

UNEXPECTED WAVE OF STRIKES IN TURKISH AUTOMOTIVE INDUSTRY

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- An unexpected wave of strikes occurred in the main industrial centres of the Turkish automotive industry. Over 20.000 metal workers at Renault, Fiat, Ford, Türk Traktor and some supplier companies laid down work in anger over the recent round of collective bargaining in the industry.
- Very unusually, workers did not protest against their companies, but against the dominating trade union in the automotive sector, Türk Metal, and the Metal Employers' Association MESS. The main criticism is that workers do not see their interests represented by Türk Metal, but instead accuse the union of being allied rather to MESS.
- The protests might mark the end of the 35-year-old labour relations model in the automotive industry. In fact, the direct negotiations between workers' representatives and company representatives already undermined the powerful positions of Türk Metal and MESS as the dominant actors in the sector.



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Unexpected, spontaneous waves of strikes in the Turkish automotive industry in main industrial centres as Bursa, Ankara, Sakarya, Eskişehir and Kocaeli crashed the labour relations model of the industry designed by the 1980 military government.

Over 20.000 metal workers in **Renault, Fiat, Ford, Türk Traktor** and some suppliers of these MNCs initiated spontaneous strikes to protest both the employers' association (Metal Employers Association; MESS) and the labour union (Türk Metal). Also in **Mercedes** and some other suppliers, employees initiated different forms of protests to raise their joint demands.

Employees claim that the labour union has been betraying its members by signing an undesired collective agreement without consulting members and their wages do not allow them to live in decent conditions.

Reasons

The strike was triggered after the Bosch Collective Bargaining Agreement (CBA) had been signed between Türk Metal Union and Bosch following a two-year long union rivalry/competition between Türk Metal¹ and Birleşik Metal İş². The Bosch agreement concluded with a wage increase of almost 60%.

Employees in other factories demanded the revision of their existing CBA following the Bosch agreement but this was refused by both the employers union and the labour union.

Additionally the strike call of Birleşik Metal İş union at 38 member companies under MESS was banned by the government in January 2015. Following the ban, the union called on employers to resign from MESS and sign individual agreements to sustain peace at their workplaces. 15 companies accepted this offer and signed CBAs with the DİSK confederation, agreeing to a wage increase of almost 25% in total with the social benefits.

These two developments at the sector articulated the protests of the employees. This wave of strike is targeting both the employers union and the labour union.

1 Turkish Metal Workers Union-Confederation of Turkish Trade Unions/Türk-İş

2 United Metalworkers Union of DİSK (Confederation of Progressive Trade Unions of Turkey)

Demands

Employees' **three demands** are:

1. Revision of the existing CBA and equal pay for equal work;
2. Respect to freedom of association;
3. Job security.

Revision of the CBA means wage increase, freedom of association refers to the resignation from Türk Metal and job security refers to legal issues. As these strikes are illegal, employees demand assurance from the employer not to take these cases to the legal court and not dismiss the spokespersons of the movement. At the first day, Renault had dismissed 14 employees, but later the company accepted to reinstate all of them.

What happened?

The first walkout happened at **Renault** plant in Bursa, the hub of Turkey's car industry where 5.000 workers stopped production and refused to leave the factory on 14th May. This strike was followed by **FIAT-Tofaş** plant in Bursa, **Ford-Otosan** in Kocaeli and **Türk Traktor** in Ankara and Sakarya. **Mercedes** and **Arçelik** employees started protests at their workplace but yet it did not turn into a strike. Employees in **some major suppliers** also joined the wave of the strike.

In some other suppliers as well, employees boycott lunch, march towards the union office, resign from the Türk Metal union and organize elections for new, free shop stewards. Over 20.000 employees are said to have resigned from Türk Metal.

In these workplaces workers elected their own representatives, formed committees and began negotiations with employers. The strikes are led by elected committees of employees which do not have any open, direct link with any party or union. Employees unanimously accept resignation from the existing union but have not decided what to do next. Their primary goal is to gain the right to return to their previous jobs with wage increase and then at the second stage they will decide whether to be unionized or not. Employees staying at factories do not allow anyone from outside to enter the plants in order to prevent any "provocation" and any influence of political groups and unions.

After the long days of negotiations, Renault accepted employees' demands on 27th May. Employees



received job security with regard to the strike, they would resign from Türk Metal, the company would recognize the new shop stewards, also the company accepted to pay bonuses and premiums with total of over 1.000 TL (346 euros) annually and to make a proposal for wage increase by June.

FIAT-TOFAŞ Joint Venture negotiated with employees and accepted their demands on 22nd May. Employees returned back to work on 25th May, Monday. Fiat workers gained an annual premium of 2.400 TL which means 200 TL (70 euros) increase in their monthly wages. There will not be Türk Metal union at the workplace anymore and the company will recognize the new shop stewards.

Ford-Otosan JV halted its operation in Kocaeli for a week on 14th May, in order to avoid the occupation, following the press statement of employees to initiate a strike. The company called workers back to work on 21st May but this was refused by the majority of employees and once again, the production was halted until 4th June. However in Kocaeli plant, while some employees returned back to work, some others insisted on continuing the strike. Ford Otosan's Eskişehir plant also stopped production. Negotiations continue. Strikes and negotiations at Türk Traktor's two plants are also in progress.

In three main suppliers (Mako, Ototrim and Coşkunöz) parties reached an agreement covering all demands.

At Mercedes, Arçelik and in some suppliers employees began negotiations with their employers with the same demands. However, the protests here did not evolve into a strike.

Some numbers

This is the biggest wave of strikes in Turkish automotive industry. Ford, Fiat and Türk Traktor are joint ventures of these MNCs with the **Koç Holding**, the largest Turkish industrial conglomerate.

The average net monthly wages of automotive workers are 1800 TL (619 euros). As the country's economic growth decreased to 3 % in 2014 and as the US Dollar and Euro gained strength against the Turkish Lira in recent months, the macroeconomic conditions are affecting employees' living conditions in which the majority is highly indebted to the banks.

Turkey produced 1.170 million cars and commercial vehicles in 2014, up from 346.565 in 2002.

The Turkish automotive industry's annual exportation volume is 22 billion USD. Renault is the second biggest exporter of Turkey and Ford is the third.

The biggest export market of the industry is Germany. This strike may directly harm the exports to Germany and the production process in other European plants of these companies as the flow of supplies was stopped.

Brief historical background

This paper gives a brief summary of the developments in the last two weeks. However, in order to understand employees' anger and protest towards the employers' association MESS and the labour union Türk Metal, it is necessary to know the historical background. Otherwise it may not be clear to understand why employees occupy their plants when they are unsatisfied with their labour union. Instead of simply resigning from their union they rather prefer to initiate an undeclared strike. The answer of this puzzle lays in the labour relations model of the automotive industry.

Since the beginning of the strike, employees have not directly protested their companies, but directly targeted MESS and Türk Metal which have been the major players of the labour relations model in the automotive industry since 1980. Thus the protests actually target this model and aim to transform it.

Before the 1980 military coup d'état, DİSK had been organized in most of the automotive companies. The military government banned the DİSK confederation in 1980 and forced employees to pass to Türk Metal union. Afterwards, Türk Metal and MESS played a caricature of the social dialogue and a fake social partnership in the industry. Türk Metal does not allow their members to elect shop stewards, it is known to use violence against its opponent members and have links with far-right political movements. As the largest union in Turkey with almost 150.000 members, Türk Metal is accused of large scale corruption scandals. Türk Metal owns five star hotels and many companies. Employees claim that all these hotels and companies were established with membership fees but members may not enjoy from these services. Despite the change of discourse in recent years towards a more moderate language and its attempt to be an affiliate of IndustriALL to receive an international reputability, Türk Metal attracted anger of its members once again during the last CBA process.



It is also known via the media that Renault, Bosch and Fiat were likely to pay more wages to employees to satisfy their demands, however MESS blocked this to preserve the existing model. Bosch increased wages against the will of MESS which worries to lose its control over the industry.

End of the 35 year-long model: time for change

This wave of strike at the Turkish automotive industry just 20 days before the general elections abolished the labour relations model established in 1980. The young and educated employees of these MNCs directly target the owners of the model that ignores them and does not allow them to negotiate their wages and working conditions freely.

It is clear that the labour relations model in the automotive industry failed. It is not possible to continue such a system created under Cold War conditions in today's world where Works Councils and other means of industrial democracy and consultation-information models are in effect.

MESS and Türk Metal were not able to analyse the changing conditions of the industry and qualifications of employees and they could not even come up with any meaningful, concrete proposal to solve the strikes. Instead they vilified the strikes and its proponents and threatened to call for police intervention.

The individual negotiations of these companies with the workers' representatives demonstrate the fact that the strike reached its initial goals. The existing model has already collapsed and wage increase issues may not change the essence of the consequences of the movement.



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