

# Turkey today: cheap labor platform for transnational corporations

**Bülent Kent****27 September 2000**

The political and economic changes put into motion by the September 1980 coup have led to the worsening of social conditions for the majority of workers and oppressed in Turkey.

The export-oriented policies introduced in the early 1980s have not contributed towards a substantial development of the Turkish economy, let alone any improvement in the living standards of working people. To a great extent the country has become a cheap labor platform for Siemens, General Electric and other German and US multinationals.

Turkey faces a foreign trade deficit of \$28 million this year on top of crippling payments to global financial institutions like the International Monetary Fund. A recent report published by the Istanbul Chamber of Commerce, noted that the Turkish economy is in the worst state it has been in for the past 34 years.

Turkish author Fikret Baskaya notes that entire country's wealth is monopolized by about 1,000 families and their various banks, holding companies and other financial shelters. The dividing line between the mafia sector and the non-mafia sector has also been effaced. According to the chairman of the State Institute of Statistics, the "unofficial" sector of the economy has a volume of US\$100 billion, more than half of the country's national income.

Out of Turkey's national income of \$185 billion it held \$111 billion in debt. In interest payments alone, Turkey spent three percent of its national income last year. The ratio of foreign debt to exports is 62.5 percent. By the end of this year Turkey will have to pay back \$25 billion dollars in foreign debt and \$81 billion is due by 2004.

This money is being taken from the pockets of workers, who are already the lowest paid in the

European Union. The situation is particularly oppressive for the 4.5 million employees who work for the minimum wage.

According to a study carried out by the TÜRK-IS trade union, the average net monthly income of these workers is just over \$125 dollars at the current exchange rate. In real value terms, the amount is even lower, dwindling to about \$112 dollars due to the high inflation rate. This means a worker in this wage category had to work one hour to buy a kilogram (2.2 pounds) of bread; six-and-a-half hours to buy a kilogram of meat; five and half hours to buy a kilogram of cheese; and half an hour to buy a liter of milk (1.06 quarts).

According to this report, a four-member family needs more than \$775 dollars income per month for food and drink alone. The average income of blue-collar and white-collar workers ranges from about \$228 to \$297 dollars.

All of the economic decisions made by the Turkish parliament—from determining the price of farm products, to annual pay raises for workers and government employees, to the privatisation of state-run enterprises—are dictated by the IMF and the World Bank. In recognition of its submissiveness, the present coalition government—formed by the fascist MHP (Party of the Nationalist Movement) and the social democracy-oriented DSP (Democratic Left Party), headed by Prime Minister Ecevit—is regularly praised by the IMF and World Bank as being "more energetic and reliable than any other government before it".



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