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Summary

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In this research, the common opinions among workers such as "informal employment (without social security) is the normal state of affairs", "retirement is beyond a worker's wildest dreams" are tried to be uttered without any normalization.

Garment industry is one of the leading exports industries in Turkey. The garment production, which is concentrated in Istanbul, has a rapid mode of production based on cheap labor. It also uses a distribution network of intermediary firms. Despite the legislation regulating the field of work and both global and local brand's code of conduct, informal employment in the garment industry is observed as a serious social phenomenon in Turkey¹. This research aims to identify mechanisms that allow informal employment despite the current body of law, rules, audits and inspections. After that, some policy recommendations to fight against those faulty processes will be offered. The research itself is based on the analysis of interviews with employers and workers in licensed workplaces in Bağcılar, İstanbul during the spring of 2022. The impact of the information mechanism on social security contributions and informality will be explained. At the end, the inspection and penalty mechanisms on informal employment due to the analysis of the mode of production in the industry as a mechanism creating and maintaining informal employment will be discussed. During that, the immediate loss caused by informal employment for workers and the loss it

Photo: Chris Mcgrath Getty Images



causes in the social fabric will be underlined. Finally, under the subtitle of policy recommendations, what can the parties in the industry such as consumers, brands, and the government, do to end this whirlpool of informal employment will be asserted. In this research, the common opinions among workers such as "informal employment (without social security) is the normal state of affairs", "retirement is beyond a worker's wildest dreams" are tried to be uttered without any normalization. The workers in the garment

industry have no safety net in case of an occupational accident and disease. They are at the mercy of their employer, "Good Joe". It is our hope that this report will contribute to shed light to the social costs of cheap, ready-made, and fast garment products. The concrete steps that are needed to be taken to prevent workers from paying these ultimate costs are stated under the subtitle of policy recommendations to the respective departments of the state, ready-made clothing brands and their consumers.

¹This phrase, "informal employment", indicates the unregistered workers who do not have any social security that stem from their employment, no prospect of retirement and no legal coverage for any work-related incidents.

Introduction

This research examines the informal employment in

THE AIM OF RESEARCH

small and medium-sized enterprises of the garment industry in Turkey. The inquiries of this research can be stated as "what enables informal employment in the industry?", "What kind of mechanisms enable it?" and "what are the possible outcomes of informal employment?". Its aim is to familiarize with the nature of informal employment, to identify the mechanisms by which it persists and remains pervasive, and to provide policy recommendations to the parties in the industry for its prevention.

Revealing the size of informal employment in numbers will be an effort yielding unreliable results due to its nature. However, the fact that it cannot be delivered in the exact numbers like registered employment should not be an obstacle in order to research this issue. According to TÜİK's data from 2021, informal employment constitutes 28% of employment in Turkey. According to the imprecise calculations of Savaşan and Schneider (2006: 5) regarding the nature of employment, the rate of informal employment in the garment industry is almost 50%. This high rate has its causes and consequences special to this industry. Quantitative studies reveal that the fierce competition in the industry, the lack of both sectoral investment and the need for skilled workers, the production based on cheap labor and small workshops, and the effectiveness of the governmental inspections and penalties play a significant role in this high rate (Savaşan and Schneider, 2006). Qualitative studies also explain the informal employment in the garment industry with the global brands' demand for the cheap labor and the adequate response from the

developing countries which do not regulate and control the cheap labor sufficiently (Dedeoğlu, 2010: 4). These reasons have grave consequences as both a violation of human rights and a violation of the laws of the Republic of Turkey, which regulates the social security for employees. Many rights, from children's right to education to adults' right to health, leave and pension are violated through the practice of employing unregistered (uncovered) workers. One of many aims of this research is to examine the effects macroeconomic causes in a microeconomic field. Thus, it will demonstrate through which mechanisms informal employment is reproduced and how this vicious circle is created. This qualitative research will address the details of working without social security through an in-depth examination of the experiences and perspectives of employees and employers who are the main actors. It aims to reveal how such a widespread informal employment can be reproduced in the industry regardless of the governmental regulations and the international brands' codes of conduct special to suppliers. It has been observed that informal employment has turned into an infinite loop in which employees almost have to internalize and get used to working without social security. The informal employment is also intertwined with the child labor. It has a vital importance to raise awareness for all other parties in the industry such as consumers,



It is important to interpret this situation qualitatively through the eyes of workers who spend 10–12 hours a day in places where it is difficult to even understand that there is a workshop from the outside, and the employers who hire their employees on a daily, weekly, or monthly basis.

brands and decision-makers to recognize this vicious cycle and to consider the possible actions for breaking it. The field research has many findings that we think will increase that kind of awareness. It is important to interpret this situation qualitatively through the eyes of workers who spend 10-12 hours a day in places where it is difficult to even understand that there is a workshop from the outside, and the employers who hire their employees on a daily, weekly, or monthly basis. Informal employment is very common in the industry. Structural elements such as the way of doing business of workshops and the brands' need for intermediaries are evenly distributed in the industry. Therefore, the transferability and validity of the findings of the qualitative field to the rest of the industry has a high rate.

APPROACHES 50%

*Savaşan ve Schneider (2006: 5)

THE RESEARCH METHOD

This research was designed as a qualitative field study research. In line with the aims of the research, the data targeted were qualitative data on the causes & the outcomes of informal employment, and the mechanisms by which it is maintained. Both the employers and the employees were interviewed using semi-structured interviews in three different neighborhoods of Bağcılar district of Istanbul. The main reasons for this choice are that informal employment is particularly common at the garment industry in Bağcılar and Istanbul is the province which garment production is the most dominant in Turkey. Twenty employers and sixty employees were intended to be interviewed; however, nineteen employers and sixty-two employees could have been interviewed. These interviews were analyzed with descriptive coding. The meaningful patterns among the outcomes from the analysis are grouped. As a result, data saturation was achieved just as it is expected during the analysis. The interviews were sufficient for the selected sample, and they provided ample data.

In general, it has been observed that both the employers and employers are reluctant to give answers on the matters such as the number of child workers, and how many workers are employed, the annual revenues since these answers can reveal information about possible illegal activities. Although this seems to be a logjam, the information provided is ample enough to reveal what is normalized regarding informal employment. How much the informal employment is inured among the garment workers can be measured with their short answers given to some questions. In fact, workers who had to take a long pause before answering some questions (especially "What are the advantages of social security?" and "What might be the consequences if you have social

security?") were assisted by researchers by enumerating some of the rights, for example, "the right to health, the right to pension" etc. which is the common practice of reminder technique in qualitative studies.

One for employees and one for employers, two separate topic guides in total were prepared to use in these semi-structured interviews. In all qualitative interviews, in addition to **general questions** to understand the

Chart 1. EMPLOYER GENDER DISTRIBUTION

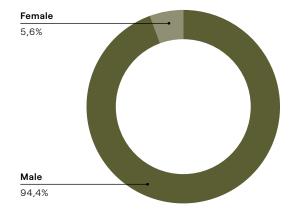
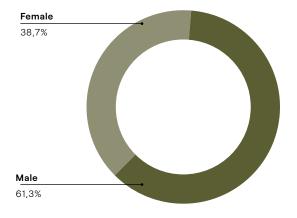


Chart 2. EMPLOYEE GENDER DISTRIBUTION



professional background and living conditions of the interviewees (such as their marital status, place of residence, amount of salary, household income, for how long they work in there, what do they produce, which brands they produce for), there were questions to detect whether they are informally employed (whether he/she wants social security, the social security contribution costs, occupational accidents, how he benefits from health services, salary deductions due to

Chart 3. EMPLOYER AGE DISTRIBUTION

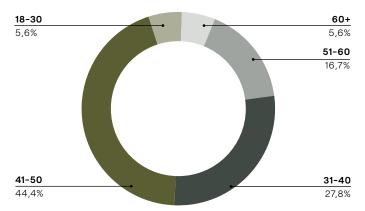
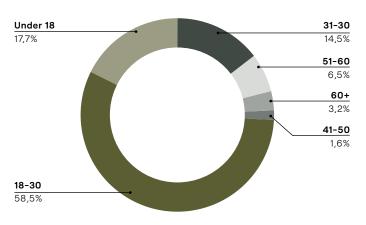


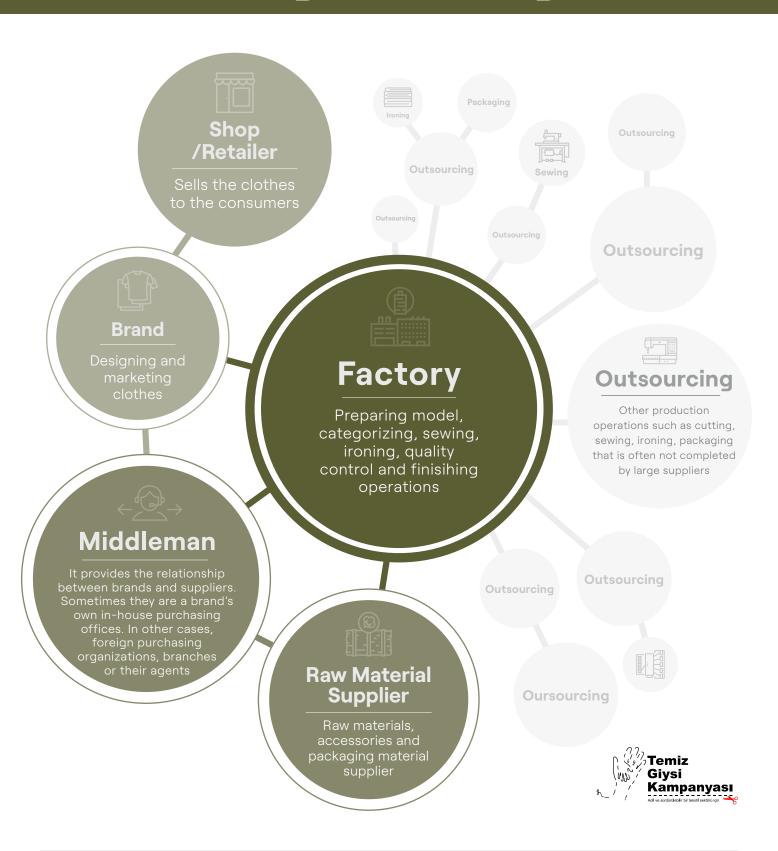
Chart 4. EMPLOYEE AGE DISTRIBUTION



a sick day or a medical leave). There were also questions to comprehend information mechanisms (do you know that a day-laborer can also have social security, do you know that immigrants can be registered, what are the benefits of social security, etc.) and questions to understand the inspection and penalty processes (a governmental inspection and its consequences, and inspection from the brand and its consequences). Finally, there were also questions to understand possible measures against informal employment according to the employees and employers (what do you require to give social security to your employees, what do you need for paying their social security contributions, what kind of incentives do you request from the government or the brands, what needs to be changed for you work formally).

The remaining sources of data consisted of the field observations of the researchers, the memoirs and advocacy experiences of the members of Clean Clothes Campaign, and the previous domestic and foreign reports in this advocacy perspective. Being the research team, we made regular observations during and after the meetings in the field. It was very informative to talk about the patterns that emerged during this process. It was very enlightening to see how the global garment industry and their demand for cheap labor are answered by their intermediaries in Turkey. It was also very fascinating to see the different seniority and positions required in the manufacturing process in a workshop. In addition to the existing literature, the findings from the field interviews were evaluated in the light of autobiographical observations contributed by the valuable members of the Clean Clothes Campaign and their previous research in the garment industry.

Brand Management Diagram



CODE OF CONDUCT FOR SUPPLIERS ²	FINDINGS FROM THE FIELD OF RESEARCH
Child labor (younger than 16-years-old) is prohibited.	Sixty-two employees who were adults during the interviews have started to work when they were underage.
Any form of discrimination is prohibited.	Female workers are underpaid in comparison with male workers. Immigrant workers report being subjected to discrimination.
The workers have freedom of organization and right to bargaining.	Informal workers have no right to establish trade unions, therefore, they cannot exercise these rights.
Working hours cannot be longer than 48 hours. ³	Fifty-two percent of workers who report their working – hours state that they work more than 48 hours in a week.
Registered / Formal employment is legally compulsory.	Informal employment is a widespread practice in small sized enterprises which constitutes one of the foundations for the garment industry in Turkey.
The manufacturing process could be monitored transparently. Intermediaries and suppliers should be employed by contract.	The process of production is closed for third party monitoring. Researchers have no access to this information. Most of the time, even workers have no clue about which brand they are working for.
There should be scheduled trainings about rules and regular inspections for their practice in the workplace.	Neither employees nor employers mentioned a training from an international brand during this very field research. There are enterprises which send their employees from the back door during inspections.

² This list for code of conduct (Code of Conduct for Manufacturers and Suppliers Inditex Group) is declared by Inditex group which consists of the international brands such as Zara. It is essentially designed to include all manufacturers, vendors, suppliers and intermediaries. https://www.inditex.com/our-commitment-to-people/our-suppliers Inditex group hold themselves responsible to inspect whether this code of conduct is practiced by their members and claimed that they fulfilled their responsibility by organizing trainings and inspections worldwide. The rules for suppliers provided by LC Waikiki are similar to the Inditex Group Code of Conduct: https://corporate.lcwaikiki.com/CMSFiles/file/LCW%20TEDARIKCI%20KURALLARI-%2016_08_2016.pdf

³ The official working hours in Turkey is limited to 45 hours a week. These rules actually fall behind the Turkish law.

Findings

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As the interviews were transcribed, it is found that the workers shared stories that transcended the distinctions in the quantitative data. Beyond differences such as gender, age, and even citizenship, there is an experience of informal employment based on (1) the global and national structure of the garment industry; (2) the way the government regulates the sector, and (3) how global or national big brands apply rules for their suppliers. Even if the field of industry diversifies, this common experience will be explained through the means mentioned above.

1. The Mode Of Production

Domestic and foreign brands in the industry share a common preference to outsource the production to the subcontractors which employ cheap workers. In the garment industry, some 'jobs' cover only primal stages of production, and they need to be completed quickly. Therefore, they are suitable for unqualified workers, even children. Subcontracting this "work" to unsupervised, temporary, permanent small-scale workshops can provide indirect services to various brands. This preference in the mode of production results in the vicious cycle of cheap and informal workers. Its secondary outcome is, of course, child labor.

2. Information

The state possesses **information mechanisms on informal** employment. However, employers can still spread misinformation. They can be very vague about

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Photo: Fatma Elzehra Muhaimi UN Women



the causes, benefits and causes of social security. The state lacks a wide-reaching information department on social security bypassing employers' misinformation endeavors. Only the fact that the right to demand information forms a basis for the relationship between not only the employee and their employers, but also a state and its citizens, is not conveyed at all. This situation creates the cycle of desperation and confusion, which in turn takes a toll on informal employment.

3. Inspection

The state and the brands are authorized to use inspection and sanction mechanisms while fighting against informal employment. However, it is observed that employers identified state control with the registration of the workplace, while workers think that there is an audit for informal employment only in places approved by brands (in workplaces that follow the rules of big brands). Existing audits by the brands and the state inspections do not aim to fight against informal employment. It is not their main concern. A deterrent

case of penalty was never experienced in the sample of this study. In general, it is not a frequent practice in the garment industry. This situation also normalizes and generalizes informal employment in the eyes of enterprises. The last two situations result in the "child labor" or "being a thirty-year-old living with their family" as its social outcomes.

The prevalence of informal employment causes a certain worker profile to be reproduced over generations. This profile is a description of a worker who started working as a child and could not leave the family home even when he grew up, and still works in the same workshop with his relatives, constitutes the majority of the research sample. In this working life, where the laws of the state, human rights, and workers' rights get blurred, the form of family relations and the relationship with the employer becomes decisive. The situation is the same for both the 17-year-old worker and the 40-year-old worker. While analyzing the findings, we tried to make these infinite loops evident to the reader.

1.THE MODE OF PRODUCTION

In Turkey, the garment industry is concentrated especially in Istanbul. Small-scale workshops which work with global or local brands indirectly, through intermediaries, or produce unbranded products for the domestic market step forth in this location. Most of these workshops do not manufacture a complete garment from start to finish. They are only in charge of preparatory work, or only one or two stages of the production chain such as labeling and ironing. This multi-part workflow takes place in various products

Photo: Chris McGrath Getty Images



AN 11- OR 12-YEARS OLD CHILD WHO IS COMPLETELY UNSKILLED FOR THIS JOB CAN BE EMPLOYED IN THIS MULTI-PART WORKFLOW.

Common preference to outsource is employing cheap workers.

This workflow resulting from the mode of production and the competition among national garment industry around the globe, enables the increase informal employment and child labor as its derivation when it is not properly supervised.

from jeans to combed cotton, from children's clothing to adult clothing. These workshops become involved in somewhere of this flow, and then they deliver their products to the intermediary enterprises. An 11- or 12-years old child who is completely unskilled for this job can be employed in this multi-part workflow. At the same time, there are also 40 years old all-rounders who can use all the machines in the workshop. In fact. as seen in the field of study, even the requirements such as Turkish literacy can be overlooked in this workflow. Since the garment industry is considered a 'light industry' compared to alternative industries such as mining or automotive industry, it does not require any rudimentary training before starting to work. Due to the production speed the industry needs, they are always open for business, and this situation avails recruiting people from the different classes of society very quickly. The general assumption in the industry is that the labor will always cost 'low'. Although garment industry is one of the building blocks of Turkish exports, it would be naive to think that the entire garment industry is filled with large factories operating within a modern and legal framework. The garment industry in Turkey focuses on merchandise exports. However, there is a preference behind this focus which is the preference of using small sized enterprises employing

low-cost workers to maintain the production speed and the volume required for exportation.

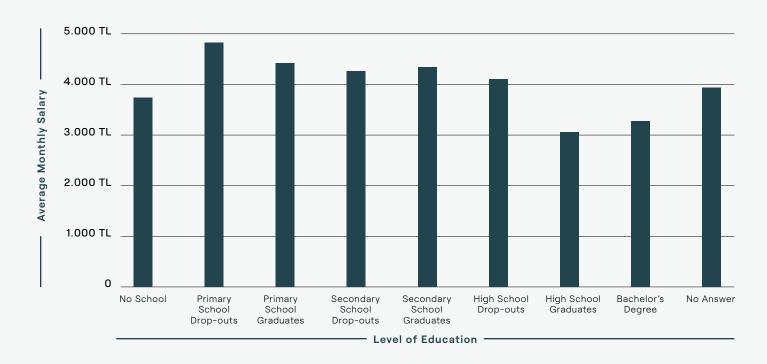
Since they cannot be schooled and need to work because of the poverty of their families, the lack of social safety net does not pose any obstacles for these uneducated and underage children to work in the garment industry. Although they cannot work legally due to their age, the parties of the industry do not see this legislation as a warning or thread to employ these children. This violates the rules and regulation against child labor in the table above. This age-limit is not imposed on them from any outside authority either. While this age-limit can be imposed by mechanisms such as governmental inspections and brands' audits, these practices are not applied so. The

cause-and-effect relations are very frequently uttered in the discourses of the workers. As a result, being an informal worker in the garment industry becomes an obligation, not an option.

During the interviews in the field, there were adult workers who were forced to work by their families when they were children. As a child, who has not lived a day of their lives outside the garment workshop and their family home, they would not gain any other skills or qualifications considering he has also dropped out of school.

The amount of salary in the garment industry depends on criteria such as the quality and type of the machine the worker uses, and the seniority level required by the

Chart 5. MONTHLY SALARY DISTRIBUTIONS ON THE BASIS OF EDUCATION-2022



job. As can be seen in **Figure 5**, there is no correlation between a worker's level of education and their salary in this sample of informal employment. In **Figure 6**, salaries paid to various positions in the garment industry can be seen. Here, children start to work as errand-boys and intermediaries, the eldest workers are employed as "all-rounders" so they can use various machines. According to the stories told by the workers, we also saw that they were forced to learn how to operate a machine. The occupational accident risks of learning a new machine, especially without supervision, should be noted. As a matter of fact, the main concern in the minds of workers regarding social security is the right to health and occupational accidents.

Among the sixty-two interviewees, twenty-six of them stated that they encountered child workers in their own workshop. The observations of the field researchers interviewed were that the given number did not reflect the truth as the workers showed a very understandable reluctance to give such information about their workplace. Despite their reservation in the similar issues, this high percentage shows no decrease in child labor which the industry allows and even favors. On the other hand, the comments of the interviewed employers, which are the other party of the industry, reveal another side of the situation. An employer's view on child labor in our times is as follows: "Do you know how much time the garment industry has left? I'm speaking for Istanbul, it is 3 years, at the most.

Chart 6. THE SALARY-POSITION RELATIONSHIP

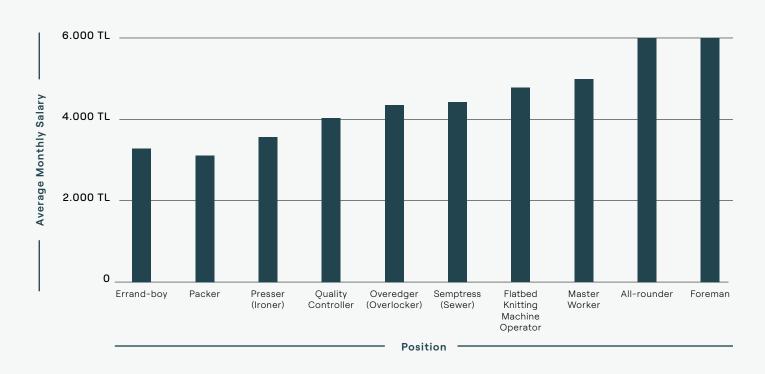
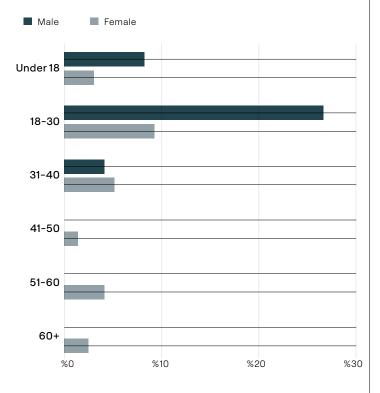


Chart 7. DISTRIBUTION OF AGE AND GENDER IN THE SAMPLE OF RESEARCH



Because there is no new generation of workers. In the next generation, no one wants their children to work in the garment manufacturing. It has come to an end. Thus, we are the last generation. Parents send their children to school for 12 years since it's compulsory. At the end, they come out of school when they are 20 years old. Will the 20-year-old person work as an apprentice here? I doubt she would do that."

In this statement, the given importance of starting to work as a child in order to internalize the informality and the difficult conditions of the garment industry can easily be seen at first. There lies the fact that child labor costs low and that 'cheap labor' is taken as a rule in the Turkish garment industry underneath this acceptance. It's taken for granted that a 20-year-

"We were young, no one gave jobs to us anyway. The garment manufacturers were our only chance."

"Because I was illiterate, I couldn't find another job, so I worked in the garment industry. I was 10 years old when I started to work. They didn't hire me for other jobs."

"We were kids back then. We were underage for being formally employed. We worked without any social security. There was no other available option."

old educated adult won't be that cheap. Secondly, this employer can also complain very easily about the increase in the schooling. Thus, it can be seen that the human, worker, and children rights, that are regulated by the rules, audits and / or inspections, and penalties of both the brands and the state, can easily be violated. Moreover, some of those rights are not even accepted in society at all.

Among these sixty-two interviewees, eleven of them are under the age of eighteen. This clearly exhibits that the employer in the example has even higher standards for informally employing children than the actual child labor. Garment production is an industry where young people mostly work informally. Workers over the age of 40 are significantly less. Low back pains and subsequent injuries resulted from the dust are the two most common health problems that workers frequently experience.

2. INFORMATION

As is the case with the most of interviewees, workers are either only informed by their employer, or are not even informed on every subject related to his personal rights such as social security coverage, social security contributions, retirement, severance pay. Therefore, there are no other channels to get information on any of these issues, especially for child workers or children at the age of 18 or 19 who start to work at the workshop at a very young age even if they are no longer children,

and who had to leave their education life early. All employers state that it is impossible for them to pay the social security contributions for all their workers. It is also impossible to overlook the fact that the source from which workers receive information plays a key role as one of the parties to this issue. The most prominent example of incorrect information is about the age of social security coverage. You can find the details in the table below.

False Information	Right Information
I'm underage to be covered.	Workers who are older than 15 years old can be covered according to the appropriate working hours.
Day-laborers cannot have social security coverage.	Day-laborers should also be formally registered and their social security contributions should be covered.
A worker cannot have social security coverage on their first working day. They are supposed to wait.	Every employee should be formally registered and their social security contributions should be covered starting from their first working day.
If your boss is a "Good Joe", there can be no loss in having no social security. He treats you as if you are already covered.	Right to severance pay, to retire, to a paid leave or a sick day and safety in case of an occupational accident or disease are not favors from the employers. They are rightful benefits of formal employment.
If there are people receiving grants in aid (such as disability checks etc.) in the worker's family, these payments are not delivered once the workers are covered.	In order to gain these grants in aid, household income is calculated. The criterion is not whether a worker has social security or not. Without any prior knowledge on whether household income is over this limit to gain these grants, having social security should not be seen as an obstacle.
There is a limit in the number of workers who can be covered in a workplace. The rest of them work informally.	There is no limit imposed by the state for enterprises to employ workers with social security coverage. Every worker should work formally, and their social security contributions should be covered by their employers.

Another example of misinformation is that daylaborers or part-time workers cannot be covered. Working per diem is an ordinary form of work in the garment industry. Sometimes women have to work daily because of the responsibility of childcare: "I worked at night for 3 years, because my children were young, and they need to go to school, I was working at night, then when I got home, I was sleeping for a bit, and then I was cooking for the children." Sometimes there are workers who prefer to work daily because their monthly or even weekly salaries do not ensure that they have enough money in their pockets for their most basic needs. When these workers are reminded that they can be covered as a day-laborer, they answer "I didn't know about it at all". Another example of misinformation is that workers who are employed temporarily (for several months) cannot have social security coverage.

Another misinformation is about the waiting-period for social security coverage. The false belief that an employer has the right to make their employees wait for 4, 6 or even 8 months to 'see the situation'

before providing them social security coverage can be considered as an example of this info pollution. "The guy (his employer) said that I have to work for 4-5 months. If he trusts me, then he'll do it." Here, the rights of the workers and the reward for their labor are in the hands of their employer, "Good Joe.". The state and even the private sector parties (brands) who need to regulate this relationship leave this relationship at the mercy of the employer in these small-sized enterprises. Employers' abuse of this relationship also finds its place among the findings of the research. "They treat people as if they are whippets. They force us to finish the work before the deadline."

"They dog out us. Work, work! They don't ask us whether we are tired or not."

In the workplace, which is organized around interpersonal relations, not within the obligatory legal framework, employers can shout at their employees. They can force them to work overtime without any payment, request them to work overnight when the deadline is not met, and do not pay their wages



Employer: "This foreman scolded a child and then, the same child has left (the workshop). After some time, he came back with his mother. (So,) I said to his mother, 'Are you doing him a favor?' Even if this child doesn't work here anymore, there is no guarantee that he will still do the same to you. You (as the mother) should have stood by the foreman so that your child could not do it again. Nobody has any tolerance left for anything."

when there is no work. Verbal violence, which is one of the reasons why workers resign from their previous jobs, exemplifies this: "Psychological violence. I left because he cursed at me."

From the perspective of the employers, the function of this mistreatment is to draw the line between an employer and their employees whose relationship is not in legal terms. Below, we include an employer's anecdote about "telling workers where to get off" as an example.

Employer: "This foreman scolded a child and then, the same child has left (the workshop). After some time, he came back with his mother. (So,) I said to his mother, 'Are you doing him a favor?' Even if this child doesn't work here anymore, there is no guarantee that he will still do the same to you. You



"I worked in a workplace for 5 years.
Our employers registered us at first, but
he stopped paying our social security
contributions after a while. This
workplace was closed for business now.
Tell me, how can I find him after that?"

(as the mother) should have stood by the foreman so that your child could not do it again. Nobody has any tolerance left for anything."

There is another example reflecting a worker's perspective. The worker who believes in working without social security will not smooth the way for himself to be fired easily, give these reasons when he is asked to elaborate his opinions: "Having no social security isn't a big deal if you are working in workplaces like this. They can say you are not loyal to your job. If you come late, social security doesn't cover you then. At first, your boss gives you a warning. He doesn't fire you immediately. He's a fine man."

In fact, we see that even the most basic information is not conveyed accurately here. The relationship between an employer and their employees should be within the legal framework. Whether an employer is tolerant, or a 'fine man' has nothing to do when it comes to professional relationships. Even this basic knowledge has been erased not only from practice but also from the collective memory as informal employment becomes widespread.

The textbook examples of misinformation are about workers who think that they have social security coverage. There are workers who spend their months or years believing that they work under social security, especially before there is implementation about it on the e-state. "I worked in a workplace for 5 years. Back then, there was no e-state, so we couldn't check our social security status. Our employers registered us at first, but he stopped paying our social security contributions after a while. This workplace was closed for business now. Tell me, how can I find him after that?"



Especially, there seems to be a lack of information mostly about how social security benefits family members. As revealed in this study, family members of the disabled people think that the grants-in-aid for the disabled people will be automatically suspended once they are employed. However, the main criterion for these grants is whether the total household income exceeds a threshold or not. Rights to a pension, to health and to paid leave of workers who believe that they cannot be covered, cannot be protected only by one-sided information via their employer. For the state's legislation to work in action, it is necessary to increase public awareness along with inspection and penalty processes. Apart from this, it is important that these disability grants by the state should be at a level that does not require any person, who is responsible for caring a disabled person, to work outside their homes. Given this is not provided, the caregiver needs to work part-time, and attend the needs of the disabled family member in the rest of their times. Otherwise, even these basic issues can pave the way for informal employment.

"I'm underage to be covered."

Child workers who can legally have social security coverage, those between the ages of 15 and 18, are unfortunately distracted by misinformation from their employers. Interviewees in this age group believe that they should be over 18 years old before acquiring these rights. Neither they had read about it before, nor had an elder explained the situation to them. There were ambiguous conversations on social security with their employers who constantly postpone their registration and therefore, these employers are sometimes described as a 'good guy' and sometimes a 'non-human'.

"As far as I know, you need to be older than 18 years old to get social security. I know so." (17 years old) "They didn't get me covered because I'm underage." (19 years old)

It is a crime to employ children under the age of fifteen.⁴ They can work formally appropriate to their age if they are older than 15 years old. The fact that even a 19-year-old worker is already convinced that they should wait to have social security at first, shows that employers deliberately provide ambiguous or incomplete information on the subject. Moreover, it shows that employees have a limited access to the sources of information (trade unions, state representatives, the traditional or digital media, non-governmental organizations etc.) on this subject, apart from their employer's quidance.

⁴ "Stop The Child Labor" Project from Bilgi University both provides legal consultation and the qualitative knowledge through their own field studies on the issue of child labor. http://cocukisciligineson.bilgi.edu.tr/

3. INSPECTION

In addition to **the mode of production** (subcontracting, rapid production etc.) and **misinformation** in the sector, improper inspection and penalty mechanisms also pave the way to informal employment. Two important findings regarding inspection are that (1) brands never audit the majority of enterprises in charge of a partial production, and (2) the state does not inspect the informal employment even though it inspects the formality of workplaces in order to collect taxes.

Ideally, as in the codes of conduct of the brands shown in Table 1 for suppliers, informal employment should end with the legal supervision in both sectoral regulations and governmental laws. However, this prima facie duality in inspection is not actually true at all in the small-sized garment workshops that constitutes the



I was very young. I don't remember the details, but when the municipal police arrived at our workplace, we were brought down to the basement of the workplace. subject of our research. In our sample, the number of workers whose workplaces have been audited and / or inspected with the suspicion of informal employment (by the brands or by the state) is four. According to the statement from one of those workers, governmental inspections are not done properly: "They came to audit, but then they kicked us out premises because they didn't want inspectors to find out that we didn't have social security coverage." One worker shares his sole memory of governmental inspections: "I was very young. I don't remember the details, but when the municipal police arrived at our workplace, we were brought down to the basement of the workplace."

Another worker talks about brand audits: "When they arrive, the boss takes us out the back door. When the brand comes, or when an important customer comes in, they get us, the foreign guys out the back door."

The 'foreigners' referred to here are non-Turkish workers (mostly Syrian or Afghan immigrants) who are employed informally. Even if they are not Turkish citizens, these workers can obtain a work permit and have social security due to their official status. There is also an employer's testimony: "We were audited but not penalized because we kicked uncovered employees out the back door." The employer has no hesitation to talk about it since these are common practices in the industry with informal employment. The workers are also taken for granted in their desperation. Unfortunately, there is no sense of 'shame' among the workers and employers whose experiences of informal employment are being interviewed.

Although we cannot directly reference our findings from the research field, the "double accounting" which is a frequent practice in the industry and frequently mentioned by researchers, is another way of escaping inspections. In this fraud, in addition to book needed for the operation expenditures of the enterprise, the employer keeps a second book consisting of records in accordance with legal requirements to be shown only to the officers during an inspection. In this way, the inspector is misled about the financial situation of the enterprise, its transactions, and the number of its employees. For example, the minimum wage amount of many workers, who earn more than the minimum wage, is given to the bank, and the rest is paid in person. In order to avoid this financial manipulation, inspectors should also question the inconsistency between the predicted capacity required to sustain the business and the financial records provided by the employer.

Twenty workers from those who were interviewed during the field research stated that they witnessed the general inspections of the brand representatives, government officials and the municipal police. These inspections can be more effective if they are practiced on a regular basis. However, unfortunately, their aim is not to prevent informal employment. Therefore, employers, who have no concerns about their illegal activities such as informal employment or double accounting, may be penalized with imprisonment or amercement. On the other hand, brand representatives focus on quality control and deadlines during their audits:



Another worker from a different workshop states a similar experience with the last one. "Brand representatives come to audit every day. They are also supposed to come today. They get very angry when they see a needle on the ground. They warn when there is a manufacturing defect." The fact that brands have a code of conduct for their suppliers, and even the fact that they audit their suppliers by themselves, does not prevent informal employment. Entire process of inspection and penalty need to be reconsidered.

Workers also state that governmental inspections are less frequent than the brand audits. Workers interviewed in this research usually mention that when the municipal police arrive at their workplaces, they

only check whether the employers have a business license. It is possible to gather more data on this subject from interviews with the employers. One of the employers explains one way of avoiding the more comprehensive governmental inspections: "In these kinds of inspections, you usually agree on paying the ticket. Same situation happens in everywhere. If this happens to me tomorrow, I will burn this workplace down. If I'm forced to evacuate my workplace and leave the neighborhood, I will report all the informal workers at workplaces near mine. If you are imposing a penalty on me, you need to do the same to everybody."

In this statement, an 'agreement on paying the ticket' is presented as the first option. The conclusion, that the number of inspectors appointed by the state should be increased and they should have a work discipline, will be emphasized in the subchapter on the recommended policies below. The second problem in this statement is that the prevalence of informal employment and the fact that 'everyone employs informal workers' provide justification in the eyes of the employer, and in actuality. He says if he is penalized, the rest should also be penalized. It is almost 'unfair' in the eyes of this employer if he is to be penalized for a practice which is legally prohibited. The employee rights are defined by this relationship between the employer and their employees. Neither the state nor brands attempt to enter this discussion, and when they do, they do not act as deterring agents.

In 81 interviews among the employers and employees who were audited and / or inspected before, only one of them reports that there was an inspection ending up with a penalty, even though there were informal workers in each of their workplaces and all

the interviewed employees were employed without social security coverage. In the words of one of the employers: "Yes, we were audited, but we were not fined, not even for once."

In addition to the widespread informal employment, the following statement reflects the internalization of it: "No, they did not impose any fines. Why will they impose?" Another employer said, "Those day-laborers work without social security. Everyone is aware of that, too. We have 25–30 employees, 10 of whom are day-laborers. There was no fine for that."

Not informal employment, but formal employment is seen as an unusual practice in the eyes of employers. "If I pay social security contributions for everyone, I'd better put up the shutters."

It is customary in the industry not to register workers formally (regardless of whether they are men, women, immigrants or under the age of 18). Out of 62 employees, 39 of those have never witnessed their workplaces been audited and / or inspected. Out of 19 employers, 14 of them state that they are audited and / or inspected. There is only one report of penalty. The simplest conclusions from these statements are that 1) Governmental inspections were very ineffective against informal employment, 2) The target of these inspections was never the informal employees, and 3) the sanctions and deterrence measures such as penalties are almost never used. These results are valid both for the brands that have announced their rules and for the governmental inspections. It also reveals that all responsible parties in the industry should take responsibility for explaining the rules, using inspection and penalty mechanisms.

STATE INCENTIVES

There are state incentives to reduce costs of social security coverage and followingly will prevent informal employment. These solutions, which seem effective on paper, do not yield the desired effect in practice as seen during the research. Some of the employers and employees who were interviewed gave the number of formal workers at their workplaces as 20. Since not everyone interviewed has a good grasp of these numbers, we cannot give the exact number of workplaces with 20 covered workers in the entire sample. However, it is our understanding from the conducted interviews that limiting the formal employees with the number of 20 has an intention to benefit from a state incentive. When the incentives given by official institutions are examined thoroughly, it has been observed that there was no such limit.5 It is

ascertained that this is another misinformation by the employers which has rippled through their employees. Another state incentive targets young entrepreneurs who start a business for the first time. In this situation, an employee suddenly finds himself in the position of an employer, because they were the owner of that workplace on paper. In both cases, these perverse incentives do not prevent informality, they produce new alternatives. It is obvious that there is an urgent need for the government to design and implement special incentives which can solve the problem of informal employment and ensure the payment of social security contributions for current unregistered workers.

⁵ <u>https://www.iskur.gov.tr/isveren/tesvikler/ilave-istihdam-tesviki/</u>



LOSSES STEMMING FROM THE INFORMAL EMPLOYMENT

One of the major losses, which is clearly revealed during this research, is the fact that it is forgotten that formal work is a legal right, and this right is protected by the state itself. Informal working is not accepted but inured by the desperate workers. When the interviews are analyzed, this desperation, despair and not encountering any demand of workers from the state has affected us, the researchers. Our findings proved that the relationship between the state and their citizens have been severed, and the notion of the rule of law, on which employee rights stand, have been damaged. This trend needs to be reversed.

The most significant loss in the eyes of workers is the absence of health coverage. Although they go to public hospitals, they have no social security. They also pay the full cost of medicine prescribed for all kinds of diseases by themselves. The second significant loss that comes to mind is occupational accidents. Although garment is considered a light business, the machines, with which the workers operate, such as the cylinder setting machine to the ironing press can cause all kinds of occupational accidents. In the excerpt below, we see an example of how even occupational accidents

are perceived not in the legal framework mentioned above, but through the relationship between the employee and their employer.

A worker, who was reminded that being covered by social security, the state can pay compensation in case of occupational accidents, says: "I know about the workers' compensation, but I can't create any problem to my employer. I don't want to be a burden to them." This statement, which he believes in receiving material compensations being akin to 'being a burden to employers' even in a case where he is permanently impaired, clearly shows how much progress all the parties in garment industry must make in terms of employment. Here, there is both a financial and an emotional loss originating from the lack of social security coverage: the monetary loss being the possibility that he might not be able to go to work again, and the emotional loss being the feeling of 'being a burden to their employers'. occupational accidents. Apart from occupational diseases resulting from the chemicals they are regularly exposed to also appear as an area where informal workers cannot exercise their rights due to the improper inspections and structural issues in the garment industry.

Another loss resulting from informal employment is about retirement. Out of 62 workers, 40 of them did not mention retirement at all during their interviews which have lots of questions about social security. The way workers talk about their retirement can be seen below: "I need to work for a long time before I retire, brother. I don't know whether I'll be old enough to see those days." "It is doubtful that we're even going to live till we are 60 years old and retired, anyway."

There is a distinct statement of a selfadvocacy of a worker who asked for social security coverage but did not obtain that coverage. There was an exceptional interview with the emphasis on retirement, also constitutes an example of the abovementioned misinformation, in which there is believed to be a limit for the workers whose social security contributions are paid: "Even if we want the social security coverage, our employers can't provide that. The workshops have a set limit of 20 formal workers. I demanded my social security contributions to be paid (from my boss). He said he would, but he didn't. My friend's father has no coverage. If he had been covered, he could have retired now considering his age. Now, for example, what will happen to him



when his child marries away? Social security coverage is very important indeed."

A mutual feeling of hopelessness about the future of Turkey was detected in the interviews of 42 employees during the analysis. This feeling of despair, coupled with their own lack of coverage, further blurs the dream of 'retirement'. However, the right to a pension should be a natural right in working life.

Another loss stemming from the lack of social security coverage is the annual leave and / or the sick leave. Informal workers cannot take a paid leave when they do not work, are not able to go to work or want to take a vacation. One of the employees, who work 6 days a week, answered the question about what they would change if they had the chance as being able to work 5 days a week. Their working hours usually exceed the legal limit of 45 hours by 9 hours.

Undoubtedly, one of the heaviest issues caused by the mode of production in garment, which is also the first of the three reasons of the informal employment revealed by the research, is the child labor. The number of workers, whose workplace also employs children in the sector, is 26. The number of workers who has started to work when they were children is 36. The issue of child labor also violates fundamental rights of such as the right to education. They are exposed to heavy work both physically and mentally in an environment where they are surrounded with adults who do not guard them in neither a financial nor emotional way. Child workers do not have the opportunity to improve themselves as they grow up. They are also unable to develop defense mechanism to cope with the injustices imposed by the industry.

A working life at the mercy of the employer, which is mentioned above under the subchapter on misinformation, is not viable for them.

The relationship between informal employment and cheap labor is obvious. An employee, whose social security contributions are not paid, costs less for the employer. In addition, his right of disposition on his salary is much more limited, as he cannot exercise his rights to bargaining, or join a trade union. During the research, two social consequences of earning less despite working hard are clearly noticed:

a) These employees are unable to live a life independent of their family. They have to stay in the same place with their family even if they are married. They can only "live on" their parents by sharing incomes and expenses with them. Out of 62 workers, 49 of them live with their extended family. Their families usually consist of 6-8 people. Unfortunately, this also applies to workers who are married, have children, and grow old. As it is clearly stated by a worker whose spouse is living in another city and staying with a close relative: "I cannot bring my wife and children along with me because I cannot afford to rent a house with the salary I earn." The employees who started to work when they were children can never leave their family homes.



The social security contributions are going to be deduced from my paycheck, so I have to work for less money.

b) The lives spent in the workplaces and in the crowded houses, the mistreatment at their workplaces. 10 or 11 hours of shifts spent in crowded, windowless areas where 'even a daily conversation is prohibited' leaves garment workers with an intense feeling of 'desperation'. This is both a social and an emotional harm that originated from informal employment. These workers even have a tough time envisioning their work and life as something else.

Another loss caused by the prevalence of informal employment and its long history in the industry is the desperation felt by workers regarding the social security coverage. Participants of the research can be divided into two groups in relation to this issue. The first group of workers demanded to have social security; however, their demands are not realized through misinformation or distraction tactics. The pattern "I demanded from my employers, but they didn't do it" is common in the answers belonging to this group. The second group where the employer only talks about the cost of social security contributions, the employees approach social security by usually calculating whether it is

worth the cost. After that, they make their own choice by saying, "Well, let me get an additional payment of 400 - 500 Turkish liras". When the employees answering that they did not want the social security coverage are asked about the underlying reason, they homogeneously answer that they can't afford contribution costs. What has actually happened here is that their employer misled them by complaining about health coverage being too expensive, its cost's being too high. Instead, their employers suggested a raise in their salaries which is an offer that can't be refused considering these workers are trying to make a living with a very limited salary. There are even workers who think that they should chip in all contributions with their own salary. Having health coverage seems to be an unnecessary expense in their perspective.

"I didn't demand health coverage and so on because when you demand it, the employer takes it out from your salary."

"The social security contributions are going to be deduced from my paycheck, so I have to work for less money."



The findings of the research proved that the relationship between the state and its citizens, the notion of the rule of law and the ground on which employee rights stand on have eroded and this ground needs to be consolidated again.

There are recommended policies to the parties of garment industry based on the evidence from this research to reverse this trend. From a laborist perspective, the parties of the sector include both global and local ready-made clothing brands, and all relevant governmental departments. Another party of the sector is business associations related to ready-made clothing or related to areas such as exports where the industry is specialized. In addition, these parties include non-governmental organizations such as *the Clean Clothes Campaign*. Finally, albeit indirectly, the consumers of the ready-made clothing industry are among the parties of this problem.

The most general policy recommendation is to end the garment industry in Turkey being built around 'cheap labor'. After the COVID-19 pandemic, Turkey's potential for commodity export is widely mentioned again. Contrary to the remoteness of Asian markets, the country neighbors the European market; therefore, its manufacturing industry draws attention. However, any potential shift of production from Asia to Turkey comes with the expectation of cheap labor. In order to increase the production capacity of Turkey, the demand is not solely sufficient. The local industry also requires modern production facilities. There is also a need for updated

and fair employment policies of the government. The brands also need to implement codes of conduct for their suppliers in a transparent and rigorous manner. Otherwise, this issue of cheap labor, combined with the expectations of fast fashion and the outsourcing practices of brands, will strongly affect the continuation of informal employment. The parties in the industry need to be aware of this factor in their fight against informal employment. Consumers also need to learn about these structural pressures imposed by the mode of production in the industry and be aware of the violations of rights behind the rapid and cheap supply of new products. Our policy recommendations for taking concrete steps can be grouped under two titles: "Information" and "Inspection".

INFORMATION

Both the state and the brands are responsible for disseminating the principles regulating formal employment, which are also mentioned in their legislations and the rules, to the society. An employee cannot defend their right on a subject if they are aware of that. They should 'know' that they should not go out the back door when an inspector arrived at their workplaces, or that they are not at the mercy of their employers when it comes to social security. An employer can favor themselves by providing false or incomplete information on informal employment. Any government officials or brand representatives can encounter complications while auditing within this info pollution. The efforts of civil society movements may be limited. Consumers also may not know exactly what they should expect from 'clean clothes.' Therefore,

- Brands should disclose all suppliers in their supply chain if they are not disclosed to the public so far.
 - Brands should extend the efficacy of their codes of conduct to not only their suppliers, but also to the consumers, the employers, and their employees. They should provide posters with info about their codes of conduct to all workplaces in their supply chain. They should also see audits as an opportunity to inform employees.
- Relevant departments of the state should inform the citizen on benefits of formal employment. They also should create awareness about the possible losses in the case of informal employment across the nation. The neighborhoods and workplaces where informal employment is concentrated should be at their focus. Public service ads and brochures on informal employment can also be prepared.
- The government should require all workplaces to hang a banner about the importance and legal obligation of formal employment and social security, the legal obligation. These banners should contain clear and concise information to avoid misinformation.
- The state should regularly share the statistics on informal employment and child labor from its inspections. These statistics should be updated frequently.

⁶ https://www.dunya.com/sektorler/tekstil/cin-tayvan-gerilimi-markalari-turkiyeye-getirdi-haberi-660665

INSPECTION

In the current situation, both some brands and the relevant departments of the state claim that they follow the rules by auditing on a regular basis. However, both the research findings and all other reports on informal employment in garment industry shows that informal employment is very common. The reason for this discrepancy can easily be seen in the findings of this study. Even though these audits are regular, they are infrequent. These audits usually monitor the quality of the product or business operating license rather than the employment status. Therefore,

- Brands should audit their entire supply chain. Even if the supply chain ends on paper, in practice, small workshops are delegated in production, especially when the deadline doesn't seem to be met. Brands should first become transparent about this extended chain of suppliers, and then audit all their links.
- 2 Brands must ensure that all workers in the supply chain are formally employed and earn enough salary to live on.
- Brand representatives should audit the implementation of all the brand's code of conduct. Controlling the chemicals used in production or the quality of the products should not be considered as an audit. They should allocate human resources to monitor issues such as child labor, informal labor, and abuse in the workplaces.
- Brands should have all inspections performed by independent institutions. They should regularly and publicly publish these inspection reports.

- Employers' associations and similar organizations in the industry should also assume their responsibilities to strengthen the inspections. These organizations should put pressure on remaining brands to establish codes of conduct, transparently explain their supply chains, and organize awareness campaigns as well.
- The state must inspect the number and composition of employees in all workplaces with a tax certificate in terms of proportionality and compliance with the business operations and activities.
- All relevant departments of the state should properly carry out inspections. Partial inspections solely concerning tax certificates, business operating licenses, and / or workplace security are ineffective. Informal employment should be the subject of any inspection.
- There should be effective and deterrent penalties as a result of the governmental inspections.

 Penalties should not be limited to pecuniary penalties. Actual and effective penalties such as imprisonment should be in motion, so that they will demonstrate that informal employment is a serious crime. Punishments should be fair and consistent in order to create a sense of justice.
- The government should make appropriate adjustments in social security contributions and tax rates as well as incentives to increase formal employment.



Among the small-sized enterprises of garment production, informal employment has become accustomed in the flow of life. Therefore, all kinds of material and moral damage, loss of rights, erosion of the sense of social justice and fairness brought about by this informality started to be internalized by employees and their employers.

This is a collective problem not only for informal workers in garment industry, but also for everyone who is a member of the same society. Non-compliance with legislation, employment contracts, and the code of conduct is the common concern of every citizen of this country. It is also our collective responsibility to demand that the government put more effort into enforce its own rules, that brands keep their promises, that those who break the rules are paid the price, not the workers. This research aims to hold a mirror to our collective situation through the voices of workers and the issues on which they remain silent. This research also aims to be a part of the solution by sharing its policy recommendations with the parties of industry.



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