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‘Going Global via Getting Small’: A Manufacturer’s Guide to Surviving the Restructuring of Shipyards in Turkey

Government supervises ‘the transformation of shipyards from a cottage industry to a global one as part of the national silent revolution’: Especially over the past decade, various reforms have been introduced in order to attain one of the fastest and largest emerging economies in the World ‘amid the preparations for the EU accession’. Although there is no systematic research specifically into the restructuring of shipyards, a review of policy documents reveals that it is led by the deployment of both domestic and foreign capital through privatisations and new company licences. Technology is modernised and output is increasing, especially for exports. A growing skills shortage is also responded to by the promotion of vocational schools. Meanwhile, traditional small companies are replaced with multinationals.

This paper is based on ethnographic inquiries into a manufacturer’s experience with the restructuring. Ali (his pseudo name), whom we met during a broader research collaboration between Balikesir and Cardiff Universities into the restructuring of shipyards and employment relations, runs a small company in the Marmara region. We have conducted observations in the company over three months in addition to a series of unstructured conversations. We have focused on the survival strategies of Ali’s company through the tsunami of restructuring along with specific references to the human-side of changes. His business history mirrors micro-level impacts of the huge variety of macro influences including regulatory reforms, Islamism, oligopolistic forces, partisan propensities, conflict of interests, skills shortages, downsizing policies, industrial re-divisions and globalisation. In particular, Ali’s experiences show how globalisation can become dependent on international operations directly run by independent small establishments. We have also explored the human-side of changes with regard to a wide range of issues from sentimental frustrations to health consequences for not only employees but also the manager.

Here are some excerpts from Ali’s account: Particularly the new site-licence requirement is difficult for smaller firms since they often move from one place to another, depending on the availability of jobs and cheaper coastal lands to rent.

Even so, Ali stipulated that some small companies wanted site-licences, but the government did not authorise. Ali noted that because some ministers own large companies, they want to eliminate smaller ones.
Ali was one of a few lucky ones since he managed to obtain a site licence on the condition of teaching and donating toward a local ship building college. However, Ali believes that he can’t win tender offers despite the best possible bids, because of the large firms owned by ministers.

The worst came from an accident which claimed a workers’ life. Ali’s company was fined a ridiculous sum of compensation, triggering job losses, up from hundreds, down to less than a dozen. Ali had a heart attack. For him, such a heavy-handed verdict was another instance of plotting against smaller establishments. His scepticism also resonates with a public perception that officials do nothing to the companies close to power circles, although so many die at workplaces.

A mild-Islamism of the ruling AK Party exacerbates partisan practices: I wanted to dismantle a ship last year, but the local authorities refused it. Moving the work to Sarkoy cost me a fortune. Later, the next-door workshop dismantled a ship, but no one said nothing, its owner is a big friend of up-stream folks.

Nevertheless, Ali is hopeful about the shift of business to periphery activities such as maintenance and repairing, as well as dismantling. Technological developments also assist exploiting international markets: I do internet searches all the time to get new projects around the World. I have my portfolio ready anytime to apply online.

Ali’s experiences evidence that smaller companies can offer globalisation highly valuable undertakings: I have recently got a job in the Caspian Sea to salvage Russian wreckages. The Caspian is full of Soviet tankers. They need to be removed for oil explorations. Ali’s optimism is also informed by the competitiveness of smaller companies, not least for their under-regulation: Just put several engineers and the paraphernalia together, and then off you go… Peace of mind, no non-sense like hostile dumping or warranties by the oligarchs.

Even so, things are less than what Ali wishes to see, with a mixture of patriotic sentiment: It would feel good if the government helped to find jobs abroad. When I was in Italy last year, I saw a ship with a Turkish flag. I got excited and rushed to the vessel, but then I got scared asking myself what if the ship belongs to one of the ministers.