Europeanisation of Employment Policy in Turkey: Tracing Domestic Change through Institutions, Ideas and Interests

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To cite this article: H. Tolga Bolukbasi & Ebru Ertugal (2013) Europeanisation of Employment Policy in Turkey: Tracing Domestic Change through Institutions, Ideas and Interests, South European Society and Politics, 18:2, 237-257, DOI: 10.1080/13608746.2013.784436

To link to this article: https://doi.org/10.1080/13608746.2013.784436

Published online: 14 May 2013.
This article examines the impact of the European Union (EU) on Turkish political economy through an analysis of employment policy. Through tracing ‘institutions’, ‘ideas’ and ‘interests’ representing this policy area, it analyses the extent to which the accession process, which started with the granting of candidate status at the Helsinki Summit in December 1999, has prompted a transformation in this policy area. It draws on empirical evidence based on semi-structured interviews and other primary sources. The main finding is that domestic change occurs, however limited and variegated across sub-policy areas, through policy learning. Moreover, the policy ideas transplanted from the EU gain importance only in interaction with preferences of the coalition of dominant actors.

Keywords: Europeanisation; Employment Policy; EES; Flexicurity; Political Economy; Turkey
Turkey (Çelik 2006), given Turkey’s underperformance in comparison with the targets of the European Employment Strategy (EES) and the relatively weaker institutional structure of employment policymaking which, according to the Europeanisation research programme, would invite powerful adaptational pressures stemming from the EU level. Third, Turkish employment policy at the time of writing was undergoing change with the launching of Turkey’s first employment strategy. Finally, the issue of unemployment features as the most important problem for citizens in Turkey, more so than any other issue, according to recent public opinion surveys.

In investigating domestic change in employment policy in Turkey, the Europeanisation research programme expects a low degree or no domestic adaptation to EU norms, rules and principles. Given the soft-law (not legally binding) character of the main policy tool of the EU in this policy area (EES), the literature does not expect to find significant substantive change in candidate countries that are not participating in the governance mechanisms of the EES, the Open Method of Coordination (OMC). At the same time, the existence of a high degree of misfit between the EES and policy performance and structure in this area in Turkey is indicative of strong adaptational pressures, which may lead to domestic change only in the long run. Reinforcing the expectation of weak domestic change in the period under study is the extremely low credibility of the prospect of EU membership for Turkey, ruling out altogether the possibility of rapid change motivated by an otherwise strong incentive of EU accession.

Relying on case study methods, the article draws on empirical evidence based on primary sources. These sources include official programming documents such as national development plans, ministerial operational programmes, medium-term and annual economic programmes and 24 semi-structured interviews the authors have conducted with policymakers, representatives of social partners, EU officials and academic experts, on their perceptions of changes in employment policy in Turkey and the main drivers of change in that area. These semi-structured, in-depth interviews were conducted between September 2010 and May 2012. Throughout the article we refer to interviews by their interview numbers as listed in the Appendix.

This article argues that there were varying degrees of change in the form of transformation, absorption and accommodation across different components of Turkish employment policy with no incidence of inertia and retrenchment. Such changes, even limited and differentiated across policy components, are puzzling for several reasons. First, employment policy for the EU is a policy area characterised by soft law, which, by nature, is not expected to have a strong impact at the national level. Second, despite wide elite consensus on Turkey’s EU vocation, given the low credibility of the prospect of EU membership (and hence weaker incentives for compliance) for Turkey, domestic actors were not expected to comply with the EU membership conditionality. Third, this is a policy area representing a very high degree of misfit between the EU model and the domestic policy structure, leading to the expectation that any domestic change is likely to be painful and would materialise only over a long timescale.

The article addresses this puzzle in several stages. Following this introduction, the second section provides an overview of the defining features of the EES. The third
section summarises the main findings of the Europeanisation research programme in this policy area and extrapolates expectations for the case of Turkey. The fourth section traces changes and continuities in the four main dimensions of the employment policy regime in Turkey. The fifth section explains the direction and content of change in such employment policy through examining the interaction of ‘institutions’, ‘ideas’ and ‘interests’. The article concludes with the overall finding that there are varying degrees of change across different components of employment policy in Turkey in response to EU pressures. The findings also confirm those of existing research on member states, in that where the EES exerts influence it is largely as a result of ideational change yet only in interaction with preferences of the dominant actor coalition and the institutional context.

Europeanisation of National Employment Policies through the EES

The insertion of an employment chapter into the Amsterdam Treaty in 1997 to form the legal basis of the EES introduced in the same year was followed by the introduction of the OMC as a new instrument of EU governance for employment policy at the March 2000 Lisbon Summit. The EES represents an EU-wide agreement on a cognitive framework and a policy discourse about particular ways of defining problems concerning employment based on a new policy paradigm centring on competitiveness as reflected in the Lisbon Strategy.

The defining features of the EES can be analysed by means of the ‘policy structure approach’ used to unpack the key features of a given policy (Graziano 2011): principles, objectives, procedures and instruments. The principles embodied in the EES are informed by the concept of ‘flexicurity’, which summarises the EU’s approach to labour markets. It has four dimensions (Commission of the European Communities (CEC) 2006): (i) contractual arrangements providing sufficient flexibility to both workers and employers; (ii) effective active labour market policies (ALMPs) supporting transitions between jobs and from unemployment and inactivity to employment; (iii) lifelong learning systems helping workers to cope with rapid change, unemployment spells and transition to new jobs, and enabling them to remain employable throughout their careers; and (iv) modern social security systems facilitating labour market mobility and transitions with adequate income support during absences from the labour market.

In terms of the objectives, rather than aiming to reduce unemployment, the EES aims to activate the labour market outsiders and promote high rates of employment. The priorities of the EES include achieving ‘full employment’, improving quality and productivity at work, strengthening social and territorial cohesion, promoting a lifecycle approach to work, inclusive labour markets, matching of labour market needs, investment in human capital, employment-friendly wages and the promotion of flexibility combined with employment security.

As far as the procedures in the policymaking process are concerned, the EES emphasises the significance of the participation of social partners in policymaking processes at both the domestic and EU level. At the EU level, coordination is secured
among member states through the OMC in employment policy through benchmarking and the promotion of best practices. For candidate countries, the EU co-drafts a Joint Assessment Paper (JAP) on Employment Policy Priorities⁴ outlining national employment priorities.

Finally, the instruments of the EES are twofold. The financial instruments of the EES are additional to national financial instruments. At the EU level, the instrument is the European Social Fund (ESF) aimed at implementing employment policies in member states. The instrument in candidate countries is the human resources development component of the Instrument for Pre-accession Assistance (IPA). The second instrument is the modernised public employment services institutions in member states and candidate countries.

**Europeisation Research Programme, EES and Candidate Countries**

The findings of Europeanisation research on member states suggest that the EES through the OMC may (or may not) exert an influence at the domestic level in three main ways: by facilitating ‘transnational learning’, by encountering ‘path-dependent dynamics of national institutions’ or by changing the ‘domestic constellation of actors’ (Heidenreich & Zeitlin 2009, p. 2). These three possible mechanisms of EU (non-)influence emphasise the primacy of ideas, institutions and interests, respectively. Research has shown that due to the soft-law nature of the EES, the EES exerts influence at the domestic level mostly through facilitating policy learning (e.g. Jacobsson 2004; Trubek & Trubek 2005; Heidenreich 2009).

While the literature on the impact of the EES on national employment policies focuses almost exclusively on old member states, there is little research on accession countries (e.g. de la Porte 2009) and hardly any research on candidate countries. This article aims to fill this gap by examining the impact of the EES on a candidate country – Turkey. While candidate countries do not formally participate in the OMC process, they are subject to EU conditionality and a process of adaptation to norms, rules and principles emanating from the EU (Grabbe 2003). Given that the EES constitutes a type of soft law, the literature would not expect a high degree of EU adaptational pressure leading to domestic change.

Although the EES is not enforceable through sanctions, rendering EU conditionality in social and employment policy *acquis* inherently weak, the EU specifies a set of expectations for candidate countries through the Accession Partnership documents and regular progress reports. In the case of Turkey, for example, the EU provides a certain framework and direction for reform by requiring the promotion of social dialogue, ensuring full trade union rights, designing a national employment strategy, drafting of a JAP,⁵ and improving the functioning and increasing the financial resources of the Turkish Employment Agency (Türkiye İş Kurumu – İŞKUR) in elaborating active labour market initiatives and concern about the informal economy (CEC 2008a; 2008b; 2009).

Given the nature of EU conditionality defined as such, it is possible to identify three potential ways in which EU conditionality in employment policy may lead to
Europeanisation in a candidate country. First, conditionality involves financial support provided to candidate countries under the human resources component of the Instrument for Pre-accession Assistance (IPA). In Turkey, for example, the Human Resources Development Operational Programme (HRDOP) designed under IPA for 2007–13 identifies four strategic priorities in Turkey: employment (increasing employment and especially the labour force participation of women), education (investing in human capital and improving the linkage between education and labour market), increasing the adaptability of workers by promoting lifelong learning, and social inclusion. Therefore the candidate country has an incentive to promote policy change in the direction desired by the EU in order to receive financial aid.

Second, the preparation of the JAP and the implementation of IPA in the candidate country and contact among policymakers and civil society actors with counterparts in the EU may facilitate transnational learning of those policy ideas embedded in the EES. Through ‘socialisation’ processes, domestic actors may believe that the direction indicated by the EES may be the best way forward for solving domestic problems.

Third, domestic actors may voluntarily decide for strategic purposes to adopt some of the ideas embodied in the EES. In this case they act not so much because they have gone through a ‘normative and/or cognitive reassessment’ (Weishaupt 2009); they rather pick and choose some (or part) of these ideas which best suit their pre-determined preferences.

**Turkish Employment Policy: Changes in the Policy Structure**

Any discussion on labour market flexibility and security in Turkey should start with the duality that characterises Turkish labour markets: the Turkish labour market is deeply segmented into primary and secondary segments. The adverse consequences of such duality are further aggravated by the pervasiveness of informality in the labour market. The primary segment (accounting for 25 per cent of total employment) includes public-manufacturing-sector employment, some part of the formal—generally unionised—private sector, and high-end finance and service occupations. Employees in the narrow primary segment have formal contracts granting them well-paid, highly secure jobs. In between the primary and secondary segments lie employees in the agricultural sector, constituting 27 per cent of total employment. The vast secondary segment (accounting for 48 per cent of total employment) encompasses self-employed workers in both agricultural and non-agricultural sectors and waged workers in the services and construction sectors. Engaged almost entirely in unregistered activity, labour market participants in this segment move from one precarious job to another. As they remain unprotected by labour laws or social security system, they enjoy no job security (ETF 2011; Ercan & Tansel 2007).

This section analyses the structure of Turkish employment policy based on the ‘policy structure approach’ (Graziano 2011). It traces the changes in the principles that characterise the employment policy regime, the policy objectives in governments’ approach to questions of employment, procedures in governance and policy instruments
employed in addressing the problem of (un)employment in Turkey. The discussion below aims to show whether there has been any change in each of these dimensions and, if so, to what extent these approximate the priorities of the EES.

Principles Governing Employment Policy

This sub-section analyses the changes in the principles of Turkish employment policies in terms of the four dimensions of flexicurity.

Flexibility in labour law. During the period under study, the government introduced a new Labour Act, in 2003 (Act No. 4857), regulating working life and industrial relations. The new act embodied two components of the principle of flexibility in labour law. First, flexible modes of employment were introduced in the formal sector, which allowed for atypical forms of employment for the first time, including part-time work, on-call work, fixed-term contracts and temporary employment. Second, the new act allowed for flexible working, encompassing flexitime, compensatory work and a temporary reduction in working time.

The act also incorporated a Job Security Act (Act No. 4773) that had already been passed in parliament in 2002. This act changed employment termination rules without expanding the coverage of the regulation. Employees who are covered by the new act (who are employed in formal, large private-sector establishments) were already covered through their union contracts. The act incorporated a new unemployment insurance scheme whose legal basis had been established in 1999 (see below).

It is important to emphasise that Act No. 4857 applies only to the part of the formal labour force that is not covered under other pieces of legislation (such as white-collar public-sector employees, self-employed and agricultural workers). It categorically excludes employees in the informal sector where de facto flexibility tout court applies. Although the applicability of de jure flexibility is limited to the primary segment and a smaller portion of the secondary segment, the existence of de facto flexibility in the informal sector that includes most of the secondary segment makes Turkish labour markets highly flexible. Thus the changes in labour law aiming at securing a higher degree of flexibility in line with the core dimension of the EU’s flexicurity principle have left Turkish labour markets even more flexible, given the wide incidence of informality.

ALMPs. While the public officials interviewed reported that they had been inspired by the activation strategies of the Organisation for Economic Cooperation and Development (OECD) in designing employment measures back in the 1990s (interview 8), these measures were introduced on a piecemeal, project-by-project basis (ETF 2011, p. 61). It was only after İŞKUR was restructured in 2003 that ALMPs were implemented somewhat more systematically. Among the ALMPs, İŞKUR has been implementing labour force training programmes, job and vocational counselling
services, occupational research and development, training services to establishments, and support for alleviating the consequences of privatisation. All these suggest that İŞKUR, whose institutional capacity has been strengthened through EU-funded projects, intervenes with a larger set of policy instruments. Although the coverage of ALMPs has been expanded with rising numbers of beneficiaries of these programmes, their scale, financial resources and coverage still remain very limited (ETF 2011, pp. 65–66). These policies, which are relatively new, still remain inadequate to support the mobility of labour market participants between jobs and to facilitate workers’ transitions from inactivity and unemployment to employment.

**Lifelong learning systems.** This dimension of flexicurity is the least developed, as training opportunities after formal education remain limited. Most of the training programmes are provided by the Ministry of National Education (MoNE) through its Vocational Training Centres and Public Education Centres alongside İŞKUR. The only available way to alleviate skill deficiencies in the Turkish labour force is to channel the youth into vocational schools, since no other instrument exists that aims to provide lifelong learning. Although Turkey has an extensive system of vocational training schools, there remain serious problems in terms of their effective operation. Due to the weak supply of, and demand for, these schools, the system remains inefficient in responding to labour market requirements. Turkey has reformed its vocational training system through an EU-funded project implemented in 2002–06. After establishing the Vocational Training Authority in 2006, it adopted the ‘Lifelong Learning Policy Strategy’ in 2009 through the same project. Although the Strategy lacks necessary resources and effective means, it was a significant step, as it highlighted the link between education level and employment and labour force participation rates (ETF 2011, pp. 37–40). Despite these steps, however, the country still lacks an integrated and comprehensive approach to lifelong learning which would keep workers employable throughout their careers.

**Modernised social security systems.** The Turkish social protection system rests upon two pillars. While the social insurance pillar insures labour market participants and their dependents against risks, mainly through healthcare, unemployment and pension schemes, the social assistance pillar aims to alleviate poverty. Turkey’s social security system as a whole features characteristics typical of the Southern European model, albeit with lower levels of total public spending, benefits and entitlements. Although social security reforms had been on successive governments’ agenda, the reform process was launched only during the late 1990s, through the social security reform bill of 1999 (Law No. 4447). Through new legislation, an unemployment insurance scheme was introduced for the first time in the history of the Turkish social protection system. However, the eligibility criteria for receiving benefits are extremely stringent and the replacement ratios in this scheme remain abysmally low, despite some amelioration recently. The reform process continued with the establishment of
the Social Security Institution (SSI) unifying the existing three main social security institutions in 2008. Although the SSI covers 81 per cent of the population, only 27 per cent of its membership is actively working and the rest mostly comprises pensioners and dependents (ETF 2011, p. 68). The new system has failed to increase incentives for mobility in the labour market, as it is organised to cover only full-time employees with indefinite labour contracts. The social assistance system still remains institutionally fragmented and this is reflected in patchy and low coverage.

The Turkish social security system encourages maximum job tenure rather than encouraging mobility in the labour market. Although the new labour law allowed for atypical forms of employment, these forms continue to be the blind spots of the social security system and the unemployment scheme. These schemes exclude employees working in the informal sector altogether. Low replacement ratios, stringent entitlement rules and narrow and patchy coverage fail to provide income security even for the working masses where the burden of adjustment falls disproportionately on the supply side through flexibilised labour contracts. The social security system also fails to provide positive feedback to ALMPs, as the passive benefits (such as unemployment insurance), however meagre, are not conditional on activation. Moreover, the system cannot cover employees in the informal sector, which is de facto flexible. Thus, the Turkish social security system is not designed to facilitate labour market mobility/transitions nor does it provide adequate income support in the event of absence from the labour market.

National Policy Objectives in the Approach to Employment

A review of official documents shows that promoting employment—the defining objectives of employment policy—was never declared as a strategic policy objective of successive governments until the 2000s. The overall development strategy was based on indicative (sectoral) planning in the 1960s and 1970s. This strategy relied on job creation in the public sector which facilitated the operation of the economy at close to full employment levels. In this period, the level of employment was taken as a ‘dependent’ variable or a ‘by-product’ (interviews 8, 12, 24)—an automatic outcome of ‘economic growth’ (State Planning Organisation [SPO] 1967) or ‘industrialisation’ (SPO 1973; 1979; Gündoğan & Biçerli 2003, p. 227).

In 1980, Turkey underwent a transition from a plan-based to a market-based model of development. During this period, the only change in terms of policymakers’ perception of employment was that it was seen to depend more on international competitiveness than on economic growth and/or industrialisation. Although the SPO6 continued to prepare development plans after the transition, the restructuring meant that governments, which had never been proactive in designing and implementing a national employment policy, distanced themselves even further from ‘sensitive questions of employment and unemployment’ (interview 1), as labour markets, in the eyes of policymakers, did not require any intervention in the form of employment policy (Gündoğan & Biçerli 2003, p. 228). Therefore, the tradition of not relying on a national
employment strategy, programme or policy remained intact until recently, despite
record-high unemployment and the ‘jobless’ nature of economic growth in the 2000s.

There are signs that the absence of an employment policy may have been changing
since 2007 when the government took an initiative to draft a national employment
strategy for the first time. First, there were references to the need for an employment
strategy, which would streamline the content of the EES (read, flexicurity) into
Turkey’s policy objectives (IŞKUR 2009). Second, the multi-annual Eighth and Ninth
National Development Plans (corresponding to the periods 2001–05 and 2007–13,
respectively) announced the need for Turkey’s harmonisation in this field. Third,
during the period 2009–10 a draft strategy document was circulated to social partners,
but the strategy never took off. However, some of the measures were incorporated into
an omnibus bill passed in 2011. The draft was revised and presented in February 2012.
These developments suggest that there are some changes in the direction of adopting
measures similar to those in the EES.

Procedures in governance and policymaking

Reflecting the general policymaking tradition in Turkey, processes in employment
policymaking can be characterised as centralised and hierarchical, with heavy
government presence and direction against a background of adversarial industrial
relations. Significant legislative steps were taken in the area of social partnership, the
Economic and Social Council becoming permanent with Law No. 4641 of 2001, the
establishment of the Tripartite Advisory Board with the new Labour Act (Law No. 4857)
of 2003. The extent to which these bodies facilitate consultative decision-making based
on negotiation and deliberation divides the different groups of actors interviewed. While
public officials (interviews 1, 2, 3, 4, 5, 6, 7) were of the opinion that the new tripartite
structures represented novel instruments ensuring participatory decision-making,
representatives of employers and especially employees (interviews 16, 17, 18) thought
that they did not bring about any major change in governance and policymaking.

In particular, the representatives of employees referred to many instances where
their opposition to a proposal was only registered as an annotation in the consultation
process, the proposal being adopted in any case without further deliberation. The
employee representatives reported that they often disagreed with government
proposals, as in the most recent case of the formulation of the National Employment
Strategy during 2009–11. They added that the ‘government circulated only a series of
slides’ in the consultation workshops and that when they attempted to discuss certain
issues they were ‘simply shut off’ (interviews 17 and 18). The representative of the
Confederation of Progressive Trade Unions of Turkey (Devrimci İşçi Sendikaları
Konfederasyonu – DİSK) in particular stated that they had ‘no influence on the
outcome whatsoever’ in any such decision-making process (interview 17). One mid-
level bureaucrat corroborated these claims by stating that, ‘in one occasion,
I remember that the DİSK representative had left the workshop protesting the
procedures. Such move has no impact on the outcome’, as ‘when, for example, one
confederation that is close to the government makes a comment that is close to what the Ministry thinks, we take that into consideration. In the workshop reports, we rationalise our proposal by adding that “this is what the social partners had demanded anyway’” (interview 3). Another mid-level bureaucrat made similar statements: ‘In fact, in all consultative meetings, what happens is, confederation representatives talk and talk and talk, and we respond by saying “OK, we noted these” and then pick and choose what is close to our position from those statements’ (interview 4).

**Instruments**

The major financial instrument for implementing the principles and priorities of the EES in Turkey came from the EU during Turkey’s candidacy initially under the Pre-accession Instrument for Turkey (2001–06) and later under the Instrument for Pre-accession Assistance (IPA) (2007–13). In fact, a former senior official of İŞKUR stated that ‘the Pre-Accession Instrument for Turkey started with the revamping of İŞKUR back in the early 2000s’, which, he believed, ‘showed how important this project was for the EU Delegation’ (interview 21). More recently, the amount of funds under IPA for human resources development for the period 2007–11 was almost €300 million.

The EU’s large-scale grant programme has supported an Active Labour Market Strategy managed by İŞKUR. The EU supported two major projects in particular aimed at institution-building to implement policies for increasing the employability of the unemployed. All of the public officials interviewed were in agreement that EU-funded projects made a significant contribution to the institutional capacity of İŞKUR in the implementation of active labour market measures (interviews 1–13).

In addition to EU funds, national financial instruments have been mobilised, particularly in response to the recent global economic crisis, triggering a number of stimulus packages. These have involved active labour market measures such as short-term working payments, public workfare programmes, vocational training and social security premium incentives for the employment of young people, women and the disabled (International Labour Office [ILO] 2010). As a ratio of GDP, the stimulus packages represented 0.83 per cent in 2008, 2.17 per cent in 2009 and 2.15 per cent in 2010 (ILO 2010, p. 1). The packages include financial resources for training programmes run by İŞKUR. While almost €16.5 million was spent in 2008 on training courses, more than €224 million was allocated for this in 2009 (ETF 2011, p. 63). This massive increase in the amount of resources from 2008 to 2009 to utilise public employment services to implement active labour market measures embedded in the EES enhances the impact of the EU.

**Unpacking Varying Domestic Change through Institutions, Ideas and Interests**

After reviewing the evidence for domestic change in employment policies in Turkey, this section provides an explanation of the direction and content of such change by analysing the interplay of ideas, interests and institutions.
Domestic Institutions

Key features of the political system in a country are critical for domestic reform (or the lack thereof), since they shape the power and strategy of actors in initiating or obstructing change. They do so by structuring the content and sequence of policymaking and differential allocation of power (Molina & Rhodes 2007). The Turkish political system is characterised by a ‘simple polity’ and majoritarian system, whereby authority and power are largely concentrated in the government (Schmidt 2006, p. 51). This implies that there is a greater executive capacity for reform should the government so choose in comparison with consensual systems and ‘compound’ polities where authority is diffused at multiple levels (Schmidt 2006, p. 51). In simple polities and majoritarian systems, the direction and extent of domestic change becomes largely a function of government preferences.

In the case of Turkey, the fact that the same political party has held a parliamentary majority over the past decade reinforces executive capacity. Moreover, the president and the Constitutional Court, which would otherwise constitute veto-points, no longer do so, as the Turkish parliament elected a longstanding senior member of the ruling party as president in 2007 and the majority of the Court’s membership leans towards the ruling party’s preferences. These recent developments have further reinforced the institutional characteristics of the Turkish political system.

Another important institutional feature of Turkey’s political system concerns weak bureaucratic autonomy. Top-level bureaucrats (i.e. undersecretaries, deputy undersecretaries and general directors) are politically appointed and such practice is becoming more common under the current government. Policies, including strategies and decisions on priorities and financial resources, are formulated at the top under the direction of ministers. Mid-level bureaucrats (i.e. experts) play a role in so far as their expertise is required in the direction of policy change so decided (interviews 2, 3, 4, 5, 7). This does not, however, mean that there are no learning effects. In particular, interviews show that EU financial assistance focuses on capacity-building through training and twinning projects involving mid-level experts (interviews 1–13). Exposure to paradigms and policy ideas in the EU and individual member states in an environment of persistent high unemployment and paucity of alternative paradigms at home engenders socialisation effects over time. One manifestation of such learning was the striking consensus among bureaucrats on the ‘competitiveness imperative’ and the common opinion that flexicurity was ‘the only means’ to fight unemployment (interviews 1–13). Moreover, Turkey’s accession process has intensified the learning process not least through the EU’s programming requirement whereby IPA funds can only be disbursed after an operational programme for human resources development has been put in place.

In the words of an interviewee, ‘this was the Ministry of Labour and Social Security’s first experience in formulating a policy. For the first time we had to decide which priorities we should have and how to support these priorities before dispensing any funds’ (interview 5). All the bureaucrats interviewed shared the view that the EU has a significant impact on policymaking capacity, despite modest financial resources (interviews 1–13). As the bureaucracy does not have autonomy from politicians, the
decisions to comply with the programming requirements of the EU and adopt the priorities of the EES point to the need to understand the preferences of the government.

The adversarial industrial relations system, which is typical of the South European model, amplifies employers’ interests. The main features of this system include a ‘paternalistic state’ that has always been the largest employer and heavy reliance on legislation to resolve industrial disputes (Blanpain 2006; Çelik & Koray 2008). Given the majoritarian character of the political system, trade unions have ‘less opportunity to gain access to decision-making and exercise “positive veto powers”’ (Molina & Rhodes 2007, p. 233). Furthermore, their ability to exert ‘negative veto power’ (Molina & Rhodes 2007, p. 233) is constrained by the ideological polarisation, competition and fragmentation among the confederations and the successful cooptation attempts by the government (interviews 14, 15, 17, 18). All trade unions, whose membership is limited to the registered sector, are structurally powerless, mainly as a result of the reluctance of successive centre-right governments (especially since the 1980s) to grant full trade union rights.

Powerful Ideas

As demonstrated above, Turkey has not had a legacy of policymaking on employment, as policymakers saw employment as a derivative of economic growth during the 1960s and of industrialisation during the 1970s. Conceptualised within the context of development planning, such a linkage was informed by the then dominant Keynesian policy paradigm in which policymakers could ‘stimulate the demand-side’ through ‘expansionary macroeconomic policies’. After the conservative revolution of the 1980s, however, Turkish policymakers began to think that the (un)employment problem could only be solved through a new paradigm of ‘supply-side policies’ (interview 21 and also interviews 8 and 12). Policymakers operating within this emerging policy paradigm began to emphasise international competitiveness as the primary goal for which other secondary goals (such as employment) could be sacrificed. This supply-side policy paradigm with its attendant policy idea of competitiveness gained ground in Turkish policymaking circles through the process of economic liberalisation that began in the 1980s and the completion of the Customs Union with the EU in 1996. It is in this context that the term ‘flexibility’ entered the lexicon of Turkish policymakers for the first time during the 1990s through the influence of the OECD (interview 8). Thus, there emerged a consensus among policymakers in employment policy that competitiveness could be achieved through labour market flexibility (interviews 8 and 21).

From the late 1990s onwards, however, after the granting of candidacy status to Turkey, policymakers were increasingly under the influence of the normative and cognitive policy idea of ‘labour market flexicurity’ propagated by the EU through the EES. Such policy transfer is not only a result of EU financial assistance, which has been increasing since Turkey’s candidacy to the EU, but also of policy learning in which top-level bureaucracy and ministers themselves ‘follow developments in the developed
world’ (interview 8). Such learning has not always translated into policy change, since ministers are exposed to electoral pressures. Moreover, there were limits on the institutional capacity of the bureaucracy to initiate reform (interviews 6 and 8), which means that new policy ideas, rather than being home-grown, are generally transferred, mostly from the West.

As a result, ‘flexicurity’, as part of everyday common policy discourse, is so deeply engrained in the Turkish policymaking apparatus that it features as a referentielle overwhelmingly in all the interviews conducted, and systematically in all official programming documents reviewed. In an earlier academic paper, one former director general of İŞKUR succinctly summarises this process of adoption of a new approach to employment policymaking as ‘mind change’ (Biçerli 2005, p. 13). Interestingly, however, all stakeholders in the area of employment policy view flexicurity from the same angle—policymakers, employers and unions alike, either with exultation or anxiety, categorically take it as flexibility. Whereas policymakers and employers discursively use this EU policy invention (reading it as flexibility) as a universal solution to the competitiveness imperative, union representatives stand against it, for they also read it as what dominant actors make of it (see the next section).

**Dominant Interests**

Given the political institutions described above, the government emerges as the most powerful actor likely to bring about policy reform, its preferences being shaped by competitive electoral pressures. Some of these pressures are of a general nature, such as delivering high rates of economic growth and reducing unemployment rates. Recent public opinion surveys demonstrate clearly that unemployment features as the top concern for the great majority (Aksam 2010; Çarkoğlu & Kalaycıoğlu 2007, p. 51). Interviews with bureaucrats corroborate the ‘highly politically salient nature of the issue of unemployment’ (interview 1).

The government is also subject to particularistic pressures stemming from the preferences of its strong constituencies. Small merchant and industrialist communities organised in the form of small and medium-sized enterprises (SMEs) across Anatolia comprises one such strong constituency (Çarkoğlu & Kalaycıoğlu 2007, p. 27). Predominantly based on family ownership, the majority of the SMEs are engaged largely in unregistered activity, relying on an informal (and hence de facto flexible) workforce. Although these conditions seem to have helped in responding to the current economic crisis, they become a trap, slowing down economic modernisation and productivity growth (OECD 2010).

The interviews show that the preference of the SME sector (represented by the Union of Chambers and Commodity Exchanges of Turkey [TOBB]) is to continue with informality (involving unregistered activity and informal, hence insecure, forms of work) rather than undergoing a (painful) process of restructuring involving organisational change (interviews 16, 17, 18). In the words of a representative from a trade union confederation, during the negotiations for the Labour Act of 2003 ‘TOBB
tried to do everything in its power to dispense with rules [guaranteeing security] altogether that would otherwise regulate the labour market—a clear indication of a preference for maximum flexibility’ (interview 17). A senior representative of TOBB, however, contested this claim by adding that they have always supported ‘registered forms of work’ (interview 24).

The concerns of the large registered sector also play a role in shaping government preferences, as interviews with top bureaucrats indicate (interviews 1, 6, 9). In an interview one bureaucrat said, ‘We need to relieve the pressure on big businesses to increase their competitiveness’ (interview 1). These remarks resonate with those from the representatives of big businesses who complained about ‘excessive labour market regulation’ concerning, for example, ‘taxes’, ‘non-wage costs’ and ‘regulations for employing the disadvantaged’. The main interest of the big businesses is thus perceived to reside in ‘securing competitiveness through flexibility’ (interviews 16 and 23).

The foregoing analysis suggests that there is a convergence of preferences of the government and employers on exclusively emphasising the flexibility dimension of flexicurity. The crisis hitting the Turkish economy in 2001 strengthened the hands of the government and employers in introducing flexibility reforms. This period coincided with the accession process, in which Turkey has been effectively exposed to EU policy paradigms (represented in the EES in particular) through EU conditionality and IPA (Prime Ministry of the Turkish Republic 2003).

In contrast to the SME sector and the big businesses, trade unions remain politically and institutionally weak. Unions represent a very small portion of the workforce in the registered sector and become even weaker in times of economic crisis, such as in 2001 and 2008. Union representatives have come to agree with employers and the government on the structural necessity of maintaining competitiveness. They demand, however, that the existing labour law (which they see as imposing more flexibility than security) be ‘implemented in full’, covering workers in precarious jobs in the informal sector as well as those in the formal sector (interviews 17 and 18).

Against this domestic political economic constellation, powerful actors cherry-pick flexibility out of the ‘flexicurity’ promoted by the EES and refer to European norms when they need to justify their efforts to make Turkey’s labour market more flexible. Flexibility has been such an overarching discursive narrative that all interviewees, when talking about their understanding of the EES norms and principles, unanimously referred exclusively to the ‘flexibility’ dimension of flexicurity (interviews 1–12, 16–18). Only when probed about their perceptions of the security dimension did the interviewees comment on this aspect of flexicurity. A mid-level bureaucrat at the Ministry of Labour and Social Security explains why: ‘unfortunately, everyone in Turkey perceives [EES or flexicurity] in the way it suits their interest. It is mostly understood as flexibility. Only trade unions try to promote security, but they, too, view the EES as promoting flexibility rather than both’ (interview 4). Moreover, in the parliamentary debates concerning the Labour Law of 2003 which brought flexibility to the registered sector of the economy, the members of parliament representing the ruling party made extensive use of ‘European norms’ in justifying the law against the
opposition, as was reflected in the parliamentary minutes (Turkish Grand National Assembly [TGNA] 2003). In fact, every member of parliament speaking in favour of the proposed legislation referred to the policies in European countries as good practices to be replicated and European norms as solutions to domestic problems. It is striking that these practices and norms were referred to as ‘flexible’ as opposed to ‘flexicure’.

In summary, the EES, to which Turkey was expected to streamline through EU conditionality, strengthened the hands of the reform coalition advocating flexibility in Turkey. This discursive tool delegitimised any call whatsoever by trade unions that could be associated with security. Interviewees at the EU Delegation and the Ministry for EU Affairs referred to the principle of flexicurity as involving both flexibility and security dimensions, and said that, given the extent of informality in Turkey’s economy, the security dimension ‘should be prioritised at least as much as the flexibility dimension’ (interview 14, and also interviews 13 and 15). The overarching competitiveness paradigm, however, helps legitimise the interests of the dominant coalition, which is pushing for changes in employment policy towards more flexibility, disregarding entirely the security dimension.

The EU and Domestic Change in Employment Policies in Turkey

This section summarises the findings on the dynamics of change and continuity in the Turkish employment policy structure and identifies the role the EU plays. In detecting the degree of change, it relies on the categories of ‘transformation’, ‘accommodation’, ‘absorption’, ‘inertia’ and ‘retrenchment’ proposed by Balkir, Bolukbasi and Ertugal (2013). Our conceptualisation and operationalisation of change rest upon comparing the degree of change across different components of employment policy in Turkey.

First, in terms of the principles of employment policy, the narrative above on the flexibility dimensions of flexicurity suggests that changes in Turkish labour law in the direction of more flexibility amount to a transformation. Two caveats are in order, however. Although such legislative change allowing for atypical employment forms constitutes a radical change in working life, the applicability of legislation is limited to less than half of the entire workforce, given the large size of the informal sector (which, itself, is far from EU norms and practices) and the large number of employee groups covered by other laws governing their contracts. At the same time, although the direction and content of such legislative change is towards flexibility, new policy ideas that seem to be instrumental in bringing about legislative change seem to have started a decade earlier in the 1990s under the influence of the OECD. Nevertheless, the EU played a striking role in the transformation process through its structuring impact on policy programming, by providing a powerful discursive instrument through which policymakers could legitimise their goals as well as deflecting blame and providing a common language for policymakers through twinning and training practices.

Systematic deployment of ALMPs has only begun with the restructuring of the Turkish public employment services. The number of staff at İSKUR and the coverage of and spending on ALMPs remain significantly lower than EU averages, however. The
modesty of changes in coverage and spending notwithstanding, the fact that IŞKUR has adapted its institutional set-up to implement these new policy instruments suggests that there has been an accommodation in this dimension of flexicurity. In terms of the EU role in such change, the narrative above shows that ALMPs have effectively entered into the official programming documents, increasing the financial resources allocated to activation policies and policymakers’ everyday tasks.

Slower developments in the area of lifelong learning systems, the third dimension of the flexicurity principle, point to absorption in which EU policies and practices are gradually incorporated into the Turkish education system without substantially ameliorating the existing rather weak institutional capacity in policymaking and implementation. EU policies and practices, however, seem to have infiltrated the programming process by triggering the adoption of new strategies with additional financial ramifications. Moreover, although it may be too early to pass judgement on their effectiveness, efforts on the part of the MoNE and IŞKUR to cooperate on this front have begun to create a common language across the different units responsible for this cooperation.

In tracing changes in the fourth dimension of flexicurity, the foregoing discussion shows that, although there have been legislative changes in the area of social security, these seem to have been carried out largely independent of any effort to provide more security to labour market participants. Thus, while security may be increasing through some of the legislative changes, these can only amount to absorption, as they do not substantially modify the existing domestic policies which are categorically characterised by path-dependent processes. While the recent unemployment insurance scheme and other universalist expansions in healthcare may constitute novelties, the EU does not seem to have played any significant role, for example, through the programming process, as modernisation of social security systems does not feature as a priority axis in the Human Resources Development Operational Programme (HRDOP).

Second, in terms of the changes in the objectives of employment policy, the institutionalisation of an employment policy for the first time can be seen as adaptation to the EU’s requirements in policy programming. In this sense, the degree of change is one of accommodation involving the launching of a national employment strategy. While policymakers have adapted to the need to formulate a strategy, they have not been actively using the EU as a discursive tool to legitimise their actions. Rather, the need to formulate an employment strategy involving specific targets similar to those found in the EES appears to have been internalised among bureaucrats. Such internalisation, however, is partly a result of the EU’s impact through policy programming, training, and twinning programmes. The traditional orientation of policymakers towards looking for policy solutions in the ‘developed world’ would have brought about such a change sooner or later, given the low levels of employment especially among women, but the EU seems to have accelerated this process. Another reason for not using the EU as a discursive tool is due to the political benefits that come from making an effort, through the formulation of a strategy, for example, to tackle rampant unemployment, the number one item on the electorate’s agenda.
Third, in terms of changes in the procedures in governance and policymaking, the narrative above shows that recent changes allowing for better participation of social partners can be categorised as absorption. Whereas social partners’ formal role in policymaking is ensured by law, their ability to influence decisions is severely restricted, especially if these are against the preferences of the government. The EU procedures of social dialogue have acted as a discursive tool, as whenever politicians and bureaucrats take a decision with the participation of those social partners they are in agreement with they claim that they have done so through social dialogue. This helps legitimise the decisions taken, even when they are made without the actual input of trade unions in particular.

Finally, in terms of instruments, changes involving increased national financial allocations for active labour market measures can be categorised as accommodation. The massive increases in financial allocations from 2008 onwards are a response to domestic economic difficulties triggered by the global economic crisis. However, the EU funds under IPA which have been coming into Turkey since 2002 have both informed the content of measures adopted in the direction of ALMPs and helped expand the institutional capacity to implement such measures.

This analysis of the degree, nature and direction of domestic change in Turkish employment policy and the role that the EU plays therein confirms the findings of existing research on member states in that, where the EES exerts influence, it is mostly as a result of policy learning. However, such learning in this accession country is qualitatively different from practices in member states, as it is facilitated not only by the OMC but also through membership conditionality, involving policy-programming requirements for eligibility for EU funding as well as training and twinning programmes. While this finding points to the significance of ideas in domestic reform, ideas themselves cannot account for the entire story in the absence of an account of how they interact with the preferences of the dominant actor coalition and the institutional context. In the domains characterised by a medium to higher degree of change (i.e. transformation in labour law and accommodation in ALMPs, objectives and instruments), it is the framing effects of the flexicurity policy idea and the selective appropriation of ideas by dominant interests that are causally significant. In contrast, the path-dependent institutional context remains causally significant in explaining the lower degree of change (i.e. absorption) in lifelong learning and social security systems and procedures in governance. In particular, it is important to note that social security systems and procedures in governance are domains where change encouraged by the EES would lead to a shift in the power balance among domestic actors—wherein lies the difficulty of change.

Acknowledgements

This article benefited from the research project ‘Transformation of Turkey’s Labour Market and Employment Policies and the European Union’ (Project No. 111K108) funded by the Scientific and Technological Research Council of Turkey (TUBITAK).
Notes

[1] Employment policy consists of ‘laws and conventions that establish the rights and entitlements of workers and structure the work relationship’ and strategies, programmes, policies and measures ‘to protect and promote employment more generally’ in a systematic manner (Rhodes 2005, p. 280).

[2] Please see Bolukbasi, Ertugal and Ozcurumez (2010) for an overview of the EU’s impact on Turkey.

[3] See Bolukbasi and Ozcurumez (2011) for an analysis of the broad-based elite support for Turkey’s full membership in the EU.

[4] Upon the formulation of the JAP outlining national employment priorities, the European Commission provides recommendations.

[5] In Turkey’s case, even though a draft JAP was prepared, it was not finalised due to a disagreement on how to address employment issues affecting vulnerable groups (CEC 2008b).


[7] Turkey has been receiving pre-accession assistance from the EU since 2001 under the Pre-accession Instrument for Turkey. As of 2007 this pre-accession financial instrument for Turkey has been replaced by IPA, which provides funding and support to candidate countries and potential candidates.

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Appendix. List of Interviewees

(1) Senior bureaucrat, Ministry of Labour and Social Security (MoLSS)
(2) Mid-level bureaucrat, MoLSS
(3) Mid-level bureaucrat, MoLSS
(4) Mid-level bureaucrat, MoLSS
(5) Mid-level bureaucrat, MoLSS
(6) Senior bureaucrat (retired), İŞKUR
(7) Mid-level bureaucrat, İŞKUR
(8) Former senior bureaucrat, SPO
(9) Senior bureaucrat, SPO
(10) Mid-level bureaucrat, SPO
(11) Mid-level bureaucrat, SPO
(12) Mid-level bureaucrat, SPO
(13) Mid-level bureaucrat, Ministry for EU Affairs
(14) Senior official, EU Delegation in Ankara
(15) Mid-level official, EU Delegation in Ankara
(16) Senior representative of Turkish Confederation of Employer Associations (Türkiye İşveren Sendikaları Konfederasyonu – TİSK)
(17) Former senior representative of DISK
(18) Representative of Confederation of Turkish Trade Unions (Türkiye İşçi Sendikaları Konfederasyonu – TÜRK-İŞ)
(19) Expert, Middle East Technical University (METU)
(20) Expert, Bilkent University
(21) Senior bureaucrat (retired), İŞKUR
(22) Senior representative of Turkish Industry and Business Association (Türk Sanayici ve İşadamları Derneği – TÜSİAD)
(23) Senior representative of TOBB
(24) Former senior bureaucrat, SPO

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