Turkish unions agree to sell-out contract for public workers

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The contract settlement reached July 7 between the Confederation of Turkish Trade Unions (Turk-Is) and the national government, covering around 270,000 public service workers, will result in an additional cut in real wages over the next two years.

Negotiations have been going on for the past six months behind closed doors and the backs of rank-and-file workers. As usual, the Turk-Is bureaucracy tried to put a positive spin on the sell-out. At a press conference organised immediately after the deal was signed, Turk-Is President Mustafa Kumlu told reporters, “We were unable to fully compensate our losses, but [we] are in a good situation.”

At the same press conference, State Minister Hayati Yazici, who represented the government in the contract talks, said, “For 2009, the deal offers a 3 percent increase for the first half of the year, and 5.5 percent for the second half.”

Yazici also asserted that this increase is higher than the inflation target and the current annual inflation rate. (Consumer prices in Turkey, however, rose by 10.6 percent in 2008.) By saying, “We are in a good situation,” Kumlu of Turk-Is endorsed Yazici’s comments.

A closer examination of the agreement, however, reveals that these statements are deliberately misleading.

First, workers will get no increase in bonuses paid four times a year, as well as other wage-related benefits, including overtime payments. This means that the wage increase, in fact, is considerably less than the percentage announced. The Turk-Is apparatus has been accepting zero increases in bonuses and other wage-related benefits since 2001, part of a conscious policy of eliminating important gains made in militant struggles conducted in the late 1970s.

Second, wages are set to rise 2.5 percent in each of the two six-month periods in 2010. The official inflation target for 2010 is 5 percent, and with bonuses and other benefits frozen at current levels, the contract amounts to a real loss in wages for that year.

Third, workers recently faced substantial losses due to newly introduced or increased social security and health insurance premiums and taxes, but the deal envisages no compensation for this loss. Workers’ wages decreased 6 percent in July compared to the previous month. This means that in reality the nominal wage increase for 2009 is a meagre 2.6 percent—i.e., a substantial wage cut in terms of inflation.

Finally, 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.

Low- and medium-income families currently spend some 35 percent of their income on food and another 35 percent on rent and utilities, such as heat and water. The price increases on these goods affect most of Turkey’s population, and some economists term the rising cost of these staples the “real inflation rate.”

According to calculations made on the basis of the TUIK “real inflation” rate, prices for the majority of the population have already risen 8 percent in the first half of 2009.

In an effort to make the public workers’ contract more palatable, the government also agreed to a TL 60 (US$39) wage increase for those making less than TL 1,100 (US$712) a month. Naturally, this will be welcomed by workers with very low salaries; however, it will do nothing to change their status as working poor. According to the latest monthly report released by Turk-Is, a family of four needs TL 738 (US$478) monthly just to buy food and TL 2,404 (US$1,557) to cover elemental expenses like food, rent, transportation, health and education.

To provide itself with a little credibility, the Turk-Is bureaucracy called a one-hour strike July 7, the same day it announced the contract agreement. The union confederation made no serious preparation for the work stoppage, and the strike was purely symbolic.

For its part, the government remained unimpressed. Speaking on behalf of the Islamist AKP (Justice and Development Party) regime, Prime Minister Recep Tayyip Erdogan said last Saturday: “We have recently heard that the unions are preparing to go on strike. They can do whatever they wish, but we will not step back.”

Interestingly, Erdogan referred to a betrayal recently engineered by the Hungarian unions: “We have worse examples before our eyes [than the government’s proposal for Turkish public workers]. In Hungary, the workers have agreed to accept their wages with additional cuts.”

Erdogan also reminded the unions of their own recent betrayals. “Eregli Demir Celik [Erdemir, a major Turkish steel producer] lowered wages by 30 percent. Our government’s offer was far better than this,” he said. At Erdemir, at the end of April, one of Turkey’s major trade unions, Turk Metal—together with its Islamist rival, Celik-Is—gave its consent to a massive cut in wages and bonuses over a period of 16 months.

In his statement, Erdogan emphasised that the Turkish economy was going through a period of crisis and the government had to be cautious in terms of expenditure. Turkish capitalism is experiencing a deep and unprecedented crisis, but Erdogan’s government is pumping billions into the coffers of the corporations and the wealthy few through a series of so-called stimulus packages.

The new public service workers’ contract will have serious direct and indirect implications for workers in the private sector. The real wages of workers in Turkey have been declining for the past 15 years. According to official data, real wages dropped by 30 percent during the 1994 financial crisis and remained depressed during the 1994-1998 period.

Only in 1999 and 2000 was there a slight improvement, but this amounted to only an 11 percent increase on 1994 levels, when real wages had already plummeted. Thus, in 2000, wage earners had not even recovered their losses from the 1994 crisis. After two consecutive crises in November 2000 and February 2001, real wages fell even more dramatically when an International Monetary Fund-backed economic programme collapsed under its own weight. The real wages of public as well as private sector workers declined significantly during the period 2001-2003.

Real wages never did manage to retain their 2000 level, although Turkish capitalism maintained continuous high economic growth, averaging 7.5 percent during the 2002-2006 period, which became known as the “jobless recovery.”

To make ends meet, millions have to rely on aid provided by the central and local governments to poor families. This aid consists of coal as well as pasta, rice, salt, flour, soap and bread. In addition to this, many working people and their families are going deeper into debt just to pay for basic necessities.

The decline in real wages has only been possible through the betrayals of the trade unions. Particularly since 1994, union-negotiated contracts in Turkey have primarily served to lower real wages and shift the burden of the economic and financial crisis onto the backs of working people.

The Turkish trade unions have suffered a sharp decline in their membership. In 1980, Turkey’s trade unions had a combined membership of more than 2 million out of a total population of about 45 million people. Today, this figure hovers around 700,000, and the country’s population is now estimated to be 71 million. Only 4.5 percent of the workforce are currently union members. Twenty years ago, the number of government workers covered by Turk-Is contracts was more than 900,000.