

Turkey's new minimum wage accelerates collapse in living standards

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On Thursday, negotiations on Turkey's minimum wage for 2023 ended, and President Recep Tayyip Erdo?an announced the new minimum wage. The minimum wage will reportedly be increased by 54.7 percent, to 8,506 Turkish liras (US\$455).

"The minimum wage figure ... is in line with the general economic and social outlook of our country," Erdo?an said, adding: "It is a fact that the most tangible results of our efforts to grow through investment, employment, production, exports and current account surplus in Turkey are achieved in working life."

The Erdo?an government claims the 54.7 percent increase in the official minimum wage protects workers from inflation. In reality, it is well below even the official annual inflation rate (84 percent), which itself is well below the real inflation rate affecting millions of workers. According to the independent Inflation Research Group (ENAG), annual inflation had reached 170 percent as of November.

The new minimum wage is barely above the hunger limit of 7,786 liras for a family of four calculated by the T?rk-?? confederation at the end of November and well below the poverty line of 25,364 liras. The setting of the minimum wage, from which the salaries of all sections of the working class are calculated, is part of a massive wealth transfer process from bottom to top.

As living conditions collapse for the tens of millions of workers who make up the vast majority of the population, a handful of corporate and finance oligarchs reap huge profits. The net profit of the banking sector in Turkey increased by 408 percent in the January-October period of 2022 compared to the same period last year, reaching 335.9 billion liras. According to Bloomberg, this year the labor cost of companies has decreased to 10.4 percent. This rate was 15 percent in 2016.

Even before minimum wage talks opened between the government, business representatives and the trade union

confederations, T?rk-?? officials announced they would start negotiations at 7,785 TL, just below the hunger limit. This provoked deep anger among workers.

Then, Erg?n Atalay, president of T?rk-??, in an attempt to restore the reputation of the despised union apparatus, declared, "The official offer of T?rk-?? is 9,000 liras. If they give it to us, we will sign, if not, we will not sign." In the end, the T?rk-?? bureaucracy's non-participation in the signing ceremony is nothing but a desperate attempt to make up for its loss of credibility in the eyes of the workers.

Labor and Social Security Minister Vedat Bilgin's statement Friday evening on Haber T?rk Television about T?rk-??'s non-attendance at the signing ceremony exposed the anti-worker role of the affluent union apparatus.

Bilgin stated that they consulted with the unions before determining the new minimum wage. He said: "The most important thing that came to me was that they said, 'The more you set the minimum wage above 8,000 liras, the more difficult we will be in a difficult situation.' I asked, 'Why?' They said, 'We don't want you to exceed the wage we get in contract agreements, it will affect them.'"

Union bureaucrats fear their members could strike for further raises after the official minimum wage increase, as their wages will be barely above the new minimum wage. The wages in recent contracts in Turkey that unions tout as "successes" are barely over the minimum wage, and the minimum wage is now just below the average wage. Moreover, millions of people, mostly refugees and migrants, are subjected to brutal exploitation at wages below the minimum wage.

After the minimum wage was set, T?rk-?? President Atalay tamely declared that "the expectations of the workers were not met, and our demand was not taken into account."

Arzu ?erkezo?lu, president of the pro-bourgeois

opposition DİSK union confederation, said, “the government and employers have jointly set a minimum wage that will condemn the working class to poverty.” She demanded that the minimum wage be set four times a year during periods of high inflation.

The hypocrisy is staggering. As the pro-government Türk-İş’s demand to keep wages low has been exposed, the “dissident” DİSK bureaucracy is trying to appease growing anger among workers while strengthening ties with government and bourgeois opposition officials and business organisations like TÜSİAD. For all their rhetoric, the last thing the union leaderships want is a mass mobilization of workers. In fact, they exist to prevent it.

Kemal Kılıçdaroğlu, leader of the bourgeois opposition Republican People’s Party (CHP), said: “The palace robbed 33 million citizens of this country by announcing a raise 5 points below even the fake food inflation rate of the Turkish Statistical Institute. Neither the minimum wage earners got what they deserved, nor was the tax burden of small tradesmen reduced. It happened again because ‘someone [Erdoğan] wanted it.’”

This statement is just as hypocritical. CHP imposes miserable wages on workers in the municipalities under its control. In districts like Kadıköy, Maltepe in Istanbul or Seyhan in Adana, municipal workers’ struggles were broken with the collaboration of the DİSK-affiliated Genel-İş union.

Moreover, the fact that many “experts” close to the bourgeois opposition oppose a significant increase in the minimum wage, claiming it would “fuel inflation,” makes clear that the CHP-led bourgeois opposition is as pro-business and anti-worker as the Erdoğan government.

The big corporations’ announcement of a surge in the prices of basic necessities after the fixing of the new minimum wage also exposes their anti-social character. It only confirms the need to nationalize big business under the democratic control of the working class.

The source of the global price increases lies in the global crisis of capitalism. In the wake of the COVID-19 pandemic, central banks printed trillions of dollars to be transferred to finance capital, followed by anti-Russian sanctions after the outbreak of the US-NATO war against Russia in Ukraine. Massive price increases have been accompanied everywhere by a surge in corporate and financial profits and a collapse in real wages and living standards for workers.

The bourgeois opposition and its pseudo-left and trade union supporters are incapable of protecting the working

class from rising living costs. However, the socialist movement has a long history of struggle to protect workers’ living standards through a struggle against capitalism and for socialism.

In the *Transitional Program*, the founding document of the Fourth International in 1938, on the eve of World War II, Leon Trotsky wrote:

... two basic economic afflictions, in which is summarized the increasing absurdity of the capitalist system, that is, *unemployment* and *high prices*, demand generalized slogans and methods of struggle.

The Fourth International declares uncompromising war on the politics of the capitalists which, to a considerable degree, like the politics of their agents, the reformists, aims to place the whole burden of militarism, the crisis, the disorganization of the monetary system and all other scourges stemming from capitalism’s death agony upon the backs of the toilers. The Fourth International demands *employment* and *decent living conditions* for all.

Trotsky added: “Against a bounding rise in prices, which with the approach of war will assume an ever more unbridled character, one can fight only under the slogan of a *sliding scale of wages*.” And he raised the demand for “an automatic rise in wages in relation to the increase in price of consumer goods.”

Workers can fight the worldwide cost of living only with the demand of an automatic rise in proportion to the price increases in consumer goods. Independent rank-and-file committees must be set up by workers to determine the rates of price increases. They must combine the struggle for these transitional demands with the struggle for workers’ power against capitalism across the world.



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