"Three views of a secret": Containment of industrial conflict in neo-liberal environments
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Chapter 2
Methodology and Analytical Approach

Overview

In the previous chapter, I showed that the reality generated by or associated with the neo-liberal project, that is, the neo-liberal environment, is conductive to industrial peace and this is a puzzle, which requires new theorization. In this chapter, I outline and justify my methodology for constructing a theoretical proposition to solve the puzzle.

The key rule in theory building in the sense of establishing “statements of regularity about structure, behavior and interaction of phenomena” is that the theoretical proposition must be constructed to fit the empirical reality rather than the empirical reality is carefully tailored to fit a preconceived theoretical proposition (Eckstein 1975:88). Thus, it is essential to conduct an empirical inquiry in order to construct a theory about the source of industrial peace prevailing in neo-liberal environments. However, before doing this, a choice is to be made: one should decide whether to undertake a comparative cross-case research by analyzing many neo-liberal environments, to choose a few cases for more in-depth comparative inquiry, or to focus on a single case. In this study I opt for the single case approach in order to construct a theoretical proposition. More accurately, I focus on two industrial sectors in the spatial / temporal space of Turkey: one of them, metal sector, as a case of organized industrial relations, and the other one, textile & clothing sector, as a case of unorganized industrial relations. Thus, I undertake two single case studies, not as components of a comparative inquiry, but in order to scan the entire industrial relations by examining its sub-fields separately. After this endeavor, I develop a unifying theoretical proposition to establish a coherent argument from these two ‘single case studies’.

In the following pages, first, I justify and clarify this methodological approach by addressing possible objections against using single case(s) in theory development and by illustrating why the case of Turkey (and its metal and textile & clothing sectors) is suitable for this study. Second, I outline the analytical approach of the study and reveal the hypotheses that are gradually deduced and examined in subsequent
chapters. Finally, I reveal my data sources. A short description of the subsequent chapters is provided at the end.

**Theory construction by using a single case**

The case study is simply the study of an individual ‘thing’ but it is clear that an individual thing may also be perceived as the multitude of some other things. In order to prevent this ambiguity Eckstein proposes to consider any phenomenon as a case only if it allows a single measurement to be made for any conceivable variable (Eckstein 1975:84-85). This definition leads to the objection, which is based on “the degrees of freedom problem”, that is, just by examining a single case one can prove many hypotheses because infinite number of lines may be drawn through a solitary point (George and Bennett 2005:17). The idea that one cannot construct a theoretical proposition by scrutinizing a single case partly results from this understanding of what constitutes a case. However, Gerring prefers to call a single measurement of any variable an observation and argues that “in a case study a case under study” must contain more than one observation (Gerring 2007:21,30) in a similar fashion one may also consider a case as “ a class of events” (George and Bennett 2005:17). Of course, in this way the objection that so long as a single case is used for theory construction ‘anything goes’ is refuted: any theoretical construct aiming to account for a single case must make sense of multitude of observations or class of events\(^2\).  

In this study, by subscribing to this particular understanding of a case and for the reasons that are clarified below, first I focus on Turkey’s metal and textile & clothing sectors separately, as single cases of two subfields of industrial relations (i.e., the organized and unorganized fields), and then by looking at these two singles cases simultaneously I examine the industrial relations in Turkey in its entirety as a single case in order to develop a theoretical construct for the source of industrial peace in neo-liberal environments. Each of these single cases beyond the obvious spatial dimension of Turkey is studied with a temporal dimension. These two dimensions provide many quantifiable

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\(^2\) In fact according to Gerring, the way in which variables are defined determines whether a particular thing is a case or observation, and he also acknowledges that a case may include some other cases, which are defined according to some other criteria (Gerring 2007:21,30). In the last analysis what is a case is determined by the research question
observations as well as number of narratives. Consequently, any proposition designed to fit each of these single cases will have to make sense of multitude of observations. This means that by definition the number of theories that can be constructed is not infinite.

Of course, the very observation that a case contains multitude of observations and thus, there is no situation of ‘anything goes’ leads to the other possible objection against the use of a single case in theory development, that is, any proposition derived from a single case would be too specific to claim wider applicability. This objection results from the perception of case study as a clinical inquiry of peculiarities of a single entity. According to this perspective the case study is the scrutiny of a single case as a “configurative-idiographic” endeavor which aims to explore the uniqueness of the case in order to attain an understanding of it in terms of its peculiarities that render it distinctive from some other cases which at first glance appear to be similar (Eckstein 1975:98-99). Obviously, the goal here is to attain a profound comprehension of the case that is studied. It is needless to say that in such a case study, one cannot establish a theoretical proposition, which can claim regularity, parsimony, wider applicability or predictive capacity beyond the case that is studied. However, there are other sorts of case studies which are conductive to theory development: for example, one may use a single case in a “disciplined” way in order to examine the empirical validity of various theoretical propositions or it is also possible to use a single case as a “heuristic” device in order to attain a preliminary theoretical construct by trying to account for those features of the case which are observable in other cases as well (Eckstein 1975:99-104). In both of these types of case study, however, the implicit assumption is that the case is selected on basis of its ability to reflect the characteristic features of a population, which should be clearly defined and at least tentatively examined (Gerring 2007:20). Consequently, the case is studied not for its own sake to discover its peculiarities but for the sake of attaining some propositions about the population. This implies that so long as a case is studied due to its representativeness of a population and a theoretical proposition is constructed as a result of such a study, then there may be some objections against the degree to which the chosen case is capable of representing the intended population (see George and Bennett 2005:7) but there cannot be any objection against using a single case to build a theory (see Collins 1988:11) at least as a preliminary construct to be refined by further research (Eckstein 1975:104).
In this study, the single cases that are scrutinized are all placed in the spatial/temporal space of industrial relations in Turkey but the aim is not to attain an understanding of Turkey as a case for its own sake but to construct a theoretical argument about a population by using the ability of the case of Turkey in its entirety to represent it. This population is obviously the neo-liberal environments, which are shown in the previous chapter to have appeared in many contexts such as sectors, countries or continents during the last two decades of the 20th century with three generic empirical features. I study metal and textile & clothing sectors of Turkey separately as examples of organized and unorganized industrial relations so as to scan industrial relations in Turkey in its entirety in order to develop a theoretical proposition about to the sources of relative industrial peace in neo-liberal environments. More explicitly the crucial question of what Turkey is a case of is to be answered as: it is a case of neo-liberal environment.

The arguments up to here show that one may use a single case to attain at least a preliminary theoretical proposition about a population but they do not necessarily reveal why one should prefer to do so. What makes a single case study not just viable but also preferable for theory development is closely related to the way in which the theoretical proposition is constructed. In fact, despite some contrary arguments, which consider theorization as incremental process of adding up empirical regularities, “theory building rests more on creative imagination than step-by-step elevation of generalizations” and thus, the theorist is an “architect not bricklayer” (Hyman 1994:168). However, acknowledging this does not necessarily rule out the incremental approach. One can still use it, not in the sense of adding up regularities to attain a theory, but in the sense of clarifying the empirics of a phenomenon in order to grasp what exactly needs to be theorized by creative imagination. This may be seen as incremental preparation, which would, by reducing the complexity, allow theorization at a higher level of abstraction. Such incremental preparation can be made by examining the ability of some middle range alternative explanations to account for the components of the phenomenon that is to be theorized. It is important to reiterate that as a result of this incremental preparation process, those hypotheses which are shown to be more capable of accounting for empirical regularities related to the phenomenon that is to be theorized, do not add up to become a theory for this phenomenon, but they clearly point out what needs to be theorized at a higher level of abstraction.
Indeed, if one aims to attain a general theoretical proposition after such an incremental preparation then using a single case becomes a preferable strategy. For in this case, a single case would function as a test ground during the incremental preparation by allowing to judge various middle range hypotheses in accordance with their ability to account for the identical empirical circumstances provided by the same case (Eckstein 1975:100). As mentioned above such study of a single case may be called as ‘disciplined case study’, in the sense that the case is not only carefully chosen to reflect the characteristics of the population from which it is drawn but it is also chosen to facilitate the operationalization of multitude of variables so as to allow testing different explanations (see George and Bennett 2005:10,21).

The preference for using single case(s), in this study results from the fact that the theoretical proposition, that is dilemma theory, is constructed after an incremental preparation: first Turkey’s metal and textile & clothing sectors are used separately as test grounds for examining the feasibility of various explanations for industrial peace that are deduced from existing theories in the literature, and then in order to create a coherent argument from these feasible explanations at a higher level of abstraction, the case of Turkey in its entirety is used as a heuristic device to test the intuitive idea triggered by the accumulation/legitimation dilemma.

For the sake of clarity it is worthwhile reiterating the arguments up to here: so long as a case contains many observations and it is chosen as a representative of a clearly defined population and if one aims to establish the theoretical proposition after an incremental preparation by examining some alternative explanations, then studying a single case is a preferable strategy. Thus, the use of single case(s) in this study is justified. For Turkey’s metal, and, textile & clothing sectors as well as the industrial relations in Turkey in its entirety contain multitude of observations, these single case(s) are studied not for their own sake but as representatives of neo-liberal environments and the final theoretical proposition at a higher abstraction level is developed after an incremental preparation.

Of course, now it is necessary to show explicitly that the case of Turkey is not only capable of representing the neo-liberal environment but it also allows ‘disciplined’ examination of different explanations as to the industrial peace by providing appropriate test grounds (i.e., the metal,
and textile & clothing sectors), which facilitates operationalization of many variables envisaged by various alternative middle range hypotheses.

**The case of Turkey**

If the theoretical proposition as to the source of relative industrial peace in neo-liberal environments is to be developed after an incremental preparation of testing some middle range alternative hypotheses, then the empirical reality that would be used as test ground has to reflect all three generic features of neo-liberal environments in analytically distinguishable forms so as to allow operationalization of wide range of variables. This means that i) government interventions at the service of the market under the conditions of democracy and/or democratization, ii) co-existence of organized & unorganized industrial relations, and iii) reactions against neo-liberalism should be clearly ‘visible’ on the test ground.

Ideally this implies having, in the same case, some periods of absence and presence of democracy, clear indications of government interventions at the service of the market, coexisting pure examples of organized and unorganized industrial relations, and all possible reactions against neo-liberalism envisaged in the literature. Moreover it is also imperative that this test ground contains variation in the dependent variable, that is, absence and presence of industrial peace should exist temporally and/or spatially so that the extent to which any set of explanatory variables may account for the outcome can be clearly tested.

In this study the case of Turkey is used as the test ground because it fulfils all these conditions better than some other cases and thus, renders examination of wide range of explanations possible. One may justify this claim by focusing on each of the three generic features of neo-liberal environments and by revealing the patterns of industrial conflict in Turkey:

*Democracy and government interventions at the service of the market*

In Turkey the shift from the strategy of import substitution into export-oriented growth in accordance with the tenets of neo-liberalism occurred between 1980 and 1983 under military dictatorship, which
suspended the democracy. Therefore the first governments of the neo-liberal period were entirely or largely unaccountable in democratic terms. Thus, they could pursue neo-liberal reforms relentlessly, which involved enactment of entirely new legal framework, and establishment of institutions, which allowed direct interventions in industrial relations. These clear and sudden breaks with the past render observation of government interventions at the service of the market very easy in the case of Turkey compared to some other cases like Britain where neo-liberal change was much more gradual. Moreover, from 1987 onwards, as the restrictions imposed by the military were lifted, Turkey witnessed gradual democratization: some liberties were restored and politics became accessible to new parties, that is, competitive elections and freedom of expression as key criteria of democratization outlined by Storm (2008) re-emerged. This rather quick (though partial) re-emergence of democracy after its sudden suspension makes Turkey a better case for observing the impact of democracy factor compared to countries like Britain and New Zealand where democracy was not interrupted during the shift into neo-liberalism, and compared to Indonesia where democracy only emerged after neo-liberalization and finally compared to Chile and Korea where although democracy existed prior to neo-liberalization its re-emergence took very long time. Thus, focusing on the case of Turkey allows observing the democracy factor, interventions of governments at the service of the market and interaction between these two, in a clear and analytically distinguishable form.

Organized & Unorganized industrial relations:

There are two sectors in the spatial/temporal space of neo-liberalizing Turkey which provide nearly pure cases of organized and unorganized industrial relations: Metal sector is dominated by a very powerful collective bargaining system which at some point covered almost half of the workers in this sector while enjoying pattern setting influence for the rest. On the other hand, the textile & clothing sector is almost entirely consists of unorganized industrial relations with more than 98 percent of workers lacking any collective representation and majority being informally employed. Although, by definition in all neo-liberal environments organized and unorganized industrial relations

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22 In the relative & technical sense: since civilian government was toppled, competitive elections were not allowed and freedom of speech and association were severely restricted (see Storm 2008).
coexist, it is difficult to find such coexistence of nearly-pure types under the same legal and political conditions as in the case of Turkey which render the inquiry of these two fields easier, and more importantly, it allows to attain a general theory which can make sense of the empirical regularities of these two fields simultaneously.

Reactions against neo-liberalism:

It is possible to clearly observe the reactions against neo-liberalism led by different agents in the spatial/temporal space of Turkey: first of all due to the analytically distinguishable entry of the democracy/democratization factor into the equation, the impact created by reactions in the form of public protests and vote-shifts, too, appear in analytically distinguishable forms. Wide range of protests, which rocked the country in the late 1980s shortly after the inception of democratization and led to early general elections is an example of this phenomenon. Secondly, due to the co-existence of pure cases of organized and unorganized industrial relations, one can observe in the spatial/temporal space of Turkey, both the class-based reactions of organized workers to the neo-liberalization of collective bargaining and civil society based reactions of NGO’s to sweatshops. The wildcat industrial actions in the late 1990s in the metal sector and codes of conduct initiative of transnational networks such as Clean Clothes Campaign which gained prominence during 2000s in the textile & clothing sector are useful examples in this respect. Therefore in the spatial/temporal space of Turkey one can observe, compare and evaluate the impact of all types of reactions, which are thought to be triggered by the advance of neo-liberalism. Obviously, it is difficult to find all these reactions simultaneously in many neo-liberal environments together with co-existence of nearly-pure cases of organized and unorganized industrial relations and periods of absence and presence of democracy with a relatively short time in between.

Variation in the dependent variable:

In the spatial/temporal space of neo-liberalizing Turkey, in its entirety as well as in the two nearly pure case sectors, one can clearly observe periods or circumstances of industrial conflict bracketed by long and/or vast periods and/or circumstances of industrial peace. In the country as a whole, the strikes peak at two spots during the neo-liberal period, but then they go down to insignificant levels (see figure 2.1). In the metal sector there was a wide-scale industrial action incident during
the neo-liberal era, which was preceded and followed by long periods of industrial peace. In the textile & clothing sector, which expand from pure formality into entire informality, there are spots, which are prone to wildcat industrial action, surrounded by wide segments of industrial peace. Obviously, by only comparing and contrasting these periods or circumstances of industrial conflict with those of industrial peace, one can scrutinize the source of the latter. In a more formal way, there is an analytically distinguishable variation in the dependent variable in the country in its entirety and in the two nearly pure case sectors, which render scrutiny of the sources of industrial peace possible.

Figure 2.1: Variation in the dependent variable: two peaks of industrial action in Turkey after the neo-liberal shift\textsuperscript{23}.

![Variation in the dependent variable: two peaks of industrial action in Turkey after the neo-liberal shift](image)

This exposition reveals that the case of Turkey provides appropriate single cases to be used as test-ground for incremental preparation for a general theoretical proposition as to the source of industrial peace in neo-liberal environments. In the next section I outline the analytical approach of the dissertation, briefly state the hypotheses that would be deduced in the subsequent chapters and point out how and where Turkey’s metal and textile & clothing sectors would be used as test grounds.

\textsuperscript{23} Source: ÇSGB (2006)
Analytical Approach

The analytical approach that is pursued in this study contains three parts:

**PART I: META THEORY and DEDUCTION OF HYPOTHESES**

- Step 1: identifying all potential sources of tension within industrial relations that may lead to industrial conflict in order to develop a meta-theory (i.e., a theory for theory of industrial peace) which will be used,
  
  i) in order to refute the two simple hypotheses that may easily explain the industrial peace in neo-liberal environments (i.e., peace is the normal mode of industrial relations and free markets are capable of generating industrial peace)
  
  ii) in order to provide some reference criteria for judging the existing theories of industrial conflict

- Step 2: by using the meta-theory as reference critically reviewing the existing literature on industrial conflict and deducing the following pairs of competing hypotheses which form an ideal typology (see figure 2.2):

  i) for the industrial peace in organized industrial relations

  *Main hypothesis:* Industrial conflict is contained by the manipulation and coordination of collective bargaining by employer dominated partnerships, that is, by the neo-liberalization of collective bargaining.

  *Alternative hypothesis:* Industrial conflict is contained by the pro-worker interventions of the democratic state (which is sensitive to societal reactions) in the bargaining and its coordination.

  ii) for the industrial peace in unorganized industrial relations

  *Main hypothesis:* Industrial conflict is contained by the correction of injustices by non-state actors, that is, NGO’s, consumer groups and international networks.
**Methodology and Analytical Approach**

*Alternative hypothesis:* Industrial conflict is contained by direct or indirect attribution of the blame of injustice to the state rather than employers.

**Figure 2.2 : A typology for containment of industrial conflict**

(to be gradually established in subsequent chapters)

<table>
<thead>
<tr>
<th></th>
<th>Excluding the State</th>
<th>Focusing on the State</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I a</strong></td>
<td>Industrial conflict is contained by the neo-liberalization of collective bargaining, that is, the manipulation and coordination of bargaining by employer dominated partnerships</td>
<td>Industrial conflict is contained by the pro-worker interventions of the democratic state (which is sensitive to societal reactions) in the bargaining and its coordination</td>
</tr>
<tr>
<td><strong>II a</strong></td>
<td>Industrial conflict is contained by the correction of injustices by non-state actors (NGO’s, consumer groups and international networks)</td>
<td>Industrial conflict is contained by direct or indirect attribution of the blame of injustice to the state rather than employers</td>
</tr>
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**Organized industrial relations** (Bargaining and coordination levels)

**Unorganized industrial relations** (The feeling of injustice)

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**PART II: EXAMINATION OF HYPOTHESES**

- *testing the hypotheses in the typology against the same empirical reality* in order to judge which ones are capable of accounting for the dependent variable, that is, the industrial peace. During this phase the metal sector is used to test the first pair of competing hypotheses which address the industrial peace in organized industrial relations (see figure 2.2 first row) and the textile & clothing sector is used to examine the second pair of competing hypotheses which try to account for the industrial peace in unorganized industrial relations (see figure 2.2 second row).

**PART III: THEORIZATION AT A HIGHER ABSTRACTION LEVEL**

- *theorizing the empirical reality revealed by the successful hypotheses in the typology* (in both cases the alternative ones focusing on the role of the state, see figure 2.2 second column) by using the
accumulation/legitimation dilemma so as to construct and test a general theoretical proposition.

**Data Sources**

During the empirical analysis, both qualitative and quantitative data sources are used. It is of importance to explicitly mention the way in which data are collected.

**Qualitative material**

As the core primary qualitative material 65 interviews\(^\text{24}\) were conducted in Turkey between 2005 and 2007. This field work period was roughly divided into two: first I focused on the metal sector as a case of organized industrial relations and tried to uncover the dynamics of intra and inter class conflict and bargaining, then I scrutinized the textile & clothing sector as a case of unorganized industrial relations in the same way. My main research strategy was to ‘see’ each of these sectors from six different perspectives: those of government, labour representatives, employer organizations, NGOs, firms and workers.

Prior to and during the fieldwork I prepared charts of facts and trends for each sector by studying publications of industrial relations’ experts, employer organizations, trade unions and newspapers, which appeared in the period of 20-25 years after 1980. This background material not only enabled me to identify the most important employers’ organizations, active trade unions, relevant government institutions and officials but it also allowed me to anchor my interview questions to concrete events and to challenge related accounts of respondents. In accordance with the outcome of this preparation phase, in both sectors first I conducted interviews with the officials of all active trade unions, employers’ organizations and government ministries, and by using these interviews as reference I refined my selection criteria for firms and workers\(^\text{25}\).

Consequently, in the metal sector as a case of organized industrial relations I mainly focused on the role of the formal bargaining structure in containment of conflict and I chose firms in accordance with whether

\(^{24}\) See Appendix 2 for the list of interviews.

\(^{25}\) However, sometimes due to the availability of respondents I had to change this order.
they are proponents or opponents of this system. In other words, the inquiry was centered on the formal bargaining system. On the other hand, in the textile & clothing sector I mainly scrutinized the informal employment and the impact of non-state actors on conflict dynamics and I focused on employment relations in firms. This led to a rather firm-centered analysis and required me to screen and contact more than 50 firms by using association records, newspaper articles, internet and snowball sampling. In other words, in the metal sector, as a case of organized industrial relations, firm interviews were complementary to the interviews that I have conducted with the employers’ organizations and trade unions about the functioning of the bargaining system, while in the textile & clothing sector, as a case of unorganized industrial relations, the exact opposite was true: the interviews with trade unions and employers associations were complementary to the scrutiny of production and employment strategies of firms. The only setback during the fieldwork was that in both sectors it proved to be very difficult to have direct encounters with workers and I was compelled to rely on the accounts of trade unionists and second hand documentary evidence to establish workers’ perspective.

During the interviews I not only related my questions to specific incidents of conflict and their relation with neo-liberal measures but I also encouraged interviewees to refer to particular incidents of intra and inter class conflict which they have experienced but I might not be aware of. This meant that I prepared some concrete questions and themes to be explored during the interviews but always remained ready to go off the prepared path to hear what interviewees wanted to say. In other words, interviews were semi-structured. Thanks to this approach, I acquired knowledge about some developments and trends which were either not visible in written documents or which appeared to be much more significant for the actors in the field than as they appeared on paper. In this way I recognized the crucial importance of the gentleman agreements between governments and the peak labour organization TÜRK-İş after 1990 and I discovered the failed attempts of black listing of dissident workers in the textile & clothing industry due to lack of trust among employers. When I grasped the importance of a particular event or phenomenon, which hitherto appeared not so crucial, I sometimes re-interviewed some individuals to hear more about their accounts on these subjects.
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As to the required credentials; almost all trade unionists before they give interviews asked me implicitly or very explicitly ‘for whom’ I was working for or the ‘real’ purpose of my research. High-ranking officials of employers’ organizations, firms, and government officials on the other hand, had more indirect ways of checking credentials. In many cases arranging interviews with these people required using some ‘personal’ contacts. For example, to interview an ex-minister of labour I needed the assistance of a prominent journalist, to have an interview with the deputy of peak employers’ organization, three individuals who are well known among businessmen needed to recommend me as a ‘reliable’ person, and to interview a certain firm owner it was necessary to be ‘guaranteed’ by two bank directors. However, quite often once such a ‘critical’ interview was arranged it facilitated arranging some other interviews. For example, some trade unions were accessible to me because of the credentials provided by employers’ organizations.

Almost all interviews were one-to-one encounters but in some cases there were some other people present other than the interviewee and me but this proved to be not always a negative factor for it allowed me to immediately hear some other perspectives. Not surprisingly, interviewees tried to evade some critical issues such as systematic use of repression in the metal sector by one of the trade unions to discipline workers, conflicts among employers, and involvement of some trade unionists in business deals. Thus, sometimes I needed to interpret some obscure answers related to such topics. However, in each such incident I substantiated my interpretations by using other information sources. In the following account whenever I use a finding based on such indirect or obscure answers I explicitly mention this in a footnote and explain how I substantiate the finding with further evidence.

I tried to make audio recording of all interviews and I ensured the interviewees that records or their transcripts will only be used by me for scientific purposes but sometimes interviewees, especially government officials and firm owners, refused to give interview so long as it is recorded. Moreover, even when audio recording was possible quite often respondents requested me to stop recording whenever they revealed something, which they considered sensitive. In order to capture these details after each interview I wrote down all the important points with special emphasis on the off-the-record points. In order to ensure the confidentiality the real names of some individuals and firms are replaced.
by pseudo-names and their distinctive characteristics are deliberately not revealed.

Quantitative material

In this study two types of quantitative data are used: i) macro level indicators of economy and labour dynamics, namely, GDP growth, union density and bargaining coverage at sector and country levels, sectoral wages, public wage norms and minimum wage levels, ii) micro level indicators, that is, firm level series on profits, exports, capital investment, employment and labour costs. However, there are some problems concerning data sources on both of these levels.

As to the macro level quantitative data:

The first problem is that the official statistics of union density in Turkey are completely inaccurate. This is openly admitted by some high ranking officials of the Ministry of Labour (ÇSGB)\(^{26}\): for example, in official statistics the members of the largest union in the textile & clothing sector (TEKSİF) is given around 330,000 in 2007 but the real number was less than 40,000\(^{27}\). Similarly, the official number of workers affiliated with the largest union in the metal sector (Türk-Metal) is more than 280,000 by 2006 but the real number was no more than 95,000\(^{28}\). Moreover, in some sectors, due to the prevalence of informal employment, the total number of workers is an informed guess. Therefore I realized that the actual union density in the country is bound to be an estimate rather than a precise figure. Thus, instead of using official density statistics I had to device an estimation method. Consequently, by drawing on the study conducted by Çelik (2003) I equated the real number of union members to the number of workers covered by collective agreements while using the number of formally employed individuals as the total number of workers in order to obtain an ‘optimistic’ estimate of the union density\(^{29}\).

\(^{26}\) Interview #35/26.04.2006

\(^{27}\) Interview #48/11.05.2007

\(^{28}\) Interview #33/24.04.2006

\(^{29}\) There are several other estimates in the literature. However, in this study I preferred to use my own estimates for the post-1980 period but I borrowed the estimate of the year 1980 from Cam (2002). Note that in the following pages at appropriate places I mention my pessimistic estimates too.
Second problem is to obtain accurate estimates of wage levels in unionized workplaces across various sectors. Although the official statistics institute TÜİK provides some wage series on sectoral level, these series do not make any differentiation between unionized and non-unionized workplaces nor do they really explicate the differences between formal employment and various forms of informality in terms of wages across sectors. In fact, as to the sectoral wages in unionized workplaces, the only time series is collected by the peak employers’ organization TİSK since the mid 1960s and it is published in the form of annual booklets. However, I realized that this data had to be handled with care. For in these statistics the daily wages are estimated by first subtracting the number of officially paid holidays from the total number of days in a year and then the total annual income is divided by this number of so-called ‘actual work days’, leading to an overestimate of daily wages. Moreover, it proved to be impossible to obtain the entire TİSK wage series for each sector from mid 1960s onwards. There was not a single association, person or institution, including the TİSK itself (!), which acquired the complete collection of annual statistics booklets of the TİSK. Thus, despite my best efforts, I could only obtain 25 booklets and was compelled to fill the remaining gaps by predictive regression models in which I used variables such as public wage norms, minimum wage and crude average wage in the relative sector that could be obtained from other sources (ÇİSB, TÜİK, DPT, KAMU-SEN). In the following account, when relevant, the techniques of compilation and prediction are explicitly mentioned for each table or graph as a footnote.

As to the micro-level data on firm level analysis, I mainly used the detailed firm-level statistics, annually produced by the Istanbul Chamber of Industry (ISO) on the 500 biggest firms in Turkey. Unlike the TİSK wage series, annual 500 biggest firms statistics are very well archived, thus, by paying couple of photocopy visits to ISO I obtained a very large panel data covering 500 firms through 25 years and revealing information on more than 10 different variables. However, there are still two problems with this data set:

Firstly, as the name suggests this data set covers only the 500 biggest firms in Turkey and indicators such as profits, employment, capital investment and assets are used to determine the size of firms.

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30 Each annual booklet gives statistics of several preceding years, thus, by 25 booklets I could obtain more than 25 data points.
However, not the same 500 firms are covered each year: some firms disappear from the panel for several years or forever because they do not rate big enough to be included. Thus, one can only focus on large middle size firms and big firms in order to observe the impact of political and economic developments on firm level industrial relations dynamics. Small firms could not be put under scrutiny by using this data set. Moreover, due to the fact that large middle size firms quite often disappear from the list after several years, it was necessary to focus on the firms which do not disappear for extended periods rather than those firms which are interesting because of some recorded incidents of industrial conflict.

Secondly, the 500 biggest-firms panel does not indicate whether the included firms are unionized nor does it explicitly reveal their annual labour costs. I had to consult trade unions, employers’ organizations, sectoral employers’ associations and some experts in the field in order to establish which of the firms that I was interested in were unionized and I could only make informed guesses about the labour costs by assuming that if the firm under scrutiny was unionized, then all blue collar workers were paid the average sectoral wages, which, in turn, had to be estimated by using the TİSK data complemented by predictive regression models.

In short, in order to overcome these problems at macro and micro level data sets I compiled statistics from many different organizations including ILO, OECD, DPT, TÜİK, ISO, KAMU-SEN, TİSK, MESS, TÜTSİS, TÜDOKSAD, DÇÜD, and ÇŞGB.

Outline of chapters

The remaining chapters of this study can be summarized as follows:

ANALYSIS PART I:

META THEORY and DEDUCTION OF HYPOTHESES

In chapter 3, I explore the anatomy of industrial conflict in order to reveal all possible tensions embedded in industrial relations, which could trigger industrial action. This exercise allows refuting the two simple hypotheses, that is, industrial peace results from free markets, and peace is the normal mode of industrial relations. It also provides the criteria (i.e., theory for theory of industrial peace) that are to be used for judging the
existing conflict theories in the literature in order to derive some sensible alternative hypotheses.

In chapter 4, by using the criteria developed in the previous chapter as reference I summarize the prominent theories on industrial conflict, reveal their weaknesses and then by using arguments borrowed from recent or relevant literature I complement some parts of these theories in order to derive two pairs of competing hypotheses as to the source of industrial peace in neo-liberal environments. First pair of competing hypotheses tries to explain the industrial peace in organized industrial relations and the other pair focuses on the industrial peace in unorganized industrial relations. In both pairs one hypothesis excludes the state and the alternative attributes a crucial role to it. The chapter ends with incorporation of these two pairs of competing hypotheses into a single typology and analysis of the remaining gaps that should be filled during the empirical inquiry (see figure 2.2).

ANALYSIS PART II:

EXAMINATION OF HYPOTHESES

In chapter 5, I test the first pair of competing hypotheses in the typology which focus on the source of industrial peace in organized industrial relations: the first one considers partnership based and employer dominated bargaining systems as the source of peace while the alternative considers the interventions of the democratically accountable state as the cause of peace (see figure 2.2). I sketch the historical developments in organized industrial relations in the world prior to and during neo-liberalization in order to reveal that these two hypotheses deduced on theoretical grounds also make sense in historical terms. Then I zoom into the case of Turkey and examine the developments in the metal sector as a nearly pure case of organized industrial relations. By using the analogy of natural experiment I show that as long as conditions of democracy are retained, the state would not be able to consistently pursue the neo-liberalism and only this mandatory deviation from neo-liberal course would allow sectoral bargaining systems to contain industrial conflict in organized industrial relations. Therefore, I argue that the alternative hypothesis, which focuses on the role of the state in explanation of industrial peace provides a more fundamental explanation. Chapter ends with the depiction of four issues which require further
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explanation and evidence: the link between politics and organized industrial relations, implications of the shrinking size of the organized field, the impact of economic conditions on government policies regarding this field, and finally, whether there is a meta-principle of the state which ensures that all governments pursue the same policies in the field of organized industrial relations.

In chapter 6, I test the second pair of competing hypotheses in the typology, which focus on the source of industrial peace in unorganized industrial relations: the first one considers the ability of non-state actors to correct the injustices as the source of peace while the alternative hypothesis points out workers' attribution of the blame of injustice to the state rather than employers as the main reason for peace (see figure 1.2). I sketch the historical developments in unorganized industrial relations in the world prior to and during neo-liberalization and show the rise of non-state actors as crucial players in order to reveal that these two hypotheses deduced on theoretical grounds also make sense in historical terms. Then I zoom into the case of Turkey and examine the developments in the textile & clothing sector as a nearly pure example of unorganized industrial relations. By analyzing the impact of private labour regulation (as the instrument of non-state actors) on the conflict dynamics in the sector, I show that although under certain limited conditions the private labour regulation seems to reduce the conflict propensity by forcing firms to offer healthy working conditions, social security, full payment for extra-hours, and minimum wage, the combination of these factors generate industrial peace because they allow attribution of the blame of injustice to the state rather than employers. In other words, even in those circumstances in which non-state actors appear to be responsible for industrial peace, in fact it is the state, which ensures the peace through its careful management of the politics of minimum wage. Thus, the analysis points out the central role of minimum wage that is controlled by the state in containment of various tensions in the sector. By taking all these points into account I argue that the alternative hypothesis, which focuses on the role of the state in explanation of industrial peace provides a more fundamental explanation. Chapter ends with the depiction of four issues which require further explanation and evidence: the link between politics and unorganized industrial relations, implications of the expanding size of the unorganized field, the impact of economic conditions on government policies regarding this field, and finally, whether there is a meta-principle of the
state which ensures that all governments pursue same policies in the field of unorganized industrial relations.

ANALYSIS PART III:

THEORIZATION AT A HIGHER ABSTRACTION LEVEL

In chapter 7, I focus on the two hypotheses which are validated in the previous two chapters (see second column in figure 1.2) and reiterate that they have not yet provided sufficient evidence and explanations for the link between politics and industrial relations, implications of the expansion of unorganized field, the impact of economic developments on government policies, and (whether there is a) meta-principle of the state. Then, in order to explain the reality revealed by these two hypotheses and clarify the obscure points, I construct a general theory at a higher abstraction level (dilemma theory) by assuming that balancing accumulation and legitimation is the meta-principle of any capitalist state regardless of differences between governments. Finally, by applying the dilemma theory to the case of Turkey in its entirety, I show that it is capable of accounting for the empirical reality uncovered in previous chapters and it sheds light on the issues, which require further explanation and evidence. Thus, this chapter, by combining insights obtained from preceding analysis with a comprehensive state-centered theory, provides the conclusive explanation for containment of industrial conflict in neo-liberal environments.

CONCLUSION

In chapter 8, I summarize the dilemma theory, discuss five of the possible objections (persistence of neo-liberalism, deterioration of workers’ conditions in some neo-liberal environments, controversial nature of the democracy factor, operationalization of accumulation/legitimation dilemma, and influence of some other actors on legitimation decisions) and point out some themes for further research.