Turkish government escalates its offensive of wage suppression and austerity

Süleyman Sa?lam, Bar?? Demir
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The Medium-Term Programme (MTP), which sets out the Turkish government’s economic targets for 2027–2029, came into force on September 6, 2026, upon its publication in the Official Gazette with the signature of President Recep Tayyip Erdo?an. Presented by Vice President Cevdet Y?lmaz in the language of “macroeconomic stability” and “fiscal discipline,” the document is an austerity programme drawn up in line with the needs of the Turkish bourgeoisie and international capital.

The same programme of social attack has been pursued ever since Mehmet ?im?ek was placed in charge of economic policy as treasury and finance minister immediately after the May 2023 presidential elections. Under the pretext of bringing down inflation, real wages are being driven down and social spending cut, public resources are being transferred to the banks and big corporations through interest payments and incentives, and taxes, the bulk of which are collected from working people, are being raised.

The programme’s own figures confirm this. Last year’s MTP promised 16 percent inflation for 2026. The new document revises this figure to 28.4 percent; according to the August data released by the Turkish Statistical Institute (TÜ?K) on September 3, annual inflation already stands at 31.51 percent. Likewise, the 2027 target has been raised from 9 percent to 21 percent, and the 2028 target from 8 percent to 13.5 percent. The single-digit inflation target promised for 2027 only a year ago has been postponed to 2029.

This repeated “failure” cannot be explained by miscalculation or changing conditions. The artificially low targets are a deliberate instrument for freezing, and even cutting, real wages, for transferring social resources to corporations, banks and armaments, and for placing the burden of the crisis on the backs of the working class.

The steady driving down of the minimum wage—which is received by roughly half of all employed workers, while the rest are directly affected by the size of its increase—is a key instrument in this offensive by the capitalist oligarchy. With inflation for 2024 at 44.4 percent, the minimum wage was raised by 30 percent in January 2025. With 2025 inflation at 30.9 percent, it was raised by 27 percent in January 2026. By also abolishing the mid-year interim increase, the government ensured that wages would be eaten away by inflation.

The true scale of this loss becomes even clearer when one calculates what would have happened had wages been raised every month in line with official inflation (a sliding scale of wages). By this calculation, the net minimum wage, which stood at 17,002 lira in January 2024, should have reached 39,221 lira by August 2026. What workers actually take home is the 28,075 lira (US$579) set in January 2026. Today’s minimum wage corresponds to only 71.6 percent of its January 2024 purchasing power: a real loss of 28.4 percent in two years and eight months.

According to the August 2026 report of Türk-??, the largest trade union confederation, the monthly food expenditure required for a family of four to eat a healthy, balanced and adequate diet (the “hunger line”) is 37,388 lira (US$771). Had the minimum wage been raised merely in line with official inflation, it would have just barely exceeded this threshold; today it falls 9,313 lira below the hunger line. The poverty line for a family of four, meanwhile, has risen to 121,786 lira (US$2,511).

The same mechanism operates for public sector workers. Pay increases for civil servants and retired civil servants are likewise set not according to actual inflation, but according to the target announced by the government, with the inflation differential reflected only after a six-month delay. This policy deliberately drives down the purchasing power of working people and retirees, particularly in the current period of high inflation. In the new MTP, the government raised its 2027 inflation target to 21 percent. Yet the collective agreement signed last year by the union bureaucracies provides public sector workers with increases of just 5 percent for the first half of 2027 and 4 percent for the second.

Moreover, all these calculations are based on TÜ?K’s official figures. According to the Inflation Research Group (ENAG), made up of independent academics and economists, actual annual inflation stood at 49.03 percent as of August 2026—more than 17 points above the official rate. Workers' real losses are greater still than these calculations based on official figures.

While workers' wages are suppressed on the pretexts of "fiscal discipline" and "fighting inflation," the same programme knows no limits when it comes to channelling resources to corporations, banks and armaments. Interest expenditure in the central government budget will rise from 2.054 trillion lira (US$42.4 billion) in 2025 (14 percent of the total) to 5.245 trillion lira in 2029—roughly two and a half times in four years. Between 2026 and 2027 alone, interest payments will jump from 2.825 trillion lira to 3.975 trillion lira, a surge of more than 40 percent. The sums the government pays to the banks and financial institutions are growing at twice the rate of its own inflation target.

Meanwhile, the tax burden, which stood at 24.3 percent in 2025, is to be raised to 25.1 percent in 2029. The programme cuts corporate tax to 12.5 percent for firms engaged in manufacturing and agricultural production, and grants exemptions for transit trade and "qualified personnel." Almost all of the measures under the heading "combatting informality" concentrate tax enforcement on small taxpayers and wage earners. There is not a single cutback in the incentive regime for big capital.

The government's attack on the working class is not limited to wages. The concept of "flexicurity," inserted into the program's employment section, is a veiled formula for laying the legal groundwork for precarious forms of employment. The phrase "regulations encouraging individuals to remain in employment longer" in the social security section points to a de facto increase in the retirement age. In Türkiye, which has some 17 million retirees, the lowest pension is just 23,552 lira (US$486). While 2.1 million retirees continue to work in registered employment, an estimated 2 million more are working informally.

The program's employment promises are equally lacking in credibility. According to the document's own data, employment fell by 54,000 and the labour force by 200,000 in 2025, and a further loss of 77,000 jobs was added in the first half of 2026. The unemployment rate appears low only because workers who have given up hope of finding work and stopped looking are pushed out of the statistics.

While the working class is made the target of the austerity program, military spending is growing unchecked. The appropriation for the Ministry of National Defense is being raised from 822.9 billion lira (US$17 billion) in 2026 to 1.532 trillion lira in 2027—a jump of 86.2 percent in a single year. In the same year, the overall general budget ceiling rises by only 32.2 percent; in other words, resources allocated to defence are growing nearly three times as fast as the budget average. The appropriation will be raised to 1.799 trillion lira in 2028 and 2.065 trillion lira in 2029: a nominal increase of 150.9 percent and a real increase of 67.6 percent over three years.

This programme of class war by the capitalist oligarchy against the working class is not unique to Türkiye, but an international phenomenon. Everywhere, this assault is meeting the growing opposition of workers. In Türkiye, this is taking the form of a rising number of wildcat strikes and protests, above all by miners.

In the fight against unpaid wages, falling real wages and the rising cost of living, the demand for the automatic protection of wages must be revived today. On the eve of the Second World War, in 1938, Leon Trotsky wrote in the *Transitional Program*, the founding document of the Fourth International, that "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 advanced the demand for "an automatic rise in wages in relation to the increase in price of consumer goods." Workers must connect this fight with the struggle against war and capitalism and for workers power.

This requires workers to build their own rank-and-file committees in the workplaces and to develop their own independent political line against the ruling class. This is, by its very nature, an international struggle. Today, it is being advanced through the building of the International Workers Alliance of Rank-and-File Committees (IWA-RFC), which unites workers struggles and independent committees all over the world.

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