STATE, LABOUR AND CRISIS:
THE 1989-1995 PERIOD IN TURKEY

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ABSTRACT

STATE, LABOUR AND CRISIS:
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This thesis is an intendedly critical, non-deterministic/non-reductionist, and, a tentatively theoretical, post-disciplinary narrative of the class struggles in Turkey over the period of 1989-1995. Much of the argumentation draws upon a critical reading of the corporatist literature, and, radical Political Economy, specifically focusing upon Marx's theory of distribution. Distribution is seen as, *inter alia*, a moment of production, as production-determined distribution. Wages and profits are argued to be determined as the joint effect of class struggles in production, in the realm of ideology/discourse, the condition of Labour, the State power, and, the organisational capacity of Labour. Particular emphasis is placed upon the formation of new Capital strategies in the late Eighties and early Nineties. More specifically, the ESK is seen as the archetype of the so-called competitive corporatism in Turkey. Competitive corporatism is a State form, a partial phenomenon, and, a question of hegemony.

Keywords: corporatism, competitive corporatism, distribution, the ESK, critical discourse analysis

ÖZ

DEVLET, EMEK VE KRİZ:
TÜRKİYE'DE 1989-1995 DÖNEMİ

Hakan Arslan
Yüksek Lisans, Siyaset Bilimi ve Kamu Yönetimi Bölümü
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Bu tez, Türkiye'de, 1989-1995 dönemindeki sınıf mücadelelerinin, eleştirel, determinist ve indirgemeci olmayacağı umulan ve post-disipliner bir teorik hikayesini yazma çabasıdır. 1989-90 ve 1994-95 yılları sınıf mücadeleleri, emeğin aynı protesto çevriminin iki ardışık dönüm noktası —sırasıyla, zirve ve dip noktaları— olarak görülüyor. Düşünce zincirinin çoğu, korporatist yazının eleştirel bir okumasıyla, radikal siyasal iktisada, özellikle de Marx'ın bölüşüm teorisine dayanıyor. Bölüşüm, *inter alia*, üretimin bir momenti, üretim tarafından belirlenmiş bölüşüm şeklinde görülüyor. Ücretler ve kârların, üretimdeki sınıf mücadeleleri, ideoloji/söylem alanındaki sınıf mücadeleleri, Emeğin koşulları, Devlet gücü ve Emeğin örgütsel kapasitesinin ortak etkisi sonucunda belirlendiği savunuluyor. Seksenlerin sonları ve doksanların ortasında yeni sermaye stratejilerinin oluşumu üzerinde öncelikle duruluyor. Özellikle ESK, Türkiye'de rekabetçi korporatizmin örnek durumu olarak yorumlanıyor. Rekabetçi korporatizm bir Devlet biçimi, kısmi bir fenomen olup, bir hegemonya sorunudur.

Anahtar kelimeler: korporatizm, rekabetçi korporatizm, bölüşüm, ESK, eleştirel söylem analizi

To my Father, Osman Arslan, wishing him well

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CHAPTER 1

INTRODUCTION

Below, is, an intendedly critical, non-deterministic/non-reductionist and a tentatively theoretical, post-disciplinary narrative of the class struggles in Turkey in the years of 1994 and 1995. As I see it, the class struggles of 1989-90, and of the years 1994-95 are the two successive turning-points —the zenith and the nadir, respectively— of the same cycle of (Labour) protest. Much of my argumentation draws upon a critical reading of the corporatist literature, and, radical Political Economy, specifically focusing upon Marx's theory of distribution. Besides, some digression is made, *en passant*, into relatively novel studies on the labour movement and trade unions; the Latin American debate on inertial inflation, indexation and social pacts — apropos of, particularly, Argentina; the Sraffian contribution to the theories of value and distribution; the theory of segmented labour markets, and; Critical Discourse Analysis. Below are the major points I expect to propound:

1. The concept of the labour market is under-theorised, so much so that, even as it was expounded by the Institutionalist/Marxian critics of neo-Classical economics, its definition still remains informed by a mostly negative sense, communicating what —the Neo-Classical market— that it is not. The true direct, immediate locus of the distributional conflicts, the class struggles over wages and profits, is not, as I see it, some ambiguously conceived labour market, but, the sphere of production. To be more exact, wages are most immediately determined in and through the class struggles taking place, not within some ambiguously defined labour market, but, the sphere of production. The distributional conflict of the years 1994-95 —the turning point of Labour's cycle of protest— is best put into its place as the part of a series of class struggles over the level and the

composition of wages, set off by Labour's great backlash in 1989-90; the cyclical economic downturn in 1991-92, and; called for by Industrial Capital's integration into the EC and global capitalism. The sphere of production was the immediate locus of class struggles from 1989 through 1995.

2. Corporatism is pertinent to the Turkish case, in its competitive variant — variously called as competitive corporatism, lean corporatism, competitive and productive solidarity, etc. The neglect of its competitive variant by the corporatist authors in Turkey may be due to varying combinations of personal ideological/emotional distaste for implied class collaboration; theoretical adherence to the pluralism-corporatism paradigm at the expense of Political Economy and State Theory, and; the oversight of available empirical material. Be that as it may, the class struggles of the years 1994-95 must also be seen in the context of emergent accumulation strategies and hegemonic projects of the late Eighties and early Nineties. For one thing, a more or less common variant of competitive corporatism was put forth by sectors of the Turkish Industrial Capital, in the garb of the so-called *Ekonomik ve Sosyal Konsey* (Economic and Social Council —Turkish acronym ESK). It is my contention that the ESK is best seen as the core sub-part of a model of competitive corporatism which expressly comprised an accumulation strategy, and a hegemonic project. Furthermore, competitive corporatism is a partial system in a distinctive sense, as it envisages/involves the segmentation of the labour market, thereby incorporating only the most advanced elements of Capital and the most privileged segments of Labour.

3. While its most immediate locus is the sphere of production, class struggle is ideological, thus, discursive. More specifically, competitive corporatism itself can be seen, *inter alia*, a discourse. The semiotic aspect of class struggles is largely underrated and under-theorised. Discursive class struggles almost always seem to revolve around the issue of the creation, distribution, and, re-distribution of the economic surplus. As such, they are most often implicitly associated, on a formal level, with one theory of value and distribution or another —including,

necessarily, some theory of productive/unproductive labour/activity, as well. Discourse was a uniquely important element of the class struggles in the years 1994-95 and in the interlude to it.

1.1. THE UPSWING, ZENITH AND THE DOWNSWING, NADIR OF THE MOVEMENT

As it seems, one can possibly date the start of the upswing in Labour's cycle of protest to the year 1985. Also, the years 1987 and 1988 could be seen as part of the upswing, with some degree of certainty. Largely identified with the Spring Actions of 1989, the 1989-91 zenith of Labour's cycle of protest actually comprises three major events, namely, the collective actions of some 600,000 public sector workers (March-May 1989); the 137 days long, 24,000-strong iron and steel strike in Karabük and İskenderun (May 4th-September 17th, 1989); the 48,000-strong strike of Zonguldak miners (November 30th, 1989), and; the 70,000-strong Great Miner's March on Ankara (January 4th-January 8th 1990). All three were set off by stalemates in collective negotiations. According to Petrol-İş (1990: 265), the year 1989 was to be recollected as the year of labour resistance and strikes, with the largest turnout of defiant workers and public-sector strikers ever, since 1963.[1] According to the ÇSGB [Turkish acronym for *Çalışma ve Sosyal Güvenlik Bakanlığı* —Ministry of Work and Social Security] data, strikes by 30,000 public sector workers accounted for 78 % of the total working days lost. Strikes were led by the metal sector, with 23,689 Çelik-İş, Türk Metal-İş and Otomobil-İş members on strike, and, 2,934,896 working days lost, according to Petrol-İş data. I tend to date the start of the downswing to the year 1992, and, the downswing itself to the years 1992-93. Finally, I see the years 1994-95 as the nadir of Labour's cycle of protest.

[1] The English word 'defiant' is preferred to express the Turkish word *direnişçi*—used of somebody who put up a resistance against something, to which the adjective resistant does not really suit. The Turkish word *Direniş* [Resistance] is usually employed to describe the non-strike forms of Labour protest/contest.

1.1.1. The Historical Import of the Years 1989 and 1994

To begin with, the years 1989 and 1994 are turning-points as well, in classic periodisations of the Turkish economy. Thus, Boratav (1995a: 265; 1995b: 161-2) classifies the Turkish economic history into: 1st, the new crisis (1977-79); 2nd, measures of shock therapy (1980); 3rd, military regime plus liberal economic policies (1981-83); 4th, the ANAP years plus the bottleneck (1984-88); 5th, the shift towards populism plus the transition to convertibility (1989-93), and; 6th, crisis (1994). Yeldan (2004: 84), on his part, periodises the macro-economic stages and the turning-points into: 1st, the opening up (1981-87), when the foreign trade regime was liberalised and manufacturing sector became export-oriented; 2nd, economic stagnation and reform fatigue (1988); 3rd, financial liberalisation (1989-93) with exchange controls and controls over capital movements removed; 4th, crisis and post-crisis adjustment (1994); 5th growth, as induced by short-term capital inflows (1995-97), and; 6th crisis (1998-99) due to the impact of Asian/Russian crises upon the Turkish economy.

On a tentative level, one may project the image of the foregoing economic periodisation onto the screen of class struggles as follows: 1st, economic crisis, plus the weakening State/Capital control over Labour (1977-79); 2nd, the turning-point (1980); 3rd, anti-crisis economic policies plus strict Capital/State control over Labour; (1981-84); 4th, prelude to Labour's mobilisation (1985-88); 5th, the nadir of the Labour movement, with weakening Capital/State control over Labour (1989-91); 6th, the downswing of the Labour movement together with capitalist attempts to regain control over Labour, to re-structure the capital relation, to re-define capital strategies (1992-93); 7th, economic crisis, anti-crisis economic policies, open clash between Capital/State and Labour, the nadir of Labour movement; 8th, demise and retreat of Labour, restoration of Capital/State control over Labour.

Also, it is important to note that, 1989 and 1994 are the years of distributional conflict *par excellence*, between Capital/State and Labour —thus, the necessity to

define/redefine the place of distribution within Marxist Political Economy. Distributional conflicts involve the transformation of distributional relations by the mediation of class struggles, so one is to define the location of class struggles, as well. As I see it, the direct, immediate locus of the class struggle is not some ambiguously defined labour market, but, the sphere of production itself, involving, not only the determination of the work effort, but, the determination of wages, as well. On the other hand, class struggles are ideological/discursive struggles, too. Accordingly, the turning-points of 1989 and 1994 must be seen in the light of the class struggles, firstly, in the sphere of production, and, secondly, in the realm of ideology and discourse.[2] Hence, the erosion of Capital/State control over Labour in the years 1989-91 must be explicated in terms of the increasing independence of Labour within the sphere of production, and its transitory superiority in the ideological/discursive domain. In my view, existing empirical material —such as activist accounts, the media, union and employer media— comprise substantial circumstantial evidence that points to the strengthening of Labour's collective power at the workplace level, 'public' sympathy for workers' cause, and, workers' discursive advantage over employers and politicians. Moreover, that was a time when, the traditional, conservative/nationalist unionists with strong corporatist habits lost power in the face of new collective and participatory practices, with power changing hands in a number of unions, including Türk Harb-İş, Hava-İş, etc. The years 1992 and 1993, on the other hand, were a time when the balance of power slowly started tilting towards Capital/State, with attempts by the latter to regain control at the level of the workplace, and, in the ideological/discursive realm, as well as the re-bureaucratisation of unions in the hands of now, reformers. Finally, the year 1994 emerges as the nadir of Labour's cycle of contest, together with increased Capital control over Labour at the level of workplace, the decisive

[2] It seems that one can posit the matter as the militarisation/de-militarisation of the workplace. That is how Çetin Uygur relates the true causes of Yeniçeltek tragedy, where a gas explosion at 07:15 a.m. on the 7th of February 1990 cost the lives of 68 miners. The incident is caused, *inter alia*, by the abolition of workers' democratic rigths. Arguing that the executives of the Yeniçeltek Coal and Mining Co. and the power-holders of the Country were two of a kind, he remarks how "[t]he whole workplace was turned into a military base." (Uygur, 1990: 68) In the 1980s, workers at the military workplaces affiliated with the MSB [acronym *for Milli Savunma Bakanlığı* —the Ministry of National Defence] were worn what they called the '*tek tip*' [the single type —a uniform]. In the late Eighties and early Nineties, Harb-İş activists refused to call military executives as '*Komutanım*' [My Commander], calling them instead by their rank, e.g. '*Albayım*' [My Colonel], the way a civilian outsider would do.

ideological/discursive superiority of Capital/State, the growing division within the Labour movement, the acceleration of re-bureaucratisation, etc. In retrospect, the year 1994, the time of grave economic crisis, seems to have provided the window of opportunity for Capital/State to put into practice the necessary measures and policies to fully reverse the tide of Spring Actions.

1.2. DETERMINISTIC MODELS OF THE LABOUR MOVEMENT

1.2.1. Deterministic Accounts in the West and the Turn towards non-Deterministic Explications

By a deterministic model of the labour/union movement, I mean a theoretical model in which unions are seen to be such structures as to be bereft of, 1) any inner capacity for self-change, and/or; 2) any power to change the external environment. Moreover, each of the two points above is followed by a corollary. So, i) given that (1) holds, change in the unions only comes from without; ii) given that (2) holds, unions must change in a way to passively adapt to the external environment. Organizational dynamics as well as class struggle are cast aside—both practically and theoretically—as objects of scientific inquiry.

It seems that the so-called Oxford School of institutional tradition can be cited as the classical archetype of the deterministic approach. The primary external institutions identified in earlier research by the institutional tradition as shaping union behaviour are the structure of collective bargaining, and the policies of employers (Heery, 2005: 102). Hurd *et al*. (2002: 1-2) provide a concise account of the history of what I call deterministic theories and the challenge thereof: The post-war industrial relations literature worked within a pluralist paradigm, assuming a stable social system and stable sub-systems, with a focus over the effects of specific institutions and policies, such as collective bargaining. American pluralism was contested in the Seventies and Eighties by Continental corporatism, a comparative perspective moving Labour out of the system of industrial relations and into a more central position in the political economy, with focus remaining over institutions and policies. Pluralism and

corporatism served as precursors for the new institutionalism of the Eighties and Nineties. Much of the corporatist and institutionalist literature saw unions as a largely top-down phenomenon, primarily dependent upon centralised authority and institutions. The next wave of American literature, on the other hand, accepted some of the pluralist assumptions, but challenged conventional views of sub-system stability, by emphasising strategic choices of employers in response to increasingly competitive world markets. While unions did also have choices, none were very promising, with options restrained by employer attitudes and competitive power. Thence, cooperation seemed the best route to successful survival.

Lately, there has been a transition from deterministic, to non-deterministic theories of the labour movement. As Hurd et al. (2002: 2-3) put it, while the literature of the Nineties was dominated by institutionalism and strategic choice, a new mobilisation perspective emerged in parallel with the revitalisation of labour movements in, especially, the United States and United Kingdom. In contradistinction with earlier literature, the new mobilisation/revitalisation research places great stress upon the key role of union strategies, of unions and workers with choices that matter. Thus, against the fatalism of earlier literature, with unions either nicely integrated or else victimised, mobilisation/revitalisation research set about examining the potential for unions to serve as proactive organizers, largely through the mobilization of participation.

> … there has been a shift … over the past two decades from a position that has emphasized the institutional determination of 'union behaviour' … to one that stresses the status of unions as strategic actors … . While not decisive, … findings point to the validity of this second position and the role of governmental and managerial processes within unions … . Union activity is not just a pragmatic adaptation to the structure of opportunity presented by employers and state. It is also an expression of internal politics, dialogue and power. … Union politics matter and change in unions is a function of their effective government and management as well as the institutional context to which they must adapt (Heery, 2005: 103).

Assessing the first two years of the TUC's Organising Academy in the UK, Heery et al. (2000: 413-4) argue that better union prospects also flow from greater union

effort. As against the common theoretical practice of explicating union membership and behaviour in terms of economic conditions, the structure of collective bargaining, and, the prior strategic choices of governments and employers, the Organising Academy is argued to support the opposite theoretical position that unions are not just passive receivers of change, but under certain conditions, its architects—retaining scope for effective strategic choice and action, despite constraints.

It seems that, on the more operational level of union politics, the distinction deterministic *vs.* non-deterministic relates to, or provides the context for, the alternate models of union organisation —structures, cultures, etc, as well as the strategies of/programmes for organisational change. Thus, Heery (2005: 92-3) identifies two main approaches to change in unions —the first with an accent on internal determination, as I put it, and, the second, on external. He distinguishes three positions within the first approach: 1) the influential renewal thesis of Peter Fairbrother suggests that change shall be driven by mobilisation from below, with the main pressure on officers to innovate stemming from members and activists who get exposed to the alienating conditions of labour at the workplace; 2) the managerial renewal position according to which pressure to organise and accommodate to new groups in the labour market is likely to come from the national leadership of unions having a functional responsibility for the long-term development of union strategy; 3) the role of specialist functions as bearers of change, according to which, the increasing differentiation of worker interests requires a similar differentiation of union government and management if unions are to respond effectively to change. "

> An alternative tradition, however, stresses external determination of union behaviour. This is particularly a feature of the institutional tradition within academic industrial relations with its identification of the structure of collective bargaining as the primary influence on the pattern of union activity … . It is also a feature of writing that emphasizes the dependent, secondary nature of trade union organization; dependent that is on the policies of employers and governments which provide opportunities for unions to engage

in interest representation (Heery *et al.* (2005: 94-5, 98-9) [3]

Fiorito (2004: 23-5) notes that, Edmund Heery classifies and critiques three theories of union, with particular emphasis on the British case. The first is the evolutionary theory, with a stress upon the environment—contextual factors, compelling unions to passively submit and adapt. The second is the renewal theory, with a stress upon the goal displacement/incongruence within unions, between members and leaders, which requires internal union reform. The third is the agency theory, with a stress upon the indeterminacy of workers' interests, and, the scope for meaningful strategic choice, where revitalisation must assume the form of strategic innovation, by bringing in a whole new breed of union leaders. The second theory has got its own top-down and bottom-up variants. In the first variant, membership activism and militancy is prescribed to oust leaders whose institutional interests lead to excessive accommodation of employer interests and ineffective representation of membership interests. In the second, emphasis is on the need for union leaders to manage member tendencies to focus on short-term and sectional interests for the longer-term good of the broader membership, or, even workers more generally.

Apropos of the strategies/methods of organising, more specifically, Heery *et al.* (2002: 3) draw "… a key distinction between attempts to 'organise the employer', through an offer of union partnership or cooperation …, and 'bottom-up' organizing where the union establishes a body of membership and relies on collective organization as a basis for securing recognition." Clearly, the former option is more congruent with the deterministic viewpoint, and, the latter, with the non-deterministic. One other distinction which implicitly associates union models with the distinction deterministic *vs*. non-deterministic is between organising and servicing unionisms:

[3] Note that Heery *et al.* (2005: 94-5, 98-9) classify the TUC—the labour movement's own agency—as an external determinant, possibly justified by the nature of the sample in question, i.e. union paid officers. Other external determinants are, campaigning or voluntary organisations, specialist government egencies, employer and management organisations, individiual employers, changes in employment law, UK government policy, European Union Policy.

> With the first approach membership is built around collective organization and organizing activity extends beyond recruitment to embrace the identification and grooming of activists and the involvement of workers themselves in the process of organization. With the second approach, in contrast, the recruitment of workers is the major objective and may be conducted through the offer of union representation, consumer services, and labour market services to individuals (Heery *et al.*, 2002: 4).

Fiorito (2004: 23) on the other hand, argues that the point of organizing model is mobilizing current members and unorganized workers to serve their collective own interests, while with traditional servicing model unions rely on both paid union staff and the grievance and arbitration process.

The natural laboratory for the leading Anglo-Saxon authors of the foregoing debate seems to be the union movements in the US, Canada, the UK, Australia, and, the New Zealand. Particularly inspiring, as it was, the so-called 'relaunch' of the TUC since 1994 under its new General Secretary, John Monk. Over the years since, commitment to change has been maintained and has found further expression in the New Unionism Campaign launched in 1996, and, in the creation of the new Organising Academy to train organisers (Heery, 1998: 339-40). In January 1998, the TUC opened the so-called Organising Academy to train specialist organisers —the lead organisers, as part of the New Unionism initiative. The Academy has been strongly influenced by the organising model current in the United States —or the union-building approach identified by Kate Bronfenbrenner that seeks to generate new membership on the basis of effective and self-sustaining workplace organisation. The TUC's conception was that external lead organisers would operate through a network of lay organisers —thus, the encouragement of lay activists within the workplace. As such, it also forms part of an international trend for union confederations to seek to promote organising activity amongst affiliates, embracing Australia, the USA, the Netherlands, and New Zealand (Heery *et al.* 2002: 2; Heery *et al.* 2000: 401-2, 412).

Heery (1998: 340) argues that, in the first instance, the relaunch of TUC can be characterised as a venture in managerial unionism, i.e. as an attempt to improve the

effectiveness of unions via contemporary management techniques. He notes that that relaunch suffused with the language of new wave management —performance, flexibility, teamworking, culture change, etc. in TUC documents. The TUC seems to have withdrawn somewhat from its earlier advocacy of individual member services as means of union recruitment, but the underlying conception of union members as consumers whose needs must be met by appropriate servicing packages remains influential (Heery, 1998: 347). Overall, the formulation of explicit strategy and investment in management skills and techniques have become commonplace among TUC affiliates and have been associated with a conception of union members as reactive consumers whose needs must be discovered through ballots, polls and market research (Heery, 1998: 355). Thus, the TUC initiative appears to be drawing upon the strategies/programmes of both the deterministic and the non-deterministic conceptions of organisational change.

Notice that, emphasis on internal dynamics, bottom-up processes, etc. does not, by itself, make an approach non-deterministic. Bob Carter provides excellent empirically-based treatments of the UK debate over the prospect of union renewal prompted by the tendency of New Public Management (NPM) to decentralize employment. The concept is championed by, particularly, Peter Fairbrother, who associates it with democratic, participatory and locally based forms of organization. The gist of Fairbrother's claim is that, with the introduction of the NPM, the centralisation of decision-making and the decentralisation of responsibilities have made the centralized, bureaucratic forms of unionism, based on national collective bargaining, largely redundant, providing thus, the bases of a newly grounded form of trade union organization (Carter, 2004: 137-8). Interrogating the relevance of the concept of union renewal in the case of the National Union of Teachers (NUT), Carter (2004: 140) argues, *inter alia*, that restructuring does not by any means homogenise labour processes in the public, "… resulting in no common outcome, no uniform urge for labour to react in a particular way, or for responses to be reflected in any given form of trade unionism". Carter (2004: 153) concludes that, whatever merits the union renewal thesis has got in particular cases; it cannot be generalized across the entire state sector. For one thing, the NUT has got a long history of

centralism that does not encourage it to devolve power. With the case for union renewal being predicated upon, not so much the willingness of national officials to embrace membership self-activity, as the combination of, on the one hand, members' recognition that old centralized forms of organization are ineffectual and, on the other, national officials' desire to maintain membership levels and influence. Alas, in education, and, within the NUT, neither of the two conditions is present. Overall, Carter's critique of Fairbrother can be seen as the critique of 'Automatic Marxism', *par excellence* —or at least, well applies to it. Amongst other things, it points to the import of organisational dynamics.

Although the new, non-deterministic orientation in the theory of union movement is a major progress over earlier theories, it is not without its own limitations. Valuable empirical research by Anglo-Saxon authors seems to identify the problems of the unions fairly well. Yet, in my opinion, empirically identified/established problems remain clearly under-theorised. One of the consequences is that —as Pocock (2000:14, 22, 24) puts it in the context of union power, partial theories that do exist are crafted at a very general level, while much empirical research provides activists with little practical/operational direction. Hence, perhaps, one would better go through the concrete union problems identified by empirical research, and categorise them, in order to find at where exactly the current literature stops short of further theorising. I have tried to do that, by a very modest reading of the literature, by way of identifying participants' descriptions, expressions, ascriptions/attributions, etc. of unions' problems. Heery (2005: 101) and Heery *et al.* (2000: 413) speak of internal organisational limits, including those that originate in the given relations of power. Pocock (2000: 36-7; 2002: 37, 39) equally highlights the internal organisational limits partly set by the given relations of power. Carter and Poynter (1999: 507-11) point out organisational questions that can be traced to the nature of the relations of power and processes of alienation within the unions. Fiorito (2004: 32-3, 38, 41) raises questions that are related to internal organisational limits originating in the given relations of power and processes of alienation, as well as questions that are related to external limits which are set by the social processes of alienation, and, which originate in the realm of ideology/discourse. Wills and Simms (2004: 66, 74-

5) highlight internal organisational limits as well as external limits that originate in the realm of ideology/discourse. Finally, Charlwood (204: 388-90) emphasises the role of external limits that originate in the realm of ideology/discourse. Thus, in my view, there are clearly a great variety of questions, which have thus far been undertheorised, namely, 1) internal problems of organisation, originating from the relations of power and alienation within the unions; 2) internal as well as external problems, relating to the realm of ideology/discourse; 3) internal as well as external relations, originating from the nature of State labour, involving the realm of ideology/discourse and relations of alienation. Therefore, dialogue with and contribution from a number of theoretical fields is called for, including, *inter alia*, organisation studies with a focus upon the question of power; discourse analysis; debate on the nature of state labour, in a way to combine State Theory with the labour process debate —the way suggested by Carter (1997), and; last but not least, the theories of alienation.

That the theory of union movement stops short is also evident, looking at the debates over the projections of alternative union models and the debate thereon. Speaking of the organising model, Pocock (2000: 23-4) points to the theoretical weaknesses of the latter, with its implicit assumption that union power is built by the simple liberation of resources from servicing to recruitment, *via* greater member participation and by campaigning success. Besides, one of the characteristics of the organising model is the adoption of a broader discursive agenda, which is inclusive of working people's broadest concerns rather than narrowly economistic (Pocock, 2000: 23). Thus, the so-called organising model appears rather naïve when it comes to questions of ideology/discourse, reducing the resolution of whole semiotic issues to simply the adoption of a more all-encompassing union rhetoric.[4] Speaking of the shift of leadership and orientation in the AFL-CIO, Bacon (2005: 39, 44) also argues that commitment to organising cannot be simply a matter of more resources, innovative tactics, etc. treating workers as troops in campaigns masterminded by paid staff. Thus, unions must cease to depend on parliamentary politics, or the state, while

[4] Incidentally, that was exactly the rhetoric adopted by TÜRK-İŞ executives and advisors in the early to mid-Nineties, to no avail, of course.

only a new, radical social vision can inspire the wave of commitment, idealism, and activity necessary to rebuild the labour movement. Today's biggest problem is for unions to affect workers' consciousness, and, history tells that radical ideas have always had a transformative power. Bacon (2005: 44-5) also argues that good ideas are worthless unless communicated to workers, whereas unions have either discontinued their own publications, or turned them into ones light on content. In my view, on the questions of ideology/discourse, Bacon represents the average, commonplace stand in the Left, reducing the whole matter into the radicalisation of the message, and its communication—delivery—to workers by the customary means of classic agitprop. Ideological struggle is understood in ideational terms, rather than practical and discursive in nature.

In my view, one of the best starting points available towards the construction of a trans- and post-disciplinary union theory is provided by Barbara Pocock (2000) when she discusses the concept of union power. Central to the question of active trade union agency is the concept of union power, which is the key to analysing the reasons of the decline, as well as the potential paths to renewal. Pocock (2000: 3, 14) argues that the concept is under-theorised, with any existing theory suggesting a strong role for external factors, such as economic conditions, product markets, the stance of the State/employers, legislative, political, social and discursive regimes, and so on. Thus, it appears that deterministic theories intrinsically tend to neglect, externalise and thereby effectively vitiate the concept, by defining it as dependent power. In contradistinction, from the point of view of non-deterministic accounts of union power, external environment is only one element amongst others. Thus, Pocock (2000: 17) cites the five general dimensions of union power—four internal and one external—as i) structural capacity; ii) mobilising and organising power; iii) external solidarity; iv) discursive power and competence; v) external environment. Incidentally, it is to be noted that the distinction internal/external itself seems somewhat problematic, requiring closer scrutiny. For one thing, what appears immediately given, external and immutable may actually turn out to be the product of human agency, class struggle, in the longer term. Pocock partly draws on Hyman, who cites the major determinants of union capacity as the capacity to acquire

intelligence; the capacity to formulate strategies, and; the capacity to implement strategy, i.e. the competence of the union. It is important to note that discursive power is also seen as part of the union power by Pocock, together with Kelly, and, Levesque and Murray (Pocock, 2000: 10-1, 16).

1.2.2. Deterministic Accounts in the Turkish Literature

Deterministic accounts of the crisis of unions are rather common in Turkey, as well. Amongst others, the work of Metin Kutal and Toker Dereli epitomises the deterministic thinking. Thus, according to Kutal and Dereli, industrial relations and *syndicalisme* are shaped up by the mutual interactions of economic, socio-political, and, technological systems. Industrial relations strive to keep its existence and equilibrium, by searching new adaptations, and, react, through its own internal dynamics, to changes caused by these complex economic and socio-political interactions [paraphrasing from Kutal and Dereli (1995), quoted in Arslan (2004: 261-2)]. Apparently, there is some sort of organic systems approach informing the work of Kutal and Dereli, but, what is obvious on my part is that, although the system of industrial relations reacts on the basis of its own internal dynamics, causality nonetheless flows from the external factors towards *syndicalisme* itself. Furthermore, the system of industrial relations 'strives' to adapt itself, so there is apparently some underlying idea of teleological adaptation, as well. On the basis of the foregoing theoretical framework, Kutal and Dereli cite those factors which adversely effect the union movement, as economic crisis; globalisation and external competition; new technologies; unemployment —as the consequence of economic crisis and new technologies; the dominant ideology of the times, together with the adverse attitudes of employers. Although the last factor seems give the whole picture some tint of ideology and politics, the latter as well are nonetheless seen to be given externally, on the part of the unions. According to Kutal and Dereli, Western *syndicalisme* Is pursuing the following policies to preserve its existing power: 1) organising non-unionised workers through highly skilled experts with good communications skills; 2) propaganda activities assisted by consultancy firms and modern advertising techniques targeting members, potential members and society at

large; 3) new services, including credit cards, insurance and pension accounts, etc. on advantageous conditions (Arslan, 2004: 162-3). Thus, to Kutal and Dereli, union reform/growth means passive adaptation, through, a combination of technocratic expertise, modern communication and advertising techniques, and, consumerism. To conclude, Kutal and Dereli seem to suggest the *alla turca* version of managerial renewal and service unionism. Yet, beating the alienation of workers and unions by even more alienating techniques does not look a very promising option.

1.2.3. Deterministic Approach in the Left

As a first approximation, one can justly argue that the Socialist Left in Turkey is typically voluntarist, i.e. that is, conceives its revolutionary will to be the dominant factor in the constitution of the world, or, the outcomes of class struggle. Yet, voluntarism is not without its Hegelian antithesis, namely, Necessitarianism, or, Determinism. The politics of the Socialist Left is deterministic in two respects, namely, by way of holding that 1) the behaviour of the proletariat depends on the extrinsic economic dynamics, and; 2) the proletariat is the object of revolutionary politics. More explicitly, the former suggests that the class struggle, thus the mobilisation of the proletariat depends on the objective conditions of economic crisis, while the latter suggests that the proletariat can only be given the revolutionary consciousness from without, by the subjective factor, i.e. the revolutionary Party. Obviously, the distinction subject/object is critical to the foregoing class politics —distinction, that is, between objective economic conditions and subjective class consciousness, on the one hand, and; between the revolutionary Party as the pure volition, the absolute intellect and the proletariat, its object, pure spontaneity, absolute non-consciousness. Notice that the former is mostly associated with the politics of Marx, while, the latter, with that of Lenin. Philosophically, the subject/object antinomy may clearly look naïve, even explicitly false, yet it is a very difficult one to transcend. As a matter of fact, it lays at the very root of whole disciplinary divisions, between, first and foremost, the economic and the political. Furthermore, it has being plaguing Marxist thought at its best. For one thing, the whole history of Marxist crisis theories, from Marx himself, to Lenin, down to

Henryk Grossmann, to Anwar Shaikh, more recently, is about coping with the selfsame distinction successfully, albeit to no avail. Thus, one of the most sophisticated modern theories of crisis, that of Shaikh—the 'necessity' crisis theory of the secular tendency of the rate of profit to fall (TRPF) is distinctly deterministic and objectivistic.

In the context of the Spring Actions, the deterministic model of socialist politics has mainly come up diagnostically. For instance, Pekin (1989: 22) designates the Spring Actions to be spontaneous, of economic character, massive and extensive, devoid of any central leadership. Hence, Pekin's point of departure is clearly the classic subject/object antinomy, where spontaneity meant the absence of the political subject, i.e. the leading, revolutionary Party, together with the economistic, *syndicalist* consciousness of the workers. Koç (1989: 157), on his part, also argues that the Spring Actions were largely spontaneous and independent, massive, against the consequences of capitalism, and, to a large extent, politicised. One of most elaborate analyses of the time belongs to Engin Akkan, who argues that Socialists were generally left at a loss, for the classic organisation, class and leadership models could not really explicate the Actions. Objecting the very designation of 'spontaneous' itself, Akkan was pointing out that there was no historical, social event that was 'spontaneous' *per se*. Furthermore, 'pure' spontaneity was as much impossible as 'pure' consciousness (Akkan, 1990: 32-3). Writing on the Great Miner's March, Laçiner (1991: 5) notes, on his part, that for the orthodox defenders of traditional socialism, spontaneous social action is always characterised by the absolute absence of consciousness. Thus, since the perfect embodiment of historical consciousness —i.e. the Marxist science of the proletariat— is the socialists themselves, their historical duty is to compensate for its absence elsewhere. Notice that the distinction subject/object also splits the human capacity into two distinctive parts, namely, the human intellect vs. human physical act, or, the intelligentsia and the masses. Therefore, it turns out that the selfsame antinomy is actually a relationship of power and control, between the leader/controller, namely the Party, and the led/controlled, namely the proletariat, or the masses.

Accordingly, the work of Yıldırım Koç illustrates yet another variant of the deterministic position, implicitly, by way of seeing the relationship between unionists and workers as one of power. Critiquing the book written by Yıldırım prior to the 15th General Congress of TÜRK-İŞ, in 1989, Bora (1989b: 67-8) argues that its essential thesis is that the actual power shaping up the unionists as well as the unions is the working class itself. The basic line of argumentation of Koç is that unionists and models of union can be affected by the spontaneous struggles of workers. It is wrong to see the history of working class as that of the unionists. Societies are basically ruled by the rulers they deserve. To the extent to which the working class stamps its own mass power on the class struggle, existing administrators or unionists will either eventually change themselves, or else be liquidated. Thus, criticising unionists would simply mean explicating history by the deeds of individual persons. According to Bora, it follows that, since unionists themselves are the pure effect of the level of the working class itself, one gets the feeling that the community of professional unionists has got no alternative to it. Thus, the work of Koç presupposes the existing union structure of power relationships between the rulers and the ruled, between the unionists, that is, and the workers.

1.3. OUTLINES OF A NON-DETERMINISTIC, NON-REDUCTIONIST ACCOUNT

1.3.1. The Case for a Critical, Trans- or Post-disciplinary Analysis

Apparently, research on the labour movement is multi-disciplinary perforce, not only because its very subject is vast and multifarious, but also, because it adjusts to the ever-changing agenda of class struggles. Thus, Marino Regini identifies three phases the literature has gone through. The first is when, after the collective mobilisation of late Sixties and early Seventies, the sociology of movements and the sociology of organisations took the centre stage. The second corresponds to the decade of neo-corporatism, namely, the Seventies and early Eighties, when the leading fields were now political sociology and political science, with the sociology of organisations retaining some of its influence. The third is the phase of flexibility, with industrial

sociology and industrial relations as the most popular fields (Regini, 1992: 1-8).

However, multi-disciplinarity perforce does not suffice to establish the real unity of the different disciplines. For one thing, they are mostly utilised singly, as the alternate explications of the same object, without yet any relationship with one another. More particularly, many of them impose deterministic explications, which, in turn, have a model of uni-directional causation, where one factor explicates, i.e. determines another, the object. The major problem with this type of causation is that, the dependent object itself remains a black box, for its intrinsic nature needs not be investigated, since it is extrinsically determined. Thus, deterministic Political Economy explicates the behaviour of the working class as uni-directionally determined by extrinsically given economic crisis. Similarly, deterministic theories of industrial relations explicate union behaviour as determined by the extrinsically given institutions of industrial relations. On the other hand, the failure to establish the real unity of the different disciplines seems impossible, by definition, for disciplines presuppose distinction, i.e. the very opposite of unity. Alternatively speaking, the very existence of a discipline depends on its claim to explicate its object by its own, i.e. as a separate, closed system of theoretical relations. Thus, the best way possible for the unity of the distinct disciplines is the inter-disciplinary method, where they are brought together, as distinct entities, into relationship with one another, to jointly explicate the common object. However, the model of causation that the inter-disciplinary method suggests is a complex system of inter-relations, inter-actions, etc. Hence, the real relationship of the disciplines is a contradiction in terms.

Recently, two new options have been suggested, namely, the trans-disciplinary method by Norman Fairclough, and, the post-disciplinary method by Bob Jessop. Apparently, the former seems to be more about the attitude of one discipline towards another, rather than a method *per se*. Nonetheless, trans-disciplinary attitude, the equal dialogue of the disciplines may give rise to real, organic unity. The post-disciplinary method of Bob Jessop, on the other hand, seems more promising. It originates in a specific understanding of the historical stages of the social science itself. However, while the point of departure and the direction of both approaches are

different, the point of destination is the same. More explicitly, Fairclough departs from semiotics, unifying it with materialism, while, Jessop departs from Political Economy, unifying it with semiotics. Thus, the difference between the two approaches may turn out to be not so significant, in practice.

According to Fairclough, recent social theory includes important insights, particularly, by socially locating language. Yet, it stops short by not pushing in the direction of a theorisation of language itself, thereby limiting the operational value of its own theoretical frameworks and categories (Fairclough, 2000: 163). Accordingly, he suggests a 'trans-disciplinary' engagement with social theory, in which, the logic of one theory is put in the elaboration of another without the latter being simply reduced to the former. Hence, the term trans-disciplinary implies, in the first instance, an attitude, a dialogue of equals. On the one hand, he points to the crucial role of integrated theorising in overcoming the unproductive divisions between macro and micro, or, structure and action theories. On the other, he points to the role that linguistics could play in integrated theorising, due to the enhanced role for language in modern social life as compared with pre-modern social life. Yet, the task should not be conceived of as simply adding existing theorisations of language onto existing social theories. It is rather a matter of each internalising the theoretical logic of the other and allowing it to work within its own theorising. In short, transdisciplinary attitude/approach is about developing one theory in dialogue with another, being open to having one theory transformed through internalising the logic of the other (Fairclough, 2000: 164).

Jessop and Sum reject discursive and organisational construction, and, worse, the fetishisation of disciplinary boundaries. Accordingly, they reject inter- or multi-disciplinary approaches, by defining their own as pre-disciplinary in its historical inspiration, and, post-disciplinary in its current intellectual implications. They distinguish three phases in the evolution of Political Economy —namely, pre-disciplinary, disciplinary and post-disciplinary. Whilst the origins of classical Political Economy were pre-disciplinary— with its early students being polymaths, later it was separated into different disciplines, economics, politics, sociology, etc.

Finally, contemporary Political Economy is now becoming post-disciplinary (Jessop and Sum, 2001: 89-90). The overall significance of Marxism, for the post-disciplinary project, originates in its ambition to provide a totalising perspective on social relations as a whole in terms of the historically specific conditions of the existence (Jessop and Sum, 2001: 91). To produce a post-disciplinary approach to capitalist social formations, Jessop (2004: 159-60) applies the cultural turn to critical Political Economy by, particularly, synthesising it with critical semiotic analysis. Notice that Cultural Political Economy is, *par excellence*, the critique of traditional Political Economy, in that, ontologically, semiosis contributes to the constitution, co-constitution, and, co-evolution of social objects and social subjects, whilst the latter naturalises or reifies its theoretical objects and offers impoverished accounts of social subjects and subjectivites, modes of calculation, etc.[5] Epistemologically, Cultural Political Economy opposes to orthodox Political Economy in its emphasis on contextuality and historicity of knowledge, while also stressing the materiality of social relations and highlighting the behind-the-backs processes.

Several disciplines and theories may contribute to a post-disciplinary theory of class struggles and the Labour movement. In what follows, the two major theories I use are Political Economy and Corporatism, both of which I succinctly review in the next section. Contention Cycles, Discourse Analysis, Cultural Political Economy, Organisation Theory, Theories of Alienation are also pertinent. The first three being occasionally referred to in the text, I now briefly review them.

1.3.2. Contention Cycles

Class struggles seem to move cyclically, or in waves. More particularly, there seems to be an ongoing dialogue between the students of the labour movement and students of social movements or the cycles of collective mobilisation. By a cycle of contention, Tarrow intends

[5] Jessop (2004: 161) employs semiosis, i.e. the intersubjective production of meaning, as an umbrella term to cover approaches oriented to argumentation, narrativity, rhetoric, hermeneutics, identity, reflexivity, historicity, and, discourse.

> … a phase of heightened conflict across the social: with a diffusion of collective action from more mobilized to less mobilized sectors; a rapid pace of innovation in the forms of contention; the creation of new or transformed collective action frames; a combination of organized and unorganized participation, and sequences of intensified information flow and interaction between challengers and authorities. Such widespread contention produces externalities that give challengers at least a temporary advantage and allows them to overcome the weakness in their resource base. It demands that states devise broad strategies of response that are either repressive or facilitative, or a combination of the two (Tarrow, 1999: 142).

Regini (1992: 3) points out that, following the sudden and unforeseen increase in industrial conflict and rank-and-file militancy in the late Sixties and early Seventies, the phenomenon of mobilisation itself was subject to a great deal of study, including the various attempts to identify and explain cycles of collective mobilisation or conflict waves. One of the most promising aspects of the literature is its emphasis on and creative use of semiotic and organisational elements.

1.3.3. Discourse Analysis

Although the sustenance and growth of union power apparently face critical discursive obstacles, discourse and semiosis are somehow treated as lesser topics issues by students of the union movement. Interestingly, there are important cases where the pertinence of discourse and semiosis is clearly understood, even though the discursive aspect of class struggles is left under-theorised. For instance, noting that unions are perceived as conservative institutions, Hyman (1999a: 1) argues that one major challenge for the unions is to revive and redefine the role of sword of justice. Thus, he clearly points to the discursive/semiotic aspect of class struggle. Following Pérez-Diaz, Hyman (1999a: 3-4) argues that, traditionally, workers' collective orientations were externally defined by social milieu as well as commitment to ideals. Yet, traditional identities are nowadays displaced, while transformatory ideals have lost their grip. Hence, the evident material problems facing trade unions cannot be separated from the less tangible questions of ideology. To be more exact, the crisis of traditional unionism is not just about loss of strength

and efficacy, but also, the exhaustion of the traditional discourse, the failure to respond to new ideological challenges. Therefore, building collective solidarity is not just a question of organisational capacity, for the struggle for trade union organisation is a struggle for the hearts and minds of people, i.e. a battle of ideas. In my view, the priority given by Hyman to a discursive/ideological union agenda is a major improvement over the organising models of union renewal, emphasising a non-discursive organisational capacity. Yet, Hyman's conception of discourse/ideology seems rather naïve. He apparently sees the achievement of discursive/ideological superiority as a question of coming up with winning arguments, which is a very commonplace solution proposed by many in the Left. But, trying to find a solution without entering into a dialogue with linguistic/semiotic theory is a vain effort. Elsewhere, Hyman (1999b: 122) notes that today's self-images and ideologies increasingly emphasise consumer rather than producer roles, and, individual choice rather than collective relations. Following, to a great extent, the demise of—what he calls—post-war political economism in Europe, with unions focusing simultaneously on collective negotiations with employers, and, on influencing the broader legal and economic framework of collective bargaining, the consolidated post-war mode of trade union representation was also put into question (Hyman: 1999b: 124-8). Thus, the need to rethink traditional unions models of interests/agendas, and, identities. Alas, unions seem not to have gone any far apropos of the reconstruction of union interests/agendas, or identities, and, as they act rather reactively or opportunistically, "… most European labour movements appear as objects rather than subjects of contemporary history." (Hyman, 1999b: 130) Apparently, ideology/culture/discourse and identity politics are within the set of interests of Hyman, in the face of the current crisis of Labour.

It is interesting to see that, writing on union power, several authors cite discursive power amongst its elements. Pocock herself, and, Kelly—drawing on Tilly and McAdam, and, Levesque and Murray emphasise the import of the articulation of an agenda, of the discursive power as a central element of union power, given that the contest for discursive dominance is sharp and contested by many interests, and, closes off possibilities for action and power (Pocock, 2000: 16-7). This is a most

fruitful terrain for theoretical innovation and practical guidance, although unfortunately, Pocock and others do not seem to engage into any dialogue with the linguistic theory. More specifically, Pocock (2000: 27, 36) cites the components of discursive power as the existence of a strong and identifiable agenda, and, its external and internal communication. That is way too simple a model of properly analysing the semiotic question, so her theorising stops short when it comes to questions of discourse/ideology.

Studying the future of trade unionism, John Kelly draws upon two relatively new approaches, namely, the explication of union identities by Richard Hyman, and, the mobilisation theory of, amongst others, Charles Tilly. According to Hyman, the identity of a union emerges out of the interaction of interests, organization, power and agenda. Thus, Hyman concludes that union prospects depend on the pursuit of a broader definition of members' interests than in the past, on the adoption of a correspondingly broad agenda, and on the use of different methods of struggle more in tune with the contemporary balance of power. Then, arguing that interest formation is the very core of mobilisation theory, Kelly (1997: 402-3) completes Hyman by Tilly. According to Tilly, a useful theory of collective action has got five elements, dealing respectively with interests, organization, mobilization, opportunity and the various forms of action. The first, as the fulcrum of Tilly's theory, is also an issue that lies at the heart of union growth, namely the way in which workers acquire a collective definition of workers' interests (Kelly, 1997: 404-5). The sine qua non for collective interest definition is a sense of illegitimacy, the conviction that an event, action or situation is "unjust" as it violates/conflicts with established rules, beliefs or values. But that leads one into a discussion of ideology, which, in the context of the employment relationship, helps identify the wage-effort exchange; supplies a set of emotionally loaded categories for thinking about this exchange in terms of group interests, e.g. exploitation, social partnership; and they provide a set of categories and ideas that label the interests of one's own group as rights (Kelly, 1997: 405-6). For a set of individuals with a sense of illegitimacy/injustice coalesce into a social group with a collective interest, there are three critical processes at work, namely, attribution, social identification and leadership. Attribution is defined

as an explanation for an event or action in terms of reasons, causes or both. Attributions of blame to groups such as management presuppose identification with social categories such as "us" (the employees) as against "them" (the management). If arguments about injustice and who is to blame for it are to give rise to collective organization, then the presence of leaders (or activists) is required since they play a series of critical roles in the overall process of collectivization Structural factors create a more or less favourable environment for the collectivization of the workforce, but do not in and of themselves generate a sense of injustice or identity: those outcomes have to be constructed by activists and other opinion formers (Kelly, 1997: 407).

There are several schools of linguistics, amongst which, Critical Discourse Analysis seems particularly pertinent to the analysis of the discursive aspect of class struggles. Thus, according to Fairclough (1992a: 2), "... the exercise of power, in modern society, is increasingly achieved through ideology, and more particularly through the workings of language". What is more is that, Fairclough (1992b: 8) sees social change and the change in language in a mutual interaction: Changing discourse practices contribute to change in knowledge, social relations, social identities, and, hence, there is growing concern in modern society with controlling the change in discourse practices as part of engineering social and cultural change.

1.3.4. (Cultural) Political Economy

In a seminal article of 1975 on the politics of crisis theories, Russell Jacoby expatiates upon the tension within Marxian Political Economy between the political and the economic. Arguing that to Marx himself, the economic analysis could not be abstracted from a political dimension, and, "… if there was a unity of theory and praxis it occurred at the intersection of an economic and political plane", Jacoby (175, 3) notes that the original relationship nonetheless remained elusive. Crisis theory is at once an economic theory and a political one, drawing together, as it is, the objective and economic moment in Marxism with the subjective and political moment.

> But nothing seems to fit; a decisive political intervention seems dependent on the theory and fact of an (objective) collapse, if such intervention is not to be reduced to tinkering within the existing apparatus. Yet the objective theory of the collapse seems also to relegate the subject to a passive spectator. Subject and object seem incomplete apart, and incomprehensible together (Jacoby, 1975: 4).

Towards the end of the article, Jacoby (1975: 44) makes the suggestive point that, "… the Marxist *critique* of political economy is also a political economy—or so it appears." Or, "[t]he hope of the critique of political economy is that it is more than political economy; the danger is that it is only political economy …" while "… it is at least suggestive as to why critical Marxism has in recent years been generally stimulated by Marxists who were not economists and by studies distant from political economy …", and, "[p]rovocatively stated, the more one studies political economy the more one falls prey to it." (Jacoby, 1975: 45) It is obvious that Automatic Marxism, the 'crash' theories of economic crisis, deterministic thinking on the overall, are still haunting the minds of many students —theoreticians and practitioners alike— of the Labour movement. Thence, the importance of recent attempts to overcome the distinctions objective/subjective, economic/political, etc. and, to come up with, more generally, a non-deterministic, non-reductionist Marxism, and, even better, Marxian Political Economy. Because I tend to see discourse as one of the most central element of class struggles, I am relatively more interested in modern syntheses of Political Economy, class struggles, and, ideology/discourse. One such attempt now seems to be coming from Bob Jessop.

Recently, Bob Jessop seems to have gone through a cultural/linguistic turn, combining semiotics to his previous theory of State/Political Economy. For example, Jessop (2004: 159, 166) sees the so-called knowledge-based economy as a master discourse for accumulation strategies on different scales, or its very emergence as the hegemonic economic imaginary in response to Atlantic, East Asian, Latin American crises. Bob Jessop and Ngai-Ling Sum start from some implications of pre- and post-disciplinary analyses of Political Economy, and, suggest the idea of a Cultural Political Economy. To be more exact, Sum introduces the idea of 'cultural political

economy' to emphasise the importance of cultural studies for political economy, while Jessop reaches similar conclusions in moving from state theory via the regulation approach to the narrative turn (Jessop and Sum, 2001: 89, 99). The gist of the effort is to bring together traditional Marxism and the 'cultural turn' to produce a Marxist-inflected 'cultural' Political Economy. Whilst Marxism, as a pre-disciplinary tradition, is committed to the critique of Political Economy, the post-disciplinary 'cultural turn' is used to re-think Political Economy —subject to certain modifications that reassert the importance of the materiality of Political Economy. Jessop (2004: 171) notes that Cultural Political Economy is based on Jessop's earlier work on State Theory and Political Economy; critical engagement with Marx's pre-theoretical discourse analysis, and; Gramsci's elaborate philological and materialist studies of hegemony. In the context of the cultural turn, discourse analysis, *inter alia*, plays a particularly important role in the construction of Cultural Political Economy, with its focus on the discursive constitution and regularisation on both capitalist economy and national state as imagined entities, and, on their cultural as well as social embeddedness (Jessop and Sum, 2001: 92). The cultural turn is pertinent to re-thinking traditional Political Economy in a number of other ways:

1. The Discursive Account of Power – Power is discursive. Thus, the interests at stake within the relations of power are greatly shaped by discursive constitution of identities, modes of calculation, strategies and tactics, whilst, the primary institutional mechanisms in and through which power is exercised, also involve discursive/material resources (Jessop and Sum, 2001: 93).
2. The Gramscian/Foucauldian Touch – Knowledge and truth are socially constructed. Yet, Political Economy must also continue to emphasise the materiality of social relations, to escape the sociological imperialism of pure social constructionism, or, the voluntarist vacuity of certain lines of discourse analysis (Jessop and Sum, 2001: 94).
3. The Discursive Construction of Hegemony – Criticising the recent work of the so-called 'Italian School' inspired by Robert Cox's appropriation of Gramscian concepts —particularly, hegemony, historical bloc, etc.— for

analyses of IPE, Jessop and Sum (2001: 94-5) argue that class-relevant projects (for example, neoliberalism) are assembled in material/discursive space. Economy as the object of regulation and the political imaginary are both discursively constituted. Different subjects, subjectivities and modes of calculation come to be naturalised and materially implicated in everyday life and, articulated to form a relatively stable hegemonic order —or, alternatively, are mobilised to undermine it. Even if the framework of a hegemonic order be largely determined by material forces, this order must still be narrated and rendered meaningful by and/or to actors located at key sites for its reproduction (Jessop and Sum, 2001: 97)

4. Subjectivities are re-made as part of the structural transformation and actualisation of objects (Jessop and Sum, 2001: 96).
5. Perhaps the most important role for the 'cultural turn' is the fundamental critique of the separation between the economic and the political on which most work in PE is premised. The imaginary constitution/naturalisation of the economy always occurs in and through struggles conducted by specific agents, typically involving the manipulation of power and knowledge whilst liable to contestation and resistance. (Jessop and Sum, 2001: 96).
6. The Cultural Political Economy perspective should facilitate research into the conjunction and disjunction of micro-, meso- and macro-level analyses in both discursive and material terms (Jessop and Sum, 2001: 97).

1.4. THE LINE OF ARGUMENTATION IN THE THESIS

In what follows, two theoretical literatures are utilised to structure the basic line of argumentation in the thesis. They are, 1) Marx's theory of distribution, and; 2) the corporatist literature, with a specific emphasis on its modern variant, namely, competitive corporatism. Notice that the class struggles of the years 1994-95 were, *par excellence*, struggles over distribution. On the other hand, the corporatist literature seems pertinent, due to its emphasis on distribution —including such issues as inflation, the determination of wages, social wage, etc; institutionalised relations between Labour, Capital, and, the State, including the social pacts. Notice, for one

thing, that the so-called ESK [*Ekonomik ve Sosyal Konsey*-Economic and Social Council] was the central element of the capitalist discourse in the post-1989 era. Finally, the gist of the distributional struggle in the years 1994-95 was the dynamics of wage determination, including the relationship between inflation and wages, and, more particularly, the question of wage indexation.

The first part of the theoretical Chapter I below is on Marx's theory of distribution. I argue that Marx sees distribution as the intrinsic moment of production, calling it, production-determined distribution. That is a powerful idea, for Marx provides enough ground thereby, for one to argue that distribution should be seen as the immediate effect of the relations of power within the sphere of production, rather than some ambiguously defined market. More specifically, I shall argue that the political wage cycle —more specifically the boost in 1989, and, collapse in 1995— was most immediately determined as the consequence of class struggles in the sphere of production.

The second part of Chapter I is an intendedly critical analysis of the corporatist literature. The rise of the modern corporatist literature came in the Seventies, where, Schmitter's seminal 1974 article provided by far the most influential theoretical framework. Schmitter defined corporatism essentially as a mode of interest intermediation. As defined by Schmitter, corporatism is a model of politics, on the plane of intersection of civil society and the State. Thus, the concept intrinsically requires a Theory of the State, though there is none. For the corporatist literature basically belongs to the paradigm of group politics, whose orthodox theory of politics is pluralism. Therefore, one of the major weaknesses of corporatism is that it lacks an underlying Theory of the State which informs it. Corporatist theory has its swings, and, corporatism is now reincarnated, together with the rise of the tri-partite pacts in the Nineties, in the garb of competitive corporatism. However, competitive corporatism seems to be much different than neo-corporatism, in that, in contradistinction with the latter, it involves the segmentation of the labour market, as well as the political/organisational division of Labour. Notice that the ESK seems to be a case of competitive corporatism, and, thus, it is impossible to conceive through

the conceptual tools of the now olden neo-corporatism. The latest variant of corporatism seems to be non-comprehensive, exclusionary in its coverage, as a form of both representation, and, state intervention. I argue that, that has to do with the epithet of competitive corporatism, which presupposes a functionally, distributionally segmented, and, politically divided Labour.

Chapter II is a review of the years 1989-93. First, I try to show that the wage boost of 1989 was the effect of the increasing power of Labour within the sphere of production as well as its temporary discursive superiority. I see the years 1992-93, as the downswing, and, the years 1994-95, as the nadir of Labour's protest cycle. The years 1992-93 were a time when Capital re-grouped its forces to reverse the rise of the Labour movement. It did that, on three fronts, firstly, by increasing its control over Labour, in the sphere of production; secondly, by reclaiming its discursive superiority, and, thirdly, by reformulating its strategies including, the reform of the wage relationship, the formulation of ESK —the Turkish version of competitive corporatism, and, the reform of the regulation of employment. There is also a review of Capital's view of crisis which has emerged as part of the class struggles of the late Eighties and early to mid-Nineties, through the critical reading of several TİSK publications, including books and booklets, symposium notes, etc. The TİSK position is stylised in terms of crisis diagnoses crisis, and, the consequential panacea.

Chapter III, then, follows by a theoretical narrative of the years 1994-95, where I took pains to demonstrate that the wage collapse was the effect of five dynamics:

1. the direct, immediate effect of the class struggles in the sphere of production.
2. the consequence of the discursive class struggles, focusing on the issues of productivity, the level of wages, and, earnings differentials.
3. the effect of the general human condition of Labour, namely, its insecurity within the concrete state of the wage/employment relationship in the Nineties.
4. state coercion, including, accumulation by dispossession via the State.
5. the effect of the intrinsic, organisational weaknesses of the unions themselves.

Finally, in the Conclusion, I organise and order the discursive material of the Nineties, to prepare for a future discourse analysis, possibly from the perspective of the so-called Critical Discourse Analysis.

CHAPTER 2

THEORETICAL NOTES ON THE CONCEPTS OF DISTRIBUTION AND CORPORATISM

2.1. DISTRIBUTION, IN PARTICULAR, *A LA* MARX

I argue that, the core question in the years 1994-95 on the agenda of the class struggle was a manifest conflict of distribution between workers on the one side, and Capital and the State, on the other. Hence, any attempt at a theoretical narration of the years 1994-95 is to presuppose one theory of distribution, or another. The theory I sympathise with is that of Marx. But, unsurprisingly, a great deal of hermeneutic confusion surrounds Marx's scriptures on such central concepts as value, surplus-value, or; the distinction between the immediate appropriation of surplus-value and its subsequent re-distribution, and; the import of the concept of distribution vis-à-vis the concepts of exchange, consumption, and, particularly, production.

The basic argument I expound below is that most Marxian explications of the determination of wages depend upon a strict separation between the labour process, on the one hand, and, the labour market, on the other, as two distinct, mutually independent domains of social action. The standard argument is that the real wage rate is determined in the class struggle in the labour market, prior to production. But, labour market, as distinct and independent of the sphere of production is an invalid abstraction, or, a misconception. Hence, the consideration of wage determination as an outcome of the class struggle in the labour market amounts, at least in part, to the identification of distribution with the sphere of exchange. But, if the level and structure of wages are determined within and through the class struggle, then, it is not quite possible to compartmentalise the class struggle into the sphere of production, on the one hand, and, the sphere of exchange, on the other. Thus, I argue

that there is not a distinct labour market *per se*, that it can only be well-defined apropos of the relationship of capitalist control and class struggle in the sphere of production. Thus, my theoretical narrative of the post-1989 period in general, and of the years 1994-95, in particular, depends on the thesis that the level and structure of wages were partly determined as an immediate outcome of class struggles in the sphere of production.

Below, the basic starting point is Marx's discussion of distribution in the Introduction of *Grundrisse* [1857-58], where, he defines distribution as a moment of production. Then, I summarise some of the Marxian concepts and relations of distribution that I shall be using as analytical tools in the analysis of the distributional conflicts in Turkey. Particularly relevant in that respect is Eric Olin Wright's division of the constituent parts of the working day. Next, I engage a succinct account of the Neo-classical theory of distribution and its implicit notion of exploitation, for the natural theoretical counterpart of employee claims of the unfairness of the wage system, and, the hegemonic, and, yet oppositional discourse of privatisation is the Neo-classical notion of 'reverse exploitation'. The section concludes with a miscellaneous set of remarks on distribution, which, I believe would be to useful to model the distributional conflict of the late Eighties and the early Nineties.

2.1.1. Marx's Concept of Distribution in Grundrisse

It seems useful to start by noting the place of distribution in Marx. Many non-mainstream economists with formalistic, macro-economic reasoning classify Marx as a faithful follower of Ricardo. Thus, in his Essays on Value and Distribution (1960), Nicholas Kaldor (1981: 215-6, 218) classifies Marx and the Neo-classical theory as variant of Ricardo's 'surplus' and 'marginal' principles, respectively. Although Marx owes much to Ricardo, and, deals with value formation questions formulated by Ricardo, he sees distribution as a social relationship. Incidentally, this point constitutes the essence of the debate between Marxists and Sraffians. To elucidate that, one must re-visit the classic, methodological *Introduction* to *Grundrisse*, where Marx discusses the relationship of production to distribution, exchange, and,

consumption. To begin with, Marx (1993: 89-90) objects to seeing the spheres of distribution and of production are independent, autonomous neighbours. Moreover, he criticises those who approach the issue of establishing the relationship between distribution and production "…. as if the task were the dialectic balancing of concepts, and not the grasping of real relations!" (Marx, 1993: 89-90) Thus, the commonplace Marxist practice of establishing the Marxist precedence of production over distribution by seeing it as the mere question of serial ordering of distinct entities is the wrong path. To be more specific, most Marxists conceive of the dependence of distribution on production, as the dependence of one distinct entity on another. Yet, for Marx, it was a question of the dependence of distribution as the intrinsic moment of production, which he calls, incidentally, production-determined distribution. Moreover, it has become something of a Marxist orthodoxy to see the serial precedence of production over distribution as making of distribution a lesser thing.

Marx argues that distribution itself is intrinsic to production in terms of "… (1) the distribution of the instruments of production, and (2), which is a further specification of the same relation, the distribution of the members of the society among the different kinds of production." Thus,

> The distribution of products is evidently only a result of this distribution, which is comprised within the process of production itself and determines the structure of production. To examine production while disregarding this internal distribution is obviously an empty abstraction; while conversely, the distribution of products follows by itself from this distribution which forms an original moment of production (Marx, 1993: 96).

Therefore, the meaning of the analytical prevalence of production, namely, that internal distribution, as a moment of production, determines production itself, as well as the distribution of values and products (Marx, 1993: 97). In a similar vein, following Marx, Gordon (1987: 131) also defines the Marxian question of distribution as a two-fold one: "… *[T]he analysis of class (and group) shares of revenue (and therefore of income) and the class distribution of relative control over the means of production.*" Notice that this implies, not a deterministic relationship

amongst the purely economic variables as such, but, one that encompasses a constant transformation in the social relations of production, ownership, etc. Apropos of the internal distribution, Ercan (2002: 29) argues that determining the nature of the capitalist system are the relations of ownership, and the corresponding social relations. The latter include the relations of exploitation and domination, thus, the class relations.

I believe there is one more possible corollary to Marx's idea of internal distribution as the original moment of production, and, the consequential idea of production-determined distribution. Notice that Gordon speaks specifically about the capitalist power over the means of production. But, the ownership of the means of production, and, the ownership of labour power mutually presuppose each other. Moreover, the wage contract effectively gives the capitalist the temporary ownership of the labour power. Therefore, within the sphere of production, there is also the capitalist control over the workers. Accordingly, internal distribution gives rise to, not only capitalist power over the means of production, but, over workers as well. As a corollary, then, the distribution of values and products is determined within the sphere of production itself. But, most Marxists tend to demarcate class struggle into two, class struggle in the labour process, and, class struggle in the labour market. The former is about the relative control over the labour process, while the latter is about the relative control over the determination of wages. Thus, control over the labour process is treated separately from its influence over the determination of wages. In my view, relative control over the labour process gives relative control over wages, given that the conceptualisation of the labour market as entirely distinct from and, extrinsic to the sphere of production is a defective abstraction.

2.1.2. Marx's Distributional Categories

There are in Capital and elsewhere, a number of important conceptual categories which I shall be using in my analysis of the class struggles in the years 1989-95, namely, absolute and relative surplus value; accumulation by dispossession—a

derivative of Marx's primitive accumulation, the floating, latent or stagnant reserve army of labour.

2.1.2.1. Absolute and Relative Surplus Value

Foley (1986: 49-54) argues that there are two ways of augmenting social surplus value, through, 1) absolute surplus value, i.e. by lengthening the total social labour time, with the value of labour-power kept constant or, 2) relative surplus value, i.e. at a given real wage, lowering the value of labour-power, while keeping the social labour time constant. Lengthening the working day is the most obvious form of absolute surplus value. Another form involves the elimination of slack time in production. A less obvious way is the incorporation of female and child labour into production. In particular, the concept of absolute surplus value is instrumental to explain aspects of the Turkish case, as there is some empirical evidence that indicates a significant extension in the working day.

2.1.2.2. The Reserve Army of Labour

The three types of reserve army of labour cited by Marx are the floating, latent and the stagnant reserve army of labor. The first concerns those people who are displaced through technical change. The second consists of those people outside specifically capitalist relations of production, e.g. traditional agriculture. And, the third involves those people whose labor-power deteriorates or whose skills are never developed or become obsolescent. The existence and constant renewal of the reserve army of labor is an important determinant of the level of wages. (Foley, 1986: 65-66) The triple distinction above is useful in explaining the connections between distribution, accumulation and unemployment, in the Nineties. For instance, Capital and the State particularly manipulated the potential/imaginary or actual competition between the latent reserve army, on the one hand, and, the potential members of floating and stagnant reserve armies. Notice that, the relationship between unemployment and wages is often modelled, in the vein of automatic Marxism, as a deterministic relationship. Yet, the conclusive effect of actual/potential unemployment on wages is

mediated by class struggles within the sphere of production, as well as, the discursive class struggles.

2.1.2.3. The Division of Value, Surplus-Value and the Role of the State

Marx's theory of distribution includes the critical distinction between the production of surplus-value and its subsequent distribution. The evolution of Marx's theory of the distribution of surplus-value has only recently been fully understood (Moseley, 2001) Notice that surplus-value determined in the sphere of production, and, it is invariant to the distribution of profits through the prices of production among individual capitals, or for that matter, to the further determination of commercial profit, rent, and, interest.

Neither the magnitudes of values and total surplus value, nor prices of production, normal profits, rent, interest, commercial profits have been computed in Turkey, for the Nineties. The closest and the most influential conceptualisation in Turkey is Korkut Boratav's operational distinction between what he calls the essential (elementary) and supplemental relations of distribution (Boratav, 1991: 26). As I see it, the point of Marx's distinction between the division of value into wages and surplus value, on the one hand, and the distribution of surplus-value into normal profits, rent, interest and commercial profit was the demonstrate the invariance of surplus-value to competition. Be that as it may, one should also that into account, in the case of Turkey, the re-distribution of value. Central to that analysis is the role of the State. Thus, Oyan (1991: 43) applies Boratav's concept of supplemental relations of distribution to the context of, particularly, fiscal policies. The capitalist state participates in distribution and modifies the outcomes of the immediate distribution of value between wages and surplus value, through, *inter alia*, fiscal tools. State intervention through taxation and spending redistributes value among social classes. The idea of a net transfer by the state away from workers has been conceptualised for the general case and operationalised for the US labour by Shaikh and Tonak (1987: 184) as the "benefits and income received from the state *minus* taxes paid by workers to it."

The issue is too important to ignore for the concrete Marxian analysis of distribution. Unfortunately, in Turkey, however much the fiscal policies of the State are seen as a major way of redistribution, no conclusive attempts have so far been made to compute net transfers. There are two important points for a total analysis of the distributional conflicts of the Nineties, in Turkey. Firstly, a recurrent theme of the employer rhetoric has been the great divergence between the net wage and the actual cost of the labour force to the employer, most of which accrues to the State in one form or another. I believe that was not simply rhetoric, but was a central element of the distributional conflict. My explanation of it will turn on the idea of profit and tax squeeze of wages. Secondly, in the Nineties, redistribution of value from workers towards the State was not always through the gentle means of fiscal policies, but, very often, through the direct, forced appropriation of wages. Particularly important in that respect is when, following the Application Plan of Economic Measures of April, 5th, 1994, the Governmental declined to abide by the existing collective agreements in the public sector, defaulting on the wage increments that were due in June-December 1994. The term of the delay was 6 months for 0 % rate of interest, which meant a forced, inflation tax on workers. Therefore, the re-distribution of value through the state took such forms in Turkey that one is compelled to incorporate into the analysis the concept of accumulation by dispossession.

2.1.2.4. Accumulation by Dispossession (Distribution and Power)

Accumulation by dispossession, as David Harvey calls it, is accumulation through forcible appropriation. Harvey's (2003: 143) point of departure is Marx's concept of primitive accumulation in the 1st Volume of *Capital*. Harvey (2003: 144) points to "… the continuous role and persistence of the predatory practices of 'primitive' or 'original' accumulation ..." while, amongst others, privatisation and market liberalisation emerge as a new round of 'enclosure of the commons' (Harvey: 2003: 153, 156, 158). The elements of Marx's original concept of primitive accumulation are, the commodification and privatisation of land together with the forceful expulsion of peasant populations; the conversion of various forms of property rights (common, collective, state, etc.) into exclusive property rights; the suppression of

rights to the commons; the commodification of labour power and the suppression of alternative (indigenous) forms of production in consumption; colonial, neo-colonial, and imperial processes of appropriation of assets (including natural resource); the monetisation of exchange and taxation, particularly of land; the slave trade; usury, the national debt, and ultimately the credit system as radical means of primitive accumulation. Besides, the state, with its monopoly of violence and entitlement to define legality, plays a crucial role throughout (Harvey, 2003: 145).

Notice the parallels with the modern dynamics of accumulation by dispossession. In the Nineties, in Turkey, large numbers of petty-commodity producers in agriculture were forcibly torn from the land and hurled on the urban labour market. As such, they were part of the latent reserve army of labour. Besides, in the Nineties, the big industrial Capital has come a long way in fully conquesting social power.

2.1.3. Wright's Model of the Determination of Profits

Eric Olin Wright attempts to investigate and operationalise the implications of the labour theory of value and its critiques for empirical investigation. In so doing, the central to Wright's account is the idea of class struggle, which operates "… through effects on the socio-technical conditions of production (in particular on the total amount of labour performed, i.e. the length and intensity of the working day) and on the real wage of workers."(Wright, 1981a: 36, 53-5) Wright (1981a: 65) operationalises the labour theory of value through the systematic decomposition of the working day into its elements:

1. *Physiological minimum necessary labour* — That amount of labour time it takes to reproduce direct producers at a minimum subsistence level.
2. *Historical and Moral Component* — That part of the working day of an average worker (of average skills) devoted to producing the means of consumption of the worker beyond the physical minimum. Taken together the physiological minimum necessary labour plus the historical and moral component constitute the social average of labour power.

3. *Differential Value of Skilled Labour-Power* — As workers' skills differ *vis-à-vis* the social average, and as skills take labour time to produce, and additional part of the working day must be devoted to covering the added value of the skilled labour-power. Hence, the value of a particular type of labour-power is the sum of the physiological minimum necessary labour plus the historical and moral component plus the differential value of skilled labour-power.
4. *Re-distributed Surplus Value* — Some workers, most notably managers, are paid incomes over and above the value of their labour-power. The increment they get does not reflect the cost of producing or reproducing their skills above and beyond socially average labour-power and, is, redistributed surplus-value.

Note that the first four components above constitute the empirical wage.

5. *Net Surplus Labour (Value)* — The number of hours of labour actually performed above the first four components. Net surplus-labour is smaller than total surplus-labour if in fact part of the wage contains re-distributed surplus. Net surplus labour (value) being the component of the working day which directly constitutes the basis for capitalist profits, the critical objective of the capitalist class, then, is to expend it.
6. *Unperformed Surplus Labour* — In general, workers do not perform as much labour on the job as the number of hours they are employed. Through a variety of ways, much time is 'wasted', form the point of view of the capitalist. The difference between the length of the working day and the amount of labour actually performed constitutes unperformed, potential surplus labour.
7. *Unavailable Surplus Labour* — The difference between the actual working day, and, the physiological maximum length of the working day (Wright, 1981a: 61-9).

Many claims of the Turkish Capitalist in the Nineties concerning the wage system can be seen in terms of the conceptual framework of Wright. For instance, the rhetorical arguments concerning the 'weak' connection between productivity and wages, or 'unfair' wage differentials were mostly related to the projected re-

arrangement of the composition of the empirical wage, with a view to increase the capitalist control over labour.

2.1.4. The Notion of Reverse Exploitation of Neo-Classical Distribution Theory

The Neo-classical notion of 'reverse' exploitation is particularly pertinent *apropos* of employers' arguments over the level and structure of wages in Turkey, in the Nineties. To begin with, exploitation is a very curious term, without a definite consent on its content. For instance, Shaikh (1987: 165-8) starts his discussion of the concept with its quotidian meaning. Thus, to exploit something means to make use of it for some particular end, as in the exploitation of nature for social benefit or for private profit. Second, to exploit someone means to take advantage of other people, which is unscrupulous. And if, other people are endemically powerless, then the term also takes on the connotation of oppression. Foley (1986: 39), on his turn, defines exploitation as a "… situation in which one person gives another something for which the giver receives no equivalent…" Finally, Wright (1981b: 150) argues that, "[e]xploitation is appropriated through the domination of labour and the appropriation of surplus products."

To elucidate the Neo-classical notion of reverse exploitation, one must briefly dwell on the Neo-classical notion of distribution. To begin with, notice the contrast between the Classical and Neo-classical distribution theories. Thus, Pivetti (1987: 872-3) argues that "… in the theoretical approach to distribution of the classical economists and of Marx, the real wage rate and the rate of profit are not symmetrically and simultaneously determined on the basis of the relative scarcity of labour and capital." Central to the Neo-classical theory of distribution are, the notions of factors of production and marginal productivity. Neo-Classical theory openly concedes that, especially demand-wise, the conceptualisation of factors of production "… plays a leading role … because it lends itself to the view that the inputs used in production stand to each other in a relation of symmetry, governed by the same principles." (Bliss, 1987: 884) That is of course part of a more general method that treats the pricing of goods and the pricing of the factors of production on

a par, i.e. governed by common principles, i.e. essentially by the forces of demand and supply. Turning to the factor markets, the rule is for the firms to hire the factors of production—land, labour and capital—so long as they produce more than they cost to hire, and,

> [s]ince expanding the employment of any one factor, the others held constant, will (the theory assumes) cause the returns on the extra units of that factor to decline (it having proportionately less of the others to work with), extra employment will cease when the declining returns just equal the cost of hiring the factor. The total earnings of any factor will then be equal to its amount times its marginal product, summed up over all the industries in which it is used (Nell, 1975: 78-9).

Indeed, two major conclusions follow, with the first being that distribution depends on technology and changes with the technology alone.[6] And, secondly, capital is also paid the equivalent of its contribution to production, for the contribution of capital to production determines the demand for capital, which, together with the supply, determines the rate of profit (Nell, 1975: 84). To sum up, both capital and labour get an equivalent, and none exploits the other. In effect, they do not even stand in a direct relationship against one another; they are symmetrical things both facing a third agent, namely, the firm, which brings them together. As a matter of fact,

Shaikh (1987: 168) argues that, by way of treating production as a disembodied process, the human labour process is reduced to a mere technical relation —a production function which 'maps' things called inputs (which also includes labour power) into a thing called output. But, then, since, capital and labour are mere things, they can not be said to be exploited. Yet, to the extent that the payment for some factor falls short of equality with its particular marginal product, then, the *owner* of that factor can be said to be exploited. Hence, exploitation is defined as a discrepancy between an actual and an ideal 'factor payment.'

[6] Provided, of course, that the marginal products differ from the ratio of the proportional changes in the amounts of factors employed.

In fact, the whole question is, who is it that produces the value, or, in more familiar terms, the net product? If it is labour, then, profit has to be a form of surplus, thus, the outcome of exploitation. But if, contrariwise, profit is the equivalent of capital's contribution to the net product, then exploitation only obtains under unequal exchange. Hence, Foley points out,

> [i]f you do not accept the postulate that labor produces the whole value added, one would not see much basis for the claim that wage-labour is exploitative. I think this is the main reason that the labor theory of value has fallen into disrepute among orthodox economists. To avoid the characterization of capitalist social relations as exploitative requires the construction of some other theory of value that makes the wage seem to be a social equivalent that workers actually perform (Foley, 1986: 39).

The difference between the Marxian and Neo-classical theories of exploitation is to be found in the difference in the different value theories they hold and the consequent difference in the conceptualisation of equivalent exchange: Neo-classical theory holds a subjective value theory and hence, sees goods and services as equivalents from the point of view of the consumer (Foley, 1986: 48).

Accordingly, for the Neo-classical economics, exploitation occurs, only through unequal exchange, i.e. only if the worker is paid less than his/her marginal revenue product, i.e. the marginal addition in income, that his/her employment makes possible. A profit-maximising firm employs workers up to the point at which the marginal cost of the last worker equals his/her marginal revenue product. But of course, the firm, in principle, might try to cheat by actually paying less than the marginal revenue product, provided that, it is able to set to price in the labour market. Otherwise, the firm, facing a competitive labour market, would not able to set the price, adjusting its employment so as to equalise the marginal product revenue to the given wage rate. Hence, exploitation in the Neo-classical sense is out the question under perfect competition in the labour market. Yet, a firm with monopsony buying powers in the labour market is able to actually influence the wage labour, and its profit maximizing level of employment is one at which workers are hired at wages lower than the marginal revenue product of the last worker. Therefore, for the Neo-

classical economics, 1) exploitation is a partial phenomenon, experienced by only those workers who work for firms with monopsony buying powers in the labour market, and; 2) it is a market phenomenon, not an intrinsic characteristic of the capitalist form of production, but an attribute of the labour market (Himmelweit, 1995: 219). The question is that workers can also acquire monopolist powers, say, through unionisation, powers, which they then use to exploit the capitalists. As a matter of fact, as Shaikh (1987: 168) argues, "… to the extent that the payment for some factors falls short of equality with its particular marginal product, the *owner* of this factor may be said to be exploited. … Capitalism thus emerges as a system in which capitalists are just as liable to be exploited by workers as vice versa." Thus, the case for 'reverse' exploitation. Assume now, a situation in which, labour is paid a higher rate of wage than some warranted rate, and/or, the number of employed workers is higher than some warranted number—warranted, that is, from the point of view of the employer, i.e. his/her demand function. Then, the employer in question would protest, by objecting that the wage rate is way too high, and productivity, way too low.

The notion of reverse exploitation could sound somewhat odd, yet, that was exactly the gist of the argumentation of Capital, and, the State, in the face of the dramatic increases in real wages from 1989 through 1993/1994.

2.1.5. More on the Notion of Distribution as a Moment of Production

Most Marxists speak of the labour market and production to be distinct spheres, or, more exactly, sets of social relations, separated of one another by a clear line of demarcation. Class struggles pervade both spheres, but, its object is different in each, namely, productivity in production, and, wages in the labour market. I contest that perspective, as it depends on a rather wrong notion of the market, which, incidentally, is not so much different than the Neo-classical market. The sole distinction is that, the conditions of labour supply of and demand for labour power are mediated by the class struggle, without any specification albeit of its exact locus, and, specific dynamics. As a matter of fact, as Gordon (1987: 135-8) argues, the

merit of recent Marxian explorations over the question of distribution is its problematisation of power relations as part of the analysis. Gordon distinguishes the power relations in three, namely, the capital-labour relations, global power, and, state policy and practice. I shall try to illustrate my point by way of focusing on the first. To start with, notice that, "… formally … the rate of change of the real profit share is equal to the rate of change of real productivity minus the rate of change of real wages …". He then associates the variations in productivity, with the factors affecting the level of labour intensity in production. As for the wage growth, he speaks of a 'cost of job loss' index that he has developed in association with Weisskopf and Bowles. Hence, the distinction, between class struggle in the labour process, whose specific object is productivity, and, class struggle in the labour market, whose specific object is wages, as two separate social practices. It is interesting to see that the conception of production and the labour market as distinct spheres of activity sneaks into Gordon's thinking, the theoretician of the labour process *par excellence*, and, one of the founding fathers of segmentation theory.

Even a Marxist of Foley's dexterity (1986: 35) tends to severe the connection between the contract wage and capitalist control by way of conceptualising it as a simple juxtaposition. Thus,

> [t]he capitalist buys the worker's capacity to do useful labour in exchange for a sum of money, the wage, which must in general reflect the value of labour-power. *Once this agreement has been reached*, the worker has no claim to any part of the product or to any part of its value. The capitalist and the worker do face *a further negotiation, however*, which concerns the exact conditions under which the capitalist will ask the worker to expend labor: how hard the work will be, at how fast a tempo, how unsafe or toxic the work environment will be, and so on (Foley, 1986: 35) [my italics].

Hence, he repeats the conventional argument that, the capitalist, through the wage contract buys the labour power, i.e. the potential to work, whose realisation requires capitalist control over the work. As such, the argument is essentially correct, but it is also taken to mean that the wage contract belongs to the sphere of the market, and control, to the sphere of labour process, the two being separate entities—which is

simply wrong. And, at first sight, the very practice of collective contract seems to justify that separation. As a matter of fact, the collective contract appears to be the simple juxtaposition of the market relationship and the work relationship, as it combines the so-called pecuniary articles, with the administrative articles. But, that is quite so, as, for instance, the modern system of performance pay amply demonstrates, where the wage, as the supposedly market element, is explicitly made a function of the performance assessment —the capitalist 'control' element.

The claim I have made above does not have to negate the fact that the tightness in the labour market is a factor in the determination of wages. For one thing, Gordon, in his critique of the 'profit squeeze' theories of economic crisis, reminds that the theories in question somewhat resemble Marx's own analysis of cyclical dynamics in Chapter XXV of the 1st Volume of Capital, namely, that, in the short run, rapid expansion can lead to tight labour markets, increasing workers' bargaining power and resulting in a rising wage share, and vice versa. My claim is that, as far as the reserve army of labour is concerned, the fear of unemployment of the insiders is very real, though its ultimate effect on wages is mediated by, *inter alia*, the class struggle in the sphere of production. In what follows, I shall attempt to demonstrate that the drastic downturn in the wages of public and private sector workers was a most immediate outcome of a long process of class struggles in the production, in the factories, between Labour on the one hand, and, Capital and the State, on the other. But, before that, there is a simpler way of illustrating the connection between the class struggle in production and the level and structure of wages, namely, the performance pay system, where capitalist control over the worker is central to wage determination. As a matter of fact, Gordon (1987: 138) himself makes a rather similar point, when he points out that the so-called 'segmentation theory' suggests, among others, "… the promise and importance of studying … *the effects of different structures of production and labour on the opportunities and realized incomes* of individual members of the working class …" [my italics].

Foley notes that

> … for Marx the reproduction of capital is fundamentally the reproduction of the class relations of capitalist production. It is only in the repetition of the sale of labour-power that the class relations of capitalist society emerge, and the key to understanding capitalist production is to see how the production process itself reproduces workers and capitalists as separate classes (Foley, 1986: 63).

In accordance with that, I shall, as much as I can, place in what follows a special importance upon the reproduction of the wage relationship, the reproduction of workers and capitalists as separate classes in and through the class struggle taking place in the very heart of the process of production. Having said that, the broader model of distributional conflict I have in mind depends on a number of concomitant circumstances. To be more exact, the relevant question is the identification of the different dimensions —determinants— of class struggle as a power struggle. They are, essentially:

- the coercive power of the state
- the balance of power in the work-place
- power out in the 'external' market-place. In a parallel manner, the 'psychological' element of power can also be into its constituent elements in terms of the 'basic' sentiments, such as fear, namely, political fear, fear at work, and, unemployment fear
- the discursive struggle at the societal level

The cycle of the labour movement should take into account the concomitant, mutually interdependent determinants of the power struggle between workers and the capitalists. One should certainly add such factors as the internal coherence of the hegemonic bloc, the organisational capacity of the Labour movement, etc.

2.2. CORPORATISM: THEORY, ITS CRITIQUE AND BEYOND

The corporatist literature provides important analytical tools as well as insights to understand the class struggles in the early to mid-Nineties. Indeed, the works of corporatist authors, involve, inadvertently —i.e. independently of the state theory and the theory of the civil society/political economy they explicitly or implicitly espouse— a wealth of relevant material as to the forms and the dynamics of class organisation, of class relations and struggles.

2.2.1. THEORY AND ITS CRITIQUE

2.2.1.1. Schmitter's Conceptualisation of Corporatism

For a start, I believe it would be useful to engage a modest autopsy of Philippe C. Schmitter's original elaboration of the concept in his seminal article of 1974, 'Still the Century of Corporatism' —the *locus classicus* of corporatist authors. He first gives a preliminary definition that resolves into three elements: 1) Corporatism is a system of interest and/or attitude representation (for which, he later on substitutes intermediation); 2) as such, it is one of several possible configurations of interest representation, hence on a par with, and alternative to others, *inter alia*, pluralism; 3) it links the associationally organised interests of civil society with the decisional structures of the State (Schmitter, 1974: 86). Hence, for one thing, the theory situates itself between civil society and the State —to be more exact, it is a theory of the relationship of civil society and the State. Thence, it can not, by definition, evade having *a priori* some explicit or implicit model of the civil society, and, the State. Second, from the pure empirical point of view, it is important to define the nature of the interests in question as well as the mechanics of intermediation. But, that is rather difficult to do, because, the definition of the mutual interests, once again, can not but pre-suppose a model of both the civil society and the state. To conclude, there is no way in which the theory of corporatism, even if one admits it as a middle-range one, can possibly evade broader theoretical questions. Schmitter's extended definition can also be distinguished in its constituent parts: 1) Once again, corporatism is a system

of interest representation; 2) its constituent units are organised in a limited number of singular, compulsory, non-competitive, hierarchically ordered, functionally differentiated units; 3) constituent units are recognised, licensed or created by the state and granted representational monopoly; 4) that, in exchange for observing certain controls on their selection of leaders and articulation of demands and supports (Schmitter, 1974: 93-4). One can now re-iterate and summarise the main elements of Schmitter's concept of corporatism:

1. Corporatism is a model of politics on the plane of intersection of civil society and the State.
2. Politics is about interests, and corporatism, the intermediation of interests.
3. Corporatism is about interest politics whose actors are organisations with well-defined organisational qualities.
4. Politics as the intermediation of interests is a process of exchange, of give-and-take.
5. Corporatist exchange is about organisational recognition in return for organisational control and restraint.

Hence, to extend what I have said above of the preliminary definition, it so turns out that corporatism is a theory which hypothesises a specific model of politics among organised social actors on the plane of intersection of civil society and the state. Meaning, that in order to construct its empirical categories, it is bound to pre-suppose some explicit or implicit theory of the nature of civil society, the State, politics, and, organisations. And it is bound to do so, exactly because of its claim to being a middle-range theory. Hence, it is not possible for one to argue that corporatism can evade the broader theoretical questions, because it is a middle-range theory.

There is yet another very interesting point in Schmitter's argumentation that concerns the ontological aspects or, elements of the (capitalist) society as he envisions it. These are three: The individual as the unit of analysis of social action; competition as the specific, interactive modality of individual relations; and equilibrium as the end result of the interaction. Is it possible to see Schmitter's critique of pluralism —his

positing of corporatism against pluralism— as the counterpart of, say, Keynes' critique of the Neo-Classical theory? I can only speculate, obviously, but, it seems to me that there are some striking parallels that are worth to consider seriously. But if true, that would mean that corporatists share with Keynes also the same kind of methodological weakness that Radical economists have criticised, namely, that he departs from the same ontology, remains within the same ontology, and, restraints himself by simply inverting the categories. Notice Schmitter's definition of pluralism:

> Pluralism can be defined as a system of interest representation in which the constituent units are organised into an unspecified number of multiple, voluntary, competitive, nonhierarchically ordered and self-determined (as to the type or scope of interest) categories which are not specifically licensed, recognized, subsidized, created or otherwise controlled in leadership selection or interest articulation by the state and which do not exercise a monopoly of representation activity within their respective categories (Schmitter, 1974: 96).

Notice the definitional symmetry: Corporatism is but an inverted pluralism. And, that is so not only on a logical terrain but also historically: "In a nutshell, the origins of societal corporatism lie in the slow, almost imperceptible decay of advanced pluralism; the origins of state corporatism lie in the rapid, highly visible demise of nascent pluralism." (Schmitter, 1974: 106) Therefore, there is one more problem of great import, from the point of view of a critical analysis of corporatism. Are its ontological premises concerning, particularly, the nature of the civil society, acceptable? Is, for instance, (organisational) competition a substitute for (class) struggle? Can it be used at all as part of a Marxian analysis? And, a greater question, can Marxians retain the concept itself, by way of changing its ontological premises? I suppose that can be done, e.g. the way Leo Panitch does, or Bob Jessop, for that matter, does. Schmitter's references to Keynes are quite revealing indeed: He quotes extracts wherein Keynes criticises orthodox economics by way of positing self-individual against public interest, individual rationality against group rationality, market coordination against government regulation and planification, and individual as the (optimal) unit of social action against the group, and, last but not least,

equilibrium as self-equilibrating, self-regulating system quality against regulation and integration (Schmitter, 1974: 108-10).

Notice, also, the close thematic correspondence between corporatism *à la* Schmitter —the original, 1974, on the one hand, and, *inter alia*, the French Regulation school. But, the mode of regulation is a (more) 'meso-level' concept that is defined "… as an emergent ensemble of norms, institutions, organizational forms, social networks, and patterns of conduct that can stabilize an accumulation regime." Its dimensions include, among others, the wage relation, i.e. labour markets, wage-effort bargaining, etc. and "… the state (the institutionalized compromise between capital and labour) …" (Jessop, 2001a: xxvii-xxviii) Indeed, the regulationist notion of the post-war Fordism comes close to the concept in corporatism in several interesting ways, in so far as, especially, the wage relationship is concerned: Lipietz (2001: 4-5) cites the three elements of Fordism as, a form of organisation of labour, as a distributional relation between Capital and Labour,—i.e. a form of regular sharing out of productivity, plus the policies and the system of welfare, and what is called the monopoly regulation, "… that is, a set of institutions, a set of institutionalized compromises between government, management, and trade unions whose main feature was a system of collective bargaining which extended productivity gains made in the most advanced sectors to all the working wage-earning relationship." Notice, furthermore, the methodological similitude with the contemporaneous Regulation school, on such questions as methodological individualism, equilibrium analysis, etc. An interesting substantive aspect of the Regulation school is, along with other versions of institutional economics, the struggle its has long engaged against, especially, the orthodox, Neo-Classical economics, to re-define the proper object of economic analysis. It denies the self-regulating self-equilibrating notion of the market as the core economic dynamic, as the sphere of perfect competition among rational individuals in exchange (Jessop, 2001b: xv-xvi).

2.2.1.2. Corporatist Sisyphus and Corporatism Reincarnated —Competitive Corporatism

The evolution of the modern theory of corporatism is periodised by Molina and Rhodes (2002: 308-9, 312) in four sub-periods: The 1970s —clarification of the definition of corporatism, the 1980s —empirical application and diffusion, the early 1990s —speculations on the fate of the concept and its possible extinction, and, finally, the late 1990s —the return of the concept, and a new wave of corporatist practices. The traditional, neo-corporatist structures and relations clearly survive and re-adapt Europe, in the form of social pacts and peak-level concertation under the conditions of new competitive demands, debts, deficits, inflation, etc. Accordingly, there has been a sudden retreat from confident predictions of corporatist demise. Thus, the immediate question that follows according to Molina and Rhodes is whether the concept of corporatism of the Eighties and the Nineties, and its Schmitterian variant in particular, apt to accommodate the recent rise of corporatist practices? Hassel (2003: 707-10) also notes how conventional neo-corporatist theory finds itself at a loss *vis-à-vis* the rise of tri-partite negotiations between government, trade unions and employers in Europe over the last twenty years. In particular, the co-existence of monetarist strategy and negotiated wage restraint would seem unlikely. Besides, the new, emergent institutional structure of the wage bargaining is also puzzling, because neo-corporatist theory sees only certain sort of unions —centralised and monopolistic— as capable of restraining wages. Amongst others, Hyman (2001: 288) notes that "[o]ne way of conceptualising the developments of recent years is as a form of 'denationalisation' of industrial relations." As a response, a new variant of corporatism has now come to the fore, variously called as competitive corporatism, competitive solidarity, lean corporatism, etc. The key to the new variant of corporatism is the perception of increased international competitiveness.

Schmitter and Grote (1997: 5-6) explains the recent upturn and upswing by arguing that if capitalism is to regulate competition among capitalists and distribution between Capital and Labour, then, consent must be obtained through the systematic

dialogue of the organisations of interest representation. Accordingly, some sort of associative governance is still an imperative of the functioning of modern capitalism. Moreover, the same institutions can adapt, re-structure so as to perform different functions in order to be able to survive. Thus, in the light of the re-emergence in the Eighties and the subsequent proliferation of systemic dialogues at the highly national level, including even those countries which were told to have 'inappropriate' organisational structures, Schmitter and Grote (1997: 5-6, 14) argue that inferences were correct while assumptions, wrong, namely. That is, it is wrong to assume for corporatism as a particular mode of interest intermediation/policy-making, that the same functions would have to be performed by the same organisations, at the same level of aggregation. Different functions might be performed at the same level of aggregation by the same organisations. But both assumptions became questionable by the late Eighties and early Nineties. The central functional concern of earlier neo-corporatist experiences was incomes policy —wage containment in exchange for near-full employment and side-payments in increased, state-provisioned, welfare. But, international competitiveness came to replace national growth as one major objective; inflation is not any longer a major concern; persistently high levels of unemployment and low levels of job creation have displaced the concern with containing the pressure for higher wages generated by full employment. Finally, there is the imperative of having to meet the convergence criteria for European monetary unification. But, while the boundaries, territorial and functional, of interest politics have shifted, which implies, paradoxically, a greater not a lesser reliance on the previous structures of national intermediation, "… provided they can be exploited to fulfil new tasks and still manage to reproduce the old loyalties." (Schmitter and Grote, 1997: 15)

Streeck also subscribes to the same view of the continuing import of national institutions of social policy and of industrial relations, though the rationale he puts forth is a little different. The intensification of competition, consequent upon economic internationalisation, washing away the expropriable slack, erodes the material base of traditional re-distributive solidarity. At stake is, the critical transformation in the meaning of solidarity:

> [N]ational communities seek to defend their solidarity, less through protection and redistribution than through *joint competitive and productive success* – through politics, not against markets, but *within* and *with* them, gradually replacing *protective* and *redistributive* with *competitive* and *productive* solidarity. Under such circumstances, the new social model of productivist-competitive solidarity, as a solution to the problem of defending social cohesion, would rest upon a strategy of 'internally equally distributed external competitiveness (Streeck, 1999: 3, 5, 9).

The starting point in Molina and Rhodes (2002, 307, 310) in that direction is the critical distinction between corporatism as a system of representation, as defined by Schmitter, and corporatism as a process of policy making, as defined by Gerhard Lehmbruch. Thus, the trouble with the corporatists of the Eighties and Nineties, and, with Schmitter in particular, is the consideration of corporatism as a structure, rather than a policy-making process. For one thing, the deterministic emphasis on structure proceeds from a static view of corporatism, whereas, the evolutionary way of approaching it as a form of policy-making dissociates it from the post-war Keynesianism. To sum up, the contemporary understanding of corporatism in general, as well as the latest proliferation of corporatist practices should be concerned with the structural nature of phenomena less, and with the procedures and processes of political exchange more (Molina and Rhodes, 2002: 319-20) The critical element in the Molina-Rhodes argumentation is a conception of corporatism as policy making which, in turn, depends on political exchange. Hence, the adaptation of corporatism would mean the adjustment of the process of political exchange —to be more precise, the actors' adjustment of the political exchange in terms of, especially, the specific trade-offs it involves. Looking at the object of recent corporatist practices, the object of concertation is, according to Molina and Rhodes, no longer the re-distribution of the economic surplus. Also, recent social pacts are no longer about commitments over incomes policy, but, pay restraint in exchange for employment creation together with enhanced involvement in policy making and institutional design. Thus, different trade-offs are in question now, as a consequence of the adaptive change. Beside, one also notes the network character of recent corporatist practices striking a balance between the need for competitiveness and flexibility on the one hand, and, the need for macro-economic stability on the other.

That's the so-called 'articulated' decentralisation, namely, an increase in the importance of sectoral bargaining at the national level while reinforcing and strengthening company-level institutions. There is also the extension of the issues beyond short-term incomes policies and into long-term institutional reforms —social security is one case (Molina and Rhodes, 2002: 317-8). The evolutionary argument posits that it is more important to concentrate on the goals and strategic behaviours of actors than on institutions and systemic variables. Looking at the actors' roles in the corporatisms of the contemporary period one can see that: 1) The state plays an important role in negotiations; 2) having lost much power over the past twenty years, the position of the unions is weaker *vis-à-vis* employers and governments. So, clearly and visibly, negotiations and the political exchange involved have also been shaped by asymmetries in the objectives and action capacities of the actors; 3) In the presence of the new asymmetries, the centralisation and extensive associational coverage of the peak interest organisations may not be the *sine qua non* of successful corporatism at all (Molina and Rhodes, 2002: 316).

While Rhodes (1997: 179-80) rejects that a relation of necessity exists between corporatism and Keynesianism, given the recent proliferation of corporatist arrangements and, international competition, globalisation and the creation of the single market and movement towards EMU, he suggests the likelihood of a new synthesis, namely, what he calls 'market', or, 'competitive' corporatism. He mentions two sorts of external pressures over the former welfare states, namely, the more intense international competition and globalisation, placing a downwards pressure upon wages and non-wage costs, and, the creation of the single market and movement towards EMU, once again, placing in the absence of competitive devaluations on a national level a downwards pressure on wages. Two conclusions follow: The first is that, "… in response to competitive pressures, the diffusion of new forms of 'best practice' management and work organization, manufacturers … are embracing the principles and techniques of flexible specialization, lean production and total quality management." That requires internal (or functional) flexibility, which, in turn, implies "… the creation or maintenance of *co-operative labour relations* and a *high-trust internal firm environment*." But since too high a

level of external (numerical) flexibility would destroy trust and undermine internal flexibility, the trade-off between internal flexibility and external flexibility is a critical one "… for sustaining both competitiveness *and* consensus in European labour market. Hence, the internal/external flexibility trade-off stands out as one central element of the political exchange —conceived of as a process in which certain goods are bargained. Notice also that competitiveness and stability requires going beyond the firm level and preventing on a macro level the wage drift and inflationary pressures from building up in the labour market (Rhodes, 1997: 180-1). The argument is that neither the highly centralised, Scandinavian type of social corporatism, nor the highly de-centralised, British type of lean welfare state model is capable of responding to the aforementioned pressures and retaining competitive power without, at the same time, jeopardising socio-economic/political stability. 'Successful' convergence, argues Rhodes (1997: 182-3), if it were to occur, would be on some form of 'competitive corporatism, involving, *inter alia*, pragmatic and flexible social pacts. Moreover, competitive corporatism would not necessarily involve concertation between centralised peak organisations with a monopoly of coverage; would rather involve much weaker organisations, with each seeking to defend its own organisational cohesion by engaging in concertation with each other and governments; governments would be the likely instigators —as proven by recent experience— of social pacts; would not involve redistributive/equity-linked, labour market/welfare politics of the social corporatist sort; and, would aim to achieve, to some extent, two of the more traditional objectives of 'social corporatism', namely, macro-economic stability and higher levels of employment.

Be that as it may, Rhodes (1997: 184) not just rejects the traditional corporatist relationship of necessity between Keynesianism and Fordism, but also, claims, contrariwise, a relationship of necessity between the internal/external flexibility trade-off and a particular institutional structure which approximates competitive corporatism. He suggests that the optimal solution on the part of the firms against external challenges is a combination of high degree of internal flexibility with a moderate level of external flexibility in a way that would not foster mistrust between management and the workers.

There are two questions Rhodes tackles with in the context of the recent social pacts: The first is the specification of the common elements involved. To be more exact, the origins, institutional characteristics, especially in respect of the existing industrial relations, the policies —labour market, fiscal policies, wage policies. The second is to explain why they work, in the first instance. As for the first point, and, speaking of the social pacts of one sort or another that have been concluded in recent years in the Netherlands, Belgium, Finland, Ireland, Portugal, Spain, and Greece, Rhodes enumerates some common features:

> [G]overnments are usually the instigators and in this respect they are state-led; they are special initiatives that create a new layer of industrial relations on top of established routine practice, but gradually the 'special' and the 'routine' have become mixed, providing a degree of institutionalization for the new pacts and the co-operative industrial relations practices that underpin them; they seek to introduce new forms of labour market flexibility, but frequently they also include and negotiated forms of social protection, as the Irish and Portuguese cases; they seek to reduce deficits in public or social spending, but do so in a way that avoids either unilateral decision making or a substantial equity deficit and have also successfully avoided disruptive social protest, although, in certain countries (Italy is currently the major example) the strains are beginning to show; and they seek the burden of achieving gains and the benefits of growth, although this is much harder to achieve in practice than some of the other subjectives (Rhodes, 1997: 194-5).

As for the second question, the answer is the search for 'least bad' solutions of the partners within the relations of mutual dependencies. For one thing, governments need to find partners in achieving the macro-economic objectives at a time of adjustment to the demands of European integration. Taking inflation out of the labour market also requires co-operation between government and social partners. As governments are dependent on union and employer organisations, it is in their own interest to prevent the latter from declining in terms of their representational strength. On the other part, unions provide both a constraint and a resource for their partners: A constraint, because they can effectively veto many policies to which they are opposed, and, a resource, not only because they can deliver the support of their members behind the agreements, but because in their absence as effective intermediaries, a more militant, fragmented and undisciplined labour movement

would be even more difficult to deal with. Another explication is the union fear of membership losses and associational strength. One way of sustaining the associational strength is to be seen to be capable of delivering results —albeit meagre ones because of the poor economic context. Hence,

> … as both resource and constraint for their social partners, unions may discourage both governments and employers from taking unilateral action that would risk confrontation, while they may also be able to convince their rank and file that existing power relations will not allow them to obtain more than the joint regulation of wages and some economic and employment policies. In brief, governments and the social partners need each other to achieve 'least bad' outcomes (Rhodes, 197: 195-6).

There is another account of the corporatist Sisyphus —the recent proliferation of tri-partite systems, placing more emphasis on monetary policy, and less, on the corporatist exchange. Hence, Hassel (2003: 710) argues that: 1) Tri-partite negotiations are driven mainly by the aim of governments to ease the transition towards a tighter economic policy by negotiating with trade unions. Apparently, there is not much of an emphasis on competition, here. The whole situation has moved to one in which, governments can threaten with tight monetary policy and trade unions can either engage in negotiated adjustment or suffer restrictions; 2) under tight economic policy, the interaction between governments and trade unions depends, not on the ability of governments to display a commitment to restrictive monetary policy, rather than compensate unions for wage restraint (Hassel, 2003: 710). The new politics of social pacts is such that, the behaviour of bargainers does not depend upon compensation, in contradistinction with the traditional notion of political exchange, but, the threat that the costs of inflationary wage bargaining, would be borne by the unions and their members in the form of higher unemployment and reduced social welfare programs. Therefore, a new type of wage bargaining has emerged, with the central agreement providing less statutory wage settlements, and, local-level wage bargaining —and this is where competition comes in. Moreover, negotiated wage restraint is no longer based on political exchange, but, a division of labour between governments and unions, in which, economic policy is

set by governments, and, wage bargaining performed by the social partners (Hassel, 2003: 720-1).

2.2.1.3. Students of Corporatism in Turkey

One could cite, as major contributors to the debate on the Turkish case of corporatism, the names of Robert Bianchi, Ümit Cizre and Yüksel Akkaya.

Bianchi's 'Political Development and Interest Groups in Turkey' (1984) is a meticulous, incisive and insightful historical analysis of late Ottoman and modern Turkish politics. Theoretically speaking, it follows Schmitter's and J. David Greenstone's criticisms of the literature on political development and group theory (Bianchi, 1984: 28-32). He sees Schmitter's analysis to be "… especially useful in ordering an analysis of long-term historical changes in the associational politics of modern Turkey, because Turkish public policy and political culture have promoted the emergence of both corporatist and pluralist types of associations. Furthermore, the relative predominance of these associational types has periodically shifted as successive regimes and political elites have adopted different strategies of economic development and political domination." He sees Greenstone's suggestion that the investigation of group politics include an objective interest analysis of large socio-economic categories

> … in order to account for possible sudden increases in group militancy and conflictive political activity provides a valuable perspective for examining some of the most important recent changes in Turkish politics. These changes include the increasing salience of functional cleavages as the basis of for group organisation, the growing importance of peak associations as the principal agents of interest representation in the major economic sectors, the heightened perception perception of interest conflict between and within the largest peak associations, and the rising militancy of several groups such as industrialists, segments of the working class, small-scale traders and craftsmen, and technical personnel (Bianchi, 1984: 31).

The Turkish experience is seen as an unusual and highly unstable mixture of both state corporatist and societal types that is conditioned by the common weakness of capitalist economic development and pluralist political traditions in modern Turkey. It appears to be an attempt to consolidate the tenuous political hegemony of a weak bourgeoisie, to strengthen the unstable bourgeois-dominant regime, not by repressing and excluding subordinate classes, but by selectively incorporating some of the leading representative organisation into a state-administered bargaining process that can operate within the framework of liberal democracy. It is most interesting that the major goal of the bargaining process is, as Bianchi puts it, to enlist the voluntary cooperation of associational leaders in postponing redistributive initiatives toward the establishment of a national welfare state for another generation in order to allow a rapid overhaul of Turkey's growing but still primitive, overprotected, and fragmented industrial sector (Bianchi, 1984: 338-40).

Cizre (1992a: 30) commences by pointing out the theoretical convergence uniting, both thematically and methodologically, the works of the moderate and radical critics of the Turkish labour movements. Informing the works in question is, the absence of integral theoretical models, which includes the variables explicating the structural, ideological and behavioural patterns of the organisations in question, apropos of the general societal context they make up a part of. The kernel of the model she suggests is the concept of corporatism. Cizre (1992a: 31-2) distinguishes two theoretical traditions within the corporatist research, namely, structural-functionalist and class-centred: 1) Structural-Functionalist: The essential conception is the conservation of society's natural balance and stability. The concept is attributed a more positive and rational content than pluralism on the score of efficiency and legitimacy. Cizre also argues that neo-corporatism is about the transposition of the Capital-Labour polarisation from a conflictual onto a collaborative terrain, given its weight in, despite the manifold mechanisms of mitigation and moderation, Western and Northern European countries, which is, on the other hand, associated with a specific stage of capitalism. 2) Class-centred: Class variables are the main determinants. Neo-corporatism is defined as the enforcement of a specific level of development of capitalism, an instrument of social control, purporting the systemic integration of

centralised organisations of Labour as well as the limitation of its demands in a way to observe the political sovereignty of the bourgeoisie. Cizre (1992a: 36) argues that in Western Europe, as well as in the East and the South, including Turkey, corporatism co-exists with pluralism. Finally, she points out that with the ascending confidence in the merits of the pure market system, corporatism is loosing its significance as a method of consent in the West, and, as mechanism that serves to contain the potential or actual of Labour elsewhere in the East and the South. Cizre's work revolves around a historical analysis of the relations TÜRK-İŞ (acronym for Türkiye İşçi Sendikaları Konfederasyonu —Turkish Confederation of Trade Unions), Turkey's largest —and the oldest— workers' confederation, and, the Turkish state. She (1992b: 46) aims to investigate the Turkish case in the light of the sub-types of corporatism as classified in the literature, with a special focus on possible deviations and alternate patterns. Speaking of the pre-1947 period, Cizre (1992b: 47) notes that the model adopted by the State is a monism, strongly determined by a paternalistic approach subordinating as it is, the spontaneous development of private interests and of the society, to the public. The period of 1947-63, on its turn, is characterised by a classic state corporatism. The subsequent period of 1960-70 witnesses the rising working class and an integrationist state corporatism with a tilt towards incentives. The military coup d'état of September 12, 1980, argues Cizre (1992b: 52-4) heralds the end of the Turkish practice of corporatism. Lately, in 1991, the TİSK General Secretary has made an appeal again for the foundation of the so-called Economic and Social Council (ESK, the Turkish acronym for Ekonomik ve Sosyal Konsey). Cizre tends to rather minimise the significance of the ESK: She questions its relevance by saying that it hardly resembles the tri-partite structures and incomes policies in the West. Its main function according to TİSK is to suggest the pay increase upon the basis of that year's economic data, and, hence, it amounts to little more than a board of arbitration —and a partial one, for that matter. Given that inducements as the sine qua non of Turkish corporatism have been reduced to none, the ESK can not be made to function very easily, with even the complete cooperation of TÜRK-İŞ.

Akkaya (2000a: 40-1)) is a literature survey of the theory and the Swedish and Brazilian practices of corporatism. Akkaya defines corporatism as the representation and reconciliation of interests, and, as such, its institutionalisation, whose genesis depends upon a class foundation, which, on the other hand, corresponds to a specific stage of capitalism. The corporatisation of interest representation is a function of the need of capitalism to reproduce the conditions of its very existence, and ensure more [sic] accumulation of capital. Akkaya presents, to all intents and purposes, a rather straight account of the theoretical contributions, with little emphasis on the underlying methodological —ontological, epistemological— issues or the further refinement of the concept into its sub-types. Akkaya's work is a lot more informative when it comes to the concrete/historical Turkish case. Overall, Akkaya (2000b: 70-1) argues that the 1923-1946 era comprised a limited, institutionally discontinuous, and yet, more or less corporatist elements —the general approach being a corporatist one, giving the weight to state control. Speaking of the DP [Democratic Party—Demokrat Parti] era, Akkaya (2000b: 71) argues that state corporatism prevailed. Akkaya (2004: 150) asserts that "[t]he regulations towards the working life of the period of 1963-80 have got the characteristics of intermingling liberal corporatist —with corporatist incentives outweighing the corporatist restrictions— and state corporatist elements." In the post-1980 period following the so-called military coup d'état of September 12, the Türk-İş administration tried to, as per usual, remain in good terms with the successive governments which, contrariwise, preferred head-on conflictual —rather than corporatist— problem-solving, totally disregarding the unions. Overall, Akkaya (2000b: 75) argues that the 1983 legislations seem to point to the adoption of state corporatism, with its restrictions overweighing its incentives. Akkaya is at best ambivalent on the fate of corporatism, possibly because he sticks with the concepts of the Seventies as he not informed of the recent orientations in the theory. Thus, Çetik and Akkaya (1999: 223) argue that, from the point of view of the capitalist system, the liberal neo-corporatist model is more rational than the market-based model of industrial relations that excludes unions. On the other hand, unions, as a party to the ESK, must at least demand employment security and legal measures to ensure union recognition in exchange for submitting to low wages and so on. The liberal corporatist model suggested by Çetik and Akkaya is a strange mixture of

competitive corporatism—with a low-wage regime, and, anachronistic liberal corporatism—with legal arrangements towards employment security.

As I see it, there are two problems with the works of the students of Turkish corporatism. Firstly, they mainly operate within the paradigm of corporatism-pluralism. Thus, a larger State Theory that would inform the debate on corporatism is missing. That limits the scope largely to the identification of the specific variant of corporatism in question in the light of the available empirical material. Consequently, the whole effort ends up with empiricism, and, an endless quest for epithets. Secondly, and, speaking of Cizre, and, especially Akkaya, they tend to minimise to significance of the ESK. In the case of Akkaya, the problem is that, writing in the late Nineties and thereafter, he still operates within the conceptual frame of reference of classic neo-corporatist theory. I would argue —of course in retrospect, that the ESK should be given more credit as an instrument of competitive solidarity despite its limited embeddedness. It might even be possible to see that at the time when Cizre was writing, but, just looking at her bibliography, one gets the feeling that she has failed to go through some relevant material.

2.2.1.4. Final Remarks on Corporatism

The central question is to relate corporatism to the Theory of the State. Williamson (1989: 120) speaks, in the context of the corporatist literature, of "… the absence of a satisfactory link between a macro-theory of the nature of the state and the state power, and theoretical propositions, regarding state behaviour that can be employed and tested in empirical analysis." I find the works of Leo Panitch and Bob Jessop most relevant in that respect. Also inspiring is the work of Galip Yalman, who examines the same historical period through the alternate paradigm of hegemony.

Panitch (1980: 171, 173) provides an alternative definition of corporatism as —both as ideology and as structure— a response to the inevitable expression of class conflict in capitalist society: "… [c]orporatism could be seen … as a political structure within advanced capitalism which integrates organized socioeconomic

producer groups through a system of representation and cooperative mutual interaction at the leadership level and mobilization and social control at the mass level." Notice also that the corporatist structure is partial in the sense that it does not displace parliamentary representation, bureaucratic administration and interest group lobbying, but exists alongside them, and is in many ways interwoven with them. On the other hand, the core constituent elements, alongside with the State, of corporatist structures are the interest associations of business and labour, representing directly the central actors in the balance of class forces in advanced capitalist societies. Through economic planning and incomes policy bodies, corporatist structures involved the integration of trade unions in economic policy, in exchange for their incorporation of capitalist growth criteria in union policy and their administration of wage restraint to their members. Besides,

> [t]he timing and extent of the institutionalisation of corporatist structures in different societies appears to be directly associated with … the extent to which national policies of wage are central elements in the state's attempt to cope with the inflationary tendencies and increased international competition that attend the advanced capitalist economy (Panitch, 1980: 174-5).

Jessop (118, 120 134-5) attempts to relate the corporatist debate to Marxist Political Economy and State Theory. This is possible, because he views the State is an institutional complex of forms of representation and intervention. Thus, State forms are to be distinguished in terms of the differential articulation of political representation and state intervention. Thus, corporatism can be defined as a distinctive mode of articulation of political representation and State intervention. Notice that Jessop's notion of corporatism seems to reconcile Schmitter's definition of corporatism as a mode of interest representation/intermediation, with Lehmbruch's, as a mode of policy making.

Speaking of the success of an oppositionist, anti-state but hegemonic discourse after the stabilisation and structural reform program of January 24, 1980, Yalman (2002: 7) argues that it derives its force, from substituting the image for the fact itself, representing the market and civil society as independent spheres from the state

wherein individual freedom is realised, and conditioning the public opinion. In so far as the relationship of politics and the state is concerned, one must transcend the liberal-individualist and statist-institutionalist approaches in order to avoid the reductionism of seeing social classes and the state as independent phenomena and concentrate class positions in historical process. More particularly, strategies of economic development are not just about contrasting strategies of adjustment to the world economy, but also, hegemonic projects of reconstructing the social whole (Yalman, 2002: 9). Hence, from a Gramscian perspective, the reading of the Turkish history in terms of the different strategies of economic development can be re-done in terms of so many hegemonic projects that are functional in the formation of historical blocs (Yalman, 2004: 53). Although the hegemonic project of the Thirties was aiming at an organic society with no class conflict, it would be wrong to baptise it with the corporatist states of contemporaneous Latin America. For one thing, the Turkish étatisme had, in legal terms, ruled out all forms of class organisation. The central role played by the State in the deprivation of subgugated classes of the means of economic and social self-organisation is a common denominator of the étatiste and anti-étatiste hegemonic projects (Yalman, 2004, 54, 56). The Turkish bourgeoisie can not be a hegemonic class, not because it is dependent on the state, but because it is intolerant of the formation of a working class espousing the ideal of a different social order. Hegemony is arduous to establish as it needs to be reproduced at each moment, so its foundation and sustention requires the re-definition of values as well as the recognition of the representation of working-class interests on a corporate and/or democratic basis. Indeed, the single most important aspect of the Sixties is, distinguishing it from the past, the bourgeoisie's perception of the working class as a real potential threat against its own existence (Yalman, 2004: 58, 60). The gist of the new hegemonic project of the Eighties, following the hegemonic crisis of the late Seventies, was to put an end to class-based politics by crediting the private individual in the pursuit of individual interests, while discrediting unions as organisations in the pursuit of narrow interests. Authoritarian individualism required the smashing of organisations which claimed to represent collective interest, such as unions, whether they belong to a corporatist or democratic context (Yalman, 2004: 65-6). One should not forget that real hegemony is only possible when the hegemonic class shows that a

context in which opposing classes can get organised and turn into a political force that is a candidate for political power by no means threatens itself (Yalman, 2004: 69). Finally, in contradistinction with the Latin American populism of the Thirties, where subjugated classes were integrated through redistributive policies, the post-1980 period in Turkey was about an exclusionist populism (Yalman, 2004: 70).

On the other hand, I believe one should also distinguish between corporatism as actually existing, and, corporatism existing only as a project —to be more exact, a sub-project of a larger hegemonic project. Thus, theoretically, I shall use be using Rhodes's concept of competitive corporatism, in combination with Jessop's notion of corporatism as a State form, Panitch's notion of corporatism as a partial structure, and, Yalman's usage of the concept of hegemonic project. More specifically, the so-called ESK [Ekonomik ve Sosyal Konsey —Economic and Social Council] was conceived of by the big Turkish Industrial Capital as not only a corporatist structure of competitive solidarity, but also as part of a greater hegemonic project. The latter, Yalman associates it with, at one level, the anti-state, oppositionist, yet hegemonic market discourse of the past twenty-five years. Moreover, I also argue that most students of Turkish corporatism tend to see corporatism, a) as a system-wide, rather than a partial, structure, rather than partial relation, and, secondly, b) too much in terms of the assumptions of the traditional Neo-Corporatist theory, hence, underestimating its persistence and missing the point with the competitive solidarity. I believe that is essentially what one sees in the works of Bianchi, Cizre, and Akkaya, for they define corporatism as a system–wide phenomenon, and, associate it with Keynesianism. One can speculate that, the definition of corporatism as a system-wide phenomenon is, analytically, the result of embracing the frame of reference of Schmitter, i.e. the pluralism vs. corporatism paradigm. But, one suspects that pessimism might have, at least, on the part of Cizre and Akkaya, other reasons. Oğuz (1996: 74), criticising the corporatist union strategies in the EU, argues that macro-corporatism has got no material grounds, for, it is a fair-whether friend, i.e. requires a strong economic foundation, as in the post-WWII years. One can also see the same urge of seeing corporatism to its end, in Moody (1997: 126), when he says: "It would be an exaggeration to say that all the institutions of corporatism or 'social

Europe' has been wiped out or will be imminently. The process of erosion, and even reversal, however, is clear and is deeply embedded in the whole top-down process of replacing state regulation with market regulation." I have come to realise, only recently, that I also shared a similar urge, when I thought and argued that the ESK — as envisaged by the successive Tansu Çiller, Mesut Yılmaz, Necmettin Erbakan, and, once again, Mesut Yılmaz governments, through the years of 1995-97, was a borne loser (Arslan, 1998: 93-4). In a sense, that turned out to be true, because it never became embedded, yet, it proved to be surprisingly persistent as a project, if not actual structure. It seems to me that it should be possible to explain the failure to account for the persistence of corporatist structures on two grounds. The first has got to do with the traditional conception of corporatism one espouses, while, the second, with the traditional Marxian conceptualisation of the connection between economy and politics —to be more exact, the automaticism of the conventional crisis theory. Hassel (2003: 709) argues that traditional corporatist theory centres around two elements: a) The centralisation of union and wage bargaining structures; b) capacity of governments to compensate for cooperation. The first, as I see it, identifies corporatism with a system-wide phenomenon —put alternatively, macro-level definition implies a macro-level structure. Also a necessity relationship is established between corporatism as a macro-level phenomenon, and, the system's capacity to compensate, so that, when the latter peters out, the former is undone. In my view, the answer to the question of which level —macro, meso or micro— gets more attention is a conjunctural one, and allows not generalisation in an absolute sense. When the system of bargaining is decentralised, and economic crisis occurs and workers' struggle heightens, Capital tends to centralisation, and vice versa. The same idea applies to wage indexation, as I shall try to demonstrate. For instance, in the Seventies, Eighties and Nineties, it seems that the Turkish Capital advocated centralisation and decentralisation together. One can further argue that organisational structures of bargaining have also adapted to the tension between the different corporatist levels. For instance, MESS, has devised the so-called 'group collective contracts' so that while bargaining with unions is centralised, ensuring capitalist solidarity, contracts are differentiated, classifying enterprises in 4 groups in terms of their specific conditions, especially, under the conditions of economic crisis. The

second point is that, one should not underestimate that union aristocracy can be very creative at reproducing intra-union power relations, even under the constraint of low resources. Hence, in my view, most Marxians tend to assume that capitalist crisis more or less automatically makes the corporatist manipulation of workers impossible, as part of the general optimism that establishes a relationship of necessity between economic crisis and political crisis. For instance, Cizre too readily discards the significance of the ESK, upon the basis of insufficient reading.

Moreover, one should not limit oneself to seeing corporatism as a concrete structure, for, it is also important as, 1) a concrete project of planned structures, 2) an ideological/discursive construct of economic nationalism, making part of, as I said, the greater accumulation strategy and hegemonic project. Moreover, 3) its most recent form, namely, competitive corporatism is partial, in two ways, following Bob Jessop who argues that the state forms should be studied in forms of the articulation between forms of representation an state intervention (Jessop, 1990: 134-5). Thus, firstly, competitive corporatism as a form of representation projects the representation of the big industrial Capital, and, the core workers of large private enterprises. Secondly, as a form of state intervention, it equally intervenes in the interests of primarily the big industrial Capital and the core workers of large private enterprises. This has to do with the epithet of competitive corporatism, which, most importantly, presupposes a functionally and distributionally segmented and, politically divided Labour. To conclude, one should introduce and integrate the segmentation theory, in order to be able to explicate the non-comprehensive quality of competitive corporatism, in contradistinction with its neo-corporatist antecedent, which was comprehensive in its coverage, as it presupposed the ‘normal’, regular industrial worker.

CHAPTER 3

THE PRE-1994 EPISODE: LABOUR'S BACKLASH AND CAPITAL'S COUNTER-REACTION

3.1. MAJOR DEVELOPMENTS OF THE PERIOD

3.1.1. Identifying the Turning Points of the Cycle of Contention

Identifying the turning-points of a contention cycle/wave seems no facile. Nonetheless, one could, somewhat impressionistically, consider the years 1989-91 to be a zenith. Those were times of heightened conflict, diffusion of collective action, innovation in the forms of contention, creation of new master frames —symbols, frames of meaning, and ideologies to justify and dignify collective action, and, sequences of intensified flow of information and interaction between challengers and authorities— with challengers enjoying a temporary advantage despite relatively poorer resources and the State compelled to devise broad strategies of response.

Thus, some important variations possibly notwithstanding, most of the Tarrowian indicators could be thought to be there (Tarrow, 1999: 142, 144, 146). Çetik and Akkaya (1999: 133-4) argue that the early signs of increasing worker agitation within TÜRK-İŞ is traceable to the public sector collective negotiations of 1985 —which, incidentally, conforms to Tarrow's view that the generalisation of conflict into a cycle of contention starts when political opportunities are opened for well-placed early risers.[7] Koç (1989: 151), on the other hand, argues that the years 1987-88 generally witnessed a boost in workers' propensity to engage spontaneous action.

[7] Notice that military rule 'softened' in 1983 together with the so-called 'transition to parliamentary democracy'.

Interestingly, one of the earliest signs actually came not from the public, but private, where the total number of strikes surged from 21 in 1986 up to 303 in 1987 (Akkaya, 2000a: 216). Tarrow (1999: 146) argues that the high point of the wave is marked by the appearance of 'spontaneous' forms of action, with its consequential impact of the plane of organisation. As a matter of fact, probably the most common theme on the so-called Spring Actions is the 'spontaneity' of the movement. Moreover, the upswing seems to have precipitated a sweeping tide of power change within TÜRK-İŞ. Thus, between the beginning of 1987 and 1990, 17 union presidents, 99 central executives, and 373 branch presidents —out of a total of 32, 196 and 711, respectively— were ousted (Çetik and Akkaya, 1999: 135). In 1992, Bayram Meral —the candidate of the so-called Group for Change— was elected to TÜRK-İŞ presidency, at the 16th General Congress.

The Spring Actions of 1989 include several other signs of high-point, as well. One thing, there was apparently more synchronisation amongst the various unions. The Coordination Committee for Public Sector Collective Contracts of TÜRK-İŞ was founded in 1988, to actually become effective in 1989 (Petrol-İş, 1990: 259). For the first time in TÜRK-İŞ history, member unions were told to quit the traditional de-centralist culture —though more out of compulsion then volition, seemingly (Koç, 1989: 154). Another observation is that, at the outset, the 1989 actions assumed relatively passive form, such as lunch boycotts, growing beards, etc., to then gradually give way to more manifest and effective forms, such as work slowdowns, protest marches, hunger strikes, etc. Some actions were envisaging the democratisation of the unions, as in the case of Harb-İş members protesting delegate elections at the Taşkızak Military Shipyard in İstanbul, and, Dok Gemi-İş members, at the civilian Haliç, Camialtı, and Pendik Shipyards —upon suspecting/claiming union-employer collusion. Reportedly, the role played by the unionists was either marginal, or against, altogether, with some assisting employers in sucking active leader cadres of the movement, whom they saw as potential contesters to the seats of union power. Koç (1989: 157) also reports that some unions such as Dok Gemi-İş and Tek Gıda-İş actually tried to obstruct the action wave in many ways, with many others passively staying on the lookout.

On the other hand, the Tarrowian demobilisation phase consists of three sets of processes, in combination: i) exhaustion and factionalisation; ii) institutionalisation and violence, and, iii) repression and facilitation. Exhaustion is caused by increasing personal costs, weariness and disillusionment, and, accompanied by declining participation, factionalisation and eventual chasm between radicals and moderates (Tarrow, 1999: 147-8). Accordingly, the years 1993 and 1996 seem to stand out as years of declining participation. Thus, the total number of strikers was 39,435 in 1989, 166,306 in 1990, and, 164,968 in 1991, as opposed to 62,189 in 1992, and, 6,908 in 1993 (Akkaya, 2000a: 218). Also, I have the feeling that, the year 1992 was also a time of emergent splits between the proponents of radical and moderate union reform, possibly precipitated, as it was, by the union congresses that year. Moreover, the total number of strikers dropped from 199,867 in 1995—the largest ever in Turkish history—down to 5,461 in 1996, never to recover again, accompanied by deepening splits everywhere, within and amongst all unions. Koç also (1996: 39, 42) cites the strikes of 1990-91 and the struggles/strikes of 1994-95, as historical high-points. Akkaya (2000a: 219), on the other hand, notes that nearly two thirds of the strikes in the Nineties actually occur in 1990-91. Reportedly, private sector employers started taking pre-emptive action—sacking, in the first instance—with a view to prevent possible contagion (Petrol-İş, 1990: 272-3, 277). Notice also the unusually vibrant climate of the 15th General Congress of TÜRK-İŞ—held on December 11th-17th, 1989, dominated by militant anti-State, anti-government, anti-AAFLI [The Asian-American Free Labour Institute], pro-Left and pro-Labour rhetoric (Petrol-İş, 1990: 336). Thus, a great many elements of the high point were seemingly there, including, innovative forms of protest, challenge to unions' existing power holders, some measure of discursive advantage over the State and the capitalist class, etc. Reportedly, the Spring Actions were also well received by the general public, with positive treatment by the media, including extensive coverage and possibly influencing the formation of a sympathetic public opinion. Accordingly, Koç (1989: 157) argues that the Spring Actions were a) largely spontaneous and independent; b) massive; c) legitimate; d) of great variety; e) against the

consequences of capitalism, and, congruent with class interests, and; f) to a large extent, politicised.

To conclude, I suggest that the years 1989-91 were the zenith; the demobilisation times of 1992-93, the downswing; the years 1994-95, the close of the cycle, with, finally 1996, sadly the nadir.

3.1.2. The Overall Assessment of the Wave of Spring Actions

Circumstantial evidence indicates that intra-class differentials in earnings much matter to the dynamics of class struggles. They much seem to effect the dynamics of wage transmission, both in times of wage explosion and collapse, albeit in diverse ways—in the former, positively, primarily via the mechanism of wage leadership, and, in the latter, negatively, via discursive struggle. The former is pertinent to understanding the wage explosion of 1989-93, and, the latter, the wage collapse of 1994-96. Wage transmission presupposes earnings differentials. Intra-class and inter-class/strata differentials in earnings much matter to the dynamics of distributional class struggle. It is my observation as well, that intra- differentials in inter-factory, intra- and inter-industry, inter-union earnings effectively determine worker attitudes. Why is it that wage and salary earners and common people show more concern for intra-class differentials than inter-class? The answer is far to complex, but, in the context of wages and profits, it is important to note that, although both being income categories, they are qualitatively different. For one thing, wage is ideally a market price, part of the open relationship between workers and the capitalist, thence public. Profits are not a market price, ideally privately fixed by the capitalist, thence, not public.

One of the most important mechanisms of wage transmission following the Spring Actions seems to have been, under the conditions of heightened conflict, the diffusion of the collective action, with successive collective negotiations acting as windows of opportunity. Wage transmission from the public sector towards the private seems to have a history. Thus, Çetik and Akkaya (1999: 149-50) argue that,

Capital, in view of the effective wage leadership of the public sector prior to 1980, tried to involve itself in the public sector bargaining process directly, by way of devising common pay policies for private and public sector employers.[8] Beşeli observes (1993: 46) that the order of succession through the wave of actions was, public sector workers first, in 1989; private sector workers, in 1990; and, public sector workers, once again in 1991. One should also note that workers' backlash, together with the ensuing real wage gains—seems to have been the prime mover of public servants' unionisation movement, as well. Also notice that, in the late Eighties and early Nineties—up until the year 1994, exactly—collective negotiations in public sector concentrated in odd years, with those in private sector more or less evenly distributed (Petrol-İş, 1990: 259). Accordingly, the strike figures of the year 1990 testify to a major confrontation in the private sector, upon the example set by public sector workers. Thus, Şenses (1994: 433, 437-8) points out that, in spite of representing just a small chunk of the total of the labour force, unions played a disproportionately important role in the formation of a whole array of wages and earnings in the rest of the economy. Şenses (1994: 440) also suggests that the explosion—set off in the public sector, and, triggered by government worries of possible domestic recession—spread to the private sector as wage settlements in the latter took their cue from the former. Çelik (1998: 104), on his part, argues that Spring Actions affected positively public servants' regular pay raise in July.

Yet, in Turkey, the transmission mechanisms of relative wage and income movements—critical to understanding the dynamics of the turning-points in distribution—is under-investigated. Erdil (1997a, 219) tests the wage leadership hypothesis in the Turkish manufacturing industry for the period 1975-90, separately for public and private sectors. The hypothesis posits that "real wage increases in the leading sectors produce wage increases in the nonleading sectors that are independent of the nominal wage increases in the nonleading sectors that are imputed to the market forces operating on the nonleading sectors." [Bemmels and Zaidi

[8] I believe that an equally important motive for the employer-State to join hands in collective bargaining with private employers was the projected transition from status to contract in the public sector.

quoted in Erdil (1997a: 219)] Hence, the hypothesis seeks to prove that extra-market—i.e. institutional—forces constitute the basic transmission mechanism from the leading sector(s) towards other sectors of the economy. Erdil (1997a: 220, 223) finds "… substantial support for the wage leadership hypothesis at least in half of the Turkish manufacturing industries. … [T]he wage leadership hypothesis holds true for more than half of the private manufacturing industries and 35 % of the public ones."[9] Amongst the institutional forces of transmission, Erdil (1997b: 150) cites inter-union rivalry and wage solidarity in unionised sectors, and, pre-emptive wage increases by employers in non-unionised sectors. As a matter of fact, Pekin (1989: 22) argues that in 1989, private sector employers pre-emptively called upon the Government to raise public sector wages, with a view to prevent the further escalation of strikes, dangerous politicisation, and, possible contagion to private sector. TİSK (1991: 122), on its part, argues that in 1991, employers were simply forced to yield to union demands for high pay increase, just to be able to constrain potential strike losses and go on with production. To the best of my knowledge, Erdil's effort is unique, promising and worth to repeat in a way to extend it way into the Nineties, include consider the institutional dimensions of collective bargaining, etc., plus, the transmission mechanism between public and private sector wages, and, between wages and other earnings, such as salaries, minimum wages, etc.

Interestingly, increases in the wages of public and large private sector workers would quickly turn against the workers themselves. According to Yeldan (2004: 99), the ratio of marginal sector wages to formal sector weighted-average wages narrows prior to 1989, widens between 1989 and 1994, narrows once again after 1994.

[9] Erdil (1997a: 219-20) first uses principal component analysis with quartimax rotatiton to determine the leading sectors, then, estimates the leadership model by the SUR method of estimation. He estimates the neoclassical model as well. The inclusion of the leadership variable—i.e. the real wage increase in the leading sector—does not radically alter the sign and significance of the variables in the neoclassical model, while it improves the fit of the model considerably. One of the independent variables is the expected rate of growth in the price level: Erdil uses an expectation formation mechanism that is neither adaptive nor rational expectation, but a mixed one that accounts for past, present and future price changes. I believe there is substantial room to improve Erdil's expectation formation mechanism in the light of the institutional arrangements of the time. Debate on adaptive (e.g. wage indexation to past inflation) *vs.* rational expectation models of expectation formation has been, throughout the Nineties, a rather politicised aspect of the distributional conflict between Labour, on the one hand, and, State and Capital, on the other.

Besides, the real wage fluctuation makes itself felt most strongly in public manufacturing and large-scale private manufacturing. Moreover, Köse and Öncü (2000: 80) argue that in relatively smaller enterprises, there is less formal wage fluctuation, whilst, fluctuations in the legal minimum wage and the wage cost of marginal/unregistered workers are simply insignificant. So, the political wage cycle applies to only public and larges-scale private enterprises. There is anecdotal evidence that the wage differential between the public sector and the 'sanayi' was so low that anyone hardly feared of loosing his/her job.[10] However, further into 1994, emerging as they were, significant earnings differentials. Writing early in the Nineties, Mehmet Beşeli already draws attention to the potentially divisive effects of emergent wage/salary differentiations, and, the attendant, opportunistic government discourse over the privileged position of the unionised sectors of Labour. More specifically, that as the wage gains were not all-encompassing, the less-educated sectors of the working class were increasingly turning upon the unionised workers and unions (Beşeli, 1993: 48-50).

With the Spring Actions, workers took to the streets. Street has got a metaphoric power over the thinking of the Left in Turkey. Following the military coup d'état in 1980, the State would claim the streets back, and, the Left, be driven out the public sphere, both physically and discursively. So, *la rue est la liberté*. However, one must bear in mind that, workers' struggle changed the balance of power not only in the public sphere of the street, but, in the private sphere of the shopfloor, as well. As I see it, the collective actions of the years 1989-91 are best seen as the revenge of pre-1980 generations of Leftist workers for the defeat in 1980. Notice that DİSK stayed on trial until April 1991, resuming its activities only in December 1991 (Akkaya, 2004: 152). Thus, one of the major factors in changing the balance of forces was, in the words of Faruk Pekin, the 'DİSK within TÜRK-İŞ'. Apparently, between 1983 and 1988, a great many seasoned ex-DİSK activists flocked into the ranks of TÜRK-İŞ (Çetik and Akkaya, 1999: 125). With thousands of 'runaways from the rope'—

[10] Sanayi [industry, verbatim] is said of clusters of small enterprises located either in the traditional/historical locations of certain trades, or within the relatively recently founded 'organised industrial zones'.

called as such by the TÜRK-İŞ executives of the time— now actively members, things were now on the move in the workplaces (Pekin, 1989: 20). According to Kamu-İş data, the average years of seniorage in affiliated workplaces was 10.1 each for 1987 and 1988, and, 11.0 for 1989, implying that, the average public sector worker of the late Eighties had personally seen the radicalisation/politicisation of pre-1980 years (Kamu-İş, 2002: 42). Apparently, workers' actions were carefully distributed by the new grassroots leaders between the street and the workplace. In the past, I was myself told by many activists and unionists, that they were rather careful not to confront employers in a direct way. Notice that, the wage bargaining part of the collective negotiation was centralised, proceeding as it was, between the Public Sector Coordination Committee of TÜRK-İŞ, on the one hand, and, the public sector employer unions, on the other. Formally, public sector employer unions were supposed to look to TİSK for the final word, while, Government was the real authority *de facto*, as the tension between status and contract, in Hyman's terms, could never definitively be settled. Accordingly, the worker rhetoric zeroed in on the very person of Turgut Özal —'Çankaya's fatso', as they would dub him.[11] Thus, the employers of the workplaces were spared of confrontation with workers over the issue of wages. However, they were the direct overseers of the labour process, and, the rising worker profile in the public sphere of the street seems to have had its repercussions and its counterpart in the sphere of production. Alas, the extent and import of the loss of employer control over workers in the late Eighties and early Nineties is an issue that still awaits investigation. Nonetheless, there is some circumstantial evidence of some actions actually taking in the sphere of production and/or contesting employer authority, the zenith of which, incidentally, was possibly the General Action of January 3rd, 1991, causing extensive retribution in return.

Theories of the cycle of contest integrate theories of identity, semiotics, etc. to explicate the upswings/downswings of the cycle. Kelly (1997), following the Charles Tilly variant of the theory, makes a number of interesting points, which, one could

[11] Çankaya is the hilly district in Ankara where the presidential residence is located. "*Çankaya'nın Şişmanı, İşçi Düşmanı*", was amongst the popular slogans of the time, with the Turkish words '*şişman'* [fattie/fatso] and '*düşman'* [enemy] a rhyming couplet.

possibly fit together with the elements of discourse analysis. To repeat, the *sine qua non* for collective interest formation is a sense of illegitimacy/injustice in terms of the established rules, beliefs or values. For a set of individuals with a sense of illegitimacy/injustice to coalesce into a social group with a collective interest, there are three critical processes at work, namely, attribution, social identification and leadership. As it seems, the sense of illegitimacy/injustice was not only felt the public sector workers, but also by many a people who belonged to other classes and strata. Apparently, the level of wages is seen to be just or unjust, mainly according to two criteria, namely, 1) the current state of differentials amongst various categories of earnings; 2) the relationship between the wages and the perceived productivity of workers. In the Eighties, scissors between public sector wages and other categories of earnings were narrowing. Plus, the level of wages was way too low to even meet the needs of physical survival. Therefore, the discursive advantage was on the worker side, with various sectors of the society seeing illegitimacy/injustice in the wage-effort exchange in the public sector. Notice that workers' protests were, in most instances, oriented to convey the sense of illegitimacy/injustice in terms of the established rules, beliefs or values: Beard growing, topless or barefoot protest walks, having bread and onion for a meal in front of the factory, giving children away for adoption, filing divorce suits *en masse*, etc. signal threats to socially established rules, beliefs or values. The prime slogan of the actions was "*açız*" [we are starving]. The prime target of attribution was, possibly the most likely candidate, Premier/President Turgut Özal, who, together with ANAP, was the foremost symbol of the Turkish economic and social restructuring—the opening up—of the Eighties. Besides, given that pluralist party politics—parliamentarian democracy, in the form of especially local/personal relations of patronage, provide the basic mediating form of state power in the daily lives of workers, it only seems natural they should single out Özal and ANAP for attribution. It is also important to note the critical role played by politically motivated activists, without whom, the sense of justice and identity could not be built. As Pekin (1989: 22) argues, massive worker turnout and contagion to remotest towns were also important sources of legitimacy. Apparently, legitimacy provided workers with the most effective cover against State violence. Police attitude was relatively mild. While the Premier himself pointed a finger at

possible instigators, the Minister of Interior said there were no signs of infiltration. Besides, although work stoppage was a crime, no serious inquiries were set up.

The sense of illegitimacy/injustice being the precondition of interest formation, the issue seems to have been directly correlated with the questions of the creation, distribution, and, re-distribution of wealth, in the eyes of both workers and the society at large. That the level of wages were low, and, earnings differentials, not wide—thence the unfair effort-wage exchange, must have set the ground for the general sense of illegitimacy/injustice. Interestingly, questions of productivity, the level of wages, earnings differentials—as the concrete forms of wealth creation, distribution, and, re-distribution are also central to the distributional class struggles seen from the perspective of discursive dynamics. The Iron and Steel Strike and the Miner's Strike and Great March were the first important battlefields of the discursive struggle over distribution. At the TDÇİ, one of the measures of the re-distributive effect of the strike the cost of the strike itself *vs*. the cost of workers' pay claim on the State/public. With the strike loss exceeding the cost of the pay claim, Government was deprived of its rhetoric of 'memleket menfaati' [the interest of the Country]. That would also breed the public impression/thought that the strike was MESS-conceived, in the interests of its members, private steel producers/importers (Bora, 1989a: 40-2). Thus, the emergent 'ugly' picture. Bora also reports that the process starting with the union polling of workers over the pay claim would prove very effective in building up determination.[12] The overextension of the strike raises the conflicts amongst the various fictions of Capital, breeds a serious crisis of legitimation and representation within the hegemonic bloc (Bora, 1989a: 42). The inner conflict between status and contract, in the terms of Hyman, also seems to have contributed to confusion and conflict *vis-a-vis* the representation of the employer side. The TDÇİ plant of Karabük joined the MESS in 1986 following Premier Özal's edict, thus putting off its paternalistic/corporatist, and putting on its public employer's clothes (Bora, 1989a: 40). Yet, the newly acquired pure employer identity of the State, dispensing with the traditional state guarantees, now worked to radicalise workers. Negotiations were firstly run by State Minister Işın Çelebi, who was then replaced by MESS. In the final stage, MESS was sidelined, and, replaced

[12] Interestingly, workers' answer comes in terms of cost wages, 1 ton of iron (Bora, 1989a: 46).

by the TDÇİ employer. MESS, on its turn, expelled the TDÇİ employer from membership. Thus, the State flunked the TDÇİ test with the contract. The Miner's Strike of Zonguldak also witnessed an intense debate over technology, productivity, wages, KİT losses, public deficits, privatisation, inflation, etc. Government argued that mines were unproductive, and, miners' wages high—thence, the re-distribution of wealth towards Labour. So, part of the discursive struggle turned on the level of wages, with Government claiming they were way too excessive, and, unionists and workers showing payslips. According to Laçiner (1991: 7-8) workers' collective claims were decided by nearly direct democracy. The rhetoric of Özal was based upon the arguments of technological progress and efficiency, together with a threat of total shutdown. Laçiner argued that technology/efficiency arguments were essentially put forth to challenge legitimate worker claims to protection from inflation. Laçiner also insightfully prognosticated that in the future workers of public and large private enterprises would be perpetually asked wage restraint on the grounds of technological efficiency requirements, against which Labour was largely unprepared.

The significance of Spring Actions in respect of the history of capital accumulation must be underscored. To begin with, one could assert that the post-1980 adjustment most essentially rested upon a high rate of surplus value, despite the absence of solid estimates. Hence, the Spring Actions meant the closure of that. There might have been incremental factors —limits, making low wages all the more important: For one thing, Yeldan (2004: 49) points out the incongruence between the priorities of export orientation, on the one side, and, investment priorities on the other. Yeldan (2004: 75-6) calls it the close of export-oriented accumulation resting upon wage repression. He calls the low-wage regime classic accumulation, but I am not quite sure if the epithet is in order. Be that as it may, the need was born for the new, reactive mechanisms of value and surplus-value distribution, with the state moving to socialise the cost. Private sector profit margins increased, from 33.5 % in 1989 to 47 % in 1994, the PSBR increased, and inflation rate settled on the *plateau* of 60 % (Yeldan, 2004: 50). Ensuing public deficits were financed through external savings, mediated by means of the speculative, short-term movements of international finance

capital, thanks to the financial liberalisation of 1989, introducing an element of severe instability into the system. The eruption of the financial crisis in late 1993, early 1994, provided the bourgeoisie with the opportune context it sought to take the *revanche* of the Spring Actions, with the anti- and post-crisis adjustment involving dramatic declines in the value of labour power, and, increases in the rate of surplus value. Yeldan (2004: 76) that there were a number of redistributive mechanisms following the 1989 wage explosion, that rendered wage increases tolerable on the part of the requirements of capital accumulation. KİT prices were controlled, lowering the input costs of private enterprises. On the other hand, the imperfectly competitive nature of industry enabled mark-up sort of pricing. Thus, it so turns out that, whereas wages increase almost twice as much after 1989, private capital incomes do not regress, profitability is sustained in private manufacturing industry thanks to the secure practice of mark-up pricing. I must say that I find the epithet tolerable disputable. There is much evidence that industrial capital was very intolerant of the wage increases. Hence, compensation in this case does mean toleration. Overall, I see the post-1989 years were in terms of a decisive historical moment when industrial-financial bourgeoisie and the State sought and fought to reverse the rising tide of workers' movement, to recover the lost control over Labour —in the factories, workplaces, unions, etc. through a variety of means, sackings, media campaigns, etc. Much about workers' defensive battles went untold, and, behind the curves of depicting the rise and fall of real wages, are many real lives, and, class struggles.

Özar and Ercan (2004: 195) also note that the 1989 real wage boom induced private and public sector employers to adopt new methods of flexibilisation, such as flexible work organisation, tacheronisation, a drive to review and reform labour market institutions and legislation.

Wage indexation emerged as an actual gain of the working-class struggle over distribution: Up until 1987, public sector wages were determined on a yearly basis. In 1987 the 2-year term of the collective contract was divided into 4 clauses—each with 6 months duration. In 1989, union were able to impose to the employer side and

incorporate a system of conditional indexation into the contract. Thence, should actual inflation rate exceed 45 % in the 2nd year, the difference would be made for in the next collective contract (Özkaplan, 1994: 161). The 1993 collective contracts also stipulated 4 clauses, with the first 2 with pre-fixed rates of wage increments, and, the last 2 simply indexed to the rate of inflation of the previous 6 months. With the 1st and 2nd clauses of the 1st year being set in accordance with the official rate of inflation ex post in the previous year, plus a welfare increment, reflected the worker and union desire and power for higher real wages—which, by the way, was mistakenly equated by most to a rise in wage share in national income. On the other hand, the 3rd and 4th clauses of the 2nd year represented the desire and power to keep the purchasing power of wages constant against rampant inflation. Devereux (1994: 195) draws a useful distinction that one can use to conceptualise that practice, in so far as it is used for only one contract term in isolation: "In a standard wage contract in a monetary economy, there are two conceptually distinct features of the contract. One is the real wage that can be agreed on between workers and firms. The other is the method of adjusting the actual money wages paid to take account of fluctuations in the average money price of commodities in the economy." The rationale behind indexation is, according to Devereux, that the parties to the wage contract find it useful to distinguish between the appropriate real wage, affected by aspects of productivity and costs [and the cost of living for the workers, one must add —H.A.], and a purely 'inflationary' factor, generated by movements in the average price level. It is most likely that in Turkey, workers and unions have seen wage indexation as not just a measure to protect the real wage level during the term of the contract, but also, one against uncertainty, i.e. aggregate (or relative) price fluctuations, i.e. as a mechanism designed to adjust wages to inflation that can not be foreseen when the wage contract is negotiated. Notice also that there are several methods of indexing wages to the rate of inflation: S. Fischer cites three —*ex ante*, *ex post* and lagged *ex-post*. In the first, which is rarely observed, indexation is made to a forecast of the price level; *ex post* indexation holds when the wage for a period is adjusted to the price index for that period; finally, lagged *ex post* indexation adjusts the current wage to the last period's price index. Accordingly, one can argue, in the case of Turkey that *ex ante* indexation was advocated by governments, as in the so-called

Application Plan of Economic Measures of April, 1994, as well as TİSK, and MESS. The *ex post* method can be associated in Turkey with the so-called *Echelle Mobile* [*Eşel Mobil*], proposed in early 1980, by the Government, or actually again, imposed in 1997, again by the Government. The lagged *ex post* sort was ensured by the workers as a consequence of the Spring Actions, and lost in 1994, through a government coup, and then, in the collective negotiations of 1995.

Employment security became a great concern in the early Nineties. Koç (1996: 39-40) notes the reinforcement of the employer drive to by-pass/inactivate the legislation that protected workers by means of 'fake' self-employment, and, atypical and flexible employment. Amongst others, he names the illicit employment of domestic and foreign workers, lay-offs, the split or temporary closure of workplaces, non-compliance with the stipulations of collective contracts, flexible work, atypical or non-standard employment (rental labour, part-time labour, etc.), forced retirement, putting-out and *fason üretim* [sub-contracting the production of a specific product], child labour, the free-zones, the practice of *vahidi fiyatlama* [some type of piece-wage applied to temporarily employed lumberjacks that leads to potentially hazardous self-intensification of the work pace].The traditional TÜRK-İŞ way of unionism was to bargain over the wage articles at the expense of administrative articles. In the 1993 public sector negotiations, for the first time in its history, did TÜRK-İŞ—the Board of Presidents, more exactly—determine a common policy of including into collective contracts administrative articles to prevent unfair dismissals tacheronisation (Çetik and Akkaya, 1999: 151).

3.1.3. The Downswing of the Cycle of Contest: Onset and Thereafter

Tokol (2002) argues that, in the light of the low-wage regime of post-1980, there was a move towards the centralisation of the collective bargaining structure, giving rise to the foundation of the so-called Public Sector Collective Contracts Coordination Committee in 1984. The Committee was directly placed under the Prime Minister's Office, determining the general guidelines of collective negotiations for public sector employers. The guidelines stipulated that union executives and representatives would

not be given any extra rights than those in the law; the time provisions of seniority severance could not be extended; union demands for new types of social assistance would be refused; the employer prerogative of workplace management would be protected; the specific conditions of the national economy, sectors, and enterprises would be considered in the determination of wages; wage determination would be based on the criteria of job assessment and merit, rather than a flat rate for all. Against the Public Sector Collective Contracts Coordination Committee, TÜRK-İŞ established its mirror organ—the Collective Contract Committee—again in 1984, to set the obligatory guidelines for all unions that were organised in the public sector (Tokol, 2002: 202-3). In 1986, public sector workplaces were divided into three groups and organised within three public sector employer unions, namely, Türk Kamu-Sen (The Union of Public Sector Employers in Mining, Energy and Services), Kamu-İş (The Union of Public Sector Employers of Public Enterprises), and, TÜHİS (The Turkish Union of Public Employers in Heavy Industry and Services). With the three public sector employer unions joining TİSK right away, public and private employers became united under the roof of the same confederation (Özkaplan, 1994: 159). Thus, ever since its foundation, the public sector employer unions have throughout had an equivocal position, a double attachment on the one hand to the government—which, more often than not, chose to directly intervene and/or govern the negotiation process, and Capital. Therefore, the uneasy dualities of polity/economy, state/market, together with the consequential conflict between status and contract, were built-in the structure of the public sector employer unions. As far as the wage bargaining was concerned, the public sector employer unions tried to observe the officially set rate of expected inflation (Tokol, 2002: 203). Employer conduct in and of public sector negotiations compelled the individual TÜRK-İŞ unions to get together under the roof of TÜRK-İŞ, through the foundation of the so-called Public Sector Collective Contracts Coordination Committee, in 1988 (Özkaplan, 1994: 159).

Petrol-İş (1991: 262) notes that the TÜRK-İŞ Coordination Committee performed rather poorly at the 1991 round of collective negotiations in the public sector, while extensive post-agreement lay-offs became common practice. Repression in the form

of direct state intervention into the system of industrial relations was also on the rise: In 1989, government suspension of strikes comprised 26,000 workers—the ANAP Government later withdrew its decision to suspend the iron and steel strike of 20,000 workers, and, in 1990, 26,291 workers. On January 27th, came a general suspension comprising the whole country—with a total of 102,846 workers on the grounds of national security, substantiated by the exigencies of the Gulf Crisis (Petrol-İş, 1991: 286). It is also argued that in 1990 and early 1991, the importance of resistance actions outweighed that of regular strikes, while strikes and collective negotiations were constantly accompanied by various forms of actions (Petrol-İş, 1991: 295). 1991 was the high point of resistance actions: the total number of resistant workers increased from 1,265,628 in 1990, to 2,681.653 in 1991—the largest ever in the Turkish history. Part of the 1991 figure was due to the summer actions of public workers following the stalemate at the bargaining table. It was also reported that the average public sector worker had attended at least 3 resistance actions within the last 3-4 years (Petrol-İş, 1992: 216-7). According to Petrol-İş data (1991: 336, 338, 343; 1992: 28), the estimated number of lay-offs was 94,490 in 1990, 91,829, in the first 5 months of 1991—the time of the Gulf Crisis, and, 136,804 in 1991. Lay-offs were particularly extensive in textiles, metal, leather, petroleum, chemicals, and, rubber industries, with Türk Metal-İş, for instance, reporting 4,500 lay-offs in 1990, most of which by the MESS-affiliated employers. Between June 1991-March 1992, the TÜRK-İŞ textile union Teksif reported 15,785 lay offs, and, Türk Metal-İş, 14,192. According to Petrol-İş data, the total figure for Teksif lay-offs in 1991 stood at 47,912, while the respective figures were 14,630 for Türk Metal-İş, and, 3,895, for Otomobil-İş. More often than not, lay-offs extracted e highest on leading union activists who were to be replaced by non-union, tacheron, temporary/ seasonal labour. Employer assault seems to have extracted a very high toll on leading cadres and union members: Non-official, real membership data provided by a well-placed insider indicates that Petrol-İş membership declines from 64,720 in 1991, to 55,951 in 1992 [İ.H. Kurt (1993) quoted in Özkaplan (1994: 163-4). Petrol-İş (1992: 280-1)] also points out that lay offs usually concentrated to the times following the collective agreements, or, prior to the determination by of the new ceiling for the so-called seniority severance. Thus, instead of engaging into head-on conflict at a time of

heightened tension before the collective agreement, employers waited until after workers cooled down, replacing the costly senior workers with precarious labour, and, pulling down the wage cost to its former levels or even lower. Lay offs concentrated in the newly organised workplaces as well. On the other hand, the major means of reducing and replacing the public sector workforce was, rather than direct sacking, the compulsory practice of early retirement. Collective contracts that were concluded in 1991—including several unresolved ones remaining from 1990—comprised the highest number of workers ever, excepting 1982. It was also observed that governments and employers were prone to raise the tension with bargaining rounds ending in disagreement, and workers being laid off following the conclusion of the contract (Petrol-İş, 1992: 197). 1990 and 1991 were the high points of the post-1987 strike wave: In 1990, 58,616 public and 107,690 private sector workers went on strike, and, in 1991, 62,528 public and 102,440 private sector workers (Petrol-İş, 1992: 202). According to Petrol-İş data, the total number of strikers stood at 230,275 in 1991, led by the metal unions, namely, the TÜRK-İŞ affiliated Türk Metal-İş with 12 workplaces, 88,685 workers and 1,889,905 lost working days, and, the independent Otomobil-İş with 75 workplaces, 27,754 workers and 597,578 lost working days, followed by Genel Maden-İş with 3 workplaces, 46,668 workers and 138,174 lost working days.[13] Notice that the great majority of Türk-Metal strikes—85,000 workers—consisted of the MESS-affiliated employers. Amongst the leading strikers, were also Hava-İş with 10,578 workers and 313,946 lost working days, and, Selüloz-İş with 10,846 workers and 172,012 lost working days at 3 establishments each, and, Belediye-İş with 7,029 workers and 175,061 lost working days at 8 workplaces (Petrol-İş, 1992: 203, 207). A major development of the time was noted to be the successful capitalist drive, through the effective use of the media to discredit the public legitimacy that workers' actions had earned in the last 4-5 years. Examples were the 1991 the government initiative to break the Hava-İş strikes at the THY (acronym for Türkiye Havayolları Şirketi—the national Turkish Airlines Co.) and HAVAŞ—the national ground services company, later to be privatised as part of the Application Plan of Economic Measures of April 5th, 1994, plus the concerted

[13] The independent Otomobil-İş later united with Maden-İş of DİSK together forming Birleşik Metal-İş.

media campaign against the Belediye-İş strikes at the municipalities (Petrol-İş, 1992: 217). Beşeli (1993: 48-50) also notes that after 1990, unionised workers and unions came under heavy assault from individual employers and collective employer organisations. Particularly, the year 1991 witnessed the acceleration of strikes, other forms of resistance, lay-offs, and, tacheronisation. From mid-1991 to mid-1992, some 200,000 workers were sacked. The average wage level fell, and, union organisation was weakened as a consequence of lay-off and tacheronisation, affecting, in the first instance, private sector workers. In 1992, in the public sector, the early retirement wave set in. Beşeli also argues that millions of unemployed, unorganised and poor people were now making up receptive masses to media manipulation. In 1993 Premier Çiller's major tactic was to incite public servants, *esnaf*, and, peasants to come out against unions and unionised workers, by way of citing several figures for public deficits. The argument was that with public workers getting the most part of public resources, less would be left for peasants, esnaf, etc. effectively turning nearly all social classes and strata into parties to the collective contract. As far as the unions were concerned, de-unionisation was turning into a major concern. Several ways of de-unionisation were at work, such as the extension of the so-called uncovered personnel—workers and employees which were placed outside the collective contract coverage by the law, and, tacheronisation. According to a Petrol-İş survey of 1991, the rate of unionisation amongst the employees of Petrol-İş workplaces was only 64.3 %, where 23.1 % worked under the so-called uncovered status, while 15.5 % were tacheron workers—of which a mere 2.3 % were unionised, with 34.1 % bereft of the legal insurance rights. Respective ratios of the uncovered and the tacheron workforce for the public and public sectors were 20.1 and 21.1 % for the former, and, 26.5 and 9.0 % for the latter [computed from Petrol-İş (1991: 271)]. Notice that the so-called uncovered personnel consisted of workers with relatively higher skills. Another question was the employment of the so-called contracted personnel—people on fixed-term contracts—in the public sector, which had been a bone of contention between successive governments and the unions since 1984 (Petrol-İş, 1991: 274-5). Large-scale lay offs heated up a debate over the question of employment security, centred on the successive versions of the so-called 'draft law on employment security' that was put forward by Mehmet Moğultay, the

social-democrat Minister of Work and Social Security. The draft law concerned the modification of the post-1980 Labour Code No. 1475—particularly, the famous Article 13 on the conditions of lay-off, and, the Trade Union Law No. 2821. The critical elements of the original version were: i) the unfairly laid-off worker was allowed to return to work by court decision; ii) mass lay-offs were made subject to court permission; iii) at the termination of union duties, unionists and shop stewards would be allowed to return to work, while the minimum level of employer compensation to workers that were laid off due to unionisation, was made 14 times the wage. Yet, the original draft was modified before it was sent to the Council of Ministers, whence nothing ever came out. The critical changes in Articles 13 and 24 of the Code No. 1475, and Article 29 of the Law No. 2821 were watered down in accordance with employers' demands: The return to work of laid-off workers and ex-unionists was made dependent entirely on the will of the employer, while court permission for mass lay-off was also discarded (Petrol-İş, 1992: 293-5).

Petrol-İş (1993: 264; 1995: 299) notes that the TÜRK-İŞ Coordination Committee was too late to meet and move on for the 1993 round of public sector collective negotiations, with unions acting on a more individual basis. Nonetheless, for the first time in its history, the Board of Presidents decided to pursue a common policy over the so-called administrative articles of sectoral contracts. The administrative articles in question concerned the prevention of the tacheron practice— "Article on Workers at Sub-contracted Jobs", and unfair lay-offs on inadequate grounds—"Article on Mass Lay-offs and Employment Security". In 1992, the total number of strikers in public and private sectors dropped, respectively, from 62,528 and 102,440 in 1991, to 57,464 and 4,725 in 1992 (Petrol-İş, 1993: 270). According to Petrol-İş data, the total number of strikers in 1992 was down to 80,982, from 230,275 in 1991. In 1992, the labour movement did not fare well in terms of the total number of resistance actions, either: the total number of resistant workers was a mere 400,271, as opposed to 2,681,653 the previous year (Petrol-İş, 1993: 279). Petrol-İş (1993: 280) enumerates the causes of the decline as: i) the descent of the 9-year old ANAP government and the high hopes placed by the unions on the new coalition government with a consequential wait-and-see attitude; ii) the retreat of TÜRK-İŞ

and other confederations and unions from direct action; iii) the influence of capitalist interests on the media—particularly noteworthy in that respect are the heavy propaganda bombardment against municipal workers and the THY workers. The media and government campaign was so effective that, in the first case, there was open public reaction against the municipal workers, and, in the second, Hava-İş was forced to hold a ballot and to call the strike off, as members declined; iv) low levels of solidarity and the consequential isolation of actions to individual workplaces; v) the massive lay-offs following the actions; vi) the liquidation of leading workers by employers (Petrol-İş, 1993: 279-80). One should also note that, according to Petrol-İş data, the overall number of lay-offs seemed to drop in 1992, down to 51,614, from a high 136,804 in 1991. Petrol-İş (1993: 369-70) attributes that to the fact that the lay-offs had already reached the point of saturation in the public sector. In 1993, the total number of strikers went down to 6,908, from 62,189 in 1992, although the movement seemed to pick up in terms of the resistance actions, as the total number of resistant workers went up to 1,035,658 in 1993, from 400,271 in 1992. It is worth to note that, with a total of 154,898, the greatest number of resistant workers belonged to Belediye-İş, with most of the action taken against dismissals and wage arrears (Petrol-İş, 1995: 291, 297, 303-4).

It might be useful to analyse the Resolutions of the 16th General Congress of TÜRK-İŞ, in order to be able to understand the full import of the change for its time and the upcoming developments of the years 1994-1995:

- Resolutions start with the specification of the problems facing the workers, with the following two standing out amongst others: 1) the so-called September 12 Law/Legislation remains in its place, despite the recent struggles led by TÜRK-İŞ and its affiliated unions; 2) the Capitalist class has launched a new assault *vis-à-vis* the successful struggles of TÜRK-İŞ and its affiliated unions (TÜRK-İŞ, 2002a: 593).
- Due to its monopoly over the means of information, Capital is more effective in and successful at influencing and conditioning public opinion against workers and unions (TÜRK-İŞ, 2002a: 602, 611, 613).

- To be able to reverse the effects of the September 12, and, to halt the capitalist assault, one must go beyond that understanding of unionism which limits itself to collective bargaining. The resolution of existing social and economic problems requires the strengthening of the independent power of the union movement in the political arena (TÜRK-İŞ, 2002a: 594, 601).[14]
- As far as the legacy of September 12 and democratisation is concerned, TÜRK-İŞ demands the modification of the Constitution and a number of other laws/codes. Constitutional restrictions on political and trade union activity must be removed. ILO Conventions No. 87, 98, 151 and 154 must be fully applied to the internal legislation (TÜRK-İŞ, 2002a: 598). Several articles of the Trade Union Law No. 2821 must be modified or removed. Amongst others, public sector employer unions must be closed (Article 3), and Circular No. 19-383-04069, dated 02/06/1986 allowing public employers to join such these unions be lifted (TÜRK-İŞ, 2002a: 598). Several articles of the Law No. 2822 on Collective Bargaining, Strikes and Lock-outs must change. Also must change, the Labour Code No. 1475 with a view to particularly strengthen employment security—Articles No. 13, 14 and 17 (TÜRK-İŞ, 2002a: 599, 606). Besides, the so-called Draft Law on Employment Security must be further improved and promptly sanctified by the Assembly of the Nation, in line with the ILO Convention NO. 158.
- Organising is the *sine qua non* of struggle. The Extended Meeting of Organising Secretaries must be held trice a year periodically, with the participation of the members of the TÜRK-İŞ Department of Organising, Organising Secretaries of unions, experts of unions' organising departments, and, the Regional and Gubernatorial Representatives of TÜRK-İŞ. The Extended Meeting should set the principles, and work out the plan and the program of organising. TÜRK-İŞ Department of Organising must not be directly involved in the organising work. Its role is to steer and unite the activities of member unions. Amongst its duties is the determination of the general guidelines of building up union democracy in concert

[14] Later in 1995, one sees Yıldırım Koç—advisor to TÜRK-İŞ General President Meral—explicating the great defeat of the union movement with its failure to stamp its independent power upon the political arena (Koç, 1996). Conspicuous parallels and continuities of style and argumentation are evident between the text of Congress Resolutions and Koç's own writings. I suspect that the text of the Congress Resolutions is essentially authored by Koç himself.

with the unions. Organising success much depends on the grassroots awareness of its import. The most effective way of ensuring that awareness is to establish the organising committees at the level of the county as well as the gubernatorial level. A further point is the reactivation and reinforcement of the TÜRK-İŞ Regional Representation Offices. Otherwise the steering of the Turkish Worker Movement from a single centre shall be unlikely (TÜRK-İŞ, 2002a: 608-9).[15]

- Given the colossal development of the means of mass media, the increased number of TV channels in Turkey, the monopoly of Capital over information, and its capacity to unilaterally condition the public opinion, raising the consciousness and educating the unionised working class is of utmost importance. Union education should dwell less on law, and more on the current social and economic issues and emergent new aspects of the relations of production. Besides, TÜRK-İŞ must publish a daily newspaper, found/rent a TV channel.[16] Education activities in direct/indirect collaboration with the agencies of foreign states, or, through to use of the funds provided directly/indirectly by foreign states, and, which impair our independence must be repudiated (TÜRK-İŞ, 2002a: 602, 611-5).[17]

Notice the following points:

- In the early Nineties, the TÜRK-İŞ rhetoric is pre-dominantly pro-democratic and anti-militaristic. Nonetheless, it is also finely tuned by recourse to the traditional pro-state, pro-nationalist stance: the duty of defending parliamentarian democracy against military coups on the one side; and, those of coming out against 'divisive terrorism', defending independence, territorial integrity, and security of The Turkish Republic of Northern Cyprus on the international platforms of the union movement, on the other —with the last one the reiteration of one perennial sensitivity of the Turkish foreign policy. However, in the late Nineties, following, especially, the army

[15] Notice a rather eery warning: "The coordination of the Regional and Gubernomental Representation Offices and the Gubernamental and County Organising Committees is essential in the future struggle against the HAK-İŞ and DİSK unions that have recently been attempting to organise throughout the country" (TÜRK-2000a: 610)

[16] Koç also (1996: 42) reiterates the urgent need for a *médiatique* TÜRK-İŞ counter-offensive *via* a TV and a radio channel and a daily newspaper that would serve to protect people's interests and educate members.

[17] Implicit reference is to AID- sponsered TÜRK-İŞ training.

ultimatum to civilian authority on February 28th, 1997, the pro-state, pro-nationalist stance came to re-dominate the union rhetoric.

- One can also discern a relatively soft criticism of the traditional way of TÜRK-İŞ unionism, e.g. the American/AID connection, its a-politicism, the question of internal democracy.
- The ideological/discursive superiority of Capital is a major concern, with the proposed solution of increased media activity. The ideological/semiotic aspect of the class struggle was narrowly conceived of as the political/technical question of mobilising enough resources. No progress was made on that front. In 1994, the Confederation was simply ill-prepared to fend off the discursive assault of the government, Capital and the media assault to discredit the public workers and the unions.
- Emphasis is put on organising—with its pro-centralisation slant, through the reinforcement of the central and local confederal organs. Indirectly, the more general case is made for a centrally steered/orchestrated—though not a very tight one—confederal structure. No significant advance was made on the front of union organising. In 1995, the Confederation simply came apart at a consequence as a quarrel broke out over the confederal attitude against the government arrears of inflation increments.

3.2. THE CONDITION OF LABOUR INTO THE SECOND HALF OF THE NINETIES

Theoretically, the critical issue is the connection between the sphere of production — the workplace/factory and the external environment in which it is embedded, so to say, including the so-called external labour market. Instead of using the concept labour market, I prefer to devise the concept the 'condition' of Labour. In the 1st Volume of Capital, Marx uses the term market for the sphere of exchange, while the wage-labour power exchange clearly extends into the sphere of production. It is interesting that segmentation theorists often use the distinction internal vs. external labour market. Thus, what I call the condition of Labour somewhat corresponds to the external market. Nonetheless, I use the term condition to designate the human

condition in which the worker finds himself/herself. He/She is doubly free under capitalism —i.e. free of the means of production and subsistence, and, free to sell his/her labour power at will. Thus, his/her human survival depends upon the effective sale of his/her own labour power, which is by no means certain, depending upon the degree of commodification of labour power. The human consequences of that uncertainty are very destructive —fear, character erosion, thus, the human condition of Labour under the capitalist wage relationship. It is important to identify the condition of Labour into the mid-Nineties, in order to be able to grasp the external environment —the 'out there'— surrounding the sphere of production, the workplace.

In a brilliant article on the practice of hegemonic factory regime in Turkey, Yücesan-Özdemir provides insightful ideas. Yücesan-Özdemir (2000: 241, 243, 252-3) argues that the current tendency is a move away from the despotic, and, towards the hegemonic factory so as to control not just the movement and the time of, but also the minds—and certainly the hearts— of the workers. The hegemonic factory has got two usual means of power, i.e. coercion via the mechanisms of technical and bureaucratic control, and, consent via the mechanisms of ideological control. Yücesan-Özdemir conducts an ethnographic investigation at a car factory in Adapazarı in which she observes that: i) due to the absence of employment security, and, low wages, employer's ideological discourse has lost its legitimacy, and attempts to secure hegemony have failed; ii) workers do not give consent to the factory regime; yet, they do not either opt for direct opposition against. So, points out Yücesan-Özdemir, worker attitudes of acquiescence, consent, or disobedience in the factory can be understood in the wider context of the socio-economic and political structure. Notice that the two critical worker considerations —as observed by Yücesan-Özdemir, the fear of unemployment and the level of wages are relative, depending, inter alia, on intra-class comparisons within and without the factory. Thus, one of the relevant variables is workers' level of self-organisation, capacity for de-alienation. A yet equally relevant one is the human condition of the worker, i.e. subjection of his/her vital, species activity —production, to commodification, and,

his/her subsequent atomisation. The systemic role of market terror. Labour market is first and foremost a relation of existence, a human condition.

Nichols et al. (2002: 68-9) note that the contemporary generation of Turkish managers are having more and more access to international developments in management theory and practice, through the development of business teaching, an increasing number of joint venture companies, the emergence of management consultancy both internationally and within Turkey, the new means of communication—in short, through the operation of what is called the 'cultural circuit of capital'. Indeed, it is most likely, inter alia, that the penetration of international capital was a major channel. Koç (1996: 39) notes that the number of companies with foreign capital augmented from 100 in 1980, to 3067 towards the end of 1996. Research at three plants in white-goods industry —producers of ovens (Bolu), washing machines (Çayırova), and refrigerators (Çerkezköy), conducted in 1999. "The average worker in these plants, all of which are subject to the same industrial agreement, has 8 years service and pay, including bonuses, of about four times the minimum wage …. Such is the imbalance between the public and private sector that those who have worked more than 12 years will earn 50 percent more than teachers or policemen and twice as much as nurses. Outside the big private sector firms, workers are only likely to get the minimum wage." (Nichols et al., 2002) TQM in the three plants in white-goods industry researched by Nichols et al. (2002: 71) had largely arrived in the first part of the 1990s. Since the mid-1990s, all plants have HRM departments. (Nichols et al., 2002: 77, 80)

Nichols et al. (2002: 74) mention a survey for the İstanbul Chamber of Commerce which cites the views of Turkish managers held by over 50 expatriate executives, mostly from multinational companies to the effect that most managers rule by fear, that they are arrogant, love power and hierarchy, that the Turkish system is autocratic. A Çerkezköy worker: "The relationship is not managed through respect and responsibility but fear of job loss and getting a dressing down." (Nichols et al., 2002: 75) In the three plants in white-goods industry researched by Nichols et al. (2002: 75-6) there are tacheron workers performing ancillary functions—in the

refectory and to a limited extent on cleaning, packing and warehouse duties. They represent between 10 and 15 percent of the workforce, are employed for less than 11 months to avoid the employer's obligation to pay compensation on dismissal, lack legal contracts, receive just a minimum wage, are not unionised, have no holiday entitlement. Foreign managers tend to be impressed by the temporal flexibility of Turkish workers, including overtime.

On the other hand, "paid employment is becoming more and more precarious … . People are travelling vendors, small retailers or craft workers. They offer all kinds of personal service or shuttle back and forth between different fields of activity, changing from agricultural activities to home working." Nomadic multi-activity. The (semi-) work society changes into the risk society, "… making incalculable risks in terms of individual rights." A majority of people, even the middle classes, live in endemic security." (Özdemir and Yücesan-Özdemir, 2004: 33) Koç (1996: 37) observes that part of the proletariat toils at small enterprises as illegal labour, often goes unemployed, or leads a peddler's life, etc. Çam (2002: 94-6) also argues that temporary employment to have gone up from 5 % in 1985 to 14 % in 1997. Temporary employment is exacerbated in two basic forms, i.e. contract work, and the tacheron system, with the former shooting up from 20,000 in 1985 to 500,000 in 1996*, and the latter, from 4 % in 1986, to 15 % in 1996** in state economic enterprises, or, from 550,000 in 1983 to 1,200,000 in 1997 in the construction industry.

Apropos of the rural dynamics, Koç (1996: 38) also points out the generally deleterious impact of the privatisation of Tekel, Çaykur, Şeker Fabrikaları [Sugar Factories], SEK, EBK, and Yem Sanayii [Fodder Industry] that were once designed to uphold small producers in agriculture and animal husbandry. The pace of de-unionisation in (the first half of) the Nineties stands out as quite phenomenal. The percentage ratio of unionised workers to workers covered by the Social Insurance Institute declines from 42.5 % in 1990 to 24.5 % in 1995 and 16.0 % in 2000. In public sector, the corresponding rate declines from 93.3 % in 1990 to 79.3 % in 1995, and, further down to 55.4 % in 2000, while, in private sector, from 22.7 % in

1990, to 10.3 % in 1995, and, further down to 6.2 % in 2000. (Özdemir and Yücesan-Özdemir, 2004: 38).

The wave of sub-contracting of ancillary services to private firms in public sector —tacheronisation— and extensive labour-shedding in private sector in the early Nineties may in part be traced to the wage explosion of 1989. Hence, the index of production workers in the private sector manufacturing sector declined steadily from 132.8 in 1988 to 100.6 in 1993. Another reaction was the new flexible types of work organisation, such as part-time and temporary employment, and union-busting techniques. Accompanied by calls for higher labour market flexibility. Reduction of public employment, movement away from centralised industry-level bargaining towards decentralised firm-level bargaining, emphasis on intra-working class distribution in terms of insiders vs. outsiders were also voiced by the DPT [acronym for *Devlet Planlama Teşkilatı* —the State Planning Office] (Şenses, 1996: 9-10). Şenses (1994: 441) argues that the increase in temporary an fixed contract workers in the public sector following the introduction of fixed contract status as part of the public sector reform was reinforced after the wage explosion. Şenses (1994: 443) argues that the main reaction of the private sector to the wage explosion —whose effect compounded by the adverse impact of the Gulf War— was labour shedding on an extensive scale. Unions, on the other hand, were arguing that labour shedding was employers' way of releasing unionised senior workers in an effort to tame labour militancy and reduce the burden of severance payments. Sub-contracting of certain activities was yet another private sector reaction.

Yeldan notes (2004: 99) that research indicates that the wage rate of the so-called marginal labour force is below the legal minimum wage. The ratio of marginal sector wages to weighted-average wages in the formal sector is 0.171 in 1980, 0.287 in 1985, 0.201 in 1990, 0.191 in 1992, 0.170 in 1993, 0.159 in 1994, and, 0.187 in 1995. So, the wage differential gets smaller before 1989, larger between 1989 and 1994 —through the wage boom, and, drops again after 1994. Yeldan also points out that the real wage fluctuation makes itself felt most strongly in public manufacturing and large-scale private manufacturing, where the level of institutionalisation and

union organisation are highest. Fluctuations in the legal minimum wage and the wage cost of marginal/unregistered workers is also insignificant (Köse and Öncü, 2000: 80). In relatively smaller enterprises there is less wage fluctuation, as in the case of formal wages in private manufacturing enterprises employing 10-49 workers. According to the data provided by Köse and Öncü (2000: 87), yearly average wage cost differentials in traditional industrial cities were, 2.0 for differentiated and science-based, 1.9 for scale-intensive, and, 1.4 for resource-intensive sub-sectors, with the yearly average wage cost in labour-intensive sub-sectors equal to unity.

Şenses (1996: 10-1) also notes that some real bone of contention was over the years 1991-93 the draft bills on employment protection and unemployment insurance reflecting the eagerness of junior partner of the coalition government, the SHP, to adopt the ILO norms and modernise labour market legislation. Competition for such jobs is stiff. Torpil (intermediation by someone on the inside, some influential contact outside, etc.) is commonplace. In all three factories, recruitment operates "… through a dense web of friends, friends of friends, and acquaintances, the web through which the ordinary citizen hopes to touch and be rewarded by the powerful." Local state—governors, kaymakam (the prime local government representative in the town), etc. makes also part of that very power structure. (Heery et al., 2002: 76)

Nichols et al. (2003: 528) draw upon a study of over 350 workers employed in seven firms —of which three are in white-goods industry, two in car industry, and two in textiles— in the modern sector of the Turkish industry situated in or adjacent to the İzmit triangle, in an attempt to explore possible differences between younger and older workers in terms of work-related attitudes and expectations, commitment and aspirations. Apparently, many workers saw themselves having escaped the informal economy, and, their basic vision of the future was to stay in the big company sector as long as they could. Overall, with younger generations of workers, the emergence of a less committed, more critical workforce looked likely (Nichols et al., 2003: 531, 543).

Onaran (2000: 205) argues that in the period of 1989-1993, the rate of unemployment was relatively reduced due to expansionary economic policies with the only exception to the general trend being the year 1992, when the rate of unemployment slightly increased while, as a response, reel wage costs declined in 23 manufacturing industry sub-sectors out of 26. Hence, the real wage gains can in part be explained by the relative decline in unemployment. The coincidence of the optimistic economic milieu following the liberalisation of capital movements with the rise in trade union activity has enabled for the working class to translate the falling unemployment rates into wages. On the other hand, Onaran (2000: 205, 207) argues, in the 1994 crisis, the rate of unemployment rose by only 0.4 %, whereas, real wage costs in private manufacturing industry fell by 27.2 %. Downward reel wage flexibility was so high that the rate of unemployment rose much less it would otherwise do, with workers choosing to protect their jobs by large wage concessions, due to the high (absolute) level of unemployment, absence of job security and unemployment benefits.

Ercan (2004: 15, 28) argues that as capital has got a heterogeneous structure in itself—such as the so-called Anatolian capital, small-scale sub-contractors operating as international sub-contractors, or the large-scale capital going into mergers, joint ventures with international capital—adopt different capital accumulation strategies. Hence, the simultaneous co-application of a variety of capital accumulation over the same territory, i.e. Turkey. As a consequence of the emergence of variety of simultaneously existing capital accumulation strategies, the relationship between Capital and Labour has also become more diversified. According to Yentürk (1999: 193-4), in the 1988-93 period, iron and steel (371) and other metals (372) as pro-export sectors were both static and capacity-utilisation-based, while, metal goods (381) and machinery (383) were also both static cum capacity-utilisation-based, and, transportation vehicles (384) was dynamic cum capacity-utilisation-based—sub-sectors whose medium- and large-scale capital interests are partly represented by MESS. Hence, the early Nineties seems, in terms of Marxian political economy, to be somewhat characterised by a low level of productive capital accumulation and a limit on the growth of absolute surplus value that was consequent upon low

employment growth. On the other hand, the pro-export sub-sectors of food (311+312), textiles (321), and, leather and fur (323) were also static cum capacity-utilisation-based. Wearing apparels (322)—a pro-export sector too, was dynamic cum capacity-utilisation-based. Hence, in the early 1990s, the twin problems of low level of productive capital accumulation and the limit imposed by low employment growth on absolute surplus value seem to have plagued the Turkish manufacturing industry in general.

The concept of segmentation, without much explicit mention of the theory itself, is utilised, inter alia, by Ahmet H. Köse and Ahmet Öncü, as well. Köse and Öncü (2000: 82-5) define marginal labour force as that which is bereft of basic social security rights, whose share in total employed labour force rises from roughly 41 % in 1990, to 46 % in 1999. Marginal labour force is mostly widely employed in the so-called traditional, labour- and resource-intensive sub-sectors, where, small entrepreneurship is the prevailing form of wage relationship. Hence, in 1992, the share of informal labour force in labour- and resource-intensive sub-sectors is, respectively, 66 and 43 %, whereas, that in scale-intensive and differentiated and science-based sub sectors is, respectively 13 and 15 %. It is also important to note that, in the post-1980 era, approximately 70 % of total exports are in labour- and resource-intensive goods. On the other hand, the majority of small entrepreneurship—89 %—as well as the majority of small enterprise employees—75 %—concentrates in the so-called traditional sectors of the Turkish economy, namely, Food, Beverage and Tobacco (31), Textiles, Wearing Apparel, Leather (32), Forestry Products (33) and Metal Goods (38) (Öncü and Köse, 1998: 145). Small enterprises employing 1 to 9 people account for 95 % of all private manufacturing industry workplaces, 38 % of all registered employees, and, only 7 % of the total value added (Köse and Öncü, 1998: 145). Wage levels depend on enterprise scale: Hence, in 1994, wages at enterprises with 10-49 employees were 1.7 times, those at enterprises with 50-150 employees were 4.5 times, those at enterprises with 151-250 employees were 3.3 times, and, those at enterprises employing 251+ employees were 5.2 times the wages at enterprises employing 1-9 employers (Köse and Öncü, 1998: 147). To conclude, Köse and Öncü (2000: 77, 87) argue that the prevailing form of flexibility

in Turkish economy is labour market flexibility (flexibility in the wage relationship). Accordingly, the dominant forms of control regimes, are, direct and market control regimes, rather than, bureaucratic, technological, and, cultural control regimes. Average wages of leading pro-export sub-sectors are below the national average, with, 25 % below for Textiles (321); 68 %, for Wearing Apparel (322); 18 % for Food Products (311) (Köse and Öncü, 1998: 146). According to Köse and Öncü (1998: 141), the prevailing form of wage relationship determines a nation's ranking in the hierarchy of world economy. Köse and Öncü (1998: 144) concentrate on the geographical aspect of segmentation, namely, cities that constitute the traditional spaces of the national industrial formation vs. the Anatolian industrial cities, with low social costs and poor labour organising—whose creation owes to the quest for low-wage labour force. Anatolian industrial cities have a higher rate of small entrepreneurship than the national average, and, have lower real wage and productivity levels (Köse and Öncü, 1998: 149). The rate of unionisation is very low, while remuneration is what is called the piyasa [market] price, which is possibly below the legal minimum wage (Köse and Öncü, 1998:155).

3.3. THE FORMATION OF CAPITALIST STRATEGIES AND DEMANDS

3.3.1 Capitalists' View of Crisis: Diagnosis and Panacea

Looking, from a different angle, at the overall process of accumulation and distribution, Capital views the crisis of Turkish capitalism on a double level, namely, crisis in the state sector —to be more exact, the fiscal crisis of the State, and, the profitability crisis of private Capital. The fiscal crisis of the State is to be resolved through the wholesale restructuring of the State. And, in so far as the crisis of private capital accumulation is concerned, one can summarise the emergent agenda of Capital in 4 elements, namely, the strategic issues of, 1) enterprise adjustment to economic crisis, and, 2) enterprise adjustment to competition on a world scale — including, most importantly, economic integration into the EU, plus, the strategic variables of, 3) wages and the wage system in general, and, 4) productivity. Capital's hegemonic project and discourse are the economic nationalism of competitive

solidarity, of which, the ESK is, as I see it, the core sub-project. Underlying the views of Industrial Capital is, also, a certain conception of distribution, and, economic crisis, expressed in popular rhetoric, and, whose logic closely corresponds, on a more theoretical level, to the propositions of Neo-Classical economics in terms of the determination of wages, and, in terms of the wage-inflation, wage-unemployment, and wage-investment relationships. On the other hand, the panacea put forth by Capital, is a direct and simple corollary of its approach to distribution and crisis, which can be analysed and classified in terms of the Marxian theory of distribution —that, I shall try to do in the next sub-section, as I discuss the formation and formulation of capitalist strategies in the Nineties.

3.3.1.1. Diagnosis

The TİSK diagnosis of economic crisis in the Turkish economy rests on two pillars, namely, the fiscal crisis of the State, and, the profitability crisis of private Capital. They have distinct causes, in so far as the modes of behaviour are different in public sector and private sector, though the underlying mechanism of distribution is essentially the same, namely, the reverse exploitation of society as a whole by public-sector workers, and, the reverse exploitation of capitalists by private-sector workers together with the burdens imposed by the State.

In so far as the fiscal crisis of the State is concerned, the explication goes as follows: In the KİTs, collective contracts violate economic logic, for, the governments often concede to excessive wage demands outstripping the means of the KİTs. Besides, personnel selection rests upon, not merit, but is left to the subjective discretion of administrators. Plus, as governments change, partisans are promoted at all levels, with people being assessed to, not in terms of objective professional performance, but on the grounds of political considerations. In consequence, productivity falls. Using Kamu-İş data for the years 1987-1991, TİSK argues that wage increases at the KİTs are well over and above the rate of inflation. On the overall, the unit workforce cost has risen, whereas unit production has fallen, with unit net production turning, in 1991, to the negative. Data provided by the İstanbul Chamber of Industry testify to

the same fact, so much so that, in 1991, the share of wages in total value added in 1991, is 130 %. [Notice, incidentally, that the year 1991 is the year of the Gulf Crisis and the accompanying economic recession —H.A.] Alternatively speaking, in 1991, wages have been distributed not corresponding to any production at all. One of the consequences of KİT losses is inflation. With costs exceeding the sales' revenue, KİTs get state support to survive. Hence, the wage policy of the KİTs plays a major role in the expansion of public deficits, and, the State, on its turn, either incurs new debts or prints money, with both ways stimulating inflation. The increase in KİT costs is also reflected into higher KİT prices of private sector inputs, hence, causing cost-inflation in private sector prices as well. Public workers' and unions' trust on state budget, and the consequent, excessive wage increases in the public sector, setting the exemplar for private-sector workers and unions, cause wages in private sector also to increase. But, with inflation actually being a tax over consumers, then the society of citizens is taxed in order to finance the KİT losses (TİSK, 1992: 149-50, 152-3). One can stylise the TİSK argumentation as follows: Notice that, when wages exceed value added, or when unit workforce cost rises, unit production falls and unit net production turns negative, one can easily argue, provided that prices more or less represent natural prices, that workers are paid more than they produce, or, more than they contribute to production. As a matter of fact, TİSK seems to suggest that, 1) workers are paid more than some natural wage, say, the cost of production of labour power, and, 2) the productivity of workers is lower than what it ought to. But, when one gets more value than one produces, that implies a value transfer, from someone else. That someone else is, in our case, society, implying that, KİT workers are exploiting the society of tax payers, i.e. the citizens. Hence, KİT wages are way too high, while the productivity of KİT workers is way too low, due to the interference of politicians, hence the logic of politics into the KİT management. That, in turn, implies public deficits which are financed by monetisation or debts, ensued by a whole range of macro-economic troubles, e.g. inflation. But, public deficits are met by the society, hence, there is in question a transfer of resources from society towards public workers, i.e. the enrichment of public workers at the expense of the impoverishment of society —public workers against society.

DIAGNOSIS
POLITICAL INTERFERENCE INTO KIT MANAGEMENT ➠ EXCESSIVELY HIGH WAGES + ABNORMALLY LOW PRODUCTIVITY ➠ KIT LOSSES ➠ PUBLIC DEFICITS ➠ MONETISATION AND/OR PUBLIC DEBTS ➠ MACRO-ECONOMIC TROUBLES (FOR INSTANCE, INFLATION CAUSED BY, MONETISATION + PRIVATE SECTOR COST INFLATION INCITED BY HIGH PUBLIC-SECTOR INPUT PRICES + PRIVATE SECTOR COST INFLATION DUE TO HIGHER PRIVATE SECTOR WAGES CONDITIONED BY HIGH PUBLIC SECTOR WAGES

Profitability crisis in the private sector is, most emphatically, associated with excessive wage increases. TİSK (1993: 3-5) argues, on the basis of the State Institute of Statistics (SIS) Index of Workers in Production, and, Index of Worked Hours in Production, that in private manufacturing industry, there was a conspicuous decline in the number of workers employed after 1989, and, especially, 1991. The rate of decline in the number of hours worked is even more dramatic, reflecting the adverse effect of extensive strikes. SIS data mostly belongs to private manufacturing industry enterprises with the number of workers greater than or equal to 50. On the other hand, TİSK (1993: 6-8) argues, on the basis of Ministry of Work and Social Security data indicates that, in the case of the private manufacturing enterprises with the number of workers greater than or equal to 500 workers are concerned, the total number of enterprises, and, the total number of employed workers declines for the period July 1991-July 1992. Hence, concludes TİSK, employment decline originates in manufacturing industry and in the largest enterprises, with high rates of unionisation. TİSK (1993: 9, 10-1, 13-4) also maintains, following the SIS, that one of the major causes of the decline in the indices, is the shift towards capital-intensive technologies, ensuing, as it does, excessive wage increases. SİS and TİSK data, argues TİSK, representing as they are, respectively, medium scale and unionised large scale enterprises, indicate a wage boom in and after 1989 that is out of proportion with economic indicators, such as, the rate of growth, productivity growth, rate of inflation, employment conditions, and, enterprise conditions including competition. To be more exact, rivalry among the unions already initiates the wage competition in the last quarter of the year 1989 (TİSK, 1991: 104-5). Most importantly, TİSK argues that empirical data testify to the adverse impact of the

unions, in that, untrammelled and measureless attempts at raising wages at unionised enterprises, together with the ensuing conflicts, lead to reductions in the number of employed workers, and, to the introduction of capital-intensive technology. Excessive and sudden increases in real wages and labour force costs reduce the level of existing level of employment, and, impede new investments that would ensure extra employment. Most enterprise investments are directed at modernisation. Reduction in employment gets compensated by extra work, and, new machinery, hence, thanks to mechanisation and higher productivity, production actually does increase. Provided that the tendency towards mechanisation is empirically true, interesting conclusions obtain: Against increasing wages, capitalists increase the magnitude of the floating reserve army of labour by reducing employment, increase the technical composition of capital, and, increase the rate of exploitation by increasing absolute surplus value. Accordingly, excessive wage increases emerge out as one of the central determinants of unemployment —a most important macro-economic malaise.

DIAGNOSIS
WAGE UNIONISM ➠ EXCESSIVELY HIGH WAGES (APROPOS OF THE RATE OF GROWTH, RATE OF INFLATION, STATE OF THE RESERVE ARMY OF LABOUR, ENTERPRISE CONDITIONS (OF COMPETITION) ➠ EXCESSIVE COST INCREASES + INDUSTRIAL CONFLICTS ➠ REDUCTION IN PLANT INVESTMENTS + INCREASE IN MODERNISATION INVESTMENTS (MECHANISATION AND HIGH TECHNOLOGY ➠ LABOUR SHEDDING + REDUCED EMPLOYMENT CREATION ➠ UNEMPLOYMENT

But, excessive wage increases are also the cause of an equally important macro-economic malaise, namely, inflation. TİSK argues that with 3 to 4-fold sudden increases in wage costs, there is no way to keep total cost and the sales price constant, so that prices of goods and services are bound to increase at the expense of the whole society. Accordingly, TİSK claims that employers are not quite the real party to wage increases, they are the simple intermediaries wage-cost-induced inflation between workers and society. It also argues that policy options are limited against a cost-induced inflation, with tight monetary policy remaining ineffective.

The last point is most interesting, as TİSK openly concedes that monetary austerity is ineffective in the fight against inflation, implying, an endogenous theory of money, and that is as much close as TİSK gets to a Structuralist sort of inertial inflation (TİSK, 1992: 121-2). One can cite other adverse macro-economic effects of excessive wage increases, as well: For one thing, as wage costs shoot up, competitiveness dwindles, and, so does export performance of the Country. For another, excessive wages are a source of social inequality, as in the case of, e.g. wage-salary differentials between workers and civil servants (TİSK, 1991: 123-4). Yet another economic and social effect is informalisation, as the high levels of wage costs, the exorbitant union demands of wage increase, together with the high levels of employment taxes of the State, compels the newly-founded as well as existing enterprises to go informal, or, under-ground. While considering the situation of around two million unionised workers, one should not forget the presence of some 2 millions of unemployed, plus some other 2 millions of informally employed. While TİSK is not fully explicit about what it means by that, nonetheless, some insider-outsider view of the unions and unemployment seems to be put forth. Finally, there are the corollaries of informalisation: With rising under-ground economy, and, informal employment, taxes and social security fees go down, thence, the fiscal crisis of the State, as well as that of the system of social security (TİSK, 1991: 125).

On the other hand, TİSK argues that it is not just the level of wages, but, the wage system as a whole that drains the life-forces of enterprises. That, in two ways: 1) It hampers productivity growth; 2) the burdens imposed upon enterprises by labour and the State raise labour force costs, and, hence, reduce profitability.

1) The Wage System and Productivity: The high share of fringe benefits in workers' disposable wages constitutes an unfair practice at the expense of those who are more qualified, and, more productive. It reduces productivity, and it impairs the incentive for workers to learn more and get more qualified (TİSK, 1991: 102-3) Also, with the main wage making a relatively smaller part of the worker's disposable wage, collective bargaining concentrates on the level of fringe benefits, adversely affecting the work peace. The present wage system is unfair on the part of the workers, and,

unproductive, on the part of the employers, so it needs to be redone, in favour of a system of performance assessment. The practice of across-the-board wage increases disregards differences in workers' contribution to production, thus, hampers productivity.

2) The Wage System and Profitability: On the other hand, TİSK argues that there are several burdens —imposed by the State, and, by Labour— over enterprises, raising labour and production costs. The burdens in question are: 1) Cuts made from the employer for the so-called Social Funds, namely, Fund for the Development and Promotion of Apprenticeship and Vocational and Technical Education/Training, and, Fund for the Promotion of Defence Industry, and, Fund for the Encouragement of Mutual Social Aid and Solidarity —employer's share. Besides, there is also the cut made for the so-called Fund for the Encouragement of Voluntary Savings; 2) the side payments made to workers aside wages as such —fringe benefits— which are not related to production, to actual work, such as, the bonuses paid irrespective of individual performance, and, the so-called social assistance payments that are as many as thirty; 3) cuts made by the state, directly from the worker, such as, the income tax over wages, the SSK fee, cuts made for the Fund for the Encouragement of Voluntary Savings —worker's share (TİSK, 1997: 6-8, 29-30, 32). The cuts in question drain the life-force of enterprises, and, compels them to downsize. Besides, it discourages investment; encourages rent-seeking —financial speculation, and, informal activities, destroys enterprise capacity to adapt flexibly to the change in economic conditions; stimulates tacheron and illegal employment, strengthens inflationary tendencies —with higher costs translated into higher prices, reduces enterprise competitiveness in domestic and external markets, and; obstructs the inflows of foreign capital (TİSK, 1997: 3).

DIAGNOSIS
HIGH BURDENS ON ENTERPRISES AS IMPOSED BY: 1) THE STATE + 2) WORKERS/UNIONS THROUGH COLLECTIVE NEGOTIATIONS ➠ LOWER PRODUCTION, LOWER INVESTMENTS, LOWER FOREIGN INVESTMENT (LOWER GROWTH) + INFLATION + INFORMAL UNEMPLOYMENT + LOWER ENTERPRISE ADAPTIVE FLEXIBILITY + REDUCED COMPETITIVENESS

3.3.1.2. Panacea

On the overall, TİSK sees Turkey's salvation in the integration into the world economy, and, more specifically, into the EU. In accordance with that, TİSK argues that the way to rapid development and integration into the world economy is, to raise the productive and competitive capacities of individual enterprises (TİSK, 1997: 3). Hence, on the most general level, and, with the Industrial Capital as the vanguard of the Country on the way salvation, the general panacea of solving Turkey's economic and social crisis is given in the following box:

PANACEA
ENTERPRISE STRENGTH, PRODUCTION- AND COMPETITION-WISE ➠ COUNTRY'S ECONOMIC DEVELOPMENT + INTERNATIONAL ECONOMIC INTEGRATION

Elsewhere, TİSK (1998: 51) reiterates that investment-production-export provides the best avenue to Turkey's economic development through integration to the EU and the Customs Union (CU). Key to success, and, focal point is, to increase competitiveness. In order to be able to do that, the system of industrial industrial relations must be reformed. In the same context, Turkish unionism must go through substantial change of mentality, and stay in dialogue with the government and employers.

PANACEA
MENTALITY CHANGE IN TURKISH UNIONISM + REFORM OF INDUSTRIAL RELATIONS ➠ INCREASED COMPETITIVENESS —INVESTMENT-PRODUCTION-EXPORT AVENUE ➠ ECONOMIC DEVELOPMENT THROUGH INTEGRATION INTO THE EU AND THE CU

On the other hand, TİSK argues that a major benefit of privatisation is the elimination of public deficits as the single most important determinant of inflation. But, as inflation is eliminated, the wealth level of the people should also increase. Privatisation also reduces inflation through increased price competition. Besides, privatisation would generate substantial increase productivity, leading to enterprise growth and outlets for new employment. In general, privatisation means more competition, with the latter, on its turn, promoting markets, reducing prices, and, raising quality. As soon as the KİT burden is relieved, the consequent savings in public resources would be channelled into infrastructural investments, health, education, foreign security, etc. expanding the quantity of services provided to the people. Society must hold the State accountable for every single *kuruş* it pays in taxes (TİSK, 1992: 156, 158).

As TİSK (1998: 54) sees it, workers must as much support privatisation, the KİT reform, tax reform, reduction of informal economic activities, reform of existing agricultural support system, social security reform, and, the rationalisation of employment, to restore the balance of public finance that, on its turn, would ensure long-run employment and real wage increases.

PANACEA
(WORKERS MUST AS MUCH SUPPORT) ➠ PRIVATISATION + KİT REFORM + TAX REFORM + REDUCTION OF INFORMAL ECONOMIC ACTIVITIES + REFORM OF EXISTING AGRICULTURAL SUPPORT SYSTEM + SOCIAL SECURITY REFORM + RATIONALISATION OF EMPLOYMENT ➠ BALANCED PUBLIC FINANCE ➠ LONG-RUN EMPLOYMENT + REAL WAGE INCREASES

PANACEA *(follows as a corollary from diagnosis above)*
LOWER BURDENS OVER ENTERPRISES ➠ HIGHER PRODUCTION, HIGHER INVESTMENTS, HIGHER FOREIGN INVESTMENT (HIGH GROWTH) + LOW INFLATION + REGULAR EMPLOYMENT + HIGHER ENTERPRISE ADAPTIVE FLEXIBILITY + INCREASED COMPETITIVENESS

My impression is that, dominating the TİSK discourse of the time was the alleged intra-class conflict within Labour: union vs. non-union, public vs. private, regular vs. marginal, worker vs. public servant, manual vs. white collar, etc. Worker vs. consumer sort of conflict—a favourite theme of pro-market scholars—seemed to remain relatively more implicit, and, sparse, though it was a time rampant inflation. Çam (2002: 90) notes that "… [t]he 'excessive' power of trade unions became a specific subject of the critique, combined with an ambiguous ideology of conflict of interest between workers and consumers." Unions in general, and, public sector unions in particular, the argument goes, obsessed with own vested interests, are reluctant to forego statutory rights and solid collective bargaining position, thus pushing up the costs for employers and prices for consumers.

The state-centred explication in the TİSK discourse over the reasons of economic crisis is also the cardinal explication in the Turkish economic literature according to which the chief question concerns the public finance, to be more exact, the hypertrophied, inept public economy with substantial KİT deficits, the wasteful system of public spending —personnel payments, etc. in the absence of the disciplining forces of the market. As Yeldan (2004: 9-10, 105-6) puts it, the public finance/spending explication is perceived as a self-contained process, in isolation of the relations behind it, namely, relations of distribution, the consequent dynamic of capital accumulation, and, class conflict. Excessive state intervention into the economy and, the narrow-minded, self-interested attitudes of political administrations are the common culprits. The question is basically one of tension between the civilian part of the society that acts in accordance with economic rationality/productivity, and, the irrational/unproductive state. Hence, the whole story turns into a commonplace narration of economic indicators, in abstraction from real

history. The actors of the crisis process are emptied of their historical content, and reduced to rational individuals (market actors) and public bureaucracy. As a matter of fact, the crisis in the public finance can, by no means, be seen as administrative incompetence. Instead, it does reflect, in a historical sense, the necessary administrative and socio-economic policies necessary to the creation of the surplus and the continuation of capital accumulation in the capitalist sector.

3.3.2. The Wage System

In so far as the wage relationship is concerned, in general, TİSK points to absence of a national wage policy, ever since the introduction of the system of collective contracts in the early Sixties. On the other hand, questions involved, can be seen as consisting of three behavioural/structural distortions, in terms of worker/union attitudes as well as the wage system itself. They are, 1) excessive demands for pay increase, giving way to rapidly increasing wage costs; 2) excessively high fiscal burdens on employers and workers; 3) distortions in the structure of wages and workforce costs (TİSK, 1991:122). Notice that the first relates, most directly, to the real wage boom of the late Eighties and early Nineties—the sudden increase in the wage share that equals unity minus the profit share, the first component of Gordon's identity of the rate of profit. The second can be seen as the partly intended and partly unintended consequence of the redistribution of value and surplus value in within the context of the post-1980 strategy of economic development. The third relates to issues of productivity, competition, plus, the world market conditions of demand captured by the second and third components in Gordon's formula—respectively, the ratio of output to utilised capital stock, and, the ratio of utilised capital to owned capital stock.

Notice that, the correction of the distortions above is of the utmost strategic importance to the politics and political economy of competitive solidarity. Besides, they can either be recast in value-theoretic terminology, and/or, seen via Gordon's formula of the rate of profit. For instance, put in the terms of Gordon, the behaviour of workers and unions as well as the structure of the wage system must change so as

to ensure, 1) wage moderation to allow for high potential rates of profit; 2) high functional flexibility, high productivity in the labour process; 3) high wage flexibility, numerical flexibility against potential economic crises, exports shocks, as in 1991, and, financial crises, as in 1994 and 2000-01. On the other hand, according to the value-theoretic terminology of Marxian Political Economy, correction would mean, 1) relatively high real wages for the privileged sectors of industrial workers, which would ensure the pacification of Labour together with a higher rate of exploitation; 2) a higher rate of exploitation via, particularly, higher absolute surplus value, and; 3) the reduction of variable, and, to some extent, constant capital — reducing circulating capital costs, whenever value production itself comes to a halt, due to a realisation crisis, financial crisis, etc.

As far as the wage system is concerned, one of the major issues big industrial Capital puts forth is the 'burdens' imposed upon Capital, by the State and Labour, namely, sizeable fringe benefits, and, state cuts out of gross wages. TİSK (1997: 32) argues that "Turkey is the country with the highest rate of cuts out of gross wages amongst the OECD countries with twice the average." They can be classified in the terms of Marxian Political Economy. Cuts for the Fund for the Development and Promotion of Apprenticeship and Vocational and Technical Education/Training are a spending for the social reproduction of labour power/wage-labour. Normally, one would expect it from the State to meet it from the government budget, and, finance it by regular taxes. Hence, the fact that it assumes the form of a tax-like cut for an extra-budgetary fund indicates that the State is unable to meet the expenses for the social reproduction of labour power—one of its essential functions, according to Marxist State theorists. Cuts for the Fund for the Promotion of National Defence Industry are a cost which belongs to the domain of activities that Shaikh and Tonak (1994: 22) call Social Maintenance—one of the basic activities of social reproduction. The Fund for the Encouragement of Mutual Social Aid and Solidarity makes part of social protection, directed towards the reproduction of the reserve army of labour. The pathetically-baptised Fund for the Encouragement of Voluntary Savings consists of forced savings. By workers and unions, it is commonly called as the '*gasp* of forced savings' [originates from the French word *gaspillage* meaning requisition] that

makes much sense, for it is clearly a case of accumulation by dispossession via the State. Fringe benefits are a wage payment, although TİSK argues that it is not the equivalent of any actual working time. Interestingly, as opposed to the TİSK claim that is causes rigidity, I would argue that it actually introduces a considerable measure of flexibility into the wage. Instead of getting a monthly wage with enough provision for occasional expenses as, *kömür parası* (coal pay), *okul parası* (school pay), *sünnet parası* (circumcision pay), etc., workers get paid only when wants arise. TİSK (1991: 113) particularly complains of tension that the system induces between workers and employers. Only part of the pay increase goes into the pockets of workers, inciting excessive pay claims by workers and unions, with adverse effects on industrial peace and the national economy.

Most importantly, according to TİSK (1991: 110), the fall in the ratio of net wage to total labour force cost, and, to gross wage mostly came in the Eighties, and, especially, after 1985. Interestingly, that is exactly the time when the fiscal crisis of the State first came up. As a matter of fact, Oyan and Aydın (1991: 8, 12, 21, 43, 64) note that the critical moment was the year 1984, while one could already speak of a serious fiscal crisis in the late Eighties and, early Nineties. TİSK (1991: 113) itself, also points out that, while the CPI rose by 56-fold between 1981 and 1991, the first slice of income tax out of wages rose only 12-fold. I would modestly suggest the following explication: In the Eighties, the State, by means of fiscal policies/tools, re-distributes value in favour of industrial and commercial exports Capital. Thus, the net transfer of value by and through the State to Capital to raise the rate of profit and induce rapid capital accumulation results in public deficits, indebtedness, and, the ensuing fiscal crisis of the State. Yet, the twist is that, the fiscal crisis of the State deprives it of the means of performing its essential functions of the reproduction of labour power, the maintenance of the social system, etc. Hence, to meet the necessary social expenses, the State charges higher taxes on wages and employment by, paradoxically, increasing costs and squeezing profitability. That, in turn, eventually intensifies the distributional conflict between formal Labour and big industrial Capital. Notice that, with the financing of social expenses via the introduction of special funds, it is not quite possible to formally speak of

socialisation *per se*. I would also speculate that, the persistent insistence of TÜSİAD on the tax reform, including the tax policies as well as the tax administration itself might be seen as an attempt to compel the capitalists of informal activities to share in the social expenses of the capitalist state. As such, it implies the redistribution of surplus value, from the capitalists of informal activities, towards the capitalists of large, unionised enterprises, as well as the privileged sectors of industrial workers. There is yet another way of looking at the same fact: In the Eighties, the so-called effective tax burden of workers seems to have gone up, substantially. Data in terms of the Marxian system of accounting is not available. But, suppose that—as it is highly likely to be the case, part of the wages of industrial workers are transferred, via the State, to Industrial Capital—thus, added to the surplus value, partly as intended policy, and, partly as the unintended result of the policy. But then, the high tax burden on industrial workers would increase the tension between workers and employers, at the workplace, and, between unionists and the representatives of Capital, at the bargaining table. Hence, the invisible tension in the relations of the re-distribution of value and surplus value through the State would give rise to the visible tension between workers and capitalists in the distribution of newly created value.

TİSK (1997: 39-41) argues that increasing the ratio of net wage to total labour power cost is key to attaining optimum levels of growth, employment, social wealth, competitiveness, price stability, and, especially industrial peace. Moreover, enterprises—the motor productive forces of the country, must be supported by tax policies, directed especially towards the industry, and, the stage of production. TİSK advocates a reform of the tax system that would lower the tax burden of industrial enterprises, by way of taxing informal economic activities, interests and rents, the agricultural sector, *esnaf*, and, free professionals. It is most interesting that TİSK is in tax-solidarity with Labour, demanding that the health, education, and, housing expenses of workers be tax-exempt. Thus, one can argue that TİSK, despite severe resource constraints on the macroeconomic level of the state, still comes up with the ways of re-distributing value and surplus value, to obtain the means of a corporatist exchange between big industrial Capital and formal Labour.

Towards the year 2000, continued emphasis was being placed upon the dual points of enterprise competitiveness and adaptive flexibility in the face of a changing economic conjuncture. TİSK (1998: 52-3) stated that, in the past, excessive pay increases over and above the actual economic means—implying, especially, the post-1989 wage boom—had produced the twin malaises of inflation and unemployment, and, would be causing even more serious problems under the conditions of the CU. Hence, wages and the costs of labour power costs would have to stay within the reasonable limits that the economy could actually sustain. To that end, the criterion of wage-productivity would be the key, while there would be no wage indexation to inflation. Moreover, the practice of across-the-board pay increases at the expense of skilled and productive labour power would have to be left, in favour of job assessment and performance evaluation systems. Collective contracts ought to include flexible stipulations that would allow for enterprise adjustment to economic conjuncture, so as to maximise productivity and minimise employment losses. The olden days of closed economy were long gone, with prices of goods and services regulated by competition, in today's economy. Thus, the only possible way to raise real wages was through higher productivity. Accordingly, the TİSK strategy of collective contracts apropos of wages posits that 1) Labour must not attempt to change the existing state of distribution, i.e. the rate of exploitation is just fine as it is; 2) real wage increases must be indexed to productivity, alone; 3) collective contracts must stipulate employment flexibility. Therefore, it turns out that the TİSK model of collective contracts may be re-cast in terms of the arguments of Rhodes's competitive solidarity, together with Gordon's formula of the determination of the rate of profit. Notice that Rhodes is arguing that, on the micro level of the firm, today's competitive corporatism depends on the exchange between internal (functional) flexibility and external (numerical) flexibility, more exactly, moderate external flexibility in return for high internal flexibility. TİSK is also arguing for a micro-corporatist exchange, between functional flexibility and wage flexibility, on the one hand, and, numerical flexibility, on the other. High productivity, it is claimed, is the sole guarantor of stable employment—hence, Rhodes's internal/external flexibility trade-off between Labour and Capital. But also, the wage

contract must involve stipulations allowing flexible adjustment to a possible decline in the economic conjuncture, namely, flexible wage and working time arrangements. One can express the foregoing relations in terms of Gordon's formula of the rate of profit—the product of profit share of profit in value-added —which equals unity minus the wage share; the ratio of output to utilised capital stock, and; the ratio of utilised capital to owned capital stock. More concretely, the rate of profit of the firm is determined by the wage share, i.e. distribution between Labour and Capital; productivity, and; capacity utilisation, i.e. demand. Hence, in terms of Gordon's formula of the rate of profit, TİSK demands that, 1) workers must not concern themselves with the level their wage share—i.e. must not think in terms of their relative class position *vis-à-vis* Capital, not be class-conscious; 2) they must rather concern themselves with the level of productivity, and, expect real wage increases only to the extent that they are able to raise productivity, and; 3) but if demand happens to fall, as in a case of economic crisis—at the trough of the trade cycle, it must be within the discretion of Capital to compensate the potential fall in the rate of profit by reducing the wage share.

Incidentally, Refik Baydur was arguing that the actual problem was the family structure, with too few (1.6) actively working to look after too many (5) (TÜRK-İŞ: 25)[18]. Declining rate of dependency would ideally mean lower real wages with higher employment, thus a higher rate of exploitation overall, due to lower wages, and, higher absolute rate of surplus value.

3.3.3. The ESK —*Ekonomik ve Sosyal Konsey* (Economic and Social Council)

Following the military coup d'état of 1980, the idea of a social and economic council was first brought up by TİSK, in its report 'Viewpoints, Thoughts and Suggestions over the New Constitution of the Turkish Republic' submitted to the Constitution Committee of the Assembly of Counselling. The TİSK position was echoed in

[18] That gives a dependency rate of 3.2. My own estimate of the average family size on the basis of Kamu-İş (2002: 56) data happens to be just about the same, 3.2. That should include working wifes/husbands and children, so the actual rate must be lower.

Article 148 of the Constitution Committee draft. Opposed by the unions on the grounds that it would render the system of collective bargaining dependent, and, unions redundant, it was rejected by the Council of National Security. Article 148 was stipulating that the so-called Economic and Social Council would function as an advisory body, with a view to ensure the stable development of national economy, coherence and cooperation amongst economic sectors, and, the fair balance of wages, salaries, bonuses and social assistance pays of employees (Çetik and Akkaya, 1999: 219). Successive government circulars were published by the governments of Tansu Çiller in 1995, Mesut Yılmaz in 1996, Necmettin Erbakan in 1997, and, Mesut Yılmaz in 1997, generally stating the goal of establishing dialogue and consensus towards the promotion of production, employment, exports, and, getting the EU membership (Arslan, 1998: 96). According to the Çiller circular of March 17th, 1995, the ESK would assume a counselling role on such issues as productivity, employment, unemployment, incomes, seeking to establish peaceful relations between the State, workers, and, employers, and, promote the climate of national consensus. The ESK first met on October 11th, 1995, to discuss the public sector strikes. The meeting sought to put pressure on TÜRK-İŞ to end the strikes, while it was protested by the latter (Çetik and Akkaya, 1999: 220-1).

Nihat Yüksel, former TİSK officer, Sabancı Holding executive, and, apparently, doyen in the matters of labour legislation, associates the import of the ESK with the necessities of economic crisis. Yüksel (1997: 110-1) argues that, in Turkey, the need for Western type of concentration mechanisms was thrown into sharp relief by the conditions of past economic crises. Accordingly, the relevance of the ESK. He claims that, in times of crisis, it is important to work more, and, produce more. Hence, employers and workers have common responsibilities, and, they should both make sacrifices to ensure enterprise security—as opposed to employment security, through the stipulation of flexible work within the context of collective contracts. Yüksel reasons that, since workers' employment security depends upon the survival of the enterprise itself, there can be no employment security as such, so that it only makes sense to speak of enterprise security. Government, on its part, must introduce new legislation/regulation that would allow for flexible employment, promote the

fight against informal economic activities, and, activate the tri-partite Economic and Social Council. The major objective in today's competitive world is quality production at low prices. But besides that, Turkey must also pursue the objective of terminating chronic unemployment. Hence, the wage issue is always considered in conjunction with unemployment, making it clear that employers have in mind the corporatist exchange between wage moderation, and, employment security—the internal-external flexibility trade-off. Yüksel (1997: 112-3, 120-1) speaks also of the optimal level of collective negotiations and contracts. Noting that the common practice in Turkey is collective negotiation at the level of the enterprise, he brings up the question of coordination. In Turkey, he points out, the general tendency in public sector is towards the central level, while, in private sector, towards the sectoral level. The Turkish system of industrial relations has, through the so-called Group Contracts, tended towards a more comprehensive model of bargaining than that stipulated by the 1983 Law No. 2822 on Collective Contracts, Strikes, and Lock-outs. He cites the benefits of Group Contracts as, the elimination of unfair competition amongst enterprises; reduction of variations amongst market prices through the equalisation of wage costs; reduction of skilled work force turnover due to the reduction of wage differentials amongst enterprises; strengthening the sense of solidarity between employer and worker unions; reduction of time waste caused by uncoordinated individual negotiations.[19] He also argues that the Turkish system of collective bargaining tends to excessively focus on wages, at the expense of other conditions of work, justly deserving the label of collective contract unionism. Furthermore, enterprise-level collective negotiations do not concentrate on and assess macro-level economic and social questions.

TİSK kept coming out in defence of the ESK in the late Nineties. Thus, "[t]he institutionalisation of social dialogue in our Country via the Economic and Social Council is crucial. Our Confederation is holding the view that in Turkey, with the year 2000 now approaching, a 'Peace Pact' is needed in order to consolidate the

[19] Çetik and Akkaya (1999: 140) also argue that the point with the so-called group contracts is employers' intent to prevent the possible excalation of union claims as a consequence of inter-union competition.

peace at work." (TİSK, 1998: 52) It is useful to scrutinise the TİSK argumentation of the late Nineties, and, compare it with that of late Eighties/early Nineties—alternatively speaking, to compare the pre- and post-1994 arguments for the ESK. Thus, in the late Nineties, it is argued that workers and employers are together the carriers of major responsibility for the development of the Country. The promotion of productivity and competitiveness is where the interests of the two meet. The greatest duty that falls on workers' unions is to quit wage unionism, observe the necessary balance between economic goals and the effects of collective contracts. Thus, after 1994, in the late Nineties, TİSK seems to place the wage bargaining onto the micro and meso levels, rather than macro—which possibly reflects its satisfaction with the given state of wages. That could also be seen in terms of Rhodes's competitive corporatism on the basis of internal-external flexibility exchange, and, in terms of Gordon's formulation of the determinants of the rate of profit. As a matter of fact, the anticipation of Rhodes (1997: 200) concerning the optimal organisational shape of competitive corporatism, "… including a considerable decentralization of bargaining on many issues to company/plant levels, but involving some forms of policy or wage-coordination …" seems to fit the case the ESK, quite well. In fact, in the early Nineties, prior to 1994, TİSK had a slightly different tendency of defining the functions of the ESK in terms of a more centralised view of wage negotiation. It is also interesting to note the change that, after 1994, TİSK came to suggest clearly what one might call the system of de-centralised centralisation, in which, "…negotiated wage restraint [is] no longer based on political exchange, but a division of labour between governments and unions, in which, economic policy [is] set by governments, and, wage bargaining performed by the social partners." Hassel (2003: 720-1) That shows how Capital re-defines the content, the function of the selfsame form, in accordance with the needs of the class struggle over the conditions distribution and accumulation. Thus, argues TİSK (1998: 53-4), it is in the best interests of industrial peace, to adopt framework agreements on the confederal level, where, the general guidelines for collective contracts are determined, including the enhancement of productivity and competitiveness; adaptation to new technologies; promotion of quality; training, and; the promotion of employment. Since the enhancement of the economy's competitiveness is where the interests of workers and

employers meet, they must assume a common attitude over developmental choices. From the government, they must expect price stability, and the provision of a climate that is conducive to more production, investment, and, exports. TİSK also argues that price instability is the major cause of industrial and distributional conflicts. The means to those ends are, according to TİSK (1998: 54-8), the re-organisation of the ESK, and, its effective functioning. The major objectives of the ESK are rapid growth; economic stability; low inflation; the creation of an economic environment that is conducive to more production-investment-exports; higher productivity; international competitiveness; employment generation; the restructuring of social security; the formation of a pro-competitive national wage policy, centred on the wage-productivity nexus, and; technological progress. According to TİSK, the ESK must—in accordance with the objective rules of good faith, concentrate upon the resolution of industrial problems that could otherwise adversely affect the economic and social development of the Country. Government-worker-employer compromise is the essential condition of the resolution of the Country's problems. The areas of cooperation are investment-induced rapid growth on the basis of economic stability; international competitiveness; single-digit inflation; low unemployment; exports; higher quality man power; more education and more R&D; higher productivity; entering into high-tech lines of production (TİSK, 1998: 56). Moreover, the adoption of the export-oriented model of development and the promotion of international competitiveness necessitate the implementation of a large array of administrative, financial, legal, and, incentive policies. The Labour Code must be more flexible, with social regulations not impeding economic development. Finally, the duties of the worker side are cooperation with employers and employer representatives; the pursuit of collective contract and wage policies that conform with the economic goals of enterprises, sectors, and, the Country; active contribution to the promotion of productivity and quality, the encouragement of skill building; the incorporation of fringe benefits into the basic wage; the restriction of pay to the actual working time; supporting the spread of job assessment and performance evaluation systems; ending across-the-board pay increases (TİSK, 1998: 57-8).

Hence, the way TİSK envisages it, the ESK is the national organ of consensus between Capital and Labour over the issues of: 1) pro-competitive national wage policies; 2) productivity and technology, and; 3) the non-wage topics as the macro-economic policies of monetary austerity, plus the restructuring of the state, particularly. The prime target of the ESK, as defined in conformity with the currently dominant strategy of economic development, is the successful integration of the big Turkish industrial Capital into the world, and, most emphatically, into the EU capitalism, through higher competitiveness. Yet, apparently, TİSK does not conceive the idea of the ESK simply in terms of interest representation/intermediation, or policy making, but also, in terms of a unique tool of the currently dominant strategy of economic development—of the current hegemonic project, following Yalman. Accordingly, as a first approximation, its leading actors are clearly identified in terms of 'productive' economic activities, and, in terms of basic social classes, i.e. Capital and Labour. For Marx, the term productive means productive of surplus value, while productive activity is capitalist production activity. However, the core production activity in capitalism is industry, so TİSK defines the ESK as the class alliance of industrial bourgeoisie and industrial workers, par excellence.

So far, so good. The ESK is a form of competitive corporatism. It involves the exchange between, internal flexibility—functional and wage flexibility, on the one hand, and, external flexibility—numerical flexibility, on the other. The ESK is also explicitly about the alliance of industrial bourgeoisie and industrial workers, to realise the current hegemonic project. So the ESK is class alliance, collaboration, *à la* Panitch, interest representation and state intervention, *à la* Jessop, part of the strategy of economic development—the hegemonic project, *à la* Yalman. Yet, there are still a few touches to add. Firstly, the ESK is a discourse, as everything else—a point which I try to expound on several occasions in my thesis. Secondly, and, more implicitly than explicitly, the ESK is about the alliance of big industrial Capital and the privileged sectors of industrial proletariat. Thus, it presupposes the economic segmentation as well as the political division of the working class. That conclusion follows from the segmented labour markets that competitive corporatism entails. Notice that, from the point of view of TİSK, the ESK can be seen as both the cause

and effect of a desirable balance of power in the sphere of production and distribution, in terms of the creation of value, the distribution and redistribution of value, and, the distribution of surplus value. Speaking of the distribution of value between big industrial capitalists and the core workers, the point of compromise is the high rate of exploitation after 1994, plus, the relatively high level of wages at large private enterprises, in comparison with those at informal, small, medium enterprises. On the other hand, the prospect of higher wages is made conditional upon further productivity increases, thus, in terms of Gordon's formula of the rate of profit, wage increases are (more than) compensated by further increases in value added, with the rate of profit intact (or higher). Moreover, the rearrangement of the relations of the redistribution of value and surplus value is envisaged as a central instrument of the historic alliance between big industrial capitalists and the core workers. Notice that the tax reform was integral to the ESK agenda. Taxation of informal capitalist activities would ease the pressure on the cost of labour-power on the part of large, formal enterprises, with possible positive impact on the level of disposable wages of core workers. Obviously, segmentation is not only between the inside and the outside, but, inside the factory as well, between core and periphery workers. Streeck (1999: 3) argues that, with restructuring, firms have trimmed marginal jobs with relatively higher wages, ending redistribution at the point of production. On the other hand, sustained exports increases require the adoption of functional flexibility in the powerhouses of Turkish industry. Continuous cost reductions are ensured, ideally, by a rising technical composition of capital as well as higher absolute surplus-value extraction through best-practice management techniques that minimise, particularly, the unperformed surplus labour. Notice, also, that the promotion of work assessment, or performance evaluation schemes implies that the level and the composition of wages practically become a function of the capitalist control over the workers within the labour process. Therefore, the internal/external flexibility trade-off of Rhodes needs yet another qualification, in the case of Turkey. Most importantly, on the part of the core labour force, the ESK, as a case of competitive corporatism, involves the exchange between internal flexibility—functional flexibility and wage flexibility, on the one hand, and, external flexibility—numerical flexibility, plus relatively higher wages, on the other.

Moreover, exchange in terms of relatively higher wages for the core labour force would be feasible by financing it through 1) the wage differentials between the powerhouses of the Turkish industry on the hand, and, the SMEs and/or the informal sector, on the other, and; 2) the projected taxation of informal capitalist activities. The major problem with Rhodes, as well as other students of the new variant of corporatism, is their failure to connect the issue with labour market segmentation/division, explicitly. That, in my view, is the chief distinction between neo-corporatism and competitive corporatism. The former assumes an all-encompassing system of representation, with the implication that it covers the entire labour force, whereas, the latter places competition—competitive as opposed to redistributive solidarity—to the centre, thus entailing the exclusion of large sectors of the labour force, i.e. pre-supposes labour market segmentation together with the political division of the working class. Obviously, the same critique applies to Yüksel Akkaya as well, who still tries to see the ESK through idiosyncratic terms of neo-corporatism.

In his critique of corporatism as *genus tertium*, Hugo Radice places the emphasis on its partial character. It seems to me that the characterisation of competitive corporatism is also useful, albeit from a different perspective. The ESK is partial in that it was conceived of as a central element of the hegemonic is part of the hegemonic project of big industrial Capital. Notice that neo-corporatist theoretists operated on a rather aggregate level, using the concepts Capital and Labour in aggregate terms. Thus, disaggregated approaches might be of great use. Köse and Öncü (2000: 72-3) argue that abstracting the Turkish economy as a homogeneous whole is not a valid approach. They depart from two theories, namely, the French Regulation School, and, the Capitalist World System approach—the latter, in its variant of Global Commodity Chains. Notice that, following Alain Lipietz, they also take the distinction between external and internal flexibility to be a central term (Köse and Öncü, 1998: 140-1). They also use the term segmentation, but, apparently only by insight, not analytically. They argue that, the dominant form of wage relationship in its labour market determines the form of integration of a nation into the world economy (Köse and Öncü, 1998: 141). Aggregate analysis is also criticised

by Ercan (2004: 15, 28), who argues that capital has got a heterogeneous structure in itself, depending on the varying positions of individual capitals within the overall circuit of capital. Thus, the heterogeneity of co-existing strategies of capital accumulation. Accordingly, one could explicate the partial character of competitive corporatism, through the distinctive positions of individual capitals—or, groups of capitals—within the overall circuit and circulation of capital, giving way to the co-existence of different strategies of accumulation. As a matter of fact, the ESK seems to have come out as a specifically TÜSİAD–TİSK–MESS project, representing big Capital, with overall control over the whole of the circuit/circulation of Capital, including, money capital, productive capital and commercial capital. Again, competitive corporatism as a partial phenomenon may be seen as a sub-project—the nationalist project of competitive solidarity—of the hegemonic project, following Galip Yalman, who postulates the strategies of development as hegemonic projects. Fuat Ercan also speaks of the rising hegemonic power of large capitals—the holdings, to identify their own interests with the interests of the society at large.

To sum up, 1) minimising the significance, and, the potential of the ESK, as a model of competitive corporatism is mistaken; 2) the major source of the mistake seems to be the study of the ESK, through the angle of, either corporatist theory with its emphasis on group politics along the axis of pluralism-corporatism, at the expense of the theories of capitalist state, hegemony, etc., or, finally, through the naked-eye observation that the ESK has not come a long way, in practice. However, that brings up one further question, namely, why is it that the ESK has not really become embedded, if it was so critical, after all, to the interests of big industrial Capital? That, in my view, must have to do with a whole array of concrete developments, including, the nearly complete retreat of the working class from the scenes to the backstage, specific political dynamics, such as the rise of nationalism, etc. However, currently, a newer form of political representation and state intervention seems to be in the ascendant, namely, the so-called good governance, wherein, one might be able to find some answers to the fate of competitive corporatism.

3.3.4. Employment Security and the Labour Code

A very interesting aspect of class struggles in the Nineties involves the struggles over the regulation of the employment contract, particularly, employment legislation, including, most importantly, the Labour Code. The debate between Labour and Capital essentially focused upon two mutual claims: 1) The necessity of employment security, from the point of view of workers/unions, given the conditions of mass unemployment, together with the rapid replenishment of the reserve army of labour, and; 2) the modification of labour legislation in view of the effects of economic crises, and, the requirements of competition on a world scale, on the part of the capitalists.[20] Attempts were made—especially in times of economic crisis and massive job shedding— by unionists, parliamentarians, and, ministers to bring in legal enforcement for the protection of jobs—much to the dismay of Capital. Two notorious attempts came from the ÇSGB ministers, under the shadow of economic crisis, the first, by Mehmet Moğultay of SHP, the second, Yaşar Okuyan of ANAP, both favouring job security. Yet, the new Labour Code, No. 4857, dated June 10, 2003—cheered by the doyens of Capital, as it was, crystallised and symbolised the great victory of Capital over Labour, sealing, in my view, the final chapter of the class struggles of the Nineties.

Most interesting are, the comments of Nihat Yüksel, a former TİSK officer and Sabancı Holding executive. Yüksel (1997: 104-7) argues that, one must heed to the lessons of the economic crisis of the year 1994—the enterprise experiences and experiments with crisis. His main point is that, the Turkish labour legislation generally, and, the Labour Code No. 1475, particularly— largely a direct descendant of the Labour Code No. 1475, dated 1936, and, only slightly revised in 1967 and 1971, was not flexible enough to ensure enterprise adjustment to economic crises. Given the fact that the content of the Labour Code was too strict to allow for

 Studying the effects of integration into and production for the world market on Bursa's textile industry, Eraydın (1994: 169, 171) speaks of a new emergent pattern of inter-firm relations, labour relations and technological processes. More specifically, she argues that increased reliance on foreign markets brought with it a new question, namely, unstable demand, which, in turn, gave rise to flexibility in production.

sufficient enterprise adjustment, they were compelled to resort to measures that went well beyond the confines of the law. Measures in question were: 1) The closure of unprofitable units with a view to downsize, with savings on payments to social funds; 2) the curtailment of production and employment, despite the stipulations of the Labour Code and collective contracts, to the opposite effect; 3) the reduction of the number of shifts, and, the lay-off of redundant workforce there from; 4) the reduction of the number of working days; 5) collective paid holidays, plus, collective and compulsory unpaid holidays—the latter with the consent of the union, with workers with no choice but simply abide by to keep their jobs; 6) half-paid holidays in consent with the union for a duration of, say, two months; 7) the signature of new collective contracts with zero or minimal rates of pay increase, or, reductions in or cancellations of the pay increases in existing contracts. Notice that the trouble for the capitalist enterprise under crisis conditions is the continuance of regular wage payments, despite the interruption in the production of commodities, hence, the generation of new value—i.e. value payment without value production. That is exactly the point with the measures taken in the crisis of 1994, and, possibly, 1991 and 2000, namely, the diminution of value payments, through numerical and wage flexibility, rather than the augmentation of value production. Yüksel (1997: 108-9) argues there are two ways out on the part of enterprises. The first is the stipulation of emergency measures of flexibility in collective contracts. Thus, while leaving the working week legally intact, it is necessary to allow the two parties together to shorten the actual working week, by mutual consent, under emergency conditions of economic crisis. Besides, he argues that, under economic crises, pay increases must observe the expected, not the past, rate of inflation, keeping future wage liabilities within the means of enterprises. The second is the flexibilisation of labour legislation. Thus, legal provisions for occasional work, part-time work, unpaid holidays in times of economic crisis, payment in accordance with the hours actually worked, incorporation of fringe benefits into the basic wage, unpaid weekend, etc., plus, flexible arrangements for the two parties to modify, by mutual consent, the stipulations of the collective contract in force.

The new Labour Code, No. 4857, was published in the Official Gazette on June 10, 2003, replacing the former Code No. 1475. Shortly after, on the 3rd of July, TİSK held a conference in İzmir, where, Bülent Pirler, the General Secretary of TİSK, argued that Labour Code No. 4857 had brought a whole new infrastructure of industrial relations (TİSK, 2003: 7). Salih Esen, the President of the Executive Committee of the Industrial Chamber of Aegean Region, on the other hand, argued that the so-called Employment Security Law was a populist attempt coming at a time when the economy was in a crisis, and, contracting, while unemployment, on the rise. It would do much harm to employee-employer relations, and, it would curtail industrialists' desire to produce and invest. Labour Code No. 4857 on the other hand, was received with great content, though it would stay incomplete until it was complemented by the re-regulation of the so-called Fund of Seniorage Compensation (TİSK, 2003: 9). On the other hand, Tuğrul Kutadgubilik, the President of MESS, commented that Turkey's real salvation was not in monetary measures, or money-making, but industry, physical production. Given that the Labour Code No. 1475 was so old that it was essentially the same as the Code No. 3008 of 1936, and, so rigid, he went, Turkish industrialists —TÜSİAD, TİSK, MESS, etc. had waged a long battle for a new, contemporary Labour Code that would free the hands of Turkish industry in its competition with the world, with Europe. The costume [Labour Code No. 4857] was a perfect one, having brought in the notable flexibilities of the West. He also claimed that the interests of workers, employees and society had, more than ever, met over the same point, namely, quality, exports, and employment (TİSK, 2003: 13-4, 16). Refik Baydur, the President of TİSK pointed out that Labour Code No. 4857 signalled a great, positive phase of the Country's industrial relations, contributing to the prospect of industrial peace for the next 30-50 years, and, including exceedingly modern elements, such as temporary employment, call work, temporary employment contract, compensation work, fixed- and short-term employment, tacheron employment, working time regulation, etc. (TİSK, 2003: 24-5, 27).

CHAPTER 4

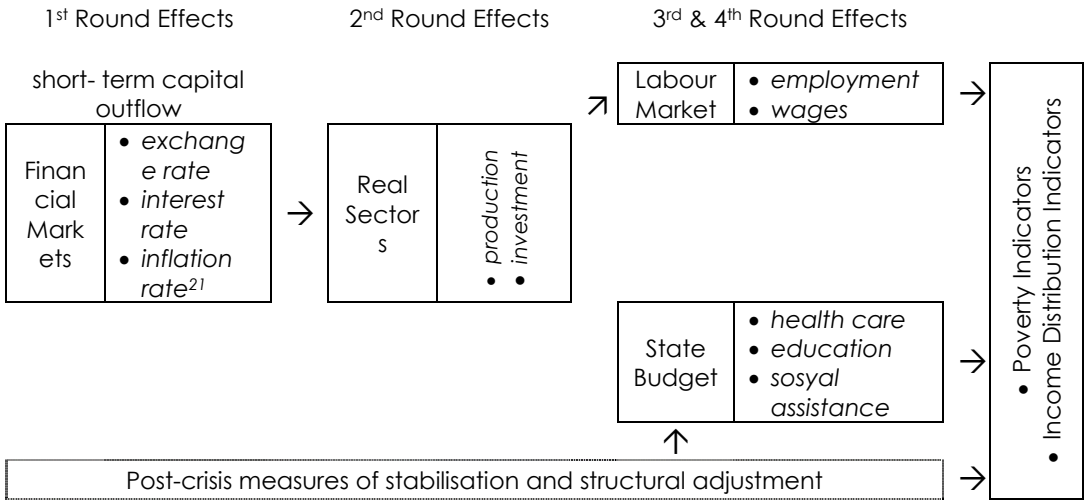
THE COMPLETION OF THE CYCLE: A THEORETICAL NARRATIVE OF THE YEARS 1994-95

4.1. GENERAL OVERVIEW OF THE YEARS 1994 AND (EARLY TO MID) 1995

4.1.1. Modelling the Economic and Social Dynamics of the Crisis

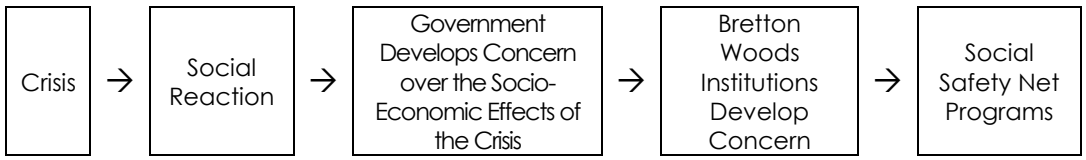
Koyuncu and Şenses (2004: 2-5, 36), in a comparative study over the socio-economic effects of short-term economic crises in Turkey, Indonesia and Argentina, suggest a somewhat simple, yet original analytical model of crisis dynamics, which, as they say, needs to be developed by political scientists. To the best of my knowledge it is the first economic-political model of recent Turkish crises. As a matter of fact, it would be most interesting to reformulate it as a more relatively more complete model of class struggle, by bringing in Political Economy and discourse. Below, I first try to schematise the Koyuncu-Şenses model with perhaps a few slight modifications, and, hopefully, least distortion:

Chart 4.1: Socio-Economic Effects of Short-Term (Financial) Crises —adapted from Koyuncu and Şenses (2004)



Koyuncu and Şenses (2004: 4-5) also suggest a chain model of social and political responses, apparently much inspired by the Indonesian and Argentine cases:

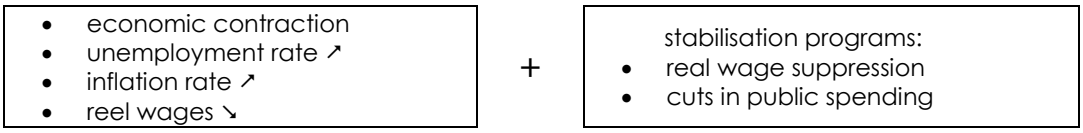
Chart 4.2: Post-Crisis Period: The Chain of Reactions Flowing from Social Reactions to Social Safety Net Programs according to Koyuncu & Şenses (2004)



[21] It is not clear to me why Koyuncu and Şenses see the inflation rate as a financial market reaction. It could be more appropriate to see it as a commercial and production sector reaction.

Finally, Koyuncu and Şenses (2004: 18-9) argue that the three Turkish crises they study—1994, November 2000, and, February 2001—share a number of common dynamics/consequences, summarised below:

Chart 4.3: Common Consequences of the Turkish Crises —adapted from Koyuncu & Şenses (2004)



According to Koyuncu and Şenses (2004: 31) 74 % of the SYDTF [Turkish acronym for the so-called Fund for the Promotion of Social Mutual Aid and Solidarity SYDTF —Sosyal Yardımlaşma ve Dayanışmayı Teşvik Fonu] in year 1994 was transferred into the consolidated budget account. Also, by way of comparing the Turkish case with the Indonesian and Argentine cases, Koyuncu and Şenses (2004: 30-2, 38) raise a number of intriguing questions/points: i) Why is it that, in Turkey, social safety net measures have never been made part of the post-crisis programs of stabilisation and structural adjustment?; ii) that initial social/public reaction quickly peters out rather and getting more radical, to assume, in the medium term, the form of penalising the government party/parties —and, possibly ousting the government from power as well.

As a first approximation, I suggest the following modifications to the Koyuncu-Şenses model of economico-political crisis:

1. In my view, one of the most basic problems with the causal model in Chart 4.1. is the omission of the re-structuring of the State. The structural part of the April 5 Plan included the privatisation and closure of public enterprises, the reform of the

social security system, and, the so-called rationalisation of public sector employment. Thus, for instance, one should include a causal connection from the re-structuring of the State towards the labour market. For instance, it is now a well-documented fact that privatisation leads to the marginalisation of State Labour. Similarly, the reform of State Labour leads to the re-segmentation of Labour. But, re-segmentation implies the impoverishment of sectors of the working class.

2. In the context of the causal mechanism in Chart 4.2, I would suggest the inclusion of the dynamics of class struggle, as well as the ideological/discursive struggles. Koyuncu and Şenses note how the initial reaction quickly peters out to give way to punishment at the ballot box. This is indeed a stimulating remark, which, in my view, justifies the explicit inclusion of class struggle into the model. It is apparent that, the pluralist form of representation is rather deep-seated within Turkey's political culture.

3. Finally, in the context of the causal mechanism in Charts 4.1 and 4.3, I would suggest the inclusion of a Marxian model of distributional conflict. State power, both as coercive power, and, as the power supporting accumulation by dispossession should be part of such a model. Besides, Marx's distributional categories are also useful. For one thing, the notion of absolute surplus value seems useful in the light of the expansion of the total working hours in the Turkish manufacturing industry. Besides, the re-segmentation of Labour could be explicated by using Wright's model of the determination of profits. Thus, unskilled and tacheron workers would be allocated the physiological minimum Skilled workers would be allocated differential value, and, managers, re-distributed surplus value.

4.1.2. The Sequencing of Class Struggles in the Years 1994-95

This was the time of very long, sometimes violent stand-offs between workers and employers, amongst the memorable cases of which, were the struggles of municipality workers, leather workers, cargo workers, workers of airport ground services, etc. With some justification, the class struggles of the years 1994-95 could be cross-sectionally divided into four groups, namely, the class struggles of state workers, involving, skilled/unskilled, and, generally highly paid workers; municipality workers, generally involving unskilled, but relatively highly paid workers; workers of the SMEs in manufacturing and services—textiles, leather, healthcare, transportation, etc.—involving skilled/unskilled, and, poorly paid workers, most of whom part of what is called the marginal sector; workers of the large, or, relatively larger private sector enterprises. Amongst the common causes of workers' actions, were, defaults on wages/bonuses, privatisation, plant closures, tacheronisation, plus, lay-offs aiming at union busting or the purging of political workers, etc. The unionisation efforts of DİSK unions were, more often than not thwarted, by the lay-offs of militant workers. Following the RP [acronym for the Islamic fundamentalist Welfare Party —Refah Partisi] victory in local elections on March, 27th, there were frequent reports of newly elected RP and MHP mayors sacking workers for political/ideological motives.

4.1.3. State Re-alignment of Unions *vis-à-vis* the Kurdish Question

Early 1994 was a time of tougher State policies vis-à-vis the Kurdish Question. With the notorious Article 8 of the so-called Law for the Fight against Terrorism already in full swing, the Presidents of the pro-Left TÜRK-İŞ unions Petrol-İş and Hava-İş, Münir Ceylan and Atilay Ayçin, respectively, both of Kurdish origin, were soon to be sentenced to a 20-month prison term each. Thus, the years 1994-95 would witness the forcible re-alignment by the State, of the unions on the Kurdish Question. As a matter of fact, on the discursive plane of politics, the standings of pro-Left unions over the Kurdish Question were either manifestly sympathetic or, at least,

moderate—dominated, as they were, by the rhetorics of the import of democracy, violations of human rights by state security forces, etc. That would gradually change afterwards, especially in the second half of the Nineties, achieving its zenith during Turkey's confrontation with Syria, Russia, Italy, and, Greece, and, the subsequent arrest of the PKK leader Abdullah Öcalan in Kenya and turning over to Turkey. Thus, the dominant union rhetorics of the late Nineties and thereafter would get distinctly pro-nationalist, with the theme of democracy now clearly receding, and, any talk of human rights being simply stigmatised as a support for terrorism.

4.1.4. Class Stand-offs of the Years 1994-95 in the Municipalities, SMEs, and the Large Enterprises of Private Sector, Chronologically

One of the most violent episodes of the class struggles in the year 1994 was set off in Gebze, İstanbul, with the RP Mayor laying off, in June, 733 workers and public servants, and, the remaining 1,767 walking out in protest. They were the members of Genel-İş/DİSK, and, Tüm Bel-Sen, both with pro-Left orientation. Word had it that most of them were Kurds, and, they were being replaced by extreme right wing militants. The whole town quickly turned into a battlefield, with workers, civil servants, families, radical supporters in their tents, facing Police forces behind their barricades, in their panzers. Entry to the town was restricted. Garbage started piling up. The Gebze resistance was put down a month later, violently, by the joint operation of police and gendarmerie teams, launched at dawn. Police beat several workers and wives. Minister of Interior Nahit Menteşe also came to the town for inspection. Another violent action of the year was the workplace occupation of Aras Kargo workers in August, against, reportedly, unfair dismissals. Actually, the incident was called as the tensest worker action of recent years. Reportedly, Aras Kargo was the first workplace occupation of the post-1980 era. Gendarmerie operation, coming early at dawn, was way too violent, with workers beaten to death, and, their relatives fainting. Interestingly, in October, some İstanbul municipalities got together, to centralise the process of collective bargaining with Belediye-İş/TÜRK-İŞ. Thus the RP mayors of Kağıthane, Sarıyer, Bayrampaşa, Ümraniye,

and, Beykoz municipalities left the renewal of collective contracts fully to the discretion of Recep Tayyip Erdoğan. Apparently, the mayors of Eminönü and Fatih had also joined hands, now against Genel-İş/DİSK. In late 1994, collective negotiations were at the point of complete stalemate, at several municipalities. Some mayors were getting rather vocal, e.g., Burhan Özfatura, Mayor of Metropolitan İzmir, and, Özfatura told the journalists that strike meant the loss of jobs, while his rhetoric was seemingly virile. Apparently, he also thought the Union was conspiring against himself, doing to him what it had not done to his predecessor—and, rival, Yüksel Çakmur. Mr. Çetinsaya, the Mayor of Eminönü, on his turn, offered a trade-off—wage freeze this year, for wage moderation, plus job security next year. Workers must praise the God for having a job each morning they wake up, he apparently told journalists, for his job was a man's most precious possession. So, on the part of the mayors, the rhetoric of, either the scare of unemployment, or the gratification of employment was in the fore, discursively supporting the policies of wage checking. At Eminönü and Fatih, employers' formulation of the alternate offers was itself very rhetorical. Thus, the first option was wage freeze but job security, while the second, fairly decent pay increase but dismissal of half the workers. Early in 1995, there was a stalemate in the collective negotiations of relatively larger textile factories, including 6 belonging to Sabancı Holding. In textiles, there were reports of the three rival unions Teksif/TÜRK-İŞ, Tekstil/DİSK, and, Öz İplik-İş/Hak-İş, representing 100,000 workers, uniting against TİSK for the first time in history, while disagreement was essentially over the wage articles. But, shortly afterwards, one of the common surprises of the times was going to come, with Teş-İş breaking loose from the union alliance, going ahead and signing the contract on its own. Admitting that the pay increase was not really sufficient, Tes-İş nonetheless argued that it was fairly sensible, given the present conditions of the Country. Tekstil and Öz İplik-İş, on their turn, stuck together, going on strike, together, involving 17,000 Adana workers. Finally, Öz-İplik İş got TL 500,000 above the Teksif agreement. The Tekstil workers' strike, on its part, went on. The discursive supremacy of the State and the bourgeoisie often proved to be very frustrating on the part of the unions and workers. Thus, Süleyman Çelebi announced that the 6,000

workers from the Sabancı and İş Bankası factories would protest the media for its lack of coverage.

4.1.5. The April 5 Plan and the Public Sector

In March, word had it that several plant closures were going to follow the prospective Government plan for stability and re-structuring—including, the mines of Zonguldak, the iron and steel plant of Karabük, the tire factory in Kırşehir, the petro-chemical plant in Yarımca, shipyards, and, textile factories. Notice that, discursively, the major topic was the losses of state enterprises. Shortly after the proclamation of the April 5 Plan, TÜRK-İŞ put out its action plan. Threats for general action/strike were coming daily from the top TÜRK-İŞ leadership, while the workers of notoriously militant union branches and workplaces were already on the move, including the Harb-İş workers of military shipyards; workers of the ancient Cibali Cigarette Factory—on the line for closure; the Petrol-İş workers of PETKİM, and, of PETLAS/Kırşehir, with PETKİM facing privatisation, and, PETLAS, closure (Türk Harb-İş, 1994: 21). By the late 1994, it was already clear that the TTK mines of Zonguldak would not be closed. Yet, there was considerable downsizing, with Minister of Energy Veysel Atasoy rhetorically arguing that, despite the retirements of 10,000 miners, production levels were largely unaffected. There was also a new plan now for the iron and steel plant in Karabük. Apparently, the privatisation and closure schedule set by the April 5 Plan was partly tactical, given that it was practically impossible to shut down whole plants on such short notice—particularly, those upon which local economies were so dependent. Early in 1994, negotiations between Hava-İş and TÜHİS for the renewal of the collective contracts of THY and HAVAŞ workers came to a stalemate. Ahmet Ateş, TÜHİS General Secretary, rhetorically argued that the pay claims of THY workers could only be met at the expense of the other 16 categories working in other parts of the sector—so they had to work it out between themselves. In my view, that sort of argumentation was quite typical of the times, namely, that the size of the cake was given, so that a larger slice for one meant smaller slices to the share of others. The implication was that, a larger

slice could only come with a larger cake, alternatively speaking, that the real rise of earnings was conditional upon growth, either on the macro, or the firm level. Thus, the primacy of growth over distribution, or, from the point of view of the politics of production, distribution and accumulation, class collaboration for growth, rather than conflict over distribution—some sort of a national growth pact, in a way. Early in 1995, there were collective negotiations between Hava-İş, representing the 10,500 workers of the state airlines company THY, and, the airport ground services company HAVAŞ. Negotiations reached a stalemate, upon the Government offer of a sole 6 % for the 1st 15 months—practically, a wage freeze, as opposed to Hava-İş, claiming 161 % for the 1st year. Government resolved to suspend the THY strike for a length of 60 days, on the grounds of national security. Yet, Hava-İş was free to go on strike at HAVAŞ. In my view, the fate of the HAVAŞ dispute was central to the destiny of union prospects in the context of privatisation, and, public sector collective contracts. For one thing, HAVAŞ was put on the privatisation list by the April 5 Plan, so it was soon afterwards up for auction. The auction was won by Ömer Lütfi Topal, the Casino king, later to be assassinated by the so-called Deep State-Mafia Gang of Susurluk. It was then declared null and void, apparently upon a confidential report by the State intelligence service MİT [*Milli İstihbarat Teşkilâtı* — National Intelligence Organisation], involving his shady dealings. Thus, when its collective negotiations started, HAVAŞ was already on the verge of privatisation. Government was simply stalling for time, so Hava-İş was simply stuck between the State—the present owner, and, the prospective owner of the Company, without really anyone to negotiate with. Besides, Hava-İş was not in good terms with one another, including the exchange of words between Atilay Ayçin, President of Hava-İş, on the one hand, and, Bayram Meral, and, Yıldırım Koç, Advisor to the TÜRK-İŞ President. In Karabük, Öz Çelik-İş/Hak-İş found itself in a similar position, with the collective negotiations of 25,000 workers now in a total stalemate, because, there was no one to negotiate with, since the transfer of the plant to local people and workers was yet not complete. Just prior to the Çanakkale Meeting of the TÜRK-İŞ Board of Presidents on the 17th-18th of March, Şemsi Denizer remarked that the prime TÜRK-İŞ objective in the collective negotiations was to ensure employment

guaranty. That, in my view, clearly indicated the nature of the new exchange between the unionists and the State, as well as, between unions and the workers. A day before the Çanakkale Meeting, the Public Sector Coordination Committee of TÜRK-İŞ countered the Government argument that, given the current losses of the KİTs, high pay increases were simply not feasible, by claiming that the KİTs were actually profitable, while that the true measure of the level of wages was workers' living standards. Public sector employer unions, on their part, were aggressively pursuing new strategies and rhetorical tactics, by arguing that, given that public sector wages were moving a year ahead of the private sector, centralised wage bargaining could be forgone, with each enterprise concluding its contract within the limits of its own means. Hence, one could see that, on the part of the strategists of the State —government bureaucrats, enterprise directors, collective contract experts of the public employers' unions, etc., there was an emergent tendency towards the decentalisation of collective negotiations, favouring higher wage differentiation among workers. On the other hand, the condition of Hava-İş and HAVAŞ workers was stark isolation. About 1,000 HAVAŞ workers were now in Ankara, marching through the streets of Ankara, day in, day out. As time went on, the HAVAŞ strike fell into near oblivion, for it was so ineffective, given the ban on the THY strike. Worn-out workers and unionists returned to İstanbul in late April, still without a contract, as HAVAŞ was sold to the Yazeks Co. of Turgay Ciner. Apparently, the point of the sojourn in Ankara was to get the Government put pressure upon TÜHİS to conclude the collective contract. Workers resistance eventually partly petered out, and, partly put down. Prior to its privatisation, there were 2,400 workers at HAVAŞ. 1,100 were fired, while 200 hired, so the final number as of March 1996 was 1,500. Besides, there were now 200 tacheron workers, while 56.7 % of all employees were on fixed term contracts (Araştırma Bürosu, 1996a: 6). Meanwhile, Türkiye Dok Gemi-İş declared itself potential customer for the public shipyards that were on the list of privatisation. Thus, it founded a commercial company —GESTAŞ— that would buy the Pendik, Alaybey (İzmir), Haliç, and, Camialtı shipyards. In my view, the HAVAŞ strike had enormous symbolic significance, where the only question was not just the fate of the collective bargaining, but privatisation as well, being, as such,

the perfect prelude to the upcoming public sector collective negotiations and the wave of privatisation. It was also the revelation of the intrinsic weaknesses of TÜRK-İŞ, the vested interests within, its internal divisions, its very low level of organisational competence, etc. In mid-May, Atilay Ayçin, President of the defiant union Hava-İş was put in prison, for engaging divisive propaganda, following the Supreme Court ratification of his 20 months prison term,

As I see it, the question of Government default on inflation increments, and, the HAVAŞ affair were the two critical moments of class struggles, two strategic battles of wits and wills.

4.1.6. Surplus Transfers by the State *via* Accumulation by Dispossession

The year 1994 also witnessed several cases of accumulation by dispossession via the State. Methods mostly involved the forwards or backwards re-scheduling of a number of payments to workers. Municipalities were often defaulting on wage payments, paying at best in long arrears. To the best of my knowledge, there has been no serious research done on that issue, with some figures sporadically coming up in the form of union claims. Early in the year, the bonus payments of public sector workers were re-scheduled, from March to February, in order to save from the large 3rd slice wage increment due to March, in accordance with the collective contracts the previous year. The 3rd slice pay increment turned out to be 37.7 % (Önsal, 1996: 3). Notice also that the 4th slices of largest unions were starting as of March. From the sectoral/union breakdown given by Araştırma Bürosu (1994: 3), one is able to infer that the greatest recipients/loosers were, in terms of sectors/unions, Construction/Yol-İş, Energy/Tes-İş, Defence/Türk Harb-İş, Food/Gıda-İş, and, Mining/G. Maden-İş. In June 1994, the Çiller Government defaulted on the 4th slice inflation increments of public sector workers. Government savings, i.e. the net wage transfer from public sector workers to the State, was roughly TL 16 trillion, 30 % of the projected budget cut for 1994, in accordance with the April 5 Plan. Moreover, as of December 1994, the consequent real wage loss of affected public sector workers

had reached 38 %, by comparison with December 1993 (Arslan et al. 1995: 50-1). Selüloz-İş and Türk Harb-İş brought 40,000 suits against public sector employers, in İstanbul, Ankara, Kayseri, Afyon, Balıkesir, İzmir, Kocaeli, Katamonu, Muğla, and, Eskişehir. Local courts resolved that contracts had been signed by both parties on their free wills, thus acquiring the status of a law. Thus, there were no legal motives to default on or delay the payment. Accordingly, workers were to be compensated in accordance with Article 61st of the Law of Collective Contracts, Strikes and Lockouts, No. 2822. Cases were referred to Supreme Court of Justice, for adjudication, whose 9th Judicial Department set aside the verdicts of local courts, largely on political considerations (Türk Harb-İş, 1994: 5-6).

4.1.7. The Issue of Unemployment

Koyuncu and Şenses (2004: 36) note that, the impact of the 1994 crisis manifested itself mainly in a decline in the level of wages, while that of the 2000-2001 crisis depressed both wages and unemployment. Yet, I feel that the employment impact of the 1994 crisis is a bit open to question. According to Petrol-İş data, the number of lay-offs seems to have shot up in 1994, to 808,402, from a low level of 25,372 in the preceeding year—although it is also noted that problems of data collection were particularly severe in 1993 (Petrol-İş, 1995: 359, 362). Obviously, impressionistic accounts and partial data are largely circumstantial, while they are nonetheless important as they might tell something about actors' actual perceptions of the times. The numbers and causes of lay-offs as revealed by various unions are rather interesting: Deri-İş reports 453 lay-offs, due to unionisation; Türk Metal-İş, 11,218, due to economic crisis; Belediye-İş, 9,814, all but one due to change of power in the municipalities; Birleşik Metal-İş (DİSK), 9,544, due to economic crisis; Genel-İş (DİSK), 9,341, due to change of power in the municipalities, political motives, economic crisis; Tekstil (DİSK), 8,590, due to union activity and economic crisis (Petrol-İş, 1995: 375-80). Unfortunately, the distribution of lay-offs in terms of the months of the year is not available. However, distribution for compulsory work holidays is available for a pretty large sample of enterprises in the metal, petro-

chemical sectors and textiles indicating that temporary production halts and partly paid or unpaid compulsory holidays especially concentrated between February and April, with a peak in March (Petrol-İş, 1995: 382-6). On a discursive level, compulsory holidays involved a trade-off between employment and wages. Overall, it can be said that the condition of Labour through 1994 and 1995 had already become a negative external factor, on the part of the Labour movement, weighing upon the class struggles in the sphere of production as well as the realm of ideology/discourse.

4.2. THE APPLICATION PLAN OF ECONOMIC MEASURES OF APRIL 5TH, 1994

By comparison with the yearly programs the Application Plan of Economic Measures of April 5th, 2004 [the April 5 Plan, henceforth] offers a more sophisticated analysis of the economic crisis. Public deficits are identified as the number one question of the Turkish economy in many years. That, public deficits were the prime cause of the crisis is also expressed in a reverse way, by arguing that, had the measures to reduced the public sector borrowing ratio been implemented, the deterioration of the trade and current accounts that followed the liberalisation of capital movements would have been avoided. More specifically, with high public deficits giving way to higher interest rates, induced higher inflows of short-term capital. But, the method of financing via short-term capital inflows led to 3 consequences: 1) a growth structure based on domestic absorption; 2) the appreciation of the TL together with the consequential deterioration of the external balance of the economy; 3) short-term and high-interest foreign indebtedness. As a consequence, the liquidity crisis plaguing the financial sector would also have been avoided and the window of opportunity provided by capital movement liberalisation would have been taken advantage of, rationally. Hence, the diagnosis of the economic crisis as depicted below:

DIAGNOSIS
HIGH PUBLIC DEFICITS ➠ OPPORTUNITY WINDOW PROVIDED BY CAPITAL ACCOUNT LIBERALISATION MISSED ➠ DETERIORIORATION OF EXTERNAL BALANCES + HIGH FOREIGN INDEBTEDNESS ➠ FINANCIAL CRISIS

Interestingly, Part I—General Assessment)—of the April 5 Plan does cites real wage and salary increases of the post-1989 era only not so much as the direct cause of public deficits as some parallel problem. However, looking at the structure of the argumentation in Part II—the Application Plan, one can see that, the precondition of ensuring stability is the rapid reduction of public deficits, while, the precondition of rendering stability permanent, and, creating the climate of sustainable growth is the re-definition of the role of the public sector and its re-organisation, accordingly. Transition from a state structure that allocates subsidies and produces to one that assures the functioning of the market mechanism and observes social balances must be the guiding principle of successful restructuring. Hence, the full picture with the diagnosis of the economic crisis is as follows:

DIAGNOSIS
THE PRESENT ROLE OF THE STATE AS RE-DISTRIBUTER AND PRODUCER ➠ HIGH PUBLIC DEFICITS ➠ FINANCIAL CRISIS

Finally, the panacea:

PANACEA *(partly follows as a corollary from the diagnoses above)*
SHORT-TERM STABILITY MEASURES TO REDUCE PUBLIC DEFICITS ➠ LONGER-TERM RE-STRUCTURING MEASURES TO TRANSFORM THE STATE INTO ONE THAT ENSURES THE CONDITIONS FOR THE FUNCTIONING OF THE MARKET MECHANISM ➠ TAKING ADVANTAGE OF THE WINDOW OF OPPORTUNITY PROVIDED BY CAPITAL MARKET LIBERALISATION ➠ STABILITY IN THE SHORT-TERM AND SUSTAINABLE GROWTH IN THE LONGER-TERM

In terms of its logical partition, the so-called Application Plan of Economic Measures of April 5th, 1994 consisted of three parts, of which, the first comprised the diagnosis of the economic problem and its panacea, the second, the short-term measures of economic stabilisation, and, the third, the medium-term measures of economic re-structuring (Türk Harb-İş, 1994: 13). The prime cause of the economic crisis was diagnosed as the public deficits, which, in turn, were caused by the existing role of the State in the economy. Hence, while the short-term economic measures simply aimed at reducing public deficits by draconian, administrative means, with the structure of the State given in the short term, the medium-term measures aimed at re-structuring—and, reforming the very nature of—the State (Türk Harb-İş, 1994: 14). Short-term stabilisation measures comprised those which aimed at increasing public revenues, and, those which aimed at decreasing public expenditures. Medium-term re-structuring, on the other hand, included: a) KİT closures and privatisation; b) reform of the social security system, and; c) the rationalisation of the system of employment in the public sector; d) agricultural policy reform—transition from the price support and input subsidies to the so-called direct income support; e) local government reform via de-centralisation and a more strict employment and wage regime. As one can see, the Plan of April 5 was to have a far more complex impact on the Turkish social formation than that envisaged by Koyuncu and Şenses, who just emphasise the mediating effect of the state budget—via real wage suppression and reductions in social spending—on distribution and in the form of poverty. The mediating effects of the State operate through not just the state budget, but also, the re-structuring of the State labour, as well as the realignment of State/Society relationships, and, thereby, the class relationships as a whole. Also, it is interesting to see that the Plan of April 5 was a milestone, not just in terms of the KİT privatisation, the social security reform, or, the agricultural reform, but also in its prognostication of some of the post-Derviş reform attempts, such as the Draft of the Fundamental Law of Public Administration (2004), the Draft Laws of Local Administrations (2004), and, the Sketch of the Draft Law of the Regime of Public Personnel (2004). As a matter of fact, Güler (2003: 21) argues that reforms proceeded in three steps: 1) the Public Finance Administration Credit (1995)

envisaging the reform of the public revenues system; 2) the Economic Reform Credit envisaging the reform of the public sector, and; 3) the World Bank sponsored Public Expenditures and Institutional Research (2000-onwards) whose strategy is the transformation of the overall state organisation. Güler (2003: 21) also notes that the credits in question formed a whole with the IMF Stand-by agreements of 1994, 1999, and, 2002.

On the front of short-term, stabilisation measures, and, on the side of public revenues, particularly critical were the KİT price adjustment of the big-bang sort, and, emergency taxation—although the latter misleadingly classified amongst structural measures. On the side of public expenditures (Section A–Public Finance, PSBR and its Financing in Part III–The Stabilisation Program) were, *inter alia*: i) the suppression of salaries via the limitation of the so-called coefficient scaling up with the expected rate of annual inflation for the year 1994, i.e. with 54 %; ii) a freeze on the wages of public employees on fixed-term contracts, which are higher than the salaries of public servants with equivalent status, with a view to eliminate imbalances between the two; restrictions on new temporary, fixed-contract, and, permanent job placements in the public sector, including, the placements of temporary workers by local administrations; iii) the suspension of public investment projects. Most critical here, was the section on relative prices that followed, namely, Section B–Exchange Rate, Wage and Price Policies in Part III–The Stabilisation Program. It was argued therein that, relative prices would adjust to equilibrium levels in April and May, with ensuing price stability thereafter. Accordingly, the initial KİT price adjustment would be followed by a six-month freeze. Besides, essential to the success of the program, was "… the adoption by private sector and the worker party of a price and wage discipline, which, in the medium-term, would prove to be in their own interests. Price and wage practices in the private sector must also observe the principles specified in this program. In this context, it is important to forego backward indexation in collective contracts, and, to develop a forward-looking point of view. The exact same approach must also be made essential to the contracts that are signed in the other sectors of society. To summarise, the forward-looking

performance of calculations by all economic units, and, the deletion of past inflation from the society's memory are the essential conditions of success." (Petrol-İş, 1995: 840-1) As it seems, the fiscal policies of short-term stabilisation, in connection and in combination with relative price policies were parts of a distributional and re-distributional stratagem, par excellence. Hence:

- Obvious as well, is that, inflation was not simply a policy concern, target, whatever, but was also seen and used as an active policy tool. Logically, the upward adjustment of KİT prices early in the program, followed by the forward indexation of wages to the officially expected rate of inflation means redistribution away from Labour, and, towards, inter alia, the State. As it turned out, the opportunity that arose with the dramatic jump in the rate of inflation in, particularly, April and May, would be seized via low salary increments in July, and, the late payment of inflation increments due between June and December.
- Apparently, April and May were seen as the short short-term, especially in the context of relative price stabilisation. And, in the context of public finance, April, May and June were seen as the short short-term. One is wondering why, the second quarter of the year was given such exclusive treatment? In my opinion, Government craving for swift stability/recovery in the second quarter is only part of the answer. Looking at the so-called Proposal for the Adjustment of Public [Sector] Balance, which gives the original and adjusted Consolidated Budget figures for April, May and June, one is able to see that original allotments of public sector wages and salaries are left intact. So, between April and June, fiscal austerity applies to Other Current Expenditures, Investment Expenditures, Transfers to KİTs, and Other Transfer Expenditures, alone. Notice that salaries were then adjusted every July, while the 4th clauses of public workers' 1993 collective contracts were dated to between June and December 1994. So, the late payment of inflation increments, with 6 months in arrears, meant that 5 of the 6 due dates actually fell between January 15th and May 15th of 1995. As the Transitional Programme of the Year 1995—announced in the Official Gazette No. 22096, of October 30th, 1994—actually made it explicit, that the primary target of the Application Plan of Economic Measures was to quickly

reduce the public deficits. Amongst other measures: “Salary increments have been restricted within the means of the budget, [while] the payment of the inflation-indexed second half-year collective contract increments of workers in the public have been deferred and extended over time.” (DPT, 1994: p. 3)

• Below, the major Consolidated Budget items are computed in terms of 1993 prices, with the nominal values of 1994 and 1995 deflated using the wholesale price index::

Table 4.1: Budget Transfers in the Years 1994 and 1995 in Real Terms

	total revenues	***total expenditures***	***investment expenditures***	***personnel expenditures***	***interest expenditures***
1993	*351,395*	*485,249*	*53,161*	*169,511*	*116,470*
1994	*337,157*	*406,016*	*32,936*	*123,557*	*134,971*
1995	*331,039*	*407,835*	*21,193*	*120,847*	*138,489*
% Δ 94	*-4*	*-16*	*-38*	*-27*	*16*
% Δ 95	*-2*	*0*	*-36*	*-2*	*3*

source: Araştırma Bürosu, 1996b: 16-7First 3 rows in TL billion; rows 4 and 5 percentage change in 1994 and 1995, respectively, in comparison with the base year 1993

One can see, from the foregoing, that while the decline in total revenues in 1994 and 1995 are relatively small, the decline in total expenditures is drastic in 1994, and, relatively small in 1996. On the other hand, while the drastic rate of decline in investment expenditures practically keeps its pace, the rate of decrease in personnel 0expenditures and the rate of increase in interest expenditures in 1995 are relatively small. On the overall, it seems that: a) 1994 is a year of greater adjustment than 1995; b) adjustment in 1994 is, basically, expenditure adjustment; c) investment expenditures both in 1994 and 1995, and, personnel expenditures in 1994 bear the brunt of the adjustment. Hence, a substantial transfer from public workers and civil servants to the State, and, indirectly, to the Financial Capital.

The Application Plan was quite a landmark in the history of privatisation in Turkey. It retivatilised the privatisation initiative which had been launched in the mid Eighties. Öniş (1991: 243-247) notes that although the reform of the public enterprise sector was an important element of the Stabilisation and Structural Adjustment Program of January 24th, 1980, the pace of privatisation remained rather sluggish. Privatisation actually made its debut in 1984 with Premier Turgut Özal, under the Motherland Party government. The Government commissioned the Morgan Guaranty Bank to draw up a privatisation master plan, with the latter coming out in May 1986. The first major case of divestiture came in February 1988, involving the telecommunications company Teletaş, followed by a new wave in late 1988 and early 1989, starting with the sale of Çitosan, the cement factory. Öniş (1991: 248) suggests that political constraints on privatisation were accentuated by the fact that the Motherland Party underwent a major setback in the local elections of March 1989.

The Great March of October 25th (1994) was hold against the draft law of the consolidated budget for the year 1995 which stipulated that public workers would be made into public servants; hundreds of thousands of seasonal workers would be laid off, and, the employment duration of temporary workers in 1995 would not exceed three months, so that they would be deprived of many SSK [Acronym for Sosyal Sigortalar Kurumu —Social Security Institution] services; Special Gubernatorial Administrations would recruit temporary workers on minimum wages—who would de facto replace unionised/insured workers; bonuses paid to workers at public workplaces four times a year in accordance with the Law No. 6772 would be ended; service buses at public workplaces would be put out of commission or be paid for by users, and, no workers would be employed at public sector's training and resort facilities, guest houses, and, childcare centers; tens of thousands would face forced retirement (Yıldırım, 1997: 20-1).

4.3. THE DISTRIBUTIONAL CONFLICT

4.3.1. Conflict on the Government Arrears of so-called Inflation-indexed Wage Increments in the Public Sector

The 1993 collective contracts in the public sector stipulated wage increments of, 37 % for the 1st slice, 28 % for the 2nd, and indexation to the rate of inflation of the last 6 months for the 3rd, 4th, and 5th slices. However, following the Application Plan of Economic Measures of April 5th, 1994, the Çiller Government unilaterally declared that it would default the inflation-indexed wage increments of the yet-unpaid part of the 3rd slice, and, the upcoming 4th and 5th slices. Default was soon to turn into late payment. It remained to be seen that the so-called affair of the 'inflation-indexed wage increments of public workers' [inflation increments, henceforth] was going to be pretty cataclysmic on the part of the labour movement, not least because it was going to deeply split the Confederation. However, the mutual narratives of the parties to the conflict—the TÜRK-İŞ administration, and, primarily, President Meral himself vs. the dissident unions of Selüloz-İş and Harb-İş—were widely at variance, which renders the disentangling of the whole story rather difficult. Fortunately—in my opinion, there are a couple of good strategies to deal with the question: 1) the retrospective evaluation of the historical significance of the event in terms of its concrete consequences—this method somewhat suffers from a functionalist logic, so one should thoroughly consider the motives, intents, strategies and tactics of the specific actors who are involved; 2) discourse analysis to reveal, inter alia, the style of unionism behind unionists' rhetorics; 3) (discourse) analysis of the logical construction of a narrative—upon the basis of my past experience in politics and union politics, I can tell that narratives usually turn out to be too perfectly articulate, as inconsistencies, irrationalities, injustices are purged out in the act of narration by the narrator, in self-justification/self-glorification. Below, I shall both engage a retrospective analysis on the basis of the wage data—next sub-section, and, argue that one is able to find in the improvised speeches/declarations/articles of Bayram Meral examples of the last two.

The initially disclosed form of the Government project to save on the wage payments of public workers was a default on the inflation increments, as it was firstly 'leaked' to journalists. Reportedly, given that the rate of inflation was running as high as 117 %, the Government also told TÜRK-İŞ that it would default on the payment of inflation increments due in the summer and autumn of 1994. On the 20th of June, Bayram Meral warned that, should there be no payment as of the 1st of July, TÜRK-İŞ might as well suspend its relations with the Government. He was also reported to claim that, given that the Government, as the undersigned of collective contracts, was under obligation, so that its contention was without any legal support. Özveri (1995: 20) notes that, rumours were circulating around union circles to the effect that, with true intention being a late payment, the word of default was a tactical deceit, which would give the Government what it wants, and, portray President Meral as the one who saves the day. My own observation is also that, within the dissident unions of TÜRK-İŞ, particularly, there was a wide distrust towards the Meral administration. Be that as it may, on the 28th of June, the TÜRK-İŞ Board of Presidents met, with the 3rd and 4th slices of inflation increments yet unpaid. In his opening speech, Meral pointed out that: Government's oral demand of TÜRK-İŞ for a sacrifice had been given a definite no; non-legal and non-logical demands of the sort were not to be taken seriously; the necessary legitimate and democratic mass struggle would be fought for the restitution of workers' pecuniary rights as specified in the collective contracts (TÜRK-İŞ, 2002b: 151-2). The Communiqué of the Meeting of the TÜRK-İŞ Board of Presidents of June 28th argued that the government failure to honor the collective contracts by way of defaulting on the inflation increments was an attempt to destroy the law-ruled state. Hence, the text went, "The TÜRK-İŞ Board of Presidents approves the position of the Executive Board, does not even see in the government default on inflation increments the subject of any negotiation, asks the government to fully abide by the obligations of being a law-ruled state." (TÜRK-İŞ, 2002b: 154-5).

On the 12th of July, the TÜRK-İŞ Board of Presidents—in the company of the unions of civil servants—marched on the Prime Minister's Office. The Çiller-TÜRK-İŞ meeting was inconclusive. From the report of Cumhuriyet, one gets the feeling that the Premier was apparently rhetorical suggesting a bargain—default on bonus payments in return for default on inflation increments, or payment in KİT ownership or estates. Petrol-İş (1995: 280) provides another account, with the Government offering an alternative plan with four options, which were: 1) The application to public sector wages the 6 % increment given to public servants on the grounds of the moral exigency of mutual and even sacrifice by all the sectors of the society; 2) the provision of long-term bonds—to compensate for inflation—in addition to the 6 % increment; iii) default on inflation increments in return for 3-year term bonds, to be delivered at the termination dates of collective contracts; iii) instead of the inflation-indexed increments, the application of the average of the percentage increments applied in the first 4 months of the year 1994, i.e. 35 %.

Government suggestions having been declined, TÜRK-İŞ called for the 'General Action' of July 20th, a one-day work stoppage, supported, as it was, by the so-called Democracy Platform (Demokrasi Platformu), led by TÜRK-İŞ, DİSK and Hak-İş. The TURK-İŞ communiqué called upon workers: "The Government desires to breach the public sector collective contracts it has signed, to default on the increments. If you be silent today, don't show your power, don't join forces with public servants, let collective contracts and the idea of law-ruled state be breached, then how, tomorrow, can you be sure that other articles of the collective contracts won't be breached as well? How even can you be sure that you would be able to get your seniority severance? … We must not be asked for sacrifice. We have, to this day, made more sacrifice than enough. Let those who steal trillions off the backs of our state and our people, the racketeers, make the sacrifice." (TÜRK-İŞ: 2002b: 168)

In the meantime, there were several indications in the air of an impending deal into the final days of July. According to Cumhuriyet, with negotiations between TÜRK-İŞ and the Government going on, the two parties were to get together in a week's

time to finalise the payment schedule of inflation increments. Apparently, the Government intent was to impose some sort of a phased payment. According to Özveri (1995: 24), Meral says they will get the TÜRK-İŞ lawyers and counsellor-in-laws together and file a suit against the employer.

In his opening speech address to the Meeting of the TÜRK-İŞ Board of Presidents of August 8th, 1994, Meral confined himself to merely repeating that the Government had not yet fulfilled its obligations under the collective contracts signed in 1993 (TÜRK-İŞ, 2002b: 173). On the 11th of July 1994, the Extended Meeting of Harb-İş Board of Presidents was held. The Communiqué of the Meeting stated that, starting with the late payment of or default on workers' inflation increments and bonuses the Government would, in the course of time, attempt to freeze wages (Harb-İş, 1995: 18).

According to Cumhuriyet, circa mid-August, TÜRK-İŞ gave in, and come up with its own offer—to State Ministers Necmettin Cevheri and Bekir Sami Daçe, namely payment in halves, with the timely payment of the 1st part, as indexed to the past inflation rate of the 3rd slice of the contract—thence a 60 % increment, and the payment of the 2nd part in monthly installments starting in September. In response, Government ministers said they could pay the 1st TL 22 trillion in November, and the 2nd TL 22 trillion only after next May. Petrol-İş (1995: 280), on its turn, reports the Çiller Government demanding that the May, June and July increments be forgone by the unions, in return for the adjustment of minimum wages on August 1st—just as before, instead of September 1st, the date which the Government had newly fixed. On August 18th, 1994, came out the Harb-İş announcement in Milliyet and Cumhuriyet, sternly headlined as "We are Warning the Government and TÜRK-İŞ". As I see it, the Harb-İş announcement was a tactical step to expose the Meral administration and pre-empt the prospect of a negotiated late payment. It was also a warning to public employers. The announcement said, in summary, that: 1) the provisions of collective contracts, including wage payments, are acquired rights that cannot, by any means, be withdrawn; 2) no unionist, union executive, confederation executive can set any

protocol or sign any contract appendix with a view to limit the provisions of a collective contract already in force; 3) no one can modify the normal procedure of wage accounting, or, compel someone else to do so; 4) Türk Harb-İş union shall inform on anyone who acts against the warnings above, to the national and international democratic public as well as the ILO and international union organisations (Türk Harb-İş, 1995: 20-1).

Reportedly, the first great quarrel within the TÜRK-İŞ administration broke out prior to the Meeting of the Board of Presidents in early September, while President Meral was off on a visit to South Korea. In his absence, the four other executives of the Confederation—namely, General Secretary Şemsi Denizer, General Treasurer Enver Toçoğlu, General Education Secretary Salih Kılıç, and, General Organising Secretary Sabri Özdeş—who were not content with Meral's conduct of the negotiations made a move, meeting with State Minister Daçe to suggest a new payment scheme (Özveri, 1995: 37-8). As Meral cut its trip short and immediately returned to Turkey, the course of events paced up. In the closing days of August, Cumhuriyet reported that there was some prospect of reaching a deal, with the Government now suggesting payment in checks with a due date of 5 months thereafter, which TÜRK-İŞ viewed favorably. According to Özveri (1995: 33-4), agreement took place at a meeting with State Ministers Necmettin Cevheri, Bekir Sami Daçe, Aykon Doğan, and, Esat Kıratlıoğlu, on the 23rd of August, stipulating that the checks given in return for the inflation increments due to June would be paid on November 1st; those due to July on January 10th 1995; those due to August on January 15th; those due to September on February 1st; those due to October on March 1st; those due to November on April 1st; and, those due to December 1994 on May 1st. On the very same day, Selüloz-İş brought the first suit against the public employer SEKA in Dalaman. Özveri (1995: 30) reports that some TÜRK-İŞ unionists got very upset with the Selüloz-İş initiative, warning the union executives that, with the lawsuit likely at least two years—or even if won, bound to return from the Supreme Court, plus, with some agreement so close, they might run into trouble when the Government paid others but not Selüloz-İş. Özveri (1995: 30) also argues that there were also attempts to create

confusion amongst the local executives and workers of the union, upon which, released a communiqué answering the charge of adventurism and clarifying that, what was at stake was not the bargaining of a whole new contract, but a conflict over the government default on already acquired rights. It was also pointed out that the renegotiation of the collective contract after its ratification would mean to leave its implementation to the discretion of the employer. Selüloz-İs criticised the Government for presenting the issue as the negotiation of almost a whole new collective contract, charging it with acting immorally and against good faith (Özveri, 1995: 32).

Accordingly, in his opening address to the Meeting of the Board of Presidents of August 25th, 1994, Meral said the actual motive of the Meeting "… was to assess once again our Government's offer to our executive board, to look for the ways of getting to a point of solution, taking into consideration the troubles we are in. Should the Government ask this sacrifice from us, and, should we accept it, that would not solve the long-term questions. … The Government won't be able to get back on its feet. The only solution to this is taxing everyone in proportion to one's earnings. … One will not be able to ask us for sacrifice in every way, and one will not be allowed to cause us harm in such a way, to use the power of the state to harm the working people. … [The situation with] … [t]he 4th slice income increment has been going … . June, July, August has come. The Government is has not been honoring its undersigned commitment. Now today, we are going to assess the new offer once again, at our today's [meeting of the] Board of Presidents, so that the stress and strain may be done away with, I hope. … I repeat: We have made as many sacrifices as one could, [and] there are no sacrifices we can make beyond this. The government must do whatever that its signature warrants, demonstrate its trustworthiness, otherwise, this attitude of the Government is betraying the trust of our people, driving our people into despair and indecision." (TÜRK-İŞ 2002b: 180) Reviewed firstly by TÜRK-İŞ Board of Lawyers and Legal Counsellors, the agreement then was ratified by the Board of Directors, despite the staunch opposition of dissident unions, including inter alia, Harb-İş and Selüloz-İş (Özveri, 1995: 30). Around that time of

the year, the forests of Gallipoli were aflame, while the Government was rhetorically advising to President Meral the donation of part of the inflation increments to reforestation (Özveri, 1995: 26-27). Following the ratification of the agreement by the Board of Presidents, events took a new turn—outraging a great many unionists, as the agreement with State Ministers, Cevheri, Daçe, Doğan and Kıratlıoğlu was rejected by the Premier. The four ministers informed the unionists that the agreement would not be honored as there were some large payments coming up in the months of January and February of 1995. That upset the unionists, and, severed for a time the ties between TÜRK-İŞ and the Government.

Confusion-*cum*-disarray reigned on the union front, in the early days of September. With tension culminating within the Confederation, the whole process was undergoing several unexpected ebbs and flows. According to Cumhuriyet, the Board of Presidents, convening in early September, declined to endorse the consensus reached between the TÜRK-İŞ administration and the Government, and, decided to focus upon a protest wave to compel the Coalition Government to relinquish power. In his opening address to the Meeting of the Board of Directors of September the 6th, 1994, and, speaking of the government default on inflation increments, Meral clearly tones down: "As [the TÜRK-İŞ] administration, we no longer say 'let this be, let that be'. What must we do henceforth, that is what we'll be debating at our Board of Directors. As administration, whatever that, according to the viewpoint of or Board of Directors, must be done shall be done. Besides, we have never acted outside of this, and we never will." (TÜRK-İŞ, 2002b: 184-5) Interestingly, addressing the next day, on September 7th, the Extended Meeting of the Board of Directors and Gubernatorial Representatives, Meral would not utter a single word on the government default (TÜRK-İŞ: 2002b, 186-9). The Communiqué of the Extended TÜRK-İŞ Meeting of the Board of Directors and Gubernatorial Representatives, dated September 7th, 1994, states that: "The TÜRK-İŞ Board of Directors is rejecting any bargaining over the subject of already ratified collective contracts, demanding the outright application of increments, and, its payment in accordance with the payment plan that was endorsed by the Board of Directors on the 25th of

August. Otherwise, besides launching a variety of actions to get our rights, judicial avenue shall also be resorted to." (TÜRK-İŞ, 2002b: 193) As the meetings of the Board of Presidents are seen as the public sphere of union politics, they are thereby terrains for tactical games of rhetorics, with unionists being generally over-cautious, assuming relatively more critical/radical tones of speech, often backing off before open critics. The rejection of any agreement at the latest meeting of the Board of Presidents, the decision to start a wave of actions, with the Board of Executives being authorised to determine the action plan, raises the spirits within the dissident unions.

However, on the 9th of September, Cumhuriyet reported that State Minister Esat Kıratlıoğlu said the whole conflict was expected to be resolved in a couple of days. As a matter of fact, on the 12th of September, President Meral and State Minister Daçe suddenly appear on the TV, to announce the agreement that was just reached between TÜRK-İŞ and the Government. It is sad to see that even the introductory sentence of the joint communiqué was worded in a way that reflected the Government viewpoint as to the causes of the conflict: "It is known that, financial difficulties are being experienced in the payment of the last 4th and 5th slice wage increments of the collective contracts that are in force at the workplaces belonging to the Public Institutions and Agencies." (Türk Harb-İş, 1995: 25) According to the text of the agreement, in return for the defaulted inflation increments, workers would be given interest-free government bonds with a due a date of 6 months later. Thus, the payment of the accumulated sum of defaulted inflation increments of the collective contacts effective as of June 1994 would be due to October 15th, 1994; those effective as of July, due to December 15th; those effective as of August, due to January 15th, 1995; those effective as of September, due to February 15th; those effective as of October, due to March 15th; those effective as of November, due to April 15th, and, finally; those effective as of December, due to May 15th. Workers would also have to sign a document of assurance denying the right to object later (Türk Harb-İş, 1995: 26). Özveri (1995: 42) points out that, the agreement initially involved, altogether, three forms of transfers from the workers to the State: 1)

Interest-free payment in arrears; 2) taxation of inflation increments at its actual due date and in advance of the due date of the bonds; 3) the so-called stamp tax levied on the bonds. That taxation would be made in advance was stipulated by Circular No. 1994/42 of the Prime Ministry, signed by Prof. Dr. Tansu Çiller, Prime Minister (Türk Harb-İş, 1995: 36). However, the Government gave up —upon unions' protests, direct taxation and to levy the stamp tax.

A new quarrel now erupted following the agreement, at the top of the Confederation, between General Secretary Şemsi Denizer and the other four members who apparently decided to seclude him. Reportedly, Denizer first gave consent to the TÜRK-İŞ-Government agreement at the negotiation table, only to withdraw it at the last moment of ratification. On way or another, Denizer and the Genel Maden-İş Union joined among the undersigned of the Joint Communiqué of the Nine Unions. So, dissenting unions were, Genel Maden-İş, Tekgıda-İş, Petrol-İş, Harb-İş, Selüloz-İş, Liman-İş, and, TÜMTİS. The Communiqué argued that the agreement in question was a direct violation of the Trade Union Law, the Law on Collective Contracts, Strikes and Lock-outs, and, the provisions of the 1993 collective contracts concerning 'employers obligations' and 'collective contract disputes'. Hence, the Communiqué said, the undersigned of the agreement, i.e. Government members as well as Confederation executives were not, legally, party to the collective contracts (Türk Harb-İş, 1995: 29-30). Amongst others, TÜRK-İŞ executives were heavily criticised by compromising with the Government in the latter's attempt to restrict workers' rights. It was also reported that, on the 10th of September, 1994, TÜRK-İŞ executives and the presidents of 11 unions had come together, and, resolved to raise the struggle in the face of Premier Çiller's statements on the unions, announce that resolution at a press conference projected for the 13th of September.

Meanwhile, TİSK, in a circular, called on its members to re-invite labour unions to the bargaining table to re-negotiate the terms of the inflation-indexed pay raises, emphasising, in particular, the importance of the joint action of TİSK affiliates. On the other hand, the suspension of Harb-İş from membership for a six months' term

further intensified the conflict within TÜRK-İŞ, with 22 unions jointly coming out in support of Harb-İş and in condemnation of the Disciplinary Committee verdict. The joint resolution of the 22 unions was read by Mithat Sarı, the General President of Selüloz-İş, at a press conference held at Harb-İş headquarters in Ankara. Meanwhile, the decision of the suspended Harb-İş to attend the Council of Presidents' meeting of November 18, in Antalya, raised the tension within TÜRK-İŞ. Harb-İş attendance was supported by Petrol-İş, Selüloz-İş, and, Liman-İş. In response to the Harb-İş appeal against its suspension on the grounds of discrediting the juristic person of TÜRK-İŞ, the higher court ruled of the Union. At the Council of Presidents' meeting held in Antalya, members quit the meeting in protest of the TÜRK-İŞ administration's attempted expulsion of Harb-İş unionists from the room. As Harb-İş Genel President İzzet Çetin presented the Court's decision to the administration, presidents resumed the meeting. On the 5th of December, the final verdict came out in the case Harb-İş vs. TÜRK-İŞ came, and in favour of the former. The 16th of January 1995 was the date of due of delayed payments in the public sector of the so-called inflation differences —including, at that stage, 217 thousand workers at 71 workplaces. On the 8th of February, the 9th Judicial Department of the Supreme Court decided that the Government was justified in its delay of the inflationary increments, thence overruling the verdicts of the local courts. Meanwhile, the Government scheduled the distribution of the TL 24 trillion in delayed payments on the 20th of February. There were signs that the Government was considering not to pay the inflation increments of the 26 thousand Harb-İş workers with, for instance, the State Minister Bekir Sami Daçe reportedly saying: "Those who have sued asking to be compensated at the highest rate of interest must wait the finalisation of the judicial decision." On the 3rd of May, the General Judicial Congress of the Supreme convened for the second, with a greatly different picture emerging, and the verdict came out in favour of the Government, with a substantial majority vote of 42 for and 9 against. Hence, the State's discretion to one-sidedly delay the payments of the wage rises stipulated in collective contracts through circulars and orders was legally sanctioned. It was obvious that 'some' forces had been involved to change between the two conventions either the opinions of the judges, or, the judges themselves.

Those forces were possibly not just those of the State, but also those of union aristocrats.

Obviously, Government suggestions were rather tactical and rhetorical, with an intention to play public servants and low/minimum wage earners off against the better-off public workers, as part of its 'mutual sacrifice' discourse, and, against the background of wide intra-wage, and wage-salary differentials.

The official—or, semi/quasi-official— views of the causes of the defeat are given by Bayram Meral, and, Yıldırım Koç, advisor to the General President of TÜRK-İŞ. Speaking of the defeat suffered at the public sector negotiations in 1995, Koç points to the isolation of unions from the other sectors of the working and of the larger sections of the society, which he explicates by the absence of union support to resolve the problems of the selfsame sectors and sections.

As the due dates of 4th slice inflation increments varied from one contract/union to another, from among the dissident unions, the first plaintiff to file a suit was the union of paper workers, Selüloz-İş—due date June 30th, followed by the union of workers at military workplaces, Türk Harb-İş—due date September 30th. Thus, the eyes of the unions, employers and the Government were cast upon the very first case of Selüloz-İş vs. SEKA. Murat Özveri, lawyer and legal counsellor to Selüloz-İş, who probably played the most prominent role on the union front, argued at the very outset that, the case in question being one of non-fulfillment by the employer of its obligations in the collective contract, unions were to file a Fulfillment Suit (EDA Davası), as a consequence of which the employer would sentenced to repay the defaulted sum plus an interest over the highest prevailing rate of interest charged by the banks on enterprise credits. Amongst others, Supreme Court verdicts could also be pointed to as legal support (Özveri, 1995: 24-5). It is also important to note that the so-called Fulfillment Suit was a post-1980 practice, replacing the so-called Rights Strike (Hak Grevi), according of which workers could go on a strike if employers fail to fulfill the obligations of the collective contract—whose legal

rationale was, arguably, the promotion of industrial peace as well as respect for the courts.

4.3.2. The Net Wage Transfer of Wages Resulting from the Government Default

Government default on or the late payment of inflation increments resulted in massive transfer from public workers to the State, whose magnitude was computed, in terms of gross and net wage losses, real wage losses, and, as a share of the deficit cut, by the T. Harb-İş Research Bureau (Araştırma Bürosu, 1994; Araştırma Bürosu, 1995). For a start, one should note that there are two accounting definitions of wages used by enterprises, and, state agencies. The first is the 'bare' wage, which covers the monthly fee to the so-called Fund for the Promotion of Savings, plus, the SSK fee. The second is the 'dressed' wage, which covers taxes, social assistance payments, and—with a few exceptions aside—bonuses. Hence, in 1994, Government can be estimated to have appropriated, roughly, TL 18,9 trillion worth of naked wages, and, TL 30,0 trillion of dressed wages. But, the Transitional Program of the Year 1995 pointed out that, due to the emergency measures of the 5 April Plan, the Consolidated Budget deficit, which, according to the Program of the Year 1995, was set as TL 192 trillion was now estimated to be as low as TL 139 trillion—which amounts to a savings of TL 53 trillion (DPT, 1994: 8). Hence, it turns out that Government savings of naked and dressed wages were roughly 36 and 51 % of total savings, respectively. One can, on the basis of the appropriated magnitudes of naked and dressed wages, compute the net wage transfer, as well. Taxes are paid out of dressed wages while the fees to the Fund for the Promotion of Savings and the SSK are paid out of naked wages. Finally, deducting taxes, plus the total fees from dressed wages, one comes up with the net transfer to the State, which amounts to, roughly, TL 16,0 trillion, in 1994, i.e. roughly, 30 % of projected cut in the Consolidated Budget deficit. Notice that, the Government was claiming that 4th slice inflation increments meant a TL 54 trillion extra burden upon the State. Notice also that, at the prevailing rate of interest of, roughly 90 %, and, with the prevailing three months

term for Treasury Bonds, the compounded interest of TL 16,0 trillion would amount to, roughly, TL 8,0 trillion TL. Hence, the net transfer from public workers to the State—or, the State savings, for that matter, stood at TL 24 trillion, including the opportunity cost of borrowing, which, in turn, equaled 45,3 % of the projected cut in the Consolidated Budget deficit in 1994. On the other hand, public workers' real wage level fell by 39 % in December 1994, and, 16 % in entire 1994, in comparison with its level in December 1993 (Araştırma Bürosu, 1995: 3).

4.3.3. Conflict over the Public Sector Collective Contracts of 1995

In late 1994 and early 1995, TÜRK-İŞ was in a state of total disarray. TÜRK-İŞ unions were only able to start collective negotiations with a 6-7 months delay (Petrol-İş, 1997: 431). As noted above, the Board of Presidents resolved in 1993 to pursue a common policy over the so-called administrative articles of sectoral collective contracts. At stake, was, the insertion amongst administrative articles of two proposed articles concerning the restriction of tacheron practice— "Article on Workers at Sub-contracted Jobs", and unfair lay-offs on unfounded grounds— "Article on Mass Lay-offs and Employment Security". However, the union initiative would prove inconclusive. In 1995, employer unions now came up with many proposed changes in the so-called wage and administrative articles that scandalised labour unionists. Most were simply provocative and preposterous on the part of the unions, challenging union prerogatives, or, demanding flexibilisation on a number of critical points. Apparently, the move was a pre-emptive tactic, a bluff, so to say, with a view to intimidate unions and restrict the content of collective negotiations to wage bargaining. Many unionists chose to bow, so that the guidelines set by the TÜRK-İŞ Coordination Committee were quickly cast away, with unions concentrating exclusively on the wage increment—pretty much in vein with the traditional wage-unionism of TÜRK-İŞ (Petrol-İş, 1997: 431-3).

As with last year's default on inflation increments, Government would engage a fierce discursive and tactical battle over public sector wages. As in 1994, the

government party started off with the worst offer, namely, a dreadful zero percent wage increment. Early in the year, *circa* mid-February, *Cumhuriyet* reported that the visiting IMF delegation had advised a zero percent pay increment for public employees. On the 17th of March, the TÜRK-İŞ Public Sector Coordination Committee met, and, came up with a draft the main point of which was to protect the purchasing power of public sector workers—endorsed the next day by the Board of Presidents. The TÜRK-İŞ offer was inflation rate of the last 6 months plus a 15 % of welfare increment for the 1st slice, and, backward indexation to the inflation rate of the last 6 months for the 2nd, 3rd and 4th slices, together with the scaling up of low wages in forestry, agriculture, telecommunications, and, healthcare to TL 14 million (Yıldırım, 1995: 41). Towards the end of March, *Cumhuriyet* reported that what the Government would at best offer would be 10-15 %, that, with inflation no longer a measure of the wage increment, wage reductions at some places were also likely, depending on the specific enterprise conditions. Government attitude towards public sector negotiations appeared one of indifference. In late May, the TÜRK-İŞ Coordination Committee met to debate its negotiation strategy. The first round of negotiations ended up in disagreement over administrative articles, so the next round of negotiations under official mediator observance began. On the 10th of July, State Minister Bekir Sami Daçe visited TÜRK-İŞ, offering a gross TL 3 million increment for naked gross wages under TL 10 million, TL 2 million for those between TL 10 and 15 million, TL 1 million for those between TL 15 and 30 million, and, TL 500 thousand for those above 30 million. Increments would be in the form of extra payments, rather than being added onto wages, so they would not effect bonuses, overtime pays, etc. (Yıldırım, 1995: 42). Government offer was a mere 5.4 % for the 1st year. At a press conference on the 19th of July, State Minister Bekir Sami Daçe argued that the extra cost of the TÜRK-İŞ offer onto the budget was TL 237 trillion. Towards the end of July, relations between the Government and TÜRK-İŞ severed even further. *Cumhuriyet* reported State Minister Bekir Sami Daçe to claim that the cost of public workers was TL 510 trillion. In early August, *Cumhuriyet* reported the government offer to give an extra across-the-board increment of TL 500 thousand. The 4th of August, was the day of the TÜRK-İŞ meeting 'Respect for Labour'—the

greatest in Turkish history, with 240,000 workers participating, according to Police reports, and, on the 8th, a general work stoppage *cum* nightly occupation, which turned out unsuccessful (Koç, 1995: 43). Towards late August, strike decisions were taken for some 270 thousand public workers, while the latest Government offer of 8.1 % for the 1st slice was refused outright by TÜRK-İŞ. Public sector strikes escalated in especially late September. By October 5th, 335,000 public workers were on strike (Koç, 1995: 44). Premier Çiller argued that the State was actually making a profit over the strikes. On October 5th, visiting TÜRK-İŞ, Ministers Necmettin Cevheri, Bekir Sami Daçe, Aykon Doğan, and, Hasan Ekinci offered 15 % each for the 1st and 2nd slices, with TÜRK-İŞ refusing, and, counter-offering 30 % for the 1st slice, 25 % for the 2nd, and, backward indexation to the past inflation rate of the last six months for the 3rd and 4th slices (Koç, 1995: 46-7). In early November, *Cumhuriyet* reported that, in spite of the protocol that was signed between the Government and TÜRK-İŞ on the 26th of October, there was yet much uncertainty as to the final destiny of collective contracts, with employer unions now trying to impose some extra administrative articles at individual sectoral negotiations. Everything came to an end, as the Government staged a Trojan horse tactic: On the 13th of November, with two days to go before the vote of confidence for the Minority Government, the communications union Türkiye Haber-İş defected, and, signed the contract with the employer union, without getting the approval of or even informing TÜRK-İŞ (Koç, 1997: 69).[22] It was thought and so told by many a unionist, that obscure political connections were instrumental in the whole affair. Koç (1997: 69) argues that the rates of wage increment given to Türkiye Haber-İş were 18.13 % for the 1st slice, 8.91 for the 2nd, and 15 % each for the 3rd and 4th slices. TÜRK-İŞ, on its part, got 16 % or TL 3,050,000 per month, plus, the scaling up of lower wages to TL 12 million for the 1st slice, 16 % for the 2nd, 18 % for the 3rd, and, 20 % for the 4th. Koç computes the effective rate of the 1st slice as 21.46 %.

[22] Prior to that, Şeker-İş signed a collective contract at the partly-privatised Amasya, Kayseri and Konya sugar factories, with, 25 % for the 1st scale, 20 % for the 2nd, 25 % for the 3rd, and, 20 % for the 4th, following an initial improvement in the wage *scala*. Koç (1995: 43) argues that, while they were not as such part of the public sector, the factories in question were semi-public, with the de-indexation there actually setting an example for the public sector. At the 1997 collective negotiations, Şeker-İş was the first to defect—together with Demiryol-İş—adopting a partial system of *échelle mobile*.

As in 1994, much of the Government's discursive assault on Labour turned on the extra cost of wage increments upon the State/budget, with TÜRK-İŞ ill-prepared to meet the challenge. The magnitude of the projected transfer from public workers towards the State was computed, for the year 1995, and, in terms of gross and net wage losses, and, real wage losses by Hakan Arslan, Hacer Aydın and Rengin Küce of the T. Harb-İş Research Bureau, on the basis of official Kamu-İş and TÜRK-İŞ data (Arslan et al., 1995). To that end, total naked and dressed wages were computed according to two alternate scenarios, namely, in terms of the rate of increment suggested by the Government, i.e. 5.4 %, and, under the assumption of constant real wages, i.e. backward indexation to the inflation rate of the past 6 months. Then, differences between the second and the first scenario were taken, indicating that the 5.4 % rate of increment would enable the Government to appropriate TL 105,7 trillion worth of naked, and, TL 179,2 trillion worth of dressed wages in 1995 (Arslan et al., 1995: 49-50). Deducting the appropriate taxes, and, the fees to the Fund for the Promotion of Savings and the SSK from the appropriated amount of dressed wages, one comes up with the net transfer from the workers towards the State, namely, TL 98,7 trillion. Notice that, State Minister Bekir Sami Daçe, in a press conference on the 19th of July, 1995, claimed that the TÜRK-İŞ offer meant a yearly extra burden of TL 237 trillion (Arslan et al., 1995: 51). Real wages were also computed alternately, according to first, the distributional coup scenario, and, second, the welfare protection scenario. In the first, 4th slice inflation increments are paid 6 months in arrears, plus, it is assumed that in 1995, the Government offer of 5,4 % applies; in the second, it is assumed, counterfactually, that 4th slice inflation increments are paid on time, plus, it is assumed that the 1st and 2nd slice wage increments of 1995 collective contracts are backwards indexed, with no welfare increment. The next figure illustrates the two scenarios, and, elucidates the government strategy towards Labour. Computations are based on the expectation of a yearly rate of inflation of 82 % (CPI) for 1995, with December 1993, the base month. Notice that at the time of the announcement of the 5 April Plan, the average public sector wage was at its highest in real terms, which meant high real outflows from the public budget. KIT-induced inflation was used as a policy tool, with the inflationary

months of April and May drastically changing relative prices in favour of the Government. In May, public sector real wages were down to 84, from 115 in March, which, from the point of view of government finances, meant real savings of 27 % over the monthly wage bill. Clearly, government appropriation of TL 30 trillion worth of dressed wages between June and December was an attempt to perpetuate the disadvantageous position of Labour in terms of relative prices, and, to further lower the real cost of public sector wages upon the public budget. Accordingly, public sector real wages went down to 62 by December, which, from the point of view of government finances, meant real savings of 46 % over the monthly wage bill. Due to the payment of inflation increments in early 1995, public sector real wages were up to 83 by March, which, however, did not compensate the inflationary impact of the late payment. Hence, as of March 1995, the average public sector wage was 28 % lower than the counter-factual 115, with the Government projecting now, to protect and even further open that gap *via* a marginal increment in the nominal wage.

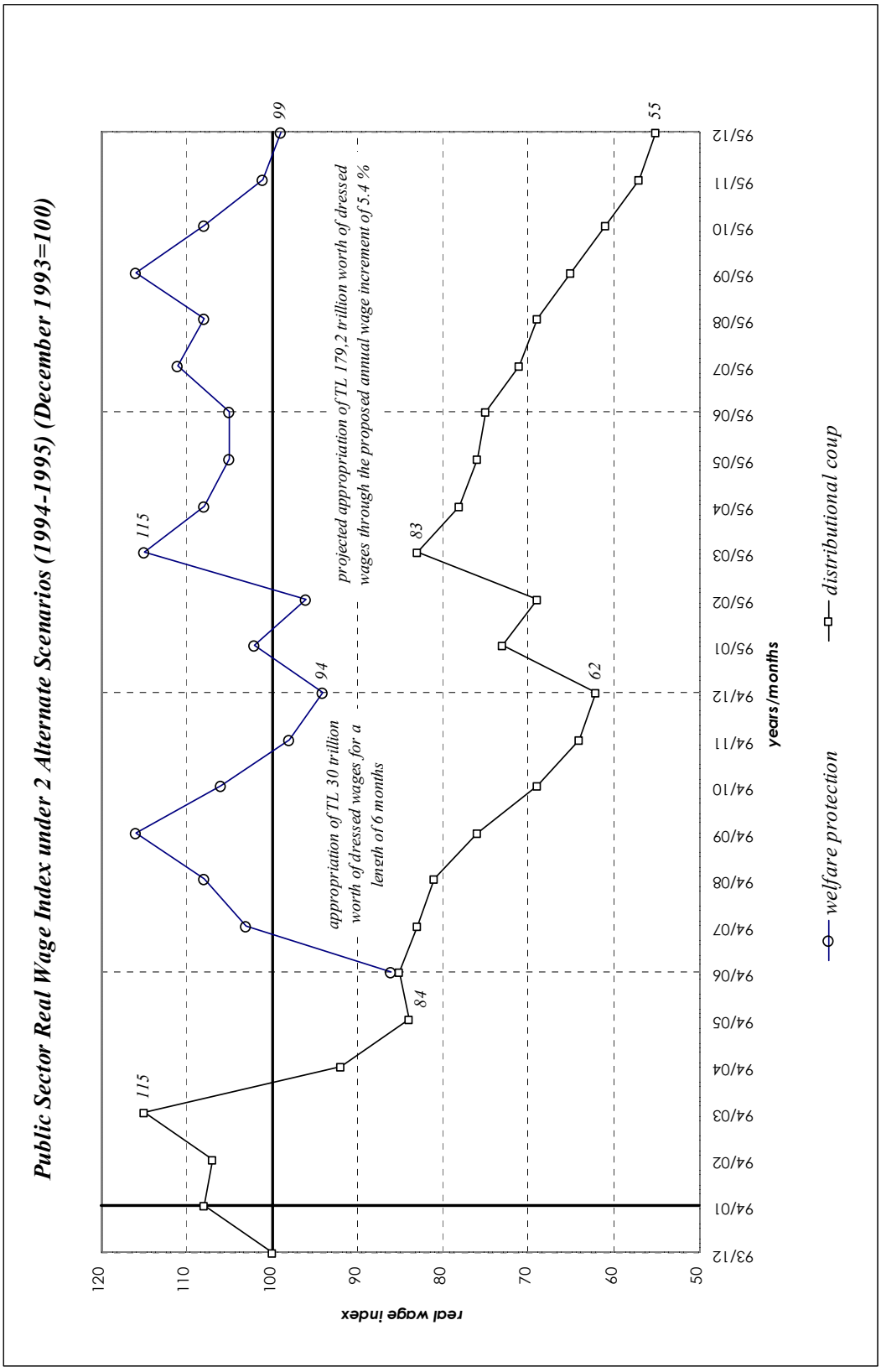
Hence, one could see that, on the part of the strategists of the State —government bureaucrats, enterprise directors, collective contract experts of the public employers' unions, etc., there was an emergent tendency towards the decentralisation of collective negotiations, favouring higher wage differentiation among workers. In the face of the upcoming collective negotiations with the Government side pressing for lower real wages, Bayram Meral argued that they were not even taking seriously the zero percent raise.

In mid-March, a revealing remark came from TÜRK-İŞ General Secretary Şemsi Denizer, indicating in my view, the prevalence of a new sort of exchange between union aristocrats and employers, state and private: "Our prime objective in the collective contracts is to ensure employment security." In my view the emphasis on employment security indicates to a change in the content of two mutually connected relations: The first concerns the content of the corporatist exchange relation between union aristocrats and the State, i.e. employment guaranty in return for wage restraint.

The second concerns the relation of organisational control between union aristocrats and workers: The new rhetoric would now be that high wages were sacrificed to be able to protect members from unemployment. The Council of Presidents of TÜRK-İŞ was to convene on March 17-18 in Çanakkale, the day after the meeting of the so-called TÜRK-İŞ Public-Sector Coordination Committee (*Kamu Koordinasyon Kurulu* —An inter-union commission of TÜRK-İŞ unions to centralise and coordinate public-sector collective negotiations with state employers' unions)[23] The Public-Sector Coordination Committee, countering the Government argument that given the current losses of the KİTs, high wage increases were simply feasible, proclaimed that the KİTs were actually profitable, and, that the real determinant of the level of wages was the living standards.[24]

[23] "TÜRK-İŞ Genel Sekreteri Şemsi Denizer: 'Toplu Sözleşmelerde Öncelikli Hedefimiz İş Güvenliği Sağlamak'" (TÜRK-İŞ General Secretary Şemsi Denizer: 'Employment Security a Prime Target in Contracts'), Dünya, March 13, 1995.
[24] "TÜRK-İŞ Kamu Koordinasyon Kurulu 'KİT'ler Zararda Değil, Kar Ediyor'" (TÜRK-İŞ Public-Sector Coordination Committee: KİTs not in the Red, but Profitable), Cumhuriyet, March 17, 1995.

Figure 4.1:



source: Arslan et al., 1995: 53

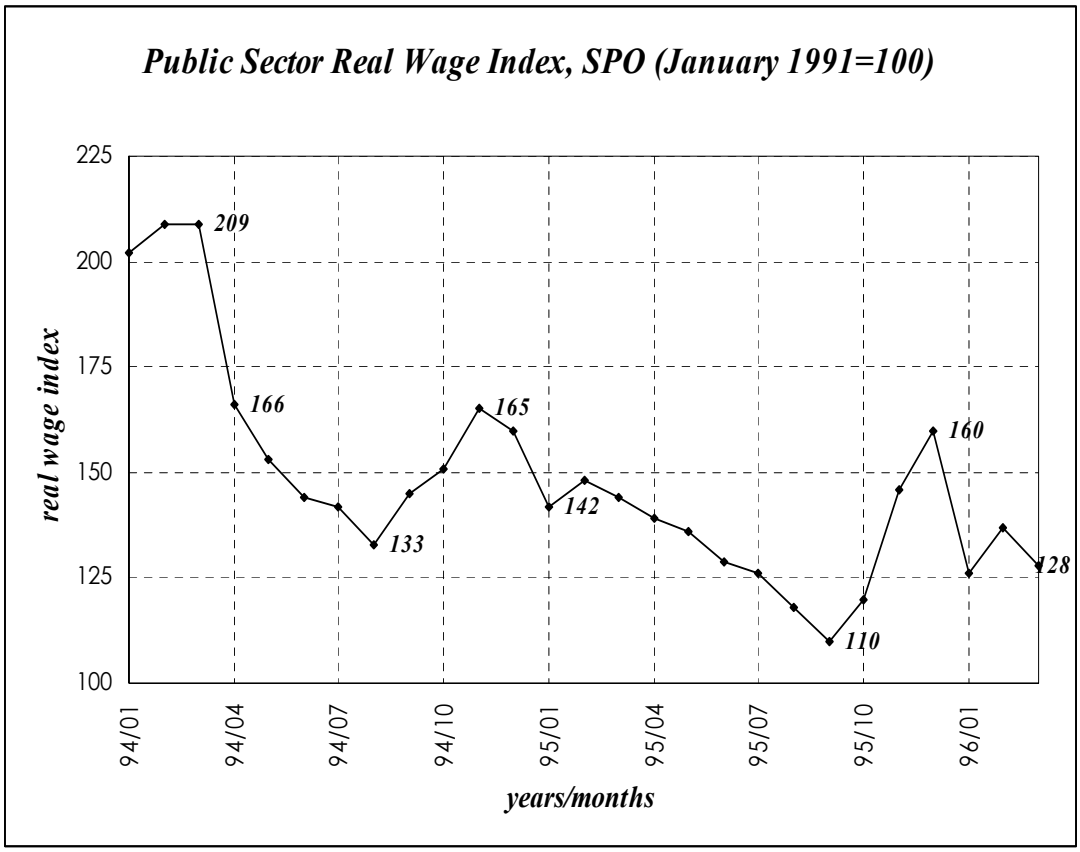
To the best of my knowledge, there are four data sources on public sector wages: 1) average wage series of individual unions, which one can theoretically find out and aggregate; 2) Kamu-İş data; 3) SPO—State Planning Organisation—data, and; 4) SIS—State Institute of Statistics—data. Of the first, only T. Harb-İş data is available to me, and I skip that. On the other hand, Kamu-İş and SPO data seem somewhat problematic to me, but they are nonetheless useful, and given below. The SIS data seems more consistent, and, that is also given below. Kamu-İş data seems problematic, for I suspect that it represents inflation increments as actually paid on time, in 1994. Interestingly, State Minister Bekir Sami Daçe, in a press conference on July 19th, 1995, over the recent state of public sector collective negotiations, actually said: "34.0 % increment in the month of January, and, 61.1 % increment in the month of July of the year 1994 have been applied. Considering also, the non-wage payments and other provisions, public sector workers have not suffered any losses." (Araştırma Bürosu, 1997: xii) According to Kamu-İş data, the public sector average wage including the 61,1 increment was, as of July 1st, 1994, TL 19,565,699, whereas, the *de facto* average wage as of December 31st, 1994 stood at TL 18,890,000—which is highly suspect, on my part. One way or another, Kamu-İş data reveals the impact of austerity measures forced upon Labour. To start with, in late 1996, the level of public sector real wages is back to the pre-Spring Actions level of December 1988. One can also see the dramatic impact of the inflationary months of April and May 1994, with a 20 % real wage loss in a single month, in April.

Figure 4.2:

source: re-arranged from Araştırma Bürosu (1997: xii-xiii)

DPT data is compiled from its own sources, as well as those of the Supreme Board of Inspection [*Yüksek Denetleme Kurulu*], Kamu-İş, SIS, and, TİSK. The monthly course of public sector real wages does not quite fit well with the specific events of the time, but, it equally reveals the dramatic real wage losses in the inflationary months of April and May 1994—with a 21 % loss in April alone, as well as the losses of the ensuing 1995.

Figure 4.3:



source: re-arranged from Araştırma Bürosu (1996b: 15-6)

In my view, inconsistencies of a similar sort are also seen in the SIS data, with, *inter alia*, a suspect increase in public sector real wages between September and December 1994.[25] Be that as it may, SIS data is useful in revealing the general picture with private as well as public real wages in the years 1994 through 1996. Thus, it is interesting to see that, in 1994, real wage losses in the private sector are running well ahead of those in the public sector, in terms of both the CPI and the WPI, whereas the relatively unionised public sector becomes vulnerable only in the second half of the year.

[25] See the first column of Table 5 on page xi of Araştırma Bürosu (1997).

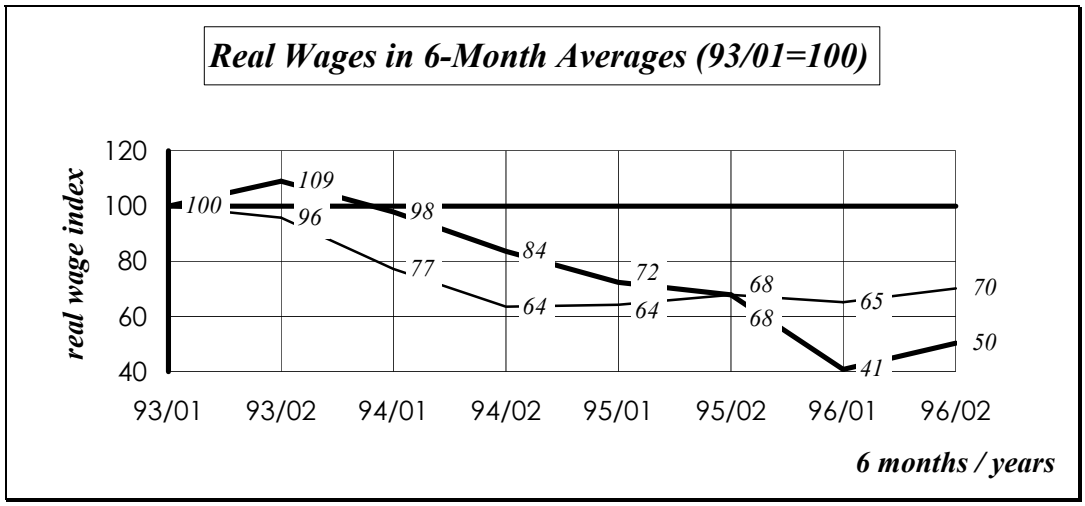
Table 4.2: MANUFACTURING SECTOR REAL WAGE SERIES (1993=100)

		Private	*State*
Years	*Purchasing Power*	*Cost*	*Purchasing Power*
1993	100.0	100.0	100.0
1994	76.0	71.9	86.8
1995	70.5	67.5	67.1
1996	69.2	68.2	43.6

Table 4.3: CHANGE IN MANUFACTURING SECTOR REAL WAGES (%)

		Private	*State*
Half Years	*Purchasing Power*	*Cost*	*Purchasing Power*
(93/02)	-7.4	-4.2	8.9
(94/01)	-15.5	-20.1	-8.4
(94/02)	-15.3	-17.7	-14.6
(95/01)	2.0	1.1	-13.5
(95/02)	-1.7	5.6	-6.2
(96/01)	-4.5	-5.2	-39.8
(96/02)	7.2	7.6	23.4

Figure 4.4:



sources: the foregoing tables and graph copied from Araştırma Bürosu (1997: ivv)

4.3.4 Intra-Class Conflict: The Course of Earnings Differentials—Wage *vs.* Wage, Wage *vs.* Salary, Public Worker *vs.* Peasant, etc.

Historical time and chronological time never coincide and the 'long' year of 1994 was such a moment in the history of the class struggle. Historical time was running apace, partly because of the inflationary outburst, creating sizeable redistributions of value and surplus within the span of a single month. It was a time of crisis, a critical conjuncture, not just in the economy, but in the Kurdish question as well, getting several actors on the move. When the so-called Application Plan of Economic Measures was announced, it opened several new fronts in the class struggle, including budget cuts, emergency taxes, employment reduction, the assault on wages and the system of collective contracts, privatisation, closures, social security reform, restructuring of employment in the public sector, etc. At the end of 1910, Lenin (1974: 406, 408) reassesses the strike movement in Russia in the revolutionary years of 1905-1908, through the *Statistics of Workers' Strikes Factories and Mills*, published by the Ministry of Trade and Industry. Noting that "… the size of the movement in 1905 was *115 times* as great as the *average per year* for the preceding decade …", Lenin (1974: 406) writes, in usual causticity, that the ratio in question "… shows … how purblind are those people, whom we encounter only too often among the representatives of official science … who consider the tempo of social-political development in the so-called 'peaceful', 'organic', 'evolutionary' periods as the standard for all times, as the index of the highest possible pace of development modern history can achieve. Actually, the tempo of 'development' in the so-called 'organic' periods is an index of the greatest stagnation, of the greatest obstacles placed in the way of development." Moreover, empirical investigation had to adapt to that pace: "A year is too long a period to enable us to investigate the wave-like character of the movement. The statistics now give us the right to say during the three years 1905-07 every month counted for a year." In 1994, with annually and quarterly published SIS data coming too late and falling too short of the pace of wage movements, I set about computing monthly data to be able to follow the course of Labour-State-Capital and Labour-Labour relations more promptly. It is also

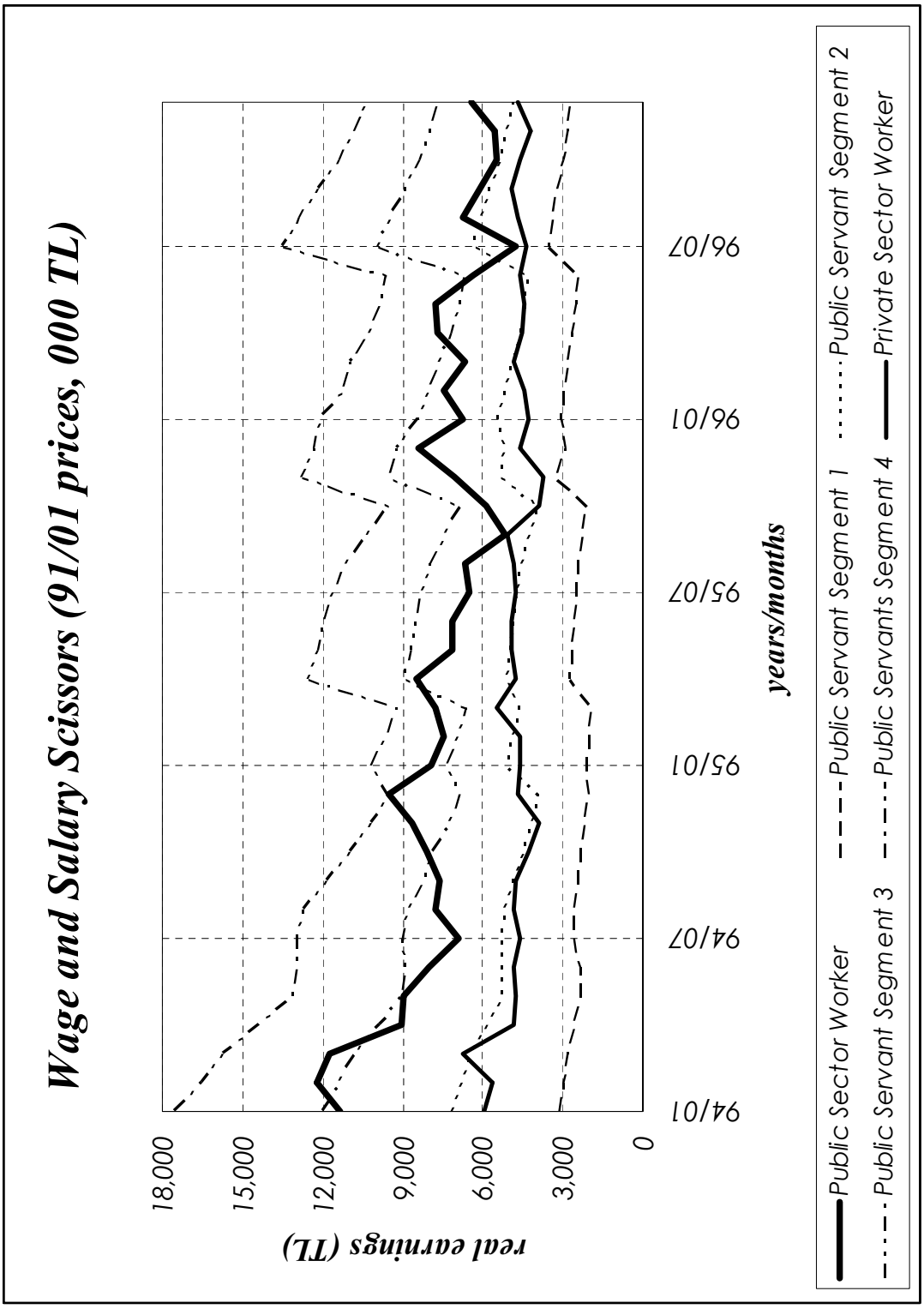
important to mind that trend values are useful in terms of seeing in retrospect the final outcome of the period in question, but given that the retrospective interpretation of the trend might also lead to functionalist explications, one must not also loose sight of the actual values. It is also important to use, and, develop, if necessary, the right series for the right actors. On the part of the worker, the measure is the real wage rate in terms of the purchasing power of the disposable wage. On the part of the employer, it is the real wage in terms of the real total cost of labour power, and the real total cost of employment.[26] Wage differentials are also relevant for both workers and employers. Public workers heed to: 1) wages in comparable, competitive jobs, usually in the private sector; 2) the minimum wage rate, or wages in small enterprises, or in the marginal sector; 3) intra-wage differences within the same workplace, or *işkolu* [branch of work, as defined in the Labour Code]. Civil servants compare salaries with the wages of workers at the same workplace, within the same institution, etc. Employers heed to the difference between the total cost of employment, and the disposable wage, the minimum wage, the wage rate at unionised workplaces, etc. Because the Government, Media, and employers discourse on wage differentials was so effective among workers and civil servants themselves, it became necessary to work on disposable wage-salary differentials.

Below are the differentials between the disposable earnings of public workers, private workers, and, public servants. The latter are divided into four: Segment 1 comprises the greatest part, namely, lower-grade civil servants; Segment 2 consists of medium-grade, and, Segment 3, of relatively higher-grade public servants. Segment 4 is the small elite that consists of senior colonels, first class judges, university professors, and, ministerial advisors. Following the financial crisis that broke out in early 1994, first, public sector worker and private sector worker, worker and public servant, etc. were pit against each other, with anecdotal accounts of a general director being less paid than a chauffeur, or a *çaycı*—someone who makes and serves tea (Araştırma Bürosu, 1997: ix)). Apparently, there was sufficient

[26] I believe one must distinguish between the cost of labour power and the cost of employment, for employers are charged by the state taxes and tax-likes which are not related to the social costs of the reproduction of labour power, such as contribution to national defence, etc.

ground to pit public sector workers against all others, as they were equally well-paid the relatively higher-grade Segment 3, and, a lot better paid than medium-grade Segment 2 and lower-grade Segment 3. Notice also, that Segment 4 salaries fall drastically throughout the year 1994, approaching the wages of Public Sector Workers. The worst seems to have befallen Public Sector workers, whose wages fall below the salaries of Segment 3, and, converge to the wages of Private Sector workers. Notice that Segment 1 salaries run far below the wages of Private Sector workers, which might also explain the mobilisation of great masses of lower-grade public servants by the newly emergent unions. Finally, it is interesting to see the drastic fall in the salaries of Segment 4—the elite public servants to be somewhat arrested in 1995 and 1996, thus diverging from the rest.

Figure 4.5:



source: copied from Araştırma Bürosu (1997: xiii)

CHAPTER 5

CONCLUSION

The foregoing was an attempt to write a critical, theoretical narrative of class struggles in Turkey, through the years 1989-95. In the early stage of my research, I thought Political Economy and Corporatism would be most relevant, apropos of my the scope of my research object, as, 1) the nadir of 1994-95, particularly, was a time of distributional conflict, *par excellence*, between Capital, the State and Labour, and; 2) the corporatist debate provides ample material to study the relations between Capital, the State and Labour. However, I was then operating within the framework of the classic neo-corporatist paradigm. As it turned out, competitive corporatism would be more pertinent to understanding the late Eighties and the Nineties, especially, in the context of the formation and formulation of the new Capital strategies, hegemonic projects, and, discourses. The ESK, whose significance is minimised by the corporatist students of Turkish corporatism seems to be the archetype of Turkish competitive corporatism. I had myself did the same in Arslan (1998), so, this thesis involves a major shift in my position. The Nineties, particularly, must be studied more thoroughly in the light of the contribution of the last stage of the corporatist debate, i.e. competitive corporatism, by way of more firmly grounding it on the State Theory. Yet, there is one curious question which concerns the fate of competitive corporatism as a Capital project. Apparently, the ESK was on Capital's agenda well after the crisis of 1994 and Labour's decisive defeat. However, at one point, and, probably with the introduction of the Derviş Programme, the discourse and project of 'governance' as the alternate State form — as the mode articulation of political representation and State intervention— seems to be in the ascendant. This re-alignment in the Capital strategies must also be

thoroughly studied. Notice also, that the question of governance in the context of the re-structuring of the State in Turkey has so far been investigated mostly via the paradigm of classic public administration theories, and, from nationalist, developmentalist, statist economic and political positions. Thus, there is a need to form a research agenda to study 1) the causes of the change of emphasis from in Capital strategies from competitive corporatism to good governance; 2) the nature of governance via alternate Marxist theories and positions.

One of my central claims was that, the literature on the Labour movement in Turkey is, not only deterministic, but also, largely a-theoretical. For one thing, the novel, truly innovative Western research on the Labour movement receives very little enough attention in Turkey. Modern theoretical debates must be followed a lot more closely, and, there is also need for more in-depth empirical research on union structures, individual cases workplace struggles, etc. On the other hand, as I see it, Western research has got its own limits. To be more exact, it still stops short of problematising and theorising many of its explicit or implicit findings, despite the recent, non-deterministic tendency in the works of a new generation of authors. More particularly, I believe that Organisation Theory, and, the Theory of Alienation are is very pertinent to developing a non-deterministic theory of the Labour movement, because both are critical to understanding the nature of the internal limits obstructing the Labour movement, and, to reforming it. Organisational Theory seems to be well advanced, but, the state of the Theory of Alienation is more precarious. For one thing, its place within the overall work of Marx is less than obvious.

Another theoretical/methodological question concerns the ambivalent content of some of the concepts frequently used in theoretical work, such as distribution, labour market, class struggle, etc. Despite Marx's own critical efforts, and, despite so much theoretical/conceptual debate in modern Marxism, there are still substantial ambiguities concerning the content of many concepts. Sometimes, orthodoxies are to be blamed. For instance, that seems to be the case with the orthodox, serial ordering of importance of production and distribution. I believe more emphasis must be

placed upon Marx's notion of distribution as a moment of production, production-determined distribution. More explicitly, there is a need to explore more closely, how, class struggles in the sphere of production affect the distribution of value between Labour and Capital. Perhaps, one could also extend the original idea of Marx, by suggesting the notion of distribution as a moment of the circuit and circulation of Capital. Also, I contest the mostly uncritical usage of the concept labour market. Borrowing an epithet used by Jessop in the context of his Cultural Political Economy, labour market —and, market, more generally— seems to be more 'imagined' than real/factual. Finally, the very idea of class struggle seems to be very ambiguous. For one thing, its various loci, socially, seems to remain a bit obscure. In my view, some of its loci are the sphere of production, the realm of ideology/discourse, the intra- and inter-organisational sphere, etc.

My final remark is the potential role of ideology/discourse. There is, in my view, an urgent need for a cultural turn in the theory of the Labour movement. For one thing, discursive struggle is part of the struggle in the sphere of production, the power struggle within and amongst organisations, struggles in the public sphere —which must also be re-defined and used as a concept— between Capital, the State and Labour. To the best of my knowledge, the most important effort in that direction seems to be coming from Norman Fairclough and Bob Jessop. The starting point of Fairclough is linguistics, and, that of Jessop, Political Economy and State Theory, while to obviously intend to converge to the same point, a 'materialist' cultural/linguistic turn in Marxism.

More concretely, it is my impression as also a participant observer, that, 1) the class struggles of the years 1989-95, and, the defeat of Labour may not be understood without in-depth semiotic/linguistic analysis, and; 2) the critical reformulation of alternative forms of working-class politics must be based, amongst others, on semiotic/linguistic forms of struggle as well. In other words, there is need for a linguistic turn, as well as, linguistic awareness, in both the theory and the practice of class politics.

I would like to end with some brief remarks on the role of the ideological/discursive struggle in the early Eighties and the Nineties. For one thing, and, on the level of argumentation, the core issue in the discursive struggle between Capital and Labour seems to be the creation, distribution, and, re-distribution of the surplus. That should not be surprising, given the very nature of the Capital-Labour relationship, but, one should nonetheless pay more attention to its generative dynamics. Thus, Capital usually argues, 1) on the level of the creation of value, either that Labour is unproductive, or less productive than it should be, that is the 'World' Labour against which the 'national' economy is to compete; 2) on the level of the distribution of the surplus, that wages are too high, vis-à-vis, either its production of value, or, the productive powers of the World Labour. Overall, that would mean the expropriation of Capital, in the case of private sector workers, and, the expropriation of the whole society, in the case of the public sector workers. On the level of the metaphors, the counterpart of the exploiting worker is the 'parasitic' worker, a word often used in the early and mid Nineties, by the staunch anti-Labour politicians, bureaucrats, journalists, businessmen, university professors, and, the common people. In terms of what Critical Discourse Analysts call subject positions, the most puzzling issue is of course the condemnation of public workers and civil servants as parasites, by common people. As I see it, the clue to that riddle lies in the nature of the real social relations, involving, the alienated nature of State Labour, and, the reproduction of State power in daily politics, that is, in the sphere of political representation.

Such are some of the questions I shall hopefully be dealing in the future…

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APPENDIX

A CHRONICLE OF THE YEAR 1994 (AND EARLY 1995)

JANUARY

The year 1994 starts with the news of the sentencing of Associate Professor Fikret Başkaya to 20 months in prison for defying, in his book The Bankruptcy of the Paradigm [Paradigmanın İflası], Article 8 of the so-called Law for the Fight against Terrorism, with Supreme Court ratifying the sentence.[27] A protest meeting is held in the Abide-I Hürriyet Park, by the 200 workers sacked a month ago by the administration of the historic Florance Nightingale Hospital in İstanbul, with Doğan Halis, President of Dev Sağlık İş, and, Süleyman Çelebi, General Secretary of DİSK addressing workers. [28] As of early January, the famous Kağıthane Resistance of the 340 workers sacked almost a year ago by the Municipality was stall on.[29] In mid-January, Polar Konfeksiyon, a textiles company in Merter, İstanbul, lays off large numbers of workers for unionising in Tekstil/DİSK. Reportedly, 90 amongst them were not insured.[30]

FEBRUARY

On the 16th, a work stoppage takes place at the Gaziosmanpaşa Municipality in İstanbul. Fuat Alan, President of Belediye-İş/TÜRK-İŞ, accuses the Municipality of threatening the workers with privatisation and tacheronisation; claims that municipalities owe TL 8 trillion to 100,000 workers in arrears. Reportedly, workers had not been paid a single Lira for the entire last 7 months.[31] On the 19th, 60 workers of the Eminönü Municipality march in protest of the wage arrears.[32] Reportedly, the Municipality owed TL 24 billion to 800 workers, worth of 3 months' wages, bonuses, etc. The Başkaya verdict would turn out to be the first is a series that would include the Kurdish-Leftist leaders of the pro-reform unions in TÜRK-İŞ. First was Münir Ceylan, the President of Petrol-İş, for a serial article published a long time

[27] "Tıkalım Doçentleri Hapishaneye, Paradigmamızı Kurtaralım" (Jail Associate Professors, Save the Paradigm), Necati Doğru, Sabah, January 1, 1994.
[28] "Beyaz Direniş Birinci Ayında" (The White Resistence Extends into Second Month), Cumhuriyet, January 1, 1994.
[29] "Kağıthane'de 340 İşçi Bir Yıldır İşsizliğe Direniyor" (First Year Ends in 340 Workers' Resistance against Unemployment), Cumhuriyet, January 9, 1994.
[30] "Polar'da İşverenin Sendikalı İşçi Avı" (Employer Hunt for Unionised Workers at Polar), January 20, 1994.
[31] "Belediye'de Bugün İşler Duruyor" (Work Stoppage at Municipality), Aydınlık, February 17, 1994.
[32] "Eminönü Belediyesi'nde İşçi Eylemi" (Workers' Action at Eminönü Municipality), Milliyet, February 20, 1994.

ago, in the July 21st and 28th 1991 issues of the pro-Kurdish newspaper Yeni Ülke. The article was entitled "Tomorrow will be too Late" [Yarın Çok Geç Olacak].[33] Atilay Ayçin, the President of Hava-İş, was to take his turn in 1995, with the struggle against the privatisation of HAVAŞ—the state company of airport ground services, and, collective negotiations at the THY—the state company of airlines—still on. On the other hand, Government moved the bonus payments public sector workers from March—when they were normally due, to February, in order to avoid the extra cost of the pay increase scheduled for March. According to Bayram Meral, that meant the expropriation of TL 2 trillion.[34]

MARCH

On March 2nd, 100 Belediye-İş/TÜRK-İŞ and Genel-İş/DİSK workers gathered in front the Küçükçekmece/İstanbul Municipality, which had been defaulting on wages for the last 6 months. They were at pains to make it clear that their action was not targeting the people of Küçükçekmece. The sit-in of Belediye-İş/TÜRK-İŞ members in front of the Ümraniye/İstanbul Municipality, in protest of the wage default, was also on.[35] One of the most important elements of class agenda was the struggle waged by leather workers, who simply worked in horrid conditions. In mid-March, the resistance of 300 Deri-İş/TÜRK-İŞ workers at Tuzla Organised Leather Industry Zone in İstanbul was well into the 3rd month. It was against unfair dismissals, union busting, forged plant closures, defaults on wages.[36] Meanwhile, the intense rivalry between TÜRK-İŞ and DİSK kept on going. Following its March 21st-22nd Meeting of the Board of Presidents, TÜRK-İŞ accused the ÇSGB, and, especially, its affiliate, the General Directorate of Work with partiality. ÇSGB, on its turn, argued that the proper framework for union activity was the ILO standards, so that the only way of resolving differences was referendum. Thus, it urged TÜRK-İŞ to compete at the ballot box where it would be able to demonstrate what the free will of workers would say.[37] In March, the union agenda was shifting towards the prospective economic plan of the Government. One of the core issues was the spreading word of plant closures, including, inter alia, the Zonguldak mines. TÜRK-İŞ General Secretary Şemsi Denizer responded by claiming that they might return to the times of the great miner's resistance in 1990-91. He also pointed out that Zonguldak stood a united whole, with its Union and all institutions. He noted that no one had yet consulted with the Union and called for a joint solution to save the TTKİ from making losses.[38]

APRIL

[33] "Münir Ceylan'a 20 Ay Hapis" (Münir Ceylan Sentenced to 20 Months in Prison), Aydınlık, February 22, 1994.
[34] "Hükümet, Kayserili Tüccar Hesabı Yapmaya Başladı" (Government Calculation Reminding the Ways of Kayseri Merchants), Milliyet, February 22, 1994
[35] "İşçiler, Bayram Öncesinde Alacaklarını İstedi" (Workers Claiming Payment of Wage Arrears before Holidays), Gündem, March 9, 1994.
[36] "Grevkondulardaki Hak Arayışı" (Fight for Rights at Strikeshanties), Gündem, March 15, 1994.
[37] "TÜRK-İŞ Muhtıra Gibi Bildiri Yayınladı", (TÜRK-İŞ Press Release Warns), Sabah, March 23, 1994; "DİSK'ten Hodri Meydan, (DİSK Dares), Cumhuriyet, March 27, 1994
[38] "Denizer: 'Bizi Madenci Direnişine Sokmasınlar, 94 Kafalarına Geçer" (Denizer: Should they Push Us again into another Miner's Resistance, We'll Give them Hell in '94), Dünya, March 5, 1994

On the other hand, the TÜRK-İŞ Council of Presidents, convening within days of the announcement of the so-called 'Application Plan of Economic Measurer' on the 5th of April, proclaimed nation-wide protests against the government. Bayram Meral called upon the government to revise the program, threatening to "use our force coming from production". He also said that those TÜRK-İŞ unionists who were the members of DYP and ANAP had resolved they would resign. Meanwhile, tens of thousands of workers throughout the country were reported to rise in protest, including, the cities/towns of Karabük (iron and steel workers of the longest strike in Turkish history); Gölcük (Harb-İş workers and Leftist activists of the military shipyard, joined by the Petrol-İş workers of PETKİM); and, Kırşehir (possibly, the Petrol-İş workers of PETLAS).[39] 1,000 entrepôt workers and truck drivers marched on the 7th of March within the İstanbul Entrepôt. Also, 500 workers reportedly gathered and marched within the İzmir Entrepôt District, during which they were addressed by the President of the İzmir Branch of TÜMTİS/TÜRK-İŞ, Şükrü Günsilli, who said: "Sacrifice is always being asked from us, the workers. They have opened up the package of price hikes upon the orders of the World Bank and the IMF." Some of the slogans workers shouted were, 'No to Price Hikes', Workers, Civil Servants, Hand in Hand, Go to General Strike'; 'Organised Struggle against Price Hikes'; 'KİTs Belong to People, They can't be Closed.[40] Esnaf community—truck drivers, more particularly—on its part, was also in action following the astronomic increase of almost 80 % in the price of diesel oil, with entrepôt tariffs remaining the same. 2,000 truck drivers were reported to park in the Etlik neighborhood of Ankara and protest.[41] Meanwhile, representatives of the 400 truck drivers in action in Ankara met with Erdoğan Şahinoğlu, the Governor of Ankara. [Figures vary. The number of Etlik protesters is cited as 2,000 in one source, only 200 in another.] In İstanbul, was also a work stoppage at the Haliç Shipyard, and, workplace occupation and work stoppage at the historic Cibali Cigarette Factory, with workers shouting: "Cibali is Ours, So will it Remain", "Tansu Go to America"—protesting the price hikes, and, the closure of the Factory. 1,000 Petrol-İş workers of PETLAS in Kırşehir—on the line for closure, reportedly headed for Ankara, in 68 trucks and 3 buses. Police barricade was set up at Kayadibi, 65 kilometers to Ankara. One Police Special Team and one gendarmerie squadron were brought in and positioned. In İstanbul, truck drivers were not allowed into the centrum. White goods sellers also reportedly protested in front of the Profilo headquarters in Mecidiyeköy against the price hikes and erratic shifts in the value of the dollar. Thousand of workers gathered in front of the İstanbul Municipality building, shouting: "We aren't gonna Swallow the Bitter Pill." In Konya, a group of esnaf shut down and marched in protest.[42] The first meeting between TÜRK-İŞ and the Government came 10 days after the announcement of the April 5 Plan. The Government said it would heed to TÜRK-İŞ complaints in good faith, and, correct the possible mistakes. Bayram Meral, on his part, said the Government and TÜRK-İŞ

[39] "TÜRK-İŞ'ten Eylem Kararı", (TÜRK-İŞ Gets in Action), Hürriyet, April 7, 1994

[40] "Ambar İşçileri İzmir ve İstanbul'da Eylem Yaptı" (*Entrepôt* Workes in Action in İzmir and İstanbul), Aydınlık, April 8, 1994.

[41] "Kamyoncular 25 Nisan'da Ülke Çapnda Kontak Kapatacak" (Truck Drivers to Turn off Contacts Country-wide on April 25), Aydınlık, April 8, 1994.

[42] "Haliç Tersanesinde Şalterler İndi" (Shut down at Haliç Shipyard), Cumhuriyet, April 8, 1994.

were natural collocutors in the resolution of the problems, while "Our meeting the Government should not by any means be seen as concession." Besides, the formation of a joint TÜRK-İŞ-Government commission was decided to go through the issue of privatisation.[43]

JUNE

The local elections of March, 27th witnessed the rise of the Welfare Party (RP — Refah Partisi) to power at several municipalities. Following the elections, there were frequent claims of the RP and MHP mayors engaging politically-motivated sackings on extensive scale. Reportedly, 611 workers were sacked by the Metropolitan Municipality of Ankara. On the 11th of June, Gebze/İstanbul Municipality sacked 733 workers and public servants, most of whom Genel-İş/DİSK and Tüm Bel-Sen members. There was the claim that it was mostly those of Kurdish origin who were sacked. Another claim was that they were being replaced by, especially pro-MHP cadres. Municipality services came to a halt in Gebze, with garbage piling up on the streets. In Adana the 29-day long sit-in of 127 workers was inconclusive on the part of the workers and a march was staged to Ankara.[44] Protesting RP Mayor Ahmet Pembegül, all 1,760 workers and public servants walked out, picketing, together with their families, in front of the municipality building, day and night.[45] On the other hand, the protest march of the 80 workers of Adana Municipality started on the 13th of June. Mayor Aytaç Durak accused workers of getting paid without even bothering to show up for the work.[46] Meanwhile, the resistance of 1,767 workers in solidarity with the dismissed brought transportation services to a complete halt, causing much distress in Gebze and Darıca. The piles of uncollected garbage sitting on the streets were also the source of great trouble.[47] In mid-June, TÜRK-İŞ reported that in the 5 months following the onset of economic crisis, from January 1st to May 1st, a total of 28,708 unionised workers were dismissed. Figures were 7,667 in municipalities, 4,905 in textiles, and, 3,828 in metals. The weight of the lay offs fell on İstanbul with 9,260. Adana followed with 7,650; Bursa, 5,719; İzmir, 2,890; Samsun, 1,561.[48] Reportedly, with tents on the streets Gebze had the semblance of a city in resistance. On the 15th of June, a new 278 were dismissed. CHP's İstanbul Representative Mehmet Sevigen demanded a parliamentary investigation over intensive dismissals in the municipalities in the aftermath of local elections. At Van Municipality, 165, and at Ümraniye/İstanbul Municipality, 278 civil servants were sacked.[49] A rather dramatic act, around those days, illustrates the intensity of the crisis. 50 workers, dismissed by TOFAŞ, bust the Bursa Branch of Türk-Metal/TÜRK-İŞ, heavily

[43] "TÜRK-İŞ Hükümet Görüşmesi" (TÜRK-İŞ Meets Government), Cumhuriyet, April 16, 1994.
[44] "İşçi Kıyıma Karşı Direniyor" (Workers Fighting Back Slaugther), Ülke, June 13, 1994.
[45] "Gebze'de İşçi ve Memur Kıyımı" (Worker and Civil Servant Slaugther in Gebze), Cumhuriyet, June 13, 1994.
[46] "Adana'dan Ankara'ya bir Uzun Yürüyüş" (A Long March from Adana to Ankara), Cumhuriyet, June 14, 1994.
[47] "Gebze'de Büyük Eylem" (Great Action in Gebze), Cumhuriyet, June 14, 1994.
[48] "5 Ayda 29 Bin İşçi Çıkarıldı" (29 Thousand Workers Dismissed in 5 Months), Ülke, June 16, 1994.
[49] "Gebze'de İşçi-Memur Direnişi Korkutuyor" (Worker-Civil Servant Resistance Spreads Fear in Gebze), Ülke, June 6, 1994.

criticising the Union for not getting in action. The President of Bursa Branch claims that they are doing their best to return the workers to work, that workers themselves were incited and used by perverted people with perverted minds.[50] The General President of Liman-İş/TÜRK-İŞ, Hasan Biber, claimed that scenarios were being produced to default on the wage increments due to the Month of July. He also claimed that lay-offs dismissals could come up at the docks as well, that he hoped TÜRK-İŞ would not be the part of obscure scenarios.[51] A new issue was to emerge shortly after the announcement of the 5 April Plan, one of greatest relevance to the distributional conflict of the years 1994-95, and, signifying the close of the cycle of contest. That was the word of a possible Government default on public sector workers' inflation-indexed wage increments due to June-December 1994. Reportedly, now that the yearly rate of inflation was as high as % 117, the Çiller Government told TÜRK-İŞ would default on the payment of the so-called 'inflation increments' that were due in the summer and autumn of 1994. In response, Bayram Meral warned that TÜRK-İŞ might suspend its relations with the Government as of the 1st of July. Reportedly, he also said that, the Government, as the undersigned of the collective contract was under obligation, while default had no legal ground to it. "Trampling the stipulations of the collective contract is but expropriating workers' rights. … They have to abide by the contract and pay on the 1st July. And if they don't, we'll then just break with."[52] They actually did not. On the 24th, Şemsi Denizer, the TÜRK-İŞ General Secretary, addressing the TÜRK-İŞ Board of Presidents over the questions of government default on inflation increments, bonus arrears, and, dismissals, said the Board would consider the possible forms of action. He also said he thought a decision of general strike would probably come out of the meeting. Meanwhile, the protest march of Adana Municipality workers reached Aksaray, while the Gebze Municipality resistance was now into its 15th day. Tension was building up apace in the town, with gendarmerie and police reinforcement from İzmit, checkpoints at entry and exit points of the town, and panzer patrols in the streets.[53] It was also reported that, the 18 organisations making up the Democracy Platform would convene within a week, to decide over some 'action plan' against KİT sales and lay-offs.[54] On the 27th, the workers of SÜMERBANK Bakırköy Garments—members of Teksif/TÜRK-İŞ—gathered in front of the factory gate. Amongst the slogans were, "Workers Hand in Hand for General Strike"; "We Want not Quiescent TÜRK-İŞ". Çetin Yelken, Shop Steward, criticising the TÜRK-İŞ administration, pointed out that the protest was to warn the Board of Presidents to resolve to go in action and to demonstrate that the workers were ready for it.[55]

[50] "İşçiler Türk-Metal'i Bastı" (Workers Busting Türk-Metal), Ülke, June 6, 1994.
[51] "Liman-İş Uyardı" (Liman-İş Warns), Ülke, June 19, 1994.
[52] "Bayram Meral: 1 Temmuz'da İpler Kopar" (Bayram Meral: Relation May Break on the 1st of July), Milliyet, June 21, 1994
[53] "TÜRK-İŞ Genel Grev Eğiliminde" (TÜRK-İŞ Heading for General Strike), Cumhuriyet, June 25, 1994.
[54] "Eylem Programı Haftaya Açıklanıyor" (Action Plan to be Made Public bu Next Week", Cumhuriyet, June 25, 1994.
[55] "İşçi Fabrikasını Terk Etmedi" (Workers not Leaving their Factory), Cumhuriyet, June 6, 1994.

JULY

The Gebze Resistance of municipal workers was put down on day 30. On July 10th, early at dawn, workers picketing the Municipality building were evacuated by the joint operation of police and gendarmerie forces. Police beat several workers and women. Welfare Party's Assistant General President Şevket Kazan accused the Governor of Kocaeli and the Sub-Governer of Gebze of 'tolerating' the resistance, not doing their jobs. As tension was reaching its climax, stones and rods were used in a violent fight. Assistant Premier Murat Karayalçın, who was on a propaganda trip, reportedly said: "Measures should have been taken perforce for the Municipality to be able to give public services." Minister of Interior Nahit Menteşe came to Gebze. Of the 17 detained the day of the fight, 7 were arrested.[56] The joint march of TÜRK-İŞ unionists and civil servants on the Premier's office was followed by Çiller's offer to default on bonus payments, instead of inflation increments. Meanwhile, TÜRK-İŞ scheduled a single-day work stoppage for July 20th, supported by the so-called Democracy Platform [Demokrasi Platformu], and, jointly led by TÜRK-İŞ, DİSK and Hak-İş. In response to the TİSK warning that those who join the protest would suffer wage losses, Meral commented: "We're going to withstand the risks, whatever may they be." Meanwhile, the Ankara Branch of Harb-İş reportedly claimed that the protest march of July 12th was actually the joint plot of TÜRK-İŞ administration, and, the Government, while calling the work stoppage of July 20th mere hoax [sahtekârlık], although it would take part in it.[57] The work stoppage—joined, as it was, by public servants as well, was reportedly effective, with the halt in services paralysing life throughout the country, especially in the greater cities of İstanbul, Ankara and İzmir. On the other hand, while negotiations between TÜRK-İŞ and the Government continued, the two parties were told to get together in a week's time to reach a final agreement on the payment schedule of inflation increments, with the Government party apparently intending for a phased-out payment.[58] Meanwhile, as a consequence of the tension building up within TÜRK-İŞ, disciplinary procedures were initiated against Atilay Ayçin, the General President of Hava-İş—for discrediting TÜRK-İŞ in a public statement. Besides, Yol-İş administration sent Ercan Atmaca, the President of Yol-İş Branch No. 1 of İstanbul, before the disciplinary committee. Atmaca was known as a staunch opponent and vocal critic of Meral.[59]

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[56] "Gebze Direnişi 30. Gününde Bitirildi" (Gebze Resistance Terminated on its 30th Day), Cumhuriyet, July 11, 1994.

[57] "TÜRK-İŞ Çiller Görüşmesi Sonuçsuz" (TÜRK-İŞ-Çiller Meeting Inconclusive), Cumhuriyet, July 13, 1994; "20 Temmuz'da Türk Economisi Tamamen Felç Olacak" (Full Paralysis Awaiting Turkish Economy on 20 July), Sabah, July, 15, 1994; "TÜRK-İŞ Kararlı" (TÜRK-İŞ Determined), Cumhuriyet, July 16, 1994.

[58] "Hükümet, İşçi Alacaklarını Zamana Yaymak İstiyor" (Government Plans to Phase out Overdue Payments), Cumhuriyet, July 24, 1994.

[59] "TÜRK-İŞ'ten Sendikacılara Soruşturma" (Turkish Prosecuting Unionists), Özgür Ülke, July 27, 1994.

AUGUST

On August, 2nd, 625 workers, who were sacked by İstanbul Meşrubat Sanayi A.Ş. [İstanbul Soda Industry Co.—affiliate of the Has Group of Companies, gathered in front of the factory building in İncirlik, İstanbul. First a sit-in was held in the courtyard of the factory, followed by a hunger strike. Workers claimed they were laid off as for suing the boss for wage default. They demanded the payment of wage, bonus, and seniorage compensation arrears..[60] Another case of conflict in the municipalities was at SUSER, affiliated with İstanbul Municipality, which audited and billed the water counters. While Municipality authorities apparently claimed that SUSER was making losses, workers argued they were productive, with each one billing up to 130-150 counters a day, doubling the revenues. They also claimed that the Municipality had founded a new company—İGSUDAŞ, to which applicants would supposedly be selected on the results of a new examination, but encouraging its own supporters to take it.[61] The protest action of the 23 ASKİ workers, reportedly dismissed by Melih Gökçek, the Mayor of Ankara, was into its 19th day. Satılmış Pekgöz, the President of the ASKİ Branch of Genel-İş/DİSK, claimed that 2,500 municipal workers were dismissed after the Welfare Party came to power. Workers launched a sit-in under a tent they put up across the ASKİ headquarters.[62] Meanwhile, TÜRK-İŞ was reported to be stepping back, proposing to State Ministers Necmettin Cevheri and Bekir Sami Daçe, the payment in cash of half the overdue pay increment now—indexed to the rate of inflation of the 3rd slice, it equaled 60 %—and the rest by monthly installments starting in September. In response, Government members said they could pay the first TL 22 trillion in November, but the remaining TL 22 trillion would be paid only after May, next year.[63] Towards the beginning of August, news of there being some hope of reaching a deal were coming out, with Government proposing payment in checks with a due time of five months from now, which TÜRK-İŞ was told to consider.[64] On the 18th, one of the most violent conflicts of the year 1994 broke out, when the workers of Aras Kargo occupied the Company's central distribution depot in Ankara, upon claims of unfair dismissal. Reportedly, they took 20 Company officers as hostage. Şemsi Ercan, the President of Nakliyat-İş/DİSK claimed that Aras Kargo owner Celal Aras had 'slayed' several workers by tacheronisation. Gendarmerie forces gave up the projected operation, given workers' threat of setting themselves afire.[65] Conservative daily Hürriyet reported the incident as the tensest worker action of recent years. Reportedly, workers were being treated like slaves for a pathetically low wage of TL 2.5 million, and sacked as they unionised under the roof of Nakliyat-İş/DİSK.[66] Aras Kargo occupation also came to be known as the first factory occupation after the military coup d'état of 1980. Workers were now to hold only 5 as hostage. Genel-İş/DİSK members came for support, shouting slogans, namely "End to Worker

[60] "Fabrikada İşgal" (Factory Occupation), Milliyet, August 3, 1994.
[61] "İşçilerden Kapatmaya Tepki" (Workers React to Company Closure), Ülke, August 9, 1994.
[62] "ASKİ Grevi 20. Gününde" (ASKİ Strike into Day 20), Ülke, August 10, 1994.
[63] "TÜRK-İŞ Geri Adım Atıyor Hükümet Nazlanıyor" (Turk-İş Steps back, but Government's still Capricious), Cumhuriyet, August, 17, 1994.
[64] "İşçiye Para Yerine Çek" (Workers to Get Checks instead of Cash), Cumhuriyet, August 25, 1994.
[65] "Aras Kargo'da İşçi Eylemi" (Workers' Action at Aras Kargo), August 19, 1994.
[66] "İşçi Sertleşiyor" (Workers Getting Tougher), Hürriyet, August 29, 1994.

Slaying", "We'll Die, but never Give in." Eventually, Gendarmerie attacked, beat and dispersed the workers, with some journalists getting their share of the beating.[67] Reportedly, State Minister Azimet Köylüoğlu paid a visit to occupationist workers, shortly before the operation. Cemal Akyürek, workers' representative, demanded the return of the 78 occupationist workers back to work, and, the payment of overdue SSK premiums. Köylüoğlu asked security forces to let the food in, saying that workers were not on a hunger strike—which, the Gendarmerie simply ignored. In Ankara, 100 Aras Kargo workers held a protest action in front of the Dikmen quarters of the Company. Müjdat Çalış, the Regional Representative of Nakliyat-İş in İzmir, argued that TÜMTİS/TÜRK-İŞ unionists were paying visits to the workplaces, attempting to break workers' actions.[68]

SEPTEMBER

Security forces' offensive came, comme d'habitude, at dawn, at 05:45 am. Workers were first asked to evacuate. They gave no response. Iron gates were wide opened, with the help of panzers. Workers were tear-gassed, then taken out and laid face down on the ground. Police and Gendarmerie forces then beat workers to death, with truncheons and sticks. Workers' relatives strongly reacted at the deadly beating of obeying workers, with some amongst them fainting.[69] On the 1st of September, a Yol-İş/TÜRK-İŞ protest took place in Ankara. The contracts of temporary workers had terminated as of August, 15th, and, not extended, though the Government reportedly gave its word for it. Workers marched on the Premier's Office, however much participation was low. Apparently, some workers had instead gone to work, who were subsequently criticised by Bayram Meral. On its way to Premier's Office, the procession stopped before the Anıtkabir—the mausoleum of Mustafa Kemal Atatürk, singing the Antheme of Independence. Filing thus its complaint of the Government to Atatürk, the procession then came before Premier's Office, where it was stopped by the Police barricade. A brief fracases took place there, involving Meral. Reportedly, Meral indignantly retorted, "You won't be able to send us back, even if you fire on us. No one is given the right to mistreat TÜRK-İŞ like this. Minister must come down and meet the people. If not, he claimed, said, he would gather by the evening 100,000 workers in front of Premier's Office. Through the mediation of Ankara's Governor Erdoğan Şahinoğlu, TÜRK-İŞ leaders came together with the ministers. State Minister Esat Kıratlıoğlu, who was in charge of the General Directorate of Village Affaires, asked in return, that the total number of temporary workers be reduced by 6,7000 to 7,000 1995. Meral was reported to reply, "Let us, the Union decide those who won't be working. We may negotiate the lay-off conditions later." In consequence, the contract terms of the 48,000 temporary workers were extended for another month. Yol-İş, on its turn, started working out its plan for the year 1995, transferring some workers to permanent vacancies, and, liquidating some others. Moreover, scubs would reportedly have to face disciplinary sanctions. As for the question of the so-called inflation increments, State Minister

[67] "Jandarma İşçileri Tartakladı" (Gendarmerie Beats Workers), Cumhuriyet, August 30, 1994.
[68] "Aras Kargo'da Bakanlar Devrede" (Ministers Mediating at Aras Kargo), Cumhuriyet, September 1, 1994.
[69] "Eylemciye Dayak" (Acting Workers Beaten), Hürriyet, September 2, 1994.

Esat Kıratlıoğlu argued that an agreement with unions was '85 %' attained, that he hoped the matter would be resolved in a couple of days.[70] Meanwhile, together with the culminating tension within TÜRK-İŞ, the whole process had its many, unexpected ebbs and flows, and, the Council of Presidents of TÜRK-İŞ, convening in early September, declined to endorse the consensus reached between the TÜRK-İŞ administration and the Government, and, decided to consider a protest wave to force the Coalition Government to stepping down.[71] The Council of Presidents is more of a public sphere within TÜRK-İŞ, the terrain for tactical games of rhetorics, where union aristocrats are generally over-cautious, assuming a relatively more radical discourse, and often backing off before open critics. Yet another quarrel now erupted within the top TÜRK-İŞ administration, between General Secretary Şemsi Denizer who, while, reportedly, giving his consent to the TÜRK-İŞ-Government agreement in the process of negotiations, withdrew his support at the moment of its signing out, to then joined the undersigned of the opposition resolution, and the other four who decided to seclude him.[72] But the single most important conflict of the TÜRK-İŞ leadership of Bayram Meral was with Harb-İş that was sent before the Disciplinary Committee. The latter convened on the 21st of September and resolved to hear — interrogate (?)— the central executives of Harb-İş. On the other hand, Bekir Yurdagül, the President of the local Harb-İş Branch of Kocaeli (located in Gölcük) filed a formal complaint with the Republic's Prosecutor against Bayram Meral. [73] (For slandering the Harb-İş activists of Gölcük with actually being the militants of the TİKKO, an illegal, insurgent organisation supporting armed struggle against the state.) At İstanbul Organised Leather Industry, the resistance of the 13 workers who were dismissed for unionising in Deri-İş/TÜRK-İŞ was into its 20th day. A press conference was held with the participation of several hundreds of workers, shouting such slogans as: "Long Live our Tuzla Resistance", "End to Worker Slaying". The President of Tuzla Branch of Deri-İş claimed that despite employees' and Gendarmerie repression, they had achieved a 62 % unionisation (organisation) rate at Tuzla Organised Leather Industry Zone.[74]

OCTOBER

In the early days of October, leather workers were in action. At the Maltepe Organised Leather Industry Zone, in Menemen/İzmir, 41 workers, dismissed following their attempt to unionise, launched a sit-in. According to Hüseyin Yıldırım, President of the İzmir Branch of Deri-İş, employers were forcibly getting workers on a bus, taking them to the notary, forcing them to resign. Employers had reportedly founded a cooperative, by the name of İZDERSON, taking care of the Zone's security as well as monopsonising job placements.[75] On the 6th of October, the so-called Democracy Platform convened. Meral himself, plus eight other

[70] "Hükümet Geri Adım Attı" (Government Steps back), Cumhuriyet, September 9, 1994.
[71] "TÜRK-İŞ Eylem Sürecini Başlatıyor" (TÜRK-İŞ to Launch the Wave of Action), Cumhuriyet, September 7, 1994.
[72] "TÜRK-İŞ'de Şemsi Krizi" (A Şemsi Crisis in TÜRK-İŞ), Türkiye, September 16, 1994.
[73] "Harb-İş Disipline Sevkedildi" (Harb-İş Sent before Disciplinary Committee), Aydınlık, September 24, 1994.
[74] "Deri İşçisi Kararlı" (Leather Workers Determined), Ülke, September 30, 1994.
[75] "Deri İşçilerinin Direnişi Sürüyor" (Leather Workers Continue to Resist), Ülke, October 1, 1994.

organisations did not show up, leading some people to comment that the Platform was useless, that it would not be able to come out with any concrete steps forward.[76] Meanwhile, by a circular, TİSK called on its members to re-invite labour unions to the bargaining table to re-negotiate the terms of the inflation-indexed pay raises, emphasising, in particular, the import of the joint actions of TİSK affiliates.[77] On the 24th, Muteber Yıldırım from the Ülke newspaper reported that, Labour's agenda head been very hot in 1994. Though, workers' actions in the KİTs that were put on the list of privatisation/closure, such as the TTKİ, SÜMERBANK, PETLAS, had been very much isolated from each other. She also argued that, the lays-offs of municipal workers following the local elections of March, 27th had literally turned into a slaying, with more than 10,000 dismissed. She thought the Gebze Municipality Resistence was the most effective, while the so-called 'unity of power and action' between Belediye-İş/TÜRK-İŞ and Genel-İş/DİSK, had never gone beyond some joint press conferences. She also claimed that more than 30,000 had been sacked as part of the unionisation attempts of the DİSK unions Tekstil, Devrimci Sağlık-İş, Deri-İş, Lastik-İş, and, Bank-Sen. In the leather industry, there were actions to force the employers to abide by the stipulations of collective negotiations.[78] On the 28th, the daily Yeni Günaydın reported the Belediye-İş resolution to go on strike at five Welfare Party municipalities. Reportedly, the Kağıthane, Sarıyer, Bayrampaşa, Ümraniye, and, Beykoz municipalities in İstanbul left the renewal of collective contracts to the discretion of Recep Tayyip Erdoğan, the Mayor of Metropolitan İstanbul. Apparently, Erdoğan's attitude was scarcely receptive to workers' claims. Korkmaz Altuğ, Secretary of the Coast of Beyoğlu Branch of Belediye-İş claimed that, given the yearly inflation rate of 122 %, the 100 % pay claim was not to be seen as excessive.[79]

NOVEMBER

The suspension of Türk Harb-İş from membership for a six months' term further intensified the conflict within TÜRK-İŞ, with 22 unions jointly decrying the verdict of the Disciplinary Committee, and, coming out in support of Harb-İş. The joint resolution of the 22 unions was announced by Mithat Sarı, the General President of Selüloz-İş, at a press conference held at the Harb-İş headquarters in Ankara.[80] Meanwhile, on the 8th of November, in Karabük, there was a popular protest held with the participation of workers, public servants, esnaf, pensioners, and, students who, between 10:00 am and 16:00 pm, declared the town a 'dead' town.[81] Towards mid-November, the collective negotiation conflict between Belediye-İş/TÜRK-İŞ and the İzmir Municipality headed for YHK—the Supreme Board of Arbitration.

[76] "Demokrasi Platformu 'Yola Devam' Dedi" (Democracy Platform Says Go on), Ülke, October 10, 1994.
[77] "Sözleşme Zamlarını Uygulamayın" (Do Not Put Pay Raises into Effect), Aydınlık, October 22, 1994.
[78] "Direniş Var, Dayanışma Yok" (Resistance without Solidarity), Muteber Yıldırım, Ülke, October 24, 1994.
[79] "Strikes around the Door in 5 Districts" Yeni Günaydın, October 28, 1994.
[80] "22 Sendikadan T. Harb-İş'e Destek", (22 Unions Come Out in Support of T. Harb-İş), Dünya, November 3, 1994.
[81] "Karabük Ayakta" (Karabük Rises up), Cumhuriyet, November 9, 1994.

Burhan Özfatura, the Mayor of İzmir, was reported to argue that, in a possible strike, workers would be left without jobs. At a dinner-cum-press conference, Özfatura reportedly said that, the point of disagreement was especially the issue of wages. "As a last sign of good faith," he said, "I proposed a 50 % increase. Should unionists decline it, they will loose. I'm warning them that I won't let them get tough on me [literally translating, go 'virile' with me], and do to me, what they have not to Yüksel Çakmur." Meanwhile, one of the most flagrant pronouncements of the whole process of late payments came from the TÜRK-İŞ General Treasurer Enver Toçoğlu: "Even the employer appreciates us for having done the right thing, whereas the worker doesn't." Incidentally, his name was also involved in the allegations of some SSK-related swindle. Claiming that the overall number of workers suing the Government would not exceed 15,000, he indignantly asked: "How can the 685,000 workers be not enough conscious as to the protection of their rights and interests, while the 15,000 are? Have the 685 thousand who have not gone to the court have gone nuts, so they won't even protect their rights?"[82] Meanwhile, as Harb-İş decided to attend the Meeting of the Board of Presidents set for the 18th of November, in Antalya, tension further rose within TÜRK-İŞ. Harb-İş attendance was supported by Petrol-İş, Selüloz-İş, and, Liman-İş. On the other hand, Bayram Meral decried the legal stipulation banning the re-election of unionists for more than three times: "If workers are choosing me, then why shouldn't I just get chosen until I die?"[83] As far as privatisation was concerned, there was some new progress over the issue of KARDEMİR, the iron and steel plant in Karabük, with Government deferring the closure for another 3 years. Minister of Energy Veysel Atasoy said the Government had modified the precondition that the plant would be shut down unless privatised by end of the year. Now, unless privatised within the next three years, the plant would be transferred to the Union, setting the case for privatisation exemplar. He also said that, there was no such thing as shutting down the Zonguldak TTK, there would only be downsizing. He also claimed that, in Zonguldak, although 10.000 workers had retired—with most, underground workers—production levels were the same.[84] On the 16th of November, the 650 workers of GAMAK Co., producer of electric motors, went on strike in three workplaces—the first strike of the year in metalworks industry. It was also reported that, negotiations between MESS and the unions, covering 100,000 workers, were in a stalemate, going, currently, through the process of formal mediation. GAMAK was no member of MESS, thus, conducting the negotiations on its own. Özçelik-İş/Hak-İş and Birleşik Metal/DİSK resolved to coordinate action. Apparently, Özçelik-İş had lowered its pay claim to 20 %, but GAMAK employer would not go over the 10 %.[85] On the front of the municipalities, the month-long collective negotiations between the employers of Eminönü and Fatih municipalities and Genel-İş/DİSK also came to a stalemate. According to Erol Ekinci, the President of Genel-İş Branch No. 7, the employer had put on the table two alternate offers. The first was 0 % for the 1st year, 30 % for the next. And, the

[82] "TÜRK-İŞ İşveren Gibi Konuştu" (TÜRK-İŞ Speaks the Words of Employers), Cumhuriyet, November 12, 1994.
[83] "Harb-İş TÜRK-İŞ'in Başına Dert Oldu" (Harb-İş Gives TÜRK-İŞ a Headache), Akşam, November 16, 1994.
[84] "Karabük Halkı Bastırdı Hükümet Geri Adım Attı" (Karabük People Pushing Hard, Government Backs off), Akşam, November 16, 1994.
[85] "Ve Metal Sektöründe İlk Grev" (And the First Strike in Metalworks), Sabah, November 17, 1994.

second was 35.2 % for the 1st year, 75 % for the next, but, then with half the workers dismissed. Mr. Çetinsaya, Mayor of Eminönü, on his part, reputedly said, "I told to these fellows: Come on, don't claim a raise this year, and I'll give you 30 % plus job guaranty, next year. In today's Turkey, being able to say 'Thank God, I've got a job', as he wakes up, is perhaps the most precious possession of any man. But, they wouldn't say yes. They said, 'we want our increase.'" Apparently, there was coordination between the employers of Eminönü and Fatih municipalities.[86] As a response to the Harb-İş appeal over its suspension from membership on the grounds of discrediting the juristic person of TÜRK-İŞ, the Appeal Court set aside the ruling. At the Antalya Meeting of the Board of Presidents, members of the Board quit the meeting to protest the TÜRK-İŞ administration's attempt to expulse the Harb-İş unionists from the room. As İzzet Çetin, Harb-İş President, presented the court decision to the administration, the meeting resumed.[87] Murat Karayalçın, Assistant Premier and the General President of SHP, told the press that the 43,000 temporary workers affiliated with the General Directorate of Village Affairs would be transferred to the Gubernatorial Special Administration, changing their status to civil servants. He also noted that, the coming year, KİT workers would also become civil servants, eliminating colossal wage differentials, which was good for democratisation.[88] In late November, as the negotiations between Türk-Metal/TÜRK-İŞ and Renault, covering 450 workers, came to a stalemate, Türk-Metal resolved to go on strike at İzmir and Adana workplaces. Yılmaz Uçar, the President of Adana Branch of Türk-Metal, said it was some funny thing for the employer to propose only 30 %, with inflation running as high as 137 %.[89] On the 26th of November, there was the Great March of massive numbers of public workers on the Parliament. Bayram Meral notified the press that the march had not been called off, that they had not hidden anywhere. Falsifying the claims that he was thrown at stones and bottles by the angry workers, he said: "They did not throw stones at me. They wanted to take me onto their shoulders."[90]

DECEMBER

On the 5th of December, final verdict came out in the case Harb-İş vs. TÜRK-İŞ, favouring the former.[91] Reportedly, in İzmir, the collective negotiations covering 8,087 members of Türk-Metal, Teksif, Oleyis, Genel-İş and Birleşik-Metal had also reached a stalemate. Yılmaz Turan, the President of İzmir Branch of Türk-Metal told that the Çebitaş employer—an iron and steel factory in Aliağa—had sacked 377 workers, on the pretext that the plant has ceased production. At the Renault-MAİS workplace in İzmir, collective negotiations covering 80 workers were also in a stalemate, with workers awaiting strike decision by the Union's centre.[92] Meanwhile,

[86] "Belediyelerde Grev Kararı" (Strikes at Municipalities), Cumhuriyet, November 18, 1994.
[87] "Sendika Kavgası Mahkemelik" (Union Quarrel Taken to Court), Cumhuriyet, November 19, 1994.
[88] "Memurlaştırma Operasyonu Köy Hizmetleri İşçisiyle Başlayacak" (Transformation of Workers into Civil Servants Starts with Village Affairs), Sabah, November 23, 1994.
[89] "Renault-MAİS'te Grev Kararı" (Strike at Renault-MAİS), Cumhuriyet, November 23, 1994.
[90] "İşçi Yürüdü İstediğini Aldı" (Workers March and Get What They Want), Cumhuriyet, November 28, 1994.
[91] "Yargı T. Harb-İş'i Akladı" (Justice Acquits T. Harb-İş), Cumhuriyet, December 6, 1994
[92] "İzmir Greve Hazırlanıyor" (İzmir Preparing for Strikes), Zaman, December 12, 1994.

a very militant worker resistance took place, at the Air Force Maintenance Installation in Kayseri [Kayseri Hava İkmal Bakım Merkezi].[93] This specific incident, by the way, was most interesting for, leading the movement were now, well-trained pro-İslamic cadres.) As the year 1994 came to a close, news of disputes in the crisis-stricken sectors of metalworks and textiles, stalemate in the collective negotiations—inclusive of 60,000 workers in the former, and, 90,000 in the latter—were hitting the headlines.[94] At the THY, too, collective negotiations that began on the 3rd of October reportedly reached a deadlock, upon which, Hava-İş decided to go on a strike.[95]

JANUARY

January 16th, 1995 was the due date for the payment of inflation increments of 217,000 public sector workers at 71 workplaces.[96] In 1995, the new round of collective negotiations was high on the agenda, on the part of public sector unions, high on the agenda was. Informally, there was much tactical/rhetorical talk around government circles about the prospect of a zero percent pay increase. Bayram Meral, criticising the government-induced agenda of possible wage freeze, argued that such approaches meant the quitting of the terrain of the system of collective contract; that, they would not let such sort of interference take place.[97] Meanwhile, strikes were tentatively scheduled for the 27th of February in textiles on behalf of approximately 770 workers affiliated with Teksif/TÜRK-İŞ, Tekstil/DİSK and Öz İplik-İş/Hak-İş. Unions were told to unite against TİSK with disagreement mainly over the wage articles.[98]

FEBRUARY

On the 8th of February, the 9th Judicial Department of the Supreme Court of Justice resolved that the Government was justified in its deferral of the payment of inflation increments, thus overruling the verdicts of local courts.[99] Meanwhile, amongst the hot issues of the times was the varying attitudes of unions in the face of privatisation and plant closures, as part of the April 5 Plan. Harb-İş and Petrol-İş joined hands together with Mümtaz Sosyal, to found KİGEM (Kamu İşletmeciliğini Geliştirme Merkez —Center for the Promotion of Public Entrepreunership). It was notably Hak-İş which had a strong interest in buying and running public enterprises that were on the privatisation list, under the label of employees' share ownership. Meanwhile, the

[93] "MSB Çalışanı Tedirgin" (Ministry of Defence Employees on Alert), Milli Gazete, December 22, 1994.
[94] "150 Bin İşçi Grev Yolunda" (150 Thousand Workers on the Way to Strike), Yeni Günaydın, December 27, 1994.
[95] "Hava Yollarında Grev Kararı" (Strike Decision at Airlines), Özgür Ülke, December 29, 1994.
[96] "Kamuda SözleşmE Farkları Ödeniyor" (Contract Differences Due in Public Sector), Cumhuriyet, January 16, 1995.
[97] "Sözleşmeye Müdahale Yok" (No Question of Interfering with Contracts), Cumhuriyet, January 23, 1995.
[98] "Tekstil 27 Şubat'ta Duruyor" (Textiles to Come to a Halt on February 27), Sabah, January 3, 1995.
[99] "İşçinin Fedakarlığı Yargıtay'ca Onaylandı" (Supreme Court of Justice Endorses Workers' Sacrifice), Sabah, February 9, 1995.

visiting IMF team, in the context of negotiations for the new Stand-by agreement, was reportedly advising a stiff package for equilibrium, part of which was a zero pay increase for public employees for the year 1995.[100] On the front of Hava-İş, strike was scheduled for the overall 10,500 airline-airport workers for the 24th of February, due to the stalemate with TÜHİS, the employer union. Ahmet Ateş, TÜHİS General Secretary, argued that the pay claims of THY workers could only be met at the expense of the other 16 categories working in other parts of the sector—so they were to settle it amongst themselves.[101] In textiles, employees proclaimed they would counter the strikes with lock-outs.[102] At the THY and HAVAŞ, Government reportedly countered the Union's rejection of zero percent increase with the threat of strike ban, bringing the parties together to work out a joint solution.[103] Meanwhile, the distribution of the TL 24 trillion worth of wage arrears was set for February, 20th. There were some signs of Government consideration of not paying the inflation increments of the 26 thousand Harb-İş workers, with, inter alia, the State Minister Bekir Sami Daçe reportedly saying: "Those who have gone to the court, asking to be compensated at the highest rate of interest must wait the finalisation of judicial decision."[104] On the front of the THY, representatives of workers and employers who came together upon the call of State Minister Bekir Sami Daçe adjourned without agreement on the rate of pay increase, with Government offering 6 % for the 1st 15 months, while Hava-İş claiming 161 % for the 1st year.[105] Meanwhile, in textiles, where the three rival unions were acting in collaboration for the first time ever, approximately 100,000 workers were reported to be getting ready for industrial action. Amongst the workplaces there were 6 Sabancı factories as well.[106] But a couple days of later, with Teksif going ahead on its own, and, signing the contract, the protocol amongst the three unions was now history, while Teksif proclaimed that although the pay increase was not really sufficient, the contract was nonetheless sensible, given the conditions of the Country. DİSK and Hak-İş, on the other hand, declared that they would abide by the protocol, going on strike together, should they have to.[107] On February, 22nd, the Cabinet resolved to suspend the THY strike for a length of 60 days on the grounds of national security. However, it was reported that Hava-İş could nonetheless go on strike at HAVAŞ.[108] In textiles, Tekstil/DİSK and Öz İplik-İş/Hak-İş were reported to go on strike as of the 24th of February, while

[100] "Kamu Çalışanı Zam Beklemesin" (No Pay Increase for Public Employees), Cumhuriyet, February 16, 1995.
[101] "10,500 Havayolu Çalışanı 24 Şubat'ta Greve Gidiyor" (10,500 Airline Employees to Go on Strike on February 24), Dünya, February 17, 1995.
[102] "Tekstil Sanayicileri Grev Dönemecinde" (In Textiles, Industrialists Face Prospects of Strikes), Dünya, February 17, 1995.
[103] "THY Grevinde Çözüm Arayışı", (Search for a Solution at THY Strike), Cumhuriyet, February 20, 1995.
[104] "Hükümet, 296 Bin Kamu İşçisinin 24 Trilyonluk Alacağını 6 Aylık Gecikmeyle Bugün Dağıtıyor", (Government Distributes the TL 24 Trillion Claimed by 296 Thousand Public Workers with a 6 Months Delay), Cumhuriyet, February 20, 1995.
[105] "THY'de Anlaşma Sağlanamadı" (No Agreement Reached at THY), Dünya, February 21, 1995.
[106] "Tekstil'de 100 Bin İşçi Greve Hazır" (100 Thousand Workers Ready for Strike), Dünya, February 21, 1995
[107] "Teksif Sözleşmeyi Tek Başına İmzaladı. Tekstil'de Protokol Bozuldu." (Teksif Signs the Protocol on its own. Protocol Falls Apart in Textiles), Cumhuriyet, February 22, 1995.
[108] "THY Grevi Ertelendi", (THY Strike Suspended), Cumhuriyet, February 23, 1995.

Teksif came out in defence of the contract it signed. On the other hand, while the Government offered a 2.7 % pay increase for the 1st slice, TÜRK-İŞ claimed 40 %, plus a welfare increment. Meanwhile, 3,000 THY workers marched and the Union appealed to the Supreme Court of Administration. While the THY strike was suspended, the 2,300 HAVAŞ workers went on strike.[109]

MARCH

Atilay Ayçin, the President of Hava-İş, announced that that the HAVAŞ share of ground services was, for the time being, to the THY, and, the private Çelebi company, with other private sector firms also competing to get a share of the market.[110] Tekstil/DİSK and Öz İplik-İş/Hak-İş strikes started off on the 24th of February, involving 17,000 Adana workers. The 13-day strike of Öz İplik-İş ended up with the extra increment of TL 500,000 over and above the Teksif agreement—the extra money would be in the form of a bonus. The Tekstil strike, on the other hand, involving 10,000 Sabancı workers, went on.[111] Incidentally, several unions have resorted to such indirect forms of wage increases, to get over the industry-wide average increase set by the employer. Meanwhile, Hava-İş, whose THY strike had been suspended by the Cabinet was in deep trouble, with the THY contract on its way to the Supreme Court of Arbitration, with little prospects of any conclusion in favour of the workers.[112] In mid-March, a rather telling remark was made by Şemsi Denizer, TÜRK-İŞ General Secretary, indicating, in my view, the prevalence of the new exchange between union aristocracy and public/private sector employers: "Our prime objective in the collective contracts is to ensure employment security." The Board of Presidents of TÜRK-İŞ was to convene on the 17th-18th of March, in Çanakkale, the day after the meeting of the so-called TÜRK-İŞ Public-Sector Collective Negotiations Coordination Committee.[113] The Coordination Committee, countering the Government argument that, given the current losses of the KİTs, high pay increases were simply not feasible, proclaimed that the KİTs were actually profitable, and, that the true measure of the level of wages was actual living standards.[114] Throwing into sharp relief the current state of affairs in the Labour-State relations, was the isolation of the individual union and worker struggles. Thus, in Karabük, collective negotiations of 25,000 workers was in a stalemate, given that, Öz Çelik-İş/Hak-İş was simply unable to find anyone to negotiate with, because, the

[109] "Tekstil'de Grev" (Strike in Textiles); "İşçi ve Memurlardan Oluşan Demokrasi Platformu 'Eylem Programı'nı Mart'ta Açıklayacak (Democracy Platform of Workers and Public Servants to Announce New Action Plan in March); "HAVAŞ Bugün Greve Çıkıyor" (HAVAŞ Goes on Strike Today), Cumhuriyet, February 24, 1995.

[110] "HAVAŞ'ta Anlaşma Zemini Yok" (No Ground for Agreement at HAVAŞ), Cumhuriyet, February 27, 1995.

[111] "İşçi Kıyımı Sürüyor" (Worker Slaugther Goes on), Cumhuriyet, March 7, 1995; "Grev Bitti, Prim Tartışılıyor" (Strike Ends, Bonus Debated), Cumhuriyet, March 9, 1995.

[112] "THY Grevinde Gözler Danıştay'da" (At THY Strike Eyes Set on the Supreme Court of Administration), Cumhuriyet, March 13, 1995.

[113] "TÜRK-İŞ Genel Sekreteri Şemsi Denizer: 'Toplu Sözleşmelerde Öncelikli Hedefimiz İş Güvenliği Sağlamak'" (TÜRK-İŞ General Secretary Şemsi Denizer: 'Employment Security a Prime Target in Contracts'), Dünya, March 13, 1995.

[114] "TÜRK-İŞ Kamu Koordinasyon Kurulu 'KİT'ler Zararda Değil, Kar Ediyor'" (TÜRK-İŞ Public-Sector Coordination Committee: KİTs not in the Red, but Profitable), Cumhuriyet, March 17, 1995.

transfer of KARDEMİR to local people and workers was not yet complete. The HAVAŞ strike had also fallen into near oblivion. HAVAŞ had 2,300 workers at a total of 7 workplaces, but the 25-day long strike at İstanbul, Ankara, İzmir, Antalya, Dalaman, Trabzon and Adana airports was not any effective, due to the ban on the THY strike. On the other hand, Süleyman Çelebi, the Tekstil President, announced that the 6,000 workers of Sabancı and İş Bankası factories would be holding a warning action in protest of the media, whose theme was "Why can't we, the workers, be in the news?"[115] Public sector employer unions, on their turn, were busy aggressively experimenting with new bargaining strategies/tactics. Thus, they argued, one instance, that since private sector wages were lagging a year behind the public sector wages, there was every reason to forgo centralised collective agreements, letting each enterprise conclude its own contract in accordance with its own economic means.[116] Interestingly, beyond the zero percent increase—to be more exact, the wage freeze for the 1st slice, now there was the word that, given the circumstances, inflation was by no means a measure, so that wage reduction could result, depending on the specific conditions of individual workplaces.[117]

APRIL

In the face of the upcoming collective negotiations, with the Government side pushing for lower real wages, Bayram Meral told they were not even taking seriously the zero percent raise. He also argued that, with the new draft law of pensioners in preparation, newly retired workers would expressly be cemetery-bound: "Should this law actually come out, then, we'll have to gather three to four hundred thousand people, in Ankara, or perhaps somewhere else, and go into action to get the Government to listen to reason."[118] [The largest TÜRK-İŞ meeting ever to this date reached no more than 150,000, in my view] As time went on, HAVAŞ workers and Hava-İş were getting more and more desperate, and worn-out. The strike was now approaching its 50th day, and the TÜRK-İŞ administration was simply ignoring the presence of the 1,000 HAVAŞ workers who were day in day out marching through the streets of Ankara. On the 12th of April, returning from a visit to the State Minister Ziya Halis, the Hava-İş General President Atilay Ayçin and the workers were not let into—or hustled out of—the TÜRK-İŞ headquarters on the orders of Bayram Meral, who, reportedly, called State authorities.[119] Mustafa Toruntay, the President of the Ankara Branch of Özçelik-İş, reportedly said that, with the 1993-94 public sector collective contracts terminated three and a half months ago, the Government looked

[115] "İşçi Muhatap Bulamıyor" (No Collocutor for Workers); "HAVAŞ Grevi Unutuldu" (HAVAŞ Strike into Oblivion); "İşçiden Medyaya Uyarı Eylemi" (Workers Act to Warn the Media), Cumhuriyet, March 21, 1995.
[116] "Kamu İşverenleri Strateji Yenilediler" (Public Employers Revise Strategy), Dünya, March 27, 1995.
[117] "Sıfırdan Sonra Eksi Zam Sırada" (On the Agenda, Negative Raise after None), Cumhuriyet, March 27, 1995.
[118] "Artık Yapacak Tek Metelik Fedakârlık Yok" (Not a Piaster's Sacrifice), Yeni Günaydın, April 13, 1995
[119] "TÜRK-İŞ, İşçisine Sahip Çıkmadı" (TÜRK-İŞ Leaves its Workers Alone), Cumhuriyet, April 13, 1995

utterly indifferent to the 1995 negotiations, and, that it was all premeditated.[120] On April 17, the privatisation agreement of HAVAŞ between Turgay Ciner, owner of the Yazeks Co., and the State was sealed as the latter guaranteed that customers defecting to other service providers in consequence of the stalemate and industrial disturbance at HAVAŞ would return.[121] Meanwhile, Türkiye Dok Gemi-İş declared itself potential customer for the public shipyards that were on the list of privatisation. Thus, it founded a commercial company —GESTAŞ— that would buy the Pendik, Alaybey (İzmir), Haliç, and, Camialtı shipyards.[122] On the 14th of April, Bayram Meral stated, in a circular to member unions, that workers were to get ready for democratic and legitimate action, in case the draft law raising the minimum age of retirement be forwarded to the National Assembly.[123] The HAVAŞ workers returned, from Ankara, to İstanbul on the 20th of April, with Hava-İş President Atilay Ayçin saying, "The point of our Ankara sojourn was to get the Government put pressure upon TÜHİS to conclude the collective contract outright. But now that HAVAŞ has been sold to Yazeks Co., it was pointless to stay in Ankara.[124] On the 19th of April, the 5 thousand members of the Gölcük Branch of Harb-İş took to the streets, protesting the IMF, and, the draft law increasing the minimum age of retirement, by setting fire to the representative puppets of the IMF, and, obstructing the state road E-130 nearly for an hour.[125] That was just one of the many protests actions taken against the social security reform and the IMF. DİSK, on its part, organised a march from İstanbul to Ankara, also in protest of the draft law.[126] About 1,200 Hava-İş workers marched to Bakırköy's Liberty Square, on the 25th of April, protesting the HAVAŞ sale.[127] The DİSK March on Ankara ended on the 26th of April. On the other hand, Bayram Meral, following the extraordinary meeting of the TÜRK-İŞ Board of Presidents, said if the Government insisted on passing the so-called draft law of late retirement, TÜRK-İŞ would use its force that came from production. He also noted that, should the first İzmir meeting not get the message across, more massive actions would follow.[128] Meanwhile, on the 27th of April, the General Judicial Congress of the Supreme Court of Justice convened to debate and resolve over the case of public sector workers suing public employers, for their default on the inflation increments. The first verdict came out in favour of the workers, but the two thirds majority could not be obtained, and the Congress adjourned.[129]

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[120] "İktidar Kamu Sözleşmelerine İlgisiz" (Government Indifferent to Public Negotiations), Ortadoğu, April 17, 1995.
[121] "Hem Geç Oldu, Hem de Güç" (Too Late, Too Hard) Yeni Yüzyıl, April 18, 1995
[122] "Dok Gemi-İş, Kamuya Ait Tersanelere Talip" (Dok Gemi-İş Potential Customer for Public Shipyards), Dünya, April 18, 1995
[123] "Eylem Talimatı" (Orders of Action), Milliyet, April 19, 1995.
[124] "HAVAŞ İşçileri İstanbul'a Döndü" (HAVAŞ Workers Return to İstanbul), Yeni Politika, April 21, 1995.
[125] "IMF'ye İsyan Mtitingi" (Rioting against the IMF), Milliyet, April 24, 1995.
[126] "DİSK'ten Geç Emekliliğe Protesto Yürüyüşü" (DİSK to March against Late Retirement), Dünya, April 24, 1995.
[127] "Ayçin: Bizi Yasa Dışına İtmesinler" (Don't Push us to go Outlaw), Yeni Politika, April 25, 1995.
[128] "Son Durak Meclis" (Last Stop National Assembly), Sabah, April 26, 1995.
[129] "Sözleşme Zammına Yargıtay Işığı" (Supreme Court Light on Contract Raise), Yeni Politika, April 28, 1995.

MAY

The TÜRK-İŞ meeting of İzmir was held on the 30th of April. Addressing the workers, Bayram Meral stated on again that if the draft law was not modified, they would go into general action. Hak-İş as well held a meeting in Ankara, the same day.[130] On the 3rd of May, the General Judicial Congress of the Supreme Court of Justice convened for the second time, whence, a different picture altogether emerged, as the verdict came out in favour of public employers, now with a substantial majority vote of 42 for, and, only 9 against. Hence, the State discretion to one-sidedly delay the payment of inflation increments through circulars/edicts to public employers was legally sanctioned.[131] It was obvious that 'some' forces had been involved to change between the two conventions either the opinions of the judges, or, the judges themselves. Those forces were possibly not just those from the State itself, but also those from the unions as well. Atilay Ayçin, the General President of Hava-İş, was imprisoned in mid-May, for spreading divisive propaganda, following the Supreme Court ratification of the 20-months of prison.

N. B.
The original sources of this compendium of events are the Petrol-İş and Harb-İş archives of daily journals. I have reviewed the Petrol-İş archive myself in the summer of 2005. Part of the review of the Harb-İş archive was done directly by myself in the years 1994-99. Other parts were compiled by Oğuz Topak then screened and revised by myself.

[130] "TÜRK-İŞ Genel Eylem Dedi" (TÜRK-İŞ Says General Action), Sabah, May 1, 1995.
[131] "Yargıtay Verdict Strikes Workers", Cumhuriyet, May 4, 1995.