THE NEW LABOUR LAW OF TURKEY ON THE COHERENCE PROCESS OF EUROPEAN UNION, CHANGING THE RULES TO FLEXIBILITY; “DEREGULATION OR REGULATION”

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ABSTRACT

The Labour Code in Turkey changed in 2003. The New Code has very different legislative arrangements compared to old one. Not only the form of the law, but also content of it has been changed after long debates between social parts. New Code has not been accepted by labour unions, but put in the force. This change was effected by economical globalisation and European Union Law which Turkey has been in a process of integration. Similar changes are executed at the other European Countries' legislation in the same times.

The new code regulates atypical forms of employment including fixed term contracts, temporary employment, part time work, call-on work and flexible working hours which even permits to 66 hours work weekly. Turkey’s legal system is not based on Common Law, but when the judges apply the legislation to a case, they are expected to interpret it with equity. The equity mentality of judges for the cases about relationships between employers and employees are changed also depending on the changes made in the new code. The understanding of the labour law, which used to be protective for labours, is still same, but the application goes to a different way which accepts employee and employer at equal level. So both legislation and understanding of employment statutes has been changed via globalization with the effects of neo-liberalism and changing role of the regulatory state also. The cohesion of European Union Law has expedited these changes in Turkey and became a reason for new legislation and application.

These changes are argued on the basis of whether they regulate the new forms of employment or deregulates them against the labours. So the debate is about for whom and for what the labour code has been changed and whether it is necessary and useful for people and country or not. The aims of this paper are trying to get together the different ideas about the new code and finding out the results of the application after five years by researching on the articles, court decisions and evaluations of institutions and unions and discussing of the thesis of the social parts by comparing the results in Turkey and European Countries.

1. INTRODUCTION

The world’s economy has been changed continuously over the last decades. It is stated that the European employment models are also under pressure of globalization of production, governance and ideology to change (Bosch 2007). “Globalization” of the economy has changed the structure of the work organization in enterprise and made the relation between employer and employee more individual than before. Individualism of labour affairs and development of atypical work forms are the results of economic globalization and also a strong effect to the decrease of the role of the state in labour law. This means that state steps aside off the labour relations contrary to its traditional role as being protective about this area and “statutory state principle” as a main production of “social state” principle of “social policy” replaces with the “regulatory state” which only puts complementary rules to regulate the affairs of employer and employee (Erdut 2004) Economic globalization enforce the enterprises to become more competitive and they push the countries to change their
employment legislation. The opinion that the strictness of the rules of employment law, in other words the protection of workers as the weak side of labour affairs with statutory regulations, prevents the employers to compete in global economic markets was expressed loudly and discussed between social sides for a while in Turkey just like in all over the world. Finally previous Labour Act no 1475 has replaced with new Labour Act no.4857 in 2003 and made the working conditions, types and hours, “flexible” mostly.

“Flexibility”, which is the main idea of new law, has always been accepted as mean of reducing the rights of the employees, and legislators tried to make balance with “security” by creating a new concept of “flexicurity”. Trade unions were not to be delighted with this change (Topak 2003). They have criticized “flexibility” and “deregulation” of labour law on the axis of social rights and emphasized the danger of ignoring the meaning of labour law, as a workers’ law for protecting them (Disk Website 2009). Academicians evaluate the change of law with flexible work forms and conditions as a part of changing social policies and the role of state from being statutory to “watcher” about labour affairs (Koray 2005), even some of them have realized the difference has become because of the change of industrial relations with the pressure of global competition and technological changes (Demir 2003; Çelik 2006) and some of them has accepted that new labour law of Turkey has emphasized “the workers’ protection” (Eyrenci 2004). Some has rejected new law conversely because of the opinion about the legal changes mean that the workers are “first property which throw down the balloon in hard times” (Ercan 2003). One of the reasons which has asserted officially by government for this codification was the need of adaptation to European Union (EU) law as a candidate country, besides the changes in the economy (Başesgioğlu 2003).

The purpose of this article is to evaluate the changes made with new law about labour relations under the subheadings according to the main subjects by quoting different opinions and comparing with the European labour law and discussing the legal application of it. The first part after the introduction will describe the changes occurred in the labour legislation of Turkey in comparison with E.U legislation under subtitles as “legislation on information and consultation of workers”, “legislation on working conditions” and “legislation on other acts”. Lastly a summary about the subject is made as a conclusion.

2. IMPORTANT CHANGES OCCURRED WITH NEW LABOUR LAW OF TURKEY

2.1. General Evaluation about New Law

New Labour Law has regulated new atypical work forms and makes important changes about the working hours and other work conditions as reflections of the idea of “flexibility”, but on the other hand made amendments about some subjects like job-security, principal employer - sub-employer relationship, occupational health and security rules and some definitions like workplace in a harmony with Cassation Court precedents for the needs of the modern business life positively, even some of them has been changed negatively in the time again. It can be said that many of the new legal regulations and the amendments made with new law are already the subjects of E.U. Law and mostly fit it. But when they are thought as the parts of full legislation about work, there are a lot of deficiency for the protection of workers compared to E.U. countries, which make the reasoning behind the changes - as harmonisation of law with developed countries and E.U. - really discussable just like laws about trade-unions and collective bargaining and contracts, and the less protective quality of the legal institutions like unemployment insurance. It is determined that the labour law reforms towards “flexibility” may increase inequalities and cause increasing poverty of the disadvantaged groups in the labour market, if they do not match with the precautions for social security, welfare and against to unemployment with the consensus of social partners (Lodovici 2008). In Turkey, social sides did not agree about new Labour Code and trade unions have opposed the new Law. The positive regulations for labour of new code has always been a point of criticism by employers’ associations and tried to challenge with the
rights of labour, just like job security and seniority payment, even when the new code has been praised, just like Turkish Industrialists and Businessmen Society (TÜSİAD)'s opinions about it (Yalçındağ 2003).

DİSK (Confederation Of Progressive Trade Unions Of Turkey), with the supports of all of its member unions, tried to convince the government for making some provisions positive during the preparatory process and continues to struggle. The Decision Numbered 6 of the 12th General Assembly of DİSK is about maintaining to crusade against the Law Numbered 4857, called as “Slavery Law” by them. It is defended that Labour Law Numbered 4857 has been issued due to the intensive efforts of capital (employers) and government and it converts the work environment to the conditions of 19th century. DİSK decides to lobby to guarantee that each worker will be entitled to “severance pay” without any limitation, to take necessary measures against any provisions related with flexibility which decrease labour’s rights in collective contracts as a common attitude of member trade unions and for taking back the rights lost with the new code. One of the important subjects DİSK has taken into attention in the Report titled “Workers Right in Turkey” is the serious reduction in the job security of workplace representatives (DİSK Website 2009). There was a special provision about the definite job security of workplace representatives in the Trade Unions Act before the change made at the same time with the legislation of new Labour Code. It has been abrogated from Trade Unions Act and regulated as a referral to the articles about job security in Labour Code with higher compensation, which means employer can make a choice not to take representatives back on to work by paying compensation instead, like other workers. New regulation has been considered as negative than previous one by DİSK, because of not having enforcement for employment of representatives.

Hak-İş (The Confederation Of Turkish Real Trade Unions) thinksthat new Labour Code is a response for harmonisation to European Work Life, but criticizes the negative regulations like reduction of job security rules and flexibility about overtime work. The most important thing is how the new regulations will be interpreted by labour courts according to Hak-İş and it is declared that the application of them must be followed carefully (Hak-İş Website 2003).

TİSK (Turkish Confederation of Employer Associations) accepts new Labour Code Numbered 4857 as an important step to put Turkish work life into contemporary and flexible legal frame. It is stated by TİSK that new Labour Code ishamonious to E.U. Directives and International Conventions, considering “security of work” with “job security”, giving way to “flexibility”, paying attention to the needs of Turkish Work Life and providing economy to be in accordance with industrial relations and to have competition power due to the its regulations about atypical work conditions. But it also has been criticised partly as not to be enough modern by TİSK because of the statutory rules just like the provisions about sub-contracting, job security and the limitations about flexible work types and hours (TİSK Website 2004). World Bank has almost the same idea with TİSK about the new Labour Code (Website of World bank 2006).

2.2. Legislation on Information and Consultation of Workers

EU considers industrial relations should be based on a consensus of social partners in every aspect. That is why “social dialogue” is accepted one of the important subjects of the legislation of labour. EU Commission has to counsel to social partners before issuing a directive interested in social politics according to the Article 138 of Treaty of Maastricht (TEU) and if the partners agree on a text and the commission approves it, the result shall be sent to Council for promulgation according to Article 139 of TEU (Tuncay 2006). This means that social partners participate in the process of legislation on the EU level (Bayram 2007). “Social dialogue” is a concept which is expected to be realized by EU on every stage of social-economical relations as in the levels of international, national and work place with the participation of social sides.
There is not any social dialogue institution in Turkey as it is expected with E.U. aquis except some of the advisory ones at the national level. “Economic Social Council” is the most mentioned one in EU progress reports, but referred as insufficient. Article 114 of new Labour Code states that with a view to promoting labour peace and industrial relations and following up legislative developments and implementations, a tripartite board of advisory nature shall be established in order to provide for effective consultations between the government and confederations of employers, public servants and labour unions. The regulation about working methods and principles of the Board has been issued by Council of Ministers in April 2004 according to the second sentence of same article.

There is also another social dialogue body regulated with Article 26 of the “Law about Organization and Duties of Work and Social Security Ministry numbered 3146”. The body is called as “Work Assembly” which is required to meet under the presidency of Minister of Labour and Social Security with the participation of social sides. These social dialogue institutions are not sufficient for the aims of EU regulations and Directives, because of being ineffective as it is written in the 2008 Progress Report of Turkey. The long pending drafts of legislations about trade unions and collective bargaining as well as about strikes and lockout that are expected to carry the standards into line with those of ILO and EU is also criticized by the Progress Report of 2008. Besides, the number of workers covered by collective agreements is still low and further decreasing as negative evidences of weak social dialogue (Turkey 2008 Progress Report, website of EU, 2009)

Council Directive 2001/86/EC supplementing the Statute for a European company with regard to the involvement of employees, Council Directive 2003/72/EC supplementing the Statute for a European Cooperative Society with regard to the involvement of employees, Council Directive 94/45/EC on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees and Directive 2002/14/EC establishing a general framework for informing and consulting employees in the European Community are not still adopted to internal law of Turkey. Turkey is criticized by EU for not making any regulation to implement them. Also another subject pointed out with EU is shortcoming of the regulation about counselling and informing of workers at the time of collective dismissal. New Labour Code has regulated the procedure of “collective dismissal” in Article 29. The definition of the term collective dismissal is in conformity with the related EU Directive 98/59/EC. Accordingly, the employer who practices collective dismissal is under the obligation to provide the union shop-stewards, the relevant regional directorate of labour and the Public Employment Office with written information at least 30 days prior to the intended lay-off. The rule is not accepted as sufficient by EU, because as union rate is low there is no union shop-stewards in many undertakings and Turkish law does not obligate the employers to inform workers in such cases. The information of worker’s representatives procedures was regulated in the Draft of Labour Code, but this rule did not accepted by social sides and the article has been changed (Kutal 2003). Moreover, there is no “worker representative” institution in Turkish labour law if there is no union in the workplace.

It is declared on the website of Ministry of Labour and Social Security that “Council Directive 91/533/EEC on an employer's obligation to inform employees of the conditions applicable to the contract or employment relationship” has been adopted with the Articles 8, 10 and 22 of “New Labour Act”. Article 8 is about the definition and the form of an employment contract and states that written form is required if the contract is for one year or longer. The law also includes an article that enforces the employer to inform worker and take his/her approval before changing the working conditions (Article 22). But these do not still carry enough effectiveness because they do force the employer to inform the employees but not to consult them.
Directives about safeguarding of employees' rights in the event of transfers of undertakings (2001/23/EC) or in the event of the insolvency of their employer (2002/74/EC and 2008/94/EC), about fixed term contracts (1999/70/EC) or part-time contracts (97/81/EC) and on the improvements in the safety and health at work of workers with a fixed-duration employment relationship or a temporary employment relationship (91/383/EEC) all require the participation of workers to decisions with different ways. These are not totally adopted into the labour legislation of Turkey. New Law Numbered 4857 regulates all these flexible forms and ways of employment, but does not have enough regulation to inform and to consult of workers besides. Flexibility is in balance with the protective statements in new law, therefore it is justifiable to criticize it like as only “deregulation”.

The important point emphasized in every EU progress report is the scarcity of undertakings under the collective contracts (Bayram 2007). This constitutes an important evidence of deficiency of participation of workers. Information and consultation to workers is a very important instrument for completion of flexicurity in employment market. If there is only flexibility, without effective collective contract system based on social consensus of partners and without satisfactory unemployment insurance, as in Turkey, it can be said that there is not any protection for workers. Flexibility and security should be together in a balance. For this target, there must be effective participation of workers which is required the consensus and common decisions of the social partners about the work (Köstekli 2008). So low rate of unionization and low rate of participation of workers are the most important deficiencies which make employment market insecure in Turkey, compared to EU.

2.3 Legislation on Working Conditions

2.3.1. New employment models in labour code New employment models like fixed-term work, part-time work, call-on-work, temporary working have been regulated by the new labour code. The flexible employment models were reasoned as the result of changing economic condition as stated in the introduction part of this article. They are therefore mostly welcomed by the employers. On the other hand, flexibility seems threatening by the workers since it does usually weaken the job security. Especially, seeing a worker as an equipment of work which can be loaned to another employer is not appropriate and had been criticized very much by trade unions. But a different opinion states that covering such an issue is better than leaving it unregulated since their application is existing in life and new code provides partly protection for workers by regulating new forms of work (Süzek 2006).

The Directive 1999/70/EC concerning the Framework Agreement on fixed-term work states that open-ended (indefinite) employment contracts are accepted as the usual and essential employment form in work. Atypical-flexible forms are examined carefully by European Court of Justice (ECJ) and the decisions are based on the limitation set by regulations (Güzel 2008). Though the work models are regulated by law, their application differs among countries depending on the representation level of social sides in administration and the understanding of democracy in each country. That may be the reason why Turkey faces criticisms from EU. The two factors we mentioned here causes less protective provisions of the new work forms in legislation in Turkey. But the rulings of Court of Cassation tries to be in harmony with the principles accepted by ECJ. In the application of fixed-term employment models in Turkey, EU progress reports determine some deficiencies. For instance, it is stated that there is not enough protection for workers of fixed-term contracts on the dismissal before contract time completes and also some provisions of occupational health and safety of fixed-term workers are not found satisfactory. The legislation on part-time work in new labour code, however, is fully convenient with Directive 97/81 (Bayram 2007). The only insufficiencies exist on the rules about the information and consultation of employees in atypical work models.
2.3.2 Work conditions and working time

The most effective changes made with new labour code, are about the working time’s distribution for days of a week. Weekly working hours was limited at 45 hours in the old code, as it is in the new one, but the assessment was being made according to days. So if a person worked more than the daily working time, it was considered as overtime. New code changed this assessment on weekly basis. Provided that the parties have so agreed, working time may be divided by the days of the week worked in different forms on condition that the daily working time must not exceed eleven hours. In this case, within a time period of two months, the average weekly working time of the employee shall not exceed normal weekly working time. This is called “balancing period” which does not exist in the old code. So this change is a radical way which makes May 1st meaningless as “workers day”. As everybody knows the importance of “workers day” comes from the struggle of labour for 8 hours working day on the account of death.

Furthermore, new code limits overtime working to 270 hours for a year which is different than the limitation of the old code. In the old code employers may make the employees work for maximum 3 more hours daily and the days an undertaking may operate under overtime work was limited to 90 days per a year. These new provisions about the working hours mean a very radical “deregulation” of the previous limitation in fact. The approval of a worker is required for application of these rules. But in the application every worker gives his/her consent in order to keep his/her job. Moreover the code makes it possible to take approval of the worker at the beginning of the work relations by work contracts and for a whole year totally. As it is understood rules about working hours really mean deregulation against statutory state understanding for protecting workers as weakest side in employment affairs.

The new regulation of working hours are generally appropriate to the Directives about the working times (93/104/EC and 2003/88/EC), but not definitely. There are some very important differences and preferences between them. In the directive, working hours per a week are limited with 48 hours including overtime workings. But in the Turkish Code, 45 hours per a week in usual terms which means excluding overtime and 270 hours limitation for overtime work per a year is allowed in new Code. This can cause important problems and does not fit to E.U. aquis (Ulucan 2003). It is even possible for an employer to employ workers for 66 hours weekly with the application of “balancing period” (Demir 2005). It is also stated in directive that annual leave of a worker must be at least 4 weeks, but in Turkey the minimum annual leave of a worker starts from 14 days. Weekly working hours and annual leaves are some of the subjects questioned by E.U. about working hours (Alpagut 2008). Peremptory rules of Directive which are also positive as before in old code did not regulated in new Code about working hours, when the complementary rules which are opposed to benefits of workers had been adopted (Çelik 2003). Employers think that new code has very important improvements on the “balance of social sides” and made new and realistic definition of “social state” which is possible in life (TİSK 2003). It is questioned that the differences about the rules of night work, times should not to be considered for calculating the balancing period, average weekly working hours, moving and offshore workers and annual paid leave in Turkish Labour Code compared to E.U. Directive about Working Hours (Bayram 2007).

2.3.3 Occupational health and safety

It is accepted by all parties that the statements about occupational health and safety regulated in new code is more developed than the old one. The problem is whether they are sufficient to protect workers in a wide sense by thinking with the long working hours regulated with new code, or not. But the new rules brought with new code are better than old one in the final analysis. For instance, new code gives a right to a worker to refuse to work in dangerous conditions for life. If a worker applies to employer for the conditions which can cause an occupational disease in a time limit and employer refuse to do something, he/she can not perform this right because the damage will not emerge immediately. Furthermore, neither many workers may have enough courage to apply to employer by using this right because of the fear of being fired and being
unemployed, nor have enough education for being conscious to understand the dangerous conditions. But it is useful in anyways. The new rules cover all the workers, besides the trainees are more protective as a positive example. There is however another problem with the rules. Some of the positive changes occurred in the new code has been re-changed negatively during last years. As an example, the rule made the occupational practitioners and workplace health units peremptory for every workplace which employ 50 and more employers, has been changed recently and give to employer an option to buy health services from out of workplaces. The new regulations about health and safety issued according to new code, are translated from EU directives directly which is criticized both by Turkish law doctrine and EU itself because of not considering the conditions of Turkey (Bayram 2007). Besides there must be more supervision on workplaces by state inspectors to be guaranteed to work out the whole rules to protect employers, mostly about occupational health and safety precautions in life and it is hard to say that government organization about this subject is sufficiently qualified (EU Progress Reports 2007 and 2008).

2.3.4. Prohibition of discrimination and equality There is a constitutional principle about equal treatment of citizens which was used to apply before new labour law had been promulgated. Also the main principle of good faith of Civil Code has been used by judges to decide when the case includes in equality because of gender, age, disability or other differences. In addition to these rules, Article 5 of new labour code has regulated “the principle of equal treatment” in work, especially for women and maternity, which is supported it with compensation could be decided by judge if an employer avoids the rule. Article 5 prohibits discrimination on every ground. Article 12, on the other hand, is another rule against discrimination: An employee working under an employment contract for a definite period shall not be subjected to differential treatment in relation to a comparable employee working under an employment contract for an indefinite period. These articles are in conformity with European labour law (Doğan Yenisey 2005). The most important legislation of EU about equality principle are the Directives of 75/117/EEC, 76/207/EEC, 96/34/EC and the Council Decision of 95/593/EC (Işığıçok 2005). The first one is about the application of equal pay principle. The second one regulates equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions. The subject of the third directive is parental leave. It is stated by EU that limited progress was achieved in Turkey as regards to anti-discrimination and equal opportunities, especially about women. An effective and independent “equality body” has been offered in Progress Reports for providing equality for women, especially to increase the participation of women in the labour market besides to access to education for qualified work (EU Progress Reports 2007 and 2008).

2.4. Legislation on Other Acts

There are two titles under this heading: legislative work on employee participation in profits and equitable wage. Those are stayed on the level of Council recommendation and commission opinion which are not adopted by Turkey. Council Recommendation 92/443/EEC is not only about the participation in profit but is also about equity participation. Two main factors has played important role in the acceptance of such recommendation. First, the financial participation is seen as a means of achieving a wider distribution of the wealth. Second, empirical researches indicate that “such schemes produce a number of positive effects, particularly on the motivation and productivity of employed persons and on the competitiveness of enterprises”. The regulation made on equitable wage is the European Commission Opinion COM (93) 388. It states that all workers should receive a reward for work done which in the context of the society in which they live and work is fair and sufficient to enable them to have a decent standard of living. There is a minimum wage regulation and application in Turkey, but the level of it is always less and not enough for living of a family, irrespective of the fact of providing an equitable wage. There has been no change about these subjects within the new Labour Code.
3. CONCLUSION

It can be said that Turkey tried to adopt its legislation to European Union aquis with new Labour Act of 4857 and still making progress on it. Ministry of Labour and Social Security already have a programme based on a plan until 2011 for this goal. The disappointing part of this goal is this adaptation aim just to the minimum standards of aquis as it is determined by Progress Report of Turkey in 2005 and does not include it totally. The positive rules for labour of the old code were also changed by the reasoning of adaptation to EU. But it is stated in all EU legislation that the provisions of the directives are the minimum standards about the subject. So the changes made in the beneficial rules of old code for workers can not be reasoned only with the accession process to EU. The new code has changed the labour regulation in favour of employers and in some cases this put the rules under the minimum standards of international labour law. The regulations to establish institutions for protection and security of workers are not considered effectively on the other hand. The decrease in the workers standards was reasoned by the harmonisation obligation to the EU aquis which is partly true. But the EUs critics can still be found on the progress report especially on collective labour rights, not only about regulation but also implementation of them.

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