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**MONOGRAPHS ON THE SITUATION OF SOCIAL PARTNER ORGANISATIONS  
IN THE CANDIDATE COUNTRIES (BULGARIA, ROMANIA AND TURKEY): WOODWORKING SECTOR**

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# INTRODUCTION

## Presentation of the study

This report has been produced as part of the research into the institutional representativeness of social partners in the European Union, and the situation of trade unions and employers' associations in the candidate countries. The research has been conducted by the Institut des Sciences du Travail (Université catholique de Louvain) at the request of the Employment and Social Affairs Directorate-General of the European Commission (Call for tenders No VC/2004/0547).

The issue of the representativeness of European organisations came to the fore in the context of the promotion of social dialogue. In a communication published in 1993<sup>1</sup>, the European Commission set out three criteria determining the access that employers' and workers' organisations had to the consultation process under Article 3 of the Agreement on Social Policy. According to the terms of this communication, the organisation must: (1) *be cross-industry or relate to specific sectors or categories and be organised at European level; (2) consist of organisations which are themselves part of the social partners structures of Member States which have the capacity to negotiate agreements, and which are representative of all Member States, as far as possible; (3) have adequate resources to ensure their effective participation in the consultation process.* In 1996, it adopted a consultation document<sup>2</sup> that sought to bring together the widest range of views on the measures to be employed in fostering and strengthening European social dialogue. At that point, given that the social partners at European level were, and still are, in the process of structuring themselves and accepting new applications for membership, the European Commission conducted a study on the representativeness of inter-professional and sector organisations in the European Union, and in a new communication<sup>3</sup> in 1998, announced the measures that it proposed to take in order to adapt and promote social dialogue at European Union level. In it, the Commission reaffirmed the three criteria established by the 1993 Communication, permitting European organisations to be recognised as representative for consultation purposes under Article 3 of the Social Policy Agreement. Finally, in 2002, the Commission reaffirmed its support for a strengthening of social dialogue in its communication *The European social dialogue, a force for innovation and change*<sup>4</sup>. In the respect of the three criteria set up by the Commission, as has been pointed out in previous studies<sup>5</sup>, *the changes focus on the disappearance of demands relating to the inter-sector nature of organisations and on the fact that they are established in all Member States; the new rules have not been formulated in a very restrictive manner, they only require employers' and workers' organisations to represent "several" Member States. This relaxation of the implementation condition might pose a demarcation problem in the sense that there is no criterion setting out a minimum number of Member States to activate it.*

Against this background, it is clear that one of the main issues, both for the Commission and for the European social partners, is the enlargement of the European Union and its impact on the process of social dialogue at Community level: *The Communication underlines the vital role and the weaknesses of social dialogue in the candidate countries. Much has been achieved over the past decade with the support of Community programmes and initiatives. However, a lot remains to be done to strengthen the capacities of social partners and involve them in the accession*

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<sup>1</sup> COM (93) 600 final of 14 December 1993, Communication from the Commission concerning *the application of the Protocol on Social Policy*.

<sup>2</sup> COM (96) 448 final of 18 September 1996 concerning *the development of the social dialogue at Community level*.

<sup>3</sup> COM (98) 322 final of 20 May 1998, Communication from the Commission, *Adapting and promoting the Social Dialogue at Community level*.

<sup>4</sup> COM (2002) 341 final of 26 June 2002, Communication from the Commission, *The European social dialogue, a force for innovation and change*.

<sup>5</sup> Spineux A., Walthery P. et al., *Report on the representativeness of European social partners organisations*, Report coordinated by the Institut des Sciences du Travail of the Université catholique de Louvain, for the European Commission, Directorate General for Employment, Industrial Relations and Social Affairs, Louvain-la-Neuve, 1998.

process<sup>6</sup>. As far as the European Commission is concerned, it is *only with sufficiently robust national structures that the social partners will be able to participate effectively in negotiations and in other European social dialogue activities and also implement agreements at national level*<sup>7</sup>.

The development of social dialogue, therefore, formed part of the “*acquis communautaire*” (community achievement): *The Treaty requires that social dialogue be promoted and gives additional powers to the social partners. The candidate countries are, therefore, invited to confirm that social dialogue is accorded the importance required and that the social partners are sufficiently developed in order to discharge their responsibilities at European Union and national level, and to indicate whether they are consulted on legislative drafts relating to the taking over of the employment and social policy acquis... Therefore, the development not only of tripartite structures but also of autonomous, representative bipartite social dialogue is an important aspect for the future involvement of the candidates countries' social partners in the social dialogue activities developed at European and national level*<sup>8</sup>.

Enlargement of the European Union is a major issue from a quantitative and qualitative point of view: *The quantitative leap is quite clear as soon as the number of partners rises. The delegations taking part in social dialogue will be enlarged, and that, as we know, does not facilitate dialogue. However, the leap is also qualitative in that the new entrants present the industrial relations systems they have inherited from their national histories*<sup>9</sup>.

The aim of the report is to produce a study that sets out both brief descriptions of the way that social dialogue functions in the countries concerned, and descriptions of the various workers' and employers' organisations involved in social dialogue at sector level. This study may be seen as a tool to help understand these quantitative and qualitative factors.

## **Research approach and comments on methodology**

For the purposes of this study, a network of University researchers throughout three candidates countries (Bulgaria, Romania and Turkey) was set up. These researchers are independent of both the European Commission and employers' and workers' organisations. Each researcher was charged with drawing up a report based on a common template. A questionnaire tailored to the specific realities of the woodworking sector was elaborated to that effect. Each national report issued by the expert was submitted to the national organisations in order to enable them to make comments on collected data. The IST took charge of coordinating the study and drawing up the summaries. Constant communication and ongoing collaboration between the IST, national experts and national organisations takes place in order to associate the various players of the process of research. The report is also checked by the European organisations and their members in order to enable them to make comments on the report. This phase of consultation represents an important stage of research. Lastly, the report is checked by the European Commission's services. The IST wishes to stress its independence with regard to the political consequences and decisions which may be made on the basis of this study.

The research process, in its design, comprises a phase of collection of data on the players and the social dialogue in which they participate, but also an active approach embracing the building of a consensus, which is an integral part of the process of social dialogue itself. Thus, whereas in a good number of cases the data collected do not permit total definition of the role played by

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<sup>6</sup> COM (2002) 341 final of 26 June 2002, Communication from the Commission, *The European social dialogue, a force for innovation and change*.

<sup>7</sup> Op cit.

<sup>8</sup> *Enlargement of the European Union. Guide to the negotiations. Chapter by chapter*, European Commission, DG Enlargement, June 2003.

<sup>9</sup> Léonard E., Spineux A., *Les relations industrielles en Europe aujourd'hui*, Institut des Sciences du Travail, UCL, 2003 (unpublished).

the organisations, the contacts made during the data collection and the discussions with the different players concerned should be an integral part of a process of mutual recognition<sup>10</sup>. The main sources used within the framework of this study are thus the social partners themselves.

Lastly, a few words on the consultation process involving the European social partners must be added. The organisations which have been consulted are cited in annex. The organisations included in this study are organisations which are members of the European organisations on the European sector social committee for the woodworking sector (EFBWW and CEI-Bois) and/or organisations which are involved in the collective bargaining for the sector (or have the legal capacity to negotiate in the sector-level collective bargaining). The comments that the IST received from these organisations, and those of their members have been incorporated in different ways, depending on the kind of information received:

- The observation is directly included in the content of the report
- When a difference of opinion exists between the employers' or workers' organisation and the expert, the observation is included as a footnote in the report, as well as the justification of the expert.

The consultation for the report on the woodworking sector took place during the month of October 2006.

Finally, given that national situations are very changeable and evolve rapidly, it is important to stress that the aim of this study is to take "a snapshot" of the situation of the organisations in 2006. Interviews with the organisations took place, and the national reports were written, between February and September 2006.

### **Delimitation of the sector**

Basically, the woodworking sector may be limited to activities included in the *NACE classification, Rev. 1.1, section DD, division 20: Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials.*

This class includes:

- 20.1: Sawmilling and planing of wood; impregnation of wood;
- 20.2: Manufacture of veneer sheets; manufacture of plywood, laminboard, particle board, fibre board and other panels and boards;
- 20.3: Manufacture of builders' carpentry and joinery;
- 20.4: Manufacture of wooden containers;
- 20.5: Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials

**Note:** The tables have been completed with "ND" when data are not available and "0" when the figure is 0.

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<sup>10</sup> Reply to Call for Tenders VT/2002/83. Studies on the representativeness of the social partners at sector level in the European Union and monographs on the situation of the social partners in the candidate countries, Institut des Sciences du Travail, UCL, 2002.

## NATIONAL REPORTS

# BULGARIA

## 1. Description of the sector

### Delimitation and activities of the sector

In Bulgaria, the National Statistical Institute (NSI) collects data according to NACE. Therefore statistical data presented in this report corresponds to the code 20 of the NACE nomenclature.

From the industrial relations point of view, the woodworking sector (NACE 20) and the furniture sector (NACE 36.1) are perceived as inseparable by the social partners. They are covered by the same collective bargaining process, same collective agreement (even if the agreement is clearly separated into two chapters - one for wood and one for furniture) and same organisations. So, there is a strong link between these two sub-sectors and there is not much sense in distinguishing between them in the Bulgarian case.

Trade unions in the sector also sign collective agreements for others sectors: Forestry, Agriculture, Textile & Clothing etc. On the employers' side, the chamber covers exclusively wood and furniture sectors.

### Socio-economic features of the sector

#### *Share of the sector in GDP (%)*

	2000	2001	2002	2003	2004	2005 (Preliminary data)
NACE DD 20	0.221%	0.218%	0.210%	0.280%	0.342%	0.317%

Source: National Statistical Institute – the latest data available as of 1 April 2006.

#### *Share of the sector in the Produced Gross Value Added (%)*

	2000	2001	2002	2003	2004	2005 (Preliminary data)
NACE DD 20	0.269%	0.245%	0.238%	0.320%	0.395%	0.369%

Source: National Statistical Institute – the latest data available as of 1 April 2006.

#### *Summary table: Companies (2004)*

Sub-sectors	Number of companies	% companies without employees	% companies with < 10 employees	% companies with 10 to 49 employees	% companies with 50 to 249 employees	% companies with > than 249 employees
Sub-sector 20.1	913	33.3%	44.6%	19.5%	2.6%	0
Sub-sector 20.2	50	10%	36%	24%	22%	8%
Sub-sector 20.3	415	39.5%	44.1%	13.7%	2.7%	0
Sub-sector 20.4	171	24.6%	46.2	28.7%	0	0.6%
Sub-sector 20.5	389	40.4%	44.7%	13.6%	1%	0.3%
<b>Total of the sector</b>	<b>1,938</b>	<b>34.7%</b>	<b>44.4%</b>	<b>18.0%</b>	<b>2.6%</b>	<b>0.3%</b>

Source: National Statistical Institute – the latest data available as of 1 April 2006

1,938 companies were active in the sector in 2004. The prevailing number of companies (47%) are in the sub-sector NACE DD 20.1. 97% of companies in the sector are SMEs (35% do not employ workers, 44% employ between 1 and 9 workers and 18% employ between 10 and 49 workers). Between 2000 and the present day, most of the companies have been located in the regions of towns of Pazardjik (central south part of Bulgaria) and Bladovgrad (south-west). The biggest companies are located in the town of Troyan in the Lovech region (750 workers), the town of Veliko Turnovo (390 workers), the town of Burgas (330 workers) and in the region around the town of Stara Zagora (220 workers).

There are no data regarding the underground economy in the sector. According to the estimate of CITUB about 10% of employees in the sector work without any employment contract (the national average was estimated at 15% in 2005 by a national sociological survey amongst the working population<sup>11</sup>).

*Summary table: Workers (2004)*

Sub-sectors	Number of self-employed workers in the sector	Number of employees in the sector	Number of employees in the sector/total number of employees in the country (%)	Number of employees in companies < 10 workers/Number of employees in the sector (%)	Number of employees in companies with 10-49 workers/ Number of employees in the sector (%)	Number of employees in companies with 50-249 workers/ Number of employees in the sector (%)	Number of employees in companies with > 249 workers/ Number of employees in the sector (%)
Sub-sector 20.1	920	6,746	0.3%	21.2%	50.4%	28.4%	0
Sub-sector 20.2	129	3,715	0.2%	1.5%	10%	39.3%	49.3%
Sub-sector 20.3	404	2,944	0.1%	21.5%	42.3%	36.2%	0
Sub-sector 20.4	167	1,312	0.06%	24.1%	71.7%	4.2%	0
Sub-sector 20.5	436	2,396	0.1%	22.7%	46.8%	16.7%	13.8%
<b>Total of the sector</b>	<b>2,056</b>	<b>17,113</b>	<b>0.8%</b>	<b>17.4%</b>	<b>41.4%</b>	<b>28.6%</b>	<b>12.6%</b>

Source: National Statistical Institute – the latest data available as of 1 April 2006

The sector is clearly dominated by blue-collar workers<sup>12</sup> (82%) and by male workers<sup>13</sup> (60%). According to the Federation of Trade Union Organisations in Forestry and Woodworking Industry, about 25% of employees in the sector have higher education, some 65% have secondary level and about 10% have primary or lower educational degree (estimate). The average remuneration in the woodworking branch is much below the national average (in 2004 wages in the sector reached 68% of the national average). The share of atypical forms of work (part-time in particular) is negligible in this sector (2.9% in 2004 according to the NSI).

There is a constant growth of production of wood and wood products within recent 5 years. The sector is certainly expanding in terms of employment and the number of companies, also.

<sup>11</sup> A survey by *The National Center of Public Opinion Survey*. Source of this info: *General Labour Inspectorate*, webpublication in Bulgarian, 2005.

<sup>12</sup> National Statistical Institute – data for 2004.

<sup>13</sup> Estimate from the Federation of Trade Union Organisations in Forestry and Woodworking Industry.

*Trends in the employment, companies and production (NACE DD20)*

	2000	2001	2002	2003	2004
Number of employees*	13,099	13,595	14,142	15,831	17,113
Number of companies*	1,833	1,787	1,696	1,902	1,938
Production** :	102.7	103.7	121.5	131.0	ND
Corresponding period of the previous year = 100%					

Source: \* National Statistical Institute – the latest data available as of 1 April 2006; \*\* CANSTAT Statistical Bulletin 2003/4 (last edition). Editor: National Statistical Institute 2004.

## 2. Organisations active in the sector

### Workers' organisations

Two organisations are active in the woodworking sector: The Federation of Trade Union Organisations in Forestry and Woodworking Industry (member of CITUB) and the Federation of Light Industry Podkrepa (member of CL PODKREPA). According to the Labour Legislation in Bulgaria, the organisations eligible, at sector level, are only those organisations which are members of central trade union organisations recognised as representative at national level.

*The organisations' institutional characteristics* (Estimates of respondents are marked by (\*), while estimates of researchers are marked by (\*\*))

	Member of Confederation of Independent Trade Unions in Bulgaria (CITUB)	Member of Confederation of Labour PODKREPA (CL PODKREPA)
<b>Original name of the organisation</b>	Федерация на синдикалните организации от горското стопанство и дървопреработващата промишленост	Федерация Лека промишленост "Подкрепа"
<b>English name</b>	Federation of Trade Union Organisations in Forestry and Woodworking Industry	Federation of Light Industry Podkrepa
<b>Year of creation</b>	1990	1990
<b>Structure of the organisation: sector/sub-sector</b>	Covers all the activities of NACE DD 20 (woodworking) and DN 36.1 (Furniture); as well as AA 01 (Agriculture), AA 02 (Forestry) and DE 21 (Pulp, Paper).	covers the activities of NACE DD 20 (woodworking); it also covers the manufacture of textiles and clothing (NACE DB 17-18) and the manufacture of leather and leather products (DC 19) as well as few other branches like, DE 21 (Pulp, paper), DI 26.1 and 26.2. (Manufacture of glass...). Their members are basically located in NACE DB 17-18 <sup>14</sup> .
<b>Funding</b>	Membership fee and projects	Membership fee
<b>Staff</b>	7.5 people, of which four are hired on full-time base and one is hired on part-time base; 3 persons on civil contracts; also 5 volunteers	2.5 persons, of which two on full-time base and one part-timer.
<b>Number of individual members</b>	7,680 <sup>15</sup>	2,150 <sup>16</sup>

<sup>14</sup> Initially the federation did not give information because of the awareness that their contribution to the sector of woodworking is quite insignificant (as woodworking is not their basic sector and they have small number of members in it). They do not feel they are an important player, so they decided not to take part in the survey. Yet, during the validation procedure they have given some data.

<sup>15</sup> Source: Organisational membership records last updated in January 2006. Similar figures were confirmed officially by the Ministry of Labour and Social Policy in the end of 2003 in the course of recent regular counting of social partners in Bulgaria; company membership records are signed by employers.

<b>Number of members working in the sector</b>	2,118 in the woodworking and the furniture sectors (of which 1,249 in the woodworking sector exclusively)	97 in the woodworking sector
<i>staff/white-collar workers</i>	400* (19%) in the woodworking and the furniture sectors (of which 250* in the woodworking sector exclusively)	0
<i>manual/blue-collar workers</i>	1,700* (81%) in the woodworking and the furniture sectors (of which 1,000* in the woodworking sector exclusively)	97 (100%)
<b>Density %</b>	5.5% of the total number of workers in the woodworking and the furniture sectors; 7.3% of the total number of workers in the woodworking sector exclusively	Insignificant. Approximately 0.6%
<b>Does the organisation negotiate and sign collective agreements at sector level?</b>	Yes - it negotiates and is eligible to sign at sector level	Yes - it negotiates and is eligible to sign at sector level
<b>Does the organisation take part in consultations at enterprise level?</b>	Yes but indirectly via company sections	Yes but indirectly via company sections
<b>How many collective agreements have been signed by the organisation in 2004 and 2005</b>	4 in total, of which 2 at sector and 2 at sub sector level. However, only one of them concerns the woodworking and the furniture sectors. The Federation has regularly signed agreements since 1990.	6 in total, of which 1 covers woodworking and furniture. They also have signed 5 collective agreements for other sectors like textile and clothing.
<b>Does the organisation take part in tripartite concertation?</b>	Yes	Yes
<b>Does the organisation have the power to sign tripartite collective agreements for the sector?</b>	Yes	Yes
<b>How many agreements has it signed in the framework of tripartite concertation in 2004 and 2005?</b>	There is no signed tripartite collective agreement for the sector of woodworking	There is no signed tripartite collective agreement for the sector of woodworking

<sup>16</sup> Source: Federation of Light Industry Podkrepa 2003 and 2006. For general orientation only: in 2003 they had 6,800 members in total.

*Workers' organisations: Summary Table*

Organisation (English name)	Members		Estimate of density*	Collective Bargaining** (Yes/No)	Affiliations			
	Total number of members	Number of members working in the sector			European affiliations***		Other affiliations****	
					Related to the sector	Others	Related to the sector	Others
Federation of Trade Union Organisations in Forestry and Woodworking Industry	7,680	1,249	7.3%	Yes	No	No	BWI	No
Federation of Light Industry Podkrepa	2,150	97	Insignificant. Approximately 0.6%	Yes	No	ETUF-TCL	No	No

Source: 1) Federation of Trade Union Organisations in Forestry and Wood Processing Industries (April 2006); 2) Federation of Light Industry Podkrepa; 3) NSI regarding data for calculation base of density (recent data available as of 1 April 2006)

\*Density: number of employees who are affiliated to the organisation concerned divided: - by total number of employees working in the sector within the country, if the activities of the organisation concern the whole sector studied; - by total number of employees working in this sub-sector within the country, if the activities of the organisation only concern a sub-sector. \*\*Collective Bargaining: Does the organisation negotiate and have the power to sign collective agreements at sector level for the sector? \*\*\*European affiliations: List of European organisations to which the organisation is affiliated. \*\*\*\*Other affiliations: List of others organisations (group of countries, international) to which the organisation is affiliated.

## Employers' organisations

There is one employers' organisation active in the sector: The **Branch Chamber of Woodworking and Furniture Industry** (Браншова камара на дървообработващата и мебелната промишленост). This organisation was established in 1991 but has been much more active since 2000. It covers both the woodworking (NACE DD 20) and the furniture (NACE DN 36.1) sectors. It is funded by membership subscriptions, services for members and projects and employs four people.

220 companies are members of this organisations, of which 67 are active in the woodworking sector, 113 in the furniture sector and 40 developing activities close to woodworking and furniture, but belonging to other NACE codes (like machine building and trade related to sector). The latter are not involved in collective bargaining for woodworking and furniture.

The member companies account for about 75% of the gross sector product (woodworking and furniture), mainly due to 7 companies with more than 250 employees (respectively three in woodworking and four in furniture). All members companies are private and the majority of them are SMEs.

According to the Labour Legislation in Bulgaria, the organisations eligible, at sector level, are only those organisations which are members of national employers' organisations recognised as representative at national level. This chamber is a member of three national associations: The Bulgarian Industrial Association (BIA), The Bulgarian Chamber of Commerce and Industry (BCCI), The Employers Association in Bulgaria (EABG).

The organisation takes part in collective bargaining at sector level for the sector of woodworking and furniture. In this framework, it has signed one collective agreement in 2004 and 2005. It is also entitled to take part in tripartite concertation for the sector and to sign collective agreements at this level. However, there is no signed tripartite collective agreement for the sector of woodworking. At company level, the chamber does not take part in collective bargaining as according to regulations in the country, it is the individual employers who negotiate directly at this level.

### Employers' organisations

Organisation (English name)	Members		Estimate of density*	Collective Bargaining** (Yes/No)	Affiliations			
	Total number of member companies in this organisation	Total number of workers employed by member companies			European affiliations***		Other affiliations****	
					Related to the sector	Others	Related to the sector	Others
Branch Chamber of Woodworking and Furniture Industry	220 in total (67 in the woodworking)	More than 14,313 in the woodworking and the furniture (5,904 in the woodworking)	3.5% of companies in the woodworking	Yes	UEA CEI-Bois (forthcoming member)	No	No	No

Source: 1) Branch Chamber of Woodworking and Furniture Industry (April 2006); 2) NSI regarding data for calculation base of density (recent data available as of 1 April 2006)

\*Density: number of companies that are affiliated to the organisation concerned divided: - by total number of companies with activities in the sector within the country, if the activities of the organisation concern the whole sector studied; - by total number of companies with activities in this sub-sector within the country if the activities of the organisation only concern a sub-sector. \*\*Collective Bargaining: Does the organisation negotiate and have the power to sign collective agreements at sector level for the sector? \*\*\*European affiliations: List of European organisations to which the organisation is affiliated. \*\*\*\*Other affiliations: List of other organisations (group of countries, international) to which the organisation is affiliated.

## 3. Industrial relations in the sector

### Tripartite concertation

In Bulgaria, tripartite social concertation covering the woodworking sector, the furniture sector and the pulp, paper and paper products sector (NACE DE 21) is organised by the Ministry of Economics and Power Supply. The players are the Federation of Trade Union Organisations in Forestry and Woodworking Industry and the Federation of Light Industry Podkrepa on the employees' side and the Branch Chamber of Woodworking and Furniture Industry<sup>17</sup> on the employers' side. The main issues addressed in tripartite concertation exercises are: Fostering the social dialogue at different levels; Discussing draft Acts and regulations; Reviewing the Harmonisation of Bulgarian legislation concerning the sector.

This tripartite concertation takes place irregularly and on an ad hoc basis. No collective agreements are signed at this level because in general they do not have strong legal power and they are rarely useful. Due to its lack of sufficient legal power, the council is not effective. Some decisions are made but are not implemented.

### Bipartite social dialogue

Bipartite collective bargaining for the woodworking sector takes place *at the sector level*. This bargaining process covers not only the woodworking sector but also the furniture sector. Dialogue at this level functions quite efficiently as it has not been interrupted since 1990 (all the time there have been signed collective agreement).

One collective agreement is in force for the moment in the sector<sup>18</sup>. It focuses on wages, employment, working conditions, working time etc., and concerns mainly blue-collar workers. Its duration is two years. The signatory parties of this agreement are the Federation of Trade Union Organisations in Forestry and Woodworking Industry and the Federation of Light Industry

<sup>17</sup> In the council takes part also a chamber covering NACE DE 21 (pulp, paper and paper products), but it does not negotiate for the woodworking and furniture sectors.

<sup>18</sup> The legislation allows only one agreement in force for any particular sector.

Podkrepa on the employees' side and the Branch Chamber of Woodworking and Furniture Industry on the employers' side. There is no obligation to participate at collective bargaining at sector level and there are no conflicts between players regarding recognition issues.

There is no official data regarding the coverage rate of this agreement in comparison with the total number of workers. The Branch Chamber of Woodworking and Furniture Industry estimates that 3.5% of companies in the woodworking sector are covered by this agreement.

On the basis of official request submitted by the social partners, the Minister of labour and social policy has the power to activate procedures for extending collective agreements to parties that are not signatories. The social partners in the woodworking and furniture have asked many times for such an extension but this procedure has not yet been used at all in the country to date.

*At company level*, all trade union sections<sup>19</sup> (even those of non-recognised unions) are allowed to negotiate directly with the individual employer (principal, executive). There is no official quantitative data about collective agreements concluded at the company level. Yet, the branch chamber of Woodworking and Furniture Industry and the Federation of CITUB estimate that amongst the chamber members, 18 woodworking companies (0.9%) have signed company collective agreement. We can't say anything about the thousands of companies outside the chamber, but it is unlikely that they have company agreements.

These company agreements focus on wages, employment, working conditions, working time etc., and concerns mainly blue-collar workers. Their duration is between one and two years. According to the Labour code, only better or at least equal conditions can be negotiated at company level in comparison with the sector level.

There are no procedures for extending these collective agreements to parties that are not signatories to the agreement. However, individual workers can join the signed agreement<sup>20</sup>. This procedure for personal joining is used widely.

## Acronyms

<b>BWI:</b>	Building and Wood Workers' International
<b>CEI-Bois:</b>	European confederation of woodworking industries
<b>CITUB:</b>	Confederation of Independent Trade Unions in Bulgaria
<b>CL PODKPEPA:</b>	Confederation of Labour PODKPEPA
<b>ETUF-TCL:</b>	European Trade Union Federation: Textiles, Clothing, Leather
<b>NSI:</b>	National Statistical Institute

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<sup>19</sup> If there is more than one union section willing to participate in collective bargaining, they have to submit a common collective agreement draft to the employer. This is because the regulation allows for only one agreement in force for each establishment. Most often the dominant players at company level are sections of the two biggest trade union confederations (CITUB and Podkrepa) as they have largest organisational structures throughout the country.

<sup>20</sup> Individuals can join the agreement by submitting a simple application to either employer or trade union that is a signatory party.

**UEA:**

European Federation of Furniture Manufacturers

# ROMANIA

## 1. Description of the sector

### Delimitation and activities of the sector

Since 1997, Romania has adopted the NACE system corresponding to the international classifications. As a result, in the official statistics, the activities of the woodworking sector correspond to group 20 of the NACE code.

As far as social partners are concerned, trade unions in the sector (FSLIL and FSFMR) represent both the woodworking and the furniture sectors. On the employers' side, the ASFOR especially represents the manufacture of wood and products of wood and cork.

Collective bargaining for the sector covers both the furniture and the woodworking sectors.

### Socio-economic features of the sector

The important forest resources in Romania (around 6.3 million hectares of wood) make wood industry an important component of the processing industry and of the national economy. In 2004, the share of this sector in the GDP was 2.4%<sup>21</sup> and its contribution to the country's total export represented 4.47%<sup>22</sup>.

*Summary table: Companies (December 31, 2004)*

Sub-sectors	Number of companies	% companies without employees	% companies with < 10 employees	% companies with 10 to 49 employees	% companies with 50 to 249 employees	% companies with > than 249 employees
NACE 20.1	4,172	14.2	64.8	16.2	4.3	0.5
NACE 20.2	234	12.0	56.8	15.4	10.3	5.5
NACE 20.3	1,677	15.2	67.7	13.4	3.5	0.2
NACE 20.4	202	13.9	65.8	19.8	0.5	0
NACE 20.5	995	15.4	70.0	12.0	2.1	0.5
<b>Total NACE 20</b>	<b>7,280</b>	<b>14.5</b>	<b>66.0</b>	<b>15.0</b>	<b>3.90</b>	<b>0.6</b>

Source: National Institute for Statistics, March 02, 2006.

Following the process of restructuring the old economic structure according to the requirements of a market economy, there have been important changes in the sector, in terms of the size of enterprises, changes in the ownership structure, reduction of the number of employees, the modification of the range of products for export and so on. As such, in 1991 the manufacture of wood and products of wood and cork sector included 28 companies with 132,884 employees<sup>23</sup> and at the end of 2004 there were over 7,000 companies with 89,344<sup>24</sup> employees. While in 1991, the

<sup>21</sup> Ministry of Economy and Trade Documentary, March 23, 2006

<sup>22</sup> Romanian Statistical Yearbook, 2005, page 679

<sup>23</sup> Romanian Statistical Yearbook, 1992, page 394-395.

average number of employees per company was 206 employees, it became only 18 in 2004. In 1990, all companies in the sector were owned by the state whereas in 2004, almost all of them belonged to the private sector (the companies owned by the state represented below one percent).

In terms of geographical spread, the companies active in the sector can be found all over the country, but located differently in each area, as a function of the forestry potential (there is a bigger concentration of companies in areas with a higher forest potential - the counties of Alba, Sibiu, Suceava, Iasi, Neamt, Bacau, Vrancea, Harghita, Covasna, Brasov, Arges, Mehedinti, Satu Mare, Maramures and others). However, Bucharest hosts an important part of the companies in the domain.

There are no data available about the underground economy in the sector but it is estimated that it could be 20-30%.

*Summary table: Workers (December 31, 2004)*

Sub-sectors	Number of self-employed workers in the sector	Number of employees in the sector	Number of employees in the sector/total number of employees in the country (%)	Number of employees in companies < 10 workers/Number of employees in the sector (%)	Number of employees in companies with 10-49 workers/ Number of employees in the sector (%)	Number of employees in companies with 50-249 workers/ Number of employees in the sector (%)	Number of employees in companies with > 249 workers/ Number of employees in the sector (%)
NACE 20.1	899	51,037	1.14	16.2	29.0	35.9	18.8
NACE 20.2	954	10,627	0.24	3.5	8.3	25.0	63.2
NACE 20.3	324	17,825	0.40	20.1	26.7	35.4	17.8
NACE 20.4	54	1,374	0.03	31.2	64.3	4.5	0
NACE 20.5	222	8,481	0.19	22.9	28.8	24.7	23.6
<b>Total NACE 20</b>	<b>2,453</b>	<b>89,344</b>	<b>2.00</b>	<b>16.3</b>	<b>26.6</b>	<b>33.0</b>	<b>24.1</b>

Source: National Institute for Statistics, March 02, 2006

At the end of 2004, the total number of employees in the sector was 89,344<sup>25</sup> (33.9% were women<sup>26</sup>). All social and professional categories (qualified and non-qualified workers, specialists with average and higher training) are included in the sector. It is estimated that over 80% of the labour force is qualified.

The average monthly salary was of 3,644,397 ROL<sup>27</sup> (90.4 euros<sup>28</sup>) in 2004, lower than the average monthly salary in industry (148 euros) and than the one in the processing industry (134.1 euros). However, there are companies where the salary is well above the average of the sector.

The tendencies in the sector are related to two fundamental processes, namely Romania's accession to the European Union and the competition triggered by the globalisation process. Social partners consider that there will be important changes: (1) An important number of companies will disappear from the market (first those which will not meet the European conditions regarding

<sup>24</sup> National Institute for Statistics, March 02, 2006

<sup>25</sup> National Institute for Statistics, March 02, 2006

<sup>26</sup> Romanian Statistical Yearbook, 2005, page 128

<sup>27</sup> Romanian Statistical Yearbook, 2005, page 225

<sup>28</sup> Using an average currency exchange of 40.532,11 lei / euro (cf. [www.bnr.ro](http://www.bnr.ro) – annual statistic series)

environment protection and those which do not have the capacity to invest in efficient technology to face the competition); (2) The resizing of enterprises (there will be a growing number of larger enterprises, as they prove to be more efficient); (3) The reduction of the labour force following the introduction of advanced technology; (4) There will be greater specialisation for an significant part of the labour force, which could cope with the requirements with new technology; (5) The growth of foreign investment in the sector; (6) A crisis for the qualified labour force (the liberalisation of the labour force market in the EU, together with the extremely low salaries in Romania will determine an important part of the labour force (the qualified one) to migrate to EU countries which could ensure a salary ten times bigger than in Romania).

## 2. Organisations active in the sector

### Workers' organisations

**The Federation of Free Trade Unions in the Woodworking and Furniture Industry (Federatia Sindicatelor Libere din Industria Lemnului, FSLIL)** was established in April 1990 based on Law 21/1924. Its status was changed later, based on Law 54/1991 and then Law 54/2003<sup>29</sup>. FSLIL represents the employees in the woodworking and furniture sectors (NACE 20 and 36.1). When it was established, the organisation represented 215 trade unions with 245,000 members, out of around 360,000 employees in the woodworking and furniture industry<sup>30</sup>. Following the transformation and restructuring of the economy, the number of employees has decreased, so that now, the number of members in the federation is around 72,000.

FSLIL is mainly funded by subscriptions, sponsorships, rental income. Nine employees work for the organisation.

The FSLIL meets the representative conditions for legal recognition in the woodworking and the furniture industry. This gives it the right and capacity to negotiate and sign collective agreements at branch level. Since 1991, FSLIL has constantly signed branch collective agreements<sup>31</sup>. The last was signed for the period 2004-2007. The FSLIL also signs an additional act to this contract annually, which modifies certain provisions, especially those referring to salary rights (the minimum salary at branch level). Provisions negotiated at branch level constitute the minimal point of reference for the negotiations at company level.

Generally, the federation does not negotiate and sign collective agreements at company level, as in each company, this is the duty of the trade union organisation or of the elected representatives of the employees if there is no trade union organisation. Nevertheless, up to 2005, the FSLIL negotiated and signed four collective agreements with a large company employing over 5,000 employees and which has several subsidiaries.

At national level, the FSLIL is member of CNSLR-Fratia. At European level, it is a member of the EFBWW, and of BWI at international level.

**The Woodworking and Furniture Trade Unions Federation (Federatia Sindicatelor Forestiere si de Mobila din Romania, FSFMR)** was established in September 1998. It represents both the woodworking and the furniture sub-sectors. Today, the federation includes around 12,000 members from both sub-sectors in approximately equal shares. The FSFMR is mainly funded by subscriptions, entrance fees and sponsorship. It has one employee.

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<sup>29</sup> The first post communist trade union law was adopted in 1991 and was modified and completed in 2003.

<sup>30</sup> Interview, Vasile Badica, FSLIL President.

<sup>31</sup> In 1991, FSLIL was the first trade union federation, which negotiated and signed a collective agreement at branch level.

The organisation is legally recognised at branch level and consequently it negotiates and signs collective agreements at this level<sup>32</sup>. The last agreement signed was concluded for the period 2004-2007. Moreover, the additional act is signed each year by the organisation. The FSFMR does not negotiate collective agreements at company level.

At national level, the FSFMR is a member of the National Confederation of Democratic Trade Unions in Romania (Confederatia Nationala a Sindicatelor Democratice din Romania, CSDR). At international level, it is a member of the BWI.

### Workers' organisations

Organisation (English name)	Members		Estimate of density*	Collective Bargaining** (Yes/No)	Affiliations			
	Total number of members	Number of members working in the sector			European affiliations***		Other affiliations****	
					Related to the sector	Others	Related to the sector	Others
FSLIL	72,000 in the woodworking and furniture sectors (1)	72,000 in the woodworking and furniture sectors	38% of the woodworking and furniture sectors	Yes	EFBWW	No	BWI	No
FSFMR	12,000 in the woodworking and furniture sectors (2)	(Estimate) Around 6,000 in the woodworking sector	6.3% of the woodworking and furniture sectors	Yes	No	No	BWI	No

Source: (1) Vasile Badica, FSLIL, President, March 23, 2006; (2) Doru Gherghina, FSFMR, President Executive, March 29, 2006

\*Density: number of employees who are affiliated to the organisation concerned divided: - by total number of employees working in the sector within the country, if the activities of the organisation concern the whole sector studied; - by total number of employees working in this sub-sector within the country, if the activities of the organisation only concern a sub-sector. \*\*Collective Bargaining: Does the organisation negotiate and have the power to sign collective agreements at sector level for the sector? \*\*\*European affiliations: List of European organisations to which the organisation is affiliated. \*\*\*\*Other affiliations: List of others organisations (group of countries, international) to which the organisation is affiliated.

### Employers' organisations

**The Romanian Woodworkers Association (Asociatia Forestierilor din Romania, ASFOR)** was established in 1994 based on the Law no.21/1924, as a professional association. One year after its establishment, "the general assembly decided to sign a collective agreement at branch level in order to have a dialogue with the trade unions, and as such it became a professional employers' organisation<sup>33</sup>", meeting the conditions of the law dealing with employers' organisations. ASFOR covers all activities of the NACE 20 as well as sales companies and academic institutions for the woodworking domain. The number of its members has grown from 46 to over 650<sup>34</sup>. Following this growth, in order to ensure working communication with the local members and authorities, seven territorial branches were established in 2003.

ASFOR's incomes come from entrance fees and members' subscriptions, payment for certain services, incomes from economic activities, incomes from the sale of its own publications and the advertisements inserted in these publications, sponsorships and donations<sup>35</sup>. It employs 16 people, 8 in the central organisation and 8 in the territorial branches.

<sup>32</sup> Interview, Doru Gherghina, FSFMR Executive President, March 29, 2006.

<sup>33</sup> Ten Years of ASFOR. 1994-2004, page 2 (ASFOR la 10 ani. 1994-2004)

<sup>34</sup> Ten Years of ASFOR. 1994-2004, page 2 (ASFOR la 10 ani. 1994-2004)

<sup>35</sup> Ten Years of ASFOR. 1994-2004, page 13 (ASFOR la 10 ani. 1994-2004)

The organisation is legally recognised for the woodworking sector and thus it participates in the collective bargaining at this level. It signed the last agreement covering the period 2004-2007. It also signed the additional act. However, it does not negotiate and sign collective agreements at company level. This is the legal right of the management in each company.

At national level, ASFOR is member of the Confederation of Employers Organisation in Romanian Industry (Confederatia Patronatelor din Industria Romaniei, CONPIROM). At European level, it is member of EOS (European Organisation of the Sawmill Industry), which is a member of CEI-Bois.

### Employers' organisations

Organisation (English name)	Members		Estimate of density*	Collective Bargaining** (Yes/No)	Affiliations			
	Total number of member companies in this organisation	Total number of workers employed by member companies			European affiliations***		Other affiliations****	
					Related to the sector	Others	Related to the sector	Others
ASFOR	650	82,000	8.9%	Yes	EOS (CEI-Bois indirectly)	No	No	No

Source: Corneliu Colev, ASFOR, Executive Director, March 22, 2006

\*Density: number of companies that are affiliated to the organisation concerned divided: - by total number of companies with activities in the sector within the country, if the activities of the organisation concern the whole sector studied; - by total number of companies with activities in this sub-sector within the country if the activities of the organisation only concern a sub-sector. \*\*Collective Bargaining: Does the organisation negotiate and have the power to sign collective agreements at sector level for the sector? \*\*\*European affiliations: List of European organisations to which the organisation is affiliated. \*\*\*\*Other affiliations: List of other organisations (group of countries, international) to which the organisation is affiliated.

## 3. Industrial relations in the sector

### Tripartite concertation

From a legal point of view, tripartite concertation at sector level is possible in Romania. It usually takes place within the formal social dialogue commissions, which are organised by the various ministries and the prefects' offices. As far as the woodworking sector is concerned, no commission specific to this sector has been created. It is included within the tripartite dialogue structures organised by the Ministry of Economy and Trade (which include a multitude of other sectors).

The two trade union federations, FSLIL and FSFMR, the employers' organisation active in the sector (ASFOR) as well as the representatives of the employers and union confederations to which the federative structures are affiliated, take part to this concertation. The main issues addressed focus on policies and strategies for the protection and development of the industry; legislation as regards the sector and its updating in the light of the community law; fiscal pressure, taxes, customs tariffs and transport costs as a result of accession to the union, which could stimulate the internal and external trade; the environmental tax; unfair competition and the fight against monopoly tendencies. Generally, no tripartite agreements are signed within the framework<sup>36</sup>.

<sup>36</sup> The authorities do not approve of the idea of signing agreements with social partners because they should respect them.

According to the Romanian expert, the current form of organisation of tripartite social dialogue at sector level does not function well and is very in-efficient. Indeed, the Ministry of Economics and Trade includes almost all important branches of the economy. As there is only one commission covering a multitude of sectors, the dialogue is quite formal and fails to produce conclusions. The law should stipulate the creation of several sub-commissions in certain ministries, which should include representatives from related domains of activity<sup>37</sup>.

Besides formal structures, informal procedures of tripartite dialogue can take place in case of special problems which affect the activity of the entire sector and which could trigger social or/and production crises. These informal discussions are generated by the social partners, who request meetings with the state authorities, including the head of the government, for consultations and to find solutions. An agreement may result from this. There are two agreements of this type that can be given as examples, one concerning the interdiction against exporting logs (which was only applied for a very short period) and another one, which refers to the reduction of the environment tax for the sector.

## **Bipartite social dialogue**

### **At sector level**

Collective bargaining for the woodworking sector takes place at the sector level. There is a legal obligation to participate at collective bargaining at this level.

Only one collective agreement is in force for the moment in the sector. The signatory parties are FSLIL and FSFMR on the employees' side and the Association of Furniture Manufacturers in Romania (APMR) and the Romanian Woodworkers Association (ASFOR) on the employers' side. There are no conflicts between the players regarding recognition issues.

The agreement is valid for the period 2004-2007 and it covers both the woodworking and the furniture industry (woodworking, manufacture of plywood and furniture, wood products and other industrial activities)<sup>38</sup>. Its content focuses on salary and other rights, working and rest time, social protection measures for employees, professional, social and union training, other provisions regarding the rights and obligations of parties as well as those of employees. Moreover, an additional act is negotiated and signed annually, in order to modify certain provisions in the agreement, especially the salary rights.

According to the collective agreement law, the sector-level collective agreement is mandatory only in companies with 21 or more employees. Therefore only a few companies apply the provisions of the collective agreement at sector level. The Social partners consider that the coverage rate of this agreement is 20% of the companies that have the obligation of signing a collective agreement and 40% of employees in the sector.

Besides the collective bargaining at sector level, there is also the possibility to have a dialogue concerning specific problems of the sector. In this case, there is no obligation to participate in the dialogue.

The social partners consider that the social dialogue at sector level works well. Both the trade unions and the employers are interested in a constructive dialogue in order to develop the sector and find the best solutions to the problems in the sector.

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<sup>37</sup> Interview, Vasile Badica, FSLIL President.

<sup>38</sup> The collective agreement for the woodworking and furniture industry 2004-2007, Romania's Official Gazette, Part V, nr.5 / April 2004

### **At company level**

In Romania, there is a legal obligation to negotiate and sign a collective agreement in companies with 21 or more employees<sup>39</sup>. In order to strengthen the mandatory character, the law provides for penalties for owners who refuse the collective bargaining. The players involved in negotiation at the company level are the trade union(s) within the company or the elected representatives of the employees if there is no trade union organisation, and the company's administration board.

122 enterprise level agreements are currently in force in the woodworking and furniture sectors. Broadly, their content is similar to that of the collective agreement at branch level, taking into consideration that the provisions of the collective agreement at branch level are minimal and mandatory for the "company" level. More particularly, while sector-level agreements focus on general issues, development strategy, solutions to certain problems affecting the whole sector, enterprise-level agreements focus on specific company issues.

Usually, the duration of the collective agreement at company level is one year. There are companies, however, which sign collective agreements for longer periods (two or three years). According to the social partners, over 40% of employees in the sector are covered by an enterprise level agreement. Within a company, all social and professional categories, from non-qualified workers to specialists with higher education, are concerned by the agreement.

### **Acronyms**

<b>APMR:</b>	The Association of Furniture Manufacturers in Romania (Asociatia Producatorilor de Mobila din Romania)
<b>ASFOR:</b>	The Romanian Woodworkers Association (Asociatia Forestierilor din Romania)
<b>BWI:</b>	Building and Wood Workers' International
<b>CEI-Bois:</b>	European confederation of woodworking industries
<b>EFBWW:</b>	European Federation of Building and Woodworkers
<b>EOS:</b>	European Organisation of the Sawmill Industry
<b>FSFMR:</b>	The Woodworking and Furniture Trade Unions Federation (Federatia Sindicatelor Forestiere si de Mobila din Romania)
<b>FSLIL:</b>	The Federation of Free Trade Unions in the Woodworking and Furniture Industry (Federatia Sindicatelor Libere din Industria Lemnului)

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<sup>39</sup> Law 130/1996 modified and amended by law 143/1997, art. 3, al 1

# TURKEY

## 1. Description of the sector

### Delimitation and activities of the sector

Several organisations provide information on industrial activities at sector level in Turkey:

- The TUIK (Statistics Establishment of Turkey)<sup>40</sup> is the main organisation providing data on production, employment and trade. The TUIK uses both ISIC Rev 2 (Statistical Year Book of Turkey) and ISIC Rev 3 (General Industrial and Workplace Survey).
- The DPT (State Planning Organisation) uses ISIC Rev 3 based on 4 digits in the 9th Five Year Development Plans Special Committee Report. This report considers the furniture industry as a part of “the wood products and furniture industry”. The DPT obtains information mainly from the TUIK.
- The CSGB (Ministry of Labour and Social Security) uses a system of sector classification established in 1983. The system has 28 industrial sectors<sup>41</sup> and was developed on the basis of the ISIC Rev 2. This system is the basis for collective bargaining and industrial relations in Turkey. Within this system, “the woodworking and furniture industry” is the 8th sector and is called the “Wood industry”. The “Wood industry” consists of three sub-sectors: sawing-milling and woodworking industry; manufacture of containers made-up of wood, reed and cork industry; and the furniture industry. The following activities are considered as the part of the wood industry: manufacture of articles and furniture made-up-of wood and cork, joinery, the saw-milling industry, timber factories and the production of all kinds of wood and fibre panels. The CGSB provides information on firms, workers, unionisation, collective bargaining and industrial actions at sector level in line with this classification system via the Labour Statistics (LS). No information is given at sub-sector level. Thus, the information on employment and industrial relations for the woodworking and furniture industries are mixed at this point.
- The Treasury and its sub-organisations such as Export Unions, Export Promotion Centres also provide information and publishes reports on various industries. These organisations generally use the STIC Rev 3, Harmonised System and Custom Tariff Statistical Positions (CTSP) as the basis for their classification system. The Treasury names the woodworking and furniture industry as “wood and forest products industry”. The wood and forest products industry includes the woodworking, furniture and paper industries.

As can be noticed, each of these organisations tends to use different industrial classification systems. Their descriptions and the name given to the furniture industry vary widely. As none of these organisations provides full information on all aspects of the furniture industry, a combination of this information will be used in this report.

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<sup>40</sup> The State Statistics Institute (DIE) has recently been converted into the Statistics Establishment of Turkey (TUIK)

<sup>41</sup> It is claimed that some of these sectors within this system were determined arbitrarily to prevent the creation of strong trade unions.

## Socio-economic features of the sector

Turkey has a very large forest areas accounting for about one third of its surface. Yet the Turkish's woodworking industry is not very big in terms of value-added and production value<sup>42</sup>. Nevertheless, it is a considerable source of employment especially in the rural areas with important forest resources. According to the TÜİK statistics, the total value of the production of the woodworking industry represents roughly 0.3% of the GDP<sup>43</sup>.

The Turkish woodworking industry expanded rapidly as response to the swift industrialisation and urbanisation during the 1970s and 1980s. The growth of the industry was virtually based on the construction booms of these periods. The industry mainly sought to exploit the domestic markets. Thus, the product quality and exports as well as production technology was neglected for the most part. During the 1990s, the construction boom was losing momentum. Capital started to flow to Bulgaria, Romania and some CIS countries in search of cheaper raw materials, production costs and wood substitutes. All these adversely affected the Turkish woodworking industry. The Marmara Earthquake of the late 1990s and, subsequently, the severe recession in the construction sector, the shortages of raw materials and high production and transport costs also devastated the sector. Both production and employment virtually collapsed. It was not until 2004 that the sector started recovering from its deepest ever recession. After 2003, due to the gradual expansion of both construction and furniture industries, the woodworking industry also speeded up its production, but failed to meet the demand by the furniture industry in terms of quality and quantity. As a result, as can be seen from the Table 1, the Turkish woodworking industry has become dependent on imports.

*Table 1: The Value Turkish Woodworking Production and Foreign Trade (\$ Million)*

Years	Production	Imports	Exports
2003	505	177	124
2004	741	286	182
2005	690	562	238

Source: TÜİK (2005), Türkiye İstatistik Yıllığı: İmlat Sanayi, [http://www.die.gov.tr/lst\\_gostergeler.pdf](http://www.die.gov.tr/lst_gostergeler.pdf) , DPT, 8<sup>th</sup> Beş Yıllık Kalkınma Planı 2005 Yıllı Programı Destek Çalışmaları: Ekonomik ve Sosyal Sektörlerdeki Gelişmeler (2005) <http://ekutup.dpt.gov.tr/program/2005/destek05.pdf>

The structure of the woodworking industry is dominated by small enterprises. According to the TÜİK's General Industrial and Firms Survey, 28,334 firms were active in the woodworking industry in 2003<sup>44</sup>. These firms employed about 78,120 workers. A report by a commercial newspaper argues that nearly 98% of the firms in the sector employ 1-9 workers in 2003<sup>45</sup>. According to the HDM (Treasury and Foreign Trade Undersecretary) records, there are 19 multinational companies operating in the woodworking industry.

The industry has a very extensive informal sector. Many of small enterprises are completely unregistered in the rural areas. However, in the cities, some small enterprises remain completely unregistered, but most of them tend either not to declare their workers or they declare fewer workers than they actually employ to the social security organisation. It is estimated that the rate of

<sup>42</sup> UNICE, (2003), Forest Products Annual Market Review 2001-2002, <http://www.unece.org/trade/timber/docs/rev-02/chap-4.doc>

<sup>43</sup> The estimated GDP was USD 336 Billion in 2005. <http://www.cia.gov/cia/publications/factbook/geos/tu.html>

<sup>44</sup> It should be kept in mind that TÜİK collect information via a questionnaire for the firms employing more than 10 workers while information for those employing 1-9 workers is based on estimations. Thus, the figures should be considered as approximate.

<sup>45</sup> Dünya Gazetesi Ağaç Mamulleri ve Orman Ürünleri Sektör Raporu, 02.10.2003.

informal employment could be well above the country's average, which is about 50 %. Consequently, taking the rate of informal employment about 50%, the total number of the employees could roughly be 157.000<sup>46</sup>.

*Table 2: Number of Firms and Employment in the Turkish Wood Working Industry (2003)*

	<b>Firms</b>	<b>Employment</b>
Saw Milling and planning impregnation of woods	3,422	15,270
Manufacture of Veneer sheets, plywood, laminboard, particle board, fibre board, and other panels	397	5,720
Manufacture of builder's carpentry and joinery	22,037	46,404
Manufacture of wooden containers	1,133	6,046
Manufacture of other products of wood	1,276	4,330
Manufacture of articles of cork, straw and plaiting materials	69	350
<b>Total</b>	<b>28,334</b>	<b>78,120</b>

Source: TÜİK (2003) Genel Sanayi ve İşyerler Sayımı, (General Industrial and Firms Survey)

The woodworking industry is principally located in the regions with important forest resources such as Kastamonu, Sinop and Rise in the Black Sea, Antalya in the Mediterranean and Düzce and Bolu in the Marmara regions. The privatisation of the state-owned companies in the woodworking industry was completed in 1998<sup>47</sup>. Yet, the objectives of the privatisation, such as technological rejuvenation, productivity and production growth have not been realised<sup>48</sup>. It is reported that only a few plants have been rationalised following the privatisation. Yet, many were closed down or are operating at below capacity.

At the sub-sector level, saw milling and planning is the oldest sub-sector of the woodworking industry. It is mainly located in rural areas. With the exception of a few large firms, almost all firms are small enterprises and family business. They have labour-intensive production processes and are a very important source of employment and income for the poor rural areas. Most of these firms operate only in certain periods of a year<sup>49</sup>, thus resulting in very low capacity utilisations and extensive informal employment. The medium-size firms generally use advanced technology and some of these firms are integrated with the furniture industry.

The builder's carpentry and joinery industry has also similar characteristics. Most of the firms are small in size and use outmoded-labour intensive technologies. However, swift but radical structural transformations have been well underway in this industry as many small firms abandon manufacturing joinery and are moving to the furniture industry. This is due to the decreasing demand in the industry, associated with the use of plastics material and investment by large and mass production firms. Many of them have moved to craft production, where the markets are

<sup>46</sup> In an interview conducted for this report, the general secretary of "the Carpenter and Furniture Producers Trade and Crafts Association" (the official chamber of commerce and industry for small and petty producers and traders) claimed that there could be about 600,000 small firms operating in the woodworking and furniture industry and employing more than 1.000.000 workers. This is because, this associations has officially about 550,000 members. He claimed that there could be as much as 50.000 small woodworking and furniture firms either which joined different associations or not yet joined any one. Thus, considering both figures, the number of small firms could be around 600,000. A similar claim was voiced in some reports. One of them is the 6<sup>th</sup> Five Year Development Plan Special Committee Report. The report was issued in 1990 and argued that there were 250,000 firms in the woodworking and furniture industry and these firms employed about 900,000 workers in 1990s.

<sup>47</sup> A very limited number workers left in the publics sector woodworking industry. They are employed either in the woodworking and furniture vocational high schools or as carpentry technicians in some of the public sector firms.

<sup>48</sup> UNICE, (2003), Forest Products Annual Market Review 2001-2002, <http://www.unece.org/trade/timber/docs/rev-02/chap-4.doc>

<sup>49</sup> UNICE, (2002) Forest Products Annual Market Review 2001-2002, <http://www.unece.org/trade/timber/docs/rev-02/chap-4.doc>

small but secure. Nevertheless, it is still the largest sub-sector in terms of number of firms and employment. As can be seen from the Table 2, there were 22,037 firms employing 46,404 workers in this sub-sector in 2003.

Panel wood production, such as chipboard, fibreboard, laminboard, is relatively new in Turkey (since the late 1940s and 1950s). In contrast to the other sectors, the existence and even dominance of middle and large-scale firms is clearly noticeable in this industry. The industry is chiefly located in the Western Black sea and Marmara regions and mainly produces raw material for the Turkish furniture (80% of its production) and construction industries (20% of its production). The production has been mainly oriented towards domestic markets. Thus, it is considered as internationally uncompetitive because of its old technological equipment and low quality of materials. There were 397 firms with 5,720 workers in this industry in 2003.

The workforce is predominantly and traditionally male in the “wood sector”. According to the Labour statistics, as of January 2006, 90.3 % of the workforce was male. It is highly possible that most of the female workers work in large firms in white-collar jobs and in the furniture garment and upholstery industries. The trade unions officers, that we interviewed, reported that the woodworking industry traditionally does not employ women except for office jobs. No information is provided by the Labour statistics on the gender aspects of the workforce at sub-sector level.

The Labour Statistics do not provide information about the skill composition of the workforce. However, according to the Union of Chambers and Commodity Exchanges of Turkey, 72% of the workforce in the woodworking and furniture industry is composed of unskilled workers, 11.9% of skilled workers, 2.2% of technicians, 2.4% of engineers and 11.2% of managerial staff (Information based on the ISIC Rev2)<sup>50</sup>. In the woodworking industry, full-time employment is more or less norm. There is no job security.

*Summary table: Companies in the Turkish Woodworking and Furniture Industry (2005)*

Sub-sectors	Number of companies	% companies without employees	% companies with < 10 employees	% companies with 10 to 49 employees	% companies with 50 to 249 employees	% companies with > 249 employees
Total of the woodworking and furniture industry	20,795	ND	94.2	5.05	2.13	0.38

Source: CSGB (2005) Labour Statistics, Ankara, p.119

*Summary table: Workers in the Turkish Woodworking and Furniture Industry (2005)*

Sub-sectors	Number of self-employed workers in the sector	Number of employees in the sector	Number of employees in the sector/total number of employees in the country (%)	Number of employees in companies < 10 workers/Number of employees in the sector (%)	Number of employees in companies with 10-49 workers/ Number of employees in the sector (%)	Number of employees in companies with 50-249 workers/ Number of employees in the sector (%)	Number of employees in companies with > 249 workers/ Number of employees in the sector (%)
Total of the woodworking and furniture industry	ND	79,101	0.015	22.6	30.7	26.3	15.7

Source: CSGB (2005) Labour Statistics, Ankara p.119

<sup>50</sup> TOBB (2006), Sanayi Veritabani, [http://sanayi.tobb.org.tr/personel\\_liste2.php?kod=33](http://sanayi.tobb.org.tr/personel_liste2.php?kod=33)

## 2. Organisations active in the sector

As noted above the CSGB sector classification system constitutes the basis for industrial relations and collective bargaining issues in Turkey. Within this system, the woodworking industry is a part of the 8<sup>th</sup> sector called the “wood sector”, which embraces both woodworking and furniture industries. Four trade unions and one employers’ organisation currently operate in the sector. Only two of the trade unions are authorised social partners and can negotiate and sign collective agreements.

### Workers’ organisations

**The Union of Wood Industry Workers of Turkey (Ağaç-İş)** is one of the oldest unions in Turkey. It was established to operate in the forestry and wood industry in a small town in the North Black Sea in 1949. Its original name was Union of Technical and Wood Industry Workers of Ayancık (Ayancık Teknik ve Ağaç Sanayi İşçileri Sendikası). The union started operating nation-wide and setting up its branches offices in various parts of the country, including Istanbul in the early 1950s. During its congress in 1963, the union adopted its current name.

Traditionally, the public sector has been the stronghold of this union. However, from 1996 onwards, the privatisation of the state-owned enterprises started to weaken Ağaç-İş’s power base. Consequently, from 1998 onwards, Ağaç-İş intensified its activities in the private sector, in order to expand the client-base that it had lost in the public sector. Ağaç-İş used to control about 20% of the workforce in the wood sector throughout 1990s. After a sharp decline due to the privatisations, it now organises only 15.78% of the workforce. According to the Labour Statistics, Ağaç-İş has 13,060 members both in the wood and furniture industry in 2006<sup>51</sup>.

Ağaç-İş used to have more than 20 branch offices. As it has lost nearly a quarter of its members due to the privatisations, it has had to close down some of its branch offices. Currently, it maintains a head office in Ankara and eight other branch offices in various parts of the country. In the branch offices, no professional and permanent staff is employed. A few members perform routine tasks on a part-time and voluntary basis. Nevertheless, apart from three high-ranking officials, four members and a secretary are employed in the head office. There is no professional research and education staff. Ağaç-İş currently organises the workforce in 18 firms. It has competency and signed collective agreements in 17 firms. Of these agreements, 13 are “workplace” while 4 are enterprise (multi-plant) collective agreements. Today, Ağaç-İş affiliated to Turk-İş (Trade Union Confederation of Turkey<sup>52</sup>) at national level and to the BWI at international level.

Ağaç-İş has organised a large number of training programs and seminars for its members. The funds for financing these activities have been obtained mainly from its own resources. In 1989, it launched an extensive training programme, in which 1,078 workers participated. It was funded by Turk-İş and BWI<sup>53</sup>.

**The Genuine Union of Wood, Chipboard and Cork Industry Workers of Turkey (Öz-Ağaç-İş)** was established by a group of Muslim trade unionist in 1980. It was immediately affiliated to Hak-İş (the Conservative Trade Union Confederation). Seven months after its establishment, the military seized power. All Öz-Ağaç-İş’s activities were suspended, its officials were arrested and its assets were blocked. In 1981, no charge was made against Öz-Ağaç-İş by the court of martial and Öz-Ağaç-İş was allowed to operate. Before the adoption of new legislation for trade unions and collective bargaining, Öz-Ağaç-İş was trying to organise workers in the Marmara, Central Anatolia and Black Sea regions under extreme conditions (trade unionist were often kept in custody

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<sup>51</sup> The figure covers only the 6 months of 2006.

<sup>52</sup> Turk-İş is the largest trade union confederation and is famous for its wage unionism.

<sup>53</sup> Some of its recent education programmes and seminars have included the following topics: the Current Problems of Unionisation; Health and Safety at Work; Social Security; the Impact of Globalisation on the Woodworking and Furniture Sector; The New Labour Code No 4857; The Problems of Union Organising Activities in the World and in Turkey”. The last education programme in which 471 officials, shop stewards and workers participated took place in 2005. The themes of this programme were “occupational diseases”, “industrial accidents, their prevention and first aid”. The new Labour Code No 4857, the Trade union Code 2821 and Collective Bargaining Act 2822.

for three months and subjected to a court martial following complaints by the employers). After the enactment of the new Trade Union Act No 28821, Öz-Ağaç-İş merged with an independent union (Independent Wood Industry Workers) and recruited 10% of the workers in the wood sector. Consequently, it received the competency certificate at sector level in 1984. However, its rival union, Ağaç-İş, went to court for the re-determination of its sector level competency and sued it for the false declaration of the number of its members. The court acquitted Öz-Ağaç-İş on all charges. Yet before signing its first collective agreement, Öz-Ağaç-İş lost its sector competency in 1985. After its third general congress in 1986, Öz-Ağaç-İş decided to accelerate its organising activities. It soon managed to recruit workers in 105 firms and re-achieved the sector competency.

Öz-Ağaç-İş encountered serious resistance from some employers during its organising activities. In one of the cases, it received competency in a furniture-manufacturing firm in Ankara in 1987. Nevertheless, the management refused to initiate collective negotiations and forced the workers to either resign from Öz-Ağaç-İş or face dismissals. Consequently, Öz-Ağaç-İş embarked on its first strike. The court suspended the strike. After the re-determination of competency, Öz-Ağaç-İş signed its first collective agreement.

In the following years, Öz-Ağaç-İş intensified the organising activities and launched a series of strike in 1989. A strike was initiated in Kocaeli Furniture Plant. It was Ağaç-İş's longest strike, lasting about 435 days. In 1990, another strike, involving 1,800 workers, was launched in the Tepe furniture plant in Ankara. The management responded aggressively by importing workers from its other plants, subcontracting many of its main activities and threatening workers with dismissal, by letter, as well as not providing legal documents for their health insurance. According to the union official, it was the first time they come across such tactics and realised the adverse impact that subcontracting could have on unionisation. However, the union managed to recruit the workers from the subcontracting firms as well. Seven months later, the government postponed the strike for two months due to the breakout of the First Gulf War. The management either gradually dismissed the striking workers or forced them to resign, making Öz-Ağaç-İş lose its competency in this firm. Following this pre-empted strike, Öz-Ağaç-İş went on strike in Orsaş (a private sector woodworking company). In Orsaş, most of the workers worked for subcontractors, so the management cancelled the subcontractors' contracts. The subcontractors then dismissed these workers. But, this time Öz-Ağaç-İş was successful as it convinced the court, at least, to reinstate all the dismissed workers. During the early 1990s Öz-Ağaç-İş succeeded in organising workers in a public sector company, ETAĞ and signed collective agreements with a public employer union (TUHİS). At the end of the decade, Öz-Ağaç-İş succeeded in organising workers in over 130 firms.

The new millennium was heralding a new area for trade unions in Turkey. In contrast to the early 1990s, which was characterised by the surge of unionisation and prolonged wave of strikes, trade unions lost many members as well as power in the early 2000s. Öz-Ağaç-İş, was by no means an exception. It opened the new millennium by losing its strongholds in the public sector due to the successive waves of privatisation of the public companies. The economic crisis of the 2001 resulting in the closedown of many private sector firms deteriorated the situation for Öz-Ağaç-İş. Some employers took advantage of the economic crisis and threatened the workers with closing down their firms unless they resigned from Öz-Ağaç-İş. Consequently Öz-Ağaç-İş was, once again, on the verge of losing its sector competency. However, it managed to organise the two large furniture-manufacturing plants in Kayseri, narrowly averting the loss of its sector competency.

Öz-Ağaç-İş currently organises the workers in 16 firms and controls 13.55% of the workforce in the woodworking and furniture industry. It has signed collective agreements in 14 firms in 2006. Öz-Ağaç-İş's head office is in Ankara and has only one branch office in Kayseri (It used to have 9 branch offices). In its head office, the union employs three high-rank-union officials and a secretary. In its branch office, it employs two officials and a secretary. The only source of the Ağaç-İş's finance is the membership subscriptions. Öz-Ağaç-İş is still affiliated to Hak-İş, but has neither European nor international connections.

**The Wood Industry Workers Union (ASİS)** was set-up in 1973 in Ankara to operate in the wood sector. It was straight away affiliated to DİSK (Revolutionary Workers Trade Union Confederation). ASİS adopted a left-wing revolutionary and militant strategy. Yet, it was also well known for its highly democratic decision making procedure: all decisions were voted by all

members, including the rank-and-file members before being implemented. Accordingly, ASİS defended “the principles that members should be allowed to participate in collective negotiation, that each article of collective agreements should be voted, and that the union leaders should be elected for just one term”<sup>54</sup>.

ASİS initially organised Tepe Furniture Company in Ankara and Elka Veneer factory in Istanbul. In 1975, ASİS launched its first strike within the Elka factory involving 850 workers. After 100 days of strike, DİSK invited and encouraged Maden-İş’s (Metal Industry Trade Union) official to takeover the responsibility and continue the negotiations with the Elka employer. However, ASİS conducts negotiations with the participation of workers and DİSK’s officials’ anti-democratic methods of handling the crisis were several criticised by all unions within the Confederation.

In 1980, after the military takeover, ASİS’s activities were suspended and its leadership was jailed. It was acquitted on all charges in 1991. ASİS re-started its activities in 1992. However, it has never managed to receive either sector or firm level competency in the post-military junta period. According to the LS, ASİS has 463 members. It has currently neither a head nor a branch office. Recently, all its activities have been suspended. The interviewed DİSK official said that a decision would be taken over the fate of ASİS as soon as new trade union and collective bargaining codes are enacted.

**The Wood and Prefabricated Industry Workers Union (Yapsan-İş)** is an independent trade union. It was established, in Ankara, in 1973. Its original name was the “Wood Industry Workers Union”. It received its present name in 1975. It organises the entire workforce in a plywood producing plant in Ankara. It is a very small union since its membership has never been more than a few hundred. It has been subjected to several official investigations for failing to assemble its general congress on time. Yapsan participated in the establishment of the “Confederation of Independent Unions” along with five other trade unions. Yet, it has never had competency at any level and has currently 327 members.

#### *Workers’ organisations*<sup>55</sup>

Organisation (English name)	Members		Estimate of density*	Collective Bargaining** (Yes/No)	Affiliations			
	Total number of members	Number of members working in the sector			European affiliations***		Other affiliations****	
					Related to the sector	Others	Related to the sector	Others
Ağaç-İş	13,060 in woodworking and furniture	13,060 in woodworking and furniture	16.5% of woodworking and furniture industries	No (it only negotiates at enterprise and workplace levels)	No	No	BWI	No
Öz-Ağaç-İş	11,219 in woodworking and furniture	11,219 in woodworking and furniture	14.1% of woodworking and furniture industries	No (it only negotiates at enterprise and workplace levels)	No	No	No	No

\*Density: number of employees who are affiliated to the organisation concerned divided: - by total number of employees working in the sector within the country, if the activities of the organisation concern the whole sector studied; - by total number of employees working in this sub-sector within the country, if the activities of the organisation only concern a sub-sector. \*\*Collective Bargaining: Does the organisation negotiate and have the power to sign collective agreements at sector level for the sector? \*\*\*European affiliations: List of European organisations to which the organisation is affiliated. \*\*\*\*Other affiliations: List of others organisations (group of countries, international) to which the organisation is affiliated.

<sup>54</sup> FES, Trade Unions in Turkey, Istanbul, 1998, p.103.

<sup>55</sup> There is no data available on the basis of the sub-sector, thus the figures represent the woodworking and furniture industry as whole.

## Employers' organisations

**The Wood Industry Employer Association of Turkey (TASİS)** was established in 1961 under the name of Union of Wood Industry Employer Association of Istanbul (İstanbul Tahta İşverenler Sanayi Sendikası). It is one of the founding members of TİSK (Confederation of Employer Association of Turkey). It spent its first decade as a local employer organisation and converted into a national employer organisation in 1971.

The largest firms in the woodworking and furniture industry established TASİS. It had 43 members in its heyday in the 1970s. Currently, it has 10 members. These 10 firms employ roughly 1,500-1,750 workers. Its operations are financed by the largest member firms. TASİS conducts collective bargaining and signs collective agreements on behalf of its members. It provides technical assistance and logistics support regarding the implementation of collective agreements and the new Labour Code No 4857. TASİS does not have any training programme. It has neither European nor international affiliations. Its head office is in Istanbul and it has no branch office and no publications. In its head-office a general secretary and a secretary are employed. Its executive committee meets every two months and seeks to set out the members' expectations and demands. Then it presents them to TİSK.

## Other Organisation active in the Sector

**The Turkish Timber Association (Ulusal Ahşap Birliği, UAB)** was established in 2000, in Istanbul. It is not an employers' union. Its main objective is to promote and increase the use of timber in Turkey as well as lobbying for better policies, which would facilitate the use of timber. Apart from these, the association has no other objectives. It has very diverse members. Anyone, who is willing to promote the use of timber, can become a member. Thus, its members include academics, manufacturing organisations and producers, architects and engineers. The UAB has currently 166 members. It is a member of CEI-BOİS. The UAB is an ordinary association and is not authorised to deal with industrial relations and collective bargaining issues. It has no intention to get embroiled in labour relations and is therefore very unlikely to play any significant role in the sector social dialogue in the future.

### *Employers' organisations*

Organisation (English name)	Members		Estimate of density*	Collective Bargaining** (Yes/No)	Affiliations			
	Total number of member companies in this organisation	Total number of workers employed by member companies			European affiliations***		Other affiliations****	
					Related to the sector	Others	Related to the sector	Others
TASİS	10 in the woodworking and furniture industry	1,500 – 1,750	0.05% of the woodworking and furniture industry	Yes	No	No	No	No
UAB	166 members from very diverse origin	/	/	No	CEI-Bois	No	No	No

\*Density: number of companies that are affiliated to the organisation concerned divided: - by total number of companies with activities in the sector within the country, if the activities of the organisation concern the whole sector studied; - by total number of companies with activities in this sub-sector within the country if the activities of the organisation only concern a sub-sector. \*\*Collective Bargaining: Does the organisation negotiate and have the power to sign collective agreements at sector level for the sector? \*\*\*European affiliations: List of European organisations to which the organisation is affiliated. \*\*\*\*Other affiliations: List of other organisations (group of countries, international) to which the organisation is affiliated.

### 3. Industrial relations in the sector

In Turkey, there is no tripartite or bipartite social dialogue at sector level. Thus, collective bargaining essentially takes place at an establishment (a workplace/plant) or at an enterprise (multi-plant belonging the same employer) levels. It could be instructive to have a brief sketch of the collective bargaining procedure in Turkey, before looking at social dialogue in the woodworking and furniture industry called “wood sector” by the CSGB.

The Collective Bargaining Act (CBA) No 2822, enacted by the military rule in 1983, regulates the collective bargaining procedure. Article 23 of the Act stipulates that workers and employers associations can only be established at sector level while collective bargaining negotiations and agreements have to take place at a workplace/plant or enterprise (multi-plant) level<sup>56</sup>. To acquire a competency to negotiate and sign a collective agreement, a trade union must cross a double-threshold. Nevertheless, no threshold is set for employer organisations. Indeed, being-established with an aim to represent its members in industrial relations and operate at a sector level is sufficient for employer association to have a competency. The first threshold, for the trade union, is at sector level: A trade union has to recruit at least 10% of the workforce in the sector where it operates. The second threshold is at enterprise/establishment level. The union must recruit at least 50%+ 1 worker to be able to negotiate and sign a collective agreement. After crossing both of these thresholds, the trade union can apply to the CSGB to receive competency certificate. This certificate is necessary to invite the management of an establishment/enterprise to negotiate a collective agreement<sup>57</sup>.

The recognition issue is the most significant problem in the process of collective bargaining in the Turkish wood sector. Both trade union officers reported that employers’ initial reaction to the unionisation and achievement of the competency criteria by a trade union in their establishment/enterprises is to apply to a court for the re-determination of the union’s competency in almost all cases. This process may last up to 2 years, during which employers usually dismiss unionised workers<sup>58</sup> or workers resign from the union in order not to risk their jobs. Thus, the unions lose their competency in most of the cases.

The expansion of subcontracting relations is, on the other hand, one of the other significant obstacles in the process of unionisation and collective bargaining. It is reported that companies increasingly use sub-contracting firms in order to avoid the unionisation of their workforce (According to union officials, this phenomenon is very extensive in the Turkish woodworking and furniture sector)<sup>59</sup>. Moreover, membership registration to a union must be carried out via a notary on a working day. Not many employers would allow their employees go to a notary to register with a union during the working day. Hence, this also constitutes a significant impediment for the process of unionisation and collective bargaining.

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<sup>56</sup> Enterprise level bargaining is a concept introduced by the CBA No 2882. It indicates an undertaking belonging to a corporate body, corporation, or a public organisation or institution, having more than one workplace/plant/establishment in the same sector (Dereli, 1997).

<sup>57</sup> It should be noted that the competency of a trade union is determined by the CSGB in line with the Labour Statistics. The Labour Statistics are issued twice a year. Thus, a trade union may lose or even acquire competency within six months. But even if it loses its competency the collective agreements signed by such a union are valid until their term ends.

<sup>58</sup> If these workers apply to a court and prove that they have been dismissed because of their union membership, the court would generally reinstate them to their jobs. Nevertheless, in such cases, most employers prefer not to re-employ such workers and to dismiss them by paying their union compensation and severance payment.

<sup>59</sup> A union official argued that when they try to organise the workforce in an establishment, soon realise that most workers belong to different sub-contractors. If they continue to organise this workforce, the employer simply cancels the sub-contractor’s contract.

Article 11 of the CBA No 2882 regulates the extension procedure of a collective agreement to non-unionised firms/ workplaces. The article stipulates that a collective agreement can be extended to non-unionised firms /workplaces by the decision of the cabinet on the basis of a demand by an employer or a trade union or the Ministry of Labour and Social Security. The extension of a collective agreement to other workplaces is not very common in Turkish industrial relations<sup>60</sup>.

The content of the collective agreements includes the provisions on wage levels, wage increases, fringe and social benefits, collection of union subscriptions, election and duties of shop stewards, discipline committees, dismissals, redundancies, compensations, severance payments, promotions, employment of temporary workers, overtime work, overtime payment, shift working, holidays and holiday pays, health and safety, handling of grievances. Most collective agreements also incorporate an appendix on the disciplinary codes and procedures. The Labour Code regulates most of these provisions at minimum levels. Yet, the collective agreements usually make available much higher standards and provisions. Some matters not regulated by the Labour Code, are free lunches, free commuting services, bonuses for religious festivals and the provision of food aid, working clothes, fabrics and privileges to purchase company products by workers.

Before looking at the coverage of collective agreements, it must be pointed out that the figures on the rate of unionisation supplied by the LS should be treated with caution in the woodworking and the furniture industries. This is because the LS's figures on the union membership have some distortions. Indeed, according to the Trade Union Act, if a union member wishes to put an end to his union affiliation, He or she has to do it in front of a notary and the CSGB must be informed about this resignation or the refusal of membership. A notary charge for this process is about USD 50. Neither workers nor trade unions are likely to pay that much money. What is more, the unions tend to take the advantage of this situation in order to cross the sector level threshold. Thus, the trade union membership records certainly have major distortions. Some scholars argue that the rate of this distortion could be as high as 50% (Çelik and Lordoğlu, 2006).

The rate of the unionisation has slightly increased since 2003. It is currently about 30.2%. However if we take the rate of distortion (50%) into the account, then it is possible to argue that the real rate of unionisation figure could be around 15% in the Turkish woodworking and furniture industry.

*Collective Agreements signed in Turkish Wood Working and Furniture Industry between 2003 and 2004<sup>61</sup>*

	Number of CA			Number of Establishment			Number of workers			Those Paying Union Due			Those Paying Solidarity Due		
	PB	PR	T	PB	PR	T	PB	PR	T	PB	PR	T	PB	PR	T
<b>2003</b>	8	35	43	17	42	59	695	7,444	8,139	492	4,796	5,288	77	1,706	1,783
<b>2004</b>	8	45	53	17	57	74	690	8,282	8,972	492	5,372	5,854	22	1,468	1,490

Source: CSGB, Labour Statistics for 2003, 2004

PB: Public; PR: Private T: Total

It can directly be inferred from this table that the collective agreements cover 7,444 and 8,972 workers in the woodworking and the furniture private sector between 2003 and 2004<sup>62</sup>. If we take only the official data, we can easily say that the rate of the coverage of collective agreements is about 10% in the industry. However, these figures should be treated with caution for at least two

<sup>60</sup> It is not surprising that it took place once in the Turkish wood sector. The collective agreement, signed by Ağaç-İş and ORSAN, one of the largest private sector wood products manufacturers, was extended to other 48 workplaces by the government in 1995 (Resmi Gazete, 14.08.1995)

<sup>61</sup> Information on the coverage of the collective agreements has been available through the LS since 2002. No detail information is available in the LS preceding 2002. Although there are some inconsistencies, the issue of the coverage of collective agreements in the LS is one of less controversial areas. The figures come directly from the collective agreements signed. Thus, they are, to a large extent, based on reliable information on the coverage of collective agreements.

reasons. Firstly, they do not include managerial and technical staff and civil servants both in the private and the public sectors. Although they have the right to become trade union members, they are not covered by the collective agreements. They are called “exempted personnel” and they usually represent no more than 10% of the workforce<sup>63</sup>. Secondly, informal employment has to be taken into account when calculating the coverage of collective agreements in Turkey. If we accept that the rate of informal employment is about 50%, then the employment would be around 158,202 in the wood sector. Consequently, it could be suggested that only 5.67% of the total workforce is covered by collective agreements in the Turkish woodworking and furniture sectors in 2005.

It should be pointed out that 1,490 workers are not trade union members but are covered by the collective agreements. This is due to the CBA No 2822, which mentions that workers, who are not member of the trade union signing the collective agreements in their place of work, can be covered by paying individual subscriptions<sup>64</sup>. Moreover, there are about 1,648 workers who are union members but who have not paid their union subscriptions<sup>65</sup>.

According to the CBA, the term of a collective agreement can be between 1 and 3 years. Yet, the terms of all collective agreements, signed in the Turkish woodworking and furniture sectors, are traditionally two years.

## Acronyms

<b>Ağaç-İş:</b>	Union of Wood Industry Workers of Turkey (Türkiye Ağaç Sanayi İşçileri Sendikası)
<b>ASİS:</b>	Wood Industry Workers Union (Ağaç Sanayi İşçileri Sendikası)
<b>BWI:</b>	Building and Wood Workers' International
<b>CEI-Bois:</b>	European confederation of woodworking industries
<b>CGSB:</b>	Ministry of Labour and Social Security (Çalışma ve Sosyal güvenlik Bakanlığı)
<b>DİE:</b>	State Statistics Institute (Devlet İstatistik Enstitüsü)
<b>DİSK:</b>	Revolutionary Workers Trade Union Confederation (Devrimci İşçi Sendikaları Konfederasyonu)
<b>DPT:</b>	State Planning Organisation (Devlet Planlama Teşkilatı)

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<sup>62</sup> The LS is published twice a year in January and June. Thus, the collective agreements signed after June, appear in the next year's LS. The terms of collective agreements are generally two years. Some firms sign collective agreement in odd number years and the others sign in even number years. Therefore, it is argued that to find out the exact number of the collective agreements for per year, an average of two consecutive years should be taken into consideration (Çelik and Lordoğlu, 2006).

<sup>63</sup> It is often a significant source of conflict in regarding the implementation of collective agreements in unionised workplaces. If these employees were covered by the collective agreements, their coverage would have been 10% more.

<sup>64</sup> For this neither the employer's nor the trade union's consent is required.

<sup>65</sup> According to the CSGB, 79,101 workers are employed in the industry in 2004. The rate of unionisation was about 30.36% (CSGB, 2005). However, neither the number of workers nor the rate of unionisation is correct. Both figures need to be carefully assessed. The LS have some exaggerations and distortions by the unions to achieve sector level competency.

<b>Hak-İş:</b>	HakTrade Unions Confederation (Hak İşçi Sendikaları Konfederasyonu)
<b>HDM:</b>	Treasury and International trade Under Secretary (Hazine Dış Ticaret Müsteşarlığı)
<b>Öz-Ağaç-İş:</b>	Genuine Union of Wood, Chipboard, Furniture and Cork Industry Workers of Turkey (Türkiye Ağaç, Sunta, Mobilya ve Mantar İşçileri Sendikası)
<b>TASİS:</b>	Wood Industry Employers Association of Turkey (Türkiye Ağaç Sanayi İşverenler Sendikası)
<b>TİSK:</b>	Confederation of Employer Unions of Turkey (Türkiye İşveren Sendikaları Konfederasyonu)
<b>TUIK:</b>	Statistics Establishment of Turkey (Türkiye İstatistik Kurumu)
<b>Türk-İş:</b>	Workers Trade Unions Confederation of Turkey (Türkiye İşçi Sendikaları Konfederasyonu)
<b>UAB:</b>	Turkish Timber Association (Ulusal Ahşap Birliği)
<b>Yapsan-İş:</b>	Wood and Prefabricated Industry Workers Union (Türkiye Yapım, Ağaç ve Prefabrik Sanayi İşçileri Sendikası)

## ANNEX

### A. References

#### Romania

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## B. Consultation

### Bulgaria

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
Branch Chamber of Woodworking and Furniture Industry	Mrs Genoveva Christova Mrs Mariana Kostova	Executive director Organisational secretary
Federation of Trade Union Organisations in Forestry and Wood Processing Industries	Mr. Petar Abrashev Mrs. Lyubka Zacharieva	President Federation secretary
Federation of Light Industry Podkrepa	Mrs. Rositza Marinova Mr. Simeon Manov	Deputy chairman Federation secretary

### Romania

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
The Federation of Free Trade Unions in the Woodworking and Furniture Industry, FSLIL	Vasile Badica,	President
The Woodworking and Furniture Trade Unions Federation, FSFMR	Doru Gherghina	Executive President
The General Trade Unions Federation "FAMILIA"	Dan Cristescu	President
The Federation of Cement Workers in Romania	Dorel Oancea	President
The Federation of Trade Unions in the Land Improvement and Agriculture Constructions	Mihai Neagu	President
The Association of Furniture Manufacturers in Romania, APMR	Aurel Rizea C. Ionescu	Executive President Technical Issues Advisor
The Romanian Woodworkers Association, ASFOR	Corneliu Colev	Executive Director
Forest Workers Trade Union Federation	Marian Stoicescu	President

### Turkey

Name of the organisation consulted	Name of the person consulted	Function of this person in this organisation
Ağaç-İş	Kemal Esin	G. Secretary
Öz-Ağaç-İş	Eyüp Karederili	President
TASİS	Cengiz Coşkun	G. Secretary
UAB	Emine Erdoğan	M. Director

OAIB (Central Anatolia Exporters Unions)	Sevil Salman	Researcher
DPT (SPO) State Planning Organisation	Cengizhan Akyan	Researcher

### European Organisations consulted

Name of the organisation consulted	Date of the sending of the report
EFBWW	October 6, 2006
CEI-Bois	October 6, 2006