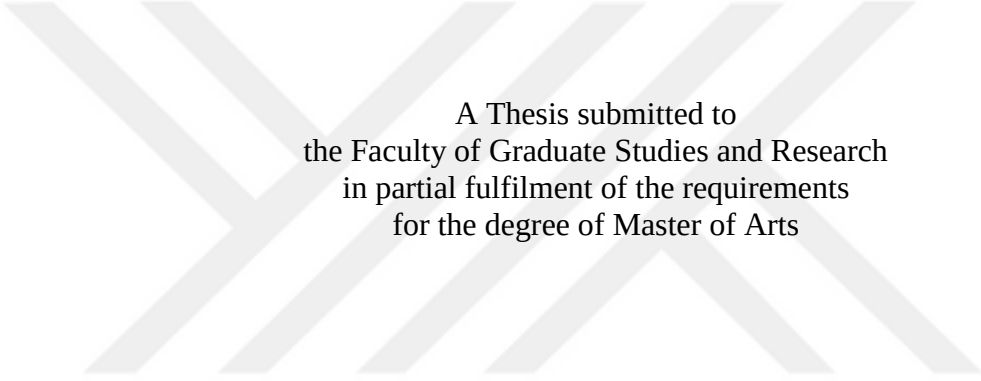


Carleton University

Strike, Struggle and Scale: Union and Feminist Challenges to a Multinational Company
in the Antalya Free Trade Zone, Turkey



A Thesis submitted to
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ABSTRACT

Most of the current literature on globalization has focused upon the increasing global mobility of capital, and arrived at the conclusion that the increasing influence and scalar reach of capital - extending from the nation-state to global and local levels - implies disempowerment of labour union praxis. On contrary to those claims, this thesis examines the strategic usage of scales by the labour unions and workers against a Multinational Company, Fresenius Medical Care in one of the recent strikes in Antalya Free Zone, Turkey. At the same time, however, this thesis highlights that the strategic usage of scales in episodic union action cannot be used to measure the working class power. My argument is that although transnational global-up and local-down strategies might play a significant role in the resultant victory of episodic union actions, a significant source of labour's national bargaining and workplace power remains rooted in the scaled politico-economic regulations of the capitalist state.

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Any mistake in this study due to interpretation of documents, language or argumentation belongs to me.

This thesis is dedicated to all who, with good will, sought to push the boundaries of imagination, spirit and material conditions towards a more considerate self and fair world.

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Chapter One: Introduction and The Novamed Strike

Introduction

On November 26, 2006, 83 workers - 81 of them women - of the Novamed Company in Antalya Free Zone (FZ) in Turkey embarked upon a strike that lasted 448 days. It was a strike that captured public interest around the world and mobilized many different national, regional and international unions in support of both the Novamed Workers and the local organizing union, namely, The Union of Petroleum, Chemical and Rubber Workers of Turkey (Petrol-Is). News of the strike also captured the attention of a number of labour and left-wing websites, which helped to disseminate interest in the dispute around the globe. The strike, and especially the fact that 81 of the strikers were women, inspired the formation of The Women's Platform in Solidarity with the Novamed Strikers, which brought together the varying agendas of feminist organizations around a common cause in Turkey. The Solidarity Platform arranged numerous rallies, including an impressive concert in Antalya on the anniversary of the strike. Another aspect of the strike that merits attention pertains to the creative local tactics used on the eve of strike.

Thus understood, the organization drive and strike were effectively managed by connecting different scales of political economy - from local to national and global - in a network, inviting different actors to provide their input over the course of struggle. These scalar strategies significantly contributed to the conclusion of the strike with the initiation of collective bargaining rights, as well as other gains, impressive in the overall context of the Turkish labour movement.

In documenting the history of the Novamed Strike and the specific tactics used both during the organization drive and in the course of the strike, this thesis aims at

contributing to the rapidly expanding literature on the ‘politics of scale’ in the episodic union actions, especially within the context of the ongoing debate over the impact of capital’s global mobility on the scale of labour union praxis.

Most of the current literature on globalization has focused exclusively upon the increasing global mobility of capital, and arrived at the conclusion that workers and then unions have been significantly weakened relative to the power of capital. More specifically, the increasing influence and scalar reach of capital – extending from the nation-state to global and local levels - is taken to imply the disempowerment of labour union praxis. In this respect, the Novamed strike offers an opportunity to examine labour union praxis. The Novamed production plant in the Free Zone itself is a subsidiary of a multibillion-dollar transnational Pharmaceutical Company-Fresenius Medical Care (FMC) with headquarters in Germany, a fact that played a crucial role in shaping the union response on the local, national, and global scales. Moreover, FMC is also a business segment of Fresenius SE, whose scalar reach of influence extends from the US to East Asia, and Europe, and whose franchise encompasses not only production, but also dialysis services and hospital management. Although FMC operates as a legally independent body, it still is a part of an overall corporate management strategy on the part of the parent company, Fresenius SE. In discussing the scalar reach of both Fresenius SE and FMC and the scalar tactics that unions and workers developed in response to these entities, it will be argued that labour unions and workers have not become powerless ‘objects’, and hapless victims of the scalar mobility of capital. Rather the study highlights the various scalar tactics workers and unions have successfully employed in this period of activism.

The argument developed in this thesis questions the claims of capital's ability to dominate scales and to implement varying strategies depending upon its needs in different scales of political economy. Labour geographers and scale theorists offer a corrective to this capital-dominant view in arguing that workers do not need to equal capital's global mobility in order to confront the MNCs, but rather can mobilize new forms of organization via the Internet, the construction of diverse coalitions, the jumping of scales, the targeting of specific concerns of the MNCs, and engaging in robust alliances with women's groups and international/national unions (Kelly 2003 cited in Ledwith 2006, 126).

At the same time, the analysis of labour geographers may be overly optimistic to the extent that the success of scale politics/mobilization against an MNC in an isolated union action is used as an indicator of the power of the whole working class. Too little attention has been paid to the possibility that the working class/unions might still remain somewhat weaken in the face of the wider scales of state regulations serving as privileged sites for transforming the capital-labour relations (Berndt 2000, 1569-1592; Rutherford and Gertler 2002, 196). Thus, the Novamed example provides a useful forum to question the overall effectiveness of the politics of scale within the structural context of state. More specifically, the Turkish state seems to have offered the Novamed Company with very favourable structural advantages, both prior to, and in the course of the strike. The location of the Turkish state within the global order has paved the way for the construction of free-zones in various locales in Turkey, including the one in Antalya, and has facilitated the exploitation of cheap labour by companies like Novamed. Turkish labour Law enabled Novamed to inhibit the progress of the strike at every stage. This

raises important questions with respect to the overall success of the politics of scale vis-a-vis state regulation. My argument is that although transnational “global-up and local down strategies” (Herod 2005, 1787), which effectively link different scales in a networked manner, might play a significant role in the resultant victory of episodic union actions vis-a-vis a globally mobile capital, a significant source of labour’s national bargaining and workplace power remains largely rooted in the scaled politico-economic regulations of the capitalist state at the national scale. This research question will be addressed in five chapters, whose contents are as follows:

Chapter One: Theoretical and Methodological Foundations

This chapter focuses on the basic theoretical concepts and methodological approaches that will be used throughout this thesis. It begins with a brief review of the scalar literature, with a special emphasis on the importance of scales for class strategy, and then proceeds with a critical discussion of current capital-dominant approaches, which have tended to regard capital as the class that can best flourish within this new milieu, dominating across different scales. The argument put forward in this chapter is that the capital-dominant approach significantly restricts our thinking in relation to the scales of labour union praxis. As a corrective, this chapter turns to the work of prominent labour geographers, who suggest that scales can also be effectively used by workers and labour unions. While offering an important corrective to capital dominant perspective, the labour geographers fail to appreciate the continued relevance of nation state. Thus, it is important to locate the Novamed dispute within the structural context of Turkish capitalism in the post-1980 period. Accordingly, this chapter introduces regulation theory and scale literature as worthwhile avenues. It introduces the concept of “glocalization” of

the state, which entails the simultaneous up-ward and down-ward adjustments in state functions in the post-1980 period, largely to the benefit of capital.

Chapter Two: Workers and Unions Going Global

This chapter will emphasize the importance of three interrelated aspects of the international union campaign, namely, international logistical support, an international PR campaign, and the strategic usage of the “social clause” frame to enforce the Novamed/FMC to recognize the unionization rights of the Novamed workers. In order to meet these objectives, this chapter also engages with the ongoing debates concerning the impact of capital’s organization upon the international union praxis. Besides being a globally operating company, Fresenius Medical Care is also a business segment of Fresenius SE, a health care group company, whose scalar reach stretches across many continents, operating from dialysis products, to the renal care services. This chapter refers to different aspects of Fresenius and FMC operations in order to frame the importance of the international union campaign. It is argued that irrespective of the outrageous power of capital over scales, and its ability to deploy varying strategies upon different scales, workers and unions can also “go global” to counter the power of globally mobile capital.

Chapter Three: Jumping Scales and Forming a New Collective Actor

The objective in this chapter is to discuss the significance of feminist support and solidarity in the Novamed strike. Again I am primarily concerned with the importance of the politics of scale. The concept of ‘jumping scales’ introduced by Smith - an important contribution to the studies of scalar agency strategies - is of particular utility here. In essence, this concept refers to situations in which political-economic actors constituted at a certain scale establish contact with other actors at other scales in order to: (a) re-define

the discourse of struggle; (b) find new allies and invite other actors into the arena of struggle giving them the upper hand and extending their spatial reach of influence; (c) legitimise certain political claims; and/or (d) to form and mobilise a new collective actor (Smith 1992, 57-79). The feminist involvement in, and the re-activation of the international solidarity campaign here is studied through the concept of “jumping scales”.

Chapter Four: The Local Scale and the Importance of Local Tactics

This chapter argues that the international and national tactics in the Novamed example only became possible after the deployment of creative tactics in the locale of struggle between the Novamed management and workers. To frame the importance of the local tactics in the Novamed dispute, I will briefly touch upon how and why broader global forces are thought to render the unions’ organization ineffective at the local scale with the traditional methods of unionism. Utilizing the insights developed by labour geographers, I will discuss the various creative local tactics deployed by workers and unions.

Chapter Five: Changing Scales of Regulation: Post-1980 Turkey

This chapter has three main objectives. First, it aims to demonstrate that in the post-1980 period in Turkey, an up-scaling of economic authoritative functions and powers of the state to a global scale has functioned “as a means of organizing recession in order to establish a new subordination of labour to capitalist command” (Burnham 2000, 18). Second, it aims to explain that this new subordination is managed through the re-regulation of collective and contractual labour law. Here, the emergence of “up-scaling to a global scale is associated with the down-scaling of labour regulation in both senses of the word: downscaling is occurring in that material levels of protection are being eroded

and is manifest in the aggressive localization of labour” (Peck 1996, 256). This lay the groundwork for the last objective, which is to analyse the trajectory of the Novamed dispute, and show how the simultaneous up-ward and down-ward scalar movement of the Turkish state has opened up space for the Novamed management to abuse the poor conditions of unions and workers.

Chapter Six: Conclusions

In this final chapter, I tie together some methodological post-reflections, theoretical implications and empirical findings.

The Novamed Strike: The Background of the Dispute:

In the context of this ongoing debate over the impact of capital’s re-organization upon trade union praxis, this thesis examines the scales of the Novamed struggle. The dispute in the Free-zone followed FMC/Novamed’s denial of workers their right of unionization at the workplace. The Novamed Plant is a factory that produces dialysis and related equipment, and the brand FMC, which controls most of the world market in dialysis products, has production facilities in 11 different European countries. In all other factories located across many different countries, FMC accepts the right to unionize and is careful to comply with international standards in the conduct of its factory production. This is in marked contrast to working conditions in the Novamed factory in Antalya Free Zone, like many other “free trade zone” factories. Women workers make up the majority of those employed by the plant. Wages are low, irregular and working conditions are akin to a modern-day sweatshop. Women workers assemble along a production line at which the speed of labour productivity in each second implies high-profit returns for the company. Consequently, Novamed is scrupulous in the application of time discipline

such that workers are permitted only 20 minutes break and 45 minutes lunch break, in an entire working day.¹ They are forbidden to communicate with each other on the assembly line, and there are strict restrictions upon the use of washroom facilities. The frequency of washroom use by each worker is recorded, and those who absent least are awarded with an extra 15 Euro in their monthly wage. Moreover, the Novamed management has attempted to infringe upon the reproductive rights of women workers. On the basis of a strict schedule, the Novamed Company has allotted two months term for a female pregnancy. If women fail to abide by this schedule, they are forced to await a future opportunity.

When the Petrol-Is union took a decision to organize workers at the Novamed plant, the Company management employed a systematic anti-union strategy. Initially, the company threatened to relocate the production plant to Egypt if the union persisted in demanding the right to organize the workers. When this strategy failed, management increased its pressure on the unionized workers, terminating the three most actively involved in the unionization effort.² In the meantime, some workers who could not withstand the pressure had to resign not only from the union, but also from the workplace itself. This practice was aimed at, and proved to be largely successful in, demoralizing workers, breaking their spirit of resistance, and forcing them ultimately to yield in their organization drive. The drastic decline in the membership rolls sparked the union's concerns. Under these conditions the union did not want to announce a strike, but the

¹ These are workers' allegations collected from the Petrol-Is Publication 2008. I did not have a chance to interview with the employers, thus I rely on the workers' interviews.

² There are different allegations with respect to the number of workers whose labour contracts were terminated. This data is not reliable as the court overruled a worker's allegation who had claimed the reason for termination was the unionization effort. This aspect of the dispute will be detailed in the sixth chapter.

Novamed Company and non-unionized workers forcefully impelled the union and unionized workers by voting “Yes” in the strike ballot. Thanks to multi-scalar tactics deployed both during the organization drive and in the course of the struggle, the union and women workers ultimately managed to negotiate a collective bargaining agreement, however.

My thesis aims to demonstrate that organized labour can still effectively engage in multi-scalar geographical strategies, using tactics available to counter a very strong MNC. Both during the organization drive, and in the course of the strike in the Free-Zone, the local branch of the union organizing the workers in the Novamed factory, Petrol-Is³, and the workers tried to develop a geographical solution. First, Petrol-Is and workers had to deploy local strategies to convince workers to unionize and to counter the powerful effects of the anti-unionization policies set into force by the 1980 coup in Turkey, which continue to exert an intimidating effect upon workers. Yet, organizing the women workers who had no pre-existing union experience, as well as engaging in unionization efforts in the FZ, proved to be a particularly difficult gambit on the part of the organizing union. The strict working conditions within the factory, and Novamed’s successful attempt to pit workers against each other intensified the organizing turbulence. All of these local aspects of the struggle required the union to engage in various local strategies. At this local scale, once such strategy involved home visits in order to procure the active support of the families of women workers. This significantly contributed to the sense of solidarity among women workers. In fact, it has been contemplated as a new organizing model in Turkey.

³ The workers were organized by Petrol-Is Mersin branch. Mersin is a Turkish city bordering Antalya.

The example of the Novamed strike also attests to the fact that “local particularism” (Harvey and Williams, 1995) cannot be efficacious against a multinational such as Fresenius unless a well-articulated solidarity campaign with the support of unions operating at other scales exists as a bulwark. Therefore, on a wider scale, following a very good PR campaign, the workers sought the support of unions among the German Chemical, Mining and Energy Industrial Union (IG BCE), the European Mine, Chemical and Energy Workers’ Federation (EMCEF) and the International Federation of Chemical, Energy, Mine and General Workers’ Union (ICEM). This support was timely, arriving both during the organization drive and in the course of strike. It involved information sharing, logistical support, and increasing the global publicity of the Novamed dispute.

This practice of international solidarity - despite being very effective in providing logistical support to the local union, and exerting high pressure upon Novamed/FMC – however would not have been successful without the support of feminist organizations operating at the national scale. The support provided by feminist organisations in Turkey was crucial to curbing the confrontational attitude of the Novamed Company. Through the involvement of feminist organisations, and formation of the Women's Platform for Solidarity with the Novamed Workers first in Istanbul, then spreading to other cities, the strike was re-framed as “women’s resistance”. Within this new frame, the feminized aspect of oppression became a central facet of the agenda (i.e the control over the bodies of women through the schedule of pregnancy periods). At this stage, female branches of various international unions provided their support through visits to Antalya. Both the global/national media campaign and international union support visibly increased after the engagement of feminist organizations. The re-framing of this struggle ultimately

facilitated different actors – namely, the local union, workers, feminist organizations, and other unions operating at a European regional scale - to counter Novamed's power collectively. This practice of engaging in politics of scale significantly contributed to the conclusion of the strike and the initiation of collective bargaining rights for the workers.

Why the Novamed Dispute?

Firstly, the Novamed dispute provides an excellent opportunity to discuss the **complementarity** of local, national and global strategies. FMC is not only a multinational company, but also a business segment of Fresenius whose operations stretch from the US to the East Asia and include both production and service. With respect to workplace and labour relations, Fresenius employs a variety of cooperative and competitive strategies, which vary from periphery to core, with great mobility in the space of flows. This, however, made it vulnerable to the politics of scale developed by the workers and unions in the Novamed dispute. In this vein, this thesis partially aims at contributing to a growing body of literature on the scales of labour strategies.

Second, in discussing the nation-wide support of feminist organizations, I hope to demonstrate the importance of re-framing of the struggle as women's resistance, as well as linking non-labour feminist groups to the labour struggle. It is important to highlight here the fact that the politics of scale "is also a politics of difference in that no single relation of domination/resistance, such as class, is seen to subsume others" (Jenson, Mahon and Bienefeld 1993, 10). The feminist re-framing the struggle was based upon a gendered reading of workplace control exemplified by the pregnancy schedule and more generally within the overall the patriarchal tendency within capitalism. As Armstrong and Armstrong have argued, in the Marxist class analysis, "biological differences were rarely

discussed; classes are sexless...resistance of women seldom recognized...their reproductive functions - this connotes not only the biological reproductive capability of women beyond capitalism itself but also the household domestic labour of women in reproducing the patriarchal capitalism- are not even a question of debate” (Armstrong P. and Armstrong H. 1983, 15-20). Indeed, the sex specific means of control at the workplace were largely overlooked by unions during the organization drive until the Turkish feminist involvement. Nevertheless, the main forces in this thesis remain the working class.

Third, the legal aspects of the Novamed dispute also raise important questions about the overall source of working class power within the nation-state. Aside from providing an excellent avenue to emphasize the vitality of politics of scale in challenging the Fresenius Medical Care, the Novamed example provides a useful aside to question the overall effectiveness of the politics of scale. Using the legal aspect of the Novamed dispute as a starting point, this thesis aims to highlight the general state of the working class and organized labour in Turkey, with a particular reference to labour law. The Novamed example might have been regarded as a very successful attempt in that the company eventually had to accept the unionization rights of the workers. Yet, the stretching aspect of state policy needs also to be examined in order to make visible the broader structural forces affecting labour today.

Sources and Evidence

To discuss the strategies adopted by the Petrol-Is Union and the workers in the Antalya Free Zone, in the course of their struggle against the Novamed Company, I decided to conduct interviews with union representatives rather than relying upon

secondary sources- in part, because the analysis of secondary sources would be insufficient to unravel the importance of the multi-scalar strategy adopted by the unions and feminist organizations. Specifically, my questions sought to unravel the multi-scalar strategies that unions and workers have adopted, as well as the importance of feminist support in the strike period. I conducted two semi-structured interviews with the union representatives, and refer to one interview conducted by Ayca Kurtoglu.⁴ I spent a day in Istanbul at the Petrol-Is office where I posed open-ended questions to Sinan Metin - Petrol-Is organization desk - to reveal the strategies and tactics followed in the organizing process. I also had the chance to talk with Gun Bulut - Petrol-Is international relations desk - and to learn something of the international aspect of the Novamed dispute, and international tactics in union practices in general. In addition I conducted a semi-structured interview with Adil Alaybeyoglu, the head of the Petrol-Is union local branch in Mersin. Ayca Kurtoglu's interview with the union lawyer - Serpil Aksakal in Istanbul is used as a reference point to discuss the legal aspects of the dispute. I also obtained Serpil Aksakal's consent to use the interview in my own research. Another source which has been very useful for the discussion of the Novamed case is a recently published book by the Petrol-Is union. This book brings together most of the news reporting throughout the strike, the correspondence letters between the international union and Petrol-Is union as well as the protest messages sent to Fresenius Medical Care. This helped me both to understand the role that international unions had played in the Novamed Strike, and also to obtain access to media news. In addition, I relied upon interviews with workers,

⁴ Thanks to Ayca Kurtoglu who shared all those documents with me. Ayca Kurtoglu is an independent researcher working on the Novamed dispute with Tore Fougner. Thanks to Tore Fougner (Bilkent University, International Relations Department) for his constant information exchange with me on the relevant aspects of this dispute.

websites of the various international unions, and national unions. In particular, the Petrol-Is book, and internet sources helped me to identify the trajectory of feminist support, and how these organizations managed to successfully reframe the struggle. To discuss the Fresenius and FMC's geographical tactics, I mainly relied upon secondary sources and the annual report of the company. Also many legal documents of the dispute (court decisions/ union documents) were used to supplement my understanding of the trajectory of the dispute. For the structural analysis of the Turkish state, I mainly relied upon the secondary sources which I collected from the various libraries in Turkey.

Chapter One: Theoretical and Methodological Foundations

This thesis should be seen, from the outset, as a history *for* labour and from the view point of labour, written with the aim of illuminating the continuing relevance and presence of labour as an active agent of change in global politics today. First, this chapter will introduce the political economy body of scale literature with a special emphasis on the importance of scale in class struggle. Then, I will proceed to review the recent literature on the class politics of global capitalism, addressing some of its perceived short-falls. In particular its tendency to overstate the power of capital (- of the MNCs and of the global capitalist class formation and its command over geography -) significantly inhibits the progressive theorization of worker's political praxis in a global political economy. This is not to suggest that capital dominant literature is without insights. As we shall see, some of findings can be used to contextualize the Fresenius/FMC's operations across the scales of global political economy, and its impact in relation to our case study. The problem is that the literature focuses on capital's command over geography and obscures the possible responses on the part of union activists in the global political economy.

Section two will examine the recent contributions of 'geography/scales of labour unions', with special attention paid to the literature on working class' scalar politics. This section will also briefly introduce the concepts for analysing the scales of trade union praxis in the Novamed example. In the third section, I argue that although local strategies, jumping scales, and the praxis of international solidarity - in other words, the linking of different scales in a networked manner - have played a significant role in the resultant victory of this episodic union action, "a significant source of labour's national

bargaining and workplace power remains in large rooted (Rutherford and Gertler 2002, 199)” in the scaled politico-economic regulations of Turkish capitalist state. The legal aspect of the dispute merits special consideration here. This should not be taken to indicate that state practices can determine the possible responses of unions anymore than transnational capital. Rather, this focus aims to address the limits/paradoxes of “politics of scale” as these have developed through union actions so that this thesis might uncover other scales and projects which require engagement by organized labour. The puzzle of this thesis can be summarized in the following hypothesis: there is a continuous tension between ‘scales of regulation’ and ‘scales of networks’. As the latter contract and expand through processes of de- and reterritorialisation (e.g. the stretching process), the former emerge as institutionalised territorial compromises that mediate processes of stretching, and the effects of co-operation (Swyngedouw 2004, 39). Thus, in order to theoretically frame the post-1980 transformations in the scales of regulation, this section again turns back to the scale literature, and introduces Eric Swyngedouw’s concept of “glocalization of the capitalist state” (Swyngedouw 1997, 142-145).

Literature on Scale and Class Struggle: Stretching Scales

Theorists have observed that scale is a relational, power-laden and contested construction that actors strategically engage with, and struggle over in order to legitimize or challenge existing power relations (Leitner and Sheppard, 2007). In particular, the political economic orientation of the scale literature implies a materialist approach, which “tends to see scales as material socio-spatial entities” (Moore 2007, 204). Neil Smith describes scales as “the materialization of the contested social forces and platforms for specific kinds of social activity” (Moore 2007, 204). In a similar vein Swyngedouw

defines scale as the “embodiment of the social relations of empowerment and disempowerment and the arena through and in which they operate” (Moore 2007, 204).

Classes, it is argued, have different abilities to command territories and distances of different scales, so that shifts in scales can be a strategy in the class struggle (Gough 2004, 198; Gough 2005; Gough & Eisenschitz 1996; Gough 2003). The continuous reshuffling and reorganisation of spatial scales are integral to social strategies and an arena of struggles for control and empowerment (Swyngedouw 2004). Thus, “Struggling to command a particular spatial-scale in a given socio-spatial conjuncture can be of eminent importance for social classes” (Swyngedouw 2004, 16). In the political economy literature on scale, these scalar shifts have sometimes been seen as constructed unilaterally by capital, obscuring the active role of labour/unions.

Some proponents of the scale literature see the scale as an arena of varying strategies for capital. For instance, Neil Smith has suggested that “ scaling...founded in the contradictory dialectics of cooperation and competition...leads to formation of potentially varied scales of territorial cooperation of capitals, though in tension with their competition” (Smith 1993, 99-101). Other scholars have tended not to adopt a “capital-capital” approach for explaining the varying scalar tactics of capital, but to emphasize the importance of capital’s strategies in relation to labour. Thus Gough argues that “capital, as a part of neo-liberal project, actively organizes the relation between the local and higher spatial scales in order to discipline and fragment labour and sharpen competition between workers as a counterpart to capital’s greater spatial mobility” (Gough 2004, 190). However, there is also a possibility for capital to generate cooperative strategies with workers according to the spatio scales they operate within: “cooperative industrial

relations..constructing both inter-firm and firm-labour relations on a more cooperative basis” continue to provide a strategic capability for capital to cooperate with workers (Gough 2003, 191; cf. Peck 1996, 245).

In the scale literature, the reach of capital over global, local, and national scales, and its ability to deploy varying tactics is neither an end point with respect to politics nor the triumph of capital over the power-laden scales. As a set of “interacting and nested scales (the 'gestalt of scale')” (Soja 1989)⁵, those geographical configurations are produced as temporary stand-offs in a perpetual transformative, and, on occasion, transgressive, socio-spatial power struggle (Swyngedouw 2004). Scale theorists have correctly argued that scaling/rescaling refers to a continuous politics. These struggles change the importance and role of certain geographical scales; re-assert the importance of others, sometimes creating entirely new significant scales. Most importantly, these scale re-definitions alter and express changes in the geometry of social power by strengthening power and control of some while disempowering others (Swyngedouw 2003). This is what Jonas refers to as the “stretching process” whereby the dominant class - capitalists and their organizations - attempt to control the dominated working class by either confining the workers and their organizations to a manageable scale or cooperating with them on different scales. Nevertheless, subordinated groups attempt to liberate themselves from these imposed scale constraints by harnessing power and instrumentalities at other scales (Jonas 1994, 258).

⁵ Jenson, Mahon and Bienfeld argued that Soja’s notion of “a mutable hierarchy of nested locales-from the home and workplace through the city, region and nation...helps to open up new strategic horizons by rendering visible the multiplicity of action that simultaneously to be considered.” *Production, Space and Identity*, p. 14.

In essence, every scale is congruent and thus has to be linked-up in order to 'stretch' the geographical reach of influence. The involvement of non-labour groups in the ensuing struggle - which is closely connected with scalar politics - might also contribute to the success of union activism. In this vein, some scholars have shown how social movements can overcome the power of capital through scale-jumping: turning local into regional, national, and global movements to expand their power. In this context, the concept of 'jumping scales' introduced by Smith represents an important contribution to the studies of scalar agency strategies. In essence, this refers to situations in which political-economic actors constituted at a certain scale establish contact with other (labour and non-labour actors) from other scales.

The next section will review critical political economy accounts that claim to write for labour. It is especially of interest to show that they treat scalar shifts in global political economy as if they are unilaterally constructed by capital. Their accounts are not explicitly constructed around a binary opposition between capital and labour in their ability to use scales as a strategy. Nevertheless, capital is regarded as mobile, and capable of shaping workers' scalar responses from the outset.

Critical Political Economy Accounts

The rise of critical international political economy (IPE) as an important discipline in the last twenty years or so has challenged the dominant paradigms of both International Relations and Comparative Politics. Adopting the apparent division between labour and capital, economy and politics, state and civil society, global and nation-state, the conventional IPE accounts were devoted to an analysis of an external interaction among these categories and attempted to explain their outcomes. In contrast, critical IPE

seeks to comprehend the underlying logic of those politico-economic structures. Pace Marx, they ask: 'why has this content assumed this particular form in the global political economy today'?⁶ (Holloway 1995, 185; Drainville 1994, 105-108) In this way, critical IPE has drawn attention back to the underlying logic of those forms, namely, capital-labour relations, the social relations of production, and the class struggle, which, at the most abstract level, have been active and ongoing processes since the inception of capitalist mode of production, albeit constantly refracted and modified by the effects of various historically specific scales, struggles, and relations (Bonefeld 1995, 182; Jessop 2001, xvi-ii).⁷ Despite the success of their initial methodological challenge, however, critical IPE scholars have tended to leave their "critique" behind; in other words, they have abandoned their aim to contribute to altering world historical conditions through "bringing labour back in" and placing greater emphasis upon the relevant presence of labour in the post-1980 organization of capitalism (Colas 2000, 195-99; Coates 2007, 9-12; Dunn 2004, 9).⁸ This shortcoming is related to an over-emphasis upon the power of capital in its theorization (Colas 2000; Coates 2007). Although many theorists have attempted to incorporate historical materialism into their theorization of the global, pointing to the changing characteristics of the world politico-economic structure, this

⁶ In other words, as Robert Cox puts it: "'stand apart from the prevailing order of the world and ask how that order came about". *Social forces, States and World Orders: Beyond International Relations Theory. Millennium: Journal of International Studies* 10(2) (summer): 126-55.

⁷ Bonefeld, Gunn, Holloway and Psychopedis published three volumes called "Emacipating Marx" in 1992, and 1995. Here they extensively engage in how the social relations of production are the bedrock of many forms that now appear as fetishized and real. They also converse with the regulation theory and critically engage with their findings. Bob Jessop- the leading figure of regulation school-, however, disagreed with their findings. These include tendencies within Open Marxism to obscure how class struggle is mediated through specific material social practices; to prioritise the dominant reproduction of capitalism over resistance; to refuse to distinguish between different forms of state whilst also frequently indulging in state-centric analysis; and to succumb to an overly theoretical and abstract style of discussion.

⁸ Coates argues that particular generation of the academic left failed adequately to protect a critical space due to their "class-blindness." Of course it does not mean that the entire leftist circles abandoned its engagement with labour. Coates especially singled out the works of Leo Panitch and Colin Leys (2000).

analysis has focused overwhelmingly upon changes by, and the adaptations of, capital (Dunn 2004, 9-12)⁹. Not enough attention has been devoted to the relevance and agency of labour in these shifting circumstances.

A-Capitalist Class Empowerment: a Cause

It is possible to identify a critical Marxist perspective which privileges class as an *agent* of globalisation and tends to emphasize the hegemonic rule of international and transnational ruling classes in the process of globalization. Thus, authors associated with the so-called “Neo-Gramscian” school of IR, (Gill 1990; Cox 1987; Overbeek 1996; Rupert 1995; Van der Pijl 1998), as well as those concerned with the theorisation of post-imperialism (Laclau and Mouffe 1985; cf. Colas 2000)¹⁰ emphasize ruling class agency and ultimately wind up downplaying the presence of labour in the theorization of global capitalism. In neo-Gramscian accounts, the moment of class agency - or the process of class formation - in globalization is understood as a political process in which capitalists transcend the logic of market competition and reach a temporary unity of strategic orientation and purpose, enabling them to articulate (vis-a`-vis other social classes or groups, as well as in relation to the state) a ‘general capitalist interest’ (Apeldoorn 2004, 194). For example, Kees Van der Pijl centres his analysis of neoliberalism on the political interest of transnationalized money capital, which he variously identifies with reference to investment strategies, position in the accumulation process, business structures (e.g. ‘the Dresdner Bank group’), relationship with wage labour and political affiliations (e.g.

⁹ Bill Dunn criticizes some of the Marxist accounts which tend to agree with “the mainstream accounts of globalization that a rather strong determinism resurfaces with labour’s situation all too readily read off as the inevitable result of structural change and the triumph of liberal capitalism, and even the end of class” However, he also singles out “neo-Gramscian” perspectives as a likely emancipatory theory.

¹⁰ As such, in the discussion of post-imperialism, the categories of capital and labour are taken to be redundant, and irrelevant in today’s global political economy.

'ruling coalitions' and political parties as stand-ins for factions) (Drainville 1994, 109). Thus "the relevance of labour in capital's re-organization" (Gough 2005) is relegated to a secondary tier as far as the capitalist organization and reproduction must succumb to an analysis of competition between different factions of capital among themselves on a global scale. Capital's survival in these accounts comes to imply a self-producing logic, which depends upon the potency of capital's class alliances – in both the material and ideological realm - which can be fashioned in the absence of any struggle with labour whatsoever.

B-Working Class Disempowerment: An Effect

In contrast, those interpretations that focus upon class as an *object* of globalisation are inclined to analyze the impact of this process upon exploited classes (ibid). From classical accounts of the 'new international division of labour (NIDL)' (Massey 1984; Froebel et al 1987) to more recent considerations of globalization and 'post-fordist/flexible production' (Jessop, Castells, Peck, Lipietz) the emphasis within these various perspectives has been upon the diversification of capitalist relations of production and the concomitant fragmentation of working class politics rising out of capitalist globalization. According to NIDL accounts, productive capital was relocated from the core of the capitalist world economy to its periphery, thereby generating export-oriented capitalist development in several economies and fostering structural unemployment in the heartlands of a system (Dunn 2004, 45; Salais and Storer 1992; Castells 1987, 5; Lipietz 1986, 27-9).¹¹ By attributing to capital the power and agency to fragment and exploit

¹¹ Salais and Storer in their article argue how the differentiated capacities of product markets are fragmented the world into four regions of production. Lipietz similarly argued that the peripheral production is not competitive; hence accommodate the labour intensive production processed, whereas core specializes in production of technological production. Lipietz framework here makes reference to the

labour, those mainstream neo-Marxist traditions tend to conceive capitalism as a basically self-producing economic system, moving along “with the determinate technological innovations (Gough 2003, 189)” thereby generating an ultimate self-power to exploit and fragment the world-wide reserve army of cheap labour. Or capitalism is seen as constantly engaging in spatial relocation of the production units towards the world’s economic peripheries, whilst keeping the R&D units in the heartlands of advanced capitalism (Castells and Henderson 1987, 5-7; Malecki 1986, 70-2).

In other discussions, if labour features at all, it appears only as a victim of the latest phase of capitalist domination. Such accounts refer explicitly to industrial relocation theory and the NIDL. Referring to the relative immobility of workers and labour unions vis-à-vis capital, for example, in *Workplace*, Jamie Peck argues that as capital has gone global it has been able to play workers in different localities off against each other (Peck 1996, 231-66). The locational immobility of workers then implies a new and disadvantageous bargaining situation for unions, and is expected to spawn a more vicious competition between workers/unions of different global locales to attract capital investment. The dramatic growth in FDI led those researchers “to focus unprecedented attention on the power of TNCs to restructure the regional production geographies of the advanced capitalist geographies, to shift the production to underdeveloped countries” and in the process to fragment the working class (Herod 1995, 344; Cumbers & Attentont 2000, 1531-35).

The conclusion reached by regulationist accounts also encompasses the horizontal and vertical fragmentation of capital and labour (Leborgne & Liepetz 1992, 338-383.)

broader context of fordism and Post-fordism. Castell’s framework is different, and takes “the techno-economic processes” as a starting point to understand the restructuring of global markets, and thus capital-labour relations.

The regulation school has argued that in accordance with the different modes of accumulation in each country, the differentiation in the labour processes has created a horizontal and vertical division of labour. By this, they understood that “capital employs rigid and Taylorist practices in the peripheries” and thus no longer needs to pay for the reproduction of labour in the peripheries” (Leborgne & Liepetz 1992). Nevertheless, within most of the workplaces in the core, the operations of capital are characterized by “the workers negotiated involvement” in most processes of cooperative production (Gough 2003, 90).

Taking views of flexible accumulation, as another example, Castells directly links the decline of labour power with capitalist restructuring involving decentralization of the large firm. Between firms, territorially embedded forms of cooperation and coordination are significant, among other factors, to the effective division of labour and to the sharing of risks and the reduction of uncertainty so as to facilitate the productivity-raising strategies (Cox 1997, 113-121). As such, relations of trust between agents are the primary concern if workers are to commit themselves to the project (Cox 1997, 120).

The initial methodological starting point of Castells and similar accounts leaves us with two viable options for articulating appropriate union responses. Either we can accept that the contrasting emergence of networks of small-medium size firms has caused the blurring of the distinction of the opposition between manager and worker, or that “such kind of productivist strategy will elicit cooperative relations between capital and labour in the territory” (Gough 2005, 4). The birth of “social dialogue” practice as well as the acceptance of a Works Council Directive which adheres to the principle of workplace peace within European industrial relations then seems to be a timely response to

this inevitable rapprochement between capital and labour. Beyond this social dialogue option, especially for the unions operating without a social dialogue option in the peripheries, this view tends to suggest that unions should come to terms with another worst-case scenario, namely, the fragmentation of subordinate classes and the rise of flexible work practices (i.e. ‘work on call’, home-based work). The precarious condition of the working classes “has marked an historical turning point for organized labour” (Sadler 2000, 135) and as such denied that unions possessed any opportunity to develop a capacity to defend workers’ rights any longer.

“Critique” of Critical Political Economy

In their abstract theorizations, critical PE accounts tend to relegate labour to a position of secondary importance. The exhaustive effort to discern how the shifting sands of capital may secure the appropriate scalar fixes tends to risk overestimating the stable/structured forms of capitalism at the expense of capital as an always contradictory form (Holloway 1995; Bonefeld 1995, 183). What follows from attribution of a self-producing power along with a self-structuring capability on the part of capital (and the capitalist class) as such is the assumption that the hierarchy of spatial-scales of global capitalism can be understood by tracing the movement of (productive and financial) capital, and/or detecting the scales of capitalist class alliance. Therefore, the attempt to read labour’s political strategies through the lenses of an alleged passage from Fordism to Post-fordism, from industrial capitalism to financial capitalism, and from the national scale to the global scale, tends to contain three interrelated methodological shortfalls. First, these accounts assume capital as a thing in itself and attribute the power of

managing its contradiction to its ultimate agency (Bonefeld 1995)¹². Second, they locate the current spatial-scalar shifts and organizations in capital's global movement, and equalize the prevailing/resultant spatial scale of capital, namely, global, as the political praxis of capital.¹³ Third, they assimilate what has been left behind in capitalist class relations, namely, labour and labour unions, to a territorialized political sphere, and depict them as either totally victims of the (global) economic structure, or as passive respondents vis-a-vis an already structured, formalized and fortified global economic sphere.

Such genres of theorisation, based upon an implicit view of capital as the principle agent in the structuration of global capitalism have four important implications for any attempt to comprehend organized labour and its activities in an apparently globalising world. First, as long as the central focus of the most critical political economy accounts has been on “the interaction between the international arena of the nation-states and global capital with exclusion of unions/labours as active players” (Herod 2007, 27), the fragmentation of the working class along with the respective nation-state or regional scale in the global economy appears disempowering for the political praxis of international union action. This suggests that we should “dismiss the workers along with their nation states rather than rightly imagining them to be included ‘behind the border players’ considered in theorisations to extend two level games between firms and

¹² Werner Bonefeld argues that capital is only capital in relation to labour. It does not exist on its foot, but only through and with labour.

¹³ Herod states that: “The global which is taken implicitly to be the scale of capitalist organization- is embodied as the supernal scale of social existence to which other scales of social organization are subordinate, and trade unions are represented only capable of playing at sub-global scale” (p. 28)

states¹⁴” (Dunn 2004, 20). Secondly, the national scale has clearly been privileged as a scale of activity for unions and the ways in which unions and their members are “conceived of as political and economic actors is through the lenses of the nation-state” (Herod 2007, 28). Thus, there is little recognition that unions might be motivated by interests in the international realm separate and/or different from those with that of the government which controls a nation-state’s organs of political power (Herod 2007, 28).

Thirdly, in much of this literature it is accepted as given that the global is the scale of capitalist organization, and inherently more powerful than the local and national. Unions are portrayed as being subject to the discipline of global forces but not viewed capable themselves of acting globally (Herod 2007). In other words, up-scaling the struggle and solidarity seems as an impossible option, “while the two other scales of struggle - the local and the national - are often thought of as increasingly irrelevant or ineffectual in a globalizing world” (Castree 2000). National unions might however “bypass the restrictions imposed by the nation-state and engage in different organizing strategies” (Herod 2007, 28) in the locality/nationality of their struggle. Fourth, in an approach which views the world as already constructed in accordance with the organizing power of global capital, unions/workers are viewed as constituted ontologically within the confines of these various spatial units (within nation-states and locales), rather than “being constituted along a continuum of spatial scales (from local to global)” (Herod 2007, 27).

¹⁴ Here, I do not wish to affirm the fictitious idea that there is an external relation between states and firms. Nevertheless, it is important to include labour in the, fictitious or not, theorization of inter-play between states and firms, for most actors both in practice and theory perceive those as two independent entities.

Re-Imagining the spaces and scales of labour union praxis within a global political economy

The challenge posed by the scale theorists has rightly offered us a chance to re-imagine the working class as an active agent in a global political economy. Yet, the scale literature presents another corrective in imagining the possible spatial scales of labour union praxis within a global political economy. As has already been noted in the first section, “recent depictions of globalization both downgrade the actual and potential agency of workers and instantiate an asymmetrical dualism between space and the global, which are taken to be the domain of hypermobile, footloose capital, and place and the local, which are taken to be vulnerable to capital flight and whipsawing” (Castree 2000, 275). In contrast, scale theorists focus upon the possibility of international solidarity practices and maintain that the global scale is not the property of capital alone: effective solidarity campaigns on the part of workers might also use the global scale as well.

In light of the possibilities - rather than simply constraints - that globalization offers working communities worldwide, “some labour geographers (and fellow travelers in sociology and economics) have begun to look closely at recent attempts by organized labour to scale-up industrial struggle from the local and national to the international” (Castree 2000, 275). These accounts tend to pose a challenge to the ‘global vacuum image’ in which capital is considered to re-produce itself without any interaction/struggle with labour. It is argued that transnational corporations and even financial capital are not as truly mobile as they are often assumed to be so long as we consider that they must operate ‘glocally’ (Herod 2000, 1788; Swyngedouw 1997, 141-2). Regardless of whether it is finance or productive, capital is place-bound (Swyngedouw; 1997 23) and must

ground its operation in specific cultural, political milieus. The considerable investments on the part of corporations in specific locales (plant, equipment, supplier networks) create a locational inertia which can afford local workers a degree of leverage with which to remedy their immobility by perhaps following “linked-up local struggles” (Munck 2002, 172).

David Harvey has argued that the working class can pose a challenge to the threat of local exclusion through solidarity, inter-place bonding and collective resistance. In fact, “empowering strategies in the face of the global control of money flows and competitive whirlwinds of ‘glocal’ corporations and financial capital demand a decidedly co-ordinated action, cross-spatial alliances and effective solidarity” (Harvey, 2003). Wills argues that while “competition and xenophobia are one response to the internationalism of capital . . . international solidarity is the other side of the coin” (Wills 1998, 118). In other words, its regressive effects aside, globalization also represents a challenge to, and opportunity for, workers and their unions - heretofore organized locally and nationally for the most part - to forge new transnational connections in order to match the globalized power of capital.

Rather than categorically denying the possibility of a unified international labour praxis on the basis of the persistent discrepancy between Northern and Southern economic development, which unavoidably results in an opportunity for “the workers/unions of the North to scapegoat those in the South for their own perceived slipping in the global pecking order” (Munck 2002, 167), some theorists have deployed a more conciliatory approach, seeking out the prospective modalities of international solidarity. For example, Johns distinguishes between an ‘accommodative solidarity’

where workers in economically developed countries seek to prevent capital flight to other locations where wages are lower, and a 'transformative solidarity' in which workers unite across space to jointly challenge the power of capital and seek to transform the prevailing relations of production and consumption (Johns 1998). Noel Castree also instantiates a new concept: "grass-roots internationalism". Whereas many of the new experiments in transnational labour organizing might be orchestrated centrally through a top down modality (such as forcing combined union agendas irrespective of particular localities and their problems), Castree has argued that "it is also possible to innovate an "up-scaling" strategy, from the local to the international, that was relatively spontaneous and self-organized-namely, grass-roots based" (Castree 2000, 272-73).

Both of these views offer us the possibility of reimagining place-bonding and collective action, even though the discrepancy between the interests of spatially fragmented workers/unions might persist. For example, it is important to realize that the "social clause" option - which is often heartily welcomed by many trade unions in the North, and which is arguably regressive in its outright denial of the vast politico-economic disparities across the entire landscape of global capitalism - might also be an effective mode of pressure upon MNCs to follow fair labour standards, especially in their exploitative practices in Southern localities (Munck 2002, 173). Without any imperialistic, top-down modality, the Northern unions can more effectively exert a considerable level of pressure, and compel MNCs to at least uniformly sub-standardize their practices.

Nevertheless, the 'scales of trade unionism' literature does not presuppose that cooperative capital-labour relations will be mechanistically followed in the wake of the

growing connectivity between capital and labour. MNCs, now operating in the global networks of production and consumption, strategically attempt to avoid any single interruption at production places as this can eventually risk undermining its global sales (Castells 1987, 7).¹⁵ It is argued that this new modality of organization will induce capital to seek close cooperation with labour, and, on this basis, capital seeks to minimize uncertainty in its operations. Yet, “the possibility of serious class conflict within such productivist strategies is not entertained seriously” (Gough 2005, 4). As corrective, scale politics offers the possibility that growing connectivity between capital and labour, in all its myriad forms across different spatial-scales, can also make capital vulnerable to exposure from various new forms of campaigning. Global mobility and interconnectedness, Ronaldo Munck has argued, “is also creating a novel and complex terrain for labour internationalism, where local, regional, global scales interact, and where community, consumption and production scales are also present” (Munck 2000, 173). This view of how the growing connectivity between capital-labour is scaled in all its myriad forms “may allow workers to view their situations and practice as simultaneously global and local, a view which changes the dynamics of political struggle and what is thought to be possible” (Herod 2007, 43). Given that in this formulation the global economy is seen as interconnected in such a manner that “it becomes impossible to say where one scale ends, and another begins” (Herod 2007, 33), a dispute at any particular production location (e.g. due to the unionization rights, or union-busting) can be concurrently “connected into and affect global processes”, such as consumer markets. International solidarity practice among different unions might effectively orchestrate a

¹⁵ As Castells argues capital increasingly moves beyond the space of places towards space of flows.

campaign which targets globally scaled consumer markets or the company's reputation in order to settle disputes mostly in favour of workers on local shop floors elsewhere.¹⁶

Labour geographers do not regard global action or international solidarity as the only available scalar practice for labour organizing. Gough notes that “class struggle against capital needs to proceed at every spatial scale because they are congruent with each other...Thus, in strategy, no scale can be left out or regarded as qualitatively less important than others” (Gough 2005, 15). Or, as Noel Castree has argued, “we have not yet reached the stage, even in a globalizing world, where labor's "spatial fixes" must be pre-eminently supranational....international labour organizing is only efficacious when considered in relation to two scales of struggle often thought increasingly irrelevant or ineffectual in a globalizing world: the local and the national” (Castree 2000, 272). Ronaldo Munk also agrees with the importance of local place as it involves peculiarities which an exclusive international solidarity campaign might inadequately address (Munk 2002, 169-71). Hence, international solidarity might be very efficacious in addressing some aspects of the dispute, whereas other peculiarities require local and national engagement instead.

Labour geographers have also devoted considerable effort to theorizing the space of the local in union activity. Wills for example stresses that spatial strategies targeting the local might be a necessary pre-condition for revitalising the union movement insofar as the local peculiarities in a dispute between capital and labour might demand new strategies that do not exist elsewhere (Wills 1996, 375; 1998). Unions therefore must

¹⁶ In this connection, Munk argues that “reputation is a weapon in business competition TNCs are susceptible to social and political pressure, not that they have reinvented as good citizens. With financial objectives being at least moderated by social, environmental and ethical criteria, TNCs have to observe their reputation.”

approach local geographical context seriously, devising spatial strategies for recruitment and organization (Sadler 1999, 136). In this way, “new trade union practices might be formed and then transformed to meet the needs of local workers” (Wills 1996, 369-70). In a similar vein, Tufts has invoked a new concept of “community unionism” which has further emphasized the need to link-up labour struggles to non-labour groups, mostly in local and national scales, in order to achieve more inclusionary and thus efficacious union campaigns (Tufts 1998, 228).

Historical Materialism

So far, I have acknowledged the importance of a growing literature on labour geography which offers an important corrective to the earlier capital dominant research. Further scrutiny of the causes and trajectory of the Novamed case suggests, however, that exhaustive intellectual engagement with, and elaboration on episodes of union activity might conceal the deeper structural problems against which workers across the globe have been compelled to orient themselves. Invoking a structural analysis should not be taken as another attempt to provide more assertive “scalar” prescriptions in relation to those unions that have been forced to delimit their responses, but rather as a positive contribution to clarify the larger forces of capitalist regulation, which tend to have a profound effect on the capital-labour relations. This highlights the necessity of developing alternative and more robust scalar politics.

For this reason, the analysis undertaken in this thesis is situated in a structure/agency problematic in order to clarify the requirement for engagement with different projects to challenge the structure in a rather more efficacious way. In this respect, it is useful to briefly draw upon Marxist accounts of historical materialism. The

premise of materiality in Marxism is the bedrock of its uniqueness, and arguably the most important guide for working class politics (Fracchia and Ryan 1992, 55-7). As Gramsci noted, “materialism has been the strongest among intellectuals more markedly dedicated to practical activity” (Gramsci 1973, 338). This materiality implies making the analyses of the concrete and historically specific forms which the fetishised capitalist content incarnates and finds a coherent structural expression for a certain time period (Holloway 1992, 147-53).

According to Jordan, however, the ‘materiality’ (class analysis and/or mode of production) of the Marxist analysis acquires its distinctiveness in the specific ‘historicity’ of this materiality. Marx’s approach is historical, as he assumes that structures change, but not along a pre-determined path, as history is “not a force on its own right”. Consequently to study history is to study the “process (that) is the link between agency and structure” (Abrams quoted in Dale Clark, 2006). Thus, the application of historical materialism to politics should not only aim to identify the structural constraints disempowering the working class, but also to articulate new strategies and visions that could offer labour the opportunity to wage a more viable struggle against these constraints.

Arguments that seriously dispute the notion that workers possess the potential to transform and challenge the capitalist practices are eroded or limited due to capital’s profound restructuring as well as those which attribute a limitless possibility to the ‘scale of Trade Union’s Praxis’” tend to be deterministic. First, both fail to make the important distinction between the structural power of working class (Wright 2000, 957-1002)¹⁷ and

¹⁷ Working class structural power can be thought of as the power of individuals and organizations to realize working class interests under existing structural circumstances (Wright, 2000) - the

the power arising from the episodic collective actions of the working class (Sayer 2005, 257).¹⁸ Second, they tend to emphasize either conjuncture or stretching. As a consequence, they fail to devote any attention to the possible ways of relating and combining those two in thought.

The search for an effective way of combining structure and agency does not aim at adding up a new twist to the well known structure-agency debate - one that already resembles a 'Gordian Knot' for its far reaching scope which involves often dichotomised discussions of epistemology, ontology, subjectivity- objectivity, explanation- understanding etc. (Bieler & Morton 2001, also see Hobson and Ramesh 2002). This project is motivated by my interest in 'writing for labour' and 'from the view point of labour' in order to 'bring labour back in'. This normative motivation requires that I make the conceptual inter-relation and combination of the two genres of working class power for the following reasons. First, it is important to discard the presentation of working class as a powerless 'object' and hapless victim of the process of neo-liberal globalization in the virtue of its declining 'structural power', as if the structure were always able to over-determine its potentials, and to re-accommodate the working class to a more vigorous 'subject' position - that is, as an agent capable of articulating new visions of possible features. Second, it is a mistake to see the working class on being an equal

scaled/rescaling world in the context of this research project. It should be recognized that working class structural power is a relational concept: it might increase or decrease as a corollary to the structural characteristics of an existing capitalist economy. This implies that the capacity of workers to realize their class interests depends in part on their capacity to counter the power of capitalists, and thus, to counter the capitalist society/state/world structure which is nourishing the power of capitalists

¹⁸ Here the reference is to mobilizational power as Andrew Sayer explains by the following words:

".....spatial vocabulary of power is that of power as arising from the collective actions of groups. This is a positive, lateral form of power which is entirely dependent on their mobilization and evaporates the moment they cease to mobilize, and hence seems fluid and conditional, a medium or product, rather than a capacity centred in particular things and capable of existing unexercised. Michael Mann, Hannah Arendt, and Manuel Castells are taken as the primary representatives of this view.

footing with capital by virtue of its mobilization power. After all, there is clearly no need to ‘write for labour’ and to try to ‘bring it back in’ if it has always been an active agent irrespective of the structural conditions. Thus, I accept Marx as a guide: “Men make their own history, but they do not make it as they please; they do not make it under self-selected circumstances, but under circumstances existing already, given and transmitted from the past” (Marx, the 18th Brumaire).

This thesis is also compelled to address the best theoretical framework to analyse the structure. In order to theoretically frame the post-1980 transformations in the “scales of regulation” in Turkey, this thesis combines relevant findings of regulation theory and scale literature- the former because “the state has still the key role in the mode of regulation” (Jessop 2008, 24); the latter because the post-1980 Turkish state regulation has also undergone serious changes within the context of the scaled/re-scaling political economy.

Changing Scales of Regulation

The ensuing discussion of the changing scales of regulation within the Turkish context has two main objectives. First, it aims to demonstrate that individual capital (i.e FMC) does not automatically generate power enabling it to stretch its command over territories, and suppress labour/workers on those scales. Instead, the favourable conditions are created with the help of the state. In other words, capital’s “right” to control labour power is still constituted at the scale of nation-state (Yucesan G. and Ozdemir M. 2006, 312).

Second, this section attempts to reveal the ‘structural moment’ in social relations, comprising those elements in a given capitalist structure - defined broadly as social

institutions (e.g law, state, collective bargaining structures) and relations (social relations of production) - and that cannot be altered by a set of actors (Jessop 2008, 40-7). Using this discussion as a starting point, the thesis also addresses the limits of politics of scale as reflected in the Novamed Strike. To meet these objectives, the following question should be asked: What kind of re-structured context provided workers/organized labour less room for manoeuvre vis-a-vis capital in post-1980 Turkey? This thesis draws in some findings of both regulation theory and scale literature to understand the changing characteristics of capital-labour relations for the following reasons:

First, regulation theory provides an excellent lens through which to analyse capital-labour relations within a state, insofar as the Marxist approach it adopts does not see the state as a set of independent institutions acting according to their own separate logic, but as a capitalist state which strategically intervenes in favour of capital (Jessop, 1990; Jessop 2008, 28).¹⁹ In this sense, regulation theory rejects the notion of ‘state autonomy’, or Weberian ‘state-centric’ theories, and identifies with what Theda Skocpol calls the ‘society-centered’ theories of Marxism. ‘State-centric’ theories (Weiss 1989, 1999; Evans, 1995) have tended to downplay the role of social relations of production in the formation of the state and instead have sought to identify the conditions in which states can be, and are autonomous and therefore, follow an independent trajectory according to which capitalists and/or the working class could benefit. Insofar as my research project understands that the state/society is predicated upon a class antagonism

¹⁹ Here, “strategically intervenes in favour of capital” is especially preferred. This thesis does not aim to engage a Marxist state debate which has been unfolding since 1970’s. These discussions basically revolve around at first among the state derivative arguments (N. Poulantzas), and instrumental approaches (R. Miliband) to capitalist state and structural approaches (L. Althusser). Then open Marxists and neo-Gramscians are also involved. Here, all those Marxist state debates are not of much use.

between capital and labour, the notion of the state as an independent set of institutions is rejected.

Second, the regulation school provides us with intermediate concepts to facilitate the move between levels of abstraction: between state regulation on the one hand and its impact on capital-labour relations²⁰ (Jessop 1990, 1991, 1993, 1995; Boyer 1986; Jamie Peck 1996, 2001; Lipietz, 1989). The basic inter-mediate concepts of the regulation school and their evolution as corollary to the existing modes of accumulation and state form are as follows:

The Fordist/Keynesian period (1960-1980) involved: (i) a consolidated and a relatively bureaucratic regulation of the wage nexus (e.g. labour-processes, the means of the reproduction of the labour force, the way of life) at the scale of the nation; (ii) extensive state involvement in social reproduction of labour-power, including the goal of full employment (iii) collective bargaining and the promotion of norms of mass consumption. According to regulation theorists, this regime of accumulation and form of state was confronted with a financial crisis on a global scale which set in motion the movement toward the 'post-fordist accumulation regime' and 'Schumpeterian Workfare State', basic characteristics are as follows: (i) the devolution of capital-labour relations from some kind of national collective bargaining to highly localized forms of negotiating wages and working conditions (ii) the subsumption of labour market regulation within competition policy and de-regulation (iii) flexi-wage systems and decreasing job security (Digiovanna 1996; 382-384; Jessop 1992; 46-49, 352-56; Swygenedouw 1997; 153-58).

²⁰ It should be cautioned that regulation theory is a very well established and notoriously complex theory: its theoretical focus encompasses a broad set of issues ranging from capitalist state theories to regulation models and accumulation strategies. Thus, in the context of this research project, I must strategically sideline some assumptions and findings of this theory in favour of those which are more useful in uncovering the structural contexts empowering the capitalists and disempowering the working class.

My thesis will focus on the transformations in the latter period primarily because of the striking repercussions of the post-1980 capital-labour regulations on the Novamed example.

Third, regulation theorists emphasize the necessity of concrete case studies, and have themselves identified various forms of state and regimes of accumulation that might be useful for my concrete analysis, and in relation to the present study of the Novamed example. In particular, Lipietz' concept of peripheral Fordism is of special use (Lipietz, 1987; Leborgne and Lipietz 1992, 396-401). Peripheral Fordism applies to states where all of the above-outlined capital-labour regulations are accompanied by a "Bloody Taylorism" - an authoritative political form, which facilitates the transition by guaranteeing repressive labour processes, suppressing labour organizations and banning various forms of protest (Leborgne and Lipietz 1992, 396-401). Of particular relevance here are the changes in the Turkish Labour Law, and later in the Contractual Law which have been the principle means by which suppression is secured and legitimated.

Turkey and Changing Scales of Regulation

This thesis locates the post-1980 Turkish state regulation within the broader scalar changes of the global political economy and adopts the concept "rescaled/rescaling political economy" which enables me to: (a) contest the assumption that globalization comprises a coherent causal mechanism -- or set of causal mechanisms -- rather than a complex, chaotic, and overdetermined outcome of a multi-scalar, multi-temporal, and multi-centric series of processes operating in specific structural contexts (Jessop 1999); (b) question the intellectual and practical search for *the* primary scale - whether global or national, around which the world economy is currently organized as if this would

somehow be directly analogous to the primacy of the national scale in the thirty years of postwar growth in the circuits of Atlantic Fordism (Jessop 1999) ; (c) note how these problems are being addressed through economic and political projects oriented to different scales -- with little consensus as yet on how these projects and scales might be reconciled (Jessop 1999).

In my research project, such a definition would be helpful for analysing the changing state regulation of Turkey in a scaled/rescaling political economy. These scaling/re-scaling processes find their concrete expression in the hierarchical change of scalar units (global, national, and local) in which capital accumulation is realized (Mahon and Keil, introduction 2008). Such processes might also entail the often contested moves to simultaneous down-scaling (to the local) and up-scaling (to the global) some of the codified forms, regulatory frameworks, and policy-making systems once embedded within a nation-state (Swyngedouw, 1997).

Although it is possible to analyse the post-1980 shifts in Turkish capitalism as an expression of various inter/intra class struggles, and class alliances engaged at different political-economic scales, this thesis brackets any questions as to how these re-scaling movements were propelled by the class struggle in the first instance, and begins the from the re-configured scale of political and economic spheres in the post-1980 Turkish state form. In this thesis, Turkey - a container and expression of the capitalist societal relations at a specific national scale - is taken as a meaningful unit of analysis in/through which the reproduction of the capitalist social relations proceeds along with a continuous re-configuration of the political and economic scales. Pace Eric Swyngedouw, in the post-1980 period, an up-scaling of economic authoritative functions and powers of the Turkish

state to a global scale and a down-scaling of political functions to a local scale (i.e shop-floor) has come to entail a re-configuration of new authoritative scales which largely benefit capital. After the engagement with the IMF and World Bank, and later through the adoption of the EU-related economic reforms before and during the accession negotiations, Turkish economic regulation has been supra-nationalized to a significant extent. In other words, state institutions and norms related to patterns of interventions and wage relations have been deregulated, privatized, and thus globalized (Peck, 1996). At the same time, the protective regulatory frame of workers' rights that had been established has been down-scaled to more arbitrary and local forms of bargaining and negotiating wages. In particular, the anti-union legislation inaugurated by the military government after the 1980 coup, and the subsequent detrimental reforms in the Turkish collective labour law and individual labour law has significantly contributed to the localization of labour, putting its organizations in a defensive position. There is little dispute that the (contested) moves to simultaneous down-scaling and up-scaling was an affront to the framework within which the working class/collective labour had been protected, and the ever-extensive exploitative power of capital had been contained. In other words, these two re-scaling movements can be regarded as part of the strategic attempt to tie the interests of workers to the fortunes of their employers, to embody working class power in the factory rather than the state apparatus, and to reinforce individualism by generating conditions for atomization (Peck 1996).

Hypothesis

This thesis presents the following hypothesis: there is a continuous tension between 'scales of regulation' and 'scales of stretching'. As the latter contract and expand

through processes of de- and re-territorialisation (the stretching process), the former emerge as institutionalised territorial compromises that mediate processes of stretching, and the effects of co-operation (Swyngedouw 2004, 39). Further analysis of the causes and trajectory of the Novamed example suggested that although transnational “global-up and local down strategies” (Herod 2005, 1787) - in other words linking different scales in a networked manner - had played a significant role in the resultant victory of this episodic union action, a significant source of labour’s national bargaining and workplace power remains in large part rooted in the scaled politico-economic regulations of Turkish capitalist state.

Chapter Two: Unions Going Global

This chapter highlights the importance of three inter-related aspects of the international union campaign: international logistical support; the international PR campaign; and the strategic usage of the “social clause” frame to force the FMC to recognize the unionization rights of the Novamed workers. It also touches upon the ongoing debates on the impact of capital’s organization on the union international praxis. Fresenius Medical Care is also a business segment of Fresenius SE-a health care group company- whose scalar reach of influence stretches from the USA to the East Asia and from dialysis products, to the renal care services. This chapter refers to different aspects of Fresenius and FMC operations in order to frame the importance of the international union campaign.

The chapter starts with a discussion of the Fresenius locational strategy. I attempt to show that the underlying accumulation strategy in Fresenius SE operations is to expand into favourable market environments as fast as possible, rather than to search out available cheap labour cost locations for its production sites. The geographical proximity of the production sites to the markets has a strategic priority: rapid launching products to pre-empt one’s rivals forms the basis of competition in the overall industry. Lacking this information, the local union initially fell victim to FMC’s threat to relocate its production site from Antalya, Turkey to Egypt during the organization drive. The international logistical support provided by the European Scale union (EMCEF), and German union (IGBCE), however, informed the local union on these matters.

The second part of this chapter starts with the argument that Fresenius Medical Care’s accumulation strategy entails a move to establish cooperative relations with a

broad range of market actors including governments, health insurers and private health chains at different scales.²¹ Its reputation functions as a key asset to secure further contracts from governments and to maintain its cooperative relations. As such, the exploitative relations it established with the Novamed workers at an invisible local scale risked damaging its reputation. The contrast between FMC's cooperative relations (with capital) and dominative relations (with workers) on different scales suggests the importance of international solidarity campaign.

The last section of this chapter discusses the cooperative relations FMC has developed with workers on a European scale. This is important insofar as the existence of mutually cooperative relations between the workers and FMC at those scales was used strategically by the local and international unions to force the company to apply uniform standards. Although the international/German unions and Turkish unions don't have the same agendas (i.e. social clause/developing cooperative relations between capital and labour), the international support proved crucial to the Novamed workers' campaign.

FRESENIUS SE: Stretching to the Global

The brief discussion of the current scalar organization of the Fresenius SE aims at showing the growing importance of scales in the face of increasing industrial competition. This sketch of the current dynamics of the health care industry and the scalar tactics Fresenius has developed demonstrates that the accumulation of capital is indeed a 'profoundly geographic affair' where spatial reorganisation and the exploitation of different geographic scales stand at the very centre of the competitive process (Harvey, 2000, 57). As a corporate body, Fresenius now has to contemplate carefully where it

²¹ As Neil Smith has suggested that "scaling...founded in the contradictory dialectics of cooperation and competition..This leads to formation of potentially varied scales of territorial cooperation of capitals, though in tension with their competition" (Smith 1993: 99-101).

invests, where it creates jobs, where it pays taxes, where it can take advantage of favourable exchange rates in transactions, or where it closes plants and relocates parts of the value chain (Zeller 2000, 1546).

In tackling Fresenius' emergence as the global leader in renal care and its spatio-scalar organization, this section sets out the empirical arguments within the context of a global scale dialysis industry that has undergone quite a few challenges, including the reductions in public coverage of medical care, the explosion of the R&D costs in an already over-capacitated market,²² and subsequent down-ward pressures on product/service prices (Korine 2000, 51; Fresenius Annual Report 2006). Under such conditions, in 1992, the CEO of the Fresenius, Mr. Krick, predicted a decline in the number of market competitors, and a tendency towards anti-competitive behaviour among small-medium size companies (Korine 2000, 51), while a few oligopolistic firms would tend to fiercely compete in “the space of rivalries as the oligopolistic accumulation requires concentration and centralization of capital as fast as possible before the rivals” (Zeller 2000, 1547). The aim was well-defined from the beginning: “There would, in the near future, be only three or four global players left in the dialysis products and Fresenius should aim to be the number one” (Korine 2000, 51).²³

This dramatic vision was realized for the production side in about five years. Yet Fresenius had set itself another task: to be the number one in all possible dialysis sectors, from renal products through renal care and pharmaceuticals, and to hospital management

²² Also See Renal Research Institute Report. Rodriguez pointed out that “now and in the future, the basic challenge facing dialysis providers is to provide optimal patient care and remain financially viable in an environment of increasing government regulations and limited financial reimbursement.” Available at: <http://www.renalresearch.com/pdf/dialysistimes/DT9-3.pdf>

²³ In 1992, Fresenius was only operating in the dialysis product industry. The passage to dialysis service was realized by the formation of Fresenius Medical Care after a merger with US-based WR Grace.

and construction. To accomplish this, Fresenius decided to utilize its market shares by expanding into the service sector. Fresenius expanded into renal care provision by merging with US-based WR Grace to form Fresenius Medical Care (1996) which provides dialysis products and services (Korine 2000, 47). That was followed up with a second big merger with the German Pharmaceutical Kabi in 1998, adding infusion therapy and clinical nutrition (Fresenius Annual Reports). Finally, Fresenius acquired Helios- one of the top hospital operators in Germany. Along with Fresenius Vamed - which was acquired by Fresenius in the wake of the privatization of the Austrian hospitals- Fresenius Helios was able to provide a complete range of services, from the hospital/plant engineering to the medical and commercial planning/management of hospitals (Fresenius annual Report, 2008).²⁴

Fresenius SE's success in the dialysis industry has been partially built on a careful reading of market dynamics. Fresenius was given two options: either remain nationally-bounded - eventually increasing its vulnerability vis-a-vis global oligopolies in the face of ascending costs pressures on small-medium size companies; or achieve global mobility, offering the possibility of expanding market size enough to obtain scalar cost advantages. Fresenius choose the latter. Although the advantage gained by "going global" no doubt proved to be a key asset in outpacing competition in global sales, it was not a sufficient condition for success (Barlett and Ghoshal 1987, 43-46; Chandler 1962, 14).²⁵ Fresenius recognized that it also had to develop a cost-effective dispersion strategy.

As Gertler argues, the search for expanded profits is best achieved through the

²⁴ Also see the Speech Delivered to Shareholders, Annual General Meeting of Fresenius SE on May 21, 2008.

²⁵ Both of these authors emphasize that the corporate structure associated with growth from a single product to multi-product and service, multi-plant and multinational firm needs to coordinate its activities, and having more spatially dispersed power on different scales is very important in this sense.

pursuit of higher rates of return from branching out into different sectors, and subsequent geographical expansion of each different business segment on different spatio-scales to exploit varying market opportunities (Gertler 1997, 47). This is the strategy Fresenius SE followed. Its central concern was to determine “where its different business segments should ‘touch down’ geographically, why and with what implications for the extraction and realisation of economic surplus” (Gereffi 1994, 43). Each different business segment geographically touched down ground in accordance with its respective areas of health care, and expanded through merger and acquisition strategies. For Fresenius Kabi, the basic markets for infusion therapy and clinical nutrition are regional-scales -Asia-Pacific and Latin America. Yet, it also operates in Central and Western Europe, where the cost-containment health care schemes are leading to a shift away from in-patient care to out-patient treatment. This market offers growth potential as Fresenius Kabi has also specialized in managing, providing and monitoring therapies outside the hospital. Fresenius Vamed and Fresenius Helios are operating at the European scale, where the governments’ cost-containment schemes are oriented towards reducing hospital expenditures, especially in Germany. For FMC the best business environment is to be toward where the privatization of the patient care is occurring (the USA, and Eastern Europe); and where health care spending for renal disease (ESRD) therapies is growing (e.g. certain Newly Industrializing Countries).

This kind of geographical expansion helped Fresenius SE to outpace the competition in the dialysis industry. As Fresenius Annual Report puts it: “...the division-oriented, regional organisational structure forms the basis of our success over the past years since it has enabled us to operate flexibly and in accordance with the demands of

the geographically varied markets...We have built unique competences: Innovation and quality, combined with cost leadership” (Fresenius Report 2006, p. 20 and p.59).

Thus, Fresenius expanded via multi-divisional organization - from production to service and hospital management – and the creation of geographically organized divisions for the pursuit of spatially distinct markets (Gertler 1997, 47). Fresenius’ strategy is thus to operate on the scales where it can maximize its market share and increase global sales (the purchaser might be the governments, private health care insurers, or individual patients suffering from the kidney disease) rather than primarily “to look to underdeveloped countries for overseas investment as part of labour-cost-minimizing strategy” (Herod, 1995).²⁶ Although Fresenius’ reports emphasize the importance of “building a strong position through its ability to manufacture cost-effectively” (Fresenius Annual Report 2006, 63), the focus is more on developing high-tech and other means to increase the speed of manufacturing process rather than relocating the production-units to low cost locations.

Fresenius Medical Care’s main manufacturing sites are located in Germany, the USA and Japan where labour-costs are not relatively cheaper, and other products are manufactured directly in the regions where demand is particularly strong (Fresenius Annual Report, 2005-6-7; 59). Likewise, Fresenius Kabi’ production network spans 55 manufacturing facilities in Europe, North America, Latin America, Asia-Pacific and Africa where the international plants supply the world and regional plants meet the needs

²⁶ This of course does not mean that the capital-labour relations are not implicit in the formation of market-incentives. All of the states’ social policies including the health-care spendings are based on the capital-labour relations at the most abstract level as long as we accept the argument that cut backs from health care coverage are designed in accordance with the neo-liberal project- ‘rolling out’ the welfare state- in order to surmount the accumulation crises in the post-1980 period. What I cast here is that the extraction of absolute surplus value in the labour process is not a primary concern for the Fresenius as much than tracking the market opportunities in its operations.

of their respective countries. Manufacturing sites are located rather on the basis of a decentralized structure designed to meet the exacting logistics of those distinct markets by substantially reducing the transportation costs, and the currency exposure (Fresenius 2006 Report, 59).

Unions Stretching to Global: The Logistical Support of the International and German Union

The dispersed business structure of Fresenius Medical Care hindered Petrol-Is union's negotiation with Novamed, which is a subsidiary of Fresenius Medical Care (business segment of the parent company, Fresenius). As Jenkins argues, "decisions concerning the local subsidiary are made in the light of the TNCs global rationality, but without considerable knowledge of the way in which the local subsidiary fits into the international operations of the parent company, unions find themselves at a considerable disadvantage" (Jenkins 1987, 135). Lacking important information about the basis on which Fresenius SE operates globally initially rendered Petrol-Is subject to FMC's threats to transfer the production elsewhere. The international information sharing with other avenues proved crucial to countering this threat.

The union's initial scale handicap posed a challenge particularly during the period when Petrol-Is was secretly trying to organize the workers. Novamed management discerned the workers' unionization effort, and took all possible actions to force some of the unionized workers to resign from the union. As a classic tactic, Novamed management threatened to relocate the production unit to Egypt where a reserve army of

cheap workers is available.²⁷ The union was aware that MNCs did resort to relocation as soon as a challenge occurs at an existing location. Yet Novamed might have also used this insecurity of workers/unions “as a device of deterrence although relocation is really undesirable for the relevant company” (Jenkins 1987, 135). What made it more difficult to cope with this situation was the union’s inability to verify whether the threat to relocate the production unit was real or simply a tactic to bust the unionization effort. Given that Petrol-Is had to take an immediate decision, it was impossible for it to conduct a survey on the overall industrial organization of the FMC to obtain enough information about its marketing and expansion strategies.

As a consequence, the Novamed’s threat definitely had a deterrent effect on the workers and unions as well-illustrated by the Petrol-Is Mersin branch leader: “We were wondering whether there was a real potential to relocate this production unit to Egypt, or other places. It managed to cause a feeling of distrust, and fear of the unionization effort. This was also important for the union. We did not want to spend too much effort and sources for a work-place which was likely to be relocated soon. Then our reputation as a union would be harmed”²⁸.

At this point, the solidarity engagement with the ICEM and EMCEF, which operate at other spatial scales and thus have far better access to such information, helped Petrol-Is to get the required information. Through this link, Petrol-Is received some of the reports submitted to the US stock exchange market commission, which disclosed FMC’s real plans with respect to production site in Antalya: “FMC activated a new bloodline

²⁷ Interview with Adil Alaybeyoglu, Petrol-Is Mersin Branch. Also the correspondence letters between ICEM and IGBCE reveals the black-mails of the Company. Petrol-Is complained those unions about the Novamed’s attitude towards the workers and organizing effort.

²⁸ Interview with Adil Alaybeyoglu.

production side in Antalya. With its high productivity rates, geographical proximity to the important markets, and the cost advantages we obtained in the initial stage of starting the production plant, the Antalya plant marked a turning point in our further expansion strategy” (Petrol-Is 2008, 261). This report, which was prepared with the help of important documents provided by the international unions,²⁹ concluded that Egypt did not really seem to have a strategic importance in the overall operations of FMC. In the light of this documented evidence, Petrol-Is concluded that FMC was unlikely to relocate. In fact, it was even preparing to increase its investments due to the strategic geopolitical advantage of Antalya/Turkey in its globally operating system (Petrol-Is 2008, 261).

In addition to providing information, the IGBCE also facilitated the communication between the head-quarters of FMC in Germany and Petrol-Is Union in Turkey. The IGBCE had a representative on the Fresenius European Forum (Petrol-Is Publication 2008, 242). This representative, with the help of her position, initiated several meetings with the representatives of FMC head-quarters in Germany, and transmitted the demands and complaints of the Petrol-Is to FMC. She also arranged meetings which brought both sides of the dispute together in Germany.³⁰ At a time when most unions lack resources to conduct even national-scale industrial surveys,³¹ and to develop appropriate strategies, the support provided by the ICEM and IGBCE might be regarded as a way to resource sharing with other scales.

²⁹ Interview with Adil Alaybeyoglu. A copy of the Report is also in the Petrol-Is publication, 2008.

³⁰ Before the strike broke out, the unionization effort is conducted in strict confidence with the support of the ICEM and EMCEF. Petrol-Is asked for information about the Fresenius Company’s industrial organization in Europe which they had no access through internet. Such an information sharing with the ICEM and IGBCE general secretaries had shown that all of the work-places in Europe were retaining their unionization rights in the relevant national branches, and also that the inhumane working conditions similar to the Novamed work place were not present at those others³⁰ (Petrol-Is 2008, p. 244).

³¹ From interview with Serpil Aksakal conducted by Ayca Kurtoglu.

Fresenius' Multi-Scale Strategies: Scales of cooperation versus Scales of Domination

This section attempts to frame another positive contribution of the international solidarity campaign to the Novamed dispute. Logistical support and information sharing with the international unions were supplemented by a well-targeted PR campaign developed in collaboration with unions operating at different spatio-scales after the strike began on 26th of September, 2007. This campaign was very effective in publicizing Novamed's excessive control mechanisms at one local production site at the global public space, and in this way, threatening the company with reputation loss. For FMC, which derives an important amount of its revenues by developing cooperative relations with dialysis provider chains, private health insurers and governments at different spatio-scales of political economy³², the association of its brand-name with good practices is a key asset, particularly in an industry characterized by a fierce competition between few oligopolistic firms. As Munck puts it, "reputation is a weapon in business competition. TNCs are susceptible to social and political pressure, not that they have reinvented as good citizens. With financial objectives being at least moderated by social, environmental and ethical criteria, TNCs have to observe their reputation" (Munck 2002, 178). The discussion below attempts to show the importance of cooperative market relations, of

³² The dialysis industry is highly complex, and composes a large set of intermingled market variables which the companies act upon. There are different dialysis modalities in renal treatment—centre haemodialysis (CHD), limited care haemodialysis (LCHD), home haemodialysis (home HD), continuous ambulatory peritoneal dialysis (CAPD) and automated peritoneal dialysis (APD). There are also different governmental reimbursement/funding plans with respect to each modality (De Vecchi, Dratwa and Wiedemann, 1999, or see Just, de Charro, Tschosik, Noe, S. K. Bhattacharyya, and M. C. Riella, 2008). Yet the special links established with the available dialysis centers and nephrologists intervenes as an important input in determining the market variables (Sullivan, 2006 and Bosch and Bander, 1999). I abstain from engaging in detailed industrial analysis involving all those variables, and the place of Fresenius within. Rather in accordance with the primary concern of this thesis, I focus on some few geographical aspects of the overall industry, and Fresenius within in order to foreground the importance of internationalism in the union action.

whose development largely rest upon reputation.³³

For companies that simultaneously operate in diversified markets provision, it is vital to strike a balance between competitive and cooperative relations. Multinationals frequently encounter a situation whereby their market competitors are likely to also act as the most significant purchasers of their products and services. This tangled web of market relations informs the strategies of Multinationals, compelling them to avoid a fierce competition and instead to seek a more conciliatory approach. As such, cooperation frequently prevails over competition, in which alliances to mutually benefit from respective market positions of each side maintains in the market.

For companies operating in the particular renal care industry like Fresenius, the declining public health care coverage for renal diseases tends to serve as a leading factor in shaping the patterns of competition and cooperation. In the US, for example, the government has continued to cost shift to the private sector through a reluctance to raise the composite rate and by extending the coverage waiting period (Sullivan 2006, 356-361). Most chains now are run by larger provider companies which cover 50% of the patients (Korine, 2000). This changing policy line implies for FMC, as a service provider, that it has to compete with those big chain companies to secure a more favourable position in the overall market. In the US, however, “the company had also focused on building its product market share and establishing co-operative rather than competitive relations with the dialysis provider chains” (Korine 2000, 52). Although FMC has to compete with the service providers, it also has to rely on cooperative relations with them

³³ Here, I do not wish to argue that TNCs watch their reputation only for securing more cooperative relations. The aim is to show that “market actors” are not only rivals, but the involvement of governmental agencies in the form of public-private partnerships also compels the TNCs to attentively observe their relationship with many actors simultaneously.

as the dialysis provider chains are also the most important purchasers of FMC's dialysis products (Korine 2000).

The accumulation strategy behind the second largest acquisition of Fresenius Medical Care, namely Renal Care Group (RCG) - the third largest provider of the dialysis service - is also based on not only the same underlying governmental policy line of privatization but also FMC's willingness to develop cooperative relations with private health insurers in the USA. As a result of cut backs in the Medicare expenditures, providers started relying more on the private managed care sector as the primary source of revenue (Sullivan 2006, 357). RCG has the leading position among private health care insurers, which cover a higher number of patients in the US and offer a higher reimbursement rate than the public health care insurance plan (Fresenius Report 2006, 37). As such this second merger aimed at making the highest returns from average revenue per dialysis treatment by relying on the good position of Renal Care Group with private health insurers (Fresenius Report 2006).

In some countries, however, private companies are not permitted to operate dialysis clinics and the government is the sole owner and payer for health care (the UK, Spain, Germany, Sweden, Italy).³⁴ In these countries, FMC is very much concerned with "pro-actively work together and cooperate with the national health care regulators" as long as maintaining the contracts with governments depends on the further development of good relations. For example, The British National Health Care system more recently decided to engage in public-private partnerships, and has chosen the FMC to provide dialysis treatment for 12 renal units across the North of England.³⁵ Similarly in Germany,

³⁴ For a review of different payment schemes of the dialysis treatment, see Dor, Pauly, Eichleay and Held.

³⁵ http://www.fmc-ag.com/internet/fmc/fmcag/neu/fmcpub.nsf/Content/2008_01_11_in

many patients are largely assigned to hospitals by the public health and pension insurers. “It is therefore especially important (for FMC) to work together with public health care insurers” (Fresenius Annual Report 2006, 86). Thus understood, FMC implemented strategies in different places “depending on its requirements in order to reach competitively scalar fixes vis-a-vis its market rivals” (Mair 1997, 63). Its huge market share is formed through alliances and co-operation with governments, other private care service chains, nephrologists, etc.

Considering the working conditions in the Novamed plant, however, it would be a mistake to argue that FMC only operates in the terrain of cooperative-competitive relations with the actors of global political economy. The defining characteristic of the relationship between the company management and workers/unions at the Novamed work-place are rather excessive control and domination. In this picture, different places/sites emerge as sites for cooperation and domination, but also as the arena where those two find a fragile stand-off (Swyngedouw 1997). Thus, Fresenius needed to perpetually maintain a fine balance between the promise of profits gained from alliances and cooperation on a global scale and the surplus value gained from the struggle against workers/unions on the local scale. As argued, such usage of scales as an accumulation strategy do not mould into an irreversible structure. Rather, scales “become produced as temporary stand-offs in a perpetual transformative socio-spatial power struggle” (Swyngedouw 1997) On the opposite side of the power struggle, the international solidarity campaign sought to break down this temporary stand-off, which Fresenius committed to strategically perpetuate. One objective of the international solidarity campaign was to publicize the poor working conditions on the scales, where Fresenius

derives most of its revenues from the good relations established with market actors.

The International PR Campaign

In the international PR campaign, the role of ICEM proved especially important. The strike drew worldwide interest following concerted action by the ICEM on 8 March 2007, International Women's Day, when hundreds of trade unions and individuals rallied to the defence of workers in Antalya. ICEM promised to put further pressure upon the Fresenius Company, and apply any available sanctions to force the company to cease its current confrontational attitude. One part of ICEM's strategy was to work with friendly German unions, and to increase the public awareness of the strike within Europe.³⁶ This was thought to be very effective in exerting pressure upon the company due to the importance of preserving a good reputation for Fresenius Medical Care as Alfred Warda - the head of ICEM - suggests: "Fresenius Medical Care might have given a different name to its subsidiary with an aim to de-link its brand-name from the inhumane practices on the shop-floor" (Petrol-Is 2008, 48).

A confederation of 400 big trade unions over 125 countries, ICEM was able to inform all the trade unions in its net-work about the Novamed strike. Most solidarity messages sent by the ICEM affiliated unions contributed to the motivation of both unions and workers. In addition to the invaluable effort of ICEM, many different national unions participated in this struggle, especially during the strike. For instance the Russian Petroluem-Gas Labour Union (ROGWU) organized a visit to Antalya, and met with the representatives of Petrol-Is union. The ROGWU delegation promised to contribute the Novamed resistance through organizing union activities and launching media campaigns

³⁶ Warda states that if the company did not stop the confrontational attitude, he will orchestrate a world-wide campaign against Fresenius Medical Care. Petrol. Is publication, 50.

in Russia, unless the company's confrontational attitude would cease (Petrol-Is 2008, 41).³⁷ In its solidarity messages, United Steel Workers stated that "women workers are rightfully seeking dignity on the job, and their full trade union rights to collective bargaining rights" and that they stand firmly with the resistance movement (Petrol-Is 2008, 205). One of the other German unions, IG Metall, saw it as a collective struggle of all insofar as every worker deserves decent work and life conditions (Petrol-Is 2008, 209).

Although those international solidarity messages contributed to the spirit of the Petrol-Is Union and workers at the initial stage of the strike (between March and August), the media interest and international visits gradually declined as the strike dragged on.³⁸ Moreover, the Novamed management was still able to continue production with the non-unionized workers. For the striking Novamed workers, the decline in the media support might have signalled impending loss had the nationally orchestrated feminist support not intervened in favour of the women workers. When the feminist organization managed to bring the gendered means of control at the workplace to public attention in September, the international union support also visibly increased. In this sense, the feminist involvement marked a turning point in the trajectory of the strike by restoring the publicity of the dispute. This section basically deals with the basic features of the international union support, whereas the aspect how the feminist organizations

³⁷ ROGWU delegate stated: "We will harness this struggle into a global working class struggle."

³⁸ Aysen Ustunbinici in her study of the strike presents a detailed analysis in relation to the gradual decline of the support. Her findings suggest that after the feminist involvement the international and national support gained ascendance. This can be also verified from the interviews conveyed with the women workers. They stated that media has lost its interest in publishing and broadcasting about the strike, and it breaks their hopes (Petrol-Is 2008, p. 150). After the interviewee passed the information that feminist organization are planning to launch a support campaign, they revived their hopes.

intervened, and managed to prevent the international support from dwindling will be detailed in the next chapter

From September to the end of December when the Novamed/FMC accepted a collective agreement at the workplace, unions all around the world, from Belgium to Canada, from East Europe to Israel, passed along their solidarity messages, condemning the company, and inviting Novamed/FMC to recognize the union at the workplace. Support coming from other scales was not limited to the affiliated European Trade Union's pressures. The Head of the European Parliament Socialist group faxed a protest message to FMC, and sent a support letter to the Petrol-Is Mersin branch noting the requirement for a European-headquartered Company to comply with the standards defined in the ILO Convention as well as in the European basic Human rights convention (Petrol-Is 2008, 243). He subsequently called on FMC to improve the working conditions in the Novamed factory, and live up to the conventions. At the same time, the biggest information-sharing source for the organized labour, Labourstart, devoted a large space to the Novamed strike, and designed a forum to foster global public awareness of Fresenius; anti-union attitude of the Fresenius/Novamed Company at this previously invisible local scale. Through this web-side, well-known activist James Petras and the head of Ramallah-based Democracy and Workers' Rights Centre, Hasan Barghouti, passed along their solidarity messages to the Novamed workers (Petrol-Is 2008, 148).

The international solidarity campaign suggests that the magnitude of the threat which an effective border-crossing labour solidarity can pose on this geographical landscape of MNCs might have been increasing. The cost-minimizing strategies on the part of global companies move beyond an exhaustive locational search where the

extraction of surplus value from labour is easy to achieve.³⁹ As Fresenius matured into “a global supply network”- from production of pharmaceutical substances and medical devices to the direct patient care - it developed scalar tactics that could flexibly respond to the diversification of demand and the unique circumstances of different national and regional scales (Mair 1997, 64). Such corporate dynamics are difficult to manage however, and that international union campaigns can counter more effectively if they target companies’ strategic concerns at different scales.

In other words, the new era of scaled/rescaling political economy “is creating a novel and complex terrain for labour internationalism, where local, regional, global scales interact, and where community, consumption and production scales are also present” (Munck, 2005, 173). The unions recognized that this growing connectivity between capital and labour, in all its myriad forms across different spatial-scales, also exposes capital to various new forms of campaigning. As Fresenius sought to maintain its good reputation where it markets its various products to purchasers, and engages in cooperative relations, a global action placed a threat on its reputation.⁴⁰ In this process, outreach to various trade unions in Italy, Germany, and many other countries was an invitation to up-scale this locality.

Workplace Relations of Fresenius Medical Care

In addition to governments and health care insurers, other actors with whom Fresenius is engaged with cooperative relations encompass the workers and unions on a

³⁹ See the literature on the geography of investment. Although this component still remains an important locus for realizing capital accumulation, other cost factors such as that might arise from the level of low buyer demands ushered companies to supplement their search for low-labour cost spatio-scales with those providing high marketing potential.

⁴⁰ The following comment of the Fresenius Turkish head vey-well proves this concern: “Our loss is not material, but moral” (Petrol-Is, p. 85).

European Scale. This chapter also covers the discussion of the work-place relations in the European production units operating under Fresenius. As briefly noted in the introduction chapter, some arguments entertain the idea that the union agendas in the European Scale and Turkish scale cannot be conciliated due to “the existing paradox of internationalism” (Anner 2006, 65)⁴¹. The crux of this ‘paradox’ lies in the fact that at a European scale some companies like Fresenius, developed “new and participatory forms of organization of production in which management actively seeks employee identification with the company” (Sadler 2000, 135), whereas they use their joint-ventures or subcontractors for deploying “despotic” and degraded labour standards in the peripheries (Jamie Peck, 251). For those who discard the possibility of international union solidarity, trade unions are as guilty as the MNCs that apply double standards in their operations in different locales. On a European and international scale, the trade unions try to cooperate with capital in their own territories, rather than rightly identifying with the working class in different locales (Beiler, Lindberg and Pillay 2008, 20-21)⁴². In addition, European labour unions are criticized for trying to impose the social dialogue between management and employee representatives (Anner 2006, 65; Soderberg 2006) on Southern unions. The Novamed (Antalya) case confirms some of these theoretical assumptions.

FMC currently has 30 production facilities, 11 of which are located in Europe. In all of these, workers’ unionization rights are recognized and working conditions meet the

⁴¹ Anner uses the term of “Paradox of Labour Internationalism” to explain that international campaigns are more likely to reflect the concerns and the priorities of the more powerful northern unions. Especially the alliances between the Northern or global unions and global finance institutions such as the ICTFU campaign for core labour standards in WTO is regarded as a new mode of imperialism over the southern unions.

⁴² Bieler and Schulten “see an emerging contradiction between trade union support for European Integration and the increasingly neo-liberal character of EU policies designed to modernize the European economy. As element of Social Europe they would like to modernize the European Economy, they would like to see a modern form ..a fundamental revision of regulation in order to give worker representatives a real influence on transnational relocation and company investment strategies.”

requirements of European and international standards.⁴³ At some workplaces, employees find more in common with the factory management, and identify themselves with the business objectives. For instance, "Excellency in quality and profitability" is the motto of the mission statement to which all Fresenius Medical Care employees from production, development and administration are committed at Schweinfurt production site⁴⁴. Their four goals are: "We want to be the best and the most reliable, to work efficiently and to have a common future." In 1999, and in 2005, the employees in this plant won its second award in the international 'The best factory' competition, awarded by the German business magazine "Wirtschaftswoche" and the French management school INSEAD.⁴⁵

The aim of developing an organic link with employees is not only pursued at the workplace level. Fresenius has also been an active signatory of the European Work Council's directives, which are designed "to set up a single European model of employee involvement applicable to the European-headquartered companies" (Council directive, 2001/86/EC)⁴⁶. The European Work Councils are part of the ambitious project of creating a Social Europe which in the long-run might harmonize "the great diversity of rules and practices existing in the Member States as regards the manner in which employees' representatives are involved in decision making within companies"⁴⁷ (Council directive, 2001/86/EC). Fresenius complied with the Work Council Directives in two successive stages.

⁴³ the correspondence letter between Petrol-Is and and international unions reveals this fact that FMC has recognized the unionization rights at other work-places.

⁴⁴ <http://www.fresenius.se/internet/fag/com/faginpub.nsf/Content/Location+Schweinfurt>

⁴⁵ Ibid.

⁴⁶ accessible at http://eur-lex.europa.eu/smartapi/cgi/sga_doc?smartapi!celexapi!prod!CELEXnumdoc&lg=EN&numdoc=32001L0086&model=guichett

⁴⁷ For more information about the varying forms of employee involvement see Christine Windbichler (2005). Cheers and Boos for Employee Involvement: Co-Determination as Corporate Governance Conundrum. *European Business Organization Law Review (EBOR)*, 6 , pp 507-537

At the initial stage, Fresenius AG was a signatory of the European Forum, whose objective is to promote dialogue on social and economic issues between employers and employee representatives on a European level (The installation Agreement, 1996).⁴⁸ Information and mutual consultation were the prerequisites for the dialogue. The European Forum was intended to promote an exchange of information and views on transnational issues on the basis of mutual trust and cooperation between employees and employers of the companies represented in the Fresenius Group. However, “the scope of this agreement (only) covered Fresenius AG and subsidiaries are all those companies, in which Fresenius AG directly or indirectly holds the majority of shareholders’ equity or voting right in the European Union” (The installation agreement, 1996). All subsidiaries or joint-ventures operating outside the Europe were excluded in this agreement.

In the second and most recent stage Fresenius SE made a transition to European Company status in 2007, which require it to recognize the employees as a part of the supervisory board or the administrative board. Definition of employee participation here does not mean participation in day-to-day decisions, which are a matter for the management, but participation in the supervision and strategic development of the company (European Company Status).⁴⁹ As in the preceding European Forum, this latest agreement only includes the joint-ventures and subsidies of Fresenius SE in the EU member states.

Most European scale unions, including those contributed to the international solidarity campaign in the Novamed dispute, warmly welcome the Work Council

⁴⁸ Accessible at http://www.ewcdb.eu/show_agreement.php?agreement_ID=266

⁴⁹ <http://actrav.itcilo.org/actrav-english/telearn/global/ilo/law/eucomp.htm>

Directives (EMCEF)⁵⁰ or global framework agreements which adhere to the principle of “global social dialogue” (IGBCE, ICEM) and as such, tend to ignore the presence of despotic regulations at different places. Nevertheless, the alliance developed between Turkish and European unions in the Novamed strike suggests that difference and contestation in the union agendas might develop into cooperation. Novamed workers that are forced to bear the heavier burdens of the capitalist system have benefitted from the existence of cooperative relations at other scales after they stretch and reach the actors on those scales. The driving motive for German unions, and international unions in taking action, and assisting the local union was partially the lack of ethical compliance on the part of Fresenius Medical Care, a German-headquartered and a European Company⁵¹.

In the letter of correspondence, Petrol-Is and the international unions generally refer to the difference of attitude Fresenius employs when approaching the unionization rights and applying the human rights/ILO standards at different workplaces in the European and the Free Zone. When Petrol-Is complained to the Fresenius Company representative serving in the IGBCE about the anti-union attitude of the FMC, it asked whether “the Fresenius has the same attitude in Germany and Italy; there is a difference between the workers of those countries and Turkey; unionization rights are not part of human rights; the workers in the FTZ should be treated as slaves” (Petrol Is, 230). EMCEF claimed that; “the attitude of the company is undoubtedly at odds with the “social dialogue” principle on the basis of which the regulation between the unions and

⁵⁰ EMCEF’s main aim is to represent the social, economic and cultural interests of the workers in the industries covered by EMCEF in dealings with the European institutions and employers’ and industry associations, and whenever this is required and felt by the members to be part of EMCEF’s remit. EMCEF should support initiatives, which encourage a social dimension in Europe, i.e. social dialogue at sectoral level. This information can be reached at: www.emcef.org/bodies/statutes/Statutes-2008-en.pdf

⁵¹ The ICEM head Warda especially points out the fact that it has been more saddening for him to see a German Company practicing in this way (Petrol Is, p.48)

employers is recognized in the European Chemical Sector.” Similarly, the letter of support sent by the European Socialist Parliament emphasized that the Fresenius experience once more revealed that the EU should take bolder actions to develop global framework agreements in order to move towards standardization in MNC’s operations all around the world (Petrol Is 2008, 75). The ETUC And ICTFU condemned the discriminatory attitude of the FMC with the following words:

We understand that the company owning Novamed is a German company, Fresenius Medical Care, which should be fully aware of European and ILO standards and values with regard to gender equality, trade union rights and collective bargaining rights... We entirely condemn the inhuman treatment imposed on these women workers, which indeed is an infringement on human and fundamental rights enshrined in the EU Charter of Fundamental Rights, the Social Charter of Europe, and Conventions of the International Labour Organisation (ILO) (Petrol-Is, 148).

At the end of the strike, the general Secretary of ICEM, Alfred Warda, claimed that: “Should a European-based company be allowed to behave one way in an EU nation, and yet another way in Turkey, regarding labour relations?... We also back the initiatives taken jointly by our sister organisation EMCEF and our German affiliate IG BCE in this dispute... The degrading conditions that these workers – mostly women – have to endure were heard by many people across the world. This is a dispute that the ICEM will closely monitor and keep in civil society’s full and open view.”⁵²

All of this support demonstrated in the Novamed dispute offers the possibility of imagining place- bonding and collective action in episodic union actions even though the difference in the interests of spatially fragmented workers/unions might persist. For example, it is important to realize that “social clause” option - which is welcomed by

⁵² Petrol-Is magazine interview with Alfred Warda. This interview can be reached at: <http://www.petrol-is.org.tr/english/warda01.htm>.

many trade unions in the North, and which is arguably regressive in its ignorance the vast politico-economic disparities on the entire landscape of global capitalism - might also be used to pressure on MNCs to follow fair labour standards, especially in their practices in the Southern localities. By avoiding a top-down modality, the Northern unions can more effectively exert considerable level of pressure, and compel MNCs at least to uniformly standardize its practices should a call from workers/unions of the South reach to them.

Conclusion

This chapter showed that it might be misleading to see the current spatial-scalar shifts and geographical organizations as exclusively capital's global movement. In fact, the unions can also be beyond-border actors who effectively challenge a very spatially dispersed and strong MNC. The cooperation and solidarity across borders might involve information sharing, logistical support, and collectively exerting a pressure on the MNC in episodic union actions. Although those who suggest that the union agendas cannot be reconciled due in part to different goals shaped by the concerns of their own spatio-scales confirms some of the findings in our case study, the international union campaign in the Novamed dispute also suggests the possibility of imagining an international trade union praxis in episodic union actions.

This practice of international solidarity might however fallen short in settling this lengthy dispute if national feminist groups had not interfered in favour of the women workers. "The involvement of women's and feminist groups" starting from the 4th of September, 2007 managed to drive attention back to the Novamed resistance, and visibly increased the publicity of the Strike in the media (Ustubinici, 2008). In fact, the international PR campaign gained momentum after the feminist organizations' attempt of

re-framing the struggle. This step of the multi-scalar agency strategy is explored in detail in the next chapter.



Chapter Three: Jumping Scales and Forming a New Collective Actor: Feminist Support

The objective of this chapter is to examine the feminist support in the Novamed strike. Here again, I am primarily concerned with emphasizing the importance of politics of scale than engaging in an exhaustive discussion of the feminist discourses developed throughout the strike. The concept of ‘jumping scales’ introduced by Smith - an important contribution to the studies of scalar agency strategies - is of particular use. In essence, it refers to situations in which political-economic actors constituted at a certain scale establish contact with other actors at other scales: (a) to re-define the discourse of struggle; (b) to find new allies, invite other actors into the arena of struggle giving them the upper hand, and stretch their spatial reach of influence; (c) to legitimise certain political claims; and/or (d) to form and mobilise a new collective actor (Smith 1992, 57-79). In other words, the working class can respond to the threat of atomization by jumping scales and establishing partnerships with labour unions and/or non-labour actors operating at other scales and by re-defining the overall discourse of struggle, thereby inviting other actors into the arena of struggle giving them the upper hand (Rousseau 2000 quoted in Bayirbag 2007). The feminist involvement and the re-activation of the international solidarity campaign here is studied through the concept of “jumping scales”.

With the involvement of nation-scale feminist organisations, and the initiation of the group named “Women's Platform for Solidarity with the Novamed workers” on 4th of September, 2007 first in Istanbul and then in other cities, the strike was re-framed as “women’s resistance”. This new frame provided the foundation for intensifying national and international support. Various women’s branches of international unions, different

nation unions and local women groups provided their support by visiting Antalya and faxing protest messages to Fresenius Medical Care. Such an engagement in the end facilitated different actors – namely, the local union, workers, the feminist organizations, and other unions operating at European scale and nation-scales – collectively to counter Novamed’s power position. This practice of engaging in politics of scale, and re-defining the discourse of struggle was indeed the major reason for the acceptance of union organisation and helped to quell debate with Novamed/FMC.

It should be noted that in episodic union actions, it might be vital to reframe the struggle in a way to draw new allies into the orbit of struggle, actively providing their assistance (Rousseau, 2000) The fragmentation within the working class on the basis of race, gender, status, or ethnicity (Arrighi, 2007; Fenton and Bredley 2002; Andersen and Collins, 2001, Rosa 1994; Standing, 1998; Elson and Pearson, 1981) has tended to blur the line between strictly categorized identities. This indeed offers a chance to re-frame the struggle with a reference to the multiplicity of identities and thereby “invite labour and non-labour groups” (Tuft 1998, 227) on different scales to actively partake in the collective action. In this way, co-operation and different forms of solidarity - of gender, class, community, race or internationalism - could be generated, and in turn, use collectively to counter the power position of capital (Munck 2002, 120). Likewise, Ledwith points out that “the future of labour mobilization is one where the field of solidarity is greatly broadened, from politics to local coalitions to international collaboration - something that women have long been doing from a position of liminality - a creative and resourceful place which speaks to labour movements in crises” (Ledwith 2006, 126).

Redefining the discourse of struggle

The formation of the Women's Solidarity Platform in the wake of a concerted action of 27 different feminist organizations, and the subsequent activities organized across Turkey marked a turning point in the trajectory of Novamed strike. The major contribution of the Solidarity platform was to highlight an ignored aspect of the gendered means of control previously exercised by the Novamed managers at the Novamed workplace. Those gender specific means of control- which could only be seen from a position of feminist awareness⁵³- included rescheduling women's pregnancy periods, the restrictions on the washroom use; the pre-condition of approval from the Company management for women's marriage and the ongoing humiliation of women workers on the basis of their gender by the management.⁵⁴ The Solidarity Platform's sought to reclaim women's rights over their own bodies.⁵⁵

The redefinition of the strike as "women's resistance" came about after the formation of Novamed Solidarity Platform, aimed at revoking the gendered means of control at the work-place. Ustunbinici has traced the shifts in the frame of the struggle: "...strikers were constructed-through discourse - initially as workers, then women workers whose rights were denied and ultimately women workers with particular problems and political claims on the basis of their sex" (Ustunbinici 2007, 28-31). Indeed, the dominant reference point of the international solidarity practice pursued during the organization drive tended to be the extreme exploitation of the labour at the work-place by

⁵³ In her presentation at KOC university in Turkey, Ayca Kurtoglu emphasized that the cognizance of the gendered means of control at the work-place needed a "feminist eye" which is intimately familiar with the women oppression.

⁵⁴ From the brochure of the Novamed Solidarity Platform- Petrol-Is Publication 2008, 226.

⁵⁵ From the press Release

http://www.kesk.org.tr/index.php?option=com_content&task=view&id=550&Itemid=119

Novamed.⁵⁶ Then the frame of the struggle shifted to the lack of compliance on the part of the Fresenius Medical Care in applying the ILO norms, European work-place principles, and international human rights on non-preferential bases at different scales. Although workers were occasionally defined as “women workers” faced discriminatory attitudes at the work-place, the scope of comparison tended to stretch only far enough to involve other groups of workers – without any reference to the “gendered” means of control at the work place - working at the European work-places.⁵⁷ The solidarity action ICEM initiated on the International Women’s day, and subsequent solidarity messages also arguably failed short to spot on the political claims made on the basis of sex.⁵⁸

The new frame of the struggle developed mainly by the Solidarity Platform not only observed the bodily claims of women workers but also sought to publicize the patriarchal face of capitalism. In their declarations and brochures, patriarchy was depicted as characteristic of capitalism rather than the mere coincidence of two different forms of oppression.⁵⁹ In this respect, the Solidarity Platform also emphasized the gendered division of labour with a specific reference to MNCs’ operations in the Free Trade Zones, and the resultant degradation of working conditions⁶⁰ which tend to disproportionately impact working class women. Indeed, the Novamed production plant in the FTZ was a microcosm of this globally unfolding gendered division of labour. In the factory, all the women workers were assembled on a production line, whereas male

⁵⁶ See the second chapter of this thesis.

⁵⁷ See Chapter Two p. 52 and p.65 in this thesis.

⁵⁸ See p.64-5 in this thesis.

⁵⁹ http://www.kesk.org.tr/index.php?option=com_content&task=view&id=550&Itemid=119

⁶⁰ In their press release, the Solidarity Platform focus on the exploitation of women labour in the Free-Trade Zones world-wide. They emphasized that 85% of the workers in the Zones are women, and they are the most vulnerable to capitalist exploitation. (*Alinteri* 2007 in Petrol-Is Publication 2008, 156)

workers were assigned to tasks either in the storage departments or technical services.⁶¹ The wages of male workers were also higher than their female co-workers. All in all, this inequality in the “patriarchal capitalism tended to work together towards the efficient exploitation of women workers more than men” (Munck 2002, 119) in the Novamed workplace.

This insight into the patriarchal capitalism depicted the Novamed strike as a gendered struggle between not only “capital accumulation strategies and of labour defence and renewal” (Munck 2002, 120), but also between the patriarchal means of control of the Novamed management and women’s counter-claims to gain back their dignity and bodies. This new frame articulated a committed feminist involvement around a common cause. Actors from different scales were invited to the arena of the struggle as well.

Inviting Other Actors to the Arena of Struggle and Stretching the Spatial Reach of influence

In the first year of the Novamed strike, the representatives of Novamed women solidarity Platform organized a forum, rallying on the streets of Istanbul. There were 27 different feminist organizations, coming from different points of view.⁶² The slogans voiced in the rallies encapsulated a range of concerns reflecting the varying concerns of different women’s organizations: “Women workers are resisting against patriarchy and capitalism”; “The invisible labour! Raise your voice!”; “Against the husband, against the father, against the state: Long Live solidarity, Long Live Freedom!”, “Equal pay for

⁶¹ This information is derived from a profile list of workers prepared by the Petrol-Is union during the organization drive. Again thanks to Ayca Kurtoglu who shared this document with me.

⁶² They delivered speeches on the subject of “The place of women in the patriarchal and capitalist structure” and “the repercussions of neo-liberal policies on women and the women resistance.”

equal work”, “Unionization is our right.”⁶³ Although the slogans varied in accordance with the concerns of each participant organizations, and sometimes were voiced in different languages (i.e Kurdish),⁶⁴ the frame of struggle from a feminist perspective was a common reference point in all.⁶⁵

At the same time, corresponding Solidarity Platforms were formed in other Turkish cities, such as Adana, Izmir, Eskisehir and Ankara in Turkey.⁶⁶ In Adana, Socialist Feminist Collective, ODP (Freedom and Solidarity Party), and DTP’s (Democratic Society Party) women branches, ESP (The Social Platform of Oppressed), EKD (Proletarian Women’s Organization) organized signature campaigns, and sold gift cards to provide financial support to the Novamed workers in the strike. Feminist organizations in Izmir arranged a meeting to form a corresponding Novamed’s Women Solidarity Platform. Izmir Women’s solidarity organization, Izmir Shia Women’s organization, Independent women initiation, ODP’s women branch, DTP’s (a political party affiliated with the Kurdish people) women branch, EMEP (Labour Party’s women branch) have all rallied against Novamed management’s assault on women’s bodies and labour. Novamed workers were seen as resisting the male and capitalist dominated

⁶³ Petrol-Is Publication 2008, 65.

⁶⁴ One of the Turkish pro-labour web-site- labour net of Turkey- covered the strike, and used the head-title: “Women raised their solidarity messages in many different languages”. The women organizations which are also affiliated with the Kurdish struggle that have been actively taking place in the last thirty years or so also participated in this struggle. http://www.sendika.org/yazi.php?yazi_no=13348

⁶⁵ Those Platforms from different cities rallied together in Antalya on the first day of the strike 26 September, 2007. They decided that different women organization should carry pins or colours marking their own specific group identity/ concern however they also emphasized that the support for the Novamed Workers is a common reference point. Petrol Is 200, 65.

⁶⁶ All these platforms engaged in several kind of activities and acted with a common agenda and means of resistance. The discussion here provides a sample of different activities in different cities, but similar campaigns are simultaneously invoked in different cities by the respective platforms. Most of their slogans are similar.

structure. They were resisting commodification as cheap labour, unsecure employment and anti-unionization policies, and the assault on their dignity and body.⁶⁷

In addition to initiating similar campaigns in Ankara, Ankara Solidarity Platform also arranged a fax campaign for the support of the Novamed strikers, conveying the following demands to the Turkish Grand National Assembly: legal regulations should defend the interests of women workers, but not that of capital; abolish gender discrimination in employment, and promote positive discrimination; equal pay for equal work; the demand of the Novamed workers should be met, and unionization rights should be recognized.⁶⁸

The formation of the Solidarity Platform acted as a catalyst not only to unite many different nation-scale feminist organizations around a common cause, but also to revitalize international support. From September to December 2007, the support provided by the international unions, many different national union and global public⁶⁹ did not ceased. The Presidents of the Women's Committees of the two organizations- The International Trade Union Confederation (ITUC) and European Trade Union Confederation (ETUC) - expressed their firm stand along with the women workers with the following words:

We demand first and foremost that the discrimination and harassment of women workers be stopped and dignity of these workers be respected and restored; for the workers to be reinstated with full rights, and secondly we demand from the employers to recognise the union and start negotiations with them about a proper settlement of the situation safeguarding employment for all the workers.⁷⁰

⁶⁷From the Poster of Women solidarity Platform in Petrol-Is publication, 219. And from the leaflets p. 216.

⁶⁸ Petrol Is Publicatio 2008, 199.

⁶⁹ this to be in the form of either engaging in several visits to Antalya or sending solidarity messages to workers and Petrol-Is-

⁷⁰ retrieved from the web-page of ICTFU- <http://www.etuc.org/a/4019>

In its protest message to FMC, the Canadian Labour Congress echoed the demands voiced by the Women Solidarity Platform, and asked the Company to immediate recognition of the legally enshrined rights of women workers to unionize.⁷¹

The common theme in the solidarity messages received from the various trade unions focused on the intolerable gender discrimination against the women at the Novamed production plant. Yet the push for the recognition of the unionization rights, and the requirement of the equivalent ILO conventions and human rights principles at the Novamed workplace also continued. In other words, the frame of struggle as raised by the Women Platform had also been mediated by the scale-specific agendas of the engaging international unions.

The attempt of the Women's Solidarity Platform to re-frame the struggle proved that shifting the discourse might be very helpful in enlisting different organizations and stretching the space of influence by combining the unique agendas of nation-scale organizations (feminist and union) and also global actors. The feminist groups and women's organizations in Turkey "remain rooted in local issues", but "their vocabulary, objectives, and strategies prove to have much in common with each other" when it comes to information exchange, mutual support and direct action towards the realization of their goals of equality and empowerment for women and social justice (Moghadam 1999, 382). Moreover, the global support spearheaded by the women branches of various differentially scaled unions also proved that such an international campaign might be very efficacious in "tackling both the particularistic and the hegemonic trends of globalization" (Moghadam 1999, 382).

⁷¹ This message is sent to FMC in Germany from the Canadian Labour Congress (Petrol-Is 200, 240).

Legitimizing Certain Political Claims or Mobilising a New Collective Actor?

As argued above, the Solidarity Platform sought to establish that “women workers had particular problems and political claims on the basis of their sex” in the struggle. It was arguably the most plausible frame to revitalize the flagging national and international support for the Novamed women workers as the campaign’s initial stage and has thus far failed to highlight the gendered means of control targeting the body of the women workers. Indeed, this shift in the frame of the struggle proved to be very efficacious in revitalizing both the nation and global scale support. That being said, however, two things should be noted. First, the engagement of international unions as well as the various feminist organizations, with their own unique agendas, also filtered the political claims purported to be more legitimate by the Women’s Solidarity Platform.⁷² Along with the rise of the gender discrimination on the agendas, the reference to class struggle, the unionization rights, human rights, ILO principles and European norms was always retained throughout the campaign. Second, the revocation of the gendered means of control (and other as well) at the work-place was made in retrospect; in other words, by the time the international unions, local unions and feminist organizations had indicated support for the strike with a different focus, the Novamed management had already been intimidated by the organizing drive and had ceased the gendered means of discrimination. Indeed this also provided the FMC with a (unfortunate) chance to re-counter the

⁷² One of Solidarity Platform activists-Filiz Karakus- states that they had tempted to make claims on the basis of “no violence against women” in the feminist struggle so far. However, the involvement of many different feminist groups with their own unique agendas also broadened their horizon. From *Birgun* newspaper in Petrol-Is 200, 89. Petrol-Is union leader also points out that this is the first time women organizations and labour unions worked together and this should be the case afterwards.

“legitimate claim” on the basis of accusation that unions were misrepresenting the facts.⁷³

It is therefore possible to argue that what the feminist support achieved in the was the mobilization of a new collective actor involving different forms of solidarity - namely of gender, of class, and of internationalism. The support of both nation-scale feminist organizations and women’s branches of international unions, suggests that the women’s movement and organizations are not necessarily non-economic and identity focused (Moghadam 1999, 383). They are also part of political economic struggles on their own right (Vosko 2002, 65). Women as subjects of patriarchal oppression and as workers could become visible at different scales where they have been longed concealed. In this way, co-operation and different forms of solidarity - of gender, of class, of community, of race or of internationalism - could be generated, and in turn, used collectively to counter the power position of capital.

Indeed the mobilization of this new collective actor - both national and international, both labourer and women - should be credited as the major step forward in the settlement of the dispute. The impressive pressure exerted upon the Fresenius Medical Care through the international campaign from September to December 2007 finally forced the FMC to sign a collective bargaining agreement with the Petrol-Is Union. Petrol-Is gained the right to represent the Novamed women workers from 2008 to 2010. The settlement brought the 84 strikers, 82 of whom are women, back to the job,

⁷³ Here, the reason for FMC’s counter campaign could not be reduced to feminist involvement or to the new frame of struggle as women’s resistance. The increasing publicity of the dispute after the feminist involvement, however, frightened the company. They tried to instigate a counter media campaign where they blamed the union misrepresenting the facts. The FMC sent inspectors of the head-quarters to investigate the claims to Novamed Company after the company stopped its exploitative practices. Moreover, there were newly recruited workers in the factory, and most other workers who were not on strike already sided with the Company. The inspectors concluded that there were not any abnormal treatment in the work-place. This malicious attempt of FMC and the Novamed tried to counter the media campaign, but it was definitely a failed attempt. Women on the picket line have never forgot the control of their bodies by the company, and thanks to Feminist support, this aspect was brought into sight.

and granted all workers a wage increase of 5% for the first year, and of 4% for the second and third year of the agreement. It also brought a social package that included a payment for each of two religious holidays in Turkey, as well as productivity and attendance bonuses for workers.



Chapter Four: The Local Scale and Importance of Local Tactics

The international union campaign in the Novamed dispute proved to be very efficacious in using the geographically dispersed accumulation strategy of the Fresenius Medical Care. The international media coverage of the Novamed dispute, and the speeches delivered by the international unions chiefly focused on the importance of international logistical support, and the world-wide PR campaign. Yet a closer analysis of the Novamed dispute suggests that “we have not yet reached the stage, even in a globalizing world, where labor’s ‘spatial fixes’ must be pre-eminently supranational....international labour organizing is only efficacious when considered in relation to two scales of struggle often thought increasingly irrelevant or ineffectual in a globalizing world: the local and the national” (Castree 2000, 272). In the end, the Novamed workers were fighting back against a MNC, which exists in global networks and in the space of flows and lives in the instant time of computerized networks, whereas the Novamed workers and local union inhabits the local, exists in the space of places and lives by the clock time of everyday life (Castells 1996, 475). Thus, international solidarity practices might be very efficacious in addressing some aspects of the dispute, while some place specific particularities require local and national engagement.

The challenges posed to the unions by the scalar reach of the FMC into a peripherally located Free Zone, which is best characterized by its heterogeneity and particularities of the local unveils the fact that “targeting the local might be the precondition for revitalising the union movement insofar as the local peculiarities shaped in a dispute between capital-labour might demand new strategies that do not pre-exist elsewhere” (Wills 1996, 375). Although the broader structural forces of global capitalist

relations and other specific power relations (i.e. gendered) might have shaped these local-specific relations⁷⁴ from the outset, unions and social movement generally engage in those spaces in this existing heterogeneous and particular form. In episodic union action like the Novamed dispute, this inevitably requires devising local strategies to address those locally specific challenges. Hence, this chapter focuses on the importance and necessity of devising place-specific, local strategies that are essentially vital in the union organizing.

The analysis focuses on the particular difficulties workers and Petrol-Is came across in organizing at a work-place located in the Free Zone space and composed of young women workers who “have little experience or exposure to the labour movement before” (ILO Report, 2001). In the context of ongoing arguments that local scale becomes almost dysfunctional for the success of union organization, I sketch the specific local tactics developed by both unions and workers in response to the particular difficulties. Although criticized for being very particularistic, gender-blind and enshrined in loyalty politics and chauvinist sentiments,⁷⁵ the local aspect of the Novamed struggle proved to be very important in addressing the place-specific difficulties. This does not mean that we should ignore the disempowering elements involved within those local practices. It is equally important to pinpoint the practices of empowerment and disempowerment in the unionization effort. Only in this way, we can contribute to a more inclusive development of a multi-scalar labour union praxis.

⁷⁴ As Hardt and Negri put it, “this localist position is misleading insofar as it rests on a false dichotomy between the global and the local, assuming that the global entails homogenisation and undifferentiated identity whereas the local preserves heterogeneity and difference. Differences are not natural and in fact can be seen to be produced by globalisation.” (cited in Munck, 2002 173)

⁷⁵ In this connection, see Munck 2002, 172. Also another useful source is Hudson and Sadler. 1986. “Contesting Work-Closures in Western’s Europe’s old Industrial regions: defending place or betraying class”.

Before discussing the creative local tactics developed during the unionization drive of the Novamed dispute, a few things should be emphasized. First, here, the “local” is not used to demarcate a territory of a pre-determined scale composing a set of social relations operating in an isolated vacuum (i.e Free Trade Zones). Neither does it imply a position within the hierarchy of scales. Rather it entails the specific challenges and tensions which prevailed in the locale of struggle between capital and labour in the Novamed Dispute with respect to organizing in the Free Trade Zone, and with the female labour force. These challenges might very well be present in differentially located union actions as the broader causal forces (i.e MNCs, inexperienced working class) which produced those particularities in the first instance have not solely penetrated into, and prevailed through the Novamed dispute. It thus means that the strategies developed through the Novamed case might provide generalizable tactics. It should also be noted, however, that the local tactics originated in the Novamed dispute developed in response to the existing social relations in a specific place, and they might not exist anywhere else. In other words, organizing the Novamed women workers took place “against a wide range of cultural practices in a local context” (Freeman 2000, 2).

To frame the importance of the local tactics in the Novamed dispute, I would below briefly touch upon how and why broader global forces are thought to render ineffective the traditional methods of unionism at the local scale. The rapid development of Free Trade Zones, and the regulations inciting this rapid spread are not the basic considerations of this thesis. Rather, “the reasons for which the question of labour standards, and labour organizing has assumed such significance” (Romero 199s, 247) are of interest. In this respect, how the disempowerment of the unions at the local scale

comes about after the mobile capital enters into those new accumulation spaces – Free Trade Zones- should be briefly visited. Again this discussion is undertaken from an actor-centric approach, and focuses upon how the MNC's scalar reach to FTZs bring about many detrimental outcomes for the workers and unions in general. This chapter then proceeds to question these claims within the case of Turkish FTZs, and discusses how both the transnationalization of Free Trade Zones and “feminization of wage labour” are experienced as an organizational difficulty on the part of Petrol-Is union and workers. This discussion eventually shows that the local tactics sometimes are even more vital than the ones pursued in the international realm in that the workers at a work-place should first have to exist and organize in the specific context of the local struggle.

Scalar Reach of MNCs to Free Trade Zones and Union Disempowerment?

The New International Division of Labour theorists devoted considerable research to map out the geographies of “world market factories”, producing for the global market and articulating the working class of the scale in question with the “global industrial relations” system. The agglomeration of those Free Trade Zones within the peripheral areas is seen as due in part to the presence of a large informal sector and high unemployment rates, which accommodate “abundant supplies of cheap labour” (Sassen-Koob 1987, 62) and constantly sustain the high working mobility in the FZs. As a general trend, those FZs tend to have high drop-out rates as well as layoffs, first because it sometimes is unbearable to work under the despotic forms of control, second because the existence of reserve army of cheap labour gives employers leverage to replace the labour force in the factory at any time (ILO Report, 2001). This scalar ability of “footloose” capital to reach the free trade zones in the periphery, and exploit the conditions of

precarious labour market conditions leads to disempowerment of the nation-local scaled unions for three reasons.

First, FZs represent a stark power imbalance between capital and labour at its peak point: employers who already have a secure position in accessing the low-cost labour force feel free to resort to lay-offs or intimidation of workers seeking to unionize whereas workers feel the pressure of the highly precarious nature of the national labour market and “they are thus often too worried about losing their jobs to join a union or to retain their memberships” (ILO Report, 2001). Under these conditions, unions find it hard to “retain such workers as members because of the precariousness of their employment, and would, therefore, have to consider whether it is an efficient use of their human and financial resources to try to organize such workers” (ILO Report, 2001).

Even in cases where workers actively seek to unionize at a work-place, trade unions might prove hesitant to engage in unionization efforts as they realize that they have to “find a fine balance between the promises to this particular group of workers, which most probably fail to retain their membership, and the promise of power (i.e resources) yielded from both the overall organized workers, and national organization of the trade unions” (Swyngedouw 2004). In considering whether organizing at a work-place with the precarious labour force is worth use of the limited resources accumulated through many struggles at different places, unions also face with the risk of damaging the trust of workers in unions as a defender of class interests. This often results in tensions between the workers and unions during the organization drives.

Second, the expansion of MNCs into peripheral FZs is resulting in the changes of sex composition of the working class - this best characterized as the tendency of

feminization of wage labour (Sassen-Koob 1987, 63. cf. Lim 1982; Fernandez-Kelly 1983; Standing 1989; Rosa 1994). Indeed, MNCs shift their production sites to those FZs in part because they provide an opportunity for the concentration of “a type of production or assembly that allows for the use of unskilled women labour force” (Sassen-Koob 1987, 64) In the Free Trade Zones, Taylorism is the rule, and some 27 million people work in at least 2,000 FZs worldwide, between 60 to 90 per cent of workers are women (ILO Report, 2001.) This changing sex composition of the working class in the FZs demands union to respond effectively to the needs of this newly emerging working class (ILO Report, 2001). Unions long attached to the masculine image of the working class find it hard to include new actors, and re-vitalize the union movement in a more inclusive way (Moghadam, 1998). The inability of women’s branches to raise the voices of women workers, and push for a more attentive union agenda further aggravates the conditions of reaching the women labour force.

Third, the right to unionization and collective bargaining in most of the “world market factories” have not been recognized until very recently (ICTFU Report, 1996). This generally turns out to be an important vulnerability on the part of many trade unions in that they suddenly encounter a problem of organizing within this relatively new spaces of accumulation “which they have yet to test any strategies for organizing workers” there (ILO 2001 Report). Yet, even if they manage to surmount this problem, the continuation of the “lack of support from the government to enforce labour legislation (ILO 2001 Report)” in these spaces of accumulation tends to place the trade unions under increasing levels of insecurity. Governments may feel reluctant to regulate capital’s operations in the FZs in order to create incentives for capital to accumulate more efficiently (Romero

1995, 247-276; ICTFU Survey, 1996). A desire to boost foreign exchange earnings, foreign direct investment (FDI) and export-led industrialisation has been the main consideration motivating governments to provide well-developed physical infrastructures, generous fiscal and economic incentives, and simplified administrative structures and procedures (Romero 1995). These promises offered by the governments allow entrepreneurs to feel unfettered from the regulatory burden. They aim “to bypass state regulation of the economy in terms of taxation, labour legislation or general rules on the conduct of capitalist business” (Munck 2002, 114). Thus, unions have to try to organize under a permanent insecurity vis-a-vis any illegal blockage that might come from the employer.

Turkish Free Trade Zones: Similar or Different?

From the view-point of capital, it is difficult to argue that Turkish Free Trade Zones have entailed the dominant way the Turkish labour force is articulated with the global market. Unlike peripheral countries which rely exclusively upon the large scale foreign direct investment in FTZs to enable a smooth passage from an inward to outward oriented accumulation regime (Romero 1995), Turkish Free Trade Zones seem to be more attractive for national capital than for international capital.⁷⁶ The promise of state-supplied infrastructure, tax incentives, and the almost free rules of merger and acquisitions in the Free-Trade Zones has only been good enough to secure a 17% composition of foreign capital in the overall figures of capital investment in Free Trade Zones (Ozcelik, 2003; Ertan 2004).

⁷⁶ The Report prepared by the Free Trade Zone Administration states that Medium-Small size Turkish firms tended to be more interested in the Zones due to the tax incentives.

Neither is there an enough evidence to support the feminization of wage labour thesis arising out of foreign capital's search for a "low cost female labour force" for its production lines. This is because the feminization of wage labour⁷⁷ (Ozdemir, Yucesan-Ozdemir 2004, 36-7) does not seem to be a dominant trend in the Turkish labour markets. Moreover, real-wages are as bad and even worse in some of the local enterprises operating outside the Free-Trade Zones.⁷⁸ In using the nation-wide available pool of cheap labour, that is constantly sustained from the informal sector, both foreign and national capital find a chance to lower the production costs without necessarily operating in the Free Trade Zones.

Nor can we talk about a desire on the part of international or national capital to shift the labour-intensive production facilities to the Turkish Free Trade Zones. This is because the manufacturing practices in most of the Turkish enterprises operating outside the FTZ also largely rest upon the labour-intensive production methods (Petrol-Is Publication 1995, 639-642)⁷⁹ Indeed, the rise of flexible accumulation techniques, involving a shift from labour-intensive production processes to those technologically advanced machinery less reliant on the extraction of absolute surplus labour on the assembly line is not dominant in Turkey (Ozdemir and Yucesan-Ozdemir 2006). Thus, the argument that global capital is producing qualitatively differentiated spaces of accumulation in the peripheral Export-Processing Zones does not illuminate the forces

⁷⁷ When we consider urban employment, the female participation rate decreases to less than twenty per cent. Following immigration to urban areas, women, because of cultural conditioning and traditional family responsibilities, stay out of the labour market.

⁷⁸ Interview with Adil Alaybeyoglu. He stated that workers do not have to pay taxes because of the special status of the Free Trade Zones. Thus, their wages tend to be higher than their counter-parts working for the enterprises outside the Zone.

⁷⁹ According an industrial survey by Petrol-Is, only 30-35% percent of the chemical industry were using high technology in the production.

behind the Turkish Free Trade Zones.

The presence of similar and even worse conditions in the other Turkish enterprises and the unqualified position of Turkish FZs as differentiated accumulation spaces however do not necessarily negate the particular challenges in the zones for workers and unions, because the main consideration in this thesis is not to map out how and why specific scales and spaces present differentially favourable or unfavourable conditions for capitalist accumulation, as much as it is to discuss how the workers and labour unions respond to the specific challenges generated by the local peculiarities shaped in a dispute between capital-labour. Disclosing the local tactics that reflect in the local particularities, and the way they are used to respond the needs of the workers and unions is the basic objective of this chapter.

Indeed, the scalar reach of the Fresenius Medical Care to Antalya Free Zone has arguably posed similar challenges to the Petrol-Is union during the organization drive. The Petrol-Is union had a long standing experience in the nation-wide chemical industry union organizing. It had never, however, engaged in organization efforts in a Free-Zone before due in part to the restrictions on the unionization rights in those particular spaces until 2002 when Turkey adopted new labour reforms in compliance with the European accession criteria. Since 2002, there has only been one unionization drive initiated in Izmir Free Zone by another trade union.⁸⁰ In addition, the Novamed employer was not receptive to any unionization effort, and the union was also aware of the fact that there would be no guarantee of government enforcement if the employer would take a union-busting strategy.

⁸⁰ From the interview with Adil Alaybeyoglu.

Turkish Free Trade Zones⁸¹ and Local Tactics in The Novamed Dispute

As Tuft argues, the success and renewal of organized labour is dependent upon its ability to develop new organizational models which allow unions to enter new spaces and include new actors (Tuft 1998, 229; cf. Martin et al. 1998; 1999). In the Novamed strike, the new spaces and new type of workers without strong trade union traditions were resistant to traditional methods and agendas of Turkish unionism. What became obvious in the Novamed strike was that “reaching into poorly organized territory” (Wills 1996, 369-70) requires new organizational methods and techniques. In the process, however, new traditions of trade unionism may be built for the future. In the example of the Novamed resistance, Petrol-Is faced two challenges: the Free-Zone space, and women workers without strong trade union traditions and resources.

After two male workers established contact with the Mersin Petrol-Is branch, and communicated the working conditions at the work-place⁸², union representatives initiated a meeting with few workers in great secrecy outside the work-place in Antalya. The union was initially pessimistic as FTZs are enclosed spaces where the secretly driven unionization effort could easily be tracked by the employers⁸³ and that unionization drive might have required a protracted struggle and effort. At the same time, however, there were reasons for optimism: working conditions were so bad that a unionization effort could make things only better.⁸⁴ Moreover, the stewards elected in the first meeting managed to convince greater numbers of workers (on a one by one basis) and then

⁸¹ Free Trade Zones (FTZs) and Free Zones (FZs) are used interchangeably in this thesis.

⁸² From the interview with Sinan Metin.

⁸³ Interview with Adil Alaybeyoglu: He stated that likewise industrial Zones, Free Trade Zones are the places where the unionization effort can easily spread to the employers. And, in those areas employers generally act together to prevent any union enter into the Zone.

⁸⁴ Interview with Sinan Metin.

initiated another meeting with the union representatives in Antalya. Although workers were feeling insecure⁸⁵ (i.e dismissals), the poor working conditions as well as the unprecedented assault on human dignity replaced the fear of unionization with a motivation to learn their legal rights during the meetings.⁸⁶ Most of the workers had never been exposed to the labour movement before and were even unaware of their basic legal rights. The education session organized by the union made the workers enthusiastic about unionization and access to their legally enshrined rights.⁸⁷ Their enthusiasm was the major impetus for the union to intake action.⁸⁸

Under the difficult conditions of organizing at a Free Zone and especially at a workplace where Novamed employers were not receptive to unions, the best tactic for the union was “to approach workers away from the enterprise, through personal contacts” (ILO 2001). Petrol-Is started conducting union registration outside the zone, waiting for workers shifts to start and end.⁸⁹ Workers and unions kept in touch continuously by phone to track the developments at the workplace and unionization drive. The fear of disclosure was so profound that even at one point Petrol-Is union had to switch to another public notary (which had to certify the registration form for the official recognition of the membership) after realizing that one of the Novamed managers resided close to the public notary initially chosen.⁹⁰

⁸⁵ As one of the strikers note, “we were very scared of oppression and dismissals. We cannot even trust our best friends. We could not talk to each other about the unionization effort” Petrol Is Women Magazine in Petrol is Publication, 2008, p. 152.

⁸⁶ *ibid.* One of the workers noted, ‘they asked me whether I want to attain a union. I did not know what union means.” Petrol Is 2008, 137.

⁸⁷ One of the workers notes that the union provides them with a booklet of labour law, and they learned all of their legal rights as workers. Petrol-Is Women magazine in Petrol-Is Publication 2008, 151.

⁸⁸ interview with Sinan Metin.

⁸⁹ interview with Adil Alaybeyoglu.

⁹⁰ *ibid.*

The difficulties arising from the lack of experience in these new spaces of accumulation was exacerbated with the Novamed management's restrictions at the workplace after it detected the unionization drive. As soon as the Novamed management became aware of the unionization effort in the factory, workers on the assembly line were barred from wearing the protective masks, essential to prevent the health problems that can arise in this specific type of chemical production site. Moreover, communication on the assembly line as well as within the shuttles was banned by the Novamed Company.⁹¹

As the organizing union leader addresses the Company's plan to prevent communication had caused misgivings among workers in that they were unaware of who had decided to attend the union, and who had not.⁹² What exacerbated the situation was that two of the initiators of the strike decided to resign from the union and that the pressure of the company on the unionized workers visibly increased.⁹³ Both effectively contributed to the drastic drop in membership numbers. Under those difficult conditions, women workers decided to shift the unionization effort from the shop-floor to other possible spaces.⁹⁴ The lack of common public places to bring the women workers together however posed a challenge in this process.⁹⁵ Coffee shops and local clubs where most of the union solidarity is established in Turkey are mostly male dominated public spaces.⁹⁶ As an alternative organization space, women used home and organized different kinds of social activities such as picnics, shopping etc. to solidify their solidarity. In this

⁹¹ This part needs further investigation. From some interviews in the Petrol-Is booklet, it is understood that these practices were also present in the factory, but worsened after the unionization effort.

⁹² Interview with Adil Alaybeyoglu.

⁹³ According to workers, Company try to intimidate workers by talking them one by one. Some 15 had to resign from the work-place, and some other 15 decided to resign from the factory.

⁹⁴ Interview with workers, Petrol-Is women Magazine 21, in Petrol-Is Publication 2008, p. 134.

⁹⁵ interview with Necla Akgokce Cagri Magazine in Petrol-Is Publication 2008, p. 170.

⁹⁶ *ibid.*

way, as one of the active women strikers noted, “We had the opportunity to get to know each other better, and to fortify the trusteeship between women workers”⁹⁷ This local practice was a nuanced strategy attentive to particular the difficulties developed as a response to work place restrictions.

Home Visits

In addition to the difficulty of unionizing in this new accumulation space, the task of devising organizing strategies in those new spaces of accumulation with the young women labour force was doubly difficult for the Petrol-Is union. The labour force in the Novamed factory was composed of young female workers without any previous unionization or strike experience. Mostly drawn from various peripheral cities of Turkey by the social security coverage of the Novamed’s job opportunity (Akgokce 2008), they had never asked for their unionization rights until the company’s inhuman work-place practices encroached upon the space of women exploitation and threatened their dignity.

The unions’ decision to organize in the workplace against those complaints was hard to put in action. In Turkey as elsewhere, the labour movement has been constituted largely by men, and the culture of the labour movement and the unions has rather been masculine (Moghadam 1999, 381). The absence of woman as a wage worker in the Turkish organization strategy along with the lack of any pre-existing union experience of this particular group of women workers turned out to be a significant barrier to the organizing Petrol-Is union.

The ‘local strategies’ were shaped by “the above peculiar difficulties of the local struggle” between the Novamed women workers and the Fresenius/Novamed capital is “then transformed to meet the needs of local workers” (Wills 1996; 369-70). One such

⁹⁷ Petrol-Is Women magazine in Petrol-Is 2008 publication, 134.

‘spatialized strategy’ generated under those circumstances by unions was to engage in home visits. Especially, insofar as women workers’ decision to join a union is dependent upon the affirmative approach of their families, husbands, and even boyfriends, the union strategy needed to be an all inclusive one, which also aimed at relating family members and close acquaintances with the labour struggle (Akgokce 2008, 372-3). Families sometimes were hesitant fearing that unionization would result in layoffs. As long as the employer pays monthly salaries, they remained sceptical about “women” engaging in subversive activities.⁹⁸ Most of the women workers decided to join the union after the unions and workers had convinced the families.

The deployment of ‘home visits’ strategy to gain the support of families has altered the basis for union’s organizational structure which rests upon the image of men as the only bread-winner (Akgokce 2008, 372). Such a local-spatial strategy has long been ignored by a male dominated national-scale union agenda as the unwaged reproductive responsibility of women at home- the consciously scaled, and thus concealed sides of societal/capitalist reproduction (Gough 2004, 189)⁹⁹- have been seen as unimportant in their bread-winner husbands’ struggle against capital. The reproduction of the industrial male worker when he is on strike should have been considered such a neutral responsibility of “unwaged female home labour” (Armstrong P& Armstrong H 1983, 15-20) that union strategy has never targeted the space of home in relation to its organization strategy. Yet when it comes to Novamed women’s resistance, the long

⁹⁸ interview with Adil Alaybeyoglu.

⁹⁹ Gough notes that “This class struggle is played out not just within production but within the state and the heterogeneous forms of the reproduction of labour power, and is a moment of gender and ethnic struggle”.

changing status of women as a wage-labourer comes to the sight, and propelled the unions to deploy such local strategies.

The gendered relations within patriarchal capitalism were not the only point the organizing union missed because of its long enduring gender-blind agenda. “The fact that the consent of male figures at home - husbands, fathers, sons, fiancés, lovers - was sought for women workers to join the union proves that the resistance was initiated within patriarchal relations. In fact, despite the support of their families for some women, joining the strike itself was a struggle against husbands and/or families” (Ustubici 2008). As McDermott notes, “given the male dominated power dynamics in many families, coupled with the women’s domestic role as ‘chief cook and bottle washer’ women strikers more than men strikers require an accommodating domestic setting to be able devote energy to strike” (McDermott 1993, 38). Some women strikers in our example also noted that husbands’ reaction was negative. They thought that their wives would fail to look after home.¹⁰⁰

Although the strategy itself was built on a disempowering relation¹⁰¹ in one aspect, it is also important to realize that that it helped to rescale the localized, consciously concealed scales of women existing at the workplace as not only a producer of surplus labour, but also as a subject of patriarchal oppression to the agenda of nation-scaled unions as well-illustrated with the following words of the local Petrol-Is branch union leader: “We witnessed that not only the employer’s work-place exploitation but

¹⁰⁰ Petrol Is Women magazine in Petrol-Is 2008, 151.

¹⁰¹ By “disempowering”, I mean that women are still regarded as dependent on familial decisions to join the union. Although this strategy was helpful to gain support, the union was implicit in flagging the idea that male figures along with other family members should be convinced to register a woman worker to the union.

also the home-place oppression render women more vulnerable than men in every aspect.”¹⁰²

Conclusion

This chapter argued that international and national feminist campaign became possible only after the usage of local tactics. The local tactics aimed to address specific challenges posed to the unions and workers. Some of the disempowering elements were also addressed. In the preceding three chapters, it is well-demonstrated that workers do not need to move around the world in order to confront MNCs; it is international worker organisation mobilising different from the old that is critical: mobilising through the internet, through building coalitions, through jumping scales, and targeting specific concerns of the MNCs on different scales-and women’s group and international/national unions should also be involved (Kelly 2003 cited in Ledwith 2006, 126). However, scalar politics is so far treated from actor-centric standpoints. These basically involved the discussion of how the MNCs’ impetus to command over scale is yet a foregone project enough to write off labour, and of what scales the union action can collectively entertain to reverse this scalar processes to undercut the power of capital. The following chapter attempts to unravel the active role played by the structural forces, i.e. the capitalist state, which deliberately invoked rather causal scalar projects to manage the capital-labour contradictions in the post-1980 period. Only through these scales of structural regulations, the capitalist actors, i.e. multinationals, find a chance to easily sneak through the territories and improve their command over workers.

¹⁰² Interview with Adil Alaybeyoglu.

Chapter Five: Changing Scales of Regulation: Post-1980 Turkey

This chapter has three main objectives. First, it aims to demonstrate that in the post-1980 period in Turkey, an up-scaling of economic authoritative functions and the powers of state to a global scale has functioned “as a means of organizing recession in order to establish a new subordination of labour to capitalist command” (Burnham 2000, 18). Second, it aims to explain that this new subordination is managed through re-regulating collective, and contractual labour law. Here, the emergence of “up-scaling to global scale is associated with the down-scaling of labour regulation in both senses of the word: downscaling is occurring in that material levels of protection are being eroded and is manifest in the aggressive localization of labour” (Peck 1996, 256). These two discussions will foreground the last objective. The third objective of this section is to further disclose the trajectory of the Novamed dispute, and show how the simultaneous up-ward and down-ward scalar movement of the Turkish state has opened up space for the Novamed management to abuse the poor conditions of unions and workers.

In fulfilling these objectives, I argue that it is only through these scales of structural regulations, the capitalist actors, i.e. multinationals, can find an opportunity within the territories to improve their command over labour. In other words, the almost free play of capital in exploiting the conditions of labour, taking advantage of low wages in the informal market, or blocking unionization efforts is not an automatic outcome of uncontrollable transformations such as globalization of MNCs, the intensification of power of MNCs to stretch over larger geography or the re-treat of state. Instead, this is made possible by the changing scales of state regulation.

To pursue this argument, the chapter starts with a brief account as to how the state

institutions and norms related to patterns of interventions and wage relations have been deregulated, privatized, and thus globalized (Peck 1996, 237). The post-1980 Turkish state is devoted to accelerating cross-border flows of capital, flexible accumulation, and competitiveness on a global scale. Here, the role of alliances in the up-scale movement with the WB, IMF, and EU is especially emphasized.¹⁰³ As Ercan argues, “the transformation of the state in harmony with the passage to new accumulation regime brought about a series of changes with respect to the mode of organization of the Turkish state as a whole” (Ercan 2002, 26). Such transformation was based on a triple alliance between the capital, state and IMF-WB (Ercan 2002, 25). The EU too should be included (Guler 2006, 187; Guveloglu 2007; 105-7; Keyman and Onis 2007; 2-3). This chapter then proceeds with a discussion that this up-scaling also meant a new-subordination of labour within the nation-scale as wage relations and labour market regulation tended to be the pre-condition for increasing Turkish competitiveness and up-scaling (Ercan 2002 24-7; Boratav and Turkcan 1996; 1-2; Yilmaz 2003, 232). Lastly, the chapter turns to the post-1980 re-regulation of collective and contractual labour law, and locates the trajectory of the Novamed dispute in relation to the changes in the Turkish Labour Law’s “function of securing capital’s right to control labour power within a nation-state scale” (Yucesan and Yucesan-Ozdemir 2006, 312).

Up-scaling Regulation for Competition: Cooperation with Global Institutions

The temporary alignment of the political and economic in the pre-1980 period in

¹⁰³The state, under the threat of capital’s power, is argued to play a major, if not determining role, to ‘hollow out’ itself. According to Jessop, this process is facilitated by the sheer increase in the role of supranational state systems, which reflects the steady emergence of global society (economic, political, scientific, and legal) as well as by the rise of local states, regional bodies to manage the contradictions of capitalist production (Jessop 1993, 11-4).

Turkey came to a halt as capital was losing its struggle against labour. It was no longer prospects in import-substitution accumulation regime that had been dominant in Turkish capitalism since 1950's (Kabasakal 2007, 59), giving rise to the pressure to adopt new ways to subordinate labour to the capital. At the end of 1970's, the high inflation rate and a large balance of payment deficit that had sustained a fairly high level of real wages and domestic consumption were no longer tolerable in the face of increasing monetary pressure (Yilmaz 2003; 232; Yeldan 2006; 38-39). The solution was the deregulation and liberalization policies, enabling Turkey to compete with other states to secure a favourable position in the global hierarchy of prices.

In the Turkish context, the new project of up-scaling the economic regulation, as Guveloglu states, "had little chance of being implemented in the exiting conditions, and the 1980 military coup was functional in giving it a start" (Guveloglu 2007; 101). Under military rule, the government-initiated 24 January Economic Decisions underlined the long-term economic policy goals of the Turkish State, aiming at the ultimate integration to the global economy. The basic details of these decisions are well-anchored within the neo-liberal line: the denunciation of state intervention in favour of private entrepreneurship and international competitiveness, leading to massive privatizations targeting the profitable state economic enterprises; liberalization of imports by removing quotas on goods and services and deregulating the tariff system; encouragement of export activities with tax decrease, low interest credits, and dispensation from customs for manufacturer exporters; the establishment of Free Trade Zones to provide incentives for foreign and national capital; and the adoption of floating exchange system in order to depreciate Turkish Lira and thus to increase foreign exchange stocks in the Central Bank

(Ersel 1991; Ozkaplan 1994; Cecen&Dogruel 1994; Boratav 2005; Yeldan 2006). The military government engineered this economic shift in compliance with the requirements of 1979 IMF stand-by Agreements, and the preconditions of the credit program determined by the World Bank in 1979-1980 (Guler 2005, 186).

The basic aims of these WB and the IMF policies were to restructure Turkey's economy - especially the agricultural, finance and energy sector, to harmonize Turkey's economy with the world economy (Guler 2005, 186). In its 2003 reports, the OECD confirms the new international interest in adjusting the Turkish economy to the global to ensure its competitiveness:

The change has started with a big reform package designed to increase international competitiveness of Turkey in early 1980's. This new package included important cut backs from state subsidies into industry, removing the price control mechanisms (i.e dismantling the state committee responsible to fix-control-coordinate the prices), the liberalization of exchange regime, and deregulate the interest rates and liberalize trade (Ercan 2003; 393-4).

In this sense, up-scaling the Turkish economic authority tended to signify a re-organization or reconstitution of the state apparatus to increase the global competitiveness of the state - that is far cry from the "liberal vision" of retreat of the state (Onis 1992, 3-23).

It is possible to argue that the legal regulations undertaken at the initial stage of the global adjustment program helped to eliminate the basic components of the preceding accumulation regime. The World Bank and the IMF, which initiated their first structural adjustment credits on a yearly bases to establish the legal basis necessary for further liberalization, decided that Turkey was ready for deeper articulation with the global economy, and spawned a new credit program from 1985 to 1997 (Guler 2005, 186-87).

This new program aimed at the structural adjustment of sectors such as industry and finance to the requirements of the global economic system (Guler 2005; Boratav and Turkcan 1993). Accordingly, from 1986 onwards, Turkey embarked upon a new process of “restructuring the public sector”, involving the privatization of state economic enterprises (SEEs) in the manufacturing, service and agriculture sectors from 1986 onwards (Ersel 1991, 10-11). The objective was to broaden tax bases by abolishing the preferential corporate tax regulations enjoyed by the SEEs, to lighten the fiscal burden by reducing the number of public employees and to increase the competitiveness and efficiency of the (rather profitable) state economic enterprises (Ozkaplan 1994, 135). This privatization policy resulted in a sharp drop in public employment from 40% in 1970 to 21.6 in 1998 (Akkaya 2003, 224).

Turkish state chose to promote financial liberalization to fit with the logic of global capitalism (SAkallioglu, and Yeldan 2000, 487). The liberalization of the financial sector started with adjusting Turkish banking system to “universal norms and regulations” (1984-87) (Ersel 1991, 7), as well as removing all control over deposit requirements, and loan restrictions of the banks; the deregulation of the interest rate system (1984) and privatization of the public banks (Guler 2003, 3-4). The finance sector was singled out as a privileged sector because of the role it might play in speeding up the global centralization of influence over the nation-state scale regulation (Sakallioglu, Yeldan 2000, 487).

The focus on creating competition within the financial, industrial and service sector was accompanied with a regulation that could lay the ground for the equal treatment not only for foreign and Turkish capital but also among Turkish capital in

awarding privatized contracts. The final impetus for this was Turkey's negotiation of a customs union agreement with the European Union in 1996, which obliged Turkey to enact the EU's standard competition provisions and to establish an agency to enforce them (OECD 2005:a). Accordingly, Turkey put into effect the Act on the Protection of Competition No. 4054 as of December 7, 1994. A legally independent Competition Authority was appointed on March 5th, 1997 (OECD 2005). The Competition Act's declared purpose is to "protect competition" by banning state aid to oligopolistic state economic enterprises and applying global competition provisions in compliance with the EU competition policy (OECD 2005: b). While a full-fledged trend of inward investment is yet to be achieved in Turkish finance¹⁰⁴ and manufacturing sectors due to "the endurance of state aid" and lack of enough assertiveness in Turkish privatization policies as the EU, the IMF and WB reports incessantly emphasize, the OECD report considers Turkey on the right track: "the Authority has continued to make excellent progress, developing a reputation as one of Turkey's most effective autonomous agencies, winning respect and support from leaders in the business community, and playing a critical role in moving the Turkish economy forward to greater reliance on competition-based and consumer welfare-oriented market mechanisms" (OECD 2005:a).

All these projects in force since 1980 failed however to increase Turkish competitiveness in the global markets as the inflow of foreign investment in Turkey

¹⁰⁴ All the up-scaling efforts to increase the competitiveness of Turkey by attracting more foreign direct investment have yet to step up Turkish economy at a competitive position in the global space of rivalries. The foreign direct investment rates remained relatively low till 2000, and the direction of FDI inflow inclined to be in the financial sector afterwards. In 2007, close to 60 percent of the IFDI flows, two-thirds of the total originating in the European Union, was recorded in the financial intermediation sector through the full or partial foreign acquisition of Turkish financial firms such as Akbank, Oyak Bank and Finans Bank. The manufacturing sector accounted for about 22 percent of IFDI flows. In 2007, no IFDI flows were recorded as a result of privatization, unlike in 2004, 2005 and 2006.

remained relatively low (Guler 2003, 4-5; Yeldan 2006, 48 Yucesan 2006, 27). Nor did the productivity rates reach satisfactory levels. The severe economic crises that Turkey faced in 1994 fully confirmed this failure, and signalled the necessity of introducing new mechanisms to up-scale the Turkish economic regulation. In this process, “the global scale” which thus far treated as external, and privileged as the ultimate side of adjustment for promoting competition was seen as inadequate unless well-functioning public/private governance structures were built up at a nation-state scale (Ercan 2003, 425-9; Onis and Senses 2005). The solution then was to imbue the regulatory apparatus with the ideals of “global competitiveness”. After 1997 and in accordance with post-Washington Consensus, the WB and the IMF diverted their attention to building strong and decentralised institutions to ease the articulation of Turkish economy with the global (Guler 2003, 5-6; Ercan 2003, 425-9). Accordingly, the credits were shifted to build well-functioning, efficient and spatially de-centralized institutional structures so as to further diffuse the influence of the WB and the IMF over the landscape. Turkey responded with the introduction of *Public Administration Reform Bill* in 2003, a “Public Fiscal Management” and “Budget management” project traced back to 1995 collaboration between the World Bank and Turkish Finance Ministry (Dikmen 2003). The focus of this bill is to increase the efficiency of public institutions through the adoption of “good management” schemes based on performance criteria for employees and new organizational modalities (Dikmen 2003). In this way, creating competitive and “managerial state” (Burnham 2001, 131) has been underway ever since.

Peripheral Fordism and Downscaling Labour

The process of “up-scaling the economic regulations”, “to liberalize and deregulate the politico-economic management with the alliances of ‘supranational institutions’ as a form of managing the accumulation crises” as Burnham argued, has functioned “as a means of organizing recession in order to establish a new subordination of labour to capitalist command” (Burnham 2000, 18) This argument applies to the Turkish context where the up-scaling “economic regulation did not entail an industrial reorganization that attracted international investment, and despite of weak national productivity levels, old production norms had not been abandoned”- which is the basic characteristic of a peripheral Fordism. (Yucasan 2006).

Many leading ISI firms, including the multinationals, were continuing their plans as if there had been no change in economic strategies (Arin 1986 cited in Gungen 2004, 62). Skilled jobs and production processes remain largely outside Turkey, and at the level of factory Fordist methods of the semi-automated assembly line and the intensified division of labour were continued (Ercan 2002, 269; Yucasan 2006). The investments in technology between 1985 and 1992 made no significant contribution to the international competitiveness of Turkey (Ercan 2002, 169).

Turkey’s project of up-scaling economic regulation was structured around a modality of competitiveness, which aimed at reducing the costs of labour in export trade and curbing the effectiveness of monetary policy (Yilmaz 2003, 232). This new modality of competition required the interlinking of monetary, fiscal and exchange-rate policies (Burnham 2001, 31) and brought about the eventual subordination of fiscal to monetary policy in Turkey (Ozlale 2003, 116-118). To stimulate competition by increasing the

exports, “exchange-rate parities needed to be ‘globally’ credible - that is, costly to change, and the government should have been discouraged from pursuing expansionary monetary policies in the nation-scale” (Burnham 2001, 133).

In this respect, the post-1980 up-scaling of the Turkish state can be best-characterised by a usage of deflationary policies with credible exchange rates for an export-oriented economy. This macro-economic twist was accompanied by measures targeting both the retrenchment of the real wages, and the elimination of a consumption-oriented domestic market to support the re-orientation towards export-oriented industrial organization (Yilmaz 2003, 232). In this period, an income policy was pursued to increase the down-ward elasticity of the real wages (and to curtail the domestic demand for encouraging export-orientation), proving very helpful in sustaining the basis of a relatively smooth shift from the import-substitution to the export-oriented regime. This enabled the export-oriented companies to compete in global market by using cheap labour inputs in production rather than pursuing a costly technological re-organization of labour processes and markets (Boratav and Turkcan 1993, 31-2; Ozkaplan 1994, 141). Turkey contributed to down-ward adjustment of wages by forming a decentralized High Court Council with the authority to determine wage levels in disputes (Cecen and Dogruel 1994, 45). As a result of these policies and the continuing inflation, real wages declined from TL 100 in 1979 to TL 74.0 in 1985, and unemployment soared to 16.3 percent in 1985 in the face of this economic contraction (Cecen and Dogruel 1994, 45).

Although many up-swings could be tracked in the wage rates between 1985 and 2008 due to either working class insurgency (1989-1994) or populist government policies before the election campaigns, wages have tended down-ward (Ansal, Onaran and Orbay

2000; 65-73). Even the periods when the productivity levels reached the highest peak point, wages did not rise due in part to the Turkish state's commitment in preserving an organic inter-linkage between the inflation rate and real-wages. Nor did it feed into longer-term capital intensive-technological investment to generate jobs.

Yet the tight income policy and decentralized wage setting were neither the only nor sufficient means of labour regulation. The enormous scale of informal sector in Turkey has also played a complementary role in increasing the downward elasticity of real wages in the formal sector¹⁰⁵. The state's role in depressing the conditions of informal sector is noteworthy, given the subsumption of labour regulation to competition policy (Onaran, Kucukciftci and Orbay 2000, 127-30).

Hence, Turkey's policy of privatization of the state enterprises, as well as the cuts to the agricultural subsidies, stripped many of the agricultural population of their monthly wages, and propelled them into the Turkish informal market. Composed mostly of agrarian population/newly urbanized population or the unemployed, the informal economy accommodates a large reserve army of cheap labour -that is the basic sustainer of the low wages in the formal economy. According to TUIK reports, the labour force is currently composed of 22.6 million people, and 10.9 of it are not registered under any social security program.¹⁰⁶ Approximately 13% of the non-agricultural, 11% of the urban population and 20% of the rural population are employed in the informal sector (Kabasakal 2006, 39). In addition, many small and medium size firms, which represent almost 60% of the sector employment, rely on those cheap labour inputs from the

¹⁰⁵ As Munck argues: "Indeed the notion that formal and informal employment were rigid categories was flawed. It assumed a distinction between the two sectors that did not exist, given that two were completely inter-related."

¹⁰⁶ This data is taken from a report prepared by Ankara Chamber of Commerce, "The Unregistered Economy". It can be accessed at: <http://www.atonet.org.tr/yeni/index.php?p=827&l=1>

Table 2 – Main labour market indicators, 1980-2002 (thousands)

	1980	1985	1995	2000	2002
Population	44 438	50 306	60 901	67 420	69 626
Civilian labour force	17 615	18 530	22 900	22 031	22 699
Civilian employment	16 225	17 277	21 378	20 597	20 287
Unemployed	1 390	1 303	1 522	1 452	2 412
Unemployment rate (%)	7.9	7.0	6.9	6.6	10.6
Under-employment rate (%)	–	–	6.9	6.9	5.4
Rate of unemployment plus labour force idle because of under-employment	–	–	13.8	13.5	16.0

Source: State Institute of Statistics, Household Labour Force Survey results

Data refers to people aged 12 years and over

	Total economy	Agriculture, forestry hunting and fishing	Manufacturing	Construction	Wholesale and retail trade, restaurants and hotels	Transport and storage	Finance, insurance, real estate and business service
1988	58.1	93.5	23.9	56.2	37.5	34.5	9.8
1989	58.7	92.2	26.3	56.7	39.2	34.9	8.4
1990	55.6	90.3	23.5	52.8	34.5	28.4	8.1
1991	51.2	79.8	24.5	59.2	32.5	21.6	6.6
1992	49.2	78.8	27.1	55.6	32.1	19.5	8.2
1993	47.5	78.0	24.5	52.2	31.5	19.7	9.3
1994	45.7	70.2	27.3	55.2	47.5	19.7	9.9
1995	49.2	78.0	25.2	57.8	34.3	22.6	9.3
1996	52.7	88.4	23.0	58.0	31.5	20.0	11.3
1997	51.6	89.2	21.6	60.8	30.3	23.6	8.9
1998	50.3	88.5	20.7	53.1	29.0	25.5	8.0
1999	52.1	89.3	25.6	60.4	33.1	29.8	10.4
2000	50.6	88.6	26.4	65.5	37.1	31.4	13.8
2001	52.9	91.8	27.2	61.7	39.5	33.1	16.2
2002	52.1	90.2	31.7	61.5	42.7	34.0	18.9
2003	51.7	91.2	30.7	63.8	42.2	33.9	20.1
2004	53.0	90.0	31.3	66.5	44.4	38.8	20.6
2005	50.1	88.2	32.0	64.3	43.8	39.0	21.6

Informal employment in manufacturing and service sectors¹⁰⁷

¹⁰⁷ This table is retrieved from the OECD report “Economic survey of Turkey 2006: Enhancing Competitiveness and Growth and Reducing Incentives to Operate In The Informal Sector”.
http://www.oecd.org/document/35/0,3343,en_33873108_33873854_37524707_1_1_1_1,00.html

informal sector.¹⁰⁸ Business voices emphasize the important role of SMEs in stabilizing the economy in their “use of cheap inputs from informal sector”¹⁰⁹ - that is flexible, insecure, atomized and submissive work-force. Thus, the informal sector and precarious working conditions also formed the basis on which increasing Turkey’s competitiveness has been pursued.

Although up-scaling economic regulation and down-scaling political regulations appear as two oppositely re-scaling plots, they tended to be complementary, geared to the overall project of subordinate labour to capital in the Turkish context. Unlike many European scalar projects based on either down-scaling capital-labour relations to social-democratic local governance bodies or up-scaling it to European scale governance bodies, up-scaling Turkey’s scalar arrangements include despotic measures to contain organized labour in part because the requirements for international competitiveness demanded “atomized and disorganized workers to give capitalists free reign in organizing production, appropriating the gains from increased productivity without much fear of collective resistance” (Wright, 2000), firing workers when needed. There is little attempt to construct a hegemonic type of labour processes where acquiescence is achieved through ‘a human relations’ type of approach to workers (Munck 2002, 42). The subordination is rather guaranteed by repressive political regime and its re-regulation of collective and contractual labour law.

¹⁰⁸ The EU Progress Report: Turkey 2006

http://ec.europa.eu/enlargement/pdf/key_documents/2006/nov/tr_sec_1390_en.pdf

¹⁰⁹ http://www.oecd.org/document/35/0,3343,en_33873108_33873854_37524707_1_1_1_1,00.html

(see footnote 107) This Report is basically prepared to address the necessity of reducing the scale of informal sector. However, the EU progress reports as well as this OECD report in question does not hesitate to emphasize the important role of informal sector in reducing firm costs.

Downscaling Labour Regulation

To fully satisfy this subordination, Turkey has also downscaled labour's collective bargaining regulations to highly localized forms of negotiating wages and working conditions. In this respect in the post-1980 period, the reregulation of collective labour law, and the insertion of flexible individual law (Contractual Law) where collective labour law falls short, became the primary concern in the Turkish capitalism (Ozdemir, Yucesan-Ozdemir 2006, 311-12). The new Constitution of 1982 and the enactment of the Collective Labour Agreement, Strike and Lockout Law No. 2822 (CLASLA) on 7 May 1983 and of the Trade Union Law No. 2821 on 5 May 1983, which came into effect at the end of the military period, indicated that the labour containment strategy of the postmilitary regime aimed to repress the organized action of workers (Ozdemir, Yucesan-Ozdemir 2006, 311-12). Turkey also enacted the New Labour Act No: 4857 (NLA) on 10 June 2003 as a new form of individual labour law regulation in order to comply with the European Community *Acquis* on flexible work (Hendrickx, and Sengers 2006, 81). Far beyond legal ground for enactment in compliance with the *Acquis* flexibility regulation, workers has indeed become more susceptible to arbitrary termination of contracts by the employers with the adoption of New Labour Act (Akkaya 2008, 99). These re-regulatory attempts all together shifted the very basis of Turkish Labour Law in that it no longer moves in line with the dictum of "protecting workers against employers", but by regulating the "reciprocal relations" between employees and employers at the workplace (Ulucan 2002, 300). In other words, labour law approached a neo-classical line in its treatment workers and employers simply as different factors of production existing on the same power nexus (Onaran et.al 2000, 62).

Overall, the repressive measures within the collective labour law as well as the introduction of detrimental provisions with the individual labour law tended to tie the interests of workers to the fortunes of their employers, to embody working class power in the factory rather than in the collective union action, and to reinforce individualism at the work-place (Peck, 2006).

A-The Collective Labour Law

From the 1980s onward, Turkish policymakers were concerned overwhelmingly with the 'reregulation' of the collective labour law. Accordingly, the new Constitution of 1982 and the enactment shortly thereafter of the Collective Labour Agreement, Strike and Lockout Law and the Trade Union Law in May of 1983 imposed severe restrictions upon Turkish union practices, and provided a template for ensuing government policy vis-a-vis organized labour. On the basis of this legislation, thousands of union leaders were arrested and sentenced to years of imprisonment. The national Security Council subsequently suspended the rights of prominent trade unions such as DISK, HAK-IS and MISK, and the only union which was allowed to function during this period was Turk-Is. Not only were the banned unions prohibited from engaging in unionization activities, but there were also much more sweeping restrictions on the scope of legal strikes. General Strikes, solidarity strikes and political strikes were banned, and any affiliation of a trade union with a political party, or participation in political activities was strictly prohibited. As such, trade unions were not longer permitted to function in their traditional role with respect to the workers movement and other groups within society, and were reduced by and large to simply conducting negotiations in the wage-related interest disputes at the shop-floor level (Aydoğanoglu 2007, 154). Although later changes within Turkish

Labour law have removed most of the existing bans upon trade union activism, the legacy of intimidating has not been completely eroded.

Table 1 – Trade union rights by type of workforce

		Type of constituency		
		Workers	Employers	Public servants
Organising model	Basic	Industrial	Industrial	Industrial
	Higher	Confederation	Confederation	Confederation
No. of organisations	Basic	92	52	66
	Higher	3	1	6
Union density rate (%)		58.40	n/a*	52.89
Right to organise		Yes	Yes	Yes
Right to bargain collectively		Yes	Yes	No
Right to strike		Yes	Yes	No

Source: *Official Gazette* 7 July 2007, No: 26575; *Official Gazette* 17 July 2007, No: 26585.

* not available

Below I turn to a more specific discussion of the threshold restriction within the Collective labour law, which is of special interest in this context. The aim here will be to contextualize how the FMC's active interruption of the unionization effort became possible in relation to this specific regulation. Significantly, FMC actually managed to push the unions and workers into a strike against their own will.

I-The Threshold Restriction

The survival of a union as an agent of the working class rests ultimately upon its ability to deliver new rights and interests at the bargaining table. Various tactics might be employed to restrict this core union function, such as the adjustment of the scale of authority to limit the ability of a union both to reach the workplace and to ameliorate the strike imbalance between labour and capital. In this sense, the prohibition of workplace and enterprise level unionism, and the recognition of the industrial branch organization as

the only authorized form of union activity under the Trade Union Law (TUL)¹¹⁰ should be regarded as an attempt to curb the power of unions at the workplace level. Obviously, a shift from enterprise or workplace unionism to a more inclusive, and nation-scaled branch level unionism might not have resulted in an effective discharge of union power if the same TUL had also provided unions with an extensive collective bargaining right, covering all workers in the relevant industrial branch (Akkaya and Cetik 1999, 139). On the contrary, branch level unionization simply amounted to a form of membership measurement according to which the competence of a union for collective bargaining within a workplace is determined. The Collective Labour Agreement, Strike and Lock out Act, Article 12 expresses this in the following terms:

The workers' trade union representing at least 10 per cent of the workers engaged in a given branch of activity and more than half of the workers employed in the establishment or each of the establishments to be covered by the collective labour agreement shall have power to conclude a collective labour agreement covering the establishment or the establishments in question.¹¹¹

Thus understood, a union can neither engage in workplace unionism without organizing a certain quotient of workers in the overall nation-scale industry, nor can it claim an authority to collectively bargain for all of the workers in the same industry as this form is banned by the Trade Union Law. In other words, in spite of the industrial-based structure of unions, collective bargaining is decentralised.

This raises important questions as to why the industrial level organization is used for determining a union's eligibility at a smaller scale (i.e within the workplace) in a legal environment where unions are banned from collective bargaining at the very same

¹¹⁰ Trade Union Law can be accessed at:

<http://www.ilo.org/public/english/region/eurpro/ankara/legislation/act2821.htm>

¹¹¹ Collective Labour Law can be accessed at:

<http://www.ilo.org/public/english/region/eurpro/ankara/legislation/act2822.htm>

industrial level (Iseri, 2006). Competent and authorised trade unions may bargain collectively with employers or employer associations and conclude an agreement at only three levels (CLASLA, Art. 3): establishment, workplace and undertaking (enterprise) levels (Uckan 2007, 118). The sincerity of official voices which proclaimed that this regulation was in order “to invigorate a rather strong nation-scale and centralized unionism in a country where an effective rate of union membership had never existed due in part to the inflationary outnumbering of several small and local workplace unions” is vehemently contested by prominent academics and unions (Mahirogullari 2000, 6). Such an ambiguous “neither industrial collective bargaining nor workplace unions” regulation has rather resulted in two adversarial outcomes with respect to Turkish Trade Unionism.

First, as a result of the prohibition on the workplace unionism, even if some of unions manage to represent more than half of workers within a workplace, they cannot conduct collective bargaining unless they represent ten percent of the workers in the industrial branch (Celik, 2004). The repercussions of this restriction are wide-spread, considering that although there are 94 unions officially active in different sectors, only 45 can rise above this threshold level (Celik 2004).¹¹² The total number of workers registered under one of these unions is 2.6 million, whereas only 1 million are covered by an official collective agreement. Thus, the 10 percent threshold requirement has resulted in a growing gap between the de facto and de jure union membership in Turkey.¹¹³ This means that most of the workers today are bereft of any benefits and advancements such as a collective agreement might offer. Even a major expansion in Turkish union

¹¹² In the 27 industrial categories marking the terrains of the union’s branch activity, only 31,19,5 of the trade unions respectively affiliated with Turk-Is, DISK and Hak-Is can exceed the threshold requirement.

¹¹³ There are several data, and they are not reliable. But the overall tendency is reflected in all of those statistics almost correctly.

membership would by no means entail a solidification of union power vis-a-vis capital as long as this odd eligibility requirement remains in force (Uckan 2007).

This point has been seized upon by the EU commission, and almost all of the progress reports to date call for at least a reduction, if not the complete elimination of, the sectoral threshold requirement. ILO Reports address this issue more deeply, and recommend new regulations not only regarding the threshold restrictions, but also the requirement of representing more than half of the majority. Calling this anomaly as the ‘dual numerical eligibility requirement’, ILO noted its incompatibility with the ILO agreement 98, and emphasized that Turkish unions should be allowed to engage in collective bargaining for the unionized members at the workplace even though the union fails in registering more than half of the majority (Gulmez 2005, 31-5). Nevertheless, Turkey has yet to take any legislative step to meet these recommendations.

A second and arguably more repressive effect of the double threshold regulation is the exhaustive legal process that unions are subjected to in the event that an employer exercises its right to lodge an appeal with the court disputing the competence of a union either at the workplace or sectoral level (Celik, 2004; CLA Article 12). Both the overall legal process of unionization and the determination of a union’s competence within a workplace are highly intricate and bureaucratic decisions, demanding applications to, and legal issuance from, a broad range of actors from the local notaries to the central Ministerial authorities. These complicated and protracted legal procedures generally afford employers a certain degree of leverage with which to dispute a union’s competence on the basis of a procedural related accusation (Ulucan 2002).

Yet, by and large, an employer's motivation to challenge the competence of a union is not to uncover any fraudulent behaviour but rather to suspend the collective bargaining process and to delay the onset of a strike (Koc, 2004). Initiating this lengthy process generally provides employers with enough time either to negotiate with the unionized workers on new terms, working conditions and wages or to recruit new replacement workers in anticipation of a strike (Ulucan 2002). Even if the employers fail in their efforts, however, the overall delay might also debilitate the bargaining power of a union during negotiations (Ulucan 2002). As a result of such systematic practices, unions have, to a large extent, been deprived of the legal grounds on which their legitimate existence as a class agent is founded. Considering these activities as an infringement on the development of collective negotiations and the right to strike, the ILO has criticized both the lack of preventive safeguards within the Turkish Labour Law, and the ineffective monitoring practices which might discourage employers from engaging in union-busting activities of this kind (Gulmez 2005, Ucmaz 2002).

II- Another Story of the Novamed Strike within the Context of Changing Scales of Political and Economic Regulations

Unlike many of those other unions that have failed to meet the industrial threshold, and are subsequently hampered in their unionization efforts within the workplace, Petrol-Is is a well-established union in the overall petroleum, chemical and rubber industry branch. Yet, Petrol-Is and associated workers were still vulnerable to the union-busting tactics of the Novamed Company when the Company resorted to its legal right to dispute the competency of Petrol-Is within the workplace.

After an exhaustive unionization effort within the workplace, the Petrol- Is union eventually organized enough members to qualify for collective bargaining, and subsequently applied to the Ministry of Labour and Social Security, requesting that the ministry confirm that its membership represents at least ten per cent of the workers engaged in that branch, and to determine the number of workers employed and the number of members in the establishment. According to the competence report of the Turkish Labour Ministry in December of 2005, the overall number of workers in the establishment was 264, and the union members were well above the half majority of 136. In the overall industrial branch, Petrol-Is represented 33.34% of workers - a level of unionization well-beyond the required eligibility threshold.¹¹⁴ Despite the clarity of the competence report, however, the employer promptly initiated a court-appeal to contest the union's competence. The Novamed management was well aware of the numerical reality, and there was little hope that the company would receive a positive verdict to outlaw the union within the workplace.¹¹⁵ This, however, did not discourage Novamed from locking the union in a lengthy dispute to avoid the collective bargaining process as long as possible. In principle, the legal decision should have been rendered within six working days; however, in this case, the court took nearly five months to finalize their decision concerning Novamed's appeal (06.07.2005-08.12.2005). Although the findings of the first competence report were re-approved in favour of the union by court decision, the company gained what it had truly sought: to purchase as much time as possible so that

¹¹⁴ This information is gathered from the legal document prepared by the Turkish Labour Ministry.

¹¹⁵ Interview with Serpil Aksakal, conducted by Ayca Kurtoglu.

it could break the will of union and workers, and forcefully convince the union members to abstain from the union¹¹⁶.

In the course of this legal process, the Novamed management continued to intimidate workers to abdicate from the union. According to union allegations, the company managed to obtain a list of unionized workers within the factory, and subsequently assembled all workers within the cafeteria, naming the names of registered union members and threatening all workers in no uncertain terms: “We know the names of unionized workers; union stewards receive pay-checks for per worker that they managed to unionize. This union works in a mafia fashion. We support those workers who did not accept the union, whereas we would give all struggles to de-unionize others.”¹¹⁷ Subsequently, the number of the union members dropped to approximately 100, leaving the union with a minority percentage at the workplace. What is worse is that in the course of the legal proceeding, all union activities were suspended due to the prohibitions of the Collective Labour Law. As a result, Petrol-Is was unable to register new members, which might have placed them in a stronger negotiating position vis-a-vis the company within the collective bargaining process.¹¹⁸

When all of the union-busting tactics failed to invalidate the union’s competence, the Novamed management was forced to come to the bargaining table. In accordance with the usual protocol and procedure, Petrol-Is issued an invitation to meet with the Company on March 31st of 2006. The company approached these negotiations in a confrontational spirit, asserting that working conditions and payments were already

¹¹⁶ From the legal document, Court decision.

¹¹⁷ Both in the legal documents that Petrol-Is submitted to the Court and the correspondence letters sent to European unions, this point is continuously addressed.

¹¹⁸ From the interview with Serpil Aksakal, conducted by Ayca Kurtoglu.

sufficient and that there was no need for further improvements. The salaries were paid in Euros (345 Euro), and the company even rejected to come to terms with an annual pay raise on pre-determined rates for the subsequent two years¹¹⁹ – the duration of the collective agreement. The Company in turn proposed a paltry five percent pay increase which they had already planned to issue.

At the same time as the company was engaged in collective bargaining negotiations, it was also busy with adding a new production line, and recruiting new workers to be assigned on this new line - in other words, it was preparing itself for a strike, and attempting to offset any negative fallout. According to Turkish Labour Law, during a lawful strike or lock-out the employer is not permitted to take on any worker in a permanent or temporary capacity or to employ any other person in substitution for a worker. Well aware of this fact, the Novamed Company re-organized its production units, and recruited new workers well in advance of the strike in order to circumvent the law. Although Petrol-Is later lodged an appeal with the court to prevent the company from maintaining production with these newly hired workers, the court sided with the company, accepting that this new line was opened due to economic and technical necessities. In the absence of control over vital information, and given that the lack of inspection facilities within the workplace, the unions were unable to corroborate their allegations.

The parties failed to come to an agreement within 60 days after the commencement of collective bargaining, and the resultant dead-lock left the union with only one remaining option, namely, that of a strike announcement. However, unions were concerned that problems might arise in the event of a strike. Particularly troubling was

¹¹⁹ Interview with Serpil Aksakal, conducted by Ayca Kurtoglu.

the fact that the number of union members had undergone a stark decline: some 15 had resigned from the workplace, and 15 more had decided to resign from the union. It was also uncertain how many of the union members would participate in the strike. These concerns grew with the awareness that most of the workers - including those newly recruited - would retain factory production at relatively efficient levels such that the Company could ignore the strikers outside. For these reasons, a strike might have failed to convince the Company to recognize the union and sign on to a fair collective agreement.

Under these circumstances, the union was modest in its aims and directed much of its energies toward attempting to secure a reasonable collective agreement rather than spending its limited resources in an uncertain and potentially damaging strike.¹²⁰ With all those considerations in mind, Petrol-Is decided to initiate “a strike ballot” through which it planned to receive the absolute majority of votes against a strike. According to the Collective Labour Law, the union could apply to the High Court of Arbitration which would guarantee at least a two-year collective agreement at the workplace. Proceeding accordingly, Petrol-Is asked its members to vote against the strike so that the High Court could intervene and resolve the dispute with a collective agreement. The company, however, had already foreseen that the union did not wish to undertake a costly strike, and surmised that women workers would succumb in the midst of a protracted and gruelling strike. According to allegations, the company management offered non-unionized workers a wage-increase in exchange for a ‘Yes’ vote.¹²¹ Although 87 of the unionized workers voted against the strike, 199 of the non-unionized workers who had

¹²⁰ *ibid.*

¹²¹ Of course these are allegations, and rejected by the Novamed Management. It is however very obvious that un-unionized workers vote for Yes.

sided with the Novamed Company voted ‘Yes’ and the strike became inevitable as a result. The imbalance of power in this case was so stark that the legal right to strike was actually turned against the union itself. Thanks, however, to the successful implementation of scalar tactics in the ensuing union action, the union and workers were able to secure a collective agreement in circumstances where a majority of the workers were still engaged in production.

B-Individual Labour Law

The re-regulation of Turkish labour law has not only resulted in adverse outcomes for unions however. Turkey also attempted to regulate the individual labour law by introducing the New Labour Act in 2003 in order to meet the requirement of the EU accession criteria. After the initiation of this new regulation, the power of the individual capitalist to control the labour at the workplace has substantially increased (Yucesan and Ozdemir-Yucesan 2006, 312). The New Labour Act was welcomed by business circles within Turkey as it aimed to introduce more flexible employment regulations within the workplace. The same voices however also criticized the New Labour Act for placing too much of a burden upon the employer. The Turkish Employer’s Association stated that: “It is certain that the employment protection regulation brought by the New Labour Act would not only circumscribe the Turkish employer’s rights in the production and service sector, but also make Turkey less attractive for foreign capital”¹²². Contrary to the assertions of business interests, however, this proceeding sub-section will demonstrate that the New Labour Act rendered labour more vulnerable to the arbitrary actions of the

¹²² From the official web-page of Turkish Confederation of Employers.
<http://www.tisk.org.tr/duyurular.asp?ayrinti=True&id=294>.

individual capitalist. This sub-section also concludes with a discussion of a further aspect of the Novamed case.

I-The New Labour Act

The New Labour Act was introduced to encourage employment security and to remedy some of the detrimental articles of the preceding Labour act. Under this New Labour Act, the onus of providing valid proof for the termination of a contract is placed squarely upon the employer, whereas it was up to the employee to prove an abusive dismissal under the Labour Act, 1457. Article 18 of the New Labour Act clearly states that: “The employer, who terminates the contract of an employee engaged for an indefinite period, who is employed in an establishment with thirty or more workers and who meets a minimum seniority of six months, must depend on a valid reason for such termination connected with the capacity or conduct of the employee or based on the operational requirements of the establishment or service.”¹²³ Although this Act might appear to be a progressive step forward insofar as it departs from the detrimental articles in Labour Act 1457, a closer examination of the New Labour Act reveals that, in essence, it provides little, if any, job security to employees.

First, the number of workers that will benefit from the enhanced job security provisions of this new labour act has remained low because the new labour act only covers establishments with thirty or more employees. Despite the importance of large export-oriented companies, it is those smaller enterprises with less than 250 employees that remain the core of the Turkish Economy. As current statistics point out, the overall number of private enterprises was recorded as 510.000, and 497.000 of these employ

¹²³ The New Labour Act can be accessible at:
<http://www.ilo.org/public/english/region/eurpro/ankara/legislation/law4857.htm>.

workers in varying numbers between 1 and 49. The number of enterprises which employ 1-249 workers is 509.000. Those SMEs mostly rely on inputs from informal sector - that is a flexible, precarious and cheap labour force - in order to increase their market competitiveness.¹²⁴ They represent 60% of the sector employment, and half of the employment in SMEs is realized in the micro-enterprises with less than 10 employees.¹²⁵ Considering the relatively small workplace size and composition in most of the SMEs, the New Labour Act arguably falls well short of addressing the most vulnerable group of workers.

Yet, even where the size of a workplace might exceed the required number, article 18 of the NLA still affords the employer the right to terminate the employment contract so long as the action is undertaken for a “valid reason”. The phrase “valid reason” has been loosely defined, and extends from “immoral, dishonourable or malicious conduct” to a lack of capacity and low performance of the worker within the workplace (Labour Act, article 18). This abstract and subjectively defined caveat indeed undermines the remaining portion of the same article, which prohibits the termination of the contract on the basis of “race, colour, sex, marital status, family responsibilities, pregnancy, religion, political opinion, national extraction or social origin” and unionization activities (Akkaya 2008, 98-9). This is because the allegation of incapacity and/or the charge of acting immorally can easily be used to conceal an abusive termination, which the International Trade Union Annual Survey Report 2007 and the EU progress reports reported to be a

¹²⁴ This information is taken from an interview with Aziz Celik (an academic working on Turkish Unionism) in Birgun Newspaper. He relies on the data provided by the Turkish Ministry of Labour. Accesible at: http://www.birgun.net/research_index.php?category_code=1174420043&news_code=1174858904&year=2007&month=03&day=26

¹²⁵ The EU Annual Assessment Report, 2006. Accesible at: ec.europa.eu/enlargement/pdf/key_documents/2006/nov/tr_sec_1390_en.pdf

systematic practice in Turkey.¹²⁶ According to a report prepared by the Turk-Is, since the initiation of the New Labour Act, the number of workers who faced the unilateral termination of their employment contract due to unionization activities has reached 15,531.

Under such circumstances where an employer resorts to an abusive termination of a contract claiming a “valid reason”, the NLA guarantees an employee the right to lodge an appeal against the termination (NLA, Article 20). However, the burden of proof is placed upon the employee. This is a serious flaw within the NLA inasmuch as the success of an appeal against abusive termination of employment depends largely upon whether the employee/complainant can convince the competent impartial body of the justification of his/her complaint, which in turn depends largely upon the evidence submitted (Bakirci 2005, 59). In cases of termination of employment, the application of a general concept in contract law, namely the burden of proof resting on the complainant, could make it impossible for the employee to show that the termination was unjustified, because proof is generally in the possession of the employer. The employee is very unlikely to succeed if no clear statement of cause is given by the employer, which is very likely when the employer is not obliged to provide written cause for the termination of employment (Bakirci 2005, 59). The employer possesses the real power in this situation because he/she controls the sources of information.

Another seemingly positive measure inscribed in the New Labour act specifies that if it is established by a court that termination was invalid by, the employer shall

¹²⁶ As the ICTU report puts it: “Private sector employers tend to ignore the law and dismiss workers for their union activities in order to weaken or destroy unions and lists a page long examples. The EU progress reports also refers to lack of employment protection and arbitrary termination activities of the employers, especially in the private sector.” This information can be reached at: http://www.sendika.org/english/yazi.php?yazi_no=13284

either rehire the worker, or be compelled to pay compensation of an amount no less than four months and no more than eight months wages along with mandated severance pay. This has been lauded as a progressive step inasmuch as the preceding Labour Act did not oblige the employer to rehire the employee in the event of abusive dismissal. Thus, aside from the severance payment, an employee was unable to receive any compensation under the preceding Labour Act, whereas now an employer has to pay compensation if he/she refuses to rehire the employee.

Nevertheless, labour lawyers point to several detrimental features of the legislation which effectively tie the interest of workers to the fortunes of their employers. For example, the application of a worker to resume employment has been presented as an obligation on the part of the worker, whereas the employer has been afforded the right to choose whether to rehire the worker or to pay compensation and terminate the employment contract. The right of the employer to choose was predicated on an idea that even though the employer's decision to terminate the contract was void, there cannot be any obligation forced upon the legal and free personality of the employer to rehire the worker (Engin 2006, 84-5). The same concern is indeed even more paramount for the worker. Although the employer might choose to terminate his/her contract based upon an invalid reason, and thus completely undermine the status of the employment relation, the worker would still be obliged to remain under the same employer (Engin 2006, 84-5). Indeed, as a recent report on Turkish unionization rights has observed, the imperative to protect the employee in such a situation is more vital since employers will often find another reason to fire the worker soon after their resumption of employment. As such, the

employer could terminate the contract without either paying any compensation or rehiring the employee.¹²⁷

One possible way to avoid this would be to lodge an appeal on the basis of an allegation of “lack of good faith” in the termination of the contract, rather than voicing the interminability of, and requesting the resumption of, the existing employment contract. This might afford the workers leverage enough to avoid resumption of employment, yet still enable them to receive compensation for the lack of good faith on the part of employer (The Labour Act, 17). Although it seems feasible in theory, the Supreme Court of Appeals has not so far concluded a normative verdict in favour of a worker under an indefinite employment contract (Engin 2006, 90). If a worker enters a new job while the case is still held pending in court and refuses to apply to their ex-employer for re-employment, the possibility of receiving compensation is not even considered. This provision is not only at odds with the goal of ensuring job security, but also is a violation of the legal personality of the worker as protected by the Constitution (Engin 2006, 91). The example below from the Novamed Case will demonstrate that the New Labour Act also rendered the Novamed workers vulnerable to the abusive attitude of the Novamed Company.

The Novamed Case and Termination of Labour Contract: An example of the Strike Imbalance Between Labour and Capital ¹²⁸.

M.O. was employed as one of the cleaning personnel in the Novamed office and actively took part in the unionization effort. Novamed Company decided to give a termination of labour contract notice on the basis of allegations that M.O. failed to fulfill

¹²⁷ Turkey-EU Trade Union Coordination Commission Report, p. 4. Accesible at: www.sda-asbl.org/TestiPdf/ANNEX%2010%20Publication.pdf

¹²⁸ In writing this section, I refer to the legal documents, i.e. the court decisions.

the requirements of his work schedule, that he spread baseless rumours about the employers and employees, and that he used his mobile phone during working hours and distracted other employees from their own work on the assembly line. Novamed management asked M.O. to write a defence letter on October 12, 2005. In his defence, M.O. rejected the charges. Yet, this proved insufficient for the Novamed management, and, after receiving the letter, the management initiated termination in accordance with the Law No 4875, and article 17, 18 and 19 on October 14, 2005.

Subsequently, M.O. and Petrol-Is lodged an appeal against the termination of the contract. The proofs Novamed presented to the court were composed of written records, including some declarations of coworkers attesting that M.O. was agitating against the company and using his mobile phone on premises during working hours, and a record indicating the mobile phone usage of M.O. within these hours. However, M.O., in his appeal to the court, stated that the cause of his termination had been his perceived pro-union stance and his union activities. However, within Turkish Labour Law the burden of proof was placed squarely upon M.O., since he argued that the termination was undertaken for a reason other than that presented by Novamed. In this case, there was no substantial proof validating M.O.'s claims. Nor did the court consider the allegations made by the company credible to justify the termination of his contract. Ultimately, the court concluded that the termination was unjustified because no valid reason has been given or the alleged reason was invalid, and the employer was required to restore the employee to work within one month. In the end, Novamed used its "freedom to choose" and opted to pay the compensation monies rather than rehire M.O.

Chapter Seven: Conclusions

In this final chapter, I tie together some methodological post-reflections, theoretical implications, and empirical findings. Methodological discussion is located in this conclusion on purpose as I want to reflect upon the research process in retrospect. This attempt entails standing apart from the research and author to contest some theoretical and conceptual baggage. Framing an empirical content in one way as opposed to another way constitutes the first and most important step in the overall thesis writing process. From the outset it might inform, and actively shape what/why/how readers think of a theme or argument as important for the research in particular and political economy in general. It is my hope that a post-reflection on methodological points will open up room to critically approach my own work. From this I will proceed to a discussion of the theoretical implications, and attempt to lay out the conclusions drawn from the discussions in the thesis. Finally, as a part of the methodological approach, I will attempt to synthesize the constitutive elements isolated by abstractions with the empirical content.

Methodological Post-Reflections

As Robert Cox so eloquently stated, “theory is always for someone and for some purpose” (Cox 1986; 207). Being aware of, and comfortable with my own biases, I have attempted to be explicit throughout this project that my aim of studying the Novamed Case is to contribute to the critical theories of political economy. In the process of engaging with the “critical” rather than the more conventional “problem-solving theory”, “talking from the view point of labour” in order to bring “labour back in” has been the overall guiding principle. As Coalas stated, starting points are determinant in signifying what is really worthy to equip the research with. In the long theory chapter (chapter one)

(Coales 2007, 15) I especially sought to decipher all of the various concepts, and theoretical assumptions used in this project so that my theoretical position was clearly visible, and the reader finds a chance to locate (and contest) the way that the production of data may have proceeded in sync with my overarching concern to speak for labour. Unravelling all of the theoretical aspects of this study is not only useful for the reader, but also important for myself insofar as the “attainment of factual status by a scientific finding might result in the progressive forgetting of the originating researchers” (Smith D 1990, 66). Hence, throughout this study, I became aware of my own standpoint in engaging with human subjects, and the knowledge derived from them.

I admit that I had difficulties attributing a class identity to the Novamed women workers, and thus to try to generate a labour strategy from a subject position which might or might not identify as class. I realized that it is more difficult to write from the perspective of class while directly engaging human subjects in the research process rather than reading volumes which present class as the most proper concept to understand the global political economy. Moreover, the strategies pursued at each different scale, and the involvement of a multitude of different actors has often failed to produce a coherent and consistent picture.

In my study, I realized that the conceptual and theoretical structure has operated on a lived actuality to produce “what actually happened/what is actually known by the subject/what is,” incorporating a temporal organization that selects from actuality and establishes the temporal boundaries, thus giving “what actually happened/known by the subject” the form of an “event”, “episode” and “state of affairs” and so forth (Smith 1990, 75). As such, I interpret the structuring of the case history and knowledge in this

characteristic form as a representation of a power position, which has authority to contribute to making some realities more important than others (Smith 1990, 75). One possible way to avoid this problem might have been to engage in textual analyses, or discursive reading of the sources and evidences. This would help to discard the conceptual baggage and theoretical generalizations in favour of more contextualized, micro and contingent readings of the subject's knowledge and texts.

Having said this, and paying all due deference to the discourse analysis - especially that portion which carries some emancipatory potential - I still firmly believe that the relation between the case and theory cannot be reducible to a simple dialogue between the researcher, researched and text (Buroway 1991, 273). The theories cannot be regarded just as another authoritative discourse which inclines to attribute regimented objectivities to multiple subject positions beyond their will and control. Rather, they are useful to give accounts of "the mutual relationships" and "relations of interdependence" between agents which have become differentiated and speicalized as the relations of social structures and historical contexts (Smith 1990). In explaining those inter-relations, critical explanatory theories can also be progressive.

Having recognized the multiplicity of facts and subjectivities, but also aiming to derive some generalizable conclusions from the politics of scale, I mainly proceeded in line with critical realist methodology which provided an opportunity to reflect upon the contingencies whilst accepting the broader theoretical accounts of reality as still valid reflections. In critical realism, "Objects are understood to possess causal powers and liabilities to do or suffer certain things by the virtue of their structure and compositions, but whether these powers or liabilities are activated depends on contingently related

conditions” (Sayer 1987, 50-57). It follows from this point that the abstract theory can recognize the powers or liabilities as necessary properties of their objects but can only remain agnostic or make conditional statements about what actually happens in concrete circumstances (Sayer 1987). Throughout the discussions, this thesis also addressed the contingencies in the lived actuality, which might not fit into the general concepts and abstractions of the theories introduced here. These will be re-visited in the coming part.

Theoretical Implications

This thesis’ main objective is to show labour as an active player in shaping the geography of capitalism, irrespective of the geographical reach of the productive capital. The arguments developed in this thesis questioned the claims of capital’s ability to dominate scales and to implement varying strategies depending upon its needs. It is suggested that collective action mobilized in specific solidarity practices, and the scalar politics deployed might stretch the worker’s scalar reach of influence, and counter a very mobile global capital. As this thesis intended to show, the Novamed example is one of those successful mobilization practices in which the effectual usage of scales constituted a major step forward to settle the dispute. It is however also argued that a successful usage of scales, and stretching to other actors in episodic union actions might not be a measure of overall working class power. To effectively tackle this problem, I introduced two kinds of working class’ power, namely ‘mobilizational power’ and ‘structural power’.

‘Mobilizational power’ was defined as lateral form of power which is entirely dependent on their mobilization and evaporates the moment actors cease to mobilize. This concept was used to understand workers’, unions’ and feminist organizations’

mobilization across scales – that is, the usage of global, national and local scales to collectively counter capital's power. Here, scalar politics was treated from actor-centric standpoints. These basically involved the discussion of how the MNCs' command over scale is not a finished project, and of the scales union action can collectively utilize to undercut the power of capital. It emphasized that union's possible responses cannot be read of from capital's restructuring of the geography and that assertive prescriptions might delimit how we think about the scales of union praxis. The success of the Novamed strike (understood as successful mobilization) combined with the end of the strike, provided the possibility of initiation of collective bargaining rights. This tips the balance in favour of the possibility of a 'politics of scale'.

I then argued that we should also pay attention to the structural power of the working class in order to avoid a short-cut conclusion, perhaps leading to an over-emphasization of the success reached through politics of scale. Although labour geographers rightly offer a corrective to the capital dominant view, they tend to mirror this actor-centrism as the focus remains exclusively on the usage of different scales - namely, on the stretching process - in specific union campaigns. In a similar vein, the success of scale politics vis-a-vis a MNC in union actions is used to measure the power of working class, whereas little attention has paid as to how the working class might still remain vulnerable in the face of the wider scales of regulation or policy spheres serving as privileged sites for transforming the capital-labour relations (Berndt 2000; 1569-1592; Rutherford and Gertlert 2002, 196). These wider scales of institutionalised scalar territorial compromises tend to mediate processes of stretching, and moderate the effects of successful multi-scalar class strategies.

In this respect, there are certain conjunctural elements which an episodic union action cannot effectively counter and change by stretching across scales. This might include institutionalised regulations (labour law; specifically economic regulations in this case) within a nation-state as well as the concrete manifestations of social relations of production. The state prevails as an institutional compromise, strategically intervening for securing capital's interests and also as a filter, mediating the effects of successful mobilization on the part of workers and unions. The state has also undergone serious changes within the context of scaled/scaling political economy, transforming itself by adjusting regulations in the direction of global and local.

Here, I do not wish to suggest that workers and unions should divert their energy to focus on the nation-state. It is however important to realize that the structural context could only be countered with rather robust struggles. The difficult question here what important inputs differentially scaled unions and other actors (i.e feminist, community groups, etc.) can provide in this struggle. The sporadic alliances either with different unions or actors might become possible in episodic union actions, benefitting each sides (if not equally) uniquely. It is my belief however that the discrepancy between the union agendas might constitute a major obstacle if the struggle targets wider capitalist regulations because most unions tend to be part and parcel of those transformations. Neither is there much optimism that different actors will combine their unique agendas around a common cause such as radically transforming the capitalist state's institutions/regulations. These questions might constitute a focus for future projects.

Empirical Implications

In terms of empirical content, this thesis discussed the international union campaign, feminist support and local tactics deployed by the workers and Petrol-İs. It is argued that the international solidarity in the Novamed strike proved to be very efficacious in conveying information to the local union, exerting high pressure upon the Novamed Company/FMC, and providing logistical support. Feminist organizations re-framed the struggle as women resistance, and thereby re-activated a flagging national and international support for the cause. There were some contingencies arising out of feminist support with respect to the debates over the “legitimate claims” in the dispute. The discussion showed that feminist support managed to mobilize a new collective actor, articulating varying identities and unique agendas around a common cause. It is emphasized that international campaigns and feminist support became possible only after the deployment of local tactics at the initial stage of the dispute. Unions’ and workers’ mobilization via linking different scales and in a networked manner, resulted in a victory that signals the initiation of collective bargaining rights.

When we consider the structural context in terms of its impact on the Turkish working class in general and the Novamed case in particular, it seems hard to draw optimistic conclusions. The scalar transformations Turkey has undergone in the post-1980 period brought about very adversary outcomes for the Turkish working class. The huge informal sector as well as the deprivation of real wages signified the erosion of material level of protection. The simultaneous re-regulation of the collective labour law and contractual labour law aggravated the conditions for collective labour action and individual worker. Those transformations, mostly induced by the Turkish state, allowed

capital to increase its power over the workers. In this process, the role of supranational institutions is important insofar as their agendas supporting the idea of competitive state, and push for up-scaling have a major impact on how Turkey perceives its position in the global political economy, and take actions within its territory accordingly. In compliance with the WB and IMF programs, and EU regulations, Turkey intervened strategically in favour of capital, discarding the dreadful situation of labour.

In the Novamed strike, the impact of structural environment proved to be enormous. Above all, the workers' and union had to initiate a strike against their own will. The company found room systematically to inhibit the collective bargaining process by terminating workers' contracts, applying intimidating measures, and disputing the competency of the union. This raises important questions as to what politics of scale actually achieved in the Novamed dispute. It definitely played a crucial role in the resultant victory of the episodic union action. It however proved to be inadequate to remedy the adversary effect of the structural context. This signals the necessity of advancing new forms of working class struggle, but leaving the questions of who the potential actors and what scales gains more importance unanswered in this thesis.

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