Makal, 1999; Parla and Davison, 2004), on the other hand, made no mention of trade unions or employers’ associations, prohibited strikes and lockouts and imposed penalties should they occur. Further, the law introduced compulsory arbitration for labour disputes and regulated representation of workers at the workplace level with the mediation being undertaken by representatives elected by them (Weigert, 1937; Dereli and Ekin, 1982). Yet the law did not provide any protection to these workers’ representatives. This labour law, in sum, as Makal (1999) pointed out,

set its sights on protection of the Kemalist regime and the statist economic order of the country and as manifested by the then secretary general of the CHP, Recep Peker, was aimed at putting the working life “to the path of solidarity and harmony that the [Kemalist] regime required” (Gulmez, 1986: 137 brackets added) and at assisting the Kemalist elites “to sweep away the clouds making the way for emergence or development of class awareness” (ibid: 138).

When mentioning the political actors’ concerted efforts directed towards the institutionalisation of industrial relations, one should also refer to the Kemalist élites’ efforts – probably inspired by fascist Italy’s corporatist practices – towards the organisation of all strata of working people under similar yet single mechanisms acting in favour of the CHP’s policy and practices (see Ilkin, 1978; Varlik, 1993; Ahmad, 1995; Sulker, 2004). These organizations put together incompatible interests, encouraged behaviours antagonistic to working class awareness and constituted an impediment in front of the emergence of a genuine labour movement that was expected to pursue class-based interests of labour during this period (see Varlik, 1993; Ahmad, 1995). At this point it should be noted that a similar attempt was made by the political actors for organisation of business interests during the period through semi-official Chambers of Commerce and Industry, starting from 1925 (Bianchi, 1984; Makal, 1999). However, much in contrast with the case of workers’ organisations, the Kemalist élites’ initiatives to organise business, according to Celik (2010), provided the bourgeoing national bourgeoisie with a favourable environment to voice their interests in a politico-economic environment where only the national interests were allowed to be represented (see also Kuruc, 1987).

48 Indeed, Varlik (1993), for example, argued that the Association of Corporation of Industrial Workers and Artisans of Izmir, which was established under the supervision of the CHP government, served as a model to other labour organisations that posed a serious obstacle in front of the working class movement up until 1960s.
All these rules designed and practices implemented discussed above, accordingly, limited the activities of labour either to illegal socialist/communist organisations⁴⁹, unauthorised strikes and demonstrations or to social assistance and mutual aid organisations established under the surveillance of state (TIB, 1976; Dereli and Ekin, 1982; Celik, 2010). What is more, the Kemalist elites operationalized most of their measures by putting them into force through the coercive power of police and soldiers. In what followed, the mono-party period witnessed very few occasions of labour movement actions which did not exceed thirty five in number (Sulker, 1983). What is more, almost all this organised resistance, much to the disappointment of labour, ended with deaths, detentions and dismissals (TIB, 1976; Sulker, 1983; Snurov, 2006).

Consequently, I contend that the policies designed and practices implemented in the domain of industrial relations generated at least three policy outcomes for labour. First, by totally inhibiting freedom of association, the right to collective bargaining and the right to strike, they institutionalised the distribution of power between actors in favour of the state and employers, thus placing labour in a highly disadvantageous position in industrial relations. While one important repercussion of this came into place in the form of suppression of labour

---

⁴⁹ For example Communist Party of Turkey, according to Tuncay (2009), continued its activities illegally and found supporters from the ranks of the workers throughout the mono-party period.
movements, another emerged in the form of increasing influence of state over formulation of labour’s interests organisational activities in the period. Second, political economy implemented in domain of industrial relations in the era generated income insecurity for labour and one indicator of this has been the wage levels of industrial workers. Indeed, as the Figure 5 indicates, considerable fluctuations occurred in the wage levels throughout the period. And third, by effectively restraining the labour movements of the period, they steered behaviour of labour towards what was aimed at, namely a so-called social harmony in the domain of industrial relations. All these policy and practices together with their outcomes laid the foundations of the political economy of insecurity pursued in the period, the connotations of which are discussed in the conclusion and discussion section that follows.

4.4 Discussion & Conclusion

The mono-party period came to an end with the conclusion of the Second World War. Throughout this period, the political actors, under the leadership of Mustafa Kemal Ataturk, embarked on a massive modernisation project with the aim of creating an industrialised country that was compatible with its capitalist-democratic Western counterparts. In this national project the accent was placed on the national capital owners, for according to Mustafa Kemal, their dominance in Turkish economy was an indication of a sovereign and powerful economic structure that the young republic was in need of to maintain its full independence. To add to this, the launch of a comprehensive industrialisation movement under the leadership of the national capitalist class, according to the founding fathers of Turkey, was the only way to place the country in the league of capitalist-democratic Western countries.

With this aim in mind, throughout the mono-party period that spanned from 1923 to 1945, political actors aimed at the creation of a powerful national capitalist class from the ranks of the socioeconomic élites of the country and gave their best efforts for the establishment of a national industry. In consonance with this situation, the policy makers came across with a group of potential businessmen ready to seize the opportunities offered by the national development project. Much in contrast to their favourable attitudes towards capital, the Kemalist élites
took a somewhat hostile stand against labour and they appeared to deem any signs of class awareness that emerged amongst working masses as a possible threat to the republican regime and to their national development project. Again in consonance with this, the socioeconomic architecture of Turkish society did not challenge the political actors with large numbers of dispossessed who would subsequently become waged workers forming a pool of a politicised proletariat wishing to embark on conflict with the process of capitalist industrialisation.

Against the backdrop of these circumstances and ideas, the political actors, in their attempts towards materialisation of the national development project, considered industrial relations to be one of its essential components and attributed it a substantial role in their politics. It is at this point that the political economy of industrial relations started to be shaped with Kemal Ataturk’s idea that there could be no working class without a developed industry and therefore priority should be given to the creation and empowerment of a national industry and a national bourgeoisie. With this perspective in mind, the political actors assigned industrial relations the role of helping to maintain national solidarity/social harmony within the economy and deemed industrial relations an important instrument to forestall the class struggles, which were likely to occur as industrialisation gained apace. Materialisation of Kemalist national development project, therefore, necessitated Turkish workers to be an element of national solidarity; to be compliant partners of the state in the achievement and preservation of social harmony in the domain of industrial relations.

In order to implement the political economy that the political actors saw fit for the country’s industrial relations, they employed a strong logic and put into use appropriate tools. The logic they espoused, the concept of national solidarity/social harmony, proved to be of great use in the articulation of their interests. According to this national solidarity argument, feelings of national solidarity between capital and labour were required to replace class conflict and antagonisms, which would, in turn, lead to the establishment of social order and harmony in industrial relations. In order to back this argument, the strong logic that the ruling élites employed in the area of industrial relations embraced the idea of a classless society, whereby Turkey, rather than being divided into
socioeconomic classes, entertained a division of labour composed of various professions, the presence and services of which were necessary for the existence of the others. In order to materialise their ideas, the political actors, by mobilising all the available power resources of the state, put into use various policy tools and by means of these went into coercive action against labour, introducing repressive regulations that totally outlawed collective action throughout the remainder of the mono-party period. The strong logic and policy tools that the political actors employed produced at least two policy outcomes. They, in the first instance, institutionalised the distribution of power between the actors in such a way that it placed labour in a highly disadvantageous position vis-à-vis capital and the state. Second, it steered the behaviours of labour towards a so-called social harmony.

The political economy that the Kemalist elites adopted and pursued in the domain of industrial relations in the mono-party period, resultantly, enabled them to emerge as the most powerful actor in the period, thus influencing the institution-building process in the direction of their own interests. At this point it is contended here that being in favour of the creation of a strong capitalist class and a robust national capitalist economy, materialisation of the interests of the Kemalist cadre necessitated the embeddedness of insecurity as a rationale in the institution-building process of industrial relations. That is, insecurity as a rationale steered and governed policy and practices in labour-capital relations, forged a strong cooperation between the political actors and capital owners in the issues concerning industrial relations as well as curbing the power resources of labour and in doing so, paved the way for institutionalisation of a political economy of insecurity in industrial relations in the mono-party period.

The political alliance established between the Kemalist and socioeconomic elites however, began to disintegrate as the Second World War came to a close. One important factor that brought the mono-party period to an end was capital’s emergence as a powerful social class, its acquirement of more self-assurance and its power claim on its own. However, the gradual emergence of the working class and the rising discontent of the vast populace against the mono-party regime at home and ascendance of democratic regimes abroad also rendered the maintenance of hegemony by the CHP unsustainable. The period that succeeded,
therefore, witnessed shifting balances of power between the ruling classes, rise of political awareness amongst masses and a change to the politico-economic and social circumstances that underpinned the mono-party period. Whether or not the change in the balance of power between actors altered the course of the Kemalist national development project and whether or not the vast populace when they attained a level of political awareness challenged the political economy pursued in the domain of industrial relations are explored in the chapter that follows.
5.1 Introduction

The end of the Second World War, with the overwhelming defeat of fascism and emergence of the superpowers, witnessed some major political, economic, and social transformations in many countries and Turkey was not an exception. Immediately after the War, the country entered into an era of change, which brought with it considerable changes in the aforementioned domains. Politically, the ruling circles took steps towards democratisation and became more receptive, at least in principle, to the socioeconomic and political demands of the masses. Economically, the political actors decided to leave aside the Kemalist inward-looking, pro-industrial national development project and they replaced it with a more liberal market-based development strategy. Socially, increasing levels of rural-to-urban migration gradually led to the emergence of a modern working class. All these changes, which took place almost simultaneously, brought politics and policy makers closer to the people, introduced greater dynamism and growth to the economy and prompted a shift in the ways people earned their livings. As a result of all these developments, re-institutionalisation of industrial relations came out as a vital issue to be reconsidered and hence, the multi-party period marked the beginning of a new era in industrial relations.

This chapter deals with the changes that occurred in the roles and positions of the state, capital and labour in politico-economic domain, generally and in industrial relations, in particular, through analysis of the way the political economy of industrial relations was institutionalised in the multi-party period. Section 5.2 examines the political economy of industrial relations in detail, by scrutinising the key actors, namely, the state, capital and labour and probing the specific political, economic and social conditions under which they were transformed. Following this, the section investigates the interests of these actors and their interactions during the focal period. Section 5.3 concludes the chapter with discussion on how the actors, interests and ideas of the multi-party period impacted upon the industrial relations landscape.
5.2 The Political Economy of Insecurity in Industrial Relations

The multi-party period witnessed changes in power, politics and ideology together with a rising political awareness amongst the masses. Faced with a broad diversity of opinions and interests, the political actors were therefore challenged to function within a more complex environment than previously. Understanding the political economy of industrial relations pursued in the multi-party period in this respect requires a thorough investigation of the actors, their interests and the actual process of institutionalisation of industrial relations all of which are investigated in the subsections that follow.

5.2.1 Actors

The multi-party period saw the emergence of labour as a separate socioeconomic actor and escalation of capital’s politico-economic power. Consequently, the actors of industrial relations in the era voiced their interests and engaged in interaction with each other in an atmosphere of political, social and economic dynamism, which was remarkably different when compared to the mono-party period. The subsections that follow consider the actors of industrial relations, separately, placing them in a wider politico-economic and socio-historical context, with the aim of forming a sound understanding of the nature of their interests and interactions in the process of institutionalisation of insecurity in post-war industrial relations.

5.2.1.1 State

The multi-party period was marked with a profound change in the distribution of power across the political élites and in their visions of politics and ideology regarding the trajectories of the country’s modernisation process (Karpat, 1966; Avcioglu, 1968; Ahmad, 1977; Erogul, 1987; Timur, 1991). This remarkable transformation was instigated by some domestic factors and was made historically inevitable as a result of the emergence of a number of major factors related to the external affairs. Domestically, in the first place it was the CHP’s loss of its alleged reputation of being a party representative of all interests in the community together with the growing political resentment of almost all strata of Turkish society against the its rule a single party, which necessitated an urgent response to
emerging social groups’ demands for a more politically inclusive society (Lewis, 1951; Karpat, 1966; Erogul, 1990; Timur, 1991; Makal, 2002). To add to this, democratic political order was an integral part of the republican philosophy of westernisation that had laid the foundations of the Kemalist nation making project and in the minds of Kemalist political actors it needed to be set in motion when the time was deemed appropriate (Ellis, 1948; Karpat, 1966; Erogul, 1987; Saribay, 1991; Ahmad, 1993).

Turkey’s mono-party regime was also challenged by some external circumstances. Amongst these, destruction of the authoritarian mono-party regimes in Italy and Germany stood out as an important international factor, for it appears that these events seriously challenged the legitimacy of single-party regimes in the eyes of Kemalist political actors and lent support to the democratic ideals of the Kemalist revolution (see e.g. Karpat, 1966; Ahmad, 1977; Erogul, 1990; Timur, 1991; Kongar, 1998). However, perhaps the most propelling factor for Turkey’s transition to a multi-party system was the USSR’s aggressive attitudes towards the nation following its emergence as the superpower in the region after the war. Indeed, the Soviet Russia right after the conclusion of the Second World War abandoned its friendship policy with Turkey and started to threaten its sovereignty by demanding bases in the Bosphorus and territories in Eastern Turkey. In response to this, the political leaders of Turkey found it necessary to abandon their policy of neutrality and turn the country to face the democratic-capitalist western world in order to seek a secure a place within it (Karpat, 1966; Avcioglu, 1968; Ahmad, 1977; Hale, 1981; Erogul, 1987; Hale, 2000).

It was mainly against this background of events that President Ismet Inonu granted permission for the establishment of opposing political parties in 1945 (Timur, 1991; Ahmad, 1993) and following this, fifteen opposing parties mushroomed within just a few months. Yet, as Saribay (1991) noted, it was the establishment of the Democrat Party (DP) – Demokrat Parti – in January 1946, its leadership structure and the way it set its face against the CHP hegemony over the country’s politics that epitomised Turkey’s transition to a multiparty system. Indeed, for one thing, the DP was established directly by the socioeconomic elites.
that had broken away from the CHP\textsuperscript{50}, who represented the interests of the commercial bourgeoisie and large landowners in the Turkish Parliament and it set its sights, from the very beginning, on voicing and safeguarding capital owners’ interests (Lewis, 1951; Avcioglu, 1968; Lewis, 1968; Yerasimos, 1976; Cavdar, 1985; Erogul, 1990; Timur, 1991). In addition, regardless of what the DP’s raison d’être was, its establishment appeared to evoke considerable public sympathy. Behind this public positive interest, laid the CHP’s loss of reputation amongst vast numbers of the populace (see Karpat, 1966; Yerasimos, 1976; Erogul, 1990; Timur, 1991) and the DP leaders’ successful exploitation of the notion of democracy against the former (see Erogul, 1990; Timur, 1991). Accordingly, the DP leaders, despite having espoused the advocacy of commercial and landed interests, came to be able to mobilise the support of a large majority of the Turkish population against the supremacy of the single party mentality and in a short time their cause gained the support of: the press, business circles and the intelligentsia as well as broad segments of the population, such as poor peasants, the working class and civil servants, even the socialists (see Lewis, 1951; Avcioglu, 1968; Harris, 1970; Erogul, 1990; Timur, 1991; Kongar, 1998; Sunar and Sayari, 2004; Yildirmaz, 2008).

The DP, after remaining for about four years in opposition following its entry into the Grand Assembly after the 1946 elections, came to power by winning 408 of the 487 seats in the general election that took place in May 1950 (Erogul, 1990; Timur, 1991). Throughout the decade following its victory in the elections it became the main source of political power in Turkey’s political life, with Adnan Menderes as prime minister and Celal Bayar as the president (see Karpat, 1966; Lewis, 1968; Ahmad, 1977; Cavdar, 1985; Erogul, 1990; Timur, 1991). The CHP’s handing over of power to the DP marked the shift of political power from military-bureaucratic élites to socioeconomic élites and according to a general consensus amongst authors gave the interests of national bourgeoisie even further precedence in the policy making process (see Yerasimos, 1976; Ahmad, 1977;

\textsuperscript{50} The four ex-CHP deputies who turned out to be the core cadre of the DP were: Celal Bayar, banker, economist and a fierce defender of the Kemalist revolution and the last prime minister of Ataturk; Fuat Koprulu, professor of history and a distinguished personality in Turkey’s intellectual circles, Adnan Menderes, a lawyer and a large landowner and Refik Koraltan a lawyer and an experienced CHP deputy (Lewis, 1951; Erogul, 1990; Ahmad, 1993).
Keyder, 1979; Cavdar, 1985; Erogul, 1990; Sunar, 2004a). Nevertheless, despite this shift of power, the new political leaders’ approach to politics and democracy displayed somewhat similar characteristics to those displayed in the mono-party period. The share of power, nature of politics and aspects of political ideology in the period are the subjects of the section that follows.

5.2.1.1 Power, the Political Atmosphere and Ideology in the Era

The multi-party period that lasted from 1946 to 1960 possessed five key characteristics in terms of the share of political power, political atmosphere and ideology. The first significant feature was the institutionalisation of political competition, mainly between two parties, the CHP and the DP, and their maintenance of a single party mentality once they ascended to power as opposed to their fierce defence of democratic rights and freedoms when in opposition (see Sunar and Sayari, 2004). This situation started with the DP’s entry into the Grand Assembly as the major oppositional party in 1946 and followed almost exactly the same course throughout the period (see Karpat, 1966; Lewis, 1968; Ahmad, 1977; Erogul, 1990; Timur, 1991).

The second notable feature of the multi-party period was the political actors’ replacement of Ataturk’s economic modernisation project that put equal emphasis on national industry and the national bourgeoisie, with liberal development strategies, the accent of which was placed on: foreign capital acquisition, private initiatives and agricultural capitalism (Karpat, 1966; Avcioglu, 1968; Yerasimos, 1976; Ahmad, 1977; Erogul, 1990). This new policy of development, which is investigated further below, according to scholars, forged a strong consensus between the political leaders of the multi-party period, promoted the interests of the bourgeoisie even more specifically and as Avcioglu (1968) pointed out, made the two competing parties the advocates of large landlords and the commercial bourgeoisie (also see Yerasimos, 1976; Ahmad, 1977; Timur, 1991).

Concomitant to this marked shift in Turkey’s economic development policies and in the words of Ahmad (1977: 389) as a “logical step arising out of domestic policy”, comes the third key feature of the period, that is, the political actors’ consensus on a pro-Western foreign policy and their concerted attempts towards
seeking a secure place in the Western bloc, with the primary aim of safeguarding the country’s territorial integrity and national sovereignty (see Karpat, 1966; Avcioglu, 1968; Hale, 2000). To this end, both the CHP and the DP governments somewhat desperately sought a closer relationship with the leader of the Western block, the United States, and in doing so they did not hesitate to draw back from Atatürk’s philosophy of total independence in the country’s foreign policy (see Hale, 1976; Erogul, 1987).

The fourth distinctive feature of use of the politics and power in the multi-party period was the political actors’ general agreement on the exclusion of left-wing viewpoints from the political arena and in words of Erogul (1987: 104) their “confinement of ‘democracy’ solely to the right wing of the political spectrum”. As a natural result of this, the DP and the CHP, when in opposition, rather than including defence of the continuity of left-wing activities into their demands of democracy and freedom, bestowed endless political support upon the ruling party’s anti-leftist activities\(^{51}\) (Ahmad, 1977; Erogul, 1987, 1990; Timur, 1991).

The final salient feature of the period regarding the political arena was the discernible reorientation of the populist and statist principles of the Kemalism\(^{52}\). Regarding statism, both of the parties seemed to have found it more appropriate to re-interpret it to the changing needs of the time and this alteration brought with it a more pro-business approach to this principle aimed at turning it into a beneficial tool for the expansion of private sector (see Karpat, 1966; Avcioglu, 1968; Ahmad, 1977; Timur, 1991; Boratav, 2009). When its come to populism, as is further discussed in the subsection on the interests, both of the parties, despite having rejected sharp class divisions, began to accept, especially when in

---

\(^{51}\) Therefore, the multi-party period witnessed, amongst other things, the closure of socialist parties and trade unions, detention of many leftist intellectuals and political leaders, dismissal of some prominent leftist academics from their posts in universities, tightening of anti-communist legislation and the burning of books that were deemed to promote communism. All of these, as historical evidence reveals, happened under the watchful eyes and mutual consent of those in power and the main opposition (for details see e.g. Avcioglu, 1968; Ahmad, 1977; Erogul, 1990; Timur, 1991).

\(^{52}\) It should be noted that it was not only the populist and statist principles of the Kemalism that underwent a shift in their orientations. However, the changes that came into place in relation to other pillars of the Kemalist ideology are outside the scope of this study. For a detailed account of the changes to the principles of Kemalism see Karpat (1966).
opposition and/or in theory the right to strike and collective bargaining as labour’s vital power resources in a democratic society (Karpat, 1966; Sunar, 2004b).

In sum, the transition to multi-party politics, although marking a new era in Turkey’s political life, remained short of bringing democratic values, progressive attitudes and competing political and economic philosophies to the realm of politics. Indeed, throughout the period, regardless of existence of political competition, a single party siege mentality, which was authoritarian in terms of political function and narrow-minded towards oppositional movements prevailed. All these aspects of power, politics and ideology set the stage for the behaviour of the key actors and (re)construction of labour-capital relations during this era. However, before scrutinising these, it is important to have a brief look at the political economy of development, which is the subject of the following subsection.

5.2.1.1.2 Political Economy of Economic Development

Turkey’s transition to multi-party politics represented a turning point, not only for the country’s political life, but also for its development strategies. This transformation in the political economy of development came in the form of economic liberalisation that put the accent on foreign assistance, specialisation in agriculture, agricultural reform\(^{53}\) and private sector-led industrial development (see Kepenek and Yenturk, 1995; Kazgan, 2006; Unay, 2006; Boratav, 2009) and started as early as 1947 when the power still resided in the hands of the CHP (Karpat, 1966; Avcioglu, 1968; Timur, 1991; Kazgan, 2006; Boratav, 2009).

---

\(^{53}\) This was achieved in line with the proposals of the Marshall Plan, which envisaged Turkey’s transformation into a reservoir of food and raw materials for the war-ravaged European countries’ recovery (see Avcioglu, 1968; Kepenek and Yenturk, 1995; Aydin, 2005; Kazgan, 2006). In this regard, starting from the early years of the multi-party period, the CHP initiated a rapid process of agricultural reform backed by American aid and credits. In this regard the CHP started to import tractors and to grant credits to farmers and assigned a high priority to highway construction and inaugurated a far-reaching road building program in the country (for various versions of the narrative see Karpat, 1966; Avcioglu, 1968; Timur, 1991; Kepenek and Yenturk, 1995; Kazgan, 2006; Unay, 2006).
Table 7: Shares of GNP by the main sectors 1948-1960 (TL millions with 1968 prices)

<table>
<thead>
<tr>
<th>Years</th>
<th>GNP</th>
<th>Agricultural sector</th>
<th>Industrial sector</th>
<th>Services sector</th>
<th>Agriculture as % of GNP</th>
<th>Industry as % of GNP</th>
<th>Services sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1948</td>
<td>37,065</td>
<td>16,437</td>
<td>4,753</td>
<td>15,875</td>
<td>44.3</td>
<td>12.8</td>
<td>42.8</td>
</tr>
<tr>
<td>1950</td>
<td>38,506</td>
<td>15,761</td>
<td>5,054</td>
<td>17,691</td>
<td>40.9</td>
<td>13.1</td>
<td>45.9</td>
</tr>
<tr>
<td>1955</td>
<td>56,642</td>
<td>21,235</td>
<td>8,333</td>
<td>27,074</td>
<td>37.5</td>
<td>14.7</td>
<td>47.8</td>
</tr>
<tr>
<td>1960</td>
<td>70,869</td>
<td>26,591</td>
<td>11,100</td>
<td>33,178</td>
<td>37.5</td>
<td>15.7</td>
<td>46.8</td>
</tr>
</tbody>
</table>

Source: TUIK, 2010: 647, 682.

The Democrats, when they assumed power in 1950, basically followed the steps of the Republicans by resuming the politico-economic transformation of the country in the direction of agricultural specialisation and private sector participation. As a result, they maintained the agricultural reform that was already initiated by the CHP\(^{54}\) (Karpat, 1966; Avcioglu, 1968; Yerasimos, 1976) and like their predecessors directed all available resources at the promotion of private initiatives and attraction of foreign investment. Despite the DP displaying concerted efforts towards the development of private enterprise through investment, it also pioneered state-led industrialisation in the country (Keyder, 1979; Pamuk, 1981; Kepenek and Yenturk, 1995; Aydin, 2005; Kazgan, 2006; Unay, 2006; Boratav, 2009). Subsequently, especially starting from the second quinquennium of the 1950s, the state sector grew parallel to private sector\(^{55}\) and a considerable proportion of new investments was undertaken by the state in the domain of industry (see Yerasimos, 1976; Hale, 1981; Kepenek and Yenturk, 1995; Kazgan, 2006; Boratav, 2009).

\(^{54}\) The DP, therefore, imported tractors and other agricultural machinery on a large scale, provided cheap credit to farmers, abolished agricultural taxation, subsidized agricultural prices above world market levels, distributed land to farmers and undertook an extensive road building programme to integrate the villages with the trade centres (for a wider account of DP’s agricultural policy and practices see e.g. DPT, 1963; Simpson, 1965; Karpat, 1966; Avcioglu, 1968; Yerasimos, 1976; Keyder, 1979; Hale, 1981; Eroğul, 1990; Bayar, 1996)

\(^{55}\) It should be noted that during the period the DP also contributed to the development of the private sector’s industrial activities through, for example, establishing partnerships between state and private sector, providing private sector with cheap intermediary goods and maintaining and expanding physical infrastructural investments (for similar explanations see Sunar, 1983; Hershlag, 1988; Kepenek and Yenturk, 1995; Aydin, 2005; Kazgan, 2006; Boratav, 2009).
Table 8: Number of manufacturing establishments employing 10 or more people and the number of employees employed in these establishments

<table>
<thead>
<tr>
<th>Year</th>
<th>State</th>
<th>Private</th>
<th>Total</th>
<th>State</th>
<th>Private</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>1950</td>
<td>103</td>
<td>47</td>
<td>2,515</td>
<td>53</td>
<td>2,618</td>
<td>50</td>
</tr>
<tr>
<td>1951</td>
<td>111</td>
<td>47</td>
<td>2,636</td>
<td>53</td>
<td>2,747</td>
<td>51</td>
</tr>
<tr>
<td>1952</td>
<td>115</td>
<td>45</td>
<td>2,911</td>
<td>55</td>
<td>3,026</td>
<td>54</td>
</tr>
<tr>
<td>1953</td>
<td>149</td>
<td>41</td>
<td>3,355</td>
<td>59</td>
<td>3,504</td>
<td>56</td>
</tr>
<tr>
<td>1954</td>
<td>146</td>
<td>38</td>
<td>3,704</td>
<td>62</td>
<td>3,850</td>
<td>59</td>
</tr>
<tr>
<td>1955</td>
<td>156</td>
<td>40</td>
<td>4,106</td>
<td>60</td>
<td>4,262</td>
<td>59</td>
</tr>
<tr>
<td>1956</td>
<td>167</td>
<td>43</td>
<td>4,443</td>
<td>57</td>
<td>4,610</td>
<td>56</td>
</tr>
<tr>
<td>1957</td>
<td>183</td>
<td>42</td>
<td>4,449</td>
<td>58</td>
<td>4,632</td>
<td>56</td>
</tr>
<tr>
<td>1958</td>
<td>195</td>
<td>41</td>
<td>4,926</td>
<td>60</td>
<td>5,121</td>
<td>59</td>
</tr>
<tr>
<td>1959</td>
<td>214</td>
<td>41</td>
<td>5,205</td>
<td>59</td>
<td>5,419</td>
<td>58</td>
</tr>
<tr>
<td>1960</td>
<td>219</td>
<td>43</td>
<td>5,284</td>
<td>57</td>
<td>5,503</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td>127,988</td>
<td>43</td>
<td>168,001</td>
<td>57</td>
<td>295,989</td>
<td></td>
</tr>
</tbody>
</table>


As a result of the post-war period’s political economy of development, agriculture’s share in the GNP significantly exceeded that of industrial sector (see Table 7). This period, as illustrated in Table 7, also witnessed a steady growth in industrial production, the value of which almost tripled from 1948 to 1960. However, despite this respectable growth achieved in industrial production, its share in the country’s GNP still remained far below that of the agricultural sector given that the period saw a considerable growth both in the GNP and agricultural production. When it comes to the structure of industrial sector, it appears that political actors’ efforts towards private sector participation in industry gave its fruits, for as displayed by the Table 8, the number of manufacturing establishments in the private sector employing 10 or more employees showed more than a twofold increase in the period. Table 8, however, also indicates that the number of state-owned industrial establishments demonstrated a remarkable increase in the period, growing from 103 in 1950 to 219 in 1960. Subsequently, as also evidenced by Table 8, the state employed more than 40 per cent of the workers in manufacturing sector throughout nearly all of the focal period.

Against this background of the political economy of development and its outcomes, it should come as no surprise that the period witnessed a renewed interest amongst political actors towards re-regulation of labour-capital relations.
The state’s role as a rule maker in the domain of industrial relations is examined in the subsection that follows.

5.2.1.1.3 The State as a Rule Maker in Industrial Relations

The CHP and the DP throughout the period with the aim of drawing out a political economy of industrial relations in line with their strategy of economic development and therefore with their interests, utilised the state’s legislative power to shape the regulatory framework of industrial relations. The first step that these political actors took to re-institutionalise industrial relations was lifting of the ban on the establishment of associations on class-based interests in 1946\textsuperscript{56}, which had been brought in with the Law on Associations in 1938\textsuperscript{57} (see Karpat, 1966; Bianchi, 1984; Ahmad, 1993: 223; Celik, 2010b). This action, which provided Turkish labour with the freedom to establish and join trade unions was followed by the lawmakers’ enactment of the Trade Unions Act no. 5018 – \textit{The Law on Employees and Employers’ Organisations and Associations of Trade Unions}\textsuperscript{58} – in 1947.

The Trade Unions Act defined the trade unions as associations established for the purpose of mutual assistance as well as for the protection and representation of employees and employers’ common interests (Article 1). It stipulated that only employees and employers, definition of whom was given in labour law, could become members of trade unions employers’ associations (Article 2). Moreover, the law made union membership voluntary (Article 9) and permitted more than one membership for those workers who engaged in different types of work (Article 3). Further, the law allowed trade unions and employers’ organisations to engage in a range of activities, such as: entering into collective agreements that were binding for their members; presenting opinions on labour disputes to the arbitration board and to other authorities along with sending representatives to the


\textsuperscript{57} See the previous chapter for the introduction of this law.

commissions established in accordance with various acts (Article 4). However, the law banned all trade unions and employers’ organisations from engaging in politics, political propaganda and publications of a political nature. It also prohibited them to act as an instrument for the activities of political organisations (Article 5). The law, what is more, banned trade unions from performing any activities which were against national interests (Article 5). In addition, the statute stated that trade unions and employers’ organisations could belong to any kind of international organisations, but this action was subject to the consent of the Council of Ministers (Article 5). Moreover, the law maintained the illegal status of strike action and lockout practices that was already set forth by the Labour Law enacted in 1936 and stipulated up to one year of closure for those unions supporting such actions (Article 7). In addition to the Trade Unions Law, the CHP made an amendment\(^{59}\) to the Labour Law in January 1950 that provided unions with right to initiate collective disputes (see Tuna, 1966).

In addition to enacting the Trade Unions Act which has been widely considered as restrictive and repressive in Turkey’s industrial relations literature (Rosen, 1962, Dereli, 1968, Tuna, 1969, Dereli, 1974 Gulmez, 1995, Makal, 2002), the CHP took further coercive measures in order to maintain its control over trade unions. To achieve so, throughout their five years in office in the post-war era, the leaders amended articles 141-142 in the penal code\(^{60}\) twice and as well as widening their scope to cover more associational actions that were allegedly dangerous to the economic, social and political order of the country, they increased the sentences of penal servitude for some associational activities, which also covered those of trade unions as well\(^{61}\).


\(^{60}\)See the chapter on the mono-party period for the introduction and provisions of these acts.

In its ten years of tenure in office, the DP also took some steps for the re-institutionalisation of industrial relations. One of these came with an amendment made to the Labour Law in 1954, which led to the inclusion of representatives of labour and capital on arbitration boards (Tuna, 1966; Makal, 2002). Another measure came with a further amendment to the labour law made in 1959, with the aim of harmonisation of the provisions of the Turkish labour code with the ILO Convention No. 98 – *Right to Organize and Collective Bargaining, dated 1949* – that was ratified by Turkey in 1951. This having been passed, as the parliamentary proceedings reveal, so as to meet the demands of the ILO before the 1959 International Labour Conference (TBMM, 1959a) took place. This amendment stipulated protection for workers and their representatives when they were dismissed or were harmed by reason of union membership or because of participation in union activities. It also barred workers and employers from acts of interference in each others’ associations, as well as providing protection for workers and employers against acts which obliged them to join a union or relinquish union membership.

Despite these positive steps, the DP throughout its time in office also took some coercive measures, which increased its control over the way workers utilised their collective rights. For example, it amended the notorious articles 141 and 142 in the Turkish penal code in 1951 and while having introduced even heavier sentences for so-called dangerous associational activities, at the same time instituted death penalty for those in charge of those associations. What is more,

---


63 This issue was brought forward to the Grand Assembly with the then acting minister of Labour Haluk Saman’s resolution asking the members of the Turkish Parliament to discuss urgently amendments in order to make it ready for the International Labour Conference, which was to meet on the 3rd of June 1959 (TBMM, 1959: 259).


the party enacted a law on meetings and demonstrations in 1956⁶⁶ – Toplantılar ve Gösteri Yürüyüşleri Hakkında Kanun –, which subjected all meetings and demonstrations to the permission of the civilian authorities, obliged organisers of meetings and demonstrations to submit a written statement to the authorities reporting place and time of the activity and which authorised police to disperse unauthorised meetings and demonstrations with firearms when necessary.

The regulatory framework of industrial relations set by the ruling parties, in sum, laid out the ground rules for the way industrial relations were to be institutionalised in the period, exerted a profound effect on the way actors’ voiced their interests and drew strict lines for actors’ mobilisation of their power resources. In so doing, the laws laid down in the period provided the political actors with some necessary tools to shape the political economy of industrial relations in the period, details of which are further discussed below. However before this, the state of private industry and employers as collective entities will be overviewed which makes the subject matter of the subsection that follows.

5.2.1.2 Capital

The political economy pursued in the multi-party period resulted in the emergence of a strong industrialist capitalist class, whose politico-economic interests were deeply embedded in the maintenance and strengthening of the capitalist economic order in the country. What is more, capital owners gained even further strength throughout the time the DP held office. (see e.g. Avcioglu, 1968; Yerasimos, 1976; Ahmad, 1977; Pamuk, 1981; Cavdar, 1985; Keyder, 1987; Erogul, 1990; Timur, 1991). In saying this, however, the difference of multi-party politics from that of the previous period should be made clear, for as stated above, on several occasions the advancement of capitalism and materialisation of capital owners’ interests were already entrenched in the development agenda of political actors right from the establishment of the Republic of Turkey. The major alteration in the development strategies of multi-party period, in this regard, could be said to have appeared in the way ruling circles approached the country’s ever-present

problem of formation and empowerment of the capitalist class. As Avcioglu aptly put it (1968: 328 brackets added):

“while in the early years of the republican period the aim was the creation of a national capitalist class, [in the years of the multi-party period] this turned out to be the nurturing of a capitalist class whose interests were linked to big foreign companies and foreign countries”.

Having provided this brief background, the rest of this subsection will analyse particularities of the industrial development and of the industrial bourgeoisie during the multi-party period. Five distinctive characteristics could be attributed to the aforementioned in the multi-party period. First, although both the state and private sector invested in industry and grew alongside each other throughout the period, private sector focused its investments largely on consumer goods (Aydin, 2005; Kazgan, 2006), whereas the state concentrated most of its efforts on areas requiring large capital investment, such as: energy, sugar, cement, and coal (Boratav, 2009). Second a vast majority of private enterprises engaged in manufacturing activities was of small scale employing less than ten people. These small-scale production units, which made 98 per cent of the enterprises within the national manufacturing industry, employed 30 per cent of all industrial workers (DIE, 1968). However, dominance of small-scale manufacturing should never come to mean that there was no place for large-scale production, for as pointed out by other scholars (Bugra, 1994, Unay, 2006), and as can be concluded from the Table 10, the political and economic context of 1950s added many new establishments to the ranks of the large-scale industrial production (see Table 9 and Table 10).
Table 9: Large and small establishments in manufacturing

<table>
<thead>
<tr>
<th></th>
<th>number of establishments</th>
<th>Annual average of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>number</td>
<td>%</td>
</tr>
<tr>
<td>Large</td>
<td>3,012</td>
<td>1.9</td>
</tr>
<tr>
<td>Small</td>
<td>157,759</td>
<td>98.1</td>
</tr>
<tr>
<td>Total</td>
<td>160,771</td>
<td>100</td>
</tr>
</tbody>
</table>

Sources: For Table 9 DIE, 1968: XVII; for Table 10, TUIK, 2010, 249-251.

Table 10: Number of private and state-led large establishments

<table>
<thead>
<tr>
<th></th>
<th>number of establishments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>State</td>
</tr>
<tr>
<td>1950</td>
<td>103</td>
</tr>
<tr>
<td>1952</td>
<td>115</td>
</tr>
<tr>
<td>1954</td>
<td>146</td>
</tr>
<tr>
<td>1956</td>
<td>167</td>
</tr>
<tr>
<td>1958</td>
<td>195</td>
</tr>
<tr>
<td>1960</td>
<td>219</td>
</tr>
</tbody>
</table>

Third, foreign investment flows proved highly influential on private domestic initiatives (Avcioglu, 1968; Kazgan, 2006), which, in the words of Ahmad (1977: 132), “resulted in the dwarfing of local capitalism by the stronger and more developed partner” and paved the way for the “establishment of a relationship of dependence which continued to grow thereafter” (Ahmad, 1993: 120). Fourth, national capital owners who invested in industry, mostly preferred short term gains over future profits (Forum, 1960; Karpat, 1966; Avcioglu, 1968; Bugra, 1994; Kepenek and Yenturk, 1995), stood ready to compromise with foreign interests (Avcioglu, 1968, Erogul, 1990) and largely disregarded business ethics, such as their social responsibility to the wider society (Forum, 1960; Karpat, 1966; Bugra, 1994).

And last but not least, despite the ban on the formation of class-based association being lifted in 1946, industrial employers showed little interest in collective action during the period67. Accordingly, while, the number of employers’ associations remained very low (Lok, 1966; Esin, 1974) at the same time, most of those which were active, as reported by Lok (1966), engaged in activities irrelevant to industrial relations, such as supplying their members with inputs or materialising their commercial interests. Subsequently, despite the fact that the employers emerged as one powerful actor in the domain of industrial relations in the period, their organisations played a very minor, if any, role in the process of the institutionalisation of industrial relations. Different channels through which

67 For a detailed account of employers’ associations in the period see e.g. ILO, 1950; Gider, 1952; Lok, 1966; Esin, 1974.
employers voiced their interests and interacted with other actors are discussed further later in the study.

5.2.1.3 Labour

The socioeconomic structure of Turkish society, as discussed in previous chapter, remained mainly static throughout the mono-party period despite the number of waged workers displaying a constant increase in the industrialised areas of the country and despite the pervasive sense of insecurity that started to be felt by many industrial workers. Turkey’s transition to competitive electoral politics in this regard carries considerable implications on its industrial relations, because the social, economic and political transformations of the era which built on legacies of the previous period seemed to have laid a more solid basis for the gradual emergence of a modern working class. This section, therefore, by mostly drawing on historical accounts available in the scholarly literature, considers rural workers’ access to urban labour markets and labour’s emergence as a socioeconomic actor in industrial relations during the multi-party period.

Table 11: Sectoral distribution of employment in Turkey in the mono-party and multi-party periods

<table>
<thead>
<tr>
<th>Years</th>
<th>Agriculture</th>
<th>Industry*</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>1923</td>
<td>89.9</td>
<td>4.3</td>
<td>5.8</td>
</tr>
<tr>
<td>1925</td>
<td>89.3</td>
<td>5.0</td>
<td>5.7</td>
</tr>
<tr>
<td>1930</td>
<td>87.5</td>
<td>6.4</td>
<td>6.1</td>
</tr>
<tr>
<td>1935</td>
<td>87.9</td>
<td>6.4</td>
<td>5.7</td>
</tr>
<tr>
<td>1940</td>
<td>86.0</td>
<td>8.8</td>
<td>5.2</td>
</tr>
<tr>
<td>1945</td>
<td>85.4</td>
<td>8.9</td>
<td>5.7</td>
</tr>
<tr>
<td>1950</td>
<td>84.3</td>
<td>8.7</td>
<td>7.0</td>
</tr>
<tr>
<td>1955</td>
<td>77.2</td>
<td>11.4</td>
<td>11.4</td>
</tr>
<tr>
<td>1960</td>
<td>74.1</td>
<td>11.8</td>
<td>14.1</td>
</tr>
</tbody>
</table>

*Includes construction  
Source: Calculated from TUIK, 2010: 136.

5.2.1.3.1 Labour Migration and Urban Labour Markets in the Post-War Period

Even though the multi-party period marked a turning point in the history of the Turkish labour, its socioeconomic structure displayed hardly any difference from that of mono-party period until the early years of the 1950s. Indeed, from 1945 to up until this time the agricultural sector supplied more than 40 per cent of GNP (see Table 7), more than 80 per cent of the total labour force was engaged in
agricultural work (see Table 11) and around 75 per cent of population remained rural (see Table 12). To add to this, much the same as in the preceding period, throughout the post-war era the majority of peasant families had access to land (Kanbolat, 1963) and smallholding family farms dominated agricultural production (Celebican, 1970).

Despite the majority of the rural population remaining in the rural sector, as the economic opportunities expanded, in particular, in urban areas (see Ongor, 1965; Tumertekin, 1968; Keyder, 1987; Icduygu et al., 1998) and transportation facilities improved (see Robinson, 1958; Tumertekin, 1968; Keles, 1978; Keyder, 1987; Icduygu et al., 1998) outmigration to urban areas progressively turned into a more attractive option for some rural households. Accordingly, the 1950s witnessed a substantial shift from rural to industrialised urban areas (see Turkay, 1957; Tumertekin, 1968; Keles, 1970; Icduygu et al., 1998; Tekeli, 2007), which in turn guaranteed the much needed source of labour supply for the developing urban economy (see Kiray, 1972; Keles, 1978; Keyder, 1987; Kepenek and Yenturk, 1995; Icduygu et al., 1998; Makal, 2002; Tekeli, 2007). Despite the statistical data gathered in this period being pitifully inadequate, in particular, regarding the true structure of the labour markets (see Kepenek and Yenturk, 1995; Boratav, 2009), according to that which is available, the total number of waged-workers recorded a respectable increase in the period

### Table 12: Share of urban and rural population in the mono-party and multi-party periods

<table>
<thead>
<tr>
<th>Years</th>
<th>Urban Population</th>
<th>Urban Percentage</th>
<th>Rural Population</th>
<th>Rural Percentage</th>
<th>Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1927</td>
<td>3,305,879</td>
<td>24.22</td>
<td>10,342,391</td>
<td>75.78</td>
<td>13,648,270</td>
</tr>
<tr>
<td>1935</td>
<td>3,802,642</td>
<td>23.53</td>
<td>12,355,376</td>
<td>76.47</td>
<td>16,158,018</td>
</tr>
<tr>
<td>1940</td>
<td>4,346,249</td>
<td>24.39</td>
<td>13,474,701</td>
<td>75.61</td>
<td>17,820,950</td>
</tr>
<tr>
<td>1945</td>
<td>4,687,102</td>
<td>24.94</td>
<td>14,103,072</td>
<td>75.06</td>
<td>18,790,174</td>
</tr>
<tr>
<td>1950</td>
<td>5,244,337</td>
<td>25.04</td>
<td>15,702,851</td>
<td>74.96</td>
<td>20,947,188</td>
</tr>
<tr>
<td>1955</td>
<td>6,927,343</td>
<td>28.79</td>
<td>17,137,420</td>
<td>71.21</td>
<td>24,064,763</td>
</tr>
<tr>
<td>1960</td>
<td>8,859,731</td>
<td>31.92</td>
<td>18,895,089</td>
<td>68.08</td>
<td>27,754,820</td>
</tr>
</tbody>
</table>


The period also witnessed rural to rural migration. For a detailed account see AUSBF, 1954; Karpat, 1960; Kanbolat, 1963; Ekin, 1968; Tumertekin, 1968; Tekeli, 1978; Yildirimaz, 2009.

For a wider account of the socioeconomic transformation that paved the way for rural-to-urban migration see e.g. AUSBF, 1954; Helling and Helling, 1958; Hirsch and Hirsch, 1963; Kanbolat, 1963; Kiray and Hinderink, 1968; Tekeli, 1978; Icduygu et al., 1998; Yildirimaz, 2009; Gurel, 2011.
and grew from 1,624,303 in 1955 to 2,437,137 in 1960. In a similar manner, workers working within the scope of the labour law, that is to say, workers employed by enterprises with ten or more employees operating in services and industry, both in the private and public sectors, rose from 604,295 in 1955 and to 824,881 in 1960 (Makal, 2002). The total number of waged workers in the public sector also displayed a respectable increase, with a change from 254,496 in 1955 to 292,026 in 1960 that amounted to 14 per cent of growth. Table 13 below offers a summary of the changes in the labour markets in the multi-party period.

Table 13: Summary of the labour markets in the multi-party period

<table>
<thead>
<tr>
<th></th>
<th>Total number of waged workers</th>
<th>Workers working in public sector</th>
<th>Workers working in scope of labour law</th>
</tr>
</thead>
<tbody>
<tr>
<td>1955</td>
<td>1,624,303</td>
<td>254,496</td>
<td>604,295</td>
</tr>
<tr>
<td>1960</td>
<td>2,437,137</td>
<td>292,026</td>
<td>824,881</td>
</tr>
</tbody>
</table>


Nevertheless, the numbers given above should not mislead the audience, because behind these somewhat optimistic figures lay the realities of the urban labour market, which many labour migrants were often subject to. Indeed, as can be worked out from Table 13, despite the number of waged workers increasing by 812,834 in a five year period, workers working within the scope of the labour law only grew by 220,586. What is more, historical evidence reveals that those working in the industrial sector mostly encountered rather poor living and working conditions, with: wage rates lagging behind the cost of living, long working hours, very restricted organisational rights and very little attention paid to health and safety protection (for a general overview see ILO, 1950; Zaim, 1956; Makal, 2002; Ozturk, 2006). Even so, migrant workers holding industrial jobs in formal sector could still be considered fortunate, for according to the numbers in Table 14 below and according to the historical narratives provided by the scholarly literature, most of the new arrivals found jobs either in construction industry, which provided very little security, if any (see Karpat, 1976) or completely remained outside the modern sector and engaged in low-income, low-productivity and socioeconomically insecure activities related to the service sector, such as street vending, petty trade, and portage, which are commonly known as marginal jobs (see Kiray, 1972; Keyder, 1987; Makal, 2002; Boratav, 2009; Yildirmaz, 2009). The precarious position of the migrant workers’ in the
urban labour markets inevitably exerted a significant impact on their attitudes as socioeconomic actors in the domain of industrial relations, which is the subject of the subsection below.

Table 14: Sectoral distribution of the workforce in non-agricultural activities in the multi-party period

<table>
<thead>
<tr>
<th>Years</th>
<th>Manufacturing</th>
<th>Construction</th>
<th>Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945</td>
<td>490,000</td>
<td>121,000</td>
<td>441,000</td>
<td>655,000</td>
</tr>
<tr>
<td>1950</td>
<td>482,000</td>
<td>195,000</td>
<td>626,000</td>
<td>1,303,000</td>
</tr>
<tr>
<td>1955</td>
<td>667,000</td>
<td>407,000</td>
<td>1,205,000</td>
<td>2,279,000</td>
</tr>
<tr>
<td>1960</td>
<td>791,000</td>
<td>390,000</td>
<td>1,602,000</td>
<td>2,783,000</td>
</tr>
</tbody>
</table>


5.2.1.3.2 Labour as an Actor in Industrial Relations

According to scholars of Turkish labour history, for most of the period migrant workers in the same way as the peasant migrants of the previous period, remained as peasant-workers, retained their rural values and revealed a low level of working class consciousness (Saymen, 1948; Ekin, 1968; Makal, 2002). Therefore, subsequent post-war migration that brought thousands of migrant workers of rural origin into the urban sector was not conducive with proletarianisation that would lead to the establishment of a modern working class with its own ideologies and interests fundamentally set apart from those of capital (see Makal, 2002; Koc, 2003).

Three important factors serve to explain this situation. First, as already discussed above, many of these new urbanites had to remain outside the industrial sector, which as Kiray (1972) pointed out, prevented many migrant workers in the urban labour markets from developing a meaningful class identity as workers. Second, even those who could secure a job in the formal industrial sector, were new arrivals from rural areas with no or very little relation with the left-wing and pro-labour movements as well as lacking the skills and working experience that an ordinary urbanized industrial worker would be expected to have. They were, in fact, in words of the ILO (1950: 14), unable to

“easily be transformed into a factory worker possessing the outlook, the ambitions, the skill, the persistence and the
occupational conscience that should characterise industrial workers in a technological society.”

Third, those who sought jobs in the modern sector, according to Icduygu et al. (1998), competed with their cheap labour in the urban labour markets continuously against workers that were organised (also see Zaim, 1956). All these factors when taken together, resultantly, retarded labour’s proletarianisation process and thus exerted a profound negative influence on its emergence as an actor in the domain of industrial relations.

However, this should not come to be interpreted that workers did not show any interest towards their political position and socioeconomic conditions in labour market, for the multi-party period witnessed labour’s gradual discovery of its own power and its power resources and this period, as Kocak (2008: 91 brackets added) succinctly put it, “represents [both] a hopeful rupture from previous periods and the formation of early experiences for the rise of [working class movements] in the 1960’s”. In labour’s realisation of its own power, trade unions played a leading role by means of which workers exercised their legal rights and stepped up interactions with other actors (for a wider review see e.g. Rosen, 1962; Talas et al., 1965; Guzel, 1996; Mahirogullari, 2005; Celik, 2010b). Indeed, following the ban on the establishment of class-based associations being lifted in 1945, the workers started to organise around trade unions (see Figure 6), which firstly appeared in industrial centres and then spread across the country (Rosen, 1962; Bianchi, 1984; Makal, 2002; Celik, 2010b).70 Workers’ efforts to organise around the unions culminated in the establishment of a national confederation, the Confederation of Turkish Labour Unions, known as Turk-Is—Turkiye Isci Sendikalari Birligi- in 1952 and this marked the beginning of a new era for workers’ representation at the national level (Kutal, 1977; Makal, 2002; Celik, 2010b).

70 The initial trade union movements, as the historical resources reveal, gathered around the socialist parties following the rescinding of the ban. However these left-leaning labour movements proved to be rather short lived for their activities were suspended by the CHP, indefinitely, just six months after this action (see Karpat, 1966; Guzel, 1983; Ozturk, 2006, Celik, 2010b). However, trade unions flourished once more following the passage of the Trade Unions Law in 1947.
Labours’ organisation around trade unions although at the first sight appearing to be a forward step towards empowerment of labour as an actor, was not without its shortcomings. Indeed, for one thing the Trade Unions Law, by allowing the formation of two or more trade unions in one branch of activity, paved the way for the establishment of a large number of weak and rival unions (see Figure 6), each representing small amount of members (Talas, 1954; Bianchi, 1984; Akkaya, 2002; Makal, 2002; Celik, 2010b). Second, workers’ efforts directed towards gathering around unions, were constantly subjected to the guidance and supervision of the political powerbrokers, namely by the CHP and the DP (see below and Rosen, 1962; Isikli, 2005; Celik, 2010b). This situation paved the way for the establishment of some close and informal links between the trade unions and the CHP or the DP, which as aptly put by Isikli (2005: 488, brackets added) “divided [trade unions] into two groups in such a way that made them the instruments of activities of the political organisations”.

Third, the characteristics and socioeconomic backgrounds of union members and leaders stood as important obstacles to the development of meaningful working class awareness. Regarding members, many of them were either peasant-workers and considered their urban jobs temporary or were workers of the first generation
who had very little, if any, experience of industrial work and urban life. Accordingly, the majority of them were ill-educated, even illiterate and patriarchal values seemed to prevail in their attitudes towards work and the employment relationship. When it comes to the leaders of union movements, it appears that their characteristics and socioeconomic backgrounds resembled that of their members’ in many respects, for most of the trade unions leaders were also first generation workers, with low levels of education and their affiliation with the unions and labour movement was new (for a wider review see e.g. Rosen, 1962; Koc, 1999b, 1999a; Makal, 2002).

Fourth, trade unions’ financial positions remained weak throughout the period. The key reasons for this were the low rates of union dues, difficulties in collection of these fees and their prevention from engaging in any profit-yielding activities appear (see Rosen, 1962; Dereli, 1968; Isikli, 2005; Celik, 2010b). The financial difficulties that the unions faced, resultantly, on the one hand restricted the range of activities that they could undertake (Rosen, 1962) and on the other, rendered them more vulnerable to the political parties’ intervention, for the financial support given to them by the political parties constituted an important element in their revenues (Rosen, 1962; Talas et al., 1965; Isikli, 2005; Celik, 2010b).

Fifth, trade unions faced with many difficulties with regards to their recognition as representatives of the working class during the focal period. One aspect of this difficulty appears to have stemmed from workers’ worries about losing their jobs or being flagged up as ‘communist’, because of the trade union membership (see Koc, 1999b). Another aspect of this difficulty seems to have been related to the unions’ de facto recognition by the other actors, which was often not forthcoming (Koc, 2002; Kocak, 2008; Celik, 2010b). Indeed, for example according to Rosen (1962: 291) most trade unions were “excluded from any effective role, particularly in their dealings with private employers”. Similarly the Turk-Is, the association authorised to represent workers at the highest political level nationally, encountered a considerable recognition problem in the period, for as Bianchi (1984: 124) stated:

71 In this regard, for a wider perspective see Koc’s (1999a, 1999b) interviews with former trade unionists as they offer a rich account of backgrounds and experiences of workers and trade union leaders in the multi-party period.
“The national labour confederation, Turk-Is, was never able to establish itself as the recognized spokesman for the labour movement. Its leaders were told by several ministers of labour that the government had no need for ‘intermediate channels’ to address workers.”

The social, political and economic circumstances that labour was faced with as a group in the process of turning into a socioeconomic class, inevitably exerted a significant impact on the way workers formulated and voiced their interests and on the way they engaged in interactions with other actors. These are focus of the subsections that follow.

5.2.2 Interests

The interests of the actors of Turkish industrial relations during the multi-party period, as was the case with the previous era, mirrored their security related concerns in the spheres of work and production and formed the basis for the way industrial relations was institutionalised. This subsection scrutinises the interests of the political actors, the capital owners and labour in this period, respectively.

5.2.2.1 State

A thorough review of available literature suggests that the political actors of the multi-party period followed the steps of the ruling cadres of the mono-party period and devoted considerable attention to industrial relations. However, the interests they pursued in this area differed in important ways from those pursued by the Kemalist political actors in the previous period. The reasoning behind this change, in the first place, seems to be the political leaders’ decision to forge stronger ties with the Western world, one fundamental requirement of which turned out to be promotion of more political freedom for workers’ organisations (see e.g. Talas et al., 1965; Karpat, 1966; Tuna, 1969; Ekin, 1976; Makal, 2002). Attempts by the political actors to introduce freedom of association with the political impetus of securing Turkey’s place in capitalist bloc were expressly put into words in the speech of the then Minister of Labour Sadi Irmak during the parliamentary debate on the draft Trade Unions Act no 5018 held in February 1947, as he stated that (TBMM, 1947: 301 brackets and emphasis added):
“Dear colleagues, [in our day] establishment of trade unions comes to our agenda as one of the fundamental rights of the new society. These rights alongside being written into the constitutions of several countries [were incorporated] into the International Labour Organisation’s Constitution, which qualifies as an international constitution and also were affirmed in this Organisation’s meetings, which we attended. We agreed with all these decisions [that were made in these meetings][…] Accordingly, recognition of trade unions both accommodates with our national requirements, our understanding of law and with our international commitments”

However, the political actors’ changing interests in the domain of industrial relations cannot be solely attributed to Turkey’s desire to participate in the Western bloc, for domestic factors equally need to be considered. Therefore in the second place came the political actors’ increasing interest over protection of capitalist economy and empowerment of the national bourgeoisie as ends to themselves rather than as means to build a well-developed industrialised capitalist nation state (see e.g. Avcioglu, 1968; Ahmad, 1977; Erogul, 1990). Accordingly, it should come as no surprise that, “protection and perpetuation of capitalist industrialisation within the multi-party system” appeared as the overarching interest sought by the political actors throughout the period regarding industrial relations. The parliamentary proceedings of the period, when critically reviewed, reveal that the pursuit of this interest manifested itself in two distinctive discourses. First, the political actors’ commitment to the creation of a working class away from the ideologies of left-wing politics, especially from the ideals of proletarian internationalism, remained the same. Second, the way they justified state intervention in the domain of industrial relations drifted apart from the Kemalist rhetoric of perpetuation of national independence and maintenance of solidarity between different classes.

The CHP’s Minister of Labour Sadi İrmak’s address to parliament during the budgetary discussions in 1946 provides some subtle clues that the ruling circles
were maintaining their single-minded determination to keep labour away from Marxist influences, when he stated that (TBMM, 1946: 738 brackets added):

“Dear colleagues, we all know that industrialisation brings with it many social problems. Yet, these are not unbeatable obstacles. We can solve these problems if we benefit enough from the troubles experienced by the [nations of] the world and from the mentality of the Turkish regime. It is observed that wherever there is a group of working people, international [communist] agents try to influence them. These agents try to instil the working masses with proletarian feelings. Then they indoctrinate them with the idea of joining hands with all proletarians around the world. For this reason, we will pay the maximum attention in order to prevent the occurrence of proletarian feelings amongst our workers.”

Samet Agaoglu’s address to the parliament as a Minister of State and Vice Prime Minister in the DP’s term of office offers an additional insight into the continuity of ruling circles’ commitment to keeping the working masses away from left-wing ideals. In his speech, Samet Agaoglu justified the government’s decision regarding the prevention of a workers’ demonstration being held by a trade union in order to “protest against the unfair practices of employers” as follows (TBMM, 1952: 100, brackets added, triple dots without brackets were exported from original):

“Dear friends, now I am going to read you a few lines from the manifesto [written for the meeting]: “citizen worker, ... the employers who fired you without any reason by exploiting your labour”, “we cannot anymore condone those employers who insist on violating the rights given us by laws and who want to reap profits [...] by exploiting us”. Here it is dear friends, after having read these lines, we are rightly asking: Where are we going? Are we on the road to the class struggle? Are we going to meet in the public squares [and] start a fight between capital and labour?”
Although the political leaders of the multi-party period remained highly dedicated to channelling the Turkish labour movement away from Marxist or communist influences, which in a sense implied a continuity of the elite interests in industrial relations as pertained to the mono-party period, not every aspect of the previous period was carried forward. Indeed, the post-war period, regardless of which party was in power, saw the political actors’ construction of a new and distinct discourse regarding state intervention in the domain of industrial relations. That is, in this new rhetoric a tendency towards association of public interests with “development for capitalist growth” rather than “development as a means for the perpetuation of national independence” occurred amongst the political actors.

One speech by a CHP deputy, Hulusi Oral, delivered in a parliamentary meeting that was held to discuss the draft Trade Unions Act provides persuasive evidence that the political actors started to view the public interest as lying in the concerns over “development for capitalist growth”, rather than in the Kemalist concerns over the “development as a means for the perpetuation of national independence”. Indeed, regarding the “ban on strikes” in the draft Trade Unions Act, he stated that (TBMM, 1947: 315, brackets added):

“Is strike a right or coercion, an oppression to claim someone's rights? [...] This, directly from the viewpoint of public interest [...] as much as being against the [interests of] public economic enterprises, consistently damages the existing circumstances of individuals, of the capitalists whom we call employers (sic) [and] poses dangers up to such a degree that it undermines all their [capitalist’s] interests together with the public interest.

An excerpt from a speech of Mumtaz Tarhan, one of the DP’s Ministers of Labour also offered an intriguing example illustrating how the ruling circles of the period associated the notion of public interest with the “development for capitalist growth”. In his address to parliament on February 1956, Tarhan, after asking, “[w]hy did not we realise the right to strike until now” answered his question as follows (TBMM, 1956: 1128):
“First of all we do not have a developed industry to organise strikes. Our industry has been a baby in a bundle. We could not have killed this industry with a dispute resolution mechanism, with the most extreme dispute resolution mechanism of all, like strikes, while it was still in its bundle.”

The political actors’ interests regarding industrial relations seemed to have largely overlapped with those of the capital owners, whose political and economic power was in the ascendant as multi-party system progressed, with interests being the subject of the subsection that follows.

5.2.2.2 Capital

A careful overview of the scholarly literature reveals that capital emerged as an important and powerful actor in the politico-economic domain of the post-war period, with the goal perpetuation of a democratic-capitalist politico-economic order which would give prominence to their capitalist interests (see e.g. Karpat, 1966; Avcioglu, 1968; Yerasimos, 1976; Ahmad, 1977; Erogul, 1990). In this respect they, in the words of Esin (1974: 140), “shared the same prospects in the domain of the economy with those political parties capable of riding to power and they forged alliance with them”. Their attitudes could be exemplified through addressing two strong interests they championed in domain of industrial relations. The first interest that the capital owners continuously voiced has been diminishment of state intervention into economy as throughout the period they sought to gain their political and economic independence from the state. The inaugural speech delivered at the Turkey Economic Congress72 organised by the Association of Istanbul Traders in the early years of the multi-party period in this context offers a striking example of the independence claims of capital. In the speech, which centred its criticisms on statist economic policies, it was stated that (DPT, 1997: 5, emphasis added):

“Statism in countries like ours, which are in need of reconstruction of practically everything, should be a founding, a

---

72 For further information about the Congress see Karpat, 1966; Avcioglu, 1968; Esin, 1974; Kazgan, 2006.
breeding sort of statism just like as a mother breeding, raising up her child. [...] Nevertheless, with the statist system we have maintained so far, we wanted our children to be our subjects, to be our servants and to obey us. [...] We could never admit that our children became grown-ups [...] and even became superior to us. This period of tutelage should soon be brought to an end.”

This ‘period of tutelage’ for capital, indeed, was soon brought to an end, at least to a large extent, with the ruling elites’ adoption of a looser approach to statist economic policies (for further details see above and Karpat, 1966; Avcioğlu, 1968; Timur, 1991). Nevertheless, the employers’ struggle for freedom from the state’s tutelage appeared to be a goal that was articulated only to protect their own interests. Indeed, political tutelage, especially when the political actors’ single-minded determination of the maintenance of the ban on the right to strike came into question, seemed to have turned into a mere “practical necessity” that served the democratic capitalist politico-economic order of the country. Therefore, the second interest that the capital owners fiercely promoted has been the state’s intervention into industrial relations in favour of employers. The right to strike in this regard could be cited as one example illustrating how the employers, in general, deemed state tutelage essential when it came to labour-capital relations. Etem Izzet Benice, the owner of several newspapers and a printing house (TBMM, 2010: 334), newspaper columnist and an ex-deputy of the CHP, wrote in one of his newspapers that (Benice, 1949, cited by Sulker, 2004: 101, brackets and emphasis added):

“Turkey’s [decision to] settle labour-capital relations with an arbitration system and its attachment of [labour capital relations] to the assurance that was put under the responsibility of the state [sic] were appreciated even in the United States and became a subject of [their] investigation [sic]. For that reason, we do not anticipate the DP [...] to accept the right to strike. We believe that the patriotic Turkish workers are of the same opinion”.

159
Another capital owner, Habip Edip Torehan’s words, published in his own newspaper provides further intriguing insight into how the employers viewed the ban on strikes as a mere “practical necessity” serving the democratic capitalist politico-economic order of the country, as he stated that (Torehan, 1953 cited by Sulker, 2004: 113, brackets added):

“We cannot understand the purpose of [those who wish] for the right to strike to spread [in our country]. It is the most explicit right that employees [...] receive recompense for their work. It is possible to settle this in accordance with [wage] scales, with quality of service given and especially with skill levels. In such cases, it is always possible for employer and employee to come to terms with each other through negotiations.

Despite all these possibilities, if one insists on going on strike [...] then [...] this would form an opinion about existence of a destructive tendency [sic].

The republican and democratic children of the country of the Turks now live in a period of re-construction not destruction [of their country], which was ruined many times with the shocks it was exposed to for many hundred years. In this period, actions which are carried out with consideration and wisdom rather than with coercion will unfailingly yield positive results. This will be worked out not with leaving work through strike action, but with sticking to work and duty heart and soul.”

However, it seems that maintenance of the ban on strikes was not the only concern of employers in the period for an overview of available resources suggests that they also resisted any kind of pro-labour legislation to avoid lowering of their profits. This pattern of behaviour was implied in the words of Karpat (1966: 304) as a “lack of social responsibility on the part of the new entrepreneurial class” and was almost openly manifested at the 1951 Industrial
Congress with the report being approved by the participants. This report, which was prepared by the Association of Istanbul Traders—Istanbul Tuccar Dernegi—(Esin, 1974: 149), with regards to the so-called tax burden imposed on industry, amongst its other suggestions, emphasised that “the labour legislation which is of a particular concern to industry started to turn into a kind of tax with the obligations it imposes on industry” and asked the government (Kucukdemirkol, 2006: 58):

“to make the burdens such as insurance of occupational accidents, maternity, sickness, pensions, severance pay, each of which constitute the subject of different payments, more moderate and to seek a balance between their burden on the industrialists and possibilities and degrees of workers benefiting from them.”

The powerful position of capital owners in the domain of politics and economics and their strong alliance with the state seem to have exerted a significant impact on the ways labour defined and defended its interests in the period, which are scrutinised in the next subsection.

5.2.2.3 Labour

The development of interest representation on the part of labour displayed peculiar characteristics during most of the multi-party period. That is, Turkish labour, rather than having formulated and expressed this on its class-based concerns, was forced to shape them under the supervision and command of the political powers that be (Agrali, 1967; Sulker, 2004a, 2004b; Ozturk, 2006; Celik, 2010b). Accordingly, as is further contended below, labour as an actor remained, at least until the mid-1950s, unable to pursue independent initiatives pertaining to further rights for collective representation. The years following this, however, witnessed a growing dissatisfaction with the political actors and with their

---

73 Although the congress was held with the participation of all actors in economy, it is worth noting that labour was represented by only four members, while merchants and industrialists had more than 300 participants each in attendance. It is also interesting to see that great interest was shown in the congress on the part of the political actors, such as the prime minister, the president of the Turkish Parliament and many ministers and 38 deputies actually participated. For more information on the see Ekonomi ve Ticaret Bakanligi, 1951.
politico-economic agendas amongst labour and marked the beginning of its independent interest representation, manifested in its struggle to secure collective labour rights.

According to historical accounts, the interest representation of labour became a matter of political rivalry in post-war Turkey (see e.g. Agrali, 1967; Guzel, 1983; Ozturk, 1996; Sulker, 2004a, 2004b; Ozturk, 2006; Celik, 2010b), which paved the way for the establishment of close, but informal links, between the political parties and the trade unions. Thus, “[t]he result has been” as Rosen (1962: 259) clearly highlighted “a serious impairment of the unity and coherence of the unions, and division of individual unions as well as union organizations into partisan cliques.”

Despite having been divided between the parties, the interests of trade unions, however, whether they be political or economic, displayed remarkable similarities throughout the period. One striking similarity they shared in this respect was their political stance against communist ideals. To this end, trade unions, throughout the period organised public meetings to condemn this ideology and in these meetings unionists made vigorous statements to demonstrate that they had no interest in becoming involved in such activities74. For example, at a meeting organised to condemn communism in 1950, a leader of one of the participating trade unions stated (Milliyet, 1950: 7):

“We, the Turkish workers who have a long and clean history, feel the urge of placing national interests on top of everything [...] . There is no life to communists in these lands where thousands of martyrs lay underneath each border stones of it” [sic].

Likewise, in another meeting convened by some of the Istanbul based trade unions to condemn communism, as reported by a popular daily newspaper Milliyet (1953), speakers vehemently rounded on it by denoting that it was “an abominable regime which does not recognise rectitude, honour, dignity”.

---

74 For a more detailed analysis of trade union and unionists’ anti-communist stance see e.g. Mahirogullari, 2005; Celik, 2010a.
Moreover, during the meeting, which was attended by about 5,000 workers, it was also opined that (Milliyet, 1953 brackets added):

“We are Kemalists and are loyal to its principles and ideals. You dignified worker! [...] Neither right, nor left, the way we will walk is the true path. [...] Let us swear in front of the spiritual presence of Ataturk. Communism will be crushed everywhere it appears.”

Another striking similarity amongst trade unions, regardless of their political allegiance were the economic interests they pursued. Indeed, throughout the period, trade unions, regardless of the political orientation of the party they were controlled by, spent most of their time and resources representing the economic interests of their members, which were clustered around including’ but not limited to, higher wages, adoption of a minimum wage law, shorter working hours, better treatment at the workplace, a fairer arbitration mechanism, extension of the labour law provisions to a wider range of workers and improvement of social insurance facilities (see Talas, 1954; Talas et al., 1965; Guzel, 1996; Koc, 1999b, 1999a; Sulker, 2004a; Ozturk, 2006; Akin, 2009).

In spite of common perspective between the trade unions in the formulation of their interests, it seems that not all of these overlapped. Indeed, their views on the necessity and urgency of the right to strike differed considerably especially in the first half of the period. For example, in a meeting organised by the coal miners of Zonguldak on the 26 January 1950 in order to record their protest against the advocates of the right to strike (see Sulker, 2004b), one of the workers stated that (Isci Sendikasi, 1950: 1, cited by Celik, 2010: 157 brackets added):

“We do not want [the right to] strike. Because we do not believe that we can derive benefits from it. Because we are not so blind as not to see and not so ungrateful as not to appreciate everything that this state has done and is doing for us. [...] We do not want [the right to] strike. Because we believe and witness that our interests can be materialised without a strike, without doing any harm to our country and our nation.”
However, not long after this meeting, on the 1 February 1950, as reported by Sulker (2004b), seven trade unions based in Istanbul held a meeting with the participation of their presidents and representatives, where they decided to voice their opinions on the right to strike in a letter addressed to the Minister of Labour, the Speaker of the Turkish Grand National Assembly and to the presidents of the political parties. In the telegram prepared they stated that (Sulker, 2004b: 73):

“Except for Soviet Russia, which does not guarantee freedom of conscience and does not recognise any civil rights of its citizens, all civilised countries in the world recognise right to strike for their workers and have written it into the top of their constitutions. For this reason, there cannot be any intentional unfairness more than being reluctant to giving this right to us. [...] A strike, unlike some people’s interpretations that it is an outdated weapon, is a weapon for defence that preserves its power and capability, which will never go out of date”.

Nevertheless, the available literature reveals that especially beginning from the mid-1950s, there appeared a broad consensus amongst trade unions on the necessity of the right to strike (Rosen, 1962; Sulker, 2004b). For example, in a meeting held by the Association of Istanbul Trade Unions on the 31 January 1955 to discuss right to strike, the president of one labour organisation, Sureyya Birol enunciated that (Sulker, 2004b: 85, brackets added):

“We were against the right to strike during the years 1948-1949. [...] By not wanting the right to strike maybe we made a mistake maybe we acted right. We tried to serve the interests of labour even if just a bit. Today we are of the opinion that the right to strike is necessary.”

At the same meeting, trade unionist Celal Beyaz stated that (Sulker, 2004b: 85):

---

75 The Association of Istanbul Trade Unions, as reported by Barkin (1949a), was directly established with the CHP’s support. However, as stated by Celik (2010), during the DP’s term of office it also maintained good relations with the government.
“We want the right to strike, because the circumstances require this. [...] We want the right to strike in order [to prevent] exploitation of our labour.”

Again, in the same meeting, Nuri Beser, opined (Sulker, 2004b: 87):

“Let us forget the past and act in concert in order to ask for the recognition of the right to strike. We need to gain the right to strike against some egoist employers. Let us ask for recognition of the right to strike to use it when it is needed.”

Indeed, what the available material reveals is that, through to the end of the multi-party period, most trade unions and unionists, arrived at a clear consensus on the necessity and urgency of the right to strike. Nuri Beser’s speech as the president of the Confederation of Turkish Trade Unions (Turk-Is), in this regard is worth citing as his comments provide a quintessential example regarding the rising consensus amongst labour of the necessity of the right to strike. That is, at the annual congress of the Turk-Is he enunciated that (Milliyet, 1959: 1, 3):

“Denying recognition of the right to strike for Turkish workers means disbelieving its political maturity [...] A system of free collective bargaining cannot be established in our country without recognition of the right to strike.”

Labour’s revised politico-economic position vis-à-vis the employers and the state inevitably had repercussions regarding their subsequent interactions and these are the subject of the subsection that follows.

5.2.3 Interactions

The multi-party period witnessed, as has been already mentioned above, fierce competition between the CHP and the DP in order to win the support of trade unions and to take them under control (see e.g. Guzel, 1996; Makal, 2002; Sulker, 2004a; Isikli, 2005; Mahirogullari, 2005; Celik, 2010b). It appears that this competition was initiated by the CHP in the early years of the era (Guzel, 1996; Sulker, 2004a; Celik, 2010b) and was aimed at, according to an archival
document, “attracting votes from the workers” (Barkin, 1949: 1) and “protecting them from communist appeals” (CHP, 1948, cited by Barkin, 1949: 3). This political manoeuvre, which was carried out particularly to establish control over the trade unions representing the state sector workers (Koc, 1992; Guzel, 1996; Akkaya, 2002; Celik, 2010b), soon appealed to the DP leaders as well.

Consequently, an intense rivalry grew between the CHP and the DP, with aim of establishing informal networks with the trade unions representing state sector workers. By means of these arrangements they provided those organised labour and their leaders that favoured their side with the political and economic benefits they could not derive through the mobilisation of legal collective rights (Rosen, 1962; Bianchi, 1984; Guzel, 1996; Sulker, 2004a; Celik, 2010b; Makal, 2010). Amongst those practices employed in order to offer economic and political benefits to organised labour, the most common were the provision of financial assistance, nomination of trade union leaders as candidate deputies on party lists, promises for better working and living conditions if power was retained or when acquired, supporting trade union leaders who remained loyal to them, granting of privilege in application of rules, allocation of material rewards to the rank and file and the settlement of individual work-related problems (Talas et al., 1965; Guzel, 1996; Koc, 2000; Akkaya, 2002; Mahirogullari, 2005; Celik, 2010b).

In contrast to the close and cooperative relations developed between labour and the state, which laid the foundations for the establishment of harmonious interactions in state-led industrial establishments, those between labour and employers in the private sector grew somewhat strained. Indeed, private sector employers’ attitudes towards trade unions and collective actions differed from that of the political actors in that the former, unlike the latter, expected very little, if any, political benefit from their interactions with the workers. Therefore, they seem to have displayed very little hesitation to showing aggressive attitudes and in using discriminatory practices in their dealings with organised labour. Amongst these hostile actions the most common practices were: accusing workers who developed a degree of working class awareness of being communist sympathisers or anarchists; dismissal of unionised workers; discrimination against union members, formation of company unions and exertion of their influence on union
leaders (Ersoy, 1954; Talas et al., 1965; Koc, 1999b; Makal, 2002; Sulker, 2004a; Mahirogullari, 2005). At this point it should be noted that there exists anecdotal evidence that some employers maintained good relations with trade unions (Rosen, 1962) and put into practice various measures in order to provide their employees with better working conditions, at least to a degree (see Ersoy, 1954; Baydar and Dincer, 1999). Nevertheless, their significance seems to have born little weight when compared to prevailing attitude and punitive implementation of the aforementioned measures amongst the employers (Saymen, 1960; Rosen, 1962; Makal, 2002). Resultantly, as one observer noted during the focal period:

“The majority of the employers do not look favourably on the trade unions, exhibit outrageous behaviours against them, watch for an opportunity to damage them, even do not want unions to be established” (Saymen, 1960: 51 brackets added).

Employers’ attitudes – both in the state and private sectors – towards trade unions and collective actions, when combined with the shortcomings of trade unions in the period, appeared to impose some significant limitations on the workers’ interactions with other actors. Indeed, throughout this time, workers mostly remained within the confines of the legal and practical boundaries established by the political actors, and tended to materialise their interests through resources made available to them via both formal and informal channels. Amongst the formal channels resorted to were: the initiation of collective labour disputes

---

76 Newspapers, periodicals, academic studies, journals of unions and reports published in the period are imbued with the narratives of unjust practices of employers against organised workers. To name a few, for example, as reported by Talas et al. (1965), members of the Union of Workers of the Ayancik Metal and Wood Industries -Ayancik Maden ve Agac Sanayisi Iscileri Sendikasi- were subjected to oppression of their employers and were fired in groups of 40 to 60. In another incident, 22 workers working in the Tarsus Sadi Eliyesil Factory were laid off without any reason following their initiation of collective labour dispute in 1949 (Makal, 2002: 347). In a similar fashion, in 1959, at a textile factory, a foreman was dismissed after having been nominated as the workers’ representative in favour of the nominee supported by the employer (Makal, 2002: 346).
through the compulsory arbitration boards\textsuperscript{77} (Rosen, 1962; Dereli, 1968; Makal, 2002; Kocak, 2008), conclusion of collective agreements\textsuperscript{78} (Talas, 1976; Makal, 2002) relations with the American unions\textsuperscript{79} (Celik, 2010b, 2010a), publications (see Kocak, 2008; Akin, 2009) and fund-raising activities\textsuperscript{80} (Rosen, 1962; Akkaya, 2002).

The historical evidence also suggests that organised labour – especially those employed in state sector – widely utilised the informal channels made available to them in the period (see e.g. Talas et al., 1965; Guzel, 1996; Mahirogullari, 2005; Celik, 2010b). However, it appears that such interactions did not completely work in favour of the Turkish trade union movement, for while on the one hand, these interactions brought with them as Celik (2010b: 304) put it “moderate unionism”, whereby collaboration and informal networking constituted the basis of the employment relationship, on the other hand, they introduced the labour movement to the practice of the materialisation of their interests not through mobilisation of their traditional power resources, but through going into informal interactions with the political powers that be (see Rosen, 1962; Guzel, 1996; Celik, 2010b). That is, entering into interactions in this way, although at the outset assisted the trade unions in having their economic interests met, in fact, facilitated the parties’

\textsuperscript{77} By making use of this mechanism, according to Makal (2002), trade unions became able to exert more influence on working conditions. However, as Makal (2002) rightly pointed out, the majority of the members on arbitration boards were officials directly appointed by the state; the law restricted raising of disputes to only at the workplace level and trade unions were inexperienced with limited resources. Given all these factors, the influence of unions on the decisions of these boards was somewhat limited. However it is worth noting that, according to calculations of Makal (2002), out of 725 total arbitrations resolved between the years 1951 and 1958, 67 per cent were decided in favour of workers.

\textsuperscript{78} It should be noted that the number of collective bargaining agreements concluded in the period remains undocumented. However, some scholarly research reveals that a very insignificant number of collective agreements were concluded in the period and these were rather short-lived (see e.g. Talas, 1976; Makal, 2002).

\textsuperscript{79} According to Celik (2010a, 2010b), throughout the multi-party years, despite the fact that trade unions were put under strict control of the government with regards to their relations with foreign unions, Turkish union leaders established friendly relations with American unionists. In fact, these interactions were, according to him, were the result of Turkish union leaders recognising the need to address their “inexperience, isolation and weakness” (Celik, 2010a: 183). For an excellent review of these relations see Celik, 2010b.

\textsuperscript{80} In order to supplement their revenues, as the available sources reveal, some unions in the period organised lotteries, balls and concerts (Rosen, 1962; Akkaya, 2002; Celik, 2010a).
control over them and introduced what is commonly termed “tutelage unionism” in Turkey’s industrial relations literature\textsuperscript{81}. 

Yet, not all the interactions led by labour took place within the legal and practical framework of the industrial relations that was established by the more powerful actors. Indeed, the period also witnessed some antagonisms, conflicts and strains between the actors, which manifested themselves mostly in the form of work stoppages and illegal strikes. While the number of these collective actions remained low due to the imposition of heavy sanctions\textsuperscript{82}, the period still witnessed one demonstration organised by a trade union to protest against unemployment and the socioeconomic policies of the government in 1949 (see Guzel, 1996; Isikli, 2005) and at least 43 work stoppages and strikes, most of which were spontaneous and unorganised to protest at low wages, bad working conditions and unjust decisions of employers and administrators\textsuperscript{83} (see Makal, 2002).

\textsuperscript{81} The word tutelage and the phrase tutelage unionism has a wide use in Turkey’s industrial relations literature, see e.g. Koray, 1994; Makal, 2002; Mahirogullari, 2005; Koray and Celik, 2007; Celik, 2010.

\textsuperscript{82} Kemal Sulker (1983: 1844), witness of the period and a prominent labour activist, reported that sanctions for workers when they protested against bad working conditions, included not only losing their jobs, but also three years of imprisonment and following this three years of not being re-employed.

\textsuperscript{83} The numbers of such spontaneous and unorganised actions directed against unfair practices by the employers might be higher than what can be derived from the available resources, for according to Karpat (1966:319 brackets added), “[i]t [was] rather difficult to obtain reliable information on this subject because of a certain reticence on the part of the press, at that time, to give publicity to such “dangerous” events as workers’ strikes”. 

169
Subsequently, the policy and practices implemented when merged with the political actors’ and employers’ attitudes towards industrial relations produced at least three policy outcomes for organised labour in the period. First, they disproportionately distributed the power resources between the actors of industrial relations placing the labour to a highly disadvantaged position in defining and defending its interests. This while on the one hand reduced the labour’s chances to act as an independent socioeconomic actor on the other, increased other actors’ influence over formulation and management of labour’s organisational and representational activities. Second, the political economy implemented in the period generated income inequality amongst organised labour. This could be observed in the wage differences between public and private sector industrial establishments throughout the period (see Figure 7 above). Third the policies formulated and practices implemented steered the behaviours of workers in direction of social peace. This was achieved mainly by meeting the economic demands of workers in public sector and by maintaining the power imbalance between the actors in private sector. Interactions developed between labour, the employers, and the state became an important factor in the making of the political economy of industrial relations in the period and are discussed in the section that follows.
5.3 Discussion & Conclusion

The multi-party period represents Turkey’s first serious experiment with democratisation and a turning point for its political, economic and social development. Introduction of competition to political life offered the actors of industrial relations a more democratic environment for interest representation, whereby all the relevant actors would have their interests respected, at least on the paper. Economically, the political actors’ gradual abandonment of statist economic policies allowed for a push towards liberalisation of the economy, with a prominent role being assigned to private sector initiatives in the domain of industry. Socially, increasing levels of labour migration flowing into the urban labour markets triggered the gradual emergence of an industrial working class.

However, all these changes did not bring with them an instant shift in the distribution of power amongst the socioeconomic actors and the way industrial relations was institutionalised. Instead, throughout the period the state continued with its strong interventionist role in this area and the ruling parties made every effort ward off any possible deviance from the dominance of the, so-called, *superior national interests*. Capital, on the other hand, emerged as an important actor in the economic and political arenas, with its interests almost completely overlapping with those of the state in the realm of industrial relations. In an environment where two powerful actors shared similar interests, labour, despite its growing numbers, initially failed to establish an independent existence that was away from the constraints and pressures of the political parties. However, the second half of the 1950s witnessed the rise of labour as a socioeconomic actor, when it started to formulate its interests on class-based concerns and to voice them in a way that, hitherto, was not possible.

The legal and practical framework set by the political actors and employers regarding industrial relations together with the power positions of actors vis-à-vis each other in the political and economic domains, forged the patterns of interactions between them in the multi-party period. In the case of state sector, the interactions between labour and the state were mostly developed on grounds of reciprocity and harmony and this situation, not only provided the political actors adequate means to take control of the trade union movements in this sector, but
also helped them to broaden their constituency. This relationship also yielded benefit to the state sector workers, for it provided with favourable opportunities to materialise their interests via informal channels, thus rendering the utilisation of formal-legal channels as less of an imperative. However, although at the outset the interactions forged between the trade unions and the state benefited both parties, this situation subsequently facilitated the parties’ control over the trade unions and introduced “tutelage unionism” to the Turkey’s industrial relations through which trade unions were divided into partisan groups and their unity was damaged. In contrast to the interactions established on the basis of cooperation and reciprocity in the state sector, those developed in the private sector echoed the power imbalances between labour and capital and the former, as an actor, could barely mobilise its power resources in the face of the employers’ strong position in the politico-economic domain.

The interests pursued and the interactions developed between the actors of industrial relations, accordingly, shaped the political economy of industrial relations in the focal period. That is, this was built on the strong logic of perpetuation of the capitalist-democratic politico-economic order, and was facilitated by appropriate policies and practices, which while significantly limiting freedom of association and the right to collective bargaining, completely eliminated the right to strike. This resulted in the political economy pursued in the domain of industrial relations having three policy outcomes. In the first instance, it institutionalised the distribution of power between the actors highly in favour of the state and employers, thus putting labour in a very disadvantageous position regarding industrial relations. Second, it created income inequalities between the workers working in state and private sector in favour of the former. And third, it steered the behaviours of labour in the direction of the interests of the more powerful actors. Accordingly, throughout the period the trade unions’ activities remained exhibited virtually no left-wing tendencies and instead, they – especially those operating in state sector establishments – established good relationships with the state, rarely organised collective action or mobilised their power resources in order to materialise their interests.
Against this background, resultantly, what I posit is that insecurity operated as the institutional rationale in the political economy of industrial relations during the multi-party period as it had done during the mono-party one. Indeed, throughout this era the workers were not provided with adequate and necessary rights to define and defend their interests, whereby the possibilities of mobilisation of their main power resources were reduced, which placed them at a highly disadvantaged position vis-à-vis the more powerful actors in industrial relations. The inadequacy or lack of labour’s secondary power resources subsequently reduced its chances to act as an independent social agent with distinct interests and agendas. It also created income inequalities between the workers and made it easier for capital and the state to steer the behaviours of workers as a group. This situation, as I contend, empowered the more powerful actors to maintain, and extend their capabilities vis-à-vis labour, thus paving the way for the pursuit of a political economy of insecurity in the domain of industrial relations. Whether or not this insecurity was again adopted and pursued when Turkey ushered in a new era with different political, social and economic dynamics is the subject of the chapter that follows.
6.1 Introduction

The multi-party period was brought to an end with a military coup staged on 27 May 1961 and with it Turkey ushered in a new era that lasted until 1980. This new period, which is commonly called the planned economy period in the wider literature, witnessed the country’s second experience with a democratic political order within a multi-party system and saw some remarkable transformations in its: political, economic and social structure. Politically a new constitution was introduced, the principles and fundamental rules of which shaped the political structure of the country for the coming two decades. Economically, the country was involved in import substitution industrialisation, the effects of which facilitated fast progress in national industry. Socially, Turkey entered into an era of rapid change that paved the way for the emergence of a vociferous working class. All these changes, which happened almost simultaneously, introduced a greater dynamism to the social, political and economic domains and necessitated improvements to be made in the structures governing the socioeconomic domain. It was against this background of developments that re-institutionalisation of industrial relations appeared as one important issue to be dealt with by the political actors and the planned economy period marked the beginning of intense interactions between the actors of industrial relations.

This chapter deals with the changes that occurred in the role and position of the state, capital and labour in the politico-economic domain, generally and in industrial relations, in particular, analysing the way the political economy of industrial relations was institutionalised in the planned economy period. Section 6.2 examines the political economy of industrial relations in detail. It scrutinises the actors of industrial relations namely the state, capital and labour and looks at the specific political, economic and social conditions in which they developed. Following this, the section investigates the interests of the actors and their interactions in the period respectively. Section 6.3 concludes the chapter with a discussion.
6.2 The Political Economy of (In)security in Industrial Relations

The planned economy period witnessed a significant transformation in the way power was distributed between the actors of industrial relations, in the way they defined and defended their interests and in the patterns of interactions established between them. Understanding the political economy of industrial relations pursued in the planned economy period in this respect requires a thorough explanation of the actors, their interests and the actual process of institutionalisation of industrial relations, all of which are investigated in the subsections that follow.

6.2.1 Actors

The actors of industrial relations in the planned economy period displayed somewhat different characteristics compared to the previous one. The state, having retained a powerful position in the political and economic domains, began to be more receptive to the demands of labour. Employers, who gained even further political and economic power thanks to the industrial development policies of the era, started to consider labour as an actor, the demands and needs of which needed to be taken care of. Finally, labour emerged as a powerful socioeconomic actor and began to voice its interests on a more equal footing with the state and the employers and to enter into meaningful interactions with other actors. All of these are probed in the subsections that follow.

6.2.1.1 State

The ten years of the DP’s rule ended with a military intervention in May 1960\(^\text{84}\), with the military regime closing it down and bringing its leaders to trial for violation of the constitutional order (Ahmad, 1993). A combination of four key interrelated factors can be attributed this military coup, which was highly solicited by the emerging middle class groups that included the: intelligentsia, civilian and military bureaucracy and business circles\(^\text{85}\). First, the DP’s economic policies, designed to prioritise rural economic groups, created a wide level of discontent

\(^{84}\) For a brief account of the political and social unrest that triggered the military intervention of 1960 see e.g. Dodd, 1969; Cohn, 1970.

\(^{85}\) For the socioeconomic background of the oppositional groups to the DP’s rule see e.g. Dodd, 1969; Karpat, 1973b, 1973a; Keyder, 1979.
amongst the urban economic groups (Keyder, 1979) led by the industrial bourgeoisie, but also including military officers and civil servants (Dodd, 1969, Savran, 1992). This economic dissatisfaction aroused amongst the urban groups gradually led to the creation of an urban coalition of economic, cultural and social interests (Yerasimos, 1976; Keyder, 1979; Savran, 1992) in search of a new political and economic order in the country (Dodd, 1969; Karpat, 1973b; Savran, 1992). Second, growing political, social and economic discontent amongst the more vocal and well-educated members of the Turkish society finally pushed the political dissent onto the streets, which led not only to violent clashes between demonstrators and police, but also considerable social and political upheaval across the country. Third, the DP started to take repressive measures against dissenting opinions and activities and their use by the party leaders gradually increased towards the end of the multi-party period posing a threat – at least in the eyes of oppositional groups – to the democratic order of the country (Dodd, 1969; Cohn, 1970; Ozdemir, 1992; Ahmad, 1993). Fourth, a strong awareness arose amongst the military bureaucrats who engineered the military coup of 1960, as they started to consider socioeconomic inequalities being not only open threats to the political and economic security of the country (Kucuk, 1964), but also fundamentally unfair. Therefore they started to embrace the view the state should play an active role in their alleviation (Dodd, 1969; Ozbudun, 1976; Ahmad, 1993).

The military coup, which was effected on 27 May 1960, thus occurred as a result of a coalition established between the urban economic groups composed of the industrial bourgeoisie, civil servants, military officers and their cause was supported by the urban intelligentsia (Ulman and Tachau, 1965; Yerasimos, 1976; Savran, 1992). Hence, as many scholars seem to agree, rather than having grown out of a simple drive for power on the part of armed forces (Devereux, 1962; Kucuk, 1964; Karpat, 1973a; Kongar, 1998; Cem, 1999), the coup stemmed from the desire of reinstating the democratic order on a firmer basis”, (Karpat, 1973a: 323) and “bringing Turkey’s institutions in line with the requirements of the post-war world” (Ahmad, 2008: 240). To achieve this, as soon as they seized the power the generals went into action and initiated the process of what Ahmad

86 For critiques of the 1961 military revolution see e.g. Avcioglu, 1996; Cem, 1999; Cizre, 2008.
(1993: 127) called “an institutional revolution” (see also Kongar, 1998; Cem, 1999). The immediate outcome of this so-called institutional revolution was the 1961 Constitution, which provided for a more pluralistic and liberal democracy that would build on a sound checks and balances system with the establishment of a constitutional court and the creation of a bicameral parliament\(^{87}\) (Ahmad, 1977; Erogul, 1987; Zurcher, 2004; Ozbudun and Genckaya, 2009). The new constitution gave a substantial degree of autonomy to the universities and mass media, provided better protection for fundamental human rights and guaranteed more robust civil, social and economic rights for citizens, including the right to unionise and strike. It, what is more, adopted the principle of the social state, charging the state with the task of, amongst other things, to regulate economic and social life “in a manner consistent with justice, and the principle of full employment, with the objective of assuring for everyone a standard of living befitting human dignity”\(^ {88}\). That is, the principles and fundamental rules of the constitution were expected to facilitate “the gradual development of a genuinely pluralistic and democratic society” (Ozbudun and Genckaya, 2009: 16) and as a result to “enlarge the sphere of participation and brought equality by allowing for the free expression of different opinions, and for the parliamentary representation of various social groups” (Karpat, 1973b: 73).

The generals leading the military coup transferred political power to the civilian politicians when free elections were held in October 1961. From this election until the one held in October 1965, political life in Turkey was characterised by loose and fragile coalitions many of which were headed by the Republican People’s Party (CHP) (Tachau, 1991; Ozdemir, 1992; Ahmad, 1993; Kongar, 1998). After the 1965 election, the Justice Party (AP) – Adalet Partisi – which according to many scholars followed in the footsteps of the DP (Keyder, 1979; Erogul, 1987; Ahmad, 1993; Sunar and Sayari, 2004; Zurcher, 2004), emerged as the strongest party, winning more than 50 percent of the votes (Keyder, 1979; Ozdemir, 1992; Kongar, 1998). The AP’s victory in the polls also marked the re-ascendance of the bourgeoisie to political power, yet this time with the decisive influence and

\(^{87}\) For the full text of the 1961 Constitution in English see Balkan et al., 1961.

\(^{88}\) Article 41 of the 1961 constitution as translated by Balkan et al., 1961, p. 12
precedence of the industrial bourgeoisie (Laciner, 1975; Ahmad, 1993; Aksin, 1997; Zurcher, 2004).

The AP ruled the country at a time when political, economic and social transformations were in full swing. Indeed, the second half of the 1960s witnessed rapid industrialisation accompanied with a swift proletarianisation and urbanisation process, as explained in detail in later subsections. These developments came into being in an environment where the political and social mobilisation of different interest groups created deep ideological schisms (Erogul, 1987; Ozdemir, 1992; Ahmad, 1993; Aksin, 1997; Kongar, 1998), with left-right polarization between the major parties soaring to new heights (Sunar and Sayari, 2004; Cizre, 2008). If these were not enough the populist economic policies of the AP faced with a worsening global economic crisis and this brought the country’s economic development to a standstill (Erogul, 1987; Ozdemir, 1992; Ahmad, 1993). Through to the end of the 1960s, these events when combined with the AP’s inability to deal with the demands of a changing society, gave way to the emergence of a period of violence and social turmoil centred around ideological conflict (see Tachau and Heper, 1983; Erogul, 1987; Ahmad, 1993; Kongar, 1998; Sunar and Sayari, 2004; Cizre, 2008). All these events eventually led to further military intervention in 1971, the so-called 12 March Military interregnum, which started with the generals’ submission of an ultimatum to the then president of the Turkish state, to the Grand National Assembly and to the Senate, in which they accused parliament and the government of putting the country’s future in danger (see Laciner, 1975; Keyder, 1979; Ahmad, 1993; Zurcher, 2004).

The military forces suspended Turkey’s fragile multiparty democracy until the general elections held in October 1973 and during this timespan it was governed by a series of non-party civilian governments, which were established under the auspices of the army.\textsuperscript{89} As many observers seem to agree, this intervention rather than having been aimed at the protection of the so-called institutional revolution of the 1961 intervention, was made against the rising power of the left-wing forces (Ozdemir, 1992; Kongar, 1998; Zurcher, 2004) and was backed by the

\textsuperscript{89} In this period, the army rather than directly seizing the political power, insisted on the establishment of a non-party civilian government. For an informed account of the non-party governments established during the period of the military intervention, see Ahmad, 1993.
national and international bourgeoisie (for various accounts see e.g. Keyder, 1979; Ozdemir, 1992; Kongar, 1998). In this respect some of the most conspicuous activities of the non-party civilian governments’ in this period there was the restriction of some of the most sought after civil liberties that were granted by the 1961 constitution (see Ahmad, 1993; Zurcher, 2004; Ozbudun and Genckaya, 2009), suppression of all kinds of left-wing movements (Ozdemir, 1992; Ahmad, 1993; Aksin, 1997; Kongar, 1998; Zurcher, 2004) and repression of trade union activities, including strikes (Ozdemir, 1992; Ahmad, 1993).

The return to multi-party democracy in 1973 opened the era of feeble and short-lived coalitions, which were either headed by the CHP or the AP (see e.g. Ozdemir, 1992; Ahmad, 1993; Aksin, 1997; Kongar, 1998). During this period, while fragmentation between parties made it virtually impossible for one party to rise to power alone, the ideological divisions and conflicts of interests that appeared between them almost paralysed the normal functioning of the parliament (Sunar and Sayari, 2004; Zurcher, 2004; Aydin, 2005). If these were not enough, during the years between 1973 and 1980, Turkey was plunged into a serious political and economic crisis, with extremist groups both from right and left factions engaging in deadly armed clashes on the streets (Benhabib, 1979; Ahmad, 1993; Kongar, 1998; Zurcher, 2004). Furthermore, soaring unemployment, shortages of consumer goods and rapidly increasing inflation added to the volatility of the situation (see e.g. Ahmad, 1993; Kepenek and Yenturk, 1995; Kazgan, 2006; Boratav, 2009). The year 1980, in this regard, marked the high point of economic catastrophe and socio-political turmoil, which paved the way for another military coup, staged on 12 September 1980, which, bringing with it anti-democratic measures that opened a new era in the nation’s: political, economic and social life.

The political and economic climate of the planned economy period, while having led to a severe breakdown of the democratic regime in 1980, at the same time laid the background for the sharing of power, the dissemination of different ideologies and for the formulation and implementation of new economic policies, the details of which are investigated below.
6.2.1.1 Power, Political Atmosphere and Ideology in the Era

The planned economy period that started with the coup d’État of 1960, which by many scholars was considered to be a revolution (Devereux, 1962; Dodd, 1969; Karpat, 1973b; Ahmad, 1993; Aksin, 1997; Cem, 1999), displayed at least five defining characteristics in terms of the share of power, political atmosphere and ideology. The first was the influential role of the military on the country’s political life, which pursued the aim of preservation and/or restoration of democracy (Devereux, 1962; Karpat, 1973b; Tachau and Heper, 1983; Kongar, 1998) and the protection of national security (Cizre, 2008). To achieve this, as has been pointed out by observers, they assumed the role of guardianship of the Kemalist state (Ahmad; 2008, Cizre, 2008), which when considered necessary by the generals – as was the case in the 1960, 1971 and 1980 interventions – went as far as intervening in parliamentary democracy.\(^{90}\)

The second characteristic of this period was the continuation of the political influences of the two major parties, namely the CHP and the AP, the heir of the DP. Yet this time the ideological positions that they adopted differed significantly from each other, which thus represented a discernible shift from the previous period. Indeed, the leaders of the CHP, starting from the mid-1960s, embarked on the search for a new identity and a different political stance, motivation for which was probably derived from the realisation by the party managers that the party was losing its electoral base (see Erogul, 1987; Ozdemir, 1992; Sunar and Sayari, 2004). The answer to this quest seem to have come in the form of a leftward shift led by Bulent Ecevit, the rising new leader of the CHP, who served as the party’s secretary-general from 1966 to 1971 and who succeeded Ismet Inonu as party chairman in 1972. This new ideological position of the CHP (see e.g. Sayari, 1996; Zurcher, 2004) which was dubbed by its architect Ecevit as “left-of-centre”, emerged as a political movement upholding the principles and values of social democracy amongst which social justice, equality of opportunity and social security came to the fore (for a detailed discussion see Ecevit, 1966). As a practical consequence of this ideological re-orientation, the CHP identified its

\(^{90}\) For a wider account of the role of the military in Turkey’s political life see e.g. Tachau and Heper, 1983; Cizre Sakallıoğlu, 1997; Cizre, 2008.
interests with those of industrial workers, small peasants and labourers of the urban marginal sector and throughout the 1970s held a leading position among the left-wing political parties (Sunar and Sayari, 2004).

On the other hand, the AP assumed the heirship of the DP and became the major party of the centre-right during the period (Sayari, 1996; Cem, 1999; Ahmad, 2008; Cizre, 2008). The party, was led by Suleyman Demirel after his election to its chairmanship in 1964 until the party’s closure in 1980 and relied on the electoral support of different interest groups including but not limited to industrialists, large land owners, the small peasantry, the petty bourgeoisie and the new urbanites (see Zurcher, 2004; Demirel, 2005). Sunar and Sayari, (2004) neatly summarised the AP’s political stance and its links to the wider masses as follows:

“... the AP stood to the right of centre, identified with business and landed interests, but as an interclass, mass party, its appeal extended to the popular sector as well, largely through its skilful use of party patronage and manipulation of clientelist ties. Its pragmatic outlook was interspersed with strident anti-communism, an appeal to religious and nationalist sentiments, and a diffuse sentimental populism.”

However, despite the political influence of the CHP and the DP under the guise of the AP continuing, the planned economy period witnessed the entrance of new political parties to the electoral arena. That is, the third characteristic of this era came in the form of fragmentation and ideological polarization between the political parties (Sunar and Sayari, 2004; Cizre, 2008), the number of which steadily increased with the adoption of the 1961 constitution (Ozdemir, 1992). This situation, without a doubt, paved the way for the creation of an unprecedented vitality to the country’s political life. However, at the same time it produced two immediate consequences. For one thing, the escalating ideological confrontation and polarization in parliament gave way to the emergence of weak coalition governments – with the exception of AP’s rule of power between 1965-71 – through which the small extremist parties achieved political power at the governmental level (see Kongar, 1998; Zurcher, 2004). For another, it created a
strained political atmosphere, where none of the governments could produce effective solutions to the political and economic problems that the country faced (Sunar and Sayari, 2004; Zurcher, 2004; Aydin, 2005). In order to understand this constant instable political situation, the political tension between the CHP and the AP should particularly be emphasized. Zurcher (2004: 262-263) briefly explained the uncompromising behaviour of these two parties as follows:

“The political system gradually became paralysed because the two major parties, the AP and CHP, were unable to cooperate after the restoration of democracy in 1973, thus giving small extremist groups disproportionate influence. The polarization of the big parties was due partly to ideological factors (the parties were now far more 'ideological' than for instance the DP and CHP during the 1950s), and partly to personal rivalry between the leaders. [...] This paralysis meant that no government was able to take effective measures (and even more importantly see them carried out) to combat the two overwhelming problems Turkey faced in the 1970s, political violence and economic crisis.”

The fourth aspect of the planned economy period was the politicisation of the society and the resultant growing ideological polarisation between extremist left and right groups. The bourgeoning of different political currents certainly owed much to the societal changes that went parallel with the economic and social modernisation of Turkish society against the background of a constantly changing world. However, by way of explanation of the growing political awareness in Turkish society, the importance of the 1961 constitution, which offered greater freedom for expression of different ideas, should also be accentuated given that, as noted by many scholars, this opened the way for the organisation of various associations centred around ideological concepts (see Karpat, 1973b; Agaogullari, 1990; Ozdemir, 1992; Ahmad, 1993; Zurcher, 2004). Yet again, such political freedom was not without its shortcomings, for as Karpat aptly put it (1973a: 327) “for the first time in Turkish politics the right and left extremes appeared in full clarity”, which triggered a bitter ideological dispute between the clusters of
militant left and right and which came up to the surface in the form of bloody armed struggles between the radical rightist political factions that identified nationalism with anti-communism and traditionalism/conservatism (see e.g. Yerasimos, 1976; Keyder, 1987; Agaogullari, 1990; Ahmad, 1993) and the extremist leftist currents that stood up for a left-wing revolution (see e.g. Benhabib, 1979; Belge, 1990; Ozdemir, 1992; Ahmad, 1993)

Concomitant to this, comes the fifth characteristic of the era, which became apparent in biased state repression against the extremist left-wing groups that came into being at both formal and informal levels. At the formal level, repression carried out by state against left-wing activities culminated in restriction of some of the constitutional freedoms following the military interregnum of 1971, which, as was emphasised by observers, gave the government an upper hand in dealing with the issue of the so-called danger of communism (Ozdemir, 1992; Aksin, 1997; Kongar, 1998). Following these changes being made to the 1961 constitution, many left-leaning associations, including the Turkish Labour Party were closed, many leading left-wing intellectuals arrested and many left-aligned books and journals banned (see Ahmad, 1993; Kongar, 1998; Zurcher, 2004). At the informal level, repression of left-wing groups by the state occurred in the form of surreptitious support being offered to the right-wing militants (see e.g. Benhabib, 197; Keyder, 1987; Ozdemir, 1992; Zurcher, 2004), which created a pathway towards political terror, which, as has been already noted, resulted in deadly street clashes between left and right wing militants throughout the 1970s\textsuperscript{91}.

The share of power between the political parties, the effect of different ideological positions on political and social life and the hostile political atmosphere within which democratic freedoms were exercised in the era, when merged with the economic policies of the period, paved the way for the creation of a unique background against which the political economy of industrial relations was determined. The economic policies of the period are investigated briefly next.

\textsuperscript{91}For a wider account of the street clashes that occurred in 1970s Turkey e.g. Benhabib, 1979; Keyder, 1987; Ozdemir, 1992; Ahmad, 1993; Kongar, 1998.
6.2.1.1.2 Political Economy of Industrialisation

The leaders of the military intervention of 27 May 1960 not only opened a new era in Turkey’s political life, for their revolutionary ideals exceeded far beyond political objectives (Devereux, 1962; Kucuk, 1964; Karpat, 1973a; Kongar, 1998; Cem, 1999). In their zeal for creating a profound transformation in the social and economic structures of the country, they also laid the foundations of a new kind of political economy of industrialisation. Being shaped by five year economic plans drawn up by the State Planning Organisation, this new political economy, as pointed out in scholarly literature, came out as a result of pressures coming from both the national bourgeoisie, which sought higher protection for native industry (Waldner, 1999) and from international creditors, who demanded a much better strategy by Turkey regarding the governance of its economy (Kazgan, 2006; Unay, 2006). Thus, starting from the early years of 1960s, the country entered into a period of inward-looking industrialisation with an emphasis on private industry. In this highly protected economic environment, private industrial establishments produced durable and non-durable consumer goods for highly protected domestic markets.

Table 15: Number of manufacturing establishments employing 10 or more people and the number of employees employed in these establishments during the planned economy period

<table>
<thead>
<tr>
<th>Years</th>
<th>Number of establishments</th>
<th>Annual average number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>State</td>
<td>Private</td>
</tr>
<tr>
<td>1960</td>
<td>219</td>
<td>5,284</td>
</tr>
<tr>
<td>1965</td>
<td>299</td>
<td>2,944</td>
</tr>
<tr>
<td>1970</td>
<td>254</td>
<td>4,566</td>
</tr>
<tr>
<td>1975</td>
<td>392</td>
<td>5,676</td>
</tr>
<tr>
<td>1980</td>
<td>408</td>
<td>8,302</td>
</tr>
</tbody>
</table>

Source: TUIK, 2010: 249, 250, 251

92 For information about the functions of the State Planning Organisation and the aims of the five year plans see e.g. Kepenek and Yenturk, 1995; Owen and Pamuk, 1998; Aydin, 2005. For critiques of the economic planning system see e.g. Milor, 1990; Avcioglu, 1996.

Nevertheless, it should be emphasised that the state’s prioritisation of private initiatives in the period by no means signified that it withdrew its investments from the industrial sector. On the contrary, the political economy of industrialisation pursued by successive governments involved adopting a strategy to be materialised in the framework of a mixed economy (see Aydin, 2005). Thus, as indicated by Table 15, throughout the era the state sector grew parallel to private sector in industry and as pointed out by scholars, its investments mostly concentrated on intermediate goods (Keyder, 1979; Owen and Pamuk, 1998). Turkey’s new political economy of industrialisation, succeeded well until the mid-1970s (see e.g. Celasun and Rodrik, 1989; Zurcher, 2004; Kazgan, 2006; Pamuk, 2008; Boratav, 2009). As a result of the positive trends witnessed in economic development, the share of industry in the GNP displayed a constant increase in the period and rose to 17.5 per cent in 1970 and 20.5 per cent in 1980 from that of 15.7 in 1960 (see Table 16).

Yet, this impressive progress in economic development proved to be unsustainable in the long-term for the native private industry developed behind the protective walls and it almost entirely relied upon the importation of raw materials, capital and intermediate goods (Keyder, 1987; Zurcher, 2004; Unay, 2006; Boratav, 2009). What brought the industrial leap forward to a standstill, first at the end of the 1960s and then more seriously during the second half of the 1970s, was the vulnerability of foreign exchange reserves which were excessively dependent on foreign debts, agricultural exports and remittances of Turkish migrant workers in Germany (Avcioglu, 1996; Zurcher, 2004; Aydin, 2005). The first economic challenge that the country faced at the end of 1960s, however, was overcome by devaluing Turkish lira against the American dollar and by making use of the remittances of Turkish migrant workers (Aydin, 2005; Kazgan, 2006). Nevertheless, a serious balance of payments problem in the economy started to make itself felt beginning from the mid-1970s onwards (Keyder, 1979; Celasun and Rodrik, 1989; Aydin, 2005; Boratav, 2009). Yet, this was not all, for the balance of payment crisis was accompanied by a deep political and economic crisis through the late 1970s, which came into open in the form of escalating social and political tensions (Keyder, 1987; Kepenek and Yenturk, 1995), soaring
inflation, rising unemployment and acute shortages in consumer goods and energy supply (Yalpat, 1984; Ahmad, 1993; Kepenek and Yenturk, 1995; Aydin, 2005).

Table 16: Shares of GNP by major sectors 1960-1980

<table>
<thead>
<tr>
<th>Agriculture as % of GNP</th>
<th>Industry as % of GNP</th>
<th>Services as % of GNP</th>
</tr>
</thead>
<tbody>
<tr>
<td>37.5</td>
<td>15.7</td>
<td>46.8</td>
</tr>
<tr>
<td>30.9</td>
<td>19.4</td>
<td>49.8</td>
</tr>
<tr>
<td>30.7</td>
<td>17.5</td>
<td>51.7</td>
</tr>
<tr>
<td>24.5</td>
<td>20.6</td>
<td>55.0</td>
</tr>
<tr>
<td>24.2</td>
<td>20.5</td>
<td>55.4</td>
</tr>
</tbody>
</table>

Source: TUIK, 2010: 647, 682.

The governments that held power in the late 1970s remained incapable of finding any kind of effective solutions to the burning political and social causes of this catastrophic situation. However, the solution they came up with to overcome the economic implications of the foreign exchange crisis was drastic: a comprehensive structural adjustment programme prescribing a neoliberal restructuring of the country’s economy\(^\text{94}\) in line with the demands of international organisations, international banks (Celasun and Rodrik, 1989; Kazgan, 2006; Unay, 2006) and the interests of a group of the industrial bourgeoisie (Aydin, 2005). This was put into action through a 1980 stabilisation programme, which is widely known as the “24 January measures”. This economic reform package, had the aim of switching Turkey’s economy from one of inward-looking import-substitution industrialisation to an outward-oriented and export-led industrialization one, encapsulated, amongst other aspects, devaluation of the Turkish lira, elimination of controls on product prices of state economic enterprises, abolishment of checks on imports and exports, repression of workers’ wages, extensive cutbacks in government expenditures and subsidies and promotion of exports and foreign investments (Onis, 1992; Sayari, 1996; Owen and Pamuk, 1998; Unay, 2006; Pamuk, 2008).

Nevertheless, as one could expect, carrying out such a radical economic transformation was bound to present many serious challenges especially when the vested interests of different segments of society were at stake (see Owen and Pamuk, 1998; Pamuk, 2008; Boratav, 2009). It was against this background of

\(^{94}\) For the economic solutions preceding the adaptation of this IMF-led stabilisation programme see e.g. Yalpat, 1984; Owen and Pamuk, 1998; Zurcher, 2004; Boratav, 2009.
events that Turkey experienced its third coup d’état on the 12th of September 1980. The military intervention suspended all kinds of democratic freedoms, including those of labour and in doing so, as many observers seem to agree, created a suitable environment for the implementation of the structural adjustment programme (Celalısun and Rodrik, 1989; Ahmad, 1993; Sayari, 1996; Unay, 2006; Pamuk, 2008; Boratav, 2009). However this was not all, for the 1980 military interregnum while providing those who implemented the 24 January measures with what Ahmad (1993: 179) called a “period of tranquillity [...] marked by an absence of politics and dissent in all forms” at the same time brought the planned economy period to an end.

6.2.1.1.3 The State as a Rule Maker in Industrial Relations

The state continued to be an important actor shaping and steering the political economy of the industrial relations of the period. Its role as a lawmaker in the domain of industrial relations, however, differed significantly from that of the previous period, at least in the first half of the era, in that it put into practice a new legal framework for industrial relations, which was more democratic and participatory in nature. The first step that the lawmakers took in this regard was the incorporation of the right to establish trade unions, right to bargain collectively and the right to strike into the 1961 constitution. Two years later, the lawmakers took another step with the aim of developing a modern legal framework that would accommodate the changing needs of the socioeconomic actors. That is, the Trade Unions’ Law no. 274 and the Collective Agreements, Strikes and Lockouts Law no. 275 were enacted and both entered into force on the 24th of July 1963.

The Trade Unions’ Law defined trade unions, regional union organisations (birlıks), federations and confederations as occupational associations established by employees and employers with the aim of the protection and improvement of their shared: economic, social and cultural interests (Article 1/1). It stipulated that the establishment of the mentioned occupational associations was free and

voluntary (Article 1/2). Moreover, the law defined all persons working under an employment contract and all persons working in a workplace with their physical or intellectual labour as workers (Article 2/1). However, it did not include civil servants in the workers’ category and clearly stated that their right to unionise and features of their occupational associations would be regulated by special legislation\textsuperscript{96} (Article 2/2). Further, the Trade Unions Law allowed those 16 years or older to join occupational associations freely (Article 5/2), rendered establishment of occupational associations completely voluntary and free (Article 1/2) and made becoming member of (Article 5/1) and resigning from membership (Article 6/1) of these bodies voluntary. In addition, the law prohibited occupational associations from providing for or receiving financial assistance from political parties and banned participation in or the establishment of occupational associations within the institutional structure of political parties (Article 16). The law left the trade unions’ free to decide to set their membership fee levels (Article 23/1) and introduced the check-off system, whereby employers were charged, upon the request of the trade union, with the responsibility deducting the membership fees and the solidarity contributions from the wages of employees (Article 23/2).

The Collective Agreements Strikes and Lockouts Law (no.275), on the other hand, entitled federations and trade unions (Article 7/1) to make collective agreements with employers or their associations (Article 1). Moreover, it allowed the parties to conclude collective agreements at the level of workplace or at the level of the branch of activity (Article 7/1) and rendered strike actions legal when they were called for by workers with the aim of safeguarding or improving their economic and/or social positions (Article 17/2). Further, it rendered lockouts legal when they are ordered by employers with the aim of safeguarding, changing or re-establishing the working conditions (Article 18/2) and also specified the situations

\textsuperscript{96} This law, the Law on Associations of Civil Servants No. 624, was promulgated in 1965. Although this study focuses exclusively on industrial workers as one key actor in the making of the political economy of Turkey’s industrial relations from a historico-political perspective, it should be noted that provisions of this law differed greatly from those of the Trade Unions’ Law and the Collective Agreements, Strikes and Lockouts Law. Indeed, it prohibited civil servants from entering into collective bargaining and collective agreements, to organise strikes as well as meetings and demonstrations (see Koray and Celik, 2007). The full text of this law in Turkish is accessible online from the Official Gazette, 17 June 1965 at http://www.resmigazete.gov.tr/main.aspx?home=http://www.resmigazete.gov.tr/arsiv/12025.pdf &main=http://www.resmigazete.gov.tr/arsiv/12025.pdf [accessed 31/01/12].
and areas where strikes and lockouts were prohibited. These bans included work related to, for example, life or property saving, public notaries, educational and training institutions and day nurseries as well as covering crisis situations, such as war, full or partial mobilisations and the proclamation of martial law (Article 20). In addition, the law prohibited strikes conducted for political reasons (Article 55), sit-down strikes (Article 24) and slow downs (Article 58). Again on the restrictive side, it entitled the council of ministers to postpone a legal strike or a legal lockout for up to ninety days on the condition that these actions were considered dangerous for national health and security (Article 21).

The Trade Unions’ Law (no.274) and the Collective Agreements, Strikes and Lockouts Law (no.275) replaced the Law on Employees and Employers’ Organisations and Associations of trade unions (no 5018) that was enacted in 1947. These laws remained in force until the coup d'état of 1980 and together represented a novelty in Turkey’s industrial relations system. Indeed, according to Dereli (1968: 137) they constituted “an elaborate legal framework designed to meet the emergent needs of the present state of the Turkish industrial relations system” and according to Mumcuoglu (1980: 383) “marked the beginning of true trade unionism in Turkey”. What is more, this legislation, in words of Celik (2010: 324), “encouraged workers to unionise” and “seriously increased the trade unions’ political significance and activities”. In its final analysis the Trade Unions’ Law together with the Collective Agreements, Strikes and Lockouts Law, as Talas (1992: 180) succinctly put it “opened a new era in Turkey’s social policy and rescued the working class from narrow frameworks of regulations as well as from their excessive interventions.”

Nevertheless, not all the steps taken by the policy makers could be perceived to be progressive in terms of provision of collective rights to labour, for following the 1971 military intervention, with the changes made to the constitution the political actors provided themselves with the right to bring any perceived

---

97 This was the amendment made to article 46 of the constitution. With this amendment the 1961 Constitution ensured freedom of association only for workers and employers, thus excluding the civil servants. What is more, civil servants’ rights to establish and join trade unions were explicitly banned by article 119 of the Constitution. For a wider review of this issue see e.g. Isikli, 1983; Talas, 1992. For a full text in Turkish see Official Gazette, 22/09/1971, http://www.resmigazete.gov.tr/main.aspx?home=http://www.resmigazete.gov.tr/arsiv/13964.pdf &main=http://www.resmigazete.gov.tr/arsiv/13964.pdf [Accessed 02/02/2013].
necessary restrictions to establish trade unions in order to protect “the integrity of state with its territory and its people, national security, public order, and public morality”. Despite the fact that planned economy period also witnessed some steps backwards from the progressive agenda that the political actors pursued in the domain of industrial relations, the improvements made in the legislative framework governing these when merged with the social, economic and political transformations that the period saw, brought about a discernible shift in the political actors’ re-definition of their own interests as well as their role in shaping the interests of and interactions between the socioeconomic actors, which are scrutinised further in this chapter. However, before this the state of private industry and employers as collective entities in the period will be analysed below.

6.2.2 Capital

The social, economic and political circumstances that prevailed during the focal period provided the national bourgeoisie with plenty of opportunities to accumulate capital and to further increase its political influence (Pamuk, 1981; Bugra, 1994; Avcioglu, 1996; Aydin, 2005; Kazgan, 2006; Boratav, 2009). Underpinning this, lay the continuation of the state’s role in the economy, which can be summarised by referring to three factors. First, throughout the period the state made a respectable contribution in the fuelling of the industrial boom by carrying out investments in the industrial sector, which in reality accounted for almost half of the total investments in manufacturing industry until the end of the 1970s (Celasun and Rodrik, 1989; Owen and Pamuk, 1998; Kazgan, 2006). Second, it provided private industry with favourable opportunities for the accumulation of capital and for yielding profits by producing intermediary goods for the use of native industry, which it under-priced (Pamuk, 1981; Boratav, 2009). Third, it protected the native industry and domestic markets against foreign competition through putting into practice many different policy instruments, such as: overvalued exchange rates, high tariff walls, cheap credit, tax rebates and high wages (Pamuk, 1981; Keyder, 1987; Sayari, 1996; Zurcher, 2004).

As a natural consequence of these policies and practices, the planned economy era saw a substantial increase in number of industrial establishments owned by
private capital (see Table 17). The period also saw a rising awareness amongst employers towards the importance of collective interest representation, which are briefly analysed below.

Table 17: Scale of manufacturing establishments and their share in total value added in the planned economy period

<table>
<thead>
<tr>
<th>Years</th>
<th>Large</th>
<th>Small</th>
<th>Percentage in total</th>
<th>Value added (Billion TL with 1987 prices)</th>
<th>Percentage in total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Large</td>
<td>Small</td>
<td>Large</td>
<td>Small</td>
<td>Large</td>
</tr>
<tr>
<td>1963</td>
<td>3,012</td>
<td>157,759</td>
<td>2</td>
<td>98</td>
<td>-</td>
</tr>
<tr>
<td>1970</td>
<td>4,820</td>
<td>170,479</td>
<td>3</td>
<td>97</td>
<td>4,750</td>
</tr>
<tr>
<td>1980</td>
<td>8,710</td>
<td>177,159</td>
<td>5</td>
<td>95</td>
<td>6,797</td>
</tr>
</tbody>
</table>

*In this table, establishments employing between 1-9 workers were considered as small and those employing more than 10 workers were considered as large scale.

Source: Kepenek and Yenturk, 1995, p. 325.

6.2.2.1.1 State of the Private Industry

The planned economy period witnessed a remarkable development of private industry and six key features, as an overview of literature reveals, characterised the state of private-led industry in the period. First, the large-scale modern industrial establishments, most of which revealed a monopolistic character (Yerasimos, 1976; Tekeli and Mentes, 1982; Ahmad, 1993), took the lead in the economy (Ahmad, 1993; Avcioglu, 1996; Kazgan, 2006; Pamuk, 2008). Second, despite the economic predominance of the large-scale industrial establishments, the great majority, as indicated Table 17, comprised small scale industrial workplaces employing up to nine employees. Third, the private-led native industry predominantly concentrated on the production of consumer goods (Pamuk, 1981), leaving the investment for capital and intermediary items to the state (Keyder, 1979; Pamuk, 1981; Owen and Pamuk, 1998; Unay, 2006). Fourth, industrial production made by the private sector targeted the consumers of domestic markets and grew highly dependent on the importation of: capital and intermediate goods, raw materials and technology (Avcioglu, 1996, Boratav, 2009). Fifth, foreign capital firmly established its existence in Turkey’s industrial structure in the focal period (Keyder, 1987; Avcioglu, 1996; Owen and Pamuk, 1998; Unay, 2006), which came in the form of patent and licensing agreements
Sixth, the growth and profitability of private-led industry remained highly reliant on political and bureaucratic decisions (Keyder, 1987; Onis, 1992; Bugra, 1994; Unay, 2006), which in the final analysis, politicised the economic decision making process and created clientelist relations between the owners of big capital and the political actors, where political support was exchanged for easy access to economic resources (see Keyder, 1987; Unay, 2006).

The state of private industry also exerted considerable effects on the way employers defined and defended their interests, which is the subject of the subsection that follows.

### 6.2.2.1.2 Employers as Collective Entities

Thanks to the political and economic developments of the era, which unfolded against the background of the political economy of industrialisation pursued by successive governments starting from the inception of republic of Turkey, the planned economy period witnessed further empowerment of the business community as a socioeconomic class, with the consolidation of its position as a powerful and vociferous actor in industrial relations (see Esin, 1974; Bugra, 1994; Avcioglu, 1996). Although one could argue that reinforcement of the industrial bourgeoisie’s existence in the politico-economic domain was also witnessed in the preceding periods, the planned economy period differed significantly in that this time the national industrial bourgeoisie displayed an increased interest towards organisation around associations in order to articulate and materialise its interests. Indeed, the years following the enactment of Trade Unions Laws and the Law on Collective Agreements, Strikes and Lockouts Laws saw a steady growth in the number of employers’ associations together with a remarkable surge in membership of these organisations. Despite the fact that they were predominantly established in particular sectors of industry where the workers were highly organised and the members of these organisations were mostly the large private
sector employers\textsuperscript{98} (Koray, 1996; Tokol, 1999), in 1978 their number exceeded a hundred, with membership in excess of ten thousand (DPT, 1978).

A number of observers have agreed that the employers’ determined efforts channelled towards organisation during the period were born out of an immediate necessity to voice and protect their interests in their interactions with the state and labour (see Lok, 1966; Esin, 1974; MESS, 2000; Koray and Celik, 2007). At least two reasons can be cited to explain this particular requirement. In the first place there was the impact of the new legislative framework governing industrial relations, which, by introducing a system of collective bargaining and agreements to the domain of industrial relations, established the base for their institutionalisation. This change, while having brought with it an unprecedented degree of vitality to workers’ organisational activities (see the subsection on labour), at the same time impelled employers to gather around occupational organisations in order to face the demands of workers at the same institutional level so as to maintain the balance of power between them and the latter in the process of collective bargaining (see Lok, 1966; Esin, 1974). Concomitant to this, the second reason was the flourishing representation and organisation capacity of workers thanks to which they became able to voice and materialise their interests in: social, political and economic matters. This, in turn, gave way to a remarkable shift in employers’ perceptions towards organisational activities and helped them, in the words of the Turkish Employers’ Association of Metal Industries, “\textit{to understand that they had to start establishment of similar organisations as soon as possible.}” (MESS, 2000: 53-54).

Employers, in their efforts to give voice to their interests in process of their interactions with the state and labour, clustered around two different levels of associations. At the industrial level, they established and joined employers’ associations, which were formed in accordance with the provisions of the Trade Unions Law. These establishments, as Lok (1966) pointed out, aimed to offset the power of the workers’ trade unions with which they interacted. At the national

\textsuperscript{98} In this period the public sector employers also established and/or joined employers’ organisations, but according to Tokol (1999), their organisational activities remained limited compared to those of private sector employers. For a more detailed narrative see Esin, 1974; Tokol 1999.
level, on the other hand, employers’ grouped around the TISK and the TUSIAD, set up with the aim of representing their members’ interests at the top institutional level and nationwide. The Confederation of Employers’ Associations of Turkey, known by the acronym TISK—Turkiye Isveren Sendikalari Konfederasyonu—, was established in 1961\(^99\) in accordance with the provisions of the Trade Unions Law and represented interests of their members, in business and working life (Esin, 1974). To achieve this, as Esin (1974) reported, TISK established relationships with parliament, governments, governmental organisations and the Confederation of Turkish Trade Unions as well as working as a pressure group. The Association of Turkish Industrialists and Businessmen, which is known under the acronym TUSIAD – Turk Sanayicileri ve Isadamlari Dernegi –, on the other hand, was established in 1971 in accordance with the provisions of the Law on Associations by a group of wealthy businessmen and big industrialists. Since its establishment, it has represented the particular interests of its members at the highest political level (Altun, 2008; Berker and Uras, 2008). In order to do so, it acted as a powerful and vociferous pressure group (Oncu, 1980; TUSIAD, 2013), kept close contact with political actors and politicians (Altun, 2008) and claimed partnership in formation of national economic policies (Unay, 2006).

The planned economy period, which drew the attention of employers to the importance of gathering around associations in order to give voice to and materialise their interests, at the same time opened the way for the ascendance of workers as a powerful interest group and their transformation into a stronger socioeconomic actor is studied in the subsection that follows.

6.2.2.2 Labour

The Turkish working class started to emerge as an actor in Turkey’s socioeconomic and political life during the multi-party period and continued to grow in numbers as well as in political and economic influence thanks to the transformations, which, since the 1960 military revolution, helped to substantially change labour’s appearance and character. Moreover, as the working class gained

\(^99\) TISK was originally established under the name of the Union of Employers’ Associations of Istanbul, but changed its name to TISK in 1962 in an attempt to represent the interests of its members nation-wide (see Lok, 1966; Esin, 1974).
power, a remarkable development took place in working class consciousness and the labour movement. However, the social, political and economic circumstances in which these shifts occurred also posed some challenges to the advancement of working class consciousness and the development of the labour movement of the period, which are the focus of the subsections below.

6.2.2.2.1 Labour Migration and Urban Labour Markets in the planned economy period

Against the background of the socioeconomic transformation, which started to change the basic structure of centuries old Turkish rural life during the multi-party period, the years following the 1960 military interregnum witnessed a rapid phase of urbanisation accompanied by an on-going process of proletarianisation that was unprecedented in the history of the country. Having been predominantly shaped by waves of migration that swept many peasants from rural areas to urbanised city centres, these developments significantly altered the occupational activities that the country’s labour force was involved in as well as the demographic profile of the country. Indeed, for example, the percentage of urban dwellers in the total population increased from 31.9 in 1960 to 43.91 in 1980 (see Table 18). In parallel to this change, the proportion of workers engaged in agricultural work decreased from 74.1 per cent in 1960 to that of 63.2 in 1970 and on to 53.2 in 1980 (see Table 19). In a similar fashion, between the years 1960 and 1980, the total number of workers working in non-agricultural activities nearly tripled, growing from 2.7 million in 1960 to 7.1 million in 1980 (see Table 20).

Table 18: Share of the urban and rural population in the mono-party, multi-party and planned economy periods

<table>
<thead>
<tr>
<th>Years</th>
<th>Urban Population</th>
<th>Percentage</th>
<th>Rural Population</th>
<th>Percentage</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1927</td>
<td>3,305,879</td>
<td>24.2</td>
<td>10,342,391</td>
<td>75.8</td>
<td>13,648,270</td>
</tr>
<tr>
<td>1945</td>
<td>4,687,102</td>
<td>24.9</td>
<td>14,103,072</td>
<td>75</td>
<td>18,790,174</td>
</tr>
<tr>
<td>1960</td>
<td>8,859,731</td>
<td>31.9</td>
<td>18,895,089</td>
<td>68</td>
<td>27,754,820</td>
</tr>
<tr>
<td>1980</td>
<td>19,645,007</td>
<td>43.9</td>
<td>25,091,950</td>
<td>54.7</td>
<td>44,736,957</td>
</tr>
</tbody>
</table>


As an expected outcome of this, the urban population grew more than two times between the years 1960 and 1980 (see Table 18). This growth, what is more, according to the calculations of Danielson and Keles (1980), displayed an even
more notable upsurge in major trade and industrial centres, such as: Istanbul, Izmir, Adana and Bursa, with an average annual increase of nine per cent. Regarding the migratory movements that took place in planned economy period, it should be noted that it also witnessed waves of mass labour migration from Turkey to different European countries\(^{100}\) (see e.g. Koc, 1979; Keyder, 1987; Icduygu and Sirkeci, 1999; Kirisci, 2008).

Table 19: Sectoral distribution of employment in Turkey the in mono-party, multi-party and planned economy periods

<table>
<thead>
<tr>
<th>Years</th>
<th>Agriculture</th>
<th>Industry*</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>1923</td>
<td>89.9</td>
<td>4.3</td>
<td>5.8</td>
</tr>
<tr>
<td>1945</td>
<td>85.4</td>
<td>8.9</td>
<td>5.7</td>
</tr>
<tr>
<td>1960</td>
<td>74.1</td>
<td>11.8</td>
<td>14.1</td>
</tr>
<tr>
<td>1965</td>
<td>69.3</td>
<td>14.5</td>
<td>16.2</td>
</tr>
<tr>
<td>1970</td>
<td>63.2</td>
<td>16.5</td>
<td>20.3</td>
</tr>
<tr>
<td>1975</td>
<td>58.4</td>
<td>19.1</td>
<td>22.5</td>
</tr>
<tr>
<td>1980</td>
<td>53.2</td>
<td>20.1</td>
<td>26.7</td>
</tr>
</tbody>
</table>

*Includes construction

6.2.2.2 Labour as an Actor in Industrial Relations

Migration of labour from rural to urban areas spurred the development of the country’s major trade and industrial centres, thus altering its socioeconomic landscape. However, an overview of the available literature reveals that this process had more limited repercussions regarding the advancement of working class consciousness among the new urbanities and a number of factors influenced this situation. Firstly, the rapid urbanisation process was not accompanied by an equally swift dispossession process of the ex-peasant migrants. Instead, the majority of migrants owned at least a small amount of land in the villages they left behind (Karpat, 1976; Keyder, 1983b; Margulies and Yildizoglu, 1987; Koc, 1998; Owen and Pamuk, 1998; Koc, 2010), which, in the final analysis, paved the way for the maintenance of their links with their rural communities (see Keyder, 1983b; Owen and Pamuk, 1998; Boratav, 2009; Koc, 2010).

\(^{100}\) Despite, one might argue, the emigration of a group of the labour force from Turkey to Europe adding a different dimension to the proletarianisation process of the Turkish rural population, given that these emigrants’ transformation into a working class happened under different socioeconomic and political conditions, this issue remains outside the scope of this study.
Second, many migrant workers, in words of Tuna (1964: 421), were deprived of “[t]he attitudes, the ambitions and enthusiasm for self-advancement, the dexterity and perseverance, the occupational solidarity and class consciousness exhibited by the workers of industrially advanced societies.” Indeed, the overwhelming majority of migrant workers came to the urban areas with little or no educational qualifications and with little, if any, information about or experience of industrial work (Tuna, 1964). These people, resultantly, displayed different attitudes towards such work to the workers who were already urbanised and had gained relevant experience and thus, according to Tuna (1964) they refrained from joining unions.

Table 20: Sectoral distribution of the workforce in non-agricultural activities in the multi-party and planned economy periods

<table>
<thead>
<tr>
<th>Years</th>
<th>Manufacturing</th>
<th>Construction</th>
<th>Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1945</td>
<td>490,000</td>
<td>121,000</td>
<td>441,000</td>
<td>655,000</td>
</tr>
<tr>
<td>1950</td>
<td>482,000</td>
<td>195,000</td>
<td>626,000</td>
<td>1,303,000</td>
</tr>
<tr>
<td>1955</td>
<td>667,000</td>
<td>407,000</td>
<td>1,205,000</td>
<td>2,279,000</td>
</tr>
<tr>
<td>1960</td>
<td>791,000</td>
<td>390,000</td>
<td>1,602,000</td>
<td>2,783,000</td>
</tr>
<tr>
<td>1965</td>
<td>1,019,000</td>
<td>585,000</td>
<td>1,956,000</td>
<td>3,560,000</td>
</tr>
<tr>
<td>1970</td>
<td>1,338,000</td>
<td>662,000</td>
<td>2,635,000</td>
<td>4,635,000</td>
</tr>
<tr>
<td>1975</td>
<td>1,787,000</td>
<td>774,000</td>
<td>3,240,000</td>
<td>5,801,000</td>
</tr>
<tr>
<td>1980</td>
<td>2,060,000</td>
<td>897,000</td>
<td>4,187,000</td>
<td>7,144,000</td>
</tr>
</tbody>
</table>


Third, development in industrial employment lagged far behind the urbanisation rates (Kiray, 1972; Yalpat, 1984; Boratav, 2009). Indeed, as can be worked out from the Table 18 and the Table 20, between the years 1960 and 1980, although the population in urban areas recorded a more than ten million increase, employment in industry grew only by a little over 1.2 million. Given this slackness in growth of industrial employment, the majority of migrant workforce could not secure a job in the industrial sector. These workers, engaged in, just like the case in previous period, low-income, low-productivity and socioeconomically insecure activities related to the service sector, such as: street vending, petty trade and portage (see Kiray, 1972; Keles, 1978; Danielson and Keles, 1980; Kara and Kum, 1984; Boratav, 2009). The presence of large numbers of the migrant workforce

---

101 Indeed, a look at statistical data indicates that 45 percent of male population aged over 15 was illiterate in 1960. Literacy rates amongst men, who constituted the majority of industrial workforce, only gradually improved during the period, with the illiteracy rate falling from 35 percent in 1965 to 29 percent in 1970 and to 23 percent in 1975 (TUIK, 2010: 19).
workforce that had to seek employment opportunities out of the industrial sector, as one could expect, posed an important challenge to the development of working class consciousness in the country, for this group of workers not only remained away from working environments suitable for development of working class awareness, but also constituted the reserve army of cheap labour for industry (Kiray, 1972, Gurel, 2011) with backward perceptions of industrial work.

Nevertheless, despite all these handicaps, according to a common consensus in scholarly literature, the planned economy period witnessed a continuing rise in class consciousness amongst Turkish workers (Talas et al., 1965; Kustral, 1977; Mumcuoglu, 1980; Margulies and Yildizoglu, 1984; Koray, 1994; Guzel, 1996; Zurcher, 2004; Mahirogullari, 2005; Celik, 2010). Undoubtedly, one important factor triggering this development was the changes made to the legal framework of industrial relations spearheaded by the 1961 Constitution. Thanks to this new legal framework, workers and their organisations were provided with a more suitable environment in which they could express and exchange their ideas, organise mass demonstrations and engage in struggles against their employers (see e.g. Kustral, 1977; Margulies and Yildizoglu, 1984; Baydar, 1999b; Zurcher, 2004; Koray and Celik, 2007). However this was not all, for equally important in this advancement was the arrival of left-wing political views in the domains of politics and industrial relations along with an accelerated rate of growth in the number of unionised workers.

The years following the 1961 military intervention, indeed, witnessed the emergence of left-wing political thought as a rival force in the political arena and the gradual spreading of left-leaned doctrine amongst some labour activists and organised labour. One significant manifestation of this was the establishment of the Turkish Labour Party (TIP) – Türkiye İşçi Partisi – in 1961 by a group of trade unionists (see Mumcuoglu, 1980; Isikli, 1983; Celik, 2010). The TIP adopted a left-leaning agenda (Kustral, 1977; Mumcuoglu, 1980; Tufanoglu, 1988) and set its sights on voicing the problems of the working class at the highest political level (Karpat, 1967; Landau, 1974; Mumcuoglu, 1980). Despite having shown constant attention to the problems of working class, the TIP, however, could not achieve
mass appeal among the workers’ masses throughout its political presence. Nevertheless, according to Tufanoglu (1988: 25), it was “the starting point of political unionism” and according to Celik (2010: 371), could be regarded as “one of the important moves that the Turkish working class made in order to make its presence felt on the stage of history”. Another important indication of the arrival of left-wing ideals on the Turkish political scene and on labour movement was the establishment of Confederation of Progressive Trade Unions (DISK) – Devrimci Isci Sendikalari Konfederasyonu – in 1967 as a rival force to the Confederation of Turkish Trade Unions (Turk-Is) that was established back 1952. Having been established by a group of trade unionists who were known to have close links with the TIP (see Dereli, 1968; Ahmad, 1995; Isikli, 2005), the DISK from its very beginning stood up for a class-based unionism (Mumcuoglu, 1980; Koray, 1996; Baydar, 1999b) and claimed that workers could acquire their rights to the fullest extent only if they engaged in political struggle (DISK, 1978b). The DISK, according to Guzel (1996: 237), constituted “the climax of revolutionary and socialism-related past experiences” and although throughout the period the number of workers organised within it remained considerably smaller than those in the rival confederation, Turk-Is, as Mumcuoglu rightly pointed out (1980: 394) it appealed to “the urbanised working classes with increasingly radical tendencies.”

A review of the scholarly work providing accounts of the period indicate that the repercussions of the spread of left-wing doctrine appeared in the daily lives of ordinary workers in the form of a renewed dynamism in their understanding of daily politics, in expression of their ideas and in voicing of their interests (Fisek, 1969; Ahmad, 1995; Guzel, 1996; Baydar, 1999a). One observer portrayed the years following the establishment of the TIP as follows:

---

102 The most considerable success that the TIP enjoyed in elections was in that held 1965, when it sent fifteen representatives to parliament, thanks to the national remainder system in the elections law (Ahmad, 1995). The party could not repeat this success in the 1969 elections due to the removal of this system from the law and could therefore only send two representatives to the parliament (ibid). The TIP was closed down and its leaders were imprisoned in July 1971 by the constitutional court in the aftermath of 1971 military intervention. Although the party was re-established in 1974, it never managed to resume its old position in the political domain (for further information on the TIP see e.g. Landau, 1974; Tursan, 2004; Ahmad 1995).

103 Although the exact number of trade union and confederation memberships in the period is not known, according to Isikli (1987), the total number of Turk-Is members floated around 800,000-1,000,000 and DISK’s members fluctuated between 400,000 and 600,000.
“... left-wing thoughts after long years of suppression started to be discussed and published again. First time after long years, socialist ideas were brought up for a wide-spread and intense discussion. Many newly launched newspapers, journals and pamphlets introduced these ideas to students and workers. Marxist classics and socialist literature began to be translated into Turkish. Therefore people started to examine Turkey’s political, economic and social problems in the light of Marxist philosophy and ethos. [...] In this way, while the working class gradually increased its political awareness, at the same time it started to give a new appearance to its organisations and began to make political demands alongside economic ones in the course of its actions” (Guzel, 1996: 227).

The on-going rise in class consciousness amongst Turkish workers seems to have also been stimulated by an accelerating pace of growth in the number of unionised workers following the enactment of the laws regulating industrial relations104 (see Figure 8). As a natural consequence of this, more and more workers in the period became acquainted with the ideas related to working class consciousness and solidarity, found opportunities to meet in suitable environments to discuss their rights and their needs and thus became equipped with the necessary knowledge, skills, and confidence to define and pursue their class interests. This shift that occurred in ordinary workers’ lives, constituted one important factor in transformation from, in the words of Mumcuoglu (1980: 380), “[a] politically ineffective, dependent labour movement [...] into a strong and independent one”.

104 According to a widespread consensus in Turkey’s industrial relations literature, official statistics related to union memberships in planned economy period do not reflect the real situation (Isikli, 1983; Guzel, 1996; Koc, 2003; Mahirogullari, 2005; Koray and Celik, 2007; Celik, 2010). In this respect, for example, although the number of trade union members reached 5.7 millions in 1981 according to the official statistics, this number according to the estimates floated around 1.5 to 2 million throughout the period (Isikli, 1983; Kara and Kum, 1984; Koc, 2003; Koray and Celik, 2007). This exaggeration seems to have mostly stemmed from the fact that the official statistics compiled by Ministry of Labour were entirely based on trade unions’ statements reporting the number of their members. Trade unions, however, according to Koc (2003) displayed a tendency towards overstatement of number of their members not only because of rivalry between them, but also because the law allowed dual memberships and because trade unions under-recorded the number of unsubscribed members (Koc, 2003).
The on-going rise in class consciousness of Turkish workers, resultantly, stimulated them to enhance their capability to act as an influential socioeconomic class and equipped them with the necessary skills to emerge as an important actor in industrial relations (see Guzel, 1996; Baydar, 1999b; Zurcher, 2004; Koray and Celik, 2007; Celik, 2010). In mentioning rise of class consciousness amongst Turkish workers and their transformation into a class that was able to stand up for its rights, however, two important points should be emphasised. Firstly, despite the fact that the growth in the number of unionised workers gained a remarkable pace, as indicated by the Figure 9, the number of unionised workers remained far below the number of total waged workers. To add to this, as displayed by the Figure 10 below, throughout the period, workers in the public sector displayed a greater tendency to unionisation compared to private sector workers and thus much of the increase achieved in number of unionised workers came from the former sector. The second important point that needs to be emphasised regarding the rise in class consciousness amongst Turkish workers is their political
preferences, which shifted from the AP\textsuperscript{105} – the centre right – to the CHP – the centre left – only during the second half of the focal period\textsuperscript{106}.

**Figure 9**: A comparison of the total number of waged workers and the total number of unionised workers in the planned economy period.

**Figure 10**: Unionisation rates amongst public sector and private sector workers.

Source: Compiled from Petrol-Is, 1995: 519-523.

Against this background of a combination of different and somewhat contradictory factors that influenced the rise of class consciousness amongst workers, the labour movement displayed a number of distinguishing features in the period. The first that characterised trade unionism was the existence of political fragmentation and ideological confrontation between the workers’ organisations. Having been prompted by the aim of representation of workers’ interests from different points of view and with different motivations, this split manifested itself most conspicuously at the highest level of interest representation, as the number of confederations soared up to seven by 1978 (Koray and Celik, 2007). This manifested itself in a concrete way in the rivalry between the Turk-Is, which stood up for an above-party and conciliatory unionism (see e.g. Kutal,

\textsuperscript{105} Indeed, for most of the 1960s, the majority of workers, in a manner similar to the previous period, continued to vote for the AP, in other words, for the successor of the DP (Milliyet, 1969; Zurcher, 2004).

\textsuperscript{106} It seems that workers did not maintain their political support for the AP throughout the period, for it is well-known that the CHP drew much of its support from the major industrial cities in the 1969, 1973 and 1977 elections (see e.g. Cumhuriyet, 1973; Ozbudun and Tachau, 1975; Cumhuriyet, 1977b; Milliyet, 1977a; Savran, 1992). This, in turn paved, the way for creation of a general consensus amongst scholars that an on-going shift in workers’ political preferences towards the left of the political spectrum took place during the 1970s (see e.g. Cem, 1973b, 1973a; Tutengil, 1973; Ozbudun and Tachau, 1975; Ozbudun, 1976; Gevgilili, 1977; Keyder, 1987; Savran, 1992; Ayata, 1995; Tachau, 2000).
1977; Mumcuoglu, 1980; Tufanoglu, 1988; Koc, 2000b) and the DISK, which favoured class struggle, thus being inclined towards political unionism (see e.g. Kutal, 1977; DISK, 1978b; Guzel, 1996; Koray, 1996; Baydar, 1999b).

Concomitant to this, the second feature of Turkish trade unionism was the rapid growth in the number of trade unions in the focal period and the dispersion of workers between these organisations (see Figure 11). This situation, which has been widely referred to as ‘trade union inflation’ within the mainstream industrial relations literature (Mumcuoglu, 1980; Isikli, 1983; Koray and Celik, 2007), according to Baydar (1999b), contributed its share to the fragmentation of the Turkish labour movement and for Koray and Celik (2007), constituted an important weakness. The third feature that distinguished the Turkish labour movement during this period was its increased dynamism, which paved the way for emergence of, as Kutal (1977: 298-9) succinctly put it, “a labour movement with a character which was capable of making its presence felt on the political landscape and which was able to use its political leverage when necessary.”

Figure 11: Trade union inflation in the planned economy period

![Graph showing trade union inflation in the planned economy period](image)

Source: The figure on the left was taken from Koray and Celik, 2007: 294, whereas that on the right was calculated from Koray and Celik, 2007: 294, Petrol-Is, 1995: 521.

The fourth feature that contributed to the character of labour movement was the increasing politicisation of trade union activities. This process, as pointed out by many observers, was stimulated by the politico-economic dynamics and the legal framework of the era (Talas et al., 1965; Mumcuoglu, 1980; Isikli, 2005; Celik, 2010) and became most evident in the establishment of clear and close links
between the trade union confederations and the political parties, which wielded/shared power in the period. In this respect, the ties forged between Turk-Is and the right-wing oriented AP; between the DISK and the left-wing oriented TIP and the CHP; between the Confederation of Nationalist Worker's Unions (MiSK) and the extreme right-wing Nationalist Movement Party (NMP); and between the Confederation of Turkish Real Trade Unions (Hak-Is), and the pro-Islamist National Salvation Party (NSP), have been well documented and widely discussed in the Turkish industrial relations literature (see e.g. Mumcuoglu, 1980; Guzel, 1996; Koc, 1998; Baydar, 1999b; Isikli, 2005; Mahirogullari, 2005; Koray and Celik, 2007; Celik, 2010).

The transformation that the Turkish working class underwent and the peculiar features Turkish labour movement retained inevitably exerted a considerable impact on the articulation and materialisation of the interests of working people which are investigated in the subsequent section.

6.2.2.3 Interests

The interests of the actors of Turkish industrial relations in the planned economy period, as was the case with the previous ones, reflected their concerns in work and production and laid the ground for their interactions. The ruling circles, including the military elites, as had been the case in the previous period, deemed industrial relations a vital issue to be taken care of in the country's democratisation and industrialisation process. Having met the challenge of a vociferous and a dynamic working class, industrial employers attributed a special importance to the maintenance of social peace and order at the workplace. Workers, on the other hand, having been provided with the opportunity of voicing their interests on a more equal footing with state and employers, placed their concerns over higher wages ahead of other interests. The interests of the actors’ of industrial relations are analysed in detail in the subsections that follow.

107 The acronym Hak-Is stands for ‘Turkiye Hak Isci Sendikalari Konfederasyonu’ and although in its official translation into English the word ‘hak’ is interpreted as ‘real’, the concept ‘hak’ in Turkish is used both to mean ‘just’ and ‘of Allah’.
6.2.2.3.1 State

A careful review of the available resources suggests that the ruling circles, both civilian and military, paid considerable attention to the way power was distributed in industrial relations and to the way economic wealth was shared between actors. The high levels of importance that the political actors attributed to labour-capital relations, just like for the previous period, stemmed from their concerns over the maintenance of the capitalist economic order/capitalist industrialisation and multi-party democracy, which, in particular, appeared in official documents, in the declarations of the ruling élites and in party programmes. For example, regarding “private property” and “private enterprise” amongst the main elements of Turkish democracy (see Feridun, 1962: 213), the military élites’ commitment to preserve the capitalist economic order was put into words by General Cemal Gursel, who acted as head of state and prime minister of the military government that was established after the military coup. In a press conference organised in September 1960, referring to one of the directives of Committee of National Unity published in the Official Gazette, which prescribed regulation of the trade and industry sectors, thus adhering to the principle of statism, he stated that (Milliyet, 1960: 5):

“There is a section on statism in the directives of Committee of National Unity. I hear that this caused some worries. Our country, with its social and economic circumstances, displays all the characteristics of underdeveloped countries. Economic development [...] is an important matter. To deal with this, the state needs to intervene and exert an effort. While private property and freedom of economic action are the main principles, we intend to channel the efforts of state to the areas where private enterprise [...] is not able to deal with. This does not mean that the state will not allow private enterprise. Our

108 This is the name of the military junta which seized power in the year 1961.
statism should not be seen as a state order which holds sway over a strict economic life”.

Much in the same way as with the interests of military élites’, the civilian political leaders vigorously pursued the interest of safeguarding and perpetuating Turkey’s fragile democratic political order and of capitalist economic system/industrialisation throughout this period (see e.g. Bozbeyli, 1970; CHP, 1973; AP, 1974; TBMM, 1975, 1978). For example, the AP in one of its party programmes, after having expressed its faith in the democratic system (Bozbeyli, 1970: 3-4) and in the system of free economy and free enterprise (Bozbeyli, 1970: 7), asserted that (Bozbeyli, 1970: 7-8):

“We do not believe that an unfree society can attain continuous, steady and high levels of production. We are convinced that economic welfare and productivity can only be materialised and maintained in a free economic order”.

In a similar vein to the AP, the CHP in its 1961 party programme, after having firmly affirmed its commitment to the materialisation of a democratic social order (Bozbeyli, 1970: 57), stated that (Bozbeyli, 1970: 59):

“Our party accepts that […] state’s encouragement, protection and provision of necessary support of private enterprise is the main principle for the push for national welfare.”

The political actors’ pursuit of protection and perpetuation of capitalist industrialisation and of the democratic political order as the overarching interest pursued in political and economic domains, reverberated to the domain of industrial relations in the form of two different concerns. First, as had been the case in the previous periods, the ruling élites attributed a central importance to keeping the Turkish labour movement away from the ideologies of radical left-wing politics. Second, for the first time in the nation’s industrial relations history, the interest of extending scope of internal markets by making workers a part of them, started to shape the ruling élites’ discourses and interests in the domain of industrial relations.
The ruling élites’ pursuit of keeping the Turkish labour movement away from ideologies of radical left-wing politics, indeed, implied a remarkable continuity in the interests of all the political actors that were involved in the country’s governance throughout the period. However, the opinions of the ruling powers shifted during the period in accordance with the needs and priorities of the country’s industrial development. In this respect, during the first half of planned economy period when import-substituting capitalist industrialisation was in full swing, the ruling circles – both the military and the civilian and regardless of their political stance –, saw granting the workers social and economic rights amongst the most appropriate ways to prevent dissemination of radical left-wing ideals amongst the working class. However, as the maintenance of country’s inward-looking industrial development started to be threatened by the escalation of the foreign exchange crisis beginning from the late 1960s and as the capitalist industrialisation and the political democratisation heightened the level of class consciousness amongst the workers, the military élites and those political actors possessing right-wing views started to see taking the workers’ movement under their control to be the most suitable way to hinder the diffusion of extreme left-wing ideas amongst the working class.

A careful review of available resources, indeed, indicates that for most of the 1960s the ruling elites, both civilian and military, deemed entitling workers with various social and economic rights to be a necessary means to keep the Turkish labour movement away from the ideals of extreme left-wing politics. The earliest examples showing how the political actors articulated and rationalised their opinions over this issue can be obtained from the official statements issued by the Committee on National Unity. “Social mentality”, for example, according to the draft constitution prepared under the watchful eyes of the committee (Feridun, 1962: 215):

“is not only an assurance to provide individual welfare and happiness, it, at the same time, in terms of the future of social life, is the firmest guarantee for democracy. Because the most influential shield against communism is social justice which renders it unnecessary.”
The military-political actors as the framers of 1961 constitution further justified the significance of providing the people with socioeconomic rights as preventing them from engaging in extreme left-wing movements in the draft constitution as follows (Feridun, 1962: 215, brackets added):

“Finally it should be also noted that states which remain insensitive to social justice, will not be able to prevent social life being carried away with extreme left or right movements and to drift towards totalitarian directions. [...] A democracy which is not social is destined to lose its essence in the face of the realities of social life and to eventually collapse.”

In a similar manner with the military-political actors, for most of the 1960s, the CHP and the AP, being the most influential political parties in the political life of the country in the period, found the idea of equipping workers with social and economic rights to be an appropriate strategy to prevent the emergence of radical left-wing movements amongst them. For instance, the first Demirel government, which ruled the country under the leadership of Suleyman Demirel with a centre-right stance between the years 1965 and 1969, firmly stated in its programme that (TBMM, 1965: 76, brackets added):

“Our most important duty will be putting into use our laws in line with their aim and spirit [...] in order to provide that [...] dangerous movements especially activities that are headed towards communism cannot damage our regime and social order. We believe that materialisation of social justice and social security measures set by the constitution for the entire Turkish nation are the most effective remedy for this issue.”

Just like the AP, the CHP also employed the rhetoric of the “necessity of socioeconomic rights and freedoms” in articulation of its interest over the political consciousness of the workers’ movement. In his well-known book, where he introduced the idea of a left-of-centre Turkish politics, Ecevit justified the necessity of socioeconomic rights in industrialising countries as follows (Ecevit, 1966: 21, brackets added):
“If measures to emancipate people from injustice, poverty, repression and [the measures] to provide development with social justice are not taken, rebellious feelings might increase and come to the point of tipping amongst people who are repressed and suffer from poverty. This danger is more serious in industrialising societies. It is in this case that, extreme left-wing movements might turn these rebellious feelings into a destructive and widespread flood.”

However, the opinions of the political actors who pursued a right-wing political agenda and of the military élites as to the most appropriate ways through which the Turkish labour movement would be kept away from extreme left-wing ideals gradually changed with the shifting politico-economic and social circumstances, which, as already mentioned above, began to make themselves felt beginning in the late 1960s. The 1969 government programme of the AP gives the early signs of this change in interests taking place for a group of ruling elites. In the programme it was announced that (TBMM, 1969: 52):

“In order to establish and maintain unity of the workers [and] to help Turkish trade unionism to gain power within the democratic system, necessary amendments will be made to the relevant legislations.”

One of the eye opening explanations to the underlying intentions of the AP placing these amendments in the agenda of the party came from Turgut Toker, an ex-labour minister and an AP Deputy. In his speech delivered at Turk-Is’ eighth general assembly that was held in May 1970 he declared that (Milliyet, 1970a: 1):

“After the amendments made to the laws 274 and 275 enter into force, no Confederation will remain in Turkey apart from Turk-Is.”

In his speech, Toker (Milliyet, 1970a: 1) also noted that “the DISK whose situation does not comply with the amendments to be made will be liquated”,

209
further elaborating upon his views about the extreme left as follows (Milliyet, 1970a: 11):

“Those who think like Mao, Lenin, those who were trained with the ideas of Che Guevara, want to destroy freedom in order to bring a dictatorial regime. They attempt to use the masses as a lever for their aims.”

Heightened class awareness amongst workers seemed also to have led to a discernible shift in the interests of the military political actors towards a restrictive and repressive position. In a speech by General Memduh Tagmac, the chief of the general staff, delivered a few days before he and his colleagues issued the military ultimatum of 12 March 1971, reveals the military élites’ discontent with the growth in class awareness. “Social awareness” said Memduh Tagmac, addressing young commanders of the Turkish army, “has surpassed economic development” and he continued, “Turkey can never be left unattended [...] We are responsible from protecting the state and republic” (Ozturk, 1993: 165).

The pursuit of the interest of keeping a tight rein on the labour movement in order to prevent them from engaging in radical left-wing activities and to establish stability and order in politico-economic domain would appear to have become more apparent in 1970s amongst the political actors possessing right-wing views. The words of Nihat Erim, who assumed the premiership of the non-party government that was established upon the demand of the generals who staged the military intervention of 1971, neatly illustrate the changing views of the political actors taking part in or supporting this government. He was an ex-CHP deputy known with his right-wing political stance (Zurcher, 2004), who in a press conference where he addressed a number of foreign journalists, pointed out regarding extreme left and right wing movements in the country which grew up following the adoption of 1961 constitution (Milliyet, 1971: 1):

“The constitution of Turkey is more liberal than the constitutions of many European countries. Turkey cannot deal with such a luxury.”
Another speech by Nihat Erim made in the parliamentary session where the report on the death penalty imposed on Deniz Gezmis and his friends was discussed sheds light on the ideas of right-leaning political actors who considered the 1961 constitution provided certain so-called luxuries that could. Erim, by referring to Deniz Gezmis and his colleagues, the leaders of a radical left-wing student movement and by addressing the martial law, which became effective in eleven cities following the announcement of the 12 March military intervention, stated that (TBMM, 1972: 179-180, brackets added):

“There are people who have been engaged in armed struggle with the aim of dividing and disintegrating [sic] Turkey, of overturning the democratic regime [and] the Turkish state. Martial law was announced in order to find out and overpower these [people] and to judge the offenders.”

At this point it is important to emphasise that the frustration that Nihat Erim and his colleagues felt over the growing left-wing opposition in Turkish society and their commitment to confronting and containing this so-called threat did also include the left-leaning factions of the workers’ movement. The statement in the programme of the second Erim government in this respect provides a good example of the right-leaning political actors’ shifting opinions in the domain of industrial relations starting from the early years of the 1970s. In the programme, probably referring to the DISK and other workers’ organisations with left-wing profiles, it was stated that (TBMM, 1971: 439, brackets added) “[t]he activities of associations that provoke disturbance in our social order will be prevented.”

The aim of putting the labour movement under the state’s firm discipline in order to channel them away from left-wing extremist movements was also pursued by the Demirel governments throughout the 1970s. This interest, as a review of the AP party programmes indicates, was mostly revealed through the employment of a discourse with the “aim of establishing peace in working life” (TBMM, 1975: 318, 1977: 128, 1979: 89), and as the sixth Demirel government’s programme made it explicit, was intended to be materialised through “making best use of available laws and resources” (TBMM, 1979: 89). In this respect, it is worth citing the views of the sixth Demirel government as it offers some useful clues as
to the most suitable way he and his supporters saw fit to management and reform labour-capital relations. In this programme, after having firmly stated that “there can be no party, no association, no trade union, no occupational organisation which support the movements that the constitution has prohibited” (TBMM, 1979: 88), it was enunciated that amendments were in train to change the laws on trade unions and on associations as these were amongst the “measures that needed to be taken in order to strengthen the state’s democratic authority” (TBMM, 1979: 88).

Moreover, the AP declared its stance on matters of labour-employment relations as follows (TBMM, 1979: 89):

> “Smooth operation of the liberal democratic regime and of the economic order will be provided. The atmosphere of security that the production and investment are seeking for will be re-established. [...] It will be ensured that Turkish citizens [...] can engage freely in economic activities. [...] For our country’s economic life, we consider peace in the workplace to be vitally important and indispensable. [...] Rather than domination of labour over capital or capital over labour, it will be provided that they will reconcile on equitable basis.”

Despite a marked shift being witnessed in the interests of the political actors who leaned towards the right-wing of political spectrum and of the military-ruling élites, not all the factions of political actors seemed to be of the same idea with regards to labour rights in the 1970s. Indeed, a careful look at the CHP’s party programmes that were issued in the 1970s, indicates that it continued to regard granting Turkish workers social and economic rights as being one of the most appropriate ways to prevent the dissemination of radical left-wing ideals and thus to hinder the emergence of extreme left-wing movements amongst the working class (CHP, 1973: 121-122, 1976: 95-96). For instance, in the CHP’s manifesto prepared for the 1973 elections, the party’s views over the virtues of equipping workers with socioeconomic rights were summarised as follows (CHP, 1973: 121):

> “Entitlement of workers to enjoy democratic rights and enabling them to use these rights is healthy not only in social and
economic terms but also in political terms. Because in this way [...] democracy will be realised; at the same time, workers’ gravitation towards movements which are not compatible with a democratic regime or infiltration of these kinds of movements and ideas between workers will be prevented.”

An overview of available resources indicates that the interest of keeping the Turkish labour movement away from the ideologies of radical left-wing politics was not the sole one that the political actors pursued in the domain of industrial relations. That is, for most of the period the CHP and the AP also set their sights on boosting the domestic markets by increasing workers’ purchasing power. This interest was materialised through allowing substantial wage increases in the industrial sector (Pamuk, 1981; Keyder, 1983a; Zürcher, 2004; Aydin, 2005) and according to a widespread consensus in scholarly literature, constituted one main element of policies directed towards the development and maintenance of inward looking industrialisation in the period (Keyder, 1987; Aydin, 2005; Kazgan, 2006; Unay, 2006; Boratav, 2009). However, at this point it should be noted that despite the political actors, for a long time during the period, permitting high wage rises in the industrial sector, especially in state-led industrial establishments and even tolerated workers’ contestation over their wages (see Keyder, 1987 and below sections), they rarely made this interest explicit. Instead, they tacitly supported the idea of the importance of wage rises/fair income distribution in the achievement of social justice and invoked the rhetoric of democracy as the system as being compatible with collective bargaining in matters of wage increases. For example, the CHP (1969), in its manifesto prepared for the 1969 general elections, started its chapter on working life by pointing out the importance of the provision of social justice for working people (p. 73) and amongst the progress it promised in the quality of working life, mentioned the introduction of a “wages and incomes policy which make a fair and a balanced development possible” (p. 77).

Regarding collective bargaining, the CHP (1976: 134), in its 1976 party programme deemed it “amongst the principle means of provision of justice on continuous basis in income distribution through democratic ways”. In a similar vein, the AP also made use of the concepts of social justice, democracy and collective bargaining in matters of wage increases and fair income distribution.
For example, in the programme of the first Demirel government it was asserted that (TBMM, 1965: 82):

“In order to obtain social justice, the social state has many instruments such as progressive tax systems, public services [...] wage setting through free trade unionism and collective bargaining."

Demirel, much in a similar manner, in an interview with Abdi Ipekci, a respected Turkish journalist stated that (Ipekci, 1969: 5):

“System of progressive taxes and the right to collective agreement is the most effective solution that western democracy could have found to ensure that the welfare is spread across society.”

One of the most clear-cut manifestations of the economic meaning of this interest, however, comes from the CHP in the early 1970s. In its manifesto prepared for the 1973 general election, the CHP, besides having pointed out the instrumentality of increased purchasing power for the wider population in widening the scope of domestic market of national industry (CHP, 1973: 85), called attention to the virtues of the pressures for wage increase demands coming from workers following the implementation of the law on collective agreements as follows (CHP, 1973: 118):

“Employers who firstly went into panic because of the increase that they had to make in workers’ wages exceeded what they were used to, saw, in a short time, that their worries were unnecessary. Because the purchasing power of hundred thousands of workers, number of whom make millions with their families were also increased. The economy gained vitally also from this aspect; sales and profits of both the industrial and commercial businesses together with those of shopkeepers increased.”
Nevertheless, towards the end of the planned economy period, as Turkey’s economy took a significant downturn, the instrumentality of high wages in the creation of buoyant internal markets proved to be unsustainable and this led a remarkable shift in the interests of the political actors. For example, in a press conference held in May 1978, Bulent Ecevit complained about the excessive demands and irresponsible behaviours of some trade unionists and claimed that the “system of collective bargaining is about to get out of hand because of this mentality”. In this speech he also, when pointing out the wage demands of trade unions, asserted that “meeting these kinds of demands is impossible” and added “we expect all trade unions to make sacrifices” (Milliyet, 1978a: 9). Much in a similar way, in an interview conducted by Abdi Ipekci, Ecevit complained about wage increases in the industrial sector as follows (Ipekci, 1978: 13):

“Regardless of the country and the political regime they are coming from, today, if the most well-educated, the most competent experts are called for as witnesses, I believe that they will say that there is no country other than Turkey where the highest wage increases are seen.”

Demirel, likewise, in one press conference asserted that wages need to be increased within “reasonable limits”, which could be compensated by the economy (Cumhuriyet, 1977: 1). An eye-opening explanation to what he implied by saying “reasonable limits”, on the other hand, could be found in one of the letters of intent that the sixth Demirel government submitted to the International Monetary Fund in mid-1980. According to this letter, as was reported by a respected journalist Mehmet Ali Birand (1980: 6), the government, after having promised to ensure that wage increases would remain below the level of inflation, declared that it would pass on nearly all increases in the cost of production to consumers.

The interests of the ruling elites in the domain of industrial relations, revolved around their overarching concern regarding the perpetuation of capitalist industrialisation and the democratic political order, whereas the interests of employers and workers in this domain were built on different concerns, which are studied in the following subsections.
6.2.2.3.2 Capital

The interests that the industrial employers pursued in the domain of industrial relations reflected their urgent needs in their economic activities, i.e. establishment and preservation of stability and order in the economy and in labour-capital relations, and determination of wages in line with their own interests. In this respect, for example, in a meeting held with Ismet Inonu in early 1962, Vehbi Koc, a leading Turkish industrialist said: “before anything else, we need peace and stability”; and continued: “[o]ur country needs to work a lot [...] We need to industrialise” (Milliyet, 1962). Industrial employers’ concerns over peace and stability in workplace were also made manifest in various publications and meetings of the Confederation of Employers’ Associations of Turkey (TISK, 1972, 1977, 2012). In its working report prepared for its ninth ordinary meeting of the general assembly, for instance, it stated that (TISK, 1972: 13):

“...besides the need for the establishment of political and economic stability, it is important to refer to the importance of the factor of peace and tranquillity in the workplace for our economic development. The entrepreneurs, who are in the position of making new investments in the area of industry, will seek for, before anything else, the precondition of peace and tranquillity in workplace. Prevalence of illegal actions in workplaces which occur in the forms of occupations, boycotts, unlawful strikes and even damage to property, while on the one hand will not provide encouraging environments for new investment, on the other, will cause serious problems in production for existing investment.”

In a similar manner, Halil Kaya, the then president of the TISK, in an executive meeting held in 1974, having pointed out the on-going economic and social problems across the country, gave voice to the employers’ concerns over the establishment and preservation of stability and order in economy as well as in labour capital relations, as follows (Isveren Bulteni, 1974b: 3):
“The circumstances which deteriorate day by day, the pressures which increase day by day, push the industrial sector into an insecure and unstable environment. In the case that development in industrial sector ceases, it is certain that, together with numerous companies, our country will suffer from this situation. Under these conditions, the problems of employment and investment confront us as subjects which are worth considering with regards to the interests of the country.”

When it comes to the wages policy, industrial employers throughout the period firmly held the idea that excessive wage demands would lead to a decrease in their demand for labour and would eventually precipitate inflation (TISK, 1965: 146; Milliyet, 1970b; Isveren Bulteni, 1972, 1973, 1974a, 1976b; Milliyet, 1978b). Their views regarding the most suitable wages policy seem to have taken its shape as early as the mid-1960s (TISK, 1965: 148-149, brackets added):

“Given that the biggest employer in Turkey is the state, determination of a wage policy should be the state’s duty. This policy should not be in conflict with the position of private sector employers and should be based on the same principles [pursued by the private employers] as much as possible [...] There will be no pressure of inflation if the increase in wages does not exceed production levels. In this regard, currently one of the most important problems is the pressure on employers and on the economy, which stems from [...] unrest triggered by the provocation of trade unions about fair wages. These pressures [...] need to be removed especially because of their negative effects on companies.”

The industrial employers’ concerns over the “establishment and preservation of stability and order in the economy and in labour-capital relations” and “determination of wages in line with their own interests” remained as their overarching concerns in the domain of industrial relations. However, similar to the political actors, their views regarding how their interests could be materialised changed during the period in accordance with the rising power of the working
class and with the shifting demands and priorities of the country’s industrial development. In this respect, during the first years of planned economy period when the import-substituting capitalist industrialisation was in the process of gaining its momentum and when the labour movement was still in its infancy, industrial employers deemed developing harmonious relationships with workers to be the most suitable way to establish and maintain stability and thus were regularly willing to come to agreements on wage increases with workers. However, starting from the late 1960s, as the country’s inward-looking industrial development strategy began to slow down with the onset of economic problems, and as a group of workers started to reveal a heightened level of class consciousness, especially under the leadership of the DISK, industrial employers began to see the establishment of strict state control over wage demands of trade unions and over the labour movements through the introduction of pro-capitalist changes to the laws regulating industrial relations, as being the most appropriate method for the materialisation of their supreme interests.

A careful analysis of the employers’ publications, in fact, reveals that at least until the mid-1960s, they deemed the establishment of a harmonious relationship with the working class important. In the year 1965, TISK for example, explained the views of its members with respect to labour-capital relations and wage bargaining as follows (TISK, 1965: 145):

“... we have an unshakable belief that the establishment of a principle of social justice in a peaceful way can only be achieved through implementation of a system of collective bargaining. As the system of collective bargaining develops and spreads across our country, the role of the state in the organisation of labour-capital relations, especially in the determination of wages, will gradually decrease and the parties will gain a fairer private mechanism.”

The then president of TISK Sahap Kocatopcu’s speech at the Confederations’ fifth ordinary meeting held in 1966, likewise, offers some revealing hints about the employers’ commitment to the establishment of a harmonious relationship in industrial relations. In his speech he asserted that (İsveren, 1966: 4):
“As guardians of social peace, we assume a mutual responsibility with Turk-Is, and in order to carry out this mutual responsibility together [sic], we are open to any kind of cooperation.”

In contrast to the industrial employers’ favourable attitudes towards the establishment of harmonious relationships with labour in the first half of the planned economy period, throughout the 1970s, they called for more and stricter state control over labour, by defending the necessity for the introduction of pro-capitalist amendments to the laws regulating industrial relations (see e.g. Cumhuriyet, 1970; Milliyet, 1970b; Isveren Bulteni, 1973; 1974a, 1974b, 1976a, Milliyet, 1977; Ibrahimoglu, 1979, 1980; Altun, 2008). For example, at a press conference, the then president of the TISK, Halil Kaya, explained the importance of the establishment of state control over the collective bargaining process in relation to the provision of peace and stability in the country with the following words (Cumhuriyet, 1970: 7):

‘Excessive wage demands and other reasons restrain the employers’ tendencies towards developing their establishments and opening new workplaces. It should be also emphasised that, the government either is late in taking measures or takes inadequate measures against this issue. This attitude encourages those who want anarchy’.

In a letter addressed to Bulent Ecevit in 1975, Vehbi Koc, who, besides being a prominent industrialist, held the chairmanship of the TUSIAD’s presidential board throughout the 1970s, on the other hand, put forward the industrial employers’ demand for the introduction of pro-capitalist amendments to the legal framework of industrial relations in a very straight forward manner. In his letter, Koc (1987: 193), after having stated that “if the government does not seriously deal with and put in order the current collective bargaining system, I doubt that the industrialisation process of Turkey will be able to reach to its expected levels” and added:
“Workers’ wages have increased much more than the cost of living in Turkey. This situation intensifies the pressure of inflation [and] low income citizens on the one hand, workers on the other run into financial difficulties [...] Attitudes of trade unions have a considerable impact on the economy of the country. If industrial relations are not carefully regulated, considerable damage might be caused because of strikes. It is even possible that many industrialists might have to step out of their business because they cannot make a profit.” (Koc, 1987: 193).

Another example as to the employers’ increasing demands for the assertion of state control over labour and the introduction of amendments to the legal framework of industrial relations that favoured employers can be seen in the then president of the TISK, Halit Narin’s speech delivered at the 1978 annual meeting of TUSIAD. In his address to the general assembly, after having pointed out the CHP’s plans to take measures against employers’ misuse of their right to lockout, he criticised the party’s attitudes towards the labour movement as follows (Milliyet, 1978c: 6):

“Government needs to fight against and strictly prevent unlawful strikes, irresponsible strikes, and ideological strikes. By adopting single-sided and deliberate attitudes, no service can be given to this country, peace in workplace cannot be established, economic development cannot be promoted, and welfare cannot be spread.”

Against this background, it should come as no surprise that the interests of employers that were pursued in a politico-economic environment where labour emerged as a powerful actor, conflicted with the interests of the working class and these form the subject of the subsection that follows.
6.2.2.3.3 Labour

A careful overview of the relevant material reveals that the interest that the workers championed in the domain of industrial relations echoed their most urgent economic concern, namely, higher wages and this, despite some political claims made by especially the DISK\textsuperscript{110}, remained as the overarching interest of the trade unions throughout the period paving the way forward to, as Koray and Celik (2007: 266) rightly pointed out, the pursuit of a “wage unionism” by majority of the labour’s organisations (see Koray, 1994, 1996; Koc, 1998; Koray and Celik, 2007). At this point it is important to note that despite the existence of ideological and discursive ruptures between the DISK and the Turk-Is, and despite the existence of other trade union confederations, it had been these two organisation that came out as the single-minded spokesmen and the genuine representatives of the Turkish working class (Mumcuoglu, 1980; Guzel, 1983; Isikli, 1987; Guzel, 1996; Koc, 1998; Baydar, 1999b; Koc, 2000a; Mahirogullari, 2005). Consequently, this study in this context follows in the footsteps of mainstream Turkish industrial relations literature and exclusively focuses on the supreme interests pursued by the Turk-Is and the DISK during the planned economy period.

Perhaps the most convincing evidence that higher wages appeared as the supreme interest pursued by the workers lies in the fact that improvements in wage and benefit levels, as has been repeatedly pointed out in the literature, came out as the most important issue which the workers raised during collective bargaining negotiations and which they voiced during industrial action throughout the era (Tuna, 1969, 1970; Katal, 1977: 132; Talas, 1992; Koray and Celik, 2007). This particular concern that they showed about their wage levels could also be seen in statements of workers’ associations and in the discourses of their leaders. For example, the working report prepared for the Turk-Is’ seventh ordinary meeting of its general assembly was opened with an address expressing the executive board’s\textsuperscript{110}

\textsuperscript{110} Indeed as has been mentioned earlier, the DISK, unlike the Turk-Is, stood in favour of a political unionism and in this respect made its presence felt by the political actors and employers through the protests and demonstrations it organised against political actions and decisions of these actors, especially in the second half of the planned economy period (for an overview see e.g. Guzel, 1996; Koc, 1998; Mahirogullari, 2005).
concerns over workers’ financial hardship due to rising inflation levels. In the report it was stated that (Turk-Is, 1968: 166, brackets added):

“Today those who live on small incomes constitute the majority in our country and [these people] do not know what to do in the face of the high cost of living [...] Prices are on a continuous rise and the pain of citizens does increase day by day.”

The particular attention that workers paid to their wage levels can be also followed in the publications of the DISK (1973, 1978a, 1980). For example, in one of its declarations issued 1975, it compiled a list of demands composed of fourteen items and called for “all progressive, revolutionary and national powers and organisations to come together and fight for these claims” (DISK, 1978a: 132). The first two items of the list were as follows (DISK, 1978a: 132 brackets added):

“1. Enabling wage increases to run ahead of price increases and determination [of wages] in accordance with a cost of living index calculated for families.

2. Creation of a growth in purchasing power and in so doing obtainment of an increase in domestic consumption and production directed at this [domestic consumption].”

In mentioning the supreme interests of workers in the planned economy period, which were predominantly championed by the Turk-Is and the DISK, it should be especially noted that although these two associations pursued almost the same interests, as many scholars pointed out, a fierce rivalry had grown between them (Mumcuoglu, 1980; Koc, 1998; Koray and Celik, 2007). This rivalry had its roots in their ideological orientations and went as far as the Turk-Is’ support for the amendments brought to the trade unions law in the 1970, which were aimed at, amongst other infringements of the essence of freedom of association, closure of the DISK (see below and Isikli, 2005; Mahirogullari, 2005).
The interests that the actors of industrial relations pursued exerted a remarkable impact on the patterns of interactions established between them in the period, which is investigated next.

**6.2.2.4 Interactions**

Industrial relations during planned economy period developed in a more dynamic and complex environment, where the politico-economic and social circumstances surrounding and influencing it paved the way for the arrival of more powerful socioeconomic actors with divergent and sometimes contradicting interests to pursue. This, compared to the previous periods, brought about different patterns of interactions amongst the actors, which resulted in more dynamic progress in the relationships being built in the domain of industrial relations.

The early years of 1960s witnessed the ruling élites’ ambitious efforts directed towards re-institutionalisation of industrial relations with an aim to provide a more equitable distribution of power between capital and labour. To achieve so, they firstly, as was already mentioned above, justified their steps taken towards the re-building of the institutional structures of industrial relations with the argument that workers need to be integrated within the existing politico-economic order, if capitalist development was to be sustained within a democratic parliamentary system. To this end, the articles 46 and 47 were incorporated into the 1961 Constitution which guaranteed the right to establish trade unions and the right to bargain collectively as well as the right to strike. The efforts of the political actors, directed towards re-shaping of the institutional framework of industrial relations, culminated in the Trade Unions’ Law (Law no.274) and the Collective Agreements, Strikes and Lockouts Law (Law no.275), both of which entered into force 1963 and together provided labour with the freedom of association, the right to collective bargaining and the right to strike.

On the basis of these legal arrangements, the actors of industrial relations interacted with each other at both the political and politico-economic levels and these interactions laid the ground for the political economy of industrial relations pursued during the period. At the political level, an overview of the relevant resources indicates that interactions between actors made themselves felt check in
relationships that the Turk-Is and the DISK established with particular political parties\textsuperscript{111}. Indeed, the Turk-Is, despite its so-called above party political position, with which it claimed it would remain outside the influence of political parties (see Kutal, 1977; Isikli, 2005), forged a strong alliance with the AP (Guzel, 1983; Bianchi, 1984; Cizre-Sakallioglu, 1992; Isikli, 2005) and a less strong, but a still visible one, with the CHP (Isikli, 2005), which mostly became evident in the election of a number of Turk-Is leaders to parliament on the AP and the CHP candidate lists during the focal period (Isikli, 1987, Cizre-Sakallioglu, 1992). In a similar manner, the DISK built a close alliance with the TIP (Mumcuoglu, 1980; Isikli, 1983) and after the TIP’s closure under martial law in 1971, it forged a loser, but noticeable, alliance with the CHP (DISK, 1975; Isikli, 1983). The DISK, as was the case in Turk-Is’ relationship with the political parties, throughout the period sent a number of its leaders to parliament under the tickets of the TIP and the CHP (Isikli, 1987, 2005). However, unlike the Turk-Is, it did not adopt an above party approach to politics and instead offered its open support to the CHP in the general elections of both 1973 and 1977 (DISK, 1975, 1977) by encouraging its members to vote for the CHP.

The relationship established between the workers’ confederations and the political parties, however, was only one part of the interactions forged between the actors in the period. At the politico-economic level, there took place collective labour relations, which having involved forging relationships at the formal level, contributed significantly to the interactions developed between the actors in the period. Collective labour relations were developed initially in public enterprises by the leadership of the Turk-Is starting from the early years of the 1960s. However, private sector workers also made use of their collective rights and they, again supported predominantly by the leadership of the Turk-Is, started to negotiate collectively their working conditions with their employers (see Dereli, 1968; Tuna, 1969; Kutal, 1977; Koray, 1994). Subsequently, the organizational and representational activities of workers’ associations from the inception of the

\textsuperscript{111} As has been mentioned earlier, labour confederations were not confined with the DISK and the Turk-IS in the planned economy period and there were close political ties between the other trade unions confederations and the political parties. However, given that in this study I am concentrating on the DISK and the Turk-Is, I found unnecessary to point out the political interactions beyond those established by the DISK and Turk-Is.
collective bargaining system in 1963 to the end of 1967 significantly increased both in the private and public sectors, witnessed by the number of workers covered by collective agreements jumping from 9,000 to 189,000, the annual number of collective agreements displaying a respectable increase (see Table 21) and the workers obtaining a steady increase in their real wages (see Figure 12 and Figure 13).

The newly framed rules together with the actors’ approach towards industrial relations in the planned economy period produced two immediate outcomes for labour. First, the way the new institutional framework of industrial relations distributed the power between the actors placed it on a more equal footing vis-à-vis the others and this paved the way for the institutionalisation of collective labour relations with the aim of determining working conditions in the large industrial establishments (see Table 21). Second, despite the fact that collective agreements covered many different aspects of working conditions (see Koc, 1998), one the most visible results of this shift in the distribution of power between the actors came out as the constant wage increases obtained by the collective bargaining (see Figure 12 and Figure 13).

Figure 12: Changes in real wages during the planned economy period

Figure 13: Differences in nominal wages between the public and private sector in the planned economy period

And third, the new polices implemented together with employers and the ruling circles’ changing approach towards industrial relations proved highly effective in exerting control over the interactions of all workers in the direction of stability and order. Indeed, as can be seen in Table 22 below, from 1963 until the end of 1966, 179 strikes and 54 lockouts took place in Turkey, which when compared to the industrial action organised in the second half of the 1970s was highly modest. What is more, as the available literature reveals, most of these industrial actions took place in small-sized (Dereli, 1968) private sector enterprises (Dereli, 1968; Tuna, 1969) and thus had a little effect, if any, on the wider economy. Resultantly, it could be safely argued that the policies and practices implemented between the years 1963 and 1967 in the domain of industrial relations created an environment in which peace and stability as well as harmonious relations between the actors became a defining feature of the industrial relations (see Dereli, 1968; Kutal, 1977; Koray, 1994; Koray and Celik, 2007), with labour cooperating with the other actors to this end.

Table 21: Number of collective agreements concluded and number of workers covered by these agreements in the planned economy period

<table>
<thead>
<tr>
<th>Years</th>
<th>Number of collective agreements</th>
<th>Number of workers covered</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Public sector</td>
</tr>
<tr>
<td>1963</td>
<td>96</td>
<td>3,000</td>
</tr>
<tr>
<td>1964</td>
<td>1,078</td>
<td>264,000</td>
</tr>
<tr>
<td>1965</td>
<td>872</td>
<td>122,000</td>
</tr>
<tr>
<td>1966</td>
<td>1,152</td>
<td>159,000</td>
</tr>
<tr>
<td>1967</td>
<td>2,339</td>
<td>110,000</td>
</tr>
<tr>
<td>1968</td>
<td>1,332</td>
<td>254,000</td>
</tr>
<tr>
<td>1969</td>
<td>1,429</td>
<td>108,000</td>
</tr>
<tr>
<td>1970</td>
<td>1,516</td>
<td>335,000</td>
</tr>
<tr>
<td>1971</td>
<td>1,443</td>
<td>189,000</td>
</tr>
<tr>
<td>1972</td>
<td>1,603</td>
<td>278,000</td>
</tr>
<tr>
<td>1973</td>
<td>1,921</td>
<td>250,000</td>
</tr>
<tr>
<td>1974</td>
<td>1,724</td>
<td>427,000</td>
</tr>
<tr>
<td>1975</td>
<td>1,893</td>
<td>91,000</td>
</tr>
<tr>
<td>1976</td>
<td>2,408</td>
<td>221,000</td>
</tr>
<tr>
<td>1977</td>
<td>2,173</td>
<td>369,000</td>
</tr>
<tr>
<td>1978</td>
<td>2,225</td>
<td>280,000</td>
</tr>
<tr>
<td>1979</td>
<td>2,914</td>
<td>266,000</td>
</tr>
<tr>
<td>1980</td>
<td>1,813</td>
<td>237,000</td>
</tr>
</tbody>
</table>

Source: CSGB, n.y.-c.

There are no official statistical data providing the division of the strikes between the private and public sector for the first half of the planned economy period.
Starting in 1967, however, the political actors and industrial employers found steering the behaviours of the workers, especially those in private sector and their associations, more difficult. While one reason for this occurring was the escalation of the foreign exchange crisis, which squeezed profit levels in the manufacturing sector and thus made it more difficult for private sector employers to meet the wage demands of their workers, another explanation was the establishment of the DISK and the growth of its influence over the workers of this sector. Indeed, as was mentioned above, starting from its establishment, it mostly recruited its members from the private sector enterprises (Koc, 1979; Guzel, 1983) and unlike its rival the Turk-Is, which drew its members predominantly from the public sector and which stood in favour of social peace in exchange for semi-official status and acceptance of its members’ economic demands (Ecevit, 1973; Bianchi, 1984; Koray, 1996), it placed class consciousness and political and economic struggle for the materialisation of class interests at the top of its agenda (Koray, 1996; Baydar, 1999b). Thus, the years 1967 and 1968 marked the beginning of the dissolution of the so-called ideological and material harmony established between the state and the socioeconomic actors during the previous five years. This became visible not only in the increasing number of strikes, boycotts and workplace occupations (see Koc, 1979; Guzel, 1996; Mahirogullari, 2005), most of which took place in private sector enterprises (Tuna, 1969; Guzel, 1996), but also in the increasingly hostile and intimidating undertones that began to manifest themselves in private sector employers’ attitudes towards labour-capital relations.

Table 22: Strikes and lockouts that took place in the planned economy period

<table>
<thead>
<tr>
<th>Years</th>
<th>Strikes</th>
<th>Lockouts</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Workers involved</td>
</tr>
<tr>
<td>1963</td>
<td>8</td>
<td>1,514</td>
</tr>
<tr>
<td>1964</td>
<td>83</td>
<td>6,640</td>
</tr>
<tr>
<td>1965</td>
<td>46</td>
<td>6,593</td>
</tr>
<tr>
<td>1966</td>
<td>42</td>
<td>11,414</td>
</tr>
<tr>
<td>Total (1963-1966)</td>
<td>179</td>
<td>26,161</td>
</tr>
<tr>
<td>1967</td>
<td>101</td>
<td>9,499</td>
</tr>
<tr>
<td>1968</td>
<td>54</td>
<td>52,89</td>
</tr>
<tr>
<td>1969</td>
<td>77</td>
<td>12,601</td>
</tr>
<tr>
<td>Year</td>
<td>Rate</td>
<td>Rate Change</td>
</tr>
<tr>
<td>------</td>
<td>------</td>
<td>-------------</td>
</tr>
<tr>
<td>1970</td>
<td>72</td>
<td>21,159</td>
</tr>
<tr>
<td>Total (1967-1970)</td>
<td>301</td>
<td>43,400</td>
</tr>
<tr>
<td>1971</td>
<td>78</td>
<td>10,916</td>
</tr>
<tr>
<td>1972</td>
<td>48</td>
<td>14,879</td>
</tr>
<tr>
<td>Total (1971-1972)</td>
<td>126</td>
<td>25,795</td>
</tr>
<tr>
<td>1973</td>
<td>55</td>
<td>12,286</td>
</tr>
<tr>
<td>1974</td>
<td>110</td>
<td>25,546</td>
</tr>
<tr>
<td>1975</td>
<td>116</td>
<td>13,708</td>
</tr>
<tr>
<td>1976</td>
<td>58</td>
<td>7,240</td>
</tr>
<tr>
<td>Total (1973-1976)</td>
<td>339</td>
<td>58,780</td>
</tr>
<tr>
<td>1977</td>
<td>59</td>
<td>15,682</td>
</tr>
<tr>
<td>1978</td>
<td>87</td>
<td>9,748</td>
</tr>
<tr>
<td>1979</td>
<td>126</td>
<td>21,011</td>
</tr>
<tr>
<td>1980</td>
<td>220</td>
<td>84,832</td>
</tr>
<tr>
<td>Total (1977-1980)</td>
<td>492</td>
<td>131,273</td>
</tr>
</tbody>
</table>

**Source:** CSGB, 1997.

One important repercussion of this increasing antagonism in the domain of industrial relations arrived in the form of rising demands for a substantial change to be made to the institutional framework of labour-capital relations (see e.g. Isveren, 1966; 1967). In response to these demands, the law no 1317 introducing amendments to the Law on Trade Unions, was discussed in parliament in June 1970. These amendments, constituted a serious infringement upon the essence of freedom of association one of which having been the aim of closure of the DISK under the pretext that it did not represent one third of the workers nation-wide (Milliyet, 1970a; Talas, 1992; Kutal, 1996; Isikli, 2005). This act was passed after a very short parliamentary debate (Koc, 1998; Isikli, 2005) with the support of the CHP and of the deputies who were at the same time members of the Turk-Is (see Isikli, 2005).

---

Despite the fact that the law no 1317 was passed with a majority vote of the participants, in their efforts to put this law into force, the political actors failed to realise that the provisions in the 1961 Constitution had already placed labour at a more equal footing vis-à-vis capital and state whereby they had increasingly mobilised their power resources to become involved in the institution building process and would be hard to dislodge by simply passing new laws. This was exactly the case following the passing of this law, which, in the Turkish industrial relations literature is widely referred to as the “15-16 June events” (Sulker, 1987; Koc, 1998; Isikli, 2005; Mahirogullari, 2005; Koray and Celik, 2007). During these two days, which in words of a Turkish trade union activist Kemal Sulker (1987) “shook Turkey”, the country witnessed for the first time in its history thousands of workers, the majority of whom were private sector employees (Margulies and Yildizoglu, 1984) rallying to voice their interests the scope of which exceeded the economic boundaries of factories and workplaces (Ahmad, 1995; Koc, 1998). The 15-16 June events began spontaneously and turned into a massive workers’ demonstration in Istanbul and the Marmara region. Having been intimidated by this immediate reaction of the workers, the political actors responded to these demonstrations by sending in the police and military forces. However, they could only quell this massive workers demonstration by declaring martial law in Istanbul and in the cities surrounding it on the night of 16 June114 (see Margulies and Yildizoglu, 1984; Ahmad, 1995; Koc, 1998; Isikli, 2005).

The 15-16 June events proved unsuccessful in stopping the implementation of the amendments made to the Trade Unions Law and law no 1317 entered into force in August 1970. However, these amendments were rather short-lived for the Constitutional Court cancelled many of those changes in 1972, on the grounds that they were in conflict with the constitution. Even though the workers, with the 15-16 June events, failed to discourage the ruling circles from implementation of law no 1317, it is important to note that these events represent a critical juncture in Turkish labour history as they, according to Ahmad (1995: 154) “may be considered the high point of class consciousness achieved by the workers of Turkey” and according to Margulies and Yildizoglu (1984: 17, brackets added)

114 For a detailed account of these events see e.g. Arinir and Ozturk, 1976; Sulker, 1987.
were the “first [...] political actions of the working class in Turkey [that] signalled the coming of age of this class and of the DISK”.

In shorter than a year following the 15-16 June events, the military élites stepped once again into the political arena (Yerasimos, 1976; Koc, 1979; Ahmad, 1995; Guzel, 1996). Following this swift action by the military in the March 1971, the political actors started to exert a strict control on the labour movement. As an initial step, political actors declared martial law\textsuperscript{115} in April 1971 in eleven provinces, most of which were the industrial centres of the country\textsuperscript{116} and they legitimised their action by claiming the need for the protection of the “fundamental order and the integrity of state” (Official Gazette, 1971: 1).

Following declaration of martial law, the leaders of military government enacted a special law, the Law on Martial Rule no. 1402\textsuperscript{117} – \textit{Sıkıyönetim Kanunu} – , through which they entitled the commanders of martial rule to terminate the implementation of some fundamental provisions of laws no 274 and 275\textsuperscript{118}. As the final step, the political actors made amendments to Article 46 of the Constitution that guaranteed the right to establish trade unions and thus, as was already discussed above, entitled the authorities the right to bring necessary restrictions to this right in order to protect “the integrity of state with its territory and its people, national security, public order, and public morality”.

The laws and the ruling élites approach to the industrial relations during the military interregnum of the 12 March, subsequently, produced at least three outcomes for labour’s rights and position in industrial relations. First, by restricting workers’ collective rights, they intervened in the way power was


\textsuperscript{116} Martial law was declared in 11 cities: Istanbul, Kocaeli, Sakarya, Zonguldak, Izmir, Eskişehir, Ankara, Adana, Hatay, Diyarbakır and Siirt, all of which, except for Diyarbakır and Siirt, were important industrial centres of the country.


\textsuperscript{118} In this respect, for example, the Law on Martial Rule no. 1402 entitled the commanders of the martial rule the right to suspend strikes and lockouts or to subject them to permission. The law also allowed them to cease operation of associations or subject their operation to permission. To add to this, the Law on Martial Rule enforced the authorities to ban, prevent or to take preventive measures on the occasions such as: workplace occupations, boycotts, demonstrations and slowdowns.
distributed between labour, capital and the state in a way that placed labour in a highly disadvantaged position (see Keyder, 1979; Aksoy, 1980; Talas, 1992; Boratav, 2009). Second, a decline in workers’ real wages for the first time in the focal period was observed (see Figure 12).

Third, they assisted those political actors whose interests appeared to be highly in consonance with those of the employers to steer the behaviour of labour in the direction of so-called social stability and order. To achieve this, the ruling elites in the first instance ensured that the law on martial rule was efficiently implemented, the success of which became evident in the decreasing amount of industrial actions (see Table 22) especially when compared to the post 1973 period. To complement this step, the political actors directed a great deal of their attention at the suppression of all kinds of left-wing movements (Ozdemir, 1992; Ahmad, 1993; Aksin, 1997; Kongar, 1998; Zurcher, 2004), in which harassment of leaders and members of the DISK occupied an important place\(^{119}\) (Guzel, 1996; Isikli, 2005).

Military rule came to an end in October 1973, with the transition of power to civil political actors following the 1973 general elections. With Turkey’s return to a democratic political order the laws no 274 and 275 again became effective and they continued to provide labour with the necessary collective rights to define and defend their interests. Yet despite the institutional framework remaining almost the same, the years following the free elections of 1973 did not provide a similar politico-economic and social setting to industrial relations as earlier in the period. Indeed, the second half of the planned economy period witnessed a remarkable shift in the political actors and employers’ approaches towards labour-capital relations in favour of a more authoritarian order, a serious slackening in economic development and a continuous rise in the power of the workers – especially for those organised under the DISK. The institutional framework of the industrial relations when merged with all these factors produced at least two important outcomes for labour up until 1977. First, the way power was distributed between the actors by the legal framework of industrial relations continued to place labour

\(^{119}\) During these years, DISK members and leaders were taken into custody, arrested and were subjected to various legal proceedings. For an overview see Isikli, 2005.
on a more equal footing vis-à-vis capital and the state and this paved the way for continuation of its mobilisation of its power resources in order to negotiate collectively its working conditions. In fact, between 1973 and 1977 the organizational and representational activities of the workers’ associations continued to increase which became evident, for instance, in the increasing number of collective agreements, in number of workers these agreements covered (see Table 21) and in the growth obtained in wage levels.

Second, steering the behaviours of private sector employees towards social peace and order turned out to be a challenge for the employers and the political actors because labour, in the face of employers’ increasingly uncompromising stance regarding their own demands during the process of collective bargaining, began to adopt a more proactive position in mobilisation of its power resources (see e.g. Margulies and Yildizoglu, 1984; Cizre-Sakllioglu, 1992; Savran, 1992; Koc, 1998). Subsequently, as illustrated in Table 22, the number of strikes, days lost and workers involved in strikes displayed a marked increase when compared to earlier years in the era and much of this industrial unrest, as displayed in Table 23, hit the activities of private sector. To add to this, as can be inferred from Table 22, the years 1973-76 witnessed a gradual rise in weight of lockouts with regards to workers involved and days not worked in comparison to their sphere of influence in the earlier years of the period. When it comes to the distribution of these lockouts between the public and private sector enterprises, it should be noted that no clear information appears available in the accessible literature. Yet, after referring to Table 23, it would not be too far-fetched to argue that those called at this time wielded their influence mostly on the workers of the private sector, but contributed substantially to disturbance of social peace between the years 1973 and 1977 across the whole of industry.

Despite the fact that steering the behaviours of workers of private sector towards social peace and order in the workplace became increasingly difficult for the employers and for the state between the years 1973-1977, those employed by the state-led industrial establishments displayed more conciliatory attitudes regarding the establishment of social peace in the workplace. An overview of literature reveals that two factors played an important role. First, the Turk-Is, right from its
inauguration stood in favour of social peace in exchange for a semi-official status and acceptance of its members’ economic demands (Ecevit, 1973; Bianchi, 1984; Koray, 1996). Second, for most of the period the political actors found offering compromises to the Turk-Is-affiliated unions an effective method for maintaining social peace and order in the domain of industrial relations (Bianchi, 1984; Cizre-Sakallioğlu, 1992). As an expected consequence of these factors, despite the existence of industrial actions in the state sector (see Table 23), the years 1973-1977, as was pointed out by a number of observers, did not witness distortion of the harmonious interactions established between the state and the workers this sector’s enterprises (see Bianchi, 1984; Cizre-Sakallioğlu; 1992, Koray, 1994).

Table 23: Share of public and private sectors strikes that took place after 1973 in the planned economy period\(^{120}\) (%)

<table>
<thead>
<tr>
<th>Years</th>
<th>Public sector share of total industrial action</th>
<th>Private sector share of total industrial action</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>% of strikes</td>
<td>% of workers involved</td>
</tr>
<tr>
<td>1973</td>
<td>31.8</td>
<td>42.2</td>
</tr>
<tr>
<td>1974</td>
<td>48.8</td>
<td>73.1</td>
</tr>
<tr>
<td>1975</td>
<td>14.4</td>
<td>23.0</td>
</tr>
<tr>
<td>1976</td>
<td>21.0</td>
<td>38.6</td>
</tr>
<tr>
<td>1977</td>
<td>17.4</td>
<td>30.7</td>
</tr>
<tr>
<td>1978</td>
<td>15.4</td>
<td>11.0</td>
</tr>
<tr>
<td>1979</td>
<td>24.2</td>
<td>54.8</td>
</tr>
<tr>
<td>1980</td>
<td>13.2</td>
<td>25.2</td>
</tr>
</tbody>
</table>


Starting from the year 1977, however, as the economic crisis tightened its grip on the country and as the approaches of the political actors and employers towards industrial relations took an even more authoritarian direction, the collective rights provided to labour by the laws no 274 and 275 not only failed in assisting it in the materialisation of its interests, but also in helping the political actors to steer

\(^{120}\) It should be noted that the data compiled by the Turkish Statistical Institute (DIE, 1983) and the Ministry of Labour and Social Security (CSGB, 1997) regarding number of strikes that took place in the period are not compatible. However, because the data provided by the latter is a widely cited source in industrial relations literature, I found it more appropriate to use in my study. The reason that I used data published in the DIE 1983 was because the Ministry of Labour did not make a distinction between public and private sector strikes in its publications pre-1980. Therefore, the data given by DIE 1983 should be taken as indicative rather than a definitive statement of strike actions that took place in the focal period.
behaviours of the workers of both private and the state sectors. Indeed in the first place, despite the fact that the organizational and representational activities of workers’ associations continued, as can be seen in Table 22, the workers, as indicated by Figure 12, began to experience a marked decline in the rise they annually obtained in their wage packets. What is more, as can be ascertained from Figure 13, this decline was more remarkable in the wages of private sector workers, for those in the in public sector managed to protect their living standards much better during the late 1970s. To add to this, despite the organisational and representational activities of labour continuing, smaller numbers of workers, as shown by Table 21, were covered by collective agreements in the private sector, especially in the last two years of the planned economy period. That is, the conflicts of interests between employers and labour rendered negotiations over collective agreements more difficult to conclude (for the examples of these interest conflicts see e.g. Cumhuriyet, 1980d, 1980c, 1980a; Milliyet, 1980f, 1980g, 1980c; Koray, 1994).

Indeed, intensification of conflicts of interests between labour and capital became one of the main features of the final years of the planned economy period, which made steering the behaviours of the former towards social peace more and more difficult for the other actors. The interest conflicts came to be mostly visible in radicalisation and politicisation of the labour movement in the private sector (Cizre-Sakallioglu, 1992; Baydar, 1999b; Waldner, 1999), with increasing numbers of and expansion of influence by strikes (see Table 22) and other kinds of industrial action. These actions that were initially mostly planned and put into action by the workers of private sector who were organised under the DISK-affiliated trade unions, what is more, gradually spread across the entire industry, involving public sector workers, albeit with a lesser degree of radical and political dissent (for an overview see e.g. Koray, 1994; Guzel, 1996; Koc, 1998; Mahirogullari, 2005).

Except from one incidence, political actors’ response to this socio-political awakening of labour was aggressive and included various forms of repressive measures. The so-called Social Pact – Toplumsal Anlasma –, signed between Ecevit government and the Turk-Is in July 1978 constituted this exception.
Covering only workers in the public sector, the Social Pact laid out the principles for wage policy and collective bargaining to be followed (Talas, 1982; Koray and Celik, 2007). However, this deal reached between the state and representatives of the public sector workers was rather short-lived, for the Turk-Is in just 14 months withdrew from the agreement arguing that the state had not fulfilled its promises. The DISK, on the other hand, did not involve itself in this deal and registered its disapproval on various occasions (see Koray and Celik, 2007).

Apart from the Social Pact, which failed to achieve what it aimed to (see also Koray and Celik, 2007), the reaction of the political actors against labour’s mobilisation of its power resources appeared to be hostile and mostly worked in favour of the state and capital owners. Indeed, for example, the political actors did not hesitate to use the police and military forces in dealing with the labour movement on many occasions. In this respect, the strike organised at Tariş – *a large-scale and state-owned enterprise processing agricultural outputs* – in January 1980, which in a short time turned into a massive labour mobilisation in Izmir province (see Yukselen, 1996) and the so-called Taksim Square massacre, which happened in 1 May 1977 where 34 people were killed and hundreds injured (Mavioglu and Sanyer, 2007)\(^\text{121}\), stand out as important examples where the armed forces were used by the state authorities to put down the labour movement.

Yet, use of the armed forces was not the sole method employed to contain and reduce labour unrest. The state authorities, especially during the final four years of the planned economy period, increasingly resorted to their right to postpone strikes as granted to them by Law no. 275 and they predominantly, according to the data provided by Topalhan (2009), based their decisions on grounds of national security or national security jointly with national health\(^\text{122}\). In this respect,

\(^{121}\) A detailed overview of the Taksim Square massacre can be obtained from a series of articles by Mavioglu and Sanyer, published in the Turkish daily newspaper Radikal between 29/04/2007 and 07/05/2007.

\(^{122}\) According to the data compiled by Topalhan (2009), out of 157 strike postponement decisions given between the years 1963–1980, 87 of them were issued between the formation of the fifth Demirel Government on 21 July 1977 and the coup d’état of 12 September 1980. These postponement decisions announced by political actors appeared to affect public and private sector workers almost on an equal basis, for according to the information provided by Celik (2008), in the years 1979 and 1980, while 53 strikes of the Turk-Is affiliated trade unions were postponed, this number appeared as 48 in the case of DISK affiliated ones. Moreover, according to this data, 52 out of these 87 postponement decisions were renewed after the period of strike postponement expired (Topalhan, 2009). See Celik, 2008; Topalhan, 2009 for more details.
postponed strikes, for example, those called at Diyarbakir Meat and Fish Foundation – *Diyarbakır Et Balık Kurumu*, at some flour mills in Istanbul, and at some of the big hotels located in Ankara and Izmir, stand out (Celik, 2008).

Nonetheless, the gravity of the situation affecting industrial relations increasingly worsened as Turkey entered the 1980s, a year which became stuck in memories of many Turkish people with its turbulent politico-economic and social history (for an overview see e.g. Ahmad, 1993; Kongar, 1998; Zurcher, 2004). However, at this point it is worth pointing out that the state of unrest that emerged in the domain of industrial relations was only one factor that contributed to the politico-economic and social instability that occurred in this year. Indeed, as has been already mentioned in the study, as the planned economy period came to a close, the operation of parliamentary democracy was paralysed by ideological divisions and conflicts of interests that appeared between the political parties (Sunar and Sayari, 2004; Zurcher, 2004; Aydin, 2005), daily life was fraught with the fear of anarchy and terror (Benhabib, 1979; Ahmad, 1993; Kongar, 1998) and the economy was overburdened with unemployment, shortages of consumer goods and rapidly soaring inflation (see e.g. Ahmad, 1993; Kepenek and Yenturk, 1995; Kazgan, 2006; Boratav, 2009).

It was against this background of unfavourable circumstances that the political actors launched a wide-ranging economic reform programme – *the so-called 24 January decisions* to restructure the economy in the direction of the interests of the powerful economic groups in early 1980 (see e.g. Owen and Pamuk, 1998; Unay, 2006; Pamuk, 2008; Boratav, 2009). However, the way workers mobilised their power resources to voice and materialise their interests and the resultant social conflict that had occurred in the domain of industrial relations during the previous few years appeared to have made one thing clear: little could be achieved if the current institutional structures continued to provide labour with power resources that placed it on an equal footing vis-à-vis the political actors and the employers in the process of collective negotiations. To remedy this problem, the latter, following their introduction of 24 January decisions, took some decisive steps in order to steer the behaviours of the workers in the direction they
desired\textsuperscript{123}. They, in this regard, firstly, proposed to introduce a sliding scale of wages with increases to cover inflation levels (Cumhuriyet, 1980b). Following this step, they established the Committee for Coordination of Collective Agreements in March 1980, with the aim of “supporting the progress of the economic stability programme to achieve what it aimed at” and “finding a balance between the interests of workers and employers” (Milliyet, 1980b: 9). As was reported by Milliyet (1980b: 9), the committee was charged with the duty of setting out the main principles of collective bargaining to be followed by both state and private sector employers and thus in the decree establishing this committee it was stipulated that “no collective agreement shall be concluded without the committee being informed” (Milliyet, 1980b: 9).

Yet, the efforts of the political actors towards steering the behaviours of labour proved largely unfruitful. Regarding this failure, an overview of newspapers of the period indicates that labour’s uncompromising attitudes played an important role. Indeed, for example, as many negotiations for collective bargaining agreements remained inconclusive in public sector enterprises in the mid-1980s, the Turk-Is proclaimed that it would organise a strike with involvement of 330,000 workers nation-wide unless collective agreements were concluded soon (Milliyet, 1980g). On another occasion, in April 1980 the Turk-Is appealed to the Council of State against the government’s decision to change the rules regulating severance pay (Milliyet, 1980g). These changes, which reduced the amount of severance money that workers received and increased the tax burden on it (Milliyet, 1980e), were reversed with a pro-labour law in July 1980 after strong pressure from the Turk-Is (Milliyet, 1980d). In May 1980, Prime minister Demirel, after having attended the extraordinary general assembly of the Turk-Is, announced that the proposal for a sliding scale system would be withdrawn from parliament (Cumhuriyet, 1980f). In July 1980, the then secretary general of the Turk-Is pronounced that collective bargaining would be concluded between representatives of workers and the employers without involvement of the

\textsuperscript{123}Here, I am going to focus on strategies of the political actors that they put into action on national level in order to change the political economy pursued in the domain of industrial relations. However, it should be noted that the political actors also took some measures at the level of workplace with the aim of empowering employers vis-à-vis the workers’ associations starting in 1978. For an overview see Koc, 1982.
Committee for Coordination of Collective Agreements and added “there is no such thing as the Committee for Coordination of Collective Agreements anymore” (Cumhuriyet, 1980e: 9).

However it was not only the Turk-Is that adopted an uncompromising stance on the issues related to labour-capital relations in the final year of the planned economy period and the extent of the disputes that erupted in the domain of industrial relations became increasingly serious and widespread as the calendar turned to September 1980. The general picture of labour unrest was as follows. More than 53 thousand workers in 214 workplaces were on strike and around 48 thousand of these workers were members of the DISK affiliated trade unions. More than two thousand workers were about to call a strike and more than 57 thousand were waiting for expiry of the strike postponement decisions taken by the government. If these were not enough, in September 1980, around 150 thousand workers were waiting for the collective bargaining process to be concluded (Milliyet, 1980a), which, at least in the eyes of the political actors, added up to the volatile situation that prevailed in industrial relations.

In the autumn of 1980, the political actors and employers, having been unsuccessful in taking control of labour’s mobilisation of its power resources seem to have fully comprehended the idea that the institutional structures, when the power resources between actors are distributed such that they place labour on a more equal footing vis-à-vis the state and employers, this is likely to enhance foremost’s power in the decision-making process. It was for this reason that the military takeover of 12 September, which lasted three years and effectively brought an end to workers’ resistance, was used by these actors, whose interests had been severely harmed by the way power was distributed under the existing system, with a unique opportunity to reform the institutions in ways that would reverse this trend. The 12 September military takeover and the succeeding will be scrutinised in Chapter 7. The subsection that follows, briefly discusses the type of political economy adopted and pursued in the period regarding industrial relations.
6.3 Discussion & Conclusion

The planned economy period, which started with the military intervention of 27 May 1960 and ended with the military intervention of 12 September 1980, witnessed the introduction of a more pluralistic and liberal democracy, further advancement of national industry and the spread of left-wing doctrine amongst the ordinary people. The planned economy period also witnessed a dramatic surge in urbanisation, a substantial growth in the number of waged workers and a remarkable increase in the number of unionised ones. Subsequent to the years following the 1960 military interregnum a remarkable shift in the ruling élites’ approach to labour-capital relations occurred, there was continuation of the industrial bourgeoisie’s influence on political and economic issues, and ascendance of workers as a powerful interest group in the politico-economic domain and as an important actor in the domain of industrial relations was witnessed.

It was against this background of events that the planned economy period set the stage for the configuration of more complex and dynamic interactions regarding industrial relations. The interactions between the actors were built on different and sometimes conflicting interests. Indeed, for example, the political actors, including the military élites, placed perpetuation of capitalist economic order and of the multi-party democracy on top of their agenda and in order to materialise this, they attributed a great deal of importance to the integration of workers within the existing politico-economic system in the best way possible. Their methods for doing so shifted in accordance with the politico-economic climate of the different stages of the era and with the political orientation of the political actors, increasingly taking on an authoritarian orientation as the period drew to a close owing to the increasing unrest. The industrial employers, on the other hand, were mostly concerned about social peace at the workplace and the level of wage increases. As was the case with the political actors, their opinions in relation to the appropriate ways through which their interests could be materialised changed over time, taking on a more oppressive direction from the 1970s onwards. Finally, the workers, despite there being a prevalence of partition and rivalry between their
associations, echoed almost the same economic concerns and throughout the period sought higher wages.

The social, political and economic circumstances surrounding industrial relations when merged with the interests pursued by the state and the socioeconomic actors, led to the implementation of different types of political economy of industrial relations in the period. In the first half of the period, the political actors saw granting workers social and economic rights as amongst the most appropriate ways to maintain capitalist industrialisation and multi-party democracy. Having employed this idea as their rationale in the institution building process, the ruling élites designed the legal framework of industrial relations in a way that entitled the workers to have: freedom of association, the right to collective bargaining and the right to strike. The policies adopted and practices implemented in the domain of industrial relations during the first half of the period paved the way for at least three policy outcomes for labour. First, they distributed the power between actors on a more equal basis by providing organised labour in the industrial sector enough power to define and defend its class-based interests. Second they generated income security for organised labour in industrial sector given that trade unions managed to achieve a constant wage rise between the years 1963-1967 through collective agreements in industry. And third, they created a politico-economic environment in which organised labour displayed consent towards social peace and order in the workplace. All these, in my view, indicate that security operated as an institutional rationale in industrial relations and a political economy of security was pursued in industrial relations in the first half of the planned economy period.

However, in the final years of the 1960s, the political economy of security pursued in the arena of industrial relations started to be challenged by slackening industrial development, changing attitudes of the political actors and employers towards labour-capital relations and the rising power of the workers of private sector, with the establishment of the DISK. One significant intervention in the political economy of industrial relations came during the 1971 Military interregnum grounded on the belief that there was an urgent need to protect the fundamental order and integrity of the state. The political actors, by employing
this strong rationale, legitimised both the amendments made to the article regulating industrial relations in the constitution and the termination of the implementation of the laws regulating industrial relations. The policy and practises they implemented during this nineteen-month period produced at least three outcomes for the labour. First, they shifted the way power was distributed between the actors of industrial relations in favour of the state and capital by reducing labour’s possibilities to mobilise its power resources. Second, they generated income insecurity for labour as workers experienced a noticeable decline in their real wages. And third, they created a politico-economic environment in which labour was forced towards social peace in the workplace. That is, the ruling élites’ imposed heavy restrictions on freedom of association, the right to collective bargaining and the right to strike, resultantly, reducing their chances to act as independent social agents with distinct interests and agendas as well as empowering capital and the state vis-à-vis labour, thus creating a suitable environment in which insecurity operated as an institutional rationale, i.e. allowing for a political economy of insecurity to be embedded in the arena of industrial relations.

The military rule ended with free elections held in October 1973. With Turkey’s return to a multi-party democratic political order, the laws regulating industrial relations again became effective and the actors continued to interact with each other under the conditions that the fragile democratic order provided. However, the politico-economic environment in which the actors of industrial relations interacted in this period displayed somewhat different characteristics than that of the beginning of the planned economy period. Indeed for one thing, starting from the mid-1970s, industrial development and the economy plunged into a deep crisis making the wage rise demands of workers more difficult to meet for the employers and the state. For another, the workers of private sector, who were organised under the umbrella of the DISK, launched a labour movement which became increasingly radicalised and politicised as the country’s political and economic situation deteriorated. What is more, to this politico-economic uprising, state sector workers contributed their share, albeit with less politicised undertones, as the planned economy period drew to a close. Last but not least, and as a consequence of these factors, the political actors and employers’ attitudes towards
industrial relations became more hostile and aggressive against the rising demands of the workers.

Against this background, the second half of the planned economy period witnessed a remarkable shift in the way the political actors legitimised their intervention in the domain of industrial relations, as they started to consider placing labour under the state’s firm discipline, seeing this as a more appropriate way to protect and maintain the democratic-capitalist politico-economic order as opposed to granting workers social and economic rights. The policy and practises they implemented underpinned by this strong rationale produced at least three outcomes for organised labour in the second half of the planned economy period. First, they increasingly shifted the way power was distributed between the actors of industrial relations in favour of the state and capital by facilitating political actors’ interventions against organised labour’s mobilisation of its power resources. This situation, while having affected firstly and foremostly the activities of private sector workers, came to be the lot of the workers of public sector, despite the Turk-Is’ claiming to be above party politics. Second it started to generate income inequality between private and public sector workers, which especially became discernible towards the end of the period. And third, they triggered a serious politico-economic upheaval in the arena of industrial relations, where, while labour, initially private sector workers and later public sector workers found it increasingly necessary to intensify the level of their struggle aimed at the materialisation of their economic interests, the political actors in close alliance with the employers, did not hesitate to increase the degree and extent of the oppressive measures they put into practice in the domain of industrial relations.

The intervention that the political actors made to labour-capital relations in the second half of the planned economy period, resultantly, prevented proper functioning of freedom of association, the right to collective bargaining and the right to strike, thus, gradually decreasing the capabilities of labour to independently pursue it economic interests, empowered the state and capital vis-à-vis the labour and in doing so creating a suitable environment in which insecurity operated as an institutional rationale and in which the political economy of
insecurity started to be pursued. However, insecurity as a rationale fell short of steering the behaviours of labour towards social peace in the workplace given that the legal framework which was the result of the initial rationale of the political actors was still in operation. That is: these policy and practices which were designed in order to empower labour vis-à-vis state and capital, legitimised the social agency of labour.

It was for this reason that, as I contend, a political economy of insecurity despite having made itself felt in the domain of industrial relations in the second half of the planned economy period initially for the private sector workers and then gradually extended to public sector workers, required further actions by the political actors in order to become a robust institutional feature. The changes made in policies and practices shaping and steering the industrial relations that came with the 12 September 1980 Military intervention, in this respect, complemented the actions of the political actors and employers in their concerted effort directed at bringing insecurity back to the political economy of industrial relations, the legacy of which can be traced back as early as the first years of Republican Turkey.
7.1 Introduction

In this final empirical chapter, I will briefly overview the series of events in the domain of Turkish labour markets and industrial relations that unfolded following the military takeover of September 1980. This chapter aims at bringing the narrative to the post-1980s and in doing so providing some additional conclusive evidence to the argument I will put forward in my concluding chapter, that is, chapter 8. Social, political and economic circumstances that laid the foundation of political economy of industrial relations in the post-1980 period were discussed in detail in the previous chapters. Therefore this chapter will concentrate on the explanation of the issues arising from the insertion of Turkey within the neoliberal global economy, socioeconomic transformations that played an important part in transformation of Turkish labour markets in the post-1980 period and interests and interactions of actors in the early-1980s. In other words, this chapter will explain how these occurrences shaped and influenced the political economy of industrial relations in the period. Section 7.2 discusses the neoliberal economic policies introduced to Turkey in the post-1980 era. Section 7.3 provides an overview of state of industry and economy in the period. Section 7.4 presents a review of main social and economic changes that Turkey underwent in the post-1980 period. Section 7.5 outlines the interests of the actors who were involved in re-institutionalisation of industrial relations in the period. Section 7.6 lays out the interactions of the state, capital and labour. Section 7.7 finishes the chapter with a conclusion.

7.2 Economic policies in the Era

Against the background of the socioeconomic and political turbulence that characterised the late 1970s, in the autumn of 1980, political leaders seem to be caught in middle with fires on both sides. On the one side, there were the interests of international financial organisations and a group of industrialists who stood in favour of effective implementation of the 24 January measures, which in its final analysis were aimed at initiation of Turkey’s integration with the neoliberal global
economic order. On the other, stood the interests of the workers as socioeconomic actors of industrial relations, who lent their full support to the maintenance of the existing socioeconomic order and who, in order to materialise these interests, mobilised their power resources. However, the political leaders clearly favoured interests of the former, for the period of unrest came to an end with another military coup, which, with its anti-democratic measures, created a suitable environment for the implementation of the 24 January measures. Indeed, the generals leading the coup d'état of 1980 on 12\textsuperscript{th} of September with the so-called aim of restoring law and order\textsuperscript{124}, assumed power directly and thus dissolved parliament, suspended the constitution, closed down the political parties and ceased the activities of trade unions and professional associations (Sunar and Sayari, 2004; Zurcher, 2004; Cizre, 2008). In doing so, as repeatedly argued by many scholars, the leaders of the 1980 military coup provided a fertile ground for the execution of the 24 January measures (see e.g. Yalpat, 1984; Celasun and Rodrik, 1989; Ahmad, 1993; Bugra, 1994; Owen and Pamuk, 1998; Ongen, 2004; Boratav, 2005a; Kazgan, 2006). The 12 September process also initiated a new politico-economic period in Turkey, with some severe repercussions on the economic front.

Indeed, the 12 September process significantly changed Turkey’s politico-economic landscape (Keyder, 1983; Celasun and Rodrik, 1989; Onis, 1991; Yeldan, 2003). This change, for many observers was aimed at bringing the economic policy and practices of the country more in line with the requirements of the emerging era of neoliberal globalisation, thus being able to handle to the pressures associated with it (see e.g. Keyder, 1987; Boratav, 1990; Aydin, 2005; Kazgan, 2006). And again for many this change, served the interests of owners of big capital and the international financial organisations (see Koc, 1982; Cizre Sakallıoğlu, 1991; Boratav, 2005a; Kazgan, 2006). Amongst the economic policies driving this transformation, the most conspicuous ones were Turkey’s transition to outward-looking and export-oriented growth and policy makers’ consensus on particular economic policies such as reduction of support provided to the agricultural sector, liberalization of imports, devaluation of the Turkish

\textsuperscript{124} For the speeches made by Kenan Evren, the leader of the 1980 military coup and the seventh president of the Turkish republic that explain the reasons urging them to stage a coup d’état, see Dinckal (2011).
currency, and decline in real wage and salaries (see e.g. Onis, 1992; Odekron, 2005; Kazgan, 2006; Boratav, 2009).

The transformative process, which started with the announcement of the 24 January measures and which continued firstly under the command of the generals who staged the coup d'état of 12 September, progressed throughout the 1980s under the close scrutiny of prime minister Turgut Ozal, who in the scholarly literature is regarded as the architect of the 24 January measures (Yalpat, 1984; Celasun and Rodrik, 1989; Aricanli and Rodrik, 1990; Boratav, 2005a). Little has changed, if anything, with regards to the policies and practices implemented in the economic domain from then onwards. Indeed, for one thing, articulation of Turkish economy with the global economy continued through implementation of neoliberal economic policies throughout the 1990s and 2000s. And for another, as a glance at available literature suggests political leaders and industrial employers continued to find competition with low wages as Turkey’s comparative advantage in the global markets (see e.g. Celasun and Rodrik, 1989; Aydin, 2005; Kazgan, 2006; Pamuk, 2008; Boratav, 2009). Such policies inevitably exerted profound impacts on the structure of the economy and industry as well as the political economy of industrial relations. These will be analysed below.

7.3 State of the Economy and Industry

A careful glance at available literature reveals that the political economy being pursued in economic domain during the period following the 1980 military intervention significantly altered the structure of economy and industry in the era. Amongst these, a number of changes should be especially emphasised if the aim is to provide a background to the explanation of transformation of industrial relations in the period (for a general overview see e.g. Celasun and Rodrik, 1989; Aydin, 2005; Kazgan, 2006; Pamuk, 2008; Boratav, 2009).

Regarding the changes that came into being in the state of industry, political actors’ increasing interests in privatisation of state owned enterprises (Buyukuslu, 1995; Aydin, 2005; Boratav, 2005; Kazgan, 2006), mounting accent on introduction of free-market logic in operation of the state-run industrial establishments (Senses, 1994; Buyukuslu, 1995) and the industrial sector’s
growing tendency towards small scale production (Aydin, 2005; Majcher-Teleon and Bardak, 2011) seem to have come to forefront. Owing to these, the post-1980 period while on the one hand, witnessed state’s diminishing role as an employer in the industry and transformation of employment policies in state sector (Koray, 1994; Cetik and Akkaya 1999; Mahirogullari 2005), on the other, saw a substantial upsurge in the number of industrial establishments employing less than ten workers all of which inevitably exerted a market influence on labour-capital relations in the era (see the Figure 14 below).

Figure 14: Changing structure of industry in the post-1980 period

<table>
<thead>
<tr>
<th>Source: TUIK, 2010: 144</th>
<th>Source: TUIK, 2010: 249, 250, 251</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Figure a:</strong> Dominance of small-scale production in post-1980 period (+000 workers)</td>
<td><strong>Figure b:</strong> Proportion of manufacturing workers employed by state and private sector in planned economy and post-1980 periods</td>
</tr>
</tbody>
</table>

However, these were not all for the post-1980 period also witnessed a significant worsening of income distribution in Turkish society, a sharp fall in share of agriculture in GNP, and a proportionate increase in informal sector activities. Regarding the income distribution, as many authors seem to agree, sharpening of income inequality constituted one particular characteristic of the post-1980 policies (see e.g. Celasun and Rodrik, 1989; Boratav et al. 2000; Odekon, 2005; Kazgan, 2006). Indeed according to Odekon’s (2005) calculations, between the years 1987 and 1994, the share of the lowest quintile from the total income decreased from 5.2 percent to 4.9 percent, while that of highest quintiles’ raised from 49.9 to 54.9 percent. This trend appeared to have continued from then on as according to Boratav et al. (2000):
“the post-1994 crisis management gave rise to significant shifts in income distribution, and to an intensification of the ongoing processes of transfer of the economic surplus from the industrial/real sectors and wage-labour, in particular, towards the financial sectors.”

Change in distribution of GNP between the sectors on the other hand continued, as has been the case in the previous periods, to change in favour of industry and services. This trend could be followed from the Table 24 below.

Table 24: Shares of GNP by major sectors 1960-2000

<table>
<thead>
<tr>
<th>Years</th>
<th>Agriculture as % of GNP</th>
<th>Industry as % of GNP</th>
<th>Services as % of GNP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>37.5</td>
<td>15.7</td>
<td>46.8</td>
</tr>
<tr>
<td>1965</td>
<td>30.9</td>
<td>19.4</td>
<td>49.8</td>
</tr>
<tr>
<td>1970</td>
<td>30.7</td>
<td>17.5</td>
<td>51.7</td>
</tr>
<tr>
<td>1975</td>
<td>24.5</td>
<td>20.6</td>
<td>55.0</td>
</tr>
<tr>
<td>1980</td>
<td>24.2</td>
<td>20.5</td>
<td>55.4</td>
</tr>
<tr>
<td>1985</td>
<td>19.4</td>
<td>23.6</td>
<td>57.0</td>
</tr>
<tr>
<td>1990</td>
<td>16.3</td>
<td>25.9</td>
<td>57.9</td>
</tr>
<tr>
<td>1995</td>
<td>14.4</td>
<td>27.7</td>
<td>57.9</td>
</tr>
<tr>
<td>2000</td>
<td>13.1</td>
<td>27.8</td>
<td>59.0</td>
</tr>
</tbody>
</table>

Source: TUIK, 2010: 647, 682.

Indeed, it is clear from the table that agricultural sector has suffered a drastic fall in its contribution to GNP, going from contributing almost one third of country’s GNP in 1960 to below 15 percent in the year 2000. The more astounding figure to emerge from the table is the rise of services as per-cent of GNP, from 46.8 percent (1960) to 55.4 percent in 1980, and further surging near 60 percent mark by the year 2000. Industry has made modest gains in the period 1960 to 1980, rising from 15.7 percent to 20.5 percent but has added another 7 percent points to its tally at the cost of agricultural sector in the next twenty years, and has sat at 27.8 percent in the year 2000. Change in distribution of GNP between the sectors inevitably has made an impact on the socioeconomic structure of the Turkish labour markets and this will be discussed in the subsections that follow.

Last but not least, informalisation of economic activities comes out to be another significant factor that has exercised a considerable influence on industrial relations in the post-1980 period. The widening scope of informal economy in Turkey
starting from the end of the 1970s has been widely accepted by many scholars of Turkish economy (Boratav et al., 2000; Kus, 2004; Kazgan, 2006; Boratav, 2009). It is estimated that the size of informal economy in Turkey constitutes more than 30 percent of the country’s total GDP. However, the true extend of it is still debatable and there are various calculations available in literature (Schneider and Enste, 2000; Davutyan, 2008; Aktuna-Gunes et al., 2013). Regardless of the unknown extent of the informal economy in Turkey, what is well known is that, it currently employs a considerable proportion of urban workforce in the country. This will be further discussed in the following subsection.

7.4 Socioeconomic Transformations in the Period

A careful overview of available resources reveals that the political and economic transformations, which started to change the politico-economic landscape of the country during the last two decades of the twentieth century, were accompanied by the continuation of rapid urbanisation coupled by an on-going process of proletarianisation. These continuing trends were predominantly shaped by waves of migration that moved many villagers from rural areas to urbanised city centres (Icduygu and Sirkeci, 1999; Peker, 1999; Duyar-Kienast, 2005; Tekeli, 2007) and they continued to alter, as has been the case in the previous periods, occupational activities that the country’s labour force was involved in as well as the demographic profile of the country. Indeed, as can be seen in the Table 25, by 1980, urban population has grown by more than six times since 1927; 19.64 million as compared to 3.3 million, while the growth in the rural population, by comparison, in the same period has been modest (from 10 million to 25 million). But it is in the 1980s and 1990s that urban population has seen sharp rise while rural population has stagnated around the 23 million, a drop of 2 million from the year 1980. By the year 2000, with the figure of 44 million; urban population has more than doubled since the year 1980. The other trend to emerge from the table is the drastic fall in the rural population as part of total population. While in 1923, more than 75 percent of the Turkish population was based in rural areas, the figure has come down to 54.7 percent by 1980, whereas urban share of population has risen from 24.2 percent in 1923 to 43.9 percent in 1980. This trend has continued with a sharp decline in 1980s and 1990s with rural share of population
at 35.1 percent of the total population in year 2000 whereas the urban population is at 64.9 percent and rising.

Table 25: Share of the urban and rural population in the mono-party, multi-party, planned economy and the post-1980 periods

<table>
<thead>
<tr>
<th>Years</th>
<th>Urban Population</th>
<th>Percentage</th>
<th>Rural Population</th>
<th>Percentage</th>
<th>Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1927</td>
<td>3,305,879</td>
<td>24.2</td>
<td>10,342,391</td>
<td>75.8</td>
<td>13,648,270</td>
</tr>
<tr>
<td>1945</td>
<td>4,687,102</td>
<td>24.9</td>
<td>14,103,072</td>
<td>75</td>
<td>18,790,174</td>
</tr>
<tr>
<td>1960</td>
<td>8,859,731</td>
<td>31.9</td>
<td>18,895,089</td>
<td>68</td>
<td>27,754,820</td>
</tr>
<tr>
<td>1980</td>
<td>19,645,007</td>
<td>43.9</td>
<td>25,091,950</td>
<td>54.7</td>
<td>44,736,957</td>
</tr>
<tr>
<td>1985</td>
<td>26,865,757</td>
<td>53.2</td>
<td>23,798,701</td>
<td>46.8</td>
<td>50,664,458</td>
</tr>
<tr>
<td>1990</td>
<td>33,326,351</td>
<td>59.1</td>
<td>23,146,684</td>
<td>40.9</td>
<td>56,473,035</td>
</tr>
<tr>
<td>2000</td>
<td>44,006,274</td>
<td>64.9</td>
<td>23,797,653</td>
<td>35.1</td>
<td>67,803,927</td>
</tr>
</tbody>
</table>

Source: Calculated from TUIK, 2010: 10.

In parallel to this change, as well as to that of distribution of GNP between sectors; the proportion of workers engaged in agricultural work displayed a continuous decline. Indeed, as could be followed from the Table 26 below, while in 1923 the sector employed almost 90 percent of country’s workforce, by the 1980 it came down to 53.2 percent and sank further to 36 percent by the year 2000. While it could be argued that 36 percent is still a substantial figure, it represents the trends of changing distribution of sectors in creation of GNP as well as that of employment tilting towards industry and services. Indeed, industry and services sectors jointly made up for 64 percent of employment by the year 2010, which could be considered as a giant leap from the meagre 10.1 percent in 1923. However, as could be observed from the table, the employment in services sector has outpaced that of industry in terms of growth as while industry sector has seen a modest growth of 1 – 3 percent every five years since 1970s, services sector has grown at an accelerated pace and by the year 2000, it accounted for 40.5 percent of employment.
Table 26: Sectoral distribution of employment in Turkey the in mono-party, multi-party, planned economy and post-1980 periods

<table>
<thead>
<tr>
<th>Years</th>
<th>Agriculture</th>
<th>Industry*</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>1923</td>
<td>89.9</td>
<td>4.3</td>
<td>5.8</td>
</tr>
<tr>
<td>1945</td>
<td>85.4</td>
<td>8.9</td>
<td>5.7</td>
</tr>
<tr>
<td>1960</td>
<td>74.1</td>
<td>11.8</td>
<td>14.1</td>
</tr>
<tr>
<td>1965</td>
<td>69.3</td>
<td>14.5</td>
<td>16.2</td>
</tr>
<tr>
<td>1970</td>
<td>63.2</td>
<td>16.5</td>
<td>20.3</td>
</tr>
<tr>
<td>1975</td>
<td>58.4</td>
<td>19.1</td>
<td>22.5</td>
</tr>
<tr>
<td>1980</td>
<td>53.2</td>
<td>20.1</td>
<td>26.7</td>
</tr>
<tr>
<td>1985</td>
<td>47</td>
<td>20</td>
<td>28.1</td>
</tr>
<tr>
<td>1990</td>
<td>46.8</td>
<td>20</td>
<td>33.2</td>
</tr>
<tr>
<td>1995</td>
<td>44.1</td>
<td>21.4</td>
<td>34.5</td>
</tr>
<tr>
<td>2000</td>
<td>36</td>
<td>23.5</td>
<td>40.5</td>
</tr>
</tbody>
</table>

*Includes construction

Indeed, as could be also seen from the Figure 15 below, services sector has been a main employer for the workforce in Turkey since the multi-party period indicating that industry has always remained inadequate in creating jobs for the increasing numbers of working population. This situation appeared to have become even more problematic with regards to employment trends in Turkish labour markets in the post-1980 period, as according to the calculations of the World Bank (2006), while the working age population increased by 23 million between the years 1980 and 2004; only 6 million jobs were created (see Figure 16), making the employment rate\textsuperscript{125} in Turkey one of the lowest in the world\textsuperscript{126}.

\textsuperscript{125} The percentage of adult population employed.
\textsuperscript{126} For the comparison of the figures see the table “Employment rate % of working age population” Available from: http://www.oecd-ilibrary.org/content/table/20752342-table4 [Accessed 25/04/2014].
What is more, as a careful glance at the available studies reveals; low employment rates appear to be the only one part of the problem facing the Turkish labour markets that are resulted from socioeconomic transformations that Turkey underwent in the post-1980 period. Low labour force participation rates, ever-high unemployment rates, lack of adequate formal flexible work arrangements and soaring informal employment need to be equally taken into consideration if the aim is overviewing the challenges related to world of work in Turkey in the post-1980 period (for a similar overview of labour markets see World Bank, 2006; Majcher-Teleon and Bardak, 2011).
Labour force participation that is working age adult population either working or actively searching for a job has appeared to be considerably low in Turkey in the post-1980 period (for a detailed overview see Senses, 1994), and this situation, seems to have predominantly stemmed from women’s law rate of participation in urban labour markets (see e.g. Senses, 1994; Adaman et al., 2008; Majcher-Teleon and Bardak, 2011). Indeed, as could be discerned from the Figure 17 below, women’s labour force participation rate has always remained well below that of the men throughout the post-1980 period and this figure barely exceeded 20 percent towards the end of the first decade of the twenty first century. What is more, even the labour force participation rate for men has shown a decline throughout the post-1980 period making the total labour force participation rate, as has been reported by Majcher-Teleon and Bardak (2011), the lowest amongst the OECD countries\(^{127}\).

---

\(^{127}\) Yet, at this point a note should be made for, despite the lack of adequate data, low participation of female labour in urban labour markets has been always one particular characteristic of Turkish labour markets. For an overview of labour force participation rates in Turkish labour markets in historical and comparative context see Turkey: Labour force participation rate by sex and age. Available from: [http://www.ilo.org/ilostat/faces/home/statisticaldata/data_by_country/country-details/indicator-details?country=TUR&indicator=EAP_DWAP SEX_AGE_RT&source=2256&datasetCode=YI&collectionCode=YI&_afrLoop=3382401563179460#%40%3Finicator%3DEAP_DWAP SEX AGE RT%26_afrLoop%3D3382401563179460%26datasetCode%3DYI%26collectionCode%3DYI%26country%3DTUR%26source%3D2256%26_adf.ctrl-state%3D15zzkq5ytg_322][Accessed 25/04/2014].
Existence of high unemployment rates appears to be another important problem challenging the Turkish labour markets in the post-1980 period (for an overview see e.g. Bulutay, 1995; Dereli et al., 2006; World Bank, 2006; Adaman et al., 2008) which, in words of Odekon (2005: 25) came out as the costs of “stabilisation, privatisation and structural changes”. The rising unemployment rates in the post-1980 era could be observed from the Figure 18 below, which indicates that urban unemployment rate has always exceeded that of rural in the focal period and it has been on constant increase since the late 1990s. It should be again noted there is a serious lack of reliable data regarding unemployment rates in Turkey for the pre-1980 period. However, according to Bulutay (1995), unemployment rate has also displayed an increasing trend in the pre-1980 period and urban unemployment rate has always been higher in Turkey compared to that of rural.
Extent of flexibility in Turkey’s formal labour markets, on the other hand, appears to be the lowest amongst the OECD countries. Indeed, until the introduction of 2003 Labour Act, non-standard contracts were not regulated and flexible employment arrangements were not permitted (see Majcher-Teleon and Bardak, 2011). However, little seems to have changed since the introduction of the new labour law (Dereli et al., 2006; Majcher-Teleon and Bardak, 2011), as according to the OECD’s classification, Turkey still ranks in the middle-range in strictness of employment protection with regards to individual and collective dismissals in regular contracts\textsuperscript{129} and ranks in the highest range in strictness of employment protection for temporary contracts\textsuperscript{130}. To add to this, according to OECD’s calculations, Turkey ranks amongst the lowest in its proportion of part-time employment within the total employment in the OECD nations\textsuperscript{131}.

Despite the fact that Turkish formal labour markets seem to provide more employment security and thus they appear to fall behind in provision of flexible employment arrangements, at least according to OECD’s calculations and classifications, this should not come to mean that Turkish labour markets are not flexible. Instead, as has been rightly pointed out by Majcher-Teleon and Bardak


informality in Turkish labour markets appears as *de facto* flexibility given that most of the companies hire and fire through informal employment arrangements and make use of flexible forms of employment such as extending and/or shifting the working hours of their employees. What is more, flexibilisation of Turkish labour markets through informal employment is not a new phenomenon, for it, *as has been mentioned in the previous empirical chapters*, has always been a remarkable feature of them. Yet, this problem appeared to have even further aggravated during the post-1980 period as this era witnessed not only a dramatic upsurge in population and working age adults (see Table 25 and Figure 16 above) which far exceeded the jobs created (Senses, 1994; World Bank, 2006) but also an ever increasing interest on part of Turkish political leaders towards privatisation of public enterprises (Odekon, 2005; Atiyas, 2009), broadening importance of subcontracting arrangements\(^{132}\) (Dereli et al., 2006) and growing prevalence of small enterprises in Turkish economy most of which operate, at least partially, informally (Adaman *et al.* 2008; Majcher-Teleon and Bardak, 2011). The exact dimensions of the informal employment in Turkey is unknown, however, according to the estimations of the World Bank (2006), one third of employed persons in urban areas and three fourth of employed persons in rural areas work informally in Turkish labour markets.

In sum, against the background of shifting politico-economic circumstances which had their roots in changing global as well as national social and economic policy and practices, Turkey has underwent a remarkable transformation in the post-1980 period with regards to its socioeconomic structure which inevitably influenced the very fabric of the country’s labour markets. Accordingly, the post-1980s witnessed an upswing in large-scale privatisations, state’s ever-diminishing role as an employer in the industry, introduction of market logic to the state-led establishments, a substantial upsurge in the number of industrial establishments employing less than ten workers, worsening of income distribution in society, a sharp fall in share of agriculture in GNP and expansion of informal economic activities. Accompanied these were continuation of rapid urbanisation, a notable

\(^{132}\) There is a body of convincing argument available in literature that increasing rates of privatisation and subcontracting in Turkey has added up to the recruits of informal employment in the post-1980 period (see e.g. Cam, 1999, Demir and Sugur, 1999, Cam, 2002, Adaman *et al.*, 2008).
change in sectoral distribution of employment against agriculture, a remarkable rise in working age adult that has far exceeded employment and labour force participation rates, persistent high unemployment rates, incapability of Turkish formal labour markets to provide flexible employment arrangements, and high rates of informal employment. All these factors inevitably exerted influence on industrial relations in the post-1980 period. The impacts of these socioeconomic changes over the labour-capital relations will be discussed below along with the changing interests of and interactions between labour capital and state in the post-1980 era.

7.5 Interests

The changes came into being in economic policy and practices in the post-1980 period as many authors seem to agree, necessitated, amongst other things, a fundamental transformation in the structures governing industrial relations (see Celasun and Rodrik, 1989; Aricanli and Rodrik, 1990; Cetik and Akkaya, 1999; Boratav, 2009). Indeed, lowering the workers’ wages and reducing domestic demand in order to promote exports and make the country more competitive in world markets, as the literature reveals, appeared as one of the main aims of the new economic policies (Cetik and Akkaya, 1999; Aydin, 2005; Boratav, 2009). Subsequently, the institutional framework that shaped and steered the industrial relations in the planned economy period completely lost its legitimacy in the eyes of powerful stakeholders as well as policy makers for this was the product of politico-economic and social circumstances of the previous period. However, the legal structure of industrial relations was still effective given that the fundamental principles of it were written into the 1961 constitution. Under the influence of new political and economic policies, therefore, re-institutionalisation of industrial relations seemed to have come out as an effective solution to accommodate the demands of the powerful interest groups, amongst which, the IMF and owners of large industrial establishments came to the forefront.

The IMF, which closely supervised Turkey’s politico-economic transformation that was engendered through the 24 January measures indeed was one of the most vociferous and influential interest groups, publicly putting forward its demands regarding industrial relations in the early 1980s. “Improvements in wages should
be closely watched”, wrote the IMF, for example, in one of its reports prepared for Turkey and continued “the year 1980 will be subject to new important collective agreements and it is essential that results of these should not make pressure on domestic costs” (Colasan, 1980: 7). In another IMF report again issued in the year 1980 for Turkey the IMF stated that (Dogan, 1980: 1, 9):

“Turkish authorities have already seen the necessity of limiting wage increases and started to believe that implementation of this is important and imperative. One of the most critical issues in economy is the progress in wages and it is essential that this should be dealt with a great care [...] Success of the economic measures taken in 1980 is dependent on mild attitudes and wage restrictions in the collective bargainings to be concluded.”

When it comes to employers, their demands of the lawmakers surpassed the limitation of wage increases. Indeed, an overview of the reports issued and speeches delivered by employers’ representatives reveals is that in the early years of the 1980s employers devoted considerable attention to the issue of steering the looming transformation in institutional structures governing industrial relations in a way which would tip the balance of power between labour and capital in favour of themselves (see e.g. TISK, 1986, 1987). In its working report prepared in the year 1982, the Confederation of Employers’ Associations of Turkey, TISK – Turkiye Isveren Sendikalari Konfederasyonu, put into words employers’ demands and expectations from the politico-economic transformation that the country underwent following the military’s seizure of power as follows (TISK, 1987: 5):

“We have experienced, nationally, what kind of an atmosphere we have been swept to by the perspective maintained on our social problems in the pre-12 September period. For this reason ... it is necessary to bring a solution to the social problems by evaluating them from another point of view. It is a well-known fact that in the past the view that workers need protection was dominant in the approach to labour-capital relations. The claims that workers are suppressed and exploited are not longer valid ... It could be said that workers employed in our country
constitute a happy minority. It is no longer possible to defend this situation in the light of the past experiences. For this reason in our approach to social problems, the principle of interpretation of acts in favour of workers should be left behind and national interests need to be pursued.”

The speech of Halit Narin the then president of the TISK, delivered in the executive meeting of the Confederation that was held in order to discuss the new institutional framework of industrial relations drafted by the military government appears to give some more revealing hints about employers’ interests over influencing the changes to be made in the institutional framework of industrial relations in their favour. According to Narin (TISK, 1987: 27):

“The main aim of the laws regulating working life is establishing and maintaining a long-term peace in the workplace. This, at the same time is one of the guarantees of the future of the democracy. Establishment of peace in the workplace rests on mutual understanding and balance between labour and capital. In attainment of this balance, supporting and sustaining the business, and enabling the activities that fit the circumstances of national economy are as important as workers’ rights. This peace can never be established by restricting the rights of employers or by forever increasing the rights of employees […] The bitter experiences of the past should never be forgotten in making of the laws regulating our working life. Trade unions cannot be against the state […] Independence of trade unions from the state cannot be defended. It should be accepted that there is a limit to trade union freedoms and rights just like there is a limit to every right and freedom.”

Against this background, many observers seem to agree that the leaders of the military government made various ideologically biased changes in the institutional framework of industrial relations in favour of the interests of large capital owners and the country’s international creditors (see the section below and
Dereli, 1982; Koc, 1982; Turk-Is, 1983; Koray, 1994; Onder, 2004; Aydin, 2005; Boratav, 2005a; Koray and Celik, 2007). Nevertheless, even under the guidance of an authoritarian military regime, which operated in an environment where all forms of political dissent were ruthlessly suppressed\(^{133}\), utilisation of a legitimising discourse became important for the aim of the leaders of military junta appeared to be to ensure the continuity of their policies and practices after the country’s transition to multiparty democracy. Indeed, the leaders of the military government would appear to have attributed a central importance to giving shape to a democratic political order and thus to ensure continuity of their political and ideological influence before transferring power to civilian rule. In order to achieve so, as a brief look at various declarations that the military government issued and the speeches that the leaders of the 1980 Junta delivered reveals, they legitimised their actions through putting into use the argument pertaining to the necessity and rationality of their intervention (for a comprehensive overview see Dinckal, 2011). According to the communiqué number one issued by the National Security Council\(^{134}\), for example, one of the primary aims of the military intervention was “removing the factors that prevent the functioning of democratic order” (Dinckal, 2011: 13). This same purpose was put into words by the leader of the 1980 military coup, Kenan Evren, as according to him one of the main aims of the Junta was “provision of a solid basis for the democracy which became unable to control itself” (Dinckal, 2011: 28).

The language of intervention that emphasised necessity and rationality was also used by the military elites to legitimise the steps they took towards the re-institutionalisation of industrial relations. In a press conference that was held shortly after takeover of power by the military, General Kenan Evren justified proposed interference by the military government in the domain of industrial relations as follows (Dinckal, 2011: 35, braces and emphasis added):

“Labour-capital relations which came close to the point of break off due to various especially ideological reasons will be

\(^{133}\) For a detailed account of the suppression of left-wing ideas and opponents during the junta years see e.g. Celenk, 1988; Akman, 2010.

\(^{134}\) The National Security Council was established by the chiefs of the Turkish armed forces headed by General Kenan Evren and ruled Turkey until the free elections held in 1983 (for more information see e.g. Ahmad, 1993; Zurcher, 2004).
re-regulated with a perception that will protect the rights of workers and will be respectful to the rights of employers. We believe that peace in the workplace will be of advantage for the entire Turkish nation for it besides providing workers with their social and economic rights in a responsible manner, will [at the same time] improve productivity.”

Review of Kenan Evren’s speeches delivered throughout the period indicates that the claim that provision of peace in the workplace was necessary and legitimate for the protection of interests of all parties was put forward on a continuous basis (see Dinckal, 2011). The same rhetoric was also utilised in the preamble of the draft law on Collective Agreements, Strikes and Lockouts, which was discussed in the National Security Council towards the end of 1981. In the preamble, lawmakers, after calling attention to the negative influences of the institutional framework of the previous period on peace in workplace, stated that (MGK, 1983: 72, brackets added):

“In preparation of this law, before anything else, an effort was put into place to clear away malfunctions and to fill the gaps [of the previous legislation] [...] [and] provision of peace in workplace, improvement of relations between employees and employers [...] enhancement of levels of productivity and production were taken as goals.”

While political actors, employers and the IMF, being Turkey’s international creditor as an overview of the available resources indicate, voiced their interests on various occasions regarding different circumstances, labour’s chances of interest representation independently from state appeared to be highly slim. Indeed, for one thing, the junta suspended activities of the DISK, which, in the eyes of many political actors and employers, was the primary source of conflict and opposition in the domain of industrial relations in the previous period. By so doing, the managers of the military government closed the political space and hence any potential resistance against the changes they proposed making to the institutional framework of industrial relations. In addition, the junta granted official representation of workers’ interest to the Turk-Is, the workers’
confederation, as mentioned earlier, had a reputation for supporting harmonious relations with governments. Thus, the managers of junta reduced even further the impact of any opposition being allowed against the transformation of the institutional framework of industrial relations that were implementing.

In the face of a fundamental shift that was on the way to change the institutional structure of Turkish industrial relations, the Turk-Is, much to the expectations of the leaders of the military government, maintained good relations with the political powers that be (Cizre Sakallıoğlu, 1991; Koray, 1994; Cetik and Akkaya, 1999; Boratav, 2005a). Nevertheless, this should not come to mean that the Turk-Is remained silent and accepted all the changes that were related to domain of industrial relations without registering its dissent. For example, when confronted with a draft constitution which openly adopted an anti-labour stance, one of the ways it showed its opposition was by issuing a declaration through which it publicised its opinion regarding the proposed changes. That is, according to Turk-Is; (Koc, 2002c: 66, brackets added):

“The draft constitution that is placed before the Turkish nation [...] is far away from providing pluralist liberal democracy which is the political choice of the Turkish nation. The draft constitution bears both political and economic elements [in order to] introduce a system, implementation of which will destroy the rights and freedoms of all workers [and which will enable] a group of capitalists to seize control of both economic and political power.”

Turk-Is also voiced its opposition to the draft laws regulating collective labour relations by issuing declarations, organising meetings and releasing publications (see e.g. Turk-Is, 1983; Koc, 2002c). In a request submitted to the National Security Council which articulated its views about the new legislation on collective labour relations, the confederation put into words its concerns as follows (Koc, 2002c: 69 and 72, brackets added):

“In examinations that were carried out on the draft laws on trade unions, collective agreements, strikes and lockouts, the
general assembly of our confederation has detected, with a concern, that workers and workers’ associations are confronted with a new system [...]. [One] source of our concern is our detection that the demands of employers about the restriction of workers’ rights and freedoms were transferred to some of the acts of the draft laws. Almost all of these demands are completely in conflict with international principles and with the international rules which regulate trade union freedoms [...] It should not be ignored that when the institution of collective bargaining, with the shortcomings it holds, is brought to a point in which it becomes unable to meet the needs, it might create an environment in which social peace can never be established.”

Turk-Is, as a perusal of its declarations and publications in the period indicates, indeed, expressed its dissent against military government regarding those events which appeared to inflict serious harm on the interests of the working class (Koc, 2002c). Yet, many observers seem to agree that the confederation throughout the time it was charged with the duty of representing workers’ interests remained within the confinements of its traditional policies, being motivated by a drive to establish harmonious relationships with the groups holding political power (Cizre Sakallıoğlu, 1991; Talas, 1992; Koray, 1994; Cetik and Akkaya, 1999; Boratav, 2005a). In other words, Turk-Is, during the years of military junta, as was aptly put by Cizre-Sakallıoğlu (1991: 64), “limited its efforts to ‘correcting’, or ‘normalizing’, the tight corset it had been forced to wear”. Whether or not Turk-Is by pursuing such a policy succeeded in defending the material interests of its rank-and-file members is probed in the section that follows.

7.6 Interactions

The political and economic events that unfolded following the 12 September 1980 military takeover set the stage for the interactions that took place between the state, capital and labour in the post-1980 period. This subsection analyses the interactions between the actors of industrial relations against the background of socioeconomic and economic changes that were discussed in previously in the
chapter. The subsection divides the post-1980 period into two sub-periods: the years between 1980 and 1983 and post-1983.

7.6.1 The 12 September Process and Industrial Relations: 1980-1983

The early years of 1980s witnessed political actors’ ambitious efforts directed towards re-institutionalisation of industrial relations. To achieve this, after having justified their interest in industrial relations on the basis of the importance of the maintenance of peace in workplace, the leaders of the military government embarked on a set of legislation that was devised dramatically to shift the institutional framework of industrial relations. To begin with, they incorporated articles 49, 51, 52, 53 and 54 into the 1982 Constitution through which the fundamental principles of collective labour relations were laid down. Accordingly, article 49 of the constitution charged the state with the duty of taking facilitating and protecting measures in order to secure peace in industrial relations. Article 51 affirmed the right to form trade unions and employers’ associations and to become a member of these organisations without prior permission. Article 53 asserted the right to conclude collective agreements for workers and employers in order to regulate their economic and social position and conditions of work reciprocally. Finally, article 54 of the Constitution endowed the workers with the right to strike.

The 1982 Constitution, in short, at first glance, provided workers with the fundamental rights and freedoms necessary to mobilise their power resources in order to define and defend their interests in the domain of industrial relations. However, a closer look at it reveals that these rights and freedoms were restricted by the lawmakers to such a degree that insecurity for labour came out as a rationale. Indeed, for example, the Constitution stipulated that only those workers who had held a job in the same branch of industry for at least ten years could become executive members of workers’ associations (Article 51/7). Moreover, the Constitution held that the status, administration, and functioning of trade unions

could not be inconsistent with the characteristics of the republic as defined in that document or with democratic principles (Article 51/8). It also banned trade unions from pursuing political causes and engaging in any kind of political activities including receiving support from or giving support to them (Article 52/1). To add to this, it subjected trade unions to the administrative and financial supervision of the State Supervisory Council (Article 52/3), obliging them to keep all their funds in state banks (Article 52/4).

Furthermore the Constitution, entitled employers with a right to recourse to a lockout when workers chose to use their right to strike and restricted the right to strike for disputes arising during the collective bargaining process (Article 54/1). It compelled that the right to strike and lockout should be exercised in a manner that was not contrary to the principle of goodwill, not to the detriment of society and not at the expense of national wealth (Article 54/2). In addition, it rendered trade unions liable when any material damage caused in a workplace where a strike was being held was as a result of deliberate negligent behaviour by workers and trade unions (Article 54/3). Further, where a strike or a lockout was postponed, the constitution charged the High Court of Arbitration with the duty of settling the dispute at the end of the period of postponement, rather than permitting the parties to resume the industrial action (Article 54/5). The constitution also prohibited politically motivated strikes and lockouts, solidarity strikes and lockouts, occupation of work premises, labour go-slows, production decreasing, and other forms of obstruction to production (Article 54/8).

The 1982 Constitution, however, was not the only source of politico-economic insecurity for labour. The Laws no 2821 and 2822136, both of which entered into force at the end of the military rule, added further details to the restrictions placed on the collective rights and freedoms of workers. Although it is not appropriate to scrutinise these regulations here in detail, some articles of these laws which have been widely criticised by scholars as well as national and international workers’

organisations need to be pointed out. The trade unions act no 2821 permitted unions to be formed only on the basis of work branch (Article 3/1) and forbade the establishment of trade unions on the basis of occupation or workplace (Article 3/3). Moreover, it only allowed Turkish citizens to establish a union or become a union officer (Article 5/1). In addition, it specified confederations as being the sole higher organisations of trade unions (Article 6) and thus ruled out federations, which had existed in previous legislation. Finally, it also bound acquisition of membership of a trade union to certification by a notary (Article 22/2), which was a highly expensive procedure and it was discretionary on the part of the particular union as to whether the new member would be reimbursed, which obviously made membership less attractive.

The Collective Labour Agreement, Strike and Lock-Out Act, Law no 2822, on the other hand, set a double threshold competence on trade unions in order to conclude collective agreements. More specifically, according to the law trade unions had to represent at least 50% +1 of the workers in the establishment, where the collective bargaining would be concluded as well as representing 10% of the total workers in the work branch (Article 12/1). Further, it restricted continuation of negotiations between parties to 60 days (Article 21/2) and in the case that they did not reach an agreement at the end of this period it required appointment of a mediator by the High Court of Arbitration (Article 22/3). It prohibited the right to strike in certain work branches and establishments, including, but not limited to: funeral parlours and mortuaries, petrochemical works, banking and public notaries and educational and training institutions (29 and 30). In addition, the law provided the Council of Ministers with the right to suspend a lawful strike or lockout for 60 days, if they considered it likely to be harmful to public health or national security (33/1), but it did not permit the resumption of industrial actions at the end of this suspension period. Rather, in the case that no agreement was reached during the period of suspension, the law referred dispute to the High Court of Arbitration for settlement (Article 34), decisions of which were final and had the same force and effect as a collective labour agreement (Article 55). Finally the law punished those who engaged in unlawful strikes with prison sentences of between three and six months and/or fines (Article 59).
All these restrictions imposed upon trade union rights and freedoms were seen by many as backward steps from what had been provided to labour a decade earlier. Indeed, these measures, for example, widened the state’s sphere of influence over industrial relations, rendered pursuit of economic interests the sole legitimate activity for trade unions as well as decreasing the capacity and possibilities of workers to mobilise their power resources and in so doing, according to a widely-held consensus, tilted the balance of power between labour and capital in favour of the latter (see e.g. Kepenek, 1987; Cizre Sakallioglu, 1991; Talas, 1992; Koray, 1994; Koc, 1998; Cetik and Akkaya, 1999; Aydin, 2005; Özdemir and Yücesan-Özdemir, 2006). Thus, it should come as no surprise that these measures have been widely criticised by scholars, by trade unions and by some international organisations on a continual basis (see e.g. Dereli, 1982; Turk-Is, 1983; Kutal, 1987; ETUI, 1988; Cizre Sakallioglu, 1991; Talas, 1992; Koray, 1994; Koc, 2002c, 2002a; ILO, 2005; Gulmez, 2006; Özdemir and Yücesan-Özdemir, 2006; ITUC, 2007; ETUC, 2010; EC, 2011).

In general however, all this restrictive legislation was designed to shape and steer the political economy of industrial relations after the country’s return to civil rule. During the years of military rule the domain of industrial relations was directly governed by the unilateral decisions of the National Security Council, through which it, for instance, banned all strikes and lockouts\textsuperscript{137}, suspended many trade union activities, including collective bargaining\textsuperscript{138} and managed wage settlements with compulsory arbitration\textsuperscript{139}. The National Security Council, what is more,

\textsuperscript{137} These were covered by Decision no.3 and Communiqué no.15 issued by the National Security Council. Full texts of these decrees in Turkish can be found in the Official Gazette no 17105, published on 14/09/1980

\textsuperscript{138} For the full list of activities that were deemed legal and illegal for trade unions by the National Security Council see Koc 1982: 40-45.

\textsuperscript{139} This was entailed in the law no 2364, which ordered collective agreements to have a validity period, which when expired was immediately put into force again. For detailed information see Koc, 1982. Full text of this law in Turkish can be found in the Official Gazette, no 17203, published on 27/12/1980,
closed down the DISK\textsuperscript{140}, put it its leaders on trial in military courts, with the prosecution asking for capital punishment (see Cumhuriyet, 1981; Milliyet, 1981; New York Times, 1981). It should be noted that the prosecution of the DISK extended to the years of civil rule and this confederation was only allowed to resume its activities in 1991, when articles 141 and 142 of the Turkish penal code, outlawing communist and socialist activities, were abrogated (Cetik and Akkaya, 1999; Koc, 2003).

In so doing, managers of the military junta appeared to have obtained at least three policy outcomes. First, they placed labour in a highly disadvantaged position vis-à-vis the state and capital, which became visible by the fact that trade unions under the repressive military rule could only undertake very restrictive organisational and representational activities. Indeed, for example they could not freely voice the interests of their members at the political level, for representation of the interests of labour, as was stated above, was solely granted to Turk-Is, which right from its establishment functioned in close cooperation with whoever held power (see Bianchi, 1984; Cizre Sakallioglu, 1991). What is more, throughout the time that military elites held power, trade unions could not make use of any of their secondary power resources. Second, this situation generated income insecurity for organised labour as an institutional outcome for the trade unions could not materialise the economic interests of their members as they were disqualified from negotiating collective bargaining and to go on strike. Instead, throughout the time the military held office, collective labour relations were managed by the High Board of Arbitration, which was controlled by the National Security Council and which, according to observers, made highly biased decisions in favour of employers (see Koc, 1982; Ketenci, 1987; Guzel, 1996). Amongst these decisions, the most conspicuous one appears to be the issue of wage settlement as workers experienced a serious decline in their income levels compared to what they had achieved in the pre-12 September period under the system of collective bargaining (see Figure 22).

\textsuperscript{140} Together with DISK, two other confederations, the MISK and the HAK-IS, were also closed down by the military government in 1980. While HAK-IS was allowed to function as confederation again in 1981, leaders of the MISK, like those of the DISK were put on trial at military courts. The MISK, as was reported by Cetik and Akkaya 1999, although it continued to function as confederation under the name of YURT-IS between 1987 and 1991 its activities remained insignificant in the post-1980 period.
The other policy outcome that managers of military junta successfully obtained was steering the behaviours of labour towards what was aimed at: social peace. Indeed, throughout the time junta held power, labour remained silent with no organised strikes and no protests staged. While one might see this as a bitter defeat for labour, the leaders of the military government had a different view on it. “Tell us if these measures are unnecessary” once Kenan Evren stated and continued “and we will abandon them. And again, as has been the case in the pre-12 September period, and this time even worse, [same things] will rebound. Are you going to accept it?” (Dinckal, 2011: 108, brackets added).

Consequently, what could be concluded is that the policies devised and practices put into use in the domain of industrial relations during the years of military junta, contributed to creation of a political economy of insecurity in the domain of industrial relations. Whether or not this type of political economy was maintained in the years following the restoration of civilian power in the country is scrutinised below.

7.6.2 Interactions after Turkey’s Transition to Multi-Party Democracy

Turkey returned to civil rule with the general elections held at the end of 1983. The Motherland Party –Anavatan Partisi (ANAP) – led by the architect of the 24 January Measures, Turgut Ozal, – won the support of the majority. This party maintained a majority representation in national governments established until 1991 and it, as has been continuously pointed out by many observers, set Turkey on a path of neoliberal economic reforms with an emphasis on private enterprise, privatisation and an export-oriented free market economy (see Ahmad, 1993; Zurcher, 2004; Kazgan, 2006; Boratav, 2009). Little has changed, if anything, with regards to the economic development policies implemented by the successive governments that ruled Turkey after the Motherland Party and this way of economic development, as pointed out by Boratav (2009), left its mark also on the economic policies put into practice in 2000s.

Such a development strategy, which, according to many scholars was devised to meet demands of national and international capital (see Koc, 1982; Cizre Sakalliyoglu, 1991; Boratav, 2005a; Kazgan, 2006), inevitably required placing the
demands and activities of labour under tight control. This seems to have been mainly achieved through formulation and implementation of policies, (1) which contributed to placing labour in a highly disadvantageous position vis-à-vis the state and capital (2) which generated income insecurity as an institutional outcome for labour and (3) which provided political actors with a number of effective instruments to steer the behaviours of labour towards a so-called social peace.

Regarding disempowerment of labour vis-à-vis capital and state, and generation of income insecurity as an institutional outcome for labour, consideration of the organisational and representational activities of trade unions and the wage levels in industry can provide us with some subtle clues that the policies and practices implemented in the post-1983 period contributed significantly to these aims. In saying so however, it should also be noted that, these policy and practices, were implemented in labour markets where, as already mentioned above, majority of industrial workers were employed by small-scale workplaces, increase in population and working age adults far exceeded the jobs created, labour force participation rate continuously dropped, unemployment rates gradually soared and informal employment turned out to be the only solution for many people in the face of changing labour market structures.

As a result of combination of all these, a number of changes occurred in trade unions’ organisational and representational activities. For one thing, as can be seen from Figure 19, trade union density in the country in this period, that is to say the number of trade union members as a percentage of the overall workforce, continuously decreased and this decline became even more dramatic as the calendar turned to 2000s.
For another, as can be seen in Figure 20, the number of trade unions, especially when compared to that of the pre-1980 period significantly decreased as a direct result of the double threshold brought to the collective bargaining system by the law no. 2822 (Celik, 1988; Cetik and Akkaya, 1999). This decrease in the number of trade unions, according to lawmakers would provide so-called strong trade unionism (MGK, 1983). However, this obstacle posed by the policy makers, as has been persistently pointed out by the ILO (2005, 2009) was in contradiction to the principles of the ILO’s convention no. 98, which protects workers’ right to organise and carry out collective bargaining.
Last but not least, coverage of collective bargaining both for public and private sector employees considerably shrank. While, as shown in Figure 21, this decrease in the percentage of workers covered by collective agreements appears to have been more dramatic for private sector workers, as coverage plummeted to as low as 4.2 per cent in the year 2010, the same figure also indicates that public sector workers suffered from this shrinkage in the coverage of collective bargaining.
The changes occurred in trade unions’ organisational and representational activities in the post-1980 period have also exerted a significant influence on the industrial workers’ wage levels in the era. Indeed, as the numbers of workers who represented their collective interests through trade unions and who had their wage levels determined through collective bargaining decreased, so did their ability to control their wage levels. The shifts in industrial workers’ incomes can be easily followed in Figure 22, Figure 23 and Figure 24 below.

---

141 This was calculated by dividing number of total workers working under the coverage of Social Security Insurance into the number of workers covered by collective agreements. Calculations were done separately for private and public sector workers. To calculate the number of public sector workers covered by collective agreements a grand total of two years was taken, such that, in order to calibrate this figure for the year 1990, say, the sum of 1989+1990 was taken. This method was developed by Celik and Lordoglu (2006) to make up for some of the shortcomings of the statistical data published by the Ministry of Labour and Social Security. However, it should be noted that, some important drawbacks regarding the calculation of realistic percentages still remain, for instance, the greater than 100 per cent figure for public sector workers covered by collective agreements in the year 1987 is clearly erroneous and hence the contents of this graph should be taken as being indicative rather than definitive.

142 Despite my efforts, I could not obtain statistical information covering the entire post-1980 period for the real wages in manufacturing industry and separately for private and public sector workers. These three figures were prepared by different people/institutions and based on different statistical data. Despite their shortcomings, I used them given that they appear to give an overview of fluctuations in wage levels during the period of interest, but they should be seen as indicative rather than definitive.
Three features as to the wage levels in post-1980 can be inferred from these figures. First, as shown by the Figure 22, real wages in the manufacturing sector started to show a downward trend after 1979, the year in which, according to the statistical data compiled by Bulutay (1995: 306), real wages in this sector hit their highest. The subsequent downfall in wages continued for most of the 1980s and reached its lowest level 1986, with 35 percent loss in real terms when compared to the level recorded in 1979. Second, the level of real wages took an upward trend towards the end of the 1980s and marked its highest level in the year 1993. This corresponded with a series of labour movement activity that started with the so-
called “spring movements”, which occurred towards the end of the 1980s and which were greeted with a widespread positive response amongst the workers of public sector establishments (see Koray, 1994; Cetik and Akkaya, 1999; Mahirogullari, 2005). Third feature, as Figure 23 indicates, this growth in real wage levels did not last long, for during the following three years they declined and despite an upward movement after 1999, real wage levels did not change much in the first half of the 2000s. This trend of stability in wage levels started to turn into a decline for the years following 2008.

Besides placing labour in a highly disadvantaged position vis-à-vis the state and capital, and besides generating income insecurity as an outcome for labour, the new political economy put into practice in the post-1980 period seemed to have also successfully steered the behaviours of the working class towards what was aimed at by the state and employers, namely social peace. In support of this perspective, four points need to be made explicit. Firstly, having kept the DISK closed down for about a decade, country’s leaders effectively ruled out the most militant section of the trade union movement from the domain of industrial relations for a time. What is more, the DISK when it was allowed to resume its operations in 1991, as has been pointed out by Baydar (1999), could never recapture its old position in the labour movement mostly due to the socioeconomic, legal and political circumstances of the post-1990 period. As a natural consequence of this, despite there having been many occasions when this organisation and its affiliated trade unions mobilised the power resources of their members, their actions appeared to be more tame especially when compared to the pre-1980 period[^143], and this, as I argue, contributed greatly to the so-called social peace established by political actors in the domain of industrial relations in post-1980 period.

Secondly, the legislative framework of industrial relations provided the state and employers with a number of effective instruments utilisation of which significantly reduced the capabilities of labour to mobilise its power resources.

Amongst these, postponement of strikes and the decisions of the High Board of Arbitration need to particularly singled out. Regarding the former, the Law no 2822 entitled political actors the right to postpone strikes on the grounds of national health and security. It would appear that such a prerogative residing in the hands of the political actors gained them the upper hand in further determining the limits of strike action, which was already strictly regulated and highly restricted by the same law. Indeed, according to the calculations made by Celik (2008), the postponement decisions given by political actors with the pretext of national security and general health influenced around 350,000 workers between 1983 and 2007. These decisions have affected public and private sector workers almost on equal basis. As to the High Court of Arbitration, the Law no. 2822 charged it with the duty of settling disputes in cases where calling a strike was prohibited or in the cases where the right to call a strike was postponed. As has been the case in postponement decisions given for strikes, decisions made by this court appeared to give further supremacy to the powerful employers and the political leaders as they according to observers produced highly biased outcomes in favour of the former (Ekonomi, 1988; Guzel, 1996; Koray and Celik, 2007).

Third, as has been mentioned above, Turkish labour markets underwent a substantial transformation in the post-1980 era and this arguably assisted the political leaders and industrial employers in their efforts for steering the behaviours of working class towards social peace and order. Indeed the factors, such as high rates of unemployment and informal employment and low rates of employment and labour force participation, while having contributed their shares in diminishment of union density, at the same time played an important role in emergence of new forms of work arrangements and in escalation of the fragmentation between working people. All these made it even more difficult for trade unions to encourage solidarity amongst the working people and to mobilise their power resources with the aim of mounting a resistance against the adversities imposed by the political economy of industrial relations pursued in the post-1980 period. (see e.g. Koray, 1994; Koray and Celik, 2007).

And fourth, there were the employers’ practices, which significantly weakened the power of labour both in the state and private sectors. In the former, this was
mainly achieved, as an overview of the relevant literature indicates, by privatisation of state-led industrial establishments, by introduction of market logic to the state employment policies\textsuperscript{144}, and by subcontracting certain functions or services of the state to private providers (see Koray, 1994; Senses, 1994; Buyukuslu, 1995; Cam 1999; Cetik and Akkaya, 1999; Mahirogullari, 2005). In the private sector, on the other hand, increased employer confrontation to efforts for unionization (Koray, 1996; Cetik and Akkaya, 1999) together with a marked tendency amongst employers towards subcontracting and outsourcing of some of their operations (Cetik and Akkaya, 1999; Mahirogullari, 2005; Koray and Celik, 2007) were some of the most noticeable organisational strategies of employers through which they outmanoeuvred labour. All these practices, as a result, not only decreased the number of manufacturing workers employed in the state sector and large private industrial establishments, but also diminished the capabilities of workers to mobilise their power resources. In essence, as I argue, they contributed greatly to a so-called social peace both in state and private sector industrial establishments, the conditions of which were largely laid out by the employers.

In contending that the policies formulated and practices implemented steered the behaviours of labour towards social peace in post-1983 period, it should be explicitly pointed out that this by no means implies that organised labour remained passive and compliant in the face of rising power of the state and employers. Indeed, when looking at Figure 25 for example, which compares the number of strikes that took place in the pre-1980 and post-1980 periods, an upward trend can be observed both for the public and private sectors for the latter period until the early years of the 1990s. This resurgence in the number of strikes from the late 1980s onwards, as rightly pointed out by Cetik and Akkaya (1999), was prompted by the ruling Motherland Party’s ignorant attitudes towards trade unions and their demands. Moreover, as Figure 26 shows, this rise in strike numbers, brought with it a substantial rise in the number of workers involved compared to the pre-1980 period. However both Figure 25 and Figure 26 also reveal that the number of stoppages and workers involved in these after having displayed another upsurge, especially when it comes to number workers involved

\textsuperscript{144} For example in the post-1980 period state-led industrial establishments started to employ increasing number of workers on the basis of personal employment contracts, which provided no right to bargain collectively or to strike (see e.g. Cetik and Akkaya, 1999).
in the first half of the 1990s, in the mid-1990s a downward trend was experienced and this decline was especially dramatic for public sector workers. Therefore, the conclusion can be safely drawn that state leaders and employers despite having experienced some difficulties in steering the behaviours of labour towards a so-called social peace in industrial relations for about a decade that started from mid-1980s, they appear to have overcome this challenge by the second half of the 1990s.

Figure 25: Number of strikes that took place between 1973 and 2001

Source: For the number of strikes that took place between 1973 and 1980 the public-private difference was calculated by using the data from DIE,1983: 208 and from CSGB, n.y. For the rest of the period, data from CSGB, n.y. –a was used.

\[145\] This rise occurred in the mid-1990s, following the Ciller government’s announcement of an economic reform package which involved, amongst other matters, a tight control on the wages of public sector workers (see Cetik and Akkaya, 1999).
Trade unions in Turkey also started to consider, *albeit very slow*, different resistance strategies such as social movement unionism in the post-1980 period. Indeed, just like the many other industrialising countries, the debate around social movement unionism as well as the trade union activities related to this new effort gained momentum beginning from the 1990s in Turkey (see Dogruer, 2004, Sazak, 2006; Yücesan-Özdemir and Özdemir, 2007; Adaman et al., 2008; Burkey, 2010; Sevgi, 2012). However, what a brief review of available resources reveal is that, despite a limited number of cases such as strike of Zonguldak miners in 1990 (Yukselen, 1998), strike of Novemed workers in Antalya in 2004 (Fougner and Kurtoglu, 2011), resistance of Tekel workers in Ankara in 2009 (Akbudak, 2011), where the workers and their trade unions received a strong support from various national and international organisations (see Akbudak, 2011; Fougner and Kurtoglu, 2011; Sevgi, 2012), Turkish trade unions are yet to embrace the meaning and importance of social movement unionism. To add to this, organisation of workers out of the traditional terrains of trade unions such as those working in informal sector still remains a challenge for the Turkish trade unions. Indeed “*given the constraints of the environment in which labour unions operate*” as has been succinctly put by Adaman *et al.* (2008: 4) trade unions in Turkey are
currently “compelled to follow a short-sighted strategy in an attempt to protect their ever-diminishing membership base”. According to them;

“Unless [the trade unions in Turkey] make a serious effort to improve the circumstances of all workers, to combat, in particular, informal employment practices, [...] it would be easier for employers to present unionised workers as a labour aristocracy that does not share the concerns of the rest of the workforce. This would make it impossible for unions to consolidate their basis of social legitimacy, which they need to do to be able to lead a public campaign against certain problems that lead both to a deterioration of labour standards and to the decline in union density” (Adaman et al., 2008: 13, brackets added).

In the face of mounting socioeconomic and political challenges that have faced trade unions in the post-1980 period, the policies and practices in the domain of industrial relations therefore disempowered labour vis-à-vis the state and capital, generated income insecurity as one institutional outcome for organised labour and provided political actors with some effective instruments to steer their behaviours towards social peace. What is more, these policies and practices, at the same time enabled political actors and employers to influence the institution building process and hence, to reinforce the institutional structures against change. Two significant occurrences provide subtle evidence in support of this argument. In the first instance, despite some articles of the laws no 2821 and 2822 together with some of the provisions of the 1982 constitution related to trade union rights and freedoms having been amended with the aim of complying with international legal commitments, as Gulmez (2006), an expert on the legal structure of Turkey’s industrial relations pointed out, these changes remained short of achieving compliance with international legislation. This situation had arisen because the demands of employers were generally acceded to throughout the 1990s, as has been indicated by Koray and Celik (2007), for they were highly vociferous in putting forward strong objections over any potential pro-labour amendments in the institutional framework of industrial relations. Therefore, it should come as no surprise that the fundamental principles that constituted the
most important sources for labour’s disempowerment by the institutional framework of industrial relations, for instance, the double threshold placed on the collective bargaining process for trade unions, notary obligation for trade union membership, restrictions imposed upon free organisation of trade unions and major limitations placed on the right to strike, were left unchanged throughout the time these laws were in power.\(^{146}\)

Second, and perhaps more striking, the new Law on Trade Unions and Collective Agreements no. 6356\(^{147}\) which became effective in November 2012, maintains, as the available literature indicates, insecurity as a rationale for labour which was embedded in the institutional framework of industrial relations by the military junta in the early 1980s (Council of Global Unions, 2012; Dinler, 2012; DISK, 2012; ITUC, 2012; Celik, 2013; Gulmez, 2013). Indeed, before anything else this new law, according to Celik (2013), has been prepared in line with the interests of employers’ organisations representing small and medium-sized companies. If this was not enough, despite having brought some improvements in the legal framework of industrial relations, such as simplification of the conditions for the establishment of trade unions and abolishment of notary certification for union membership (Celik, 2013), this new law has preserved many fundamental principles of the previous legislation. Amongst these, some of the most remarkable ones that have received fierce criticism from national and international observers, have been its perpetuation of bans regarding the establishment of trade unions on bases other than work branches, its maintenance of sectoral and enterprise thresholds in collective bargaining under a different guise and its preservation of much of the restrictions imposed by the previous legislation on the right to strike (see Council of Global Unions, 2012; Dinler, 2012; ITUC and ETUC, 2012; Celik, 2013; Gulmez, 2013).

The new Law on Trade Unions and Collective Agreements, resultantly, as perusal of the latest works of scholars of Turkish industrial relations suggests, is an important instrument for employers and political actors to sustain the same type of

\(^{146}\) For a detailed list of the amendments made to the 1982 Constitution regarding trade unions rights and freedom and the Laws no 2821 and no 2822, together with the restrictions that have remained untouched in this legislation, see Gulmez, 2006, p. 65-78.

\(^{147}\) This law was published in the Official Gazette no 28460 on 18/10/2012. For full text in Turkish see [http://www.resmigazete.gov.tr/eskiler/2012/11/20121107-1.htm](http://www.resmigazete.gov.tr/eskiler/2012/11/20121107-1.htm) [accessed 21/06/2013].
political economy pursued in industrial relations since the beginning of 1980s (see e.g. Celik, 2013; Dereli, 2013; Gulmez, 2013). This type of political economy, with the policies adopted and practices implemented constrains the possibilities of labour in mobilisation of its power resources and places them in a highly disadvantaged position vis-à-vis the state and employers with regards to the voicing and materialisation of their interests. The prevailing policies and practices that is currently governing and steering labour-capital relations therefore, as I argue, has significantly contributed to the regeneration of political economy of insecurity in industrial relations in the 1980s and in 2000s, the legacy of which can be traced back as early as the first years of Republican Turkey.

7.7 Discussion & Conclusion

The early 1980s witnessed security’s total loss of its legitimacy as a rationale in the institutions that ruled relations between labour and capital. That is, under the influence of new political and economic policies, replacement of security with insecurity for labour as a rationale seemed to have come out as an effective solution to accommodate the demands of the powerful interest groups, amongst which, the IMF and owners of large industrial establishments came to the forefront. What is more, the socioeconomic and political turmoil that enveloped the country since the mid-1970s which also extended to the area of industrial relations, provided the political actors with a strong rationale that the country’s politico-economic order needed protection against harmful actions.

It was mainly against this background of the events that the military intervention of 12 September 1980, followed by three years of military governance introduced an authoritarian constitutional basis together with a restrictive and a repressive institutional framework for industrial relations. In doing so, it left a deep imprint on the political economy of industrial relations implemented in the years following Turkey’s transition to multi-party democracy in the year 1983. Indeed, for one thing, the new institutional framework of Turkey’s industrial relations which was prepared during the time that the military held office prevented proper functioning of freedom of association, the right to collective bargaining and the right to strike, thus, while decreasing the capabilities of labour to pursue independently its economic and political interests, empowered the state and
capital vis-à-vis labour. Second, it generated income insecurity as one institutional outcome for organised labour as it limited workers’ control over their wage levels. And third, it provided a number of effective tools to state and employers to steer the behaviours of labour towards their interests.

However, it was not only the new institutional framework that diminished the power of the labour vis-à-vis state and employers. The post-1980s also witnessed Turkey’s rapid integration into neoliberal global economy and a swift socioeconomic transformation both of which exerted significant impacts on political economy pursued in domain of industrial relations. Indeed, for example state’s diminishing role as an employer in the industry, transformation of employment policies in state sector, increase in the number of industrial establishments employing less than ten workers inevitably exerted a marked influence on labour-capital relations in the era. To add to this, increasing urban population, low levels of labour force participation, high unemployment rates and soaring informal employment defined the key characteristics of the labour markets in the post-1980 period. These factors, while on the one hand contributed their shares in diminishment of union density, on the other played important role in introduction of new forms of work arrangements and increased the fragmentation between workers. All these made it even more difficult for trade unions to encourage solidarity amongst the working people and to mobilise their power resources with the aim of mounting resistance against the adversities imposed by the political economy of industrial relations pursued in the post-1980 period.

Resultantly, the post-1980 period witnessed regeneration of political economy of insecurity in industrial relations that was implemented against the background of a neoliberal agenda and of significant socioeconomic transformation. Therefore, pursuit of a political economy of insecurity in 1980s differed from that pursued in the second half of the planned economy period in three important aspects. First, all these policy and practices took even severer forms as Turkey further integrated into neoliberal global economy and they were implemented against the background of a rapid socioeconomic transformation which, with the influence they exerted on labour markets and social policies, added up to the impacts of policy and practices pursued in industrial relations. Second, this time insecurity as
a rationale operating in industrial relations became more pervasive embracing the workers of the state sector as well as those of the private right from the beginning. And third, the policy and practices implemented in the period proved more effective and persistent in disempowerment of labour vis-à-vis capital and state. Therefore, the post-1980 period witnessed pursuit of a more widespread and influential political economy of insecurity in Turkey’s industrial relations and the path it established is still followed today.
8.1 Summary of the Research and Its Design

The main aim of this thesis was to investigate whether or not the political economy of industrial relations that was adopted in the years following the establishment of the 1980 military junta in Turkey, which distributed the power resources between actors highly in favour of the state and employers, has its roots, as widely argued, within the mainstream Turkish industrial relations literature, in Turkey’s integration with the global economy that started to gain pace in the early 1980s. In order to unveil this, I placed its industrial relations in a historical and broader socioeconomic and political environment and scrutinised (re)institutionalisation of the political economy of the country’s industrial relations in three consecutive periods: the mono-party (1923-1945), the multi-party (1945-1960) and the planned economy (1960-1980) periods. In analysing these succeeding periods, I scrutinised the political, economic and social circumstances surrounding the actors as well as their interests, and their interactions with each other in the process of institution-building in Turkey’s industrial relations. In doing so, I aimed at addressing the following questions:

\[ Q1 \]: How can we conceptually and methodologically analyse and explain labour’s disadvantaged position vis-à-vis the state and capital in the post-1980 period in the domain of industrial relations?

\[ Q2 \]: How did the institutional structures of industrial relations historically constrain and shape political behaviours and strategies of the state, capital and labour during the (re)institutionalisation of industrial relations?

The theoretical-conceptual framework which helped me to address these questions was developed in the Chapter 2 in relation to a novel understanding to the concept security. Accordingly, I contended that security/insecurity besides being an institutional outcome, i.e. people’s security related senses and experiences in the context of our various daily practices, comes out in the forms of:
(i) a power resource that provides people with social agency and with suitable environments together which enable them to participate in the decision-making process and to influence policies in the direction of their own interests.

(ii) as a rationale in institutions providing valid grounds for the rules, regulations and practices formulated, which enable those who are in position of enforcing rules to create institutional opportunities/constraints for the socioeconomic actors in the materialisation of their interests.

I also posited that when insecurity becomes an institutional rationale, this constitutes an important source of path dependency in the policymaking process, as it, by distributing the power resources between actors in a way that places less-powerful actors in a highly disadvantaged position vis-à-vis others and by steering thebehaviours of less-powerful actors in the direction desired by more powerful actors, both enhances the capacities of those who started with a more advantageous position to increase their power over time and leaves a very remote possibility for less powerful actors to restructure the institutions with alternative rationales. That is, these factors taken together stiffen the institutions’ resistance to change and enable powerful actors to increase their influence in the institution-building process by creating a path dependency rooted in policy and practices. I also pointed out that in some cases security, instead of insecurity, may become an institutional rationale and this, again constitutes an important source of path dependency in the policymaking process as it empowers the less powerful actors vis-à-vis others giving them social agency in defining and defending their interests in the process of policy making.

In the context of the conceptual-theoretical understanding I developed, Chapter 2 continued with exploration of security/insecurity in the domain of industrial relations with the argument that imbalance between the power resources of actors comes out as one key feature of the nature of industrial relations in capitalist societies. This, in turn, proves highly prone to make it possible for the more powerful actors, especially in the absence of adequate protection for the vulnerable actors, to mobilise their power resources in order to materialise their interests and to influence the institution-building process in line with their
interests. Thus, what I put forward was that, workers who come out as less-powerful actors in capitalist societies with regards to the initial power resources they possess need to be empowered by policies and practices that are created in the institution-building process in order to be able to interact with other actors on an equal footing. This, which displays that the society within which workers make their living is based on a set of democratic values, could be achieved, as I posited, through embedding security as a rationale in the institutional structure of industrial relations or in other words through pursuit of a political economy of security in the domain of industrial relations. In the Chapter 2, I also pointed to the importance of state as an actor in industrial relations and put forward the view that the pursuit of a political economy of security/insecurity in industrial relations does not predominantly or necessarily revolve around the interests of labour and capital as the interests of the state as a separate actor need to be equally considered.

Moving on from this, I inquired what would be the minimum standards that would provide us with sufficient grounds to argue that security is embedded in institutional structure of industrial relations. Drawing on the ILO’s core labour standards on the freedom of association and collective bargaining as well as its position on the right to strike, my answer to this question was this: an adequate provision of freedom of association, an effective recognition of the right to collective bargaining and a sufficient guarantee of the right to strike are the minimum requirements to legitimise the social agency of organised labour, to empower it in industrial relations and to enhance its capabilities to act as an actor on an equal basis.

Indeed, these rights and freedoms when configured and implemented in a way that protects and empowers workers, under my perspective, serve as secondary power resources for labour in capitalist-democratic societies, which, as I posit, are highly likely to (i) distribute the power resources between actors in a way that places labour on a more equal footing (ii) generate income security for labour and (ii) steer its behaviour in desired directions without, little, if any, need to use of repressive measures by the more powerful actors. What is more, they are also highly likely to create a path dependency in the policymaking process as they will
enable labour to influence the institution-building process by legitimising its social agency and by providing it with an institutional structure within which it can freely interact with other actors. Proper functioning of freedom of association, the right to collective bargaining and the right to strike, therefore, I contend, would indicate that security is operating as an institutional rationale in industrial relations, i.e. a political economy of security is pursued in this field.

By contrast, the inadequacy or lack of labour’s secondary power resources reduces its chances to act as an independent social agent with distinct interests and agendas. It also generates income insecurity/inequality for labour and makes it easier for others to steer their behaviours as a group. This situation, as I contend, empowers the more powerful actors as well as maintaining and improving their capabilities vis-à-vis labour. What is more, the inadequacy or lack of freedom of association, the right to collective bargaining and the right to strike will also create a path-dependency in the institution-building process as this situation will enable the powerful actors to influence the law-making process and thus will reinforce the institutional structures against change. All these, in my opinion, indicate that insecurity operates as an institutional rationale in industrial relations and provides us with sound grounds to posit that a political economy of insecurity has been pursued in the focal context.

In order to provide a time-sensitive and an actor-centred methodological tool to this theoretical-conceptual framework, the research drew on historical institutionalism, which rendered it possible: (i) to put the (re)institutionalisation of industrial relations in Turkey at the centre of the study (ii) to place Turkey’s industrial relations in a historical and a broader socioeconomic and political environment context, and (iii) to afford adequate emphasis on actors, their interests and their interactions in the process of institution building in each of the successive periods scrutinised in the study. To operationalize this historical-institutional approach, the empirical chapters were designed in the same systematic way, investigating successive historical periods, namely, the mono-party period (1923-1945), the multi-party period (1945-1960) and the planned economy period (1960-1980) by studying the actors, their interests and interactions, respectively. This study also covered the post-1980 period. However,
given that one of the objectives of was investigating the roots of the political economy of insecurity in the years that followed the 1980 Military interregnum, this empirical chapter did not provide a detailed account of the post-1980 period. Rather, it concentrated on the explanation of the issues arising from the insertion of Turkey within the neoliberal global economy, on socioeconomic transformations that played an important part in transformation of Turkish labour markets in the post-1980 period and on interests and interactions of actors in the early-1980s. In the context of this power-sensitive, and politically-informed theoretical-conceptual framework, and with the help of the actor-centred, historically grounded methodology and design, I endeavoured to address my research questions. In the section that follows, I pull together the main findings of this thesis, discuss its limitations and propose recommendations for future studies.

8.2 Findings and Conclusion

The answers to my research questions that were presented above were gradually constructed in the chapters 4, 5, 6 and 7 of the thesis, which formed the empirical part of the study. Therefore, before moving on to the research limitations and future recommendations, this section briefly addresses the research questions, summarises findings, and draws the main conclusions.

8.2.1 The Roots of Insecurity: Political Economy of Industrial Relations in an Historical Context

The findings of my empirical chapters provided me with adequate evidence that labour’s disadvantaged position vis-à-vis the state and capital in the post-1980 period in the domain of industrial relations needs to be analysed and explained through placing the state, capital and labour in a historical and a broader socioeconomic context, by placing adequate emphasis on the actors, their interests and their interactions in the process of institution-building in each of the successive politico-economic periods that Turkey passed through. Drawing on this, what I put forward is that, the re-institutionalisation of Turkey’s industrial relations under the administration and orders of the military government in the early 1980s, represents not, as has been widely accepted in the literature what may be termed a critical juncture in the historical institutionalist sense, but a path dependency in the institutional history of Turkey’s industrial relations. This path
was initially forged by Mustafa Kemal Ataturk’s national development project, which he devised with the aim of the creation and empowerment of a national industrial bourgeoisie and a national industry, was then followed, with the same interest, by the generations of the ruling elites to come.

The political economy of insecurity, the roots of which can be traced back to the first steps towards industrialisation following the establishment of the Republic of Turkey, was pursued nearly on continual basis in republican Turkey, and it served the best interests of both the political actors and the industrial employers. Indeed, this political economy employed the strong logic of perpetuation of capitalist-industrialisation and the country’s political order and by making use of appropriate policy and practices, i.e. by placing heavy restrictions on or by totally abolishing freedom of association, the right to collective bargaining and the right to strike, embedded insecurity as a rationale in the institutional structure of industrial relations. The insecurity operating as an institutional rationale has produced at least three enduring outcomes for labour starting from the early years of the establishment of the republic. First, it distributed the power resources between actors highly in favour of the state and capital putting the labour at a considerably disadvantaged position as an actor in the domain of industrial relations. Second, it generated income insecurity/inequality for industrial labour given that throughout the periods under investigation in which a political economy of insecurity was pursued, wage levels of industrial workers either fluctuated according to the wider economic conditions or the workers of private sector were paid less than what was paid to those employed in state-sector establishments. And third, it steered the behaviours of labour in the direction of peace and stability at the workplace. Before the 1980s, this was mostly achieved in the state sector through offering economic rewards to the workers and in the private sector by putting into use repressive measures and/or providing adequate power resources to the employers to define and defend their interests vis-à-vis those of labour. However, in the post-1980 period the practice of repressive measures and empowerment of employers and the state against labour appear to have been the preferred method in steering the behaviours of labour in the direction of peace and stability at the workplace both for private and public sector workers. What is more, all these policy and practices took even severer forms as
Turkey further integrated into neoliberal global economy and these were implemented against the background of a significant socioeconomic transformation which, with the influence they exerted on labour markets and social policies, added up to the impacts of political economy of insecurity pursued in industrial relations.

Resultantly pursuit of a political economy of insecurity in 1980s differed from that pursued in the second half of the planned economy period in two important aspects. First, this time insecurity as a rationale operating in industrial relations became more pervasive embracing the workers of the state sector as well as those of the private right from the beginning. Second, the policy and practices implemented in the period proved more effective and persistent in disempowerment of labour vis-à-vis capital and state. Therefore, the post-1980 period witnessed pursuit of a more widespread and influential political economy of insecurity in Turkey’s industrial relations and the path it established is still followed today.

Insecurity as an institutional rationale, in this way, also constituted an important source of path dependency in the policymaking process, as it, by empowering the state and employers vis-à-vis labour and by helping them to steer its behaviours in the direction they desired, enhanced the capacities of those who started in a more advantageous position for subsequently increasing their power. This was exactly the case when the ruling élites decided to restructure the institutional framework of industrial relations in the multi-party period with the Trade Unions Law no. 5018, dated 1947 and recently with the Law on Trade Unions and Collective Agreements no. 6356, which became effective in November 2012 and which currently governs the nation’s industrial relations. Indeed, both of these laws, which embody insecurity as an institutional rationale, were built on preceding institutional structures, which also embraced insecurity as an embedded rationale. Insecurity as an institution rationale, therefore, left very remote the possibility for labour to restructure the institutions with alternative rationales, stiffened the institutions’ resistance to change and enabled the powerful actors to increase their influence in the institution-building process by creating a path dependency rooted in policy and practices.
The only challenge to the political economy of insecurity pursued in domain of industrial relations came in the 1960s, when the political actors decided to materialise their supreme interest of perpetuation of capitalist-industrialisation and the country’s political order with different policy tools. The industrial bourgeoisie also lent its support to this shift in the political actors’ attitudes towards labour-capital relations, mostly because of the import substitution development model, which became the country’s industrialisation strategy in the planned economy period and required large dynamic domestic markets for the products of the national industry. In this respect the early 1960s represents, as also widely argued in mainstream literature, what we can interpret as a critical juncture in the political economy pursued in the domain of industrial relations, given that for the first time in republican Turkey’s history, the political actors considered the adequate provision of freedom of association, effective recognition of the right to collective bargaining and sufficient guarantee of the right to strike, to be important means in the protection of the country’s political and economic order. Such a considerable shift in the political actors’ approach to labour-capital relations, thus, embedded security in the institutional structure of industrial relations, paving the way for the pursuit of a political economy of security in the domain of industrial relations, for a time.

The political economy of security adopted in domain of industrial relations in the early 1960s produced at least two outcomes for labour in the industrial sector. First, it placed organised workers – those both employed by the private and public sectors – on a more equal footing vis-à-vis the state and employers in defining and defending their interests, which became most visible in the increasing number of organisational and representational activities of trade unions as well as in the constantly rising wage levels of workers employed in industry, thanks to the collective agreements concluded during the period. Second, it steered the behaviours of workers in the direction of stability and order at the workplace by creating very little, if any, need for repressive measures against labour.

Nevertheless, the political economy of security pursued in the domain of industrial relations started to be gradually challenged owing to slackening industrial development, by changing attitudes of the political actors and
employers’ towards labour-capital relations and by the rising power of the workers of private sector, with the establishment of the DISK. The first significant intervention in industrial relations came during the 1970 military intervention on grounds of the urgent need to protect the fundamental order and integrity of the state. During this period, implementation of the laws regulating industrial relations was terminated, the constitutional basis of the right to strike was amended in a way that empowered the state vis-à-vis labour and left-leaning political activities, including those pursued by trade unions, were suppressed. All these policy and practices shifted the way power was distributed between the actors of industrial relations in favour of the state and capital, and created a politico-economic environment in which labour was forced towards social peace in the workplace. The policy and practices implemented, subsequently, introduced insecurity as an institutional rationale shaping and steering industrial relations and thus paved the way for the pursuit of a political economy of insecurity regarding industrial relations during the years of 1971 military interregnum.

Turkey returned to multi-party democratic political order with the free elections held in the October 1973. Following this, the laws regulating industrial relations, again, became effective and the actors continued to interact with each other under the conditions that Turkey’s fragile political and economic order provided. However, these years witnessed re-emergence of the same factors as before, but this time with more intensity and gravity, which challenged the maintenance of a political economy of security in the domain of industrial relations in the years succeeding 1973. Indeed, for one thing, starting from the mid-1970s, Turkey’s industrial development and economic progress was hit by a serious crisis, rendering the wage rise demands of workers more difficult to meet by the employers and the state. For another, the workers of the private sector, who were organised by the DISK, launched a strong labour movement and their protests became increasingly radicalised and politicised as the political and economic circumstances surrounding the country worsened. Furthermore, as the planned economy period drew to a close, state sector workers also started to become involved in this politico-economic uprising, but in a less politicised manner. Last but not least, and as a consequence of these factors, the political actors and
employers’ attitudes towards industrial relations became more hostile and aggressive against the rising political and economic demands of the workers.

It was against this background of events that the years following Turkey’s return to multi-party democracy in the year 1973 witnessed a remarkable shift in the policy tools that the political actors saw fit to employ in the materialisation of their supreme interest of the maintenance of the capitalist-democratic political order. This shift in the political actors’ approach to labour-capital relations, which came to the fore in the form of increasing state discipline being imposed on the labour movement, produced at least two outcomes for labour. First, it increasingly altered the balance of power established between the actors in favour of the state and employers, which mostly became evident in the ruling élites’ growing intervention into labour’s mobilisation of its power resources. This was initially in relation to the private sector workers and then expanded to the public sector. Second, it, rather than steering the behaviours of the actors in the direction of social peace and order at the workplace, triggered a serious politico-economic upheaval in the domain of industrial relations. Indeed, as the planned economy period drew to a close, while on the one hand the workers of both the private and public sector found it a necessary measure to increase the level of their struggle in the materialisation of their economic interests, on the other hand, the political actors, in close alliance with the employers, increased the degree and extent of the oppressive measures they applied in the area of industrial relations.

The intervention that the political actors made in labour-capital relations in the second half of the planned economy period, resultantly, rendered it increasingly difficult for the former to mobilise its secondary power resources, and consequently, while gradually decreasing the capabilities of the labour to pursue independently its economic interests, it empowered the state and capital. This, in turn, created a suitable environment for the political actors, initially in the private sector and gradually in the public sector, to increasingly pursue a political economy of insecurity, thus replacing security as an institutional rationale, but this fell short of steering the behaviours of labour towards social peace in the workplace. It was for this reason that, as I contend, the pursuit of a political economy of insecurity, which started to make itself felt beginning from the early-
1970s onwards, necessitated the political actors to take further actions in order to properly institutionalise it. The changes made in policies and practices shaping and steering industrial relations that came with the 12 September 1980 Military intervention, in this respect, complemented the efforts of the political actors and employers in their concerted efforts directed towards bringing insecurity back into the political economy of industrial relations, the legacy of which can be traced back as far as the early years of Republican Turkey.

The changes made to the institutional structure of industrial relations in the years following the September 1980 military interregnum, in this respect, as opposed to what is widely argued in Turkey’s mainstream industrial relations literature, do not represent, in historical institutionalist terms a critical juncture in the institutional history of its industrial relations. They rather, as I contend, come out as an outcome of a path-dependency that was followed by successive generations of political actors starting from the establishment of Republic of Turkey. The political economy of insecurity pursued in the post-1980 period however differed from that pursued in the planned economy period in three important aspects. First, all these policy and practices took even severer forms as Turkey further integrated into neoliberal global economy and they were implemented against the background of a significant socioeconomic transformation which, with the influence it exerted on labour markets and social policies, added up to the impacts of political economy of insecurity pursued in industrial relations. Second, in post-1980 period insecurity as a rationale operating in industrial relations became more pervasive embracing the workers of the state sector as well as those of the private right from the beginning. And third, the policy and practices implemented in the period proved more effective and persistent in disempowerment of labour vis-à-vis capital and state. Therefore, the post-1980 period witnessed pursuit of a more widespread and influential political economy of insecurity in Turkey’s industrial relations and the path it established is still followed today.

### 8.2.2 The Institutionalisation of Insecurity as a Rationale: The State and the Socioeconomic actors in the Making of Industrial Relations

The analysis of successive periods in the history of Turkey’s industrial relations, in the light of the conceptual-theoretical and methodological perspectives laid out
in this thesis, provided me with some profound insights for understanding the ways the institutional structures of industrial relations historically constrained and shaped the political behaviours and strategies of the state, capital and labour during the (re)institutionalisation of industrial relations. My main findings regarding this issue can be summarised as follows.

First, the political economy of insecurity which was pursued almost on continual basis in the domain of industrial relations created a path dependency in the institutionalisation of Turkey’s industrial relations. This, in turn, constrained and shaped the political behaviours and strategies of the state and employers and effectively eliminated the alternative policy choices during the times when industrial relations needed a new institutional framework and/or different approaches to deal with the emerging problems. One of the most striking pieces of evidence in support of this view emerged in the 1970s, when the existing institutional structure of industrial relations became incapable of steering the behaviours of labour in direction of social peace and order at the workplace. This situation, as I have contended, led the political actors and industrial bourgeoisie to see placing labour under the state’s firm discipline a more appropriate way to protect and maintain a democratic-capitalist politico-economic order, rather than granting workers further socioeconomic rights and freedoms. Therefore, the 1970s witnessed the political actors and industrial bourgeoisie’s ambitious efforts to bring back insecurity to the political economy of industrial relations as an institutional rationale. It is in this regard that, as I have posited, the political economy of insecurity, although being replaced with that of security in the early years of the second

republican period, fell short of producing a new path-dependency. Rather, the political economy of insecurity, which was adopted by successive governments starting from the establishment of the Republic of Turkey, constrained and shaped political behaviours and strategies of the state and employers during the 1970s and thus it eliminated any chances of maintaining the political economy of security, which produced outcomes in favour of labour.

Second, the political economy of insecurity, with this as an institutional rationale operating within, gave shape to the framework of industrial relations in such a
way that it reduced the possibilities of labour acting as an independent social agent and in doing so, left almost no possibility for it to be involved in the policymaking process with the aim of restructuring the institutions with alternative rationales. Indeed, for instance, during the mono-party, multi-party periods, as well as during the years that followed the coup d’état of September 1980, the rules and regulations governing industrial relations distributed the power resources between the actors highly in favour of the state and employers and this confined the interest representation of labour to a politico-economic area, the boundaries of which were drawn by the supreme interests of the two former entities. This, what is more, kept the interests of labour out of the policymaking process, effective representation of which would potentially bring alternative rationales during the re-institutionalisation of industrial relations. This situation changed little, if any, even when the power of organised labour was at its height during the planned economy period. True, the political economy of insecurity which started again to make its presence felt starting from the 1970s, legitimised and facilitated the state’s intervention into labour’s mobilisation of its power resources and in this way it, while rendering it more challenging for labour to act as an independent social agent with distinct political agendas and interests, at the same time largely eliminated their interests from the re-institutionalisation process of industrial relations, which rose to the top political agenda of the political actors at the end of the 1970s.

Third, the political, economic and social circumstances surrounding capital and labour provided a suitable environment for the political actors to formulate and put into action the type of political economy they desired in the domain of industrial relations. Indeed, for example, in the mono-party and multi-party periods, many industrial workers’ maintenance of their links with their rural origins and thus their taking of the industrial jobs as a temporary means of gaining their livelihood, provided the ruling élites with an appropriate setting to implement policy and practices that they saw fit to govern the domain of industrial relations with the minimum risk of labour resistance. Much in a similar fashion, during the planned economy period, the overflow of labour to industrial areas and the rising working class awareness amongst the industrial workers offered the political actors a unique opportunity to boost the domestic markets by
allowing workers to negotiate their wage levels with their employers. Towards the end of the period, when the political and economic circumstances surrounding industrial relations triggered considerable labour unrest in the industrial sector, this provided political actors a rare atmosphere to interfere with labour-capital relations with a so-called rationale of removing the factors that were preventing the functioning of the democratic order.

A similar situation could be also observed for employers. Indeed, during both the mono-party and multi-party periods, the political alliance that the political actors established with the socioeconomic elites, who represented the interests of a group of potential businessmen ready and eager to grasp the opportunities offered by the state, empowered the ruling élites in the policymaking process by paving the way for the creation and maintenance of a political economy of insecurity regarding industrial relations. When it comes to the planned economy period, the implementation of an import-substituting industrial development strategy, that grew highly dependent on the consumers of the domestic markets, provided the political actors with a suitable environment for receiving the support of the industrial employers in the formulation and implementation of the political economy of industrial relations in the period. Towards the end of the period, the politically and economically unstable environment, which rendered the maintenance of industrial production difficult, at least according to the industrial employers, urged the industrial capital owners to lend their support to the political actors in their ambitious efforts towards re-institutionalisation of insecurity as an institutional rationale.

In sum, what I contend is that the policies and practices which constituted the institutional structures of industrial relations and which were shaped in a broader socioeconomic and political context, as well as having provided a suitable environment for the political actors to formulate and put into action the type of political economy they desired in the domain of industrial relations, at the same time historically constrained and shaped the political behaviours and strategies of the state, capital and labour during the (re)institutionalisation of industrial relations. This, in the case of the state and employers created a path-dependency eliminating the alternative policy choices during the times when industrial
relations needed a new institutional framework and/or different approaches to deal with the emerging problems. In the case of organised labour, on the other hand, this situation reduced its possibilities to act as an independent social agent and left almost no space for it to become involved in the policymaking process with the aim of restructuring the institutions with alternative rationales.

8.3 Contributions, Limitations and Recommendations for Future Research

The findings of this study make a contribution to knowledge by casting new light on the understanding of the roots of the political economy that shaped and governed industrial relations in the post-1980 period. The overall contributions of this study can be outlined in theoretical, empirical and methodological aspects. Theoretically, this thesis, firstly, brings forth new comprehension of the concept of security/insecurity by analysing it in relation to its different aspects, i.e. security as one form of power resource, as an institutional outcome, and as an institutional rationale. In doing so, it minimises the confusion stemming from generalisation of security/insecurity as a concept in the wider literature. Second, building on this, the study incorporates the concept of security/insecurity in the study of industrial relations by merging it with Korpi’s (1985, 2006) power resources approach. In this way, it brings a novel power/security theoretical approach to the study of industrial relations and thus contributes to overcome the theoretical shortcomings in the wider industrial relations literature, which are, by many, considered to be an important drawback (see e.g. Kirkbride, 1985, Martin, 1992, Kelly, 1998).

Empirically, firstly, by taking an historical-institutionalist approach and by building on a power-sensitive perspective, the thesis investigates the formation and (re)configuration of Turkish industrial relations and calls attention to historically entrenched class alliances in the (re)distribution of power resources between the state, employers and labour, which is still an under-researched area. Second, by embedding the institutional history of industrial relations in Turkey’s wider political economy, it traces how insecurity as a rationale was institutionalised in an historical context and therefore attempts to draw an overall picture of the political economy of industrial relations which has been on-going, as I contend, with the exception of a few years during the 1960s, almost on
continual basis. In doing so, this study not only upgrades a literature which has for a long time overemphasised the impacts of Turkey’s integration with the neoliberal global economy on the country’s industrial relations, but also opens up a new dimension in the understanding of the institutionalisation of political economy of industrial relations in Turkey, in that very few studies, if any, have studied this subject by taking account of all the actors, their interests and interactions by placing them in a socioeconomic, political and historical context as well as by addressing the continuity of the political economy pursued in industrial relations. Third, given the existence of only a very small number of studies in the English language on Turkey’s industrial relations, this work contributes to the international industrial relations literature by filling an important gap and by opening the door for up-to-date new comparative studies. Last but not least, methodologically, by examining industrial relations over a time period as an institution, and by inserting power and actors at the heart of its analysis, this study presents a detailed and power-sensitive account of institutional continuity, development and change that came into place in Turkey’s industrial relations which can contribute to the discussions about continuity, change and role of power in the historical institutionalist literature.

Despite a number of theoretical, empirical and methodological contributions having been made, the limitations of my work should be also acknowledged. First, by focusing solely on (re)institutionalisation of the political economy of insecurity in the domain of industrial relations, this study leaves out implications of this sort of political economy for the daily lives of workers, consideration of which would provide a broader approach to the issue of insecurity that operated as a rationale in this field almost on continual basis in the institutional history of industrial relations in Republic of Turkey. Second, this thesis with its stress on the emergence and development of actors in a historical process is not concerned with individuals and their relations to the institutions. Rather, it takes the actors as collective agents and does not provide any insight about the way institutions shape individual behaviours.

Third, this study has mainly been aimed at investigating the roots of the political economy of industrial relations that was adopted in the years following the
establishment of the 1980 military junta in Turkey. It is for this reason that the thesis rather than concentrating on the politico-economic and social conditions surrounding the state, capital and labour in the post-1980 period which, undoubtedly played an important role in shaping and steering the changes made to the institutional framework of industrial relations in the year 2012, has drawn largely on the pre-1980 period and thus focused on the (re)institutionalisation of political economy of insecurity in domain of industrial relations from an historical perspective. In doing so, it has largely bypassed the ways the actors of industrial relations defined and defended their interests, the political alliances they established and the strategies they used in the materialisation of their interests in the post-1980 period. Fourth, this study by employing historical institutionalism, which itself finds its roots in political science and which aims to identify and explain power and power resources on political level locates its argument mostly at the level of politics, leaving the power relationship between actors of industrial relations expected to established in social and economic domains mostly untouched. Last but not least, by exclusively drawing on documentary data sources, I have taken the risk of missing some different perspectives that might not be found in other written sources.

The limitations of this thesis, however, do open up new avenues for the future research. Firstly, future research will benefit from investigation of the impacts of the pursuit of a political economy of insecurity in the domain of industrial relations on the industrial workers’ perceptions and experiences of collective action from an historical context. Future work also needs to analyse individual workers’ relations with the institutions through which they became a part of the collective action. Examination of all the aforementioned would, without a doubt, be highly insightful in relation to providing a wider perspective of the ways in which insecurity as a rationale operated.

Second, future studies should take a closer look at the post-1980 period and examine the impacts of globalisation on the political economy of insecurity, which has been pursued in the country since the inception of the republic in 1923 in the domain of industrial relations. This means, future research, besides studying the actors, their interests and interactions by placing them in the wider politico-
economic and social context that the post-1980 period provided, would require carrying out interviews with (i) the key actors who took part in the most recent process of (re)institutionalisation of industrial relations, with (ii) the workers who experienced the changes made in the institutional framework first hand and with (iii) the academic experts and trade union activists, who are in position of identifying issues and problems related to the new institutional framework of industrial relations.


BENHABIB, S. (1979). The Next Iran or the Next Brazil?: Right-Wing Groups Behind Political Violence in Turkey. MERIP Reports, 77, pp 16-17.


DISK (1978b). DISK Anayüzü. İstanbul: DISK Yayınları no. 27.


workers’ Strike in Turkey. *British Journal of Industrial Relations*, 49 (S2), pp 353-375.


