

# “The parameters affecting labor management consultation process in Turkey: case of Turkey”

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| <b>AUTHORS</b>      | İnci Kuzgun                                                                                                                                                         |
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İnci Kuzgun (Turkey)

## The parameters affecting labor management consultation process in Turkey: case of Turkey

### Abstract

Turkey has special economical and cultural characteristics that influence the labor management consultation process. Therefore, while analyzing the labor management consultation it is highly recommended that Turkey's specific features must be taken into account. This paper examines the impact of the external and internal parameters of attitudes on labor management consultation process in Turkey. Therefore, the main contribution of the paper is to enhance the understanding of parameters affecting the labor management consultation process in Turkey. The results suggest that the external and internal factors have a significant impact on the labor management consultation process in Turkey. In this context, the external factors such as globalization, the acceptance of export-led economic growth, accession process to the European Community and the internal factors such as the legal framework of industrial relations, structure of enterprises, informal employment, economic instability have a significant effect on the labor management consultation process in Turkey. (The paper is organized as follows: The section of introduction provides a brief description of the labor management consultation process in Turkey followed by the analysis of the effects of the parameters on the labor management consultation process. The last section provides findings and conclusions).

**Keywords:** Turkey, structure of labor management consultation, efficiency of parameters, informal-formal consultation.

**JEL Classification:** M, M5, M54.

### Introduction. The labor management consultation process in Turkey

Before analyzing the parameters affecting on the consultation process, it is necessary to identify the structure of labor management consultation in Turkey. The labor management consultation has been operated, both formally and informally, between the social partners at bipartite and tripartite levels in Turkey.

The social partners of labor management formal and informal consultations are trade union and employer's organization and state in bipartite and tripartite levels. The regulation of economic activities at enterprise and national levels has drawn the framework of formal bipartite consultation process. The government has participated in the formal tripartite consultation institutions in Turkey. Beside this, the government may also be regarded as a social partner in some cases especially in training of the workers on informal tripartite labor management consultation process.

The tripartite consultation between parties is defined by ILO as the discussion of economic and social issues at national level, mutual information and delivery of advisory opinion with the participation of the representatives of the government as well as employers and workers. Although Turkey approved the ILO Agreement numbered 144 on the implementation of international standards of tripartite consultation in the year 1993, the problem of workers' confederations based on the membership number has

been observed in the formal tripartite consultation process. Therefore, it is pointed out the problem of representation of workers in the operation of tripartite consultation in Turkey (Kılıç, 2007 p. 2).

The informal consultation process such as bipartite and tripartite has been operated upon the request of social partners. No legal arrangement is available on the issue and the parties have the total initiative.

The share of the informal consultation process at bipartite level is limited as the consequence of internal parameters of consultation process which explained in the next section. In the recent years, the weight of informal consultation process has weakened as the consequence of globalization, decreasing in the share of state as an employer in the labor market by the privatization and increase in flexibility of the labor market in Turkey. The informal bipartite consultation process is formed with the voluntary contribution of the workers and employers operating at national, sector and enterprise levels in Turkey.

At the informal bipartite consultation level, the side of employees is trade unions and confederations in Turkey. In general, it is observed that the informal bipartite consultation which is traditional between worker and employer organizations focuses for the most part on vocational training at sectoral level in such branches of economic activities as metal, textile, construction and cement, where strong unionism is observed. It is seen that the informal bipartite consultation process on the vocational training is operated also at the level of confederation.

It shows us that the trade unions have limited poverty on bargaining of the issues related to the di-

rectly working life. On the contrary, the consultation process at sector level can be considered as a consultation method focusing on vocational training in practice. This is the result of carrying out collective bargaining and collective labor agreements at business branch level. For instance, common studies are carried out regarding such issues as employment, vocational training and preventing child labor in Turkey. Furthermore, it is also seen that TÜRK-İŞ (Confederation of Turkish Trade Unions) displays a common approach with public institutions and TİSK (Turkish Confederation of Employer Association) regarding the training of workers. Beside this, the worker's movements were not hardest in Turkey than in Europe. This feature has had negative effect on the labor management consultation process in Turkey.

The unique example of informal tripartite consultation process on the labor conditions at national level in Turkey was recorded in literature as "social contract" between labor and employer confederations in 1976. It is characterized as a misfortune that this contract did not launch the informal tripartite consultation process at national level in Turkey (Celebi, 2007, p. 2). It was reported that the social contract was a contract limited to the collective labor agreements covering only the employers of the public sector in terms of the tradition of collective labor agreement (Celik, 2003, p. 441). After that framework agreements have been signed in public sector by TÜRK-İŞ since the year 1989 with the participation of the government and employers' organization of public enterprises and similar agreements could also be signed with the employers' organization of private sector (Kılıç, 2007, p. 2).

In recent days, an example of informal bipartite consultation at business branch level related on the protection of the negative effects of global crisis on the employment level in Turkey has been realized. With the agreement realized between Türk Metal Trade Union and OYAK and employer's organization, it is accepted to cut 35 percent age in the wages of blue and white collar workers for the 16 months until 31.08.2010. This agreement covers total 12.589 workers and managerial staffs. It is aimed to prevent the discharge of 1400 workers due to global economic crisis (Milliyet, 2009, p. 1).

Formal consultation process, units aiming at mutual consultation and cooperation between the worker and employer are formed as a legal obligation. The formal consultation has been legitimated at enterprise and national levels as bipartite and tripartite in Turkey. The bipartite formal consultation process at enterprise level has been arranged within the scope

of the Labor Law and the Trade Unions Law. Despite the fact that it aims at mutual information and solidarity as per the EU directives (Official Journal of European Community, 2002) and Article 35 of the Trade Unions Law, it is possible to say that there is traditional approach between the administration of the enterprise and employees in Turkey. The collective bargaining and the arbitration procedures are the main instruments in formal labor management consultation.

Formal consultation boards are referred to the determination of common stance in such as issues receiving the opinions of trade unions on the solution of common problems at the of business branch level; arranging the working periods in economic crises and in case of unpaid leaves. On the contrary, as for decision's process of short work in the crisis period, there is no consultation process seeks pact on short work between the representatives of government, as well as employers and union on the enterprises level in Turkey (Kuzgun, 2005, p. 36). The decision of Labor and Social Security Ministry is determinate factor for the short work. The trade union has not participated in the decision process of short work in Turkey. If the employer's demand for short work has been accepted by the Ministry, the information related to the decision of short-work has been given to the trade union.

Work Assembly, The Economic and Social Council, The Supreme Arbitration Court, Minimum Wage Board, The Employment Council of Province and Tripartite Advisory Board are the main formal tripartite institutions at national level in Turkey.

## **1. The parameters affecting the process of labor management consultation in Turkey**

The parameters affecting the process of labor management consultation in Turkey can be classified such as external and internal factors. Therefore, in two next subsections the external and internal factors are analyzed.

**1.1. The external factors.** The acceptance of January 24<sup>th</sup>, 1980's decisions, globalization and adjustment process to the EU as the external factors have changed deeply the labor relations in Turkey.

In the beginning of 1980's, the acceptance of open market is the first step in the changing of consultation process and it has created a basis for the new approach to the labor management consultation in Turkey. With the January 24, 1980's decisions, export-led growth strategy has been accepted in Turkey and the external competitiveness of Turkish economy has been sustained. Thus, a new era has begun in the labor management process in Turkey

along with the January 24 decisions. The export oriented growth model increased the importance of competitive power for firms. It reflected to the labor relation in terms of the flexibility, informality and the weakness of unionism in Turkey.

After that, the globalization process and accession negotiations between EU and Turkey, the flexibility in the labor market has been accepted by Labor Law 4857 enacted in 2003. So, the share of individual relationship has increased in the labor relations and the weak role of the trade unions have been more weakness in the labor management consultation in Turkey. On the contrary, operation of the labor management consultation process is also significant also in terms of the harmonization process with the EU also. The framework directive of EU numbered 2002/14/EC on informing the employees and operating the consultation process in the workplace has been approved by Turkey as of July, 2003.<sup>1</sup> By this approval, it is aimed to encourage and structure the consultation process between the worker and employer organizations in Turkey.

**1.2. The internal factors.** Turkey has special economical and cultural characteristics and the consultation process between the worker and employer segments in Turkey has been determined by the structural characteristics of economy. In this respect unionism, structure of enterprises, the economic instability and unregistered employment have affected the labor management consultation process in Turkey. Beside this, macro economic conditions and social structure of Turkey have become difficult to operate the labor management consultation's process in Turkey.

*1.2.1. Industrial relations.* After Turkey passed into the system of collective labor agreement in the year 1963, the unionism has been realized at economic activities of branch and national levels in the country. The unionism's activities and tradition of making a collective labor agreement realized at business branch level have constructed the basis for consultation process. Accordingly, there are informal and formal bipartite consultation practices at business branch level with the participation of trade unions in Turkey. More than one trade union can be established on branch level. So, the workers have been distributed among many unions and the unionism becomes weakness in Turkey.

On the other hand, the prerequisite of representing at least 10% of the workers in that business branch, which is sleeked in the authorized labor union, excludes the unauthorized unions from bipartite con-

sultation process informally and constitutes an obstacle on the way to the operation of consultation process through unions.

Using data obtained from the Ministry of Labor and Social Security enables to evaluate the variations of attitudes on industrial relations in Turkey. In this context, total number of trade unions is 105; and 50 trade unions are authorized and 32 are authorized trade unions committed to TÜRK-İŞ, 8 authorized trade unions committed to DİSK (Turkish Confederation of Revolutionary Trade Union) and 7 authorized trade unions committed to HAK-İŞ (Confederation of Turkish Real Trade Union); and the number of authorized independent trade unions is 3 (TES-İŞ, 2009, p. 1).

There is no data related to the distribution of workers in the scope of the collective agreement in January, 2009. As of July, 2008 while the number of workers was 5,349,828 and number of unionized workers was 3,137,819; the number of unionized workers in the scope of the collective agreement was 849,367 and the real union density was 6,51% (Şafak, 2009, p. 1) and this rate is much lower than the average of EU.

Finally, the current legal regulation has affected negatively the efficiency of trade unions in the labor management consultation process in Turkey. The employers' organization and the trade union are established in 28 business branches and they are the partners in the consultation process at union level. It is reported that the number of work branches will be reduced to 18 ones and the 10% threshold be able to conclude a collective agreement will be eliminated and 50% threshold be able to conclude a collective agreement in the workplace will reduce to 33%<sup>2</sup>. It is estimated that decreasing the number of business branches and removing the threshold practice in Turkey will make the consultation process more operational.

The unionized workers have been representative by the confederations as their representatives such as HAK-İŞ, DİSK, TÜRK-İŞ and dependent trade unions. Except for TÜRK-İŞ, they have the limited participation in the formal consultation process in Turkey. The legal structure creates an important obstacle for the workers' participation to the formal tripartite labor management consultation in Turkey. There is a problem related to the repressiveness of the workers including federations for the consultation process at both national and international levels. It stems from the fact that

<sup>1</sup> Official Gazette dated, June 26, 2003; number of issue is 25178.

<sup>2</sup> Joint Declaration of 24th Meeting of EU-Turkey JCC held in İstanbul on 10/11 April 2008.

only the confederations representing the highest number of workers and employers are allowed in tripartite consultation and that other labor confederations do not participate in the tripartite formal consultation process. Focusing on the formal consultation process at enterprise level is considered as a solution to this problem.

As mentioned in Table 1 below, while the number of insured workers is 5, 434,433; 3,205,662 workers are unionized and there are 105 trade unions and 3 trade union confederations and 10 independent trade unions in Turkey ([http://www.calisma.gov.tr/articles.php?category\\_id=90](http://www.calisma.gov.tr/articles.php?category_id=90)). According to the statistics as of January, 2009, 69,56% unionized workers are TÜRK-İŞ members, while the shares of HAK-İŞ, DİSK and independent trade unions are, respectively, 13,39%, 13,19%, and 3,86% and unionized rate is 59% ([http://www.calisma.gov.tr/articles.php?category\\_id=90](http://www.calisma.gov.tr/articles.php?category_id=90)). The share of unionized workers is the main part in total workers number. In spite of this, they have been out of the legal consultation process and they have not any efficiency in labor management consultation in Turkey. Thus, the efficiency of non-unionized workers in the labor management consultation is determined by the personal attitude of employer. In this respect, it might be said that this situation obstructs the settlement of consultation tradition between the workers and employers anyway as a whole.

The union density rate represents the proportion of unionized workers only in terms of potentially unionisable and insured workers (excluding public officers), not as proportion of the total employment under the worker's statute<sup>1</sup>. On the other hand, the number of compulsory insured persons is 8.802.989 in all activity branches<sup>2</sup>.

The workers have rather weak trust to the trade unions and the trade unions are not strong enough or committed to promoting the rights and interests of workers. Traditionally in Turkey, especially by the TÜRK-İŞ, the trade unions have displayed conciliatory policy against to the political parties. The conciliatory approach of the trade unionism is a reason of weakness the trust of workers to the trade union in Turkey. The trade unions have not a struggle policy for interest of the workers.

Table 1. Distribution of unionized workers by the Confederations and number of unions as of January 19, 2009 in Turkey

| Confederations of trade unions | Number of members | % of members | Number of unions |
|--------------------------------|-------------------|--------------|------------------|
| TÜRK-İŞ (1)                    | 2,230,015         | 69,56%       | 70               |
| HAK-İŞ (2)                     | 429,091           | 13,39%       | 8                |
| DİSK (3)                       | 422,785           | 13,19%       | 17               |
| Independents (4)               | 123,771           | 3,86%        | 10               |
| Total                          | 3,205,662         | 100%         | 105              |

Source: Çalışma (2009).

[http://www.calisma.gov.tr/articles.php?category\\_id=90](http://www.calisma.gov.tr/articles.php?category_id=90)

(1) Calculated by the author using the number of workers in the confederation obtained from the

[http://www.calisma.gov.tr/articles.php?category\\_id=90](http://www.calisma.gov.tr/articles.php?category_id=90)

(2) Calculated by the author using the member's number of confederation obtained from the

[http://www.calisma.gov.tr/articles.php?category\\_id=90](http://www.calisma.gov.tr/articles.php?category_id=90)

(3) Calculated by the author using the number of workers of confederation obtained from the

[http://www.calisma.gov.tr/articles.php?category\\_id=90](http://www.calisma.gov.tr/articles.php?category_id=90)

(4) Calculated by the author using the number of workers of confederation obtained from the

[http://www.calisma.gov.tr/articles.php?category\\_id=90](http://www.calisma.gov.tr/articles.php?category_id=90)

On the other hand, there are 47 employer associations and 1 employer's confederation. Number of independent employer's associations is 25 (Çalışma Genel Müdürlüğü, 2009) and 22 employer's associations are committed to the TİSK (Çalışma Genel Müdürlüğü, 2009a).

*1.2.2. Structure of enterprise.* The structural characteristics of enterprises are other internal factors that affect the labor management consultation process in Turkey. In this respect, the size of enterprises and statute have affected the labor management consultation process in Turkey.

Turkey's economy is based on the micro and small/medium sized enterprises and these size enterprises play a particularly important role in the economy because of their number and large share employment. The predominant share of small and medium sized enterprises is among the structural characteristics of the Turkish economy (Bulutay, 1995, p. 65). EU has accepted the definition of SMEs' decided by the European Union which has come into force on January 1, 2005 (European Commission, 2005, p. 5). The enterprises employing 1 to 9 workers are defined as micro-enterprises; enterprises employing 10 to 49 workers are defined as small enterprises and those employing 50 to 249 employees are medium sized enterprises.

The share of SMEs produced for national and local market is significant proportion in the especially the smallest ones outside of urban centers (Çakar, 2006, p. 9). Beside this, the most of SMEs are activated in the informal economy. Moreover, the small and

<sup>1</sup> As of January 2009, the total labor force is 51,323,000; while total employment is 19,873,000 in Turkey. ([http://www.tuik.gov.tr/PreTablo.do?tb\\_id=25&ust\\_id=8](http://www.tuik.gov.tr/PreTablo.do?tb_id=25&ust_id=8))

<sup>2</sup> As of December 2008, the total compulsory insured person is 8,802,989 in Turkey. 2008 Yılı Aralık Ayı İstatistikleri. (<http://www.sgk.tr/wps/portal/tr>)

family enterprises are managed by the traditional management in Turkey. So, this group of enterprises does not take a place in the consultation process in Turkey. It is said that the workers employed in these enterprises don't participate in protecting their interest (Öke, 2006, p. 4).

As can be seen in Table 2 below, the distribution of workplaces and compulsorily insured people as of September 2006 show us the importance of micro and small sized enterprises in Turkish economy. According to the data obtained from Social Security Institution, the share of enterprises which employ less than 10 workers is 84,23% in total number of workplaces in Turkey in the year 2008 and the share of micro-enterprises in total employment is 29,35% (SGK, 2008). The fact that 98,00% of the employment is carried out by small-enterprises employing less than 50 workers in the same year draws attention. It can be said that the share of micro and small sized enterprises are excluded from the liabilities on the employer for protection.

On the other hand, the low rate of unionism in micro and small sized enterprises prevents the operation of consultation process in enterprises of this size and makes the employer's initiative dominant. Therefore, the share of micro and small sized enterprises has decreased the efficiency of trade unions on the labor management consultation. Consequently, it would be possible to say that the high rate of micro and small sized enterprises affects negatively the settlement of consultation process in Turkey.

The traditional handicrafts which employ 3 workers including the employer have a main share with 64,82% in total number of enterprises in Turkey. The share of this size enterprises is 13,56% in total employment. While the share of this group has increased from 59,30% to 64,82% in total number of work places; their share in total compulsory insured employment has increased to from 12,07% to 13,56% in the period of December-June 2008 (SGK, 2008a and 2008). The enterprises that employ 3 workers including employer are not in the scope of Labor Law. Thus, the consultation process has been operated between employer and employees on informal and individual level in the traditional handicrafts.

Table 2. The distribution of workplaces and compulsorily insured people by group of insured people in workplace as of December, 2008.

| Group of insured people | Work places % (1) | Compulsorily insured people (2) |
|-------------------------|-------------------|---------------------------------|
| 1-3                     | 64,82%            | 13,56%                          |
| 4-9                     | 20,58%            | 15,58%                          |
| 10-49                   | 12,72%            | 32,90%                          |

|       |       |        |
|-------|-------|--------|
| 50 +  | 1,88% | 37,96% |
| Total | 100%  | 100%   |

Source: SGK 2008a. 2008 Yılı Aralık Ayı İstatistikleri. (<http://www.sgk.tr/wps/portal/tr>). (1) Calculated by the author using the number of work places obtained from the 2008 Yılı Aralık Ayı İstatistikleri Tablo 21. (<http://www.sgk.tr/wps/portal/tr>). (2) Calculated by the author using the number of workers in the company obtained from the 2008 Yılı Aralık Ayı İstatistikleri Tablo 22. (<http://www.sgk.tr/wps/portal/tr>).

The small and medium enterprises of Turkey are mainly family enterprises. As one of the characteristics of this group enterprises, the enterprise owner and person in charge of management is usually the same individual. The ownership structure of firms prevalently family based is an obstacle for the labor management process in Turkey. The small enterprises have 29,4% of total family enterprises in Turkey (Çalışkan, 2008, p. 4).

*1.2.3. Economic instability.* The Turkish economy has a fragile structure. It is reported that economic fluctuations experienced intensively and periodically are the basic characteristics of the Turkish economy in recent years. (Bulutay, 1995, p. 87). It is observed that economic growth in Turkey was often interrupted by the economic crisis. In the period covering the years from 2001 to 2008, the economic growth in Turkey was at a rate of -9,4%, 7,9%, 5,9%, 9,9%; 7,6% and 6,0% respectively (Muhasebat Genel Müdürlüğü, 2007, p. 1). It is observed that there are "ups" and "downs" in the economic growth rate in the period of 2001-2008. The data on the fluctuations in the economic growth rate stated above give an idea regarding the possibility that the consultation process may be negatively affected by economic instability anyway.

The last economic crisis has affected negatively the number of the work places and the number of compulsory insured workers in Turkey. While, the total number of work places has reduced from 1.170.248 to 1.194.344; the total number of compulsorily insured person is dropped from 9.703.722 to 8.802.989 in period of June and December of 2008 (SGK, 2008a and SGK, 2008).

Contraction is experienced in employment in Turkey during the periods when contraction appears in the volume of economic activities at both global and national levels. Within this context, the stimulating effect of economic instability on unemployment is pointed out (Kazgan, 2002, p. 19). It is emphasized that cyclical unemployment may be added to structural unemployment and may turn temporary unemployment into permanent unemployment and that the unemployed period may be prolonged due to economic crisis (Kuzgun, 2005 p. 37). Social partners

may come closer thanks to the operation of consultation process during economic crisis.

The interaction between economic instability and acceptance of flexible employment has two aspects. First of all, it is difficult to mention about the efficient operation of consultation process both in terms of the non-unionized workers and in terms of labor unions at periods when unemployment increases. This generalization applies to all consultation processes at national, sectoral and company levels no matter whether they are informal or formal. The reason for this is the fact that bargaining power of workers and unions decreases against employers at periods of economic crises and that job guarantee comes to the forefront. Secondly, the social partners may come closer thanks to the operation of consultation process during economic crisis.

*1.2.4. Informal Employment.* Informal employment which is a reflection of informal economy on the labor market has reached a significant level in Turkey. According to the November 2006 Household Labor Force Survey results of TURKSTAT, informal employment constitutes 48,49% of the total employment and 33,91% of employment in non-agricultural sectors throughout Turkey (TÜİK, 2006, p. 128). The increase in the number of employed people who are wage workers in informal employment sets forth the difficulty of operating the consultation process in Turkey. They have no any chance in bargaining process. The same approach can be said for the informal employment. The large extent of informal employment contributes to the weaknesses of workers and trade unions in the consultation process. Therefore, the trade unions have to concentrate their activities against the informal sectors in Turkey.

External flexibility strategies which provide flexibility in the labor cost have contributed to the growth of the informal sector and informal employment in Turkey (Toksöz, 2009, p. 7). It is observed that a relationship is constructed between reducing the unemployment and informal employment. In the meanwhile, the emphasis on the fact that informal employment reduces unemployment in Turkey draws attention (SPO, 2007, p. 61). In Turkey, 40,8% of total employment is not in the scope of the social security system (TÜİK, 2009, p. 2).

From the different point of view, while informal economy reduces unemployment at a certain level on one hand, it prevents the operation of consultation process on the other hand. Though informal economy provides employment for the unemployment workforce, it has to function under severe constraints and the quality of the most of the em-

ployment generated is low in Turkey. Lastly, the share of informal employment can not be reduced without increasing the social responsibility of the social partners.

## Conclusions and policy recommendations

**Findings.** Turkey has special economic and cultural characteristics and these features have influenced the consultation process. Therefore, while analyzing the labor management consultation it is highly recommended that Turkey's specific features must be taken into account. In this sense, the following points must be taken into consideration.

- ◆ The lack of a historical background of the social dialog-negotiation between social partners hinders to immediate adaptability of the labor management consultation to innovations and challenges of global economy.
- ◆ The external factors have changed deeply the labor relations in Turkey. Labor management consultation process in Turkey has changed considerably as presented in the acceptance of 24<sup>th</sup> January 1980's decisions based on export-led growth strategy, adjustment process to the EU and globalization, flexibility in the labor market by change of labor law. All of these external factors have affected labor management consultation process in legal and practice. The fact that economic policies for import substitution have been abandoned and the outward oriented economic policy has been adopted in Turkey and that competitiveness has come into prominence at all levels with the harmonization process with the EU as well as globalization increased the importance of operating the consultation process between workers and employers in Turkey.
- ◆ The internal factors such as the share of informal employment, economic instability, structure of enterprises have negatively affected the labor management consultation mechanism.
- ◆ The lower rate of unionization is another negative factor. Besides, the high number of business branches in Turkey and the establishment of more than one union in one business branch, the 10% threshold principle introduced in the determination of the authorized union are also other obstacles in the consultation process.
- ◆ Unregistered employment is the structural characteristic negatively affecting the consultation process in Turkey. It is considered that the person employed informally is excluded from the consultation process. The providing with flexicurity will prevent the informal employment and win the operational efficiency of labor management consultation.

- ◆ The economic crises experienced frequently in Turkey complicate the gathering of workers' and employers' side together at all levels and their searching for solutions to common problems. Conflict of interest between the partners appears more distinctively at periods of economic crises.
- ◆ The weight of SMEs in the number of enterprises and in total employment has affected negatively the labor management consultation process. Beside this, the ownership structure of enterprises generally family based and the share of the traditional handicrafts which employ 3 workers including the employer are the other negative parameters in the consultation process in Turkey.

### Recommendations.

- ◆ The industrial relations context must be enhanced. So, the trade unions must leave their status-quo against the reforms. Beside this, the fact is that tradition of organizing is not settled in Turkey. Therefore the tradition of organizing is weak among workers both within the trade unions and outside them.
- ◆ Against the background of labor management consultation process in Turkey, the consultation process is facing challenges regarding its "structure" and "activities". It is necessary to exclude unauthorized labor unions and the workers they represent from the consultation process even if they are unionized.
- ◆ Beside the confederations representing the highest number of workers and employers that participate in the formal tripartite consultation; it is necessary to allow the other labor confederations and independent trade unions to participate in the formal tripartite consultation process.
- ◆ The system's activities must be in place that can address new issues such as health and safety at work place and problems of women labor force in connection with corporate social responsibility. In the actual process, the rate of accidents and amount of working days lost due to accidents are high.
- ◆ The institutional framework of consultation

process should be updated and modernized national and local level tripartite institutions such as Economic and Social Council, Tripartite Advisory Board and Provincial Employment Boards should be further strengthen and their role in formulating national and local consultation process and social policies should enhanced. The meeting schedules of these boards must take place more frequently in Turkey.

- ◆ It can be said that globalization and improper use of labor flexibility, the share of informal employment, economic fluctuations and size of economy have decreased the efficiency of trade unions in the labor management consultation. It is necessary to increase and widespread new flexible employment forms by considering social security.
- ◆ It is not possible to say that consultation process is established precisely between the social partners in Turkey. Various reasons can be given for this situation. The fact that the tradition of organizing is not settled in Turkey is the basic factor. The consultation process becomes operational in an organized society structure. The tradition of organizing is weak among workers both within the union and outside the union.

Consequently, it is necessary to state that, despite all the positive developments, there are many points that Turkey should carry out as regards the operation of consultation process in human resources management. Labor management consultation process must be used as a strategy to enhance industrial peace and competitiveness of the enterprises. The benefit of the parties in terms of their contribution to the increase of economic growth, stability and competitiveness in Turkey has been influential in the adoption and full implementation of the process. However, the fact that the tradition of consultation is not completely settled between parties prevents the full perception of this fact. At whatever level it is, social responsibilities should be adopted between the partners in the adoption and operation of the consultation process.

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