

Strike by Turkish tyre workers ends with real wage losses

Our Turkish correspondent

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On June 13, the Union of Petroleum, Chemical and Rubber Industry Workers of Turkey (Lastik-Is) ended a two-week strike at four factories of three multinational rubber companies. On June 14, 4,000 tyre workers returned to their jobs with substantial real income losses.

These four tyre factories include two Goodyear plants in Izmit and Adapazari, and one Bridgestone and one Pirelli plant, both located in Izmit. Izmit and Adapazari are important industrial and working class centres, with a large oil refinery and major paper, cement and car factories. The cities are located in northwest Turkey.

There are 1,300 direct workers at Goodyear, 1,500 at Bridgestone, and 1,200 at Pirelli.

According to the newly signed two-year contract between the union and representatives of the employers' association, wages will increase 14 percent in 2008, and in 2009 wage increases will be equal to the official inflation rate. All other earnings-related social benefits will also increase by the official inflation rate over the duration of the labour agreement.

Lastik-Is and representatives of the employers' association who jointly represent the tyre industry employers in talks had been negotiating a new industry-wide labour agreement since September 2007.

Before the strike Lastik-Is raised the demand for a 12 percent wage increase for the first six-month period and a rise equivalent to the official rate of inflation plus one point for every six-month period thereafter. In response, the tyre companies offered wage and social benefit hikes equal to the official inflation rate.

Now the Lastik-Is leadership is trying to sell this new contract as a major achievement. The president of the union, Abdullah Karacan, said, "We didn't make any concessions, we preserved our contractual and work-rule provisions, and we posted substantial economic

gains. The decisiveness of our union members at these four factories was effective and ultimately proved successful in bargaining."

This statement does not stand up to scrutiny. Official inflation already jumped to an annual rate of 10.74 percent in May and is expected to increase during the rest of the year. Recently, even the Turkish Central Bank Governor Durmus Yilmaz publicly admitted that "the central bank has lost its credibility due to its defeat by inflation."

The central bank revised its forecast for inflation to 9.3 percent for 2008 and many believe that it will stay in double-digits for the rest of the year. In addition, both the Istanbul and Ankara Chambers of Commerce have issued reports, based on their own surveys, indicating that double-digit consumer price rises have already arrived and will keep on rising throughout the year.

Moreover, a closer look at consumer surveys prepared by the Turkish Statistics Office (TUIK) makes clear that the inflation rate for food and rent is much higher than the average inflation rate.

The TUIK surveys reveal that low- and medium-income families spend around 35 percent of their income on food and another 35 percent on rent and utilities such as heating, water, etc. The price increases on these goods affect most of Turkey's population, and some economists call the price rise of these staples the "real inflation rate."

According to calculations made by Mustafa Sonmez in his recent book *2008 World Crisis and Turkey*, "real inflation" for the majority of population was no less than 20 percent in 2007. As of May, food prices increased more than 25 percent while rent hikes amounted to only 16 percent.

In short, even on the basis of the official inflation rate

the new contract includes no real wage increase for tyre workers who have already suffered steady real wage losses for more than a decade. In view of the steep rise in the cost of living, which far exceeds the official inflation rate, tyre workers will suffer substantial real wage losses in both 2008 and 2009.

In reality tyre workers occupy a strategically strong position in the Turkish economy. According to the reports issued by the three multinational tyre companies, total daily losses during the strike amounted to YTL 10 million (US\$8.2 million). Supply losses are also a serious problem for Turkish automotive exports, which account for 75 percent of the industry's total production. Moreover, support for the strike was considerable. An overwhelming 80 percent of tyre workers rejected the employers' initial offer on the eve of the strike.

Under such conditions, ending the tyre strike with such an unsatisfactory result represents an explicit betrayal by the moribund Lastik-Is bureaucracy, which aims to preserve its own privileges as long as possible.

However, like many other unions in Turkey, Lastik-Is is reaching the end of the road. A number of other unions have already effectively ceased to function and exist only on paper.

The number of workers involved in the dispute clearly shows the effect of subcontracting in the industry. An industrial dispute eight years ago at the same companies and factories involved 5,000 tyre workers. Moreover, since then the tyre companies have made new investments and enlarged their production capacities significantly.

Subcontracted workers are nonunionised, and in general the union bureaucracies do very little or nothing to organise these workers. However, the existence of such a growing mass of workers earning low wages, working longer hours, and enduring worse working conditions sets the stage for attacks on unionised workers with relatively better conditions and wages.

According to a survey prepared by Gamze Yücesan Özdemir in 2001, entitled "The exigency of active forms of workplace unionism in Turkey," even the shop stewards commented on the inertia of the union leadership. "They noted that the union was failing to offer arguments against the new developments in the plant," Özdemir wrote. "One of them said: 'There is a growing scepticism in the plant that the union is

becoming more passive every day, and is moving towards a subordinate trade unionism.'"

In this survey the shop stewards also expressed their concern over their "loss of identity." "The lack of counter-arguments and of awareness, they said, led them to be easily assimilated into the new system. They stressed that the new generation in particular, which would grow up in the new plant culture, would not have any other option than to be a part of the new factory regime."

This survey reveals that workers are increasingly conscious of the role of the trade union bureaucracies. However, by itself this level of awareness is far from sufficient. Workers must draw vitally necessary lessons from the tragic experiences through which they are currently passing, and this is only possible on the basis of a genuinely internationalist socialist programme.



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