# Comparisons of VET Systems and Collective Agreements for the Labour Rights in the Construction Industry, The Netherlands and Turkey

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### Introduction

The definition of labour in the construction industry has changed through the years parallel to the changes of technology and complexity in the building activities. This brought new perspectives towards employees, employers and law of labour. More skilled labourers and more awareness of the labour rights are demanded due to the highly qualified current construction work and better conditions for such workers. The VET Systems and collective agreements are seen as key points in order to enable a high quality construction labour due to the current requirements of the industry.

The definition of labour has many dimensions and quite complicated for the society and individual. For the individual, being paid for the labour is described as employment and means being a part of the social life and getting integrated with the economic life in the modern production society (*Collins et al., 2005*). Therefore, the effort for the wage has to do with being a human and requires respect. The other dimension of the labour is totally involved with production in a global sense since the goods, materials or every kind of result that is achieved at the end of the production activity is sold and changed hands internationally. Therefore, the main reason for a worker for spending a big portion of his life time at the workplace and being paid in decided intervals is to form a capital for the employers. The social, psychological, cultural, economic and personal aspects of the labour activity requires for regulations and arrangements in the social strategies of countries, cities or distinct unions. Even the timetables for the transportation, urban arrangements, buildings, concept of family, roles of individuals, the idea of consuming, social relations and social levels are inter-related with one of the oldest activities of the human-kind (ILO, 1998).

The importance of VET Systems and Collective Agreements in the construction industry is crucial due to the lack of vocational training and unwieldy

#### Özet:

'Çalışma' eylemi bireyin insani bir çabasıdır ve bir meta olmak yerine; saygıyı hak eden bir eylemdir. Üretim küresel bir faaliyettir ve normları bulunmalıdır. ILO gibi uluslararası kurumlar calısma icin normlar oluşturmuş; işçi ve işverenler arasında denge kurmayı amaçlamıştır. Toplu sözleşmeler, çalışmayı düzenleyen platformlardır. Cesitli ülkelerde farklı uvgulamalar bulunsa da, AB ülkelerinde sistem; işçiisveren sendikaları ve sosyal gruplardan oluşan üçlü bir oluşum üzerinden tanımlanabilir. AB'nin rolü, ILO ve AB tarafından olusturulmus düzenlemeleri her ülkenin sosyal, politik ve sanayi ilişkileri bağlamında şekillendirmektir. İnşaat sektöründe Meslek Eğitim ve Yetiştirme Sistemleri toplu sözleşmelerin öne çıkan konularındandır. Mavi yakalıların meslek eğitimi, üretim ve istihdam politikaları, sosvoloji ve ekonomi doğrultusunda değişmektedir. Sektörde meslek eğitimi, üretim yapısı ve çeşitli aktörlerin ilişkileri toplu sözlesmelerle düzenlenebilmektedir. Yapım işinin taşınmayı gerektirmesi barınma gibi ihtiyaçları beraberinde getirmekte; teslim tarihine odaklı geçici çalışma, hava koşulları ve her yapının karakterine bağlı üretim sartları hukuki düzenlemeler gerektirmektedir. Toplu sözleşmeler iş hakları ve mesleki eğitim açısından; üretim koşullarında sağlık ve güvenliğin sağlanabilmesi için önemlidir. Avrıca kaliteli üretimin sağlanması bakımından da dikkat çeker. Bu çalışma, AB cercevesinde ekonomik önemi olan inşaat sektörünü toplu sözleşmeler ve meslek eğitimi bakımından Türkiye-Hollanda örneklerini karsılastıracaktır.

### Summary

'Working' is regarded as a humanitarian effort; requiring respect due to 'labour is not a commodity' principle. Organisations such as ILO have been established to set standards for labour. Despite there are different applications, the system consists of employee unions and employer associations and social partners in Europe. The EU monitors member states where applications differ due to economic, politic and industrial backgrounds. In the industrial relations, VET Systems are crucial. Learning is still either craft or training-based linked to employment policies, cultures and economic profiles. The construction industry urges for collective agreements due to its labour nature; since the industry demands for varietv of professions within organisational chains. The mobility requiring security, temporary building process coping with deadlines, climate, dangerous labour in addition to specific demands for particular skills and unique production chains require special regulations. Therefore, bargaining leads to labour rights and workers' training to

achieve more qualified products or safety reasons; as well as a tool to increase economical activity and revise industry's image. The Netherlands and Turkey are compared to analyse industry's prosperity in EU.

#### Anahtar kelimeler:

İnşaat sektörü, toplu sözleşmeler, Meslek Eğitim ve Yetiştirme Sistemleri (VET Systems), AB, Hollanda, Türkiye

#### Keywords:

Construction industry, collective agreements, VET Systems, European Union, the Netherlands, Turkey formatted laws for the labourers causing the construction industry working standards, the life qualities of the labourers and the building quality to reduce. In the era of mass production for construction, overcoming such obstacles will lead the construction industry to improved conditions and will change the unattractive image of construction work. The comprehension of the collective bargaining system within the construction industry can be taken as the beginning point to overcome the problems that the construction workers are up-against.

In the construction industry the concept of labour has different specifics due to the complex nature of the building industry. Every project has its own unique conflicts and an original production chain. In addition, a building work is a massive combination of variety of materials, installation systems, construction techniques and many other details in finishing. For a particular project, various actors from different fields with different education levels work on a construction site in order to compose the final product. It should be noted that the construction work is always mobile; exposed to weather conditions, the work demands for a lot of dedication and are always very stressful since constructing a project means complex arrangements and organisations, the tasks are always bounded with deadlines and certain budgets. The labour is dangerous because of working at the considerable heights or carrying heavy components (Clarke et al., 2003; Chan & Dainty, 2007).

As far as the character of the construction labour is concerned, there are two main issues that have vital importance for the maintenance of the industry's economic power and protection of the workers: The Vocational Education and Training (VET) Systems and Collective Agreements. The building work demands for specific skills from various professional fields which are usually from different educational levels; either white-collared or blue-collared. For such a dangerous kind of labour, collective agreements take an important role to protect the rights of the workers. The negotiations between the trade unions, employers' associations and government that are defined as bipartite agreements regulates the conditions of labour in the sector and rights of labourers (Briscoe, 2005; Novitz, 2005).

On the other hand, the building industry has been suffering from skill shortages in the recent years. The term skilled labour shortage can easily be referred as a decline in the quality of construction work (Chan et al., 2000). This both qualitative and quantitative problem of construction has effects on two main employee levels as blue-collar operatives, those are basically manual workers and operators and white-collar professionals with high degree education like architecture or engineering. In the skill shortage case, the sector requires for urgent investment in training its workforce considering the fact that increasing technical sophistication of both construction products and processes means that the need for technical. knowledge-based skills is growing; introducing new technologies creates problems at interfaces between new and existing systems; this occurs when people lack the skills to work alongside those using new technologies (Lloyd & Payne, 2002; Chan & Dainty, 2007).

Considering that the construction industry is training-based in the Netherlands; there

are two important key points for the industry's prosperity for the VET Systems and Collective Agreements are verified. In addition, the systems are protected under legislations in a more organised sense in contrast to Turkey with a craft-based industry (Clarke & Wall, 2000). Noting the construction sector as an economic locomotive for the other sectors, those two mentioned objectives are vital for the prosperity of the sector and the economy relatively (EU, 2005). To assess the conditions of the two countries in the frame of the European Union is another issue since the mechanism of the union and the European Commission work as the monitor for the fundamental freedoms and rights. Considering that European Union is a sort of standard determining control system, the Netherlands is one of the member states. On the other hand, comparative studies of construction in different countries of Europe reveal clear differences with respect to the nature of the technology, whether machinery or technical organisation, used in the production of the same or equivalent product (Novitz, 2005).

This research intends to explain the direct relationship between the skilled labourer educated by VET Systems with widely defined rights and high standards of construction regarding the system of collective agreements. Therefore, this paper will focus on the conditions in the construction industry and the opportunities for improvement within this particular projection.

Regarding the fact that EU consists of different member states with different cultural and economic backgrounds, those two issues can only be analysed from the frame regulations, directives and decisions of the European Committees (Davies, 2005). The Netherlands draws a practical picture in terms of flexible collective agreements and vocational education models within the construction industry. On the other hand, Turkey is a country with remarkable potentials due to the locations, young labour market and variety of natural resources. For this reason, VET applications in construction industry with the comparisons of those two countries, collective agreements as frame regulations in the EU and models that the Netherlands has formed are examined in this paper. Besides the construction industry having a character of many small enterprises and high labour intensity with different fields of work demands; it is also massively dependent on public regulations and public investments. For this reason, the building industry is frequently taken as a trend-indicator for the policymakers. Thus, the building industry is a cyclical stabiliser of macro-economic trends, restricted in periods with economic expansion and stimulated in periods of recession. In addition, the sector is basically oriented towards domestic markets which are a result of the product, high labour and material intensity (EU, 2005).

This research only covers the collective agreements in the sense of contracting of labour, vocational training and education and labour rights with the examples and applications from the construction sector. These topics are only focused and analysed in the Netherlands and Turkey with respect to the frame regulations and applications of the European Union. The methods used in this research consist of the regulations and directive analysis in the EU, the Netherlands and Turkey, literature.

	Number of enterprises	Number of persons employed	Turnover	Value added	Apparent labour productivity (per person employed)	Gross operating rate (2)	Invest. rate (2)
an staat fallen de staat de staat de staat de st	(1 000)		(EUR million)		(EUR 1 000)	(%)	
Construction	3 090	14 793	1 665 092	562 159	38.0	12	9
Site preparation	<mark>117</mark>	460	55 540	19 178	41.7	5	20
General construction	1 270	8 112	1 070 417	325 650	40.1	11	11
Building installation	759	3 483	324 624	125 337	36.0	12	5
Building completion	930	2 637	202 221	86 329	32.7	17	7
Renting of const. equipment	16	89	10 131	4 812	54.0	24	1

(1) Including estimates.

(2) 2006.

Source: Eurostat (sbs na 4a co)

Structural profile of construction sector, EU-27, 2007 Fig 2. Shared value added and persons employed by enterprise size class, EU-27, 2006 (%)

Fig 1. The Importance of the Building Industry The construction industry is the largest employer in Europe. According to the latest statistics taken from 2007, Eurostat; in EU-27 15.8 million people are 2006 (%) employed in construction. The industry employs 7.1 % of Europe's total employment market and in terms of EU dependent (directly - indirectly) 44.6 million workers (Fig. 1). Among the fields of work within construction, civil engineering is the most important one that accounts for more than half of the employment. Most of the remaining employment accounts for building installation and completion. The share value added to the total economy by the industry differs in various member states and other candidate countries in

	Value	added	Persons employed		
	Non- financial business econ. (1)	Construc- tion	Non- financial business econ. (1)	Construc- tion	
1 to 9 employed	20.9	33.0	29.6	41.5	
10 to 49 employed	18.9	31.7	20.6	30.6	
50-249 employed	17.8	17.9	16.8	15.9	
250 + employed	42.4	17.3	32.9	12.0	

addition to its employment share ranges (FIEC, 2010; Stavinska, 2010).

The sector's productivity is low compared to other manufacturing industries. Due to the nature of construction activities, the scope of mechanisation and automation, capital intensive production is limited. Thus, the industry is still labour-intensive (Jofre, 2011). In contrast to the locomotive character of the industry, the majority of organisations are small scaled and local. In 2006 72 % of the construction sector workforce was employed in micro and small enterprises (with less than 50 persons employed) (Stavinska, 2010) (Fig. 2). In Turkey construction industry constitutes % 4.1 of the total GNP in 2010 (INTES, 2010). According to the TUIK data 8.44 % of the employment is made within the construction industry, in 2010 (TUIK, 2010). The industry employs about 1.1 million employee and seen to be vital for the Turkish economy (Kılıç, 2010).

## The Character of Labour in the Construction Industry

Even though there are different traditions in various working cultures, restructuring in social partnering, industrial relations, official demarcations and costumes in

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vocational education and training due to countries; the characteristics of construction labour and its demands stay constant due to the inevitable physical conditions. The difficulties that construction workers face can be overcome by the help of regulations, legislations and social efforts by deals in the frame of collective agreements and vocational education (*Kingsley & Glynn, 1992; Dainty et al., 2000; Padavic & Reskin, 2002; Chan et al., 2007; Sang et al., 2007; Ozkaplan & Turkun, 2009*).

Because of the building industry's rapid production nature on site, the image of the employment is maintained as a 3D (dirty, dangerous and degrading) job. Even though, the approaches towards the construction labour differ due to the backgrounds and market conditions of the countries, the definition of labour for the industry remains the same. It is challenging and requires for health and safety precautions (Byrne et al., 2005). So, construction workers generally have a below-age working life and should be insured on particular schemes and additional coverage. Holt (2005) lists the physical risks of the labour as the following:

• Work at heights, roof work, the use of scaffolds and ladders; risk of falls;

• Work with chemical and dangerous substances, organic solvents;

• Physical burdens, heavy weights and lifting work; muscular skeletal strains;

• Noise, machinery and other equipment, vibration;

• Temperature and climatological circumstances;

• Work and time pressure; mental strain.

Literature reveals the some other harsh characteristics of construction work. The

location of the industry's production is mobile, the workers constantly move from one site to another. The cooperative relations between partners, employers and employees are not located at fixed places. Therefore, the labour contracts and collective agreements usually contain provisions to compensate for travelling time and expenses, severance from families and accommodation at distant workplaces. The nature of the work in the industry is temporary; while the production is dispersed and limited in time. Therefore, the labour contracts are due to the fixed-term features; the building or a particular part. To overcome the temporary character of employment, wages are usually higher than most continuous jobs. In addition, the concept of 'severance pay' is common in most companies that tend to cover the time taken for finding a new job (Kingsley & Glynn, 1992; Agapiou et al., 1995; Dainty et al., 2000; Padavic & Reskin, 2002; De Graft-Johnson et al., 2005; Sang et al., 2007; Ozkaplan & Turkun, 2009). In addition, the labour is arranged due to the seasonal cycles and disruption. Therefore, construction labour relations have not only an economics-related cyclical nature, but also an annual or seasonal cycle. These variations in labour and working time are due to the different climatic conditions within the years. This causes insecurity in the earnings of the construction workers since the labour of construction is a specialised field, various provisions like funds, insurance and benefit schemes are tried to be set to compensate the seasonal unemployment. This particular characteristic is taken under control by some precautions in the Netherlands for builders as heating installations in the parts labourers work or the coordination of the non-working days when the conditions are not convenient

determined by the authorities (Jacobs, 2004). The construction labour demands for particular skill sets in one certain place and cooperation under varying circumstances in complex projects. The framework of construction industry is a common concern for both employers and employees which means the labour requires full commitment and responsibility in many senses. In addition, every project has its own unique production chain including main contractors, supplying industries, specialised subcontractors and all other kinds of sub-contractors including self-employed workers. Therefore, the issues like liability, coordination of health and safety on site, continuity and competition, quality and craftsmanship are all features of the labour within the mentioned unique chain (Agapiou et al., 1995; Clarke et al., 2003; Chan et al., 2007).

The labour processes between countries are different due to cultural, social and technical facts. The low track path is taken by countries such as Spain, Italy or Turkey, the labour is bound by the traditional apprenticeship and learning on the job survives as the main means of training. Wages tend to be out-put based and employment is project-based than by firm; where firms are smaller and self-employment is high. In this case, it is quite difficult to improve the working conditions since the social security of the employees depend on the employers that are usually too weak to take care of the workers, while the labour market is highly fragmented. On the other hand, for the high track construction sectors such as Denmark, Germany and the Netherlands, the qualification and formal training are essential, wages are set on the basis of collective agreements, and employment is

generally by firm and direct (*Cremers*, 2004; *Byrne et al.*, 2005).

In addition to the risks the construction labourers face on the site, high stress is another problem that the workers have to overcome. The demand for punctuality and precision causes stress related to mental burden since all the mistakes, defects and shortcomings occurred have a direct or indirect effect on the issues of safety on site as well as liability or further planning of the production process. Another kind of stress on the construction site is related to coordination problems. Different main contractors, specialised contractors, supplying industries and undertakings, subcontractors, independent workers, one-person companies and a big group of self-employed workers make the control of the site struggling. The delays in the production chain results serious consequences for the other companies, so stress related to changes in the work process is another problem for the construction workers. The site management should always be ready for flexible arrangements in case of unplanned situations. Also, construction work demands for excessive and long working hours, the building work always depends on deadlines. The balance between leisure and working time is never set properly (Cremers, J., 2004; Lingard & Francis, 2005; Lingard et al., 2010).

In order to identify the status of the workers employed in the building industry, the levels of the positions should be sorted carefully. There is a range of corporate managers, managers and proprietors, science and technical professionals, teaching and research professionals, business and public service professionals, science and technical associates, health associate professionals, protective service occupations, culture and media occupations, business and public service associates, administrative occupations, killed metal and electrical trades, skilled construction trades, other skilled trades, personal service occupations, sales occupations, customer service occupations, process, plant and machine operatives, transport drivers and operatives, elementary manual occupations and elementary non-manual occupations (*Brisco, 2005*).

## Construction Labour on the Basis of Education

The vocational education can be described as a very complex issue containing different aspects as the age average of the society, demographic conditions, cultural backgrounds, the fields of industries and the sources. The unskilled labour potential needs to be educated due to these reasons: - Bringing in more human potential to society

- Making best of the human sources in the favour of the industrial quality

The social benefit of the VET systems is to integrate individuals to the work life; while fulfilling the demand for skilled labour force. Chan & Dainty (2007) point out that there is adequate potential for qualified workers with high education and unskilled potential of labour force. Nevertheless the skill gap is present for skilled labourers, which is between professionals and unskilled workers; as the records show such a shortage in the UK, the USA and Europe. Even if the industry has potential for growth, the productivity is being decreased by the skilled worker shortage (Chan & Dainty, 2007).

In this case, the VET systems should be studied. There are different education methods in Europe and Turkey to train and educate young labour potential. All the programs in the Socrates frame, integration of ECTS in the schools across Europe and the Posting of Workers regulations (EU, 1996). In addition, the governmental strategies are set in order to prepare young people for the market demands. The vocational education goes beyond the school education in this condition. The cooperation of government, institutions, trade unions and social partners is present (Wooning & Van Der Ree 2006). The industry demands is transferred to the vocational education, where the plain education is not adequate and is not covering the unskilled adults. The industrial world has the right and the duty to contribute programs as company trainings and certificate programs (Varsori, 2002).

The Netherlands is a country which accepts immigrants for labour, therefore; the unskilled work force training is the best way to overcome unemployment. The Dutch system devoted 1.4 % of its GDP to train adults. In the past 20 years, the total price of the VET systems look expensive, the training brings maintenance for the labour; as well as better skilled labourers. Such expenses generated awareness within the Dutch social partners while dealing with employability in the recent negotiations. Consequently, the Foundation of Labour (Stichting van de Arbeid) constituted a strong recommendation on lifelong learning to the social partners in different industries (Jacobs, 2004).

The education in the construction company workers can only be arranged as certificate programs if only the companies demand for cooperation with vocational education schools (*Nova Collages*). In such cases, the tuition is financed by the companies; otherwise those collages are pure state schools financed by the government. The relations and consultations are made possible within the collective agreements in the construction sector between the private sector and the technical construction schools. (\*)

In Turkey, the legislative changes since 1986 have been remarkably effective since the number of the apprentices have exceeded from 13.000 to 250.000 beginning from the year 1985, even though they were so little changes due to the huge young potential for labour (AESOB, 2008). Due to the Vocational Education and Apprenticeship Legislation, Turkey tends to integrate with EU in order to improve the skill level of the potential labour force (T.C.M.E.B., 2001). With respect to this legislation, the financial sources of some establishments are canalized to the vocational education programs, the foundations have received the right to organise vocational education programs independent of the state due to the demands of the labour market. In the

recent years, the vocational education

percentage maintained the level of 23 %, while the Government Planning Association was 65% for the 9th 5 Years Development Strategy for the period of 2000-2005 (*Şahin & Fındık, 2008*). Also, large scaled companies and factories have begun to open their own vocational education schools in order to fill the gap in the skilled labourer level (*Öztürk, 2007*). In the construction industry, a VET Centre was established in 2003 by the financial supports of the social partners as the employers and employees unions of Turkish construction industry (*TİSK, 2004*).

As the vocational education is viewed with respect to skill shortages present in the industry show that one of the primary reasons for the skill shortages is that the demographic decline in the number of young people available to enter the labour pool. This fact brings about other debates such as the image of the construction industry and its working conditions which make it unattractive (De Graft-Johnson et al., 2005). In addition; as mentioned above, the introduction of new technologies, requiring new skills, and in some instances higher level of new entrant training and the continual development of existing labour pools is a problem that has

Fig 3. Mass education activities constituted by various organisations in Turkey, 2009 Source: TUIK, 2010

> \*Acknowledgment taken during the Interview on the Vocational Education Systems for the Construction Sector with René de Reuver, Unit Director of the Nova Collage Beverwijk and Els van der Veer-Wester, Project Leader of the Nova Collage Beverwijk, January 2008.

Mass Education activities of organisations, 2009								
		trainees began the program #			trainees finished the program #			
Category of organisation	Progra ms #	TOTAL	male	female	TOTAL	male	female	
TOTAL	19817	1 206 406	528 947	677 459	810 279	403 933	406 346	
Establishme nts by the state	6 236	353 403	253 011	100 392	334 616	238 825	95 791	
Universities	1 435	75 453	41 319	34 134	70 128	38 487	31 641	
Municipaliti es	11 726	720 415	193 289	527 126	359 116	93 012	266 104	
Confederati ons / T rade unions	420	57 135	41 328	15 807	46 419	33 609	12 810	

to be dealt in the means of lifelong learning models and adult vocational education. Another fact that causes skill shortages is the economic conditions of the construction market which has a cyclical nature with history extreme fluctuations in construction output, employment and training levels. Another debate and increasing problem in the industry is the growth of self-employment and the use of specialist/labour-only sub-contractors. This growth leads to growing skill shortages since it is quite hard to unionise small enterprises in order to educate for new technologies in building (Chan et al., 2007). Even though it seems very easy to overcome such problems by training and educating workers vocationally, there is a remarkable decline in construction training and training resources (Mackenzie et al., 2000).

### Construction Industry on the Basis of Collective Agreements

There are two characteristic features in the nature of the collective agreements; the autonomic collective character and the general framework with respect to the European Law. For the autonomic character, the fundamental idea of the law is freedom and independence of the social partners and the bargaining action. The independent legal structure of collective agreements brings independence of trade unions in relation to both employers and the State. Such freedom of the unions enables to defend their rights and make pressure to the authorities. This structure tends to be a part of western pluralist democracy in the actions of social policy and rule making. This kind of collective bargaining system is defined as a genuine autonomy of collective bargaining on the labour market (Bruun, 2002).

In addition, European Commission (EC) does not interfere with the whole legislation and application processes of member states. This attitude is related with the autonomy since the nations in EU organise their own systems due to their labour market dynamics and demands in addition to cultural and social aspects. Therefore, the frame directives legislated by the EU can be defined as a control mechanism to draw the standards and rights of workers, employers and other interest groups due to the European Employment Strategy (EES). Some of the examples to the framework directives provided by the social agreements are on the issues of health and safety (1989), parental leave (1995), part-time work (1997), fixed-term work (1999), equal treatment in employment and occupation (2002), telework (2002), action on life-long learning (2002), gender equality (2005).

Under the mentioned frames determined by the EU, the mechanism for the European social dialogue works to bring solutions in at least five types of collective agreements: Inter-confederal/inter-sectoral agreements between the social partners organised at European level named as ETUC, UNICE, CEEP: Multi-sector agreements that are bargained and signed by the European social partners representing different sectors. European industry/sectoral agreements those are negotiated by the social partners on the industry/sectoral platform at European level. Agreements integrate with multinational enterprise in more than one EU member country. These are the basic framework agreements, international labour standards in addition to the restructuring issues signed by European Work Councils and in some special cases

by the European industry federations (Chan et al., 2007; Niforou, 2008). The European Economic and Social Committee (EESC) represent different economic and social civil society features for the collective bargaining applications of the EC. The committee informs civil society organisations and expresses their views. The EECS has the mission of advising the Commission, the Council and the European Parliament, interfering into the EU decision and policy-making process, involving organisations of civil society in the European platform and emphasizing the role of civil society organisations in non-EU countries and to consult them (EU, 2011). The members of the EECS contribute to three main groups in order to coordinate the relations between the actors. The Group I is the Employers' Group from all private and public sectors of industry, including small businesses, chambers of commerce, wholesale and retail trade, banking and insurance, transport and agriculture. The Group II is the Employees Group with the members with a background in national trade union organisations such as confederations and sectoral federations. The Group III is defined as the Various Interests Group which represents the perspectives of different social, occupational, economic and cultural organisations within the society. The members varies from farmers' organisations, small businesses, the crafts sector, the professions, cooperatives, non-profit associations, consumer organisations, environmental organisations, associations representing the family, voluntary associations, persons with disabilities, the scientific and academic community and non-governmental organisations (EU, 2008).

As focusing on the construction industry on the basis of collective agreements, the human resource management and importance of individual business strategy changes began in the mid-1980s. The European construction industry has a massive tradition in multi-employer collective bargaining due to the SME organisation character of the industry. Collective bargaining have maintained in the building industry in most European countries which is not common for all sectors. The nature of the construction site demands for the workforce to be geographically mobile, while the movement between the employers requires security and diversity of changing necessities. Therefore, the mechanism of collective agreements solves conflicts, defend the rights of small-firm-workers and represent the employee for communication. This dynamic frame constituted by the collective bargaining mechanism in the industry enables flexibility, better conditions and wage j ustice to the workers as well as employers (Druker & Croucher, 2000).

In the Netherlands, the government does not have direct involvement in the bargaining process, it only consulates due to the guidelines in the industry and the enterprise level. In the Dutch model collective bargaining is concentrated on the industry basis, even if there are exceptions for a few sectors in which the enterprise is taken as a negotiation level. In the process of bargaining, separate unions and employers' associations reach actual agreements at various levels. On the industrial level, the agreements cover the entire industry or the specified parts of it; while on the enterprise level the actors conclude company agreements or group-level agreements with trade unions.

There are around 200 industry-level agreements and 700 company agreements in force. The non-affiliated unions are other important actors that bargain due to their particular occupations After the 1990s the tailor-made agreements entered into force. Therefore; in the Netherlands every collective agreement concluded can enter directly into force after the Ministry of Social Affairs and Employment approval. (Lawrence & Ishikawa, 2005). The employers' associations and trade unions are addressed as social partners or social parties who can be described as interest groups. The social partners have their own private, bi-partite Foundation of Labour (Stichting van de Arbeid-STAR) that is taken as the most important inter-sectoral consultation basis for policy-making and wage setting, while the tri-partite Social-Economic Council is a statutory body. It is a supervisor for the other consultative bodies and monitors them in the frame of legislations. Therefore, the sectoral agreements are crucial in the collective bargaining process. For instance, in construction industry metal and larger company agreements usually form the path other agreements as well as the construction companies. The company agreements have a very strong force in the formation of labour law (Van Hoek, 2002).

In Turkey, the statements on collective agreements that take place in the Labour Law 4857 which came into force in 2003:

## *'Ternary Consultation Committee Act 114*

In order to improve working peace and industrial relations, with the purpose of monitoring law and applications in the work life; a consultation committee can be established on the basis of ternary representations between the government and the employers, civil servants and trade union confederations to achieve only effective consultation.

The fundamental actions of the committee are arranged regarding a regulation.' (TC, 2003).

Due to this statement, the representatives of the three actors mentioned as the government, employers and trade union confederations can only make discussions and consultations only to exchange information. Another point of the statement is that the government is involved from the first hand by sending representatives to the consultation committees.

Even though the competence limits of the trade unions in Turkey in narrower in the bargaining and signing collective agreements sense, there are continuing actions in many different industries, such as construction. For instance, between the dates October 2006 and September 2007 the project called Improving Social Dialogue in Turkey for Renewal and Change was held by the actors like construction sector employers' trade union INTES, construction industry employees' trade union YOL-IS which represents approximately 73000 workers, the Small Companies and Craftsman Confederation in Germany ZDH, European Builders Confederation EBC and International Federation of Building and Wood Workers (IFBWW) in addition to economic and social research, education and consultation establishment GAYA. Due to the Safe Construction project education programs, consultation about the law, regulations between employers and employees on the safety issues are covered

## Application comparisons between the Netherlands and Turkey

In the Netherlands VET Systems and Collective Agreements are verified and studied in detail and these systems are protected under legislations in a more organised sense. Considering that these two mentioned issues are vital for the prosperity of the industry; Turkey can be assessed within this frame. In this projection, EU is a sort of standard determining control system.

In the construction industry, the two different fundamental concepts related to VET Systems and Collective Agreements: (i) The craft system based on preserving the exclusive privileges governing a particular trade, whether through traditional apprenticeship or maintaining a clear divide from the labourer and from other trades. It is possible to place Turkey into this category with countries like Spain or Italy. (ii) The industry system, the skilled worker of whatever trade is fully integrated with other workers in that trade and in the industry both through the training system and the wage structure. The Netherlands, Germany and Denmark can be counted in that category (Bremer & Kok, 2000; Clarke & Wall, 2000).

The training system in the Netherlands focuses on acquiring formal skills. Therefore, training provides an indication of the level of skill of the workforce. Moreover, a competence structure system in the Netherlands began in 2003. This model aims to teach all students graduating from vocational schools entire skills needed for the manual works in the building industry. Within the strategic plans in Turkey, Ministry of Education plans to keep 65 % of young population in the VET Systems education track and 35

% in the general high school education track (MEB, 2011). In the Netherlands: skills are defined and divided on the industry-wide basis through social partners, that is the employers, the trade unions and the state on the contrary of Turkey that continue to be craft-based. By the industry-based systems; operatives are employed in the industry in the first place, as reflected in their integration into the industry-wide structure. The skills imparted equip operatives for later specialisation and make, at the same time, for functional flexibility in the work process, conductive to high levels of mechanisation and the use of a range of prefabricated components. As a result, the system can be integrated to the collective bargaining systems easier than the craft-based production (Clarke & Wall, 2000).

The effects of the construction industry in the Turkish economy and labour market are very similar to the ones in the EU states due to the complex nature of the industry and its variable demands. The share value added to the total economy is 33 % and employs over 1.000.000 workers. Even though the rich potential of the sector, to compensate the changing demands of the sector is very difficult since labour force is generally unskilled. It should be noted that technological changes and different systems implicated recently in the industry demand for skilled workers. Other problems are the minor amount of skilled workers and the rare certification to prove level of skills for blue-collared workers.

### Conclusion

Since the agreement on the Treaty of Versailles in 1919, the labour rights are protected under international criteria. The discrimination an employment, the

freedom of Collective Bargaining is one of the underlined subjects of the labour rights. In the EU, the negotiations are made collectively for the changing demands of the labour market and for the interests of the workers. The conclusions are made due to the flexible working conditions of the present working necessities. Relatively, social security happens to cause a serious concern since flexible working conditions and the issue of posting of workers demands for intense security legislations in the labour market. In Turkey there are still some limitations for the freedom of strike and lockout of the workers. Only consultations are made with the government, therefore constituting a pure negotiation between the social partners is not totally achieved (TC, 1982).

For the applications of the social dialogue, the Netherlands has adopted tripartite system in the sense collective agreements. The collective bargaining takes place between the trade unions, employers' associations and other social partners in order to conclude in the compatible favour of both the workers and employers. The mechanism is remarkable since the agreements are approved often sectorwide for the best interests of the labourers. In addition, when a negotiation is concluded, the Ministry of Labour and Social Affairs of the Netherlands can sign the agreement as legislation. This mechanism is a practical way and integrates the demands of the labour market to the legislations of the government in a very short period of time. As the applications of Turkey are verified from this point of view, only bipartite system of collective agreements is possible due to the labour law. These collective agreements are concluded between the employers and employees in the company

scale. None of the agreements are sector-wide. Another source of the conflict is that only the employers' associations have the right to choose the trade unions for their companies. In contrast to the applications in the Netherlands, in Turkey every

worker in a company has to be member of the trade union in that particular company to benefit from the collective agreements concluded on behalf. So sometimes these agreements do not cover the entire workers in a company as well.

For the VET Systems in the Netherlands, a flexible application is established for many disciplines in order to educate young potential labour force. A large group of students attend vocational education for the building industry. The system is based on incompetence in a large scale as well as 10 or 15 % of theoretical education. Companies employ the students as trainees. In Turkey the concept of vocational education is quite new. There are a few new examples for such schools and certificate programs that are established by both the private sector or with the efforts of trade unions and employers' associations. Nevertheless; in Turkey the education system is not flexible enough to get integrated with such efforts of the private sector. Considering the wide potential in the building industry, increasing the quality and developing communication between fragmented actors of the industry can enable better management of time, money and labour for.

As a conclusion, in Turkey the construction sector demands for new reforms in VET applications as well as close interactions with the programs of the EU. In order to achieve better conditions on this specific issue, the concept of collective agreements have to be revised and studied in Turkey. The legislations on the freedoms of the workers and reforms on the coverage of the collective bargaining can bring more flexible and up-to-date applications. With these legislative changes, Turkey can make the best of its human and natural resources•

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