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Global development: challenges for unions strategies

The Workers' Development Agenda
A comparison between CUT Brazil and DISK Turkey

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Abstract

In this paper, we will discuss about the developmental model defended by workers organizations. It is a comparison about the views and the agendas of two national confederations, CUT Brazil and DISK Turkey.

It aims to analyze how trade unions view development and their main proposals. It seeks to contribute on the developmental debate addressing what such representative social actors are doing to overcome the obstacles that are impeding the improvement of the living conditions of the majority of the populations of Brazil and Turkey.

As working class organizations, trade unions undertake a contradictory role in the capitalist production relations, unless they have an alternative production system in mind. In other words, trade unions, specifically CUT Brazil and DISK Turkey, are organizations that try to maintain and improve workers rights against capitalists' attacks meanwhile struggling to achieve another model of society.

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1. Introduction

The objective of this paper is to analyze the role of trade unions in the development debate. Thus, it seeks to compare trade unions views and their agenda on development. The research will be predicated on two case studies, the Central Única dos Trabalhadores – CUT Brazil and the Confederation of Progressive Trade Unions of Turkey - DISK.

Trade unions represent a crucial social force in the societies. As representatives of a considerable part of a society, trade unions should be included in the debate of development. However, they are generally excluded from these discussions, at least, at the governmental level. This is mostly because governments' approach to development issues is usually limited to economic growth.

Nevertheless, it is a well-known fact that development means much more than economic growth. That is why it is necessary to identify the views of trade unions on development and also their proposals in order to reaffirm democracy as a vital concept. Only by this way it will be possible to build an appropriate developmental program where all social actors can contribute to foster a real developmental project.

Currently the debate of which development concept should be fostered is on the agenda of the labour movement and at academic circles. It is argued that there is a need for a new development agenda. But what is the concept of development for trade unions? Which development do labour movements defend?

Brazil and Turkey, two developing countries, have similar economic barriers on the forefront for a "proper" development pathway. Both countries have undertaken structural adjustment programs advised by the International Monetary Fund – IMF. They also passed through Military Dictatorships, which was clearly a hurdle for the development of democratic societies and limited improvements on basic human rights.

Due to the recent economic crises both countries have experienced severe economical difficulties, which are an impediment for development and limit the redistribution of wealth. Despite this fact, Brazil and Turkey have achieved economic growth (when comparing to the average world growth), though it does not bring about an improvement in essential social services such as education, health, housing and transportation.

Firstly this paper will briefly overview the debate of development, when and the reasons why it appeared. This chapter analyzes two main approaches about development and it categorizes also some periods, as between the 50s and the 70s, the development strategy was called import substitution. And the period from the 70s to now is called export-led growth strategy. However, the recent period from 90s to now should be taken up in a different way. Still in this chapter, it explores the trade unions relevance in the developmental debate.

The next step will be to identify which agendas CUT and DISK are taking into consideration to accelerate a developmental model, which is functional for the working

class. So chapter three will analyze DISK role in the development area and the forth chapter will analyze CUTs role and actions regarding the developmental debate. In the chapters number three and four there is an effort of identification of the main proposals of both national confederations. Chapter number five is the comparison between CUT and DISK.

The main aim is to analyze how trade unions view development and their main proposals. It seeks to contribute on the developmental debate addressing what such representative social actors are doing to overcome the obstacles that are impeding the improvement of the living conditions of the majority of the populations of Brazil and Turkey.

The methodology of this paper was mainly based on research, documents of resolution of the national confederations congresses and spaces where policies are defined were considered¹. That is why this article used the following sources:

- Review of primary data such as resolutions of trade union meetings and congresses regarding the development context,
- Review of related literature and secondary data.

To conclude, it came up with some policy options that may contribute to the confederations practices. Although both countries have a similar past, some recent and different experiences of the confederations and also of the national circumstances/governments are useful to create an exchange of experiences on fighting for development.

2. The development debate

The development debate appeared only after the Second World War (WWII). There are three main factors that influenced this. The first one is that there was a lack of confidence of the markets because of the Great Depression that occurred in 1929. Another relevant reason was that the Soviet Union experience in the inter-war period had shown that development and industrialization could take place in a social system, which could be different from the models defended by the Western countries. The third factor could be described as a political one due to the creation of new independent nations that were in the past colonized.

2.1. What were the main objectives of the development theory?

There was a concern with the changes in the social and economical structures of mostly poor, agrarian, colonial and/or ex-colonial societies. In the beginning, it was thought that the continuity of domestic growth according to the rise of income per capita would permit the alleviation and eventual elimination of mass poverty. That is why industrialization,

¹ The definition of the policies of the CUT occurs in the National Congresses, in the National Plenaries and in meetings of the National Board. Policy formulation of the DISK can be found in the documents of the General Congress, which is held every four years.

rapid capital accumulation and mobilization of underemployed manpower were major concerns.

Later it was noticed that merely economic growth was not sufficient to entail social and economic welfare. Although growth rates have increased in these countries, there were some side effects that are contradictory to the main objectives as unemployment growth, distortion in income distribution, lack of food, housing and health services and totalitarian regimes.

2.2. Market versus Planning

It can be said that there are two main different contending economic stances behind the development theory. The first one, so called neo-classical approach, believes that the market is able to efficiently allocate resources so as to set optimum welfare for the benefit of the whole society. Therefore, the state is not considered an economic agent and it should not intervene in the market processes.

In contrast to this approach, according to the latter so-called heterodox economy, the market has cyclical character and crisis prone evolution. It should always be supervised by the state in order to avoid its destructive consequences. The state, therefore, should undertake economic roles particularly in underdeveloped countries in order to set a long-term growth strategy. According to this approach, there is no national market that has developed without the states assistance.

Regarding the effects of these contending policies on development strategies, history of developmental policies can be separated into two main periods. In the first period between the 50s and the 70s, planning and state played a dominant role to set up long-term development strategies. The main characteristics of this first period are:

- Public enterprises played double roles as on the one hand, they filled the void left by private enterprises and on the other hand, they produced semi-products which private sector needed for investments. These products were supplied with cheap prices to facilitate investments in the private sector;
- International trade was restricted so that domestic industry was protected by import substitution policies;
- Escalation number of public enterprises created employment opportunities for surplus labour migrated from rural areas;
- Wage increases were allowed because of import substitution policies, founded on improving domestic markets;
- Wages in the private sector were formed according to wages in the public sector so that income distribution would be relatively balanced;
- Social security system was constructed and financed by governments in order to create healthy and educated workers;
- Working conditions in the public sector formed a base for the private sector;
- Throughout this period, farmers were also supported by price policies directed by governments.

However, the policies implemented could not prevent economies from experiencing some structural difficulties due to the conjectural reasons of the 70s. Firstly international trade deficit grew severely because of both dependent industry and decreasing international prices of raw materials, which were main products that developing countries used to export. Therefore, foreign debt increased drastically in order to finance this deficit. On the other hand, limited domestic supply, lack of foreign assets and constraint on government budget led to (engendered) inflation increase. The planning model and state were accused of leading instability in the economy particularly because they did not allow market to work freely.

In the second period, from late 70s to now, neo-liberal policies have played an important role forming the developmental strategies. The main characteristics of this period are:

- Role and size of the state has been reduced not only in economy but also in social sectors;
- Public enterprises have been privatized as well as health and education services;
- Social security system has been accepted as a burden on government budget so that social security system could be privatized step by step;
- Restriction on international trade has been abolished and economy has been reconstructed in order to improve export capacity: export-led growth model;
- Domestic demand has been suppressed to create excess supply, to export and to increase domestic savings;
- Wages have been pressured down in order to keep competitive power in international trade;
- Expansion of employment slowed down in order to increase the productivity.

The main objectives of the export-led growth model were to overcome difficulties occurred in the late 70s. The major concern was to put inflation under control and to close international trade deficit. In other words, stabilization and adjustment of markets for economic growth had priority no matter which consequences could happen in society.

2.3. Articulation of developing countries with world markets

Since WWII, development path of countries has been divided into two main periods regarding development strategies, as explained above. The period between the 50s and the 70s is called import substitution strategy. The period from the 70s to now is called export-led growth strategy. However, regarding the articulation of developing countries to world markets, recent period from 90s to now should be taken up in a different way because real economic activities are increasingly shaped by developments in the sphere of finance in emerging markets, determined by factors beyond their control.

In the last two decades, these economies have severely experienced financial crises and they have been conditioned by developments in the financial markets. Therefore, financialization in developing countries has changed both internal dynamics of these

economies and also the relation between developed and developing countries. The main characteristics of this period are:

- While independent and self-sufficient national industrial forces were main objectives of previous development strategies, now they have relatively lost its primary role;
- Instead of strong national industrial forces, in this period it is more significant to have robust financial markets because capital accumulation through financial process is a more preferred way;
- While national capitalist class used to play leading role in development, now they have close relations with international capital and their interest is very stick to international ones;
- State is called back in economy because markets need it as a creator, administrator and saver of the financial markets

2.4. Trade union relevance in the developmental debate

As working class organizations, trade unions undertake a contradictory role in the capitalist production relations unless they have an alternative production system in mind. A trade union is, in basic sense, an organization to maintain and improve workers rights against capitalists' attacks. In this regard, existence of trade unions requires presence of working class. Escalation in number of workers is an advantage for trade unions in order not only to become strong and politically effective but also to decrease unemployment and create income for the whole society. Therefore, trade unions have always been in favor of policies that create employment. And development policies have formed favorable conditions for trade unions. Trade unions have strengthened and became important actors wherever development policies were relatively "successful". In other words, trade unions have let wage relations become prevalent.

However, it is not possible to say that diffusion of wage relations always result in public interest and increase of the well being of society. It is clear that the main objective of market forces is merely to get higher profit no matter what consequences happen in society. All over the world national economies have been growing but it is hard to say that each section of society have benefited from this growth equally. Amount and scale of production have been growing but neither poverty nor unemployment has been eradicated yet. In contrast to desired results of development, on the one hand the share of working people out of national income has been declining on the other hand the gap between rich and poor people have been growing. Consequently, it is possible to say that social injustice has increased as capitalist market relations has progressed.

In this regard, trade unions are essential organizations to set up social justice within society since they are directly involved with the economic system of production and also distribution. They can influence the course and content of employment and of social and economic policies. They have considerable experience in organizing the more vulnerable sections of society. They can play an important role to overcome detrimental

consequences of capitalist market relations such as poverty, unemployment and lack of confidence for future.

3. The case of DISK Turkey

Recent development agenda of trade unions in Turkey was formed right after the last financial crisis in 2001 when detrimental effect of the crisis was felt deeply. Trade union confederations and some other NGOs came together in order to formulate main themes of political agenda, which is so called “Labor Program”. Main objective of this program, entitled “Policies required for Social Justice and Economical Stabilization”, was to protect the society from destructive effect of the crisis. It is possible to say that since then, the political agenda of DISK has been shaped by this program.

The program was based on 5 main topics:

1. Destructive effects of international financial capital;
2. Development;
3. Tax policies;
4. Agricultural policies;
5. Democratization and Social Rights.

Economic life in Turkey has been conditioned by a strong wave of financialization since international capital movement was set free in 1989. Since that time, Turkey has experienced two severe financial crises in 1994 and in 2001. Because of these crises not only economic growth has slowed down, but also unemployment rate and number of people living under poverty line have increased. That is why financial issues became a prominent question that trade unions have pointed in the program. As a short-term solution, trade unions have stated that restrictions were necessary on international capital movement in order to avoid external factors that create instability in economy.

3.1. State versus Markets

However in the long term, trade unions were aware of the fact that the Turkish economy has some structural problems. First of all, according to them, the economy should get rid of short term vision of financial markets and then a long term project based on development in national production forces should be adopted in order to survive in a competitive environment of the world market. It is clear that international capital flow and monetary policies imposed by the International Monetary Fund - IMF and the World Bank have played important roles in these crises. Therefore, according to the trade unions, neo-liberal policies imposed by international institutions should be given up immediately.

It is possible to say that the program has an anti-market approach. So trade unions are against that market rules the society. The state should be called back to the economy to undertake more social responsibilities so as both to restrict destructive markets forces and to promote investments in specific sectors. According to the program, low employment rate, unemployment and poverty are so crucial problems, which people face, and that they

should not be left to markets to solve them. In fact, capitalist market relations are inherently unstable and are a mechanism that generates these problems continuously. Consequently, trade unions stated that fierce competitions in domestic and international markets make problems bigger and worsen. Planning in economy should be considered again.

3.2. State Policies and Budget

According to the program, government budget and taxing system should be re-regulated within the development context. According to the program:

- Government budget should be used for economic and social development;
- State should not only play distributive role but also productive. That is why share of public investment in strategically selected sectors with high value-added should be increased in order to help private sector and also to increase competition power;
- Privatization policies should be stopped;
- Investment in R&D should be increased to end technological dependency of the economy and it should be financed out of the budget;
- Long term project must be prepared in social important sectors such as energy, agriculture and natural resources;
- Payment for debt service, taking half of the budget, should be stopped and debt policies to finance the budget should be abandoned;
- Progressive taxing system should be implemented. Tax burden should not be charged on wage earners by indirect taxes. Measurements should be taken for taxing evasion.

3.3. State and Social Policies

According to the program, state should take part actively in social protection policies. Social policies suggested by the program are mainly concentrated on the following:

- Generating income through creation of employment. As mentioned above, Turkish labor market is characterized with low employment rate (%48) and high unemployment rate (%11). In other words, great part of the population is outside of the labor market and is deprived of regular income. Therefore, state should take part in the economy actively and led investment to create more employment.
- Well-established social security system for working people. Although coverage rate of social security scheme (for retirement, sickness, disability, mother, occupational accidents and unemployment) in Turkey is as high as in developed countries, the benefits are quite low. Now with the neo-liberal policies imposed by international institutions, privatization of social security scheme is on the agenda of the government. Therefore, trade unions stated that firstly privatization in social security should be stopped immediately and the contribution of government for the system should be increased. In fact, currently the government does not contribute to any security scheme except for the public servant scheme. Registration system should be improved and workers on the informal sector should be included to social security schemes.

- Basic needs of people such as water, energy and infrastructure should be guaranteed by the government. Particularly privatization policies in water and energy bring down people to be deprived of such basic needs. Improper and expensive water and energy supplies by private sector are one of the important dangerous that people face. That is why the program suggests that such basic needs should not be left to the initiative of the private sector.
- Social services. Education and health are basic rights of humans according to the program. Investments of government in these sectors should be increased and these rights should be supplied to people without costs. Health care is a human right and every citizen should utilize the health care system without paying. Education cannot be a service which solely rich people benefit. Every citizen should utilize education system freely.

3.4. Wage Policy and Income Distribution

One of the important issues for trade unions is depressed wages. With escalation of competition in international markets, diminished wages has become one of the ways for employers to keep its competitiveness. In Turkey half of the working population registered in the social security scheme work with minimum wage. Therefore, according to the program policies based on low wages should be abandoned. Wages should cover basic needs of workers and his/her family such as nourishment, sheltering, health and education.

However, wages should not only be increased but a wages' policy should also be adopted to maintain wages in real sense so as to keep the balance of income distribution. In this regard, DISK pursues wage polices formed by the European Trade Union Confederation - ETUC. According to ETUC, wages firstly should be increased as high as inflation in order to keep its purchasing power and secondly workers should take their share out of growth in order to keep balance of income distribution. Beside this, a minimum wage law for decent life should be in effect for all working people regardless of which sector they are working. According to the document, decent work conditions should be created and all obstacles against freedom of organizing and strike should be abolished.

3.5. Democratization and Freedom for Organizing

The right of trade unions' representation is essential for workers to defend their rights and articulate their interests. It is likely that a favorable national context is important in influencing employee choices about union organization. In Turkey it is hard to say that workers have got freedom for organizing and collective bargaining. This is because of laws and the constitution, which were put into effect during the military dictatorship. These laws restrict not only trade union activities but also progressive movements. That is why DISK and the Labor Program have given priority to this issue to struggle for democratization of the country. According to the program:

- A new constitution, based on universal human rights, should be prepared;

- Labor Act should be amended according to the International Labour Organization – ILO conventions. Prohibitions for organizing, collective bargaining and strike should be abolished;
- Impediments for trade unions and all progressive organizations should be abolished.

4. The case of CUT Brazil

In CUT's last Congress of 2006, the main strategy was to strengthen democracy and the valorization of work. Its resolutions were based on 5 main areas, as described below:

- Elections 2006: The role of CUT in the different political projects;
- Employment, wages, development and social inclusion;
- Democratization of the state, public policies and universal rights;
- Strengthen of the structure and organization of CUT;
- CUT's relations with social movements and the Coordination of Social Movements - CMS

As cited above, CUT has already been playing a role and had its own opinion about development. In the 9th Congress resolutions, CUT was critical about the monetary and fiscal policies adopted, until that moment, by Lula's government, which was mainly based on high interest rates, high fiscal surplus and exchange rate highly evaluated.

According to CUT, in order to promote a sustainable and solidarity development in the country, the government should adopt clear social objectives, attached to the economic policies, in order to obtain economic growth and formal employment creation. There is no creation of jobs without economic growth. In addition, for CUT, the interest rate should take into consideration the balance between three main goals: inflation control, economic growth and jobs creation. Another main issue on CUT's agenda was the reduction of working time, without salary reduction seen also as a strategy to create more jobs and to achieve better living conditions.

Due to the common experiences of organizing rallies for the revaluation of the minimum wage, the Brazilian national confederations started to discuss a common strategy on development. Under the technical coordination of DIEESE (Departamento Intersindical de Estatística e Estudos Socioeconómicos) and support of the Friedrich Ebert Stiftung - FES, the Brazilian national confederations started to share their views about development in order to build a common agenda.

So in 2007, CUT adopted an original strategy together with the other Brazilian national confederations. They decided to build a joint document called the "Workers Agenda for Development". Such initiative proves to be an innovative collective strategy of the Brazilian labour movement and could be described as a case of "best practice".

4.1. The Brazilian Workers Development Agenda

CUT together with the other Brazilian national confederations (CAT, CGT, CGTB, Força Sindical, NCST and SDS²) organized the “journey” for development with income distribution and valorization of work. The main objective was to influence the development agenda of the country.

In this context, the seven national confederations elaborated a document called: “The workers agenda for development”. In this document, the confederations built proposals, policies and actions in order to promote the necessary changes that would be able to create economic growth and development in the Brazilian reality.

They also organized a seminar in order to debate about this issue and to launch the “Agenda”. Of course, the labour movement cannot promote and implement their development agenda by themselves and for this seminar; they invited not only government representatives and employers’ representatives, but also academicians to contribute in the debate.

The workers agenda was divided into four main problem-areas:

1. Inequalities and the concentration of wealth;
2. Unemployment and the labour market;
3. Capacity of the state in promoting development;
4. Democracy and the social participation.

The confederations identified the main obstacles in each category and they built proposals on how to deal with each of the problem-areas.

According to the confederations, it is up to the social actors to choose the best way to reach a common welfare model. Development, for them, should be sustainable and should respect the social, political and cultural diversities. It is crucial that the economic policy allows the growth, the wealth distribution and the increase of investments in the public and private sectors.

When talking about labour relations, they believe that development should have as principles the promotion of decent work and collective agreement. In addition, they consider that the social dialogue is a good way to concretize their concept of development.

It is important to highlight that the social dialogue is only possible when there is a progressive government in power that recognizes trade unions as representative organizations. That is why in the current scenario, it is possible to talk about social dialogue, though even with social dialogue, nothing is guaranteed. Until the middle of the

² Central Autônoma de Trabalhadores – CAT, Confederação Geral dos Trabalhadores – CGT, Central Geral dos Trabalhadores Brasileiros – CGTB, Nova Central Sindical de Trabalhadores – NCST, Social Democracia Sindical – SDS. After this, the national confederations CGT, CAT and SDS merged and created the União Geral dos Trabalhadores – UGT.

80s, for example, such strategy would be much more utopist because of the military dictatorship and even recently, with the Fernando Henrique Cardoso – FHC's government, dialogue with trade unions was not on the agenda, because he was a follower of the neoliberal principles.

In January 2007 there was the creation of PAC – Plano de Aceleração do Crescimento (Acceleration Plan of Growth). PAC is a governmental program of economic policies planned for the next four years. It has as a main goal the acceleration of the economic growth of the country with investments until 2010 and one of its main priorities is the infrastructure, as roads and ports.

When CUT National Board discussed about the PAC, Artur Henrique, National President of CUT, mentioned that “What we consider crucial and what has centrality in our agenda, not only in relation to PAC, is the development with job creation and income distribution. We are not discussing only a workers agenda, but the model of country that we want. That is why we consider important that the government chose a strategy that puts the state as the driver of development. But to strengthen it, we defend that it is necessary to reduce the interest rates and also the surplus”.

4.1.1. Inequalities and the concentration of wealth

According to the agenda, until the 70s the country had experienced high rates of economic growth, with strong impacts in the productive structure and in urbanization. However, from the 80s until now, Brazil was characterized by high inflations, increasing public debts, low rate of investments and many crises. So as a result, Brazil could be described as a country with extreme concentration of income and wealth that generates social exclusion, poverty and regional, urban and rural inequalities.

So the proposal of the Brazilian labour movement is to build a balanced society in the distribution of income and wealth with a strong process of increase of the living quality for the poor people.

So to achieve this goal, their main proposals are:

- Maintain the process of revaluation of the minimum wage in a long term, with reposition of the purchase power and revaluation through real increases considering the variation of the GDP and the work productivity;
- Increase of investments in infra-structure and social services;
- Increase redistribution role of the state;
- Reduce regional inequalities;
- Functional distribution: elevate the participation of the salary in the national income;
- Create indicators and goals to monitorate the policies of equity promoted to reduce the concentration of income and wealth;
- Guarantee the system of universal public social security;
- Strengthen the family based agriculture;

- Accelerate the process of land reform.

4.1.2. Unemployment and the labour market

The economic stagnation had direct impact in the generation and quality of employment. The necessary transformation, according to the confederations, should promote economic growth and strengthen of the internal market, with the objective to create:

- Employment with quality according to the concept of decent work;
- Social protection to the different types of occupation;
- Strengthen of the labour relations system with a broad negotiation and organization rights, and effective conflict solution and the right to strike.

So having this in mind, the confederations proposed the following:

- Generate employment to reduce the unemployment rate and to strengthen the mechanisms to promote and include the workers;
- Elevation of the formalization of the Brazilian labour market with the promotion of Decent Work;
- Strengthen the organization and union action and democratize the labour relations.

Interestingly although more than 50% of the Brazilian labour force is currently informal, there is still no clear strategy on how to deal with this challenge. It is obvious that the formalization of the Brazilian labour market will not solve this problem in the short term, due to such a high rate of informality and also because some informal sectors probably will not be easily “converted” to formal.

4.1.3. Capacity of the state in promoting development

The inefficiency of the Brazilian State, based on a neoliberal agenda, did not offer better services for the Brazilian citizens. According to the confederations, it is still a main challenge the construction of a State with the capacity to promote essential improvements in priorities areas of the state such as health, education, environment, security, housing, basic sanitation, industrial and trade policies and others.

So the proposals, as stated below, defended by the confederations are to increase the capacity of the State and to mobilize public and private investments, build efficient public policies to promote creation of employment, production and social welfare and a progressive and simple taxing system.

- Coordinate the macroeconomic policy as part of a sustainable development project with income distribution;
- Adequate the structure and budget of the Brazilian state for the promotion of sustainable development;
- Strengthen the role of the public sector in the process of economic growth and social development;

- Adequate the role of the banks, public enterprises and pension funds in the development;
- Reorganize the Brazilian taxing policy with the objective of growth and income distribution;
- Guarantee that the policies of external affairs are an instrument for the promotion of productive and social development of Brazil and for the decrease of economic and social inequalities among the countries;
- Promote public security and social peace.

4.1.4. Democracy and the social participation

Due to the authoritative heritage of the military government, the Confederations believe that many aspects were maintained in the current structure, even after the democratization process initialized with the 1988 Constitution. So, in this context, the proposals were created with the objective to promote the participation of society in the diverse spaces, giving opportunity for the plurality and a balanced approach in the promotion of development and in the access to the media.

The confederations believe that there are insufficient and not proper spaces of power and participation and that the organizations of the civil society have low capacity in establishing mechanisms or processes of social control. So in order to promote democracy and social participation, the Confederations agreed on the following proposals:

- Create spaces for social and political participation;
- Democratize the media;
- Democratize the access to knowledge socially produced;
- Strengthen the presence of organized social movements in the diverse spaces of representations such as committees/councils guaranteeing objective conditions and the capacity for the full representation exercise;
- Develop actions to fight against homophobia;
- Strengthen the geopolitics of MERCOSUR with a broad participation of the social movements and of the workers, enlarge the limits of the macroeconomic policies with the objective to promote a social integration of the Latin American people.

It is important to note that some spaces were opened up for the labour movement by Lula's government. Some of them are: CDES (Conselho de Desenvolvimento Econômico e Social/Committee of Social and Economic Development), FNT (Fórum Nacional do Trabalho/National Forum on Labour) which discusses union and labour reforms and other spaces such as the PPA (Plano Plurianual/Plurianual Plan) that defines the public policies and the National Committee on Cities.

5. Comparison

Even though Turkey and Brazil are located far away geographically, problems in both countries that workers confront are not much different³. The main reason why they have similar problems is obviously capitalist market relations. Capitalist production relations generate detrimental consequences for people living in both countries such as poverty, unemployment, unfair distribution of income and a lack of confidence for future.

Issues that trade unions in these countries are dealing with have evolved with the developmental path chosen by these countries. In the past trade unions used to propagate more investment in all sectors and target the income increase within the country. In a sense, their discourse were predominantly shaped by improving productive forces. Now, they mainly concentrate on distributive issues. Their main themes are income distribution, poverty, policies deteriorating social justice such as privatization and, of course, financial issues which has the biggest impact on income distribution.

Within capitalist society, trade unions are only able to implement what they defend for development as long as they are represented in the parliament by allied political parties (and they should be majority because of the votes). So as they are not organized as a political party, they can only act through negotiations with governments, parties and employers organizations. In other words, there should be bilateral or tripartite channels in order to implement their policies. Otherwise, their proposals for development would not be significant. That is why trade unions should be recognized by employers and governments as social partners. This is an indispensable condition for them to participate in the construction and discussions of the national policies.

In this context, Brazilian and Turkish cases are different. In both countries there have been no real institutionalized tripartite spaces, but in Brazil it is possible for trade unions to negotiate with the government because the current government opened up dialogue channels. With a progressive government in power, there are more spaces to legitimize the labor proposals as described in chapter four. The current Brazilian government although implementing some neoliberal policies in the economic sphere, created some institutionalized spaces such as the CDES, the FNT and others, which recognizes labor as a social actor/partner. However, still on the document called “Agenda” it is mentioned that there is a need to create more spaces of social and political participation to build bases for a democratic system.

In the Turkish case, because of European Union – EU accession process, there are some temporary tripartite bodies for specific issues. However in 2006 DISK decided to withdraw these tripartite bodies because DISK stated that these bodies have been used for convincing labor forces to accept neo-liberal policies and that labor proposals in these bodies have always been disregarded.

³ Please see annexure 1 which is a comparison table on economic and social indicators between Brazil and Turkey.

All necessary changes to “reform” a country with a correct developmental strategy will not occur in a short run. Both countries face deep problems which can only be solved with a long run strategy of development, because still they have, for example, problems with infrastructure, although much less when comparing to underdeveloped countries. That is why in chapter two we discussed about the differences between market and planning models. And definitely labor is in favor of the planning option and against the market rule that only follows capital interests. Therefore, both trade union movements agree on that the state is essential not only for building up long-term development strategies but also to avoid detrimental effects of market forces. Trade unions call government to undertake initiative for economic and social development but there is no specifically defined channels how government and labor can cooperate.

One of the results we conclude: trade unions should take in part political actions or should target national political bodies unless they do not have spaces to discuss and carry out their proposals. It is clear that struggle limited with workplace problems is not enough to overcome problems of the working class. In order to be part of the solution rather than part of the problem, trade unions should put more efforts to take place in political bodies. Comparing the two case studies, Brazilian labor movement undoubtedly has an advantage because of the fact that someone, who used to be a trade unionist, became president and this represents a big progress and opportunity for trade unions. It is clear that trade unions would not be regarded unless they had political programs to gain massive support. In this sense Brazilian case can be taken as an example for Turkish labor movement to revitalize their vision for future. The minimum program of those political struggles, as highlighted in the previous sections, is to limit destructive effects of capitalist market relations.

As Hyman cited “the struggle for trade union organization is thus a struggle for the hearts and minds of people, in other words, a battle of ideas” (1999, 98). That is why trade unions need to confront the system, which is guiding the societies. Capitalist system will not be easily changed, but at least the neoliberal policies, which are also destructive in terms of social and economic consequences for most of the populations, must be immediately confronted. Only by this way, trade unions can defend interests of the working class and confront capital, step by step. Trade unions nowadays are more in a defensive position, because they are weakened and also more fragmented, however they need to regain more members and create more channels with the society and workers in order to build a better society. There is no reason to gain channels with governments and/or employers if you cannot dialogue with your own grassroots.

For both confederations there are mainly two ways to be politically strong. The first is to organize more and more workers and keep the contact with other trade union confederations. Strategic alliances with other national confederations are essential in order to increase representational power to negotiate with capital and/or government. Indeed, those who are suffering from capitalist market relations are not only working people. Therefore, minimum program should also cover other social forces. In this sense, both trade union confederations agree on allying with other social movements. Peasants, unemployed people, students, retired people and women sharing same fate with working

people should find a room in the political program of trade unions. This is also a necessary way to build up a democratic political power. And it would be strategic also if such documents created by trade union about development⁴ could be also extended/signed by other social movements to gain political power and to construct stronger alliances on fighting for a proper developmental model.

Another point that both confederations agree on is that national economy should be less dependent to international capital. Indeed financial crisis, which occurred because of unstable capital flows, have played important role in forming policies of trade unions. In order to avoid such crisis again both confederations state that firstly policies should be adopted to overcome structural problems of national economies and then that international financial capital flows are to be restricted.

Of course, as stated above, the capitalist model and the neoliberal policies are harmful not only for the workers, but also for the whole society. Unfortunately to reach another model of society, which could be named as a socialist model, is only possible through “small” revolutions until we have societies capable to undertake actions to reach a real revolution.

6. Conclusion

Although both countries face similar realities in terms of living conditions as seen in the comparison chapter with the table about social and economic indicators, it is important to mention that each country has particularities, which are necessary to be taken into consideration.

As discussed in chapters three and four, trade unions are engaged in the developmental agenda. At least, they came up with some policies in order to reach the developmental model, which is favorable to the interests of the working class. Of course, this does not mean that they have the necessary social spaces in order to dialogue with governments and employers.

It is clear that both national confederations compared, CUT and DISK, are against the neoliberal policies, which have been shaping the majority of the policies in the last decade. They are in favor of a bigger role of the state in order to promote better social policies. The state for them should also play a crucial role in the economy and avoid the dominance of capital interests.

Of course, currently the political scenarios of the countries are quite different as in Brazil’s case, there is a progressive government elected which actually was supported by CUT in the last two elections. Apart from all discussions about the nature of Lula’s government, it is clear that the working class is more satisfied with this one than with the former governments.

⁴ In CUT case, the document mentioned was the “Workers development agenda” and in DISK case, the document is the “Policies required for Social Justice and Economical Stabilization”.

The Turkish political scenario is quite different, as DISK does not support the current government, which is actually implementing the neoliberal agenda and even more than that, it is a government, which did not create useful spaces for social participation and is currently leading and destabilizing the whole region with a war on Iraq.

So to summarize, the development concept defended by CUT and DISK is mainly based on the following assumptions:

- Creation of spaces for social participation to ensure labour voices to be heard,
- State as the main actor in the promotion of a developmental model, which takes into consideration the consequences for the working people and the whole society,
- State should guarantee proper access to basic human rights for all people such as housing, transport, health, education and social security systems;
- State should play an important role in the economy in favor of the interests of majority of the population and against capital interests,
- Realistic policies to create jobs in order to reduce unemployment rate;
- Policies that generate social inequalities and income-mistaken distribution should be revised.

However it is necessary to underline that unions still need to ensure institutional tools to guarantee democratic systems and enforceable mechanisms, not only spaces for social participation. And there is still a need for trade unions to consider properly the informal economy not only regarding the formalization of it but also in the short term its existence and the basic rights of workers, irrespective if they are formal or not, based on the concept of decent work.

7. References

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8. Annexure 1

Table 1: Some Social and Economic Indicators

	Brasil	Turkey	Middle Income	High Income
Population, total	189,3	73,0		
Urban population (% of total population)	84,7	67,8	54,5	77,6
Rural population (% of total population)	15,3	32,2	45,5	22,4
Fertility rate, total (births per woman)	2,3	2,2	2,1	1,7
Labor force participation rate, total (% 15-64)	72,2	54,6	73,5	72,3
Unemployment, total (% of total labor force)	8,9	10,3	6,4	6,3
Employment in agriculture (% of total employment)	21,0	29,5	35,5	3,3
Employment in industry (% of total employment)	21,0	24,7	19,9	24,6
Employment in services (% of total employment)	57,9	45,8	32,7	71,8
Life expectancy at birth, total (years)	72,1	71,5	70,7	79,3
Literacy rate, adult total (% Population over 15)	88,6	87,4	90,0	98,7
Health expenditure, total (% of GDP)	7,9	7,6	5,8	11,4
Education expenditure (% of GNI)	4,3	3,5	3,5	4,7
Research and development expenditure (% of GDP)	0,9	0,7	0,9	2,4
GINI index	56,6	43,6		
Income share held by lowest 20%	2,9	5,3		
GDP growth (% avarage in last ten years)	2,5	4,4	4,9	2,6
GDP per capita, PPP (current international \$)	8949,4	8417,4	6552,1	34813,9
GDP, PPP (current international \$)	1694,3	614,3		
Government consumption expenditure (% of GDP)	19,9	13,1	14,6	18,1
Gross fixed capital formation (% of GDP)	16,8	21,0	25,7	20,4
Inflation, consumer prices (annual %)	4,2	10,5		
External balance on goods and services (% of GDP)	2,9	-7,7	3,2	-0,7
Foreign direct investment, net inflows (% of GDP)	1,8	5,0	3,3	2,7
Agriculture, value added (% of GDP)	5,2	9,7	8,4	1,5
Services, etc., value added (% of GDP)	64,0	63,5	54,3	72,3
Industry, value added (% of GDP)	30,9	26,8	37,3	26,2

Source: World Bank