

## **National and international labour relations in oil and gas Trans National Corporations in Kazakhstan.**

### **Abstract**

*The paper examines labour relations in Kazakhstan's oil and gas TNCs, contributing to recent debates on the Global Union Federations' (GUFs) and national unions' roles in building a global system of industrial relations. These debates suggest a need for GUFs to involve national unions in organisation within and dialogue with TNCs. The GUF considered here judged them insufficiently capable of this and they therefore had only limited involvement in GUF-led activities. Theories of an emerging 'global system of industrial relations' must recognise such issues deriving from trade unionism's global heterogeneity and the weak spots it creates within the emergent system.*

**Keywords: Asia; labour relations; oil and gas industry.**

### **Introduction**

This article examines labour relations in Central Asia's oil and gas TNCs, contributing to recent debates on the Global Union Federations' and national unions' roles in building an 'emerging global industrial relations framework' (Papadakis, 2008) or 'global system of industrial relations' (Fairbrother and Hammer, 2005). These tend to use unions from European, American and Japanese contexts as their default model of trade unionism.

Theorists of ‘union revitalization’ have essentially ignored Central Asia (see for example the contributions to Frege and Kelly, 2004). Conversely, otherwise excellent research on Central Asian politics and society almost completely neglects labour and employment issues (Collins, 2006). More broadly, very little research has been published on labour in these countries (for a marginal exception, see Borisov and Clarke, 2011). Previous accounts of Kazakh trade unionism have insufficiently located them within the context of their society; nor have they taken full account of the importance of their Soviet legacy nature (see for example Klaveren et.al., 2010; ICTUR, 2005). However, these countries’ extractive industries play a major role in supplying oil, gas and minerals to industry internationally and are therefore key to global capitalism’s operation. They are also significant to the Global Union Federation the International Federation of Chemical, Energy, Mine and General Workers’ Unions: ICEM), now part of the merged GUF IndustriALL. The ICEM, together with other GUFs, has focused for many years on establishing bargaining relationships with Trans-National Corporations (TNCs) globally. ICEM/IndustriALL, in common with other Global Union Federations, focuses its strategy on TNCs (Platzer and Müller, 2009). By examining relations between the ICEM, Kazakh unions and oil and gas TNCs, we contribute to debates about how GUFs and national unions seek to advance workers’ interests in TNCs.

The article is structured as follows. We begin by outlining the regional context. Subsequently we introduce the globalisation debate among industrial relations scholars, developing the research question and explaining the methods used here. Next, we examine the Central Asian unions and their relations with the GUFs, with special reference to Kazakhstan. We then discuss the 2011 revolt in the oil and gas industry and the unions' role in it and we conclude by revisiting the research question and crystallising the article's contribution to the debate on the role of GUFs and national unions in relation to TNCs.

### **Regional Context**

The Central Asian states of Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan are key locations for extractive TNCs. From the early 1990s almost every large oil and gas company moved into the region. The overall stock of foreign direct investment (FDI) in Central Asia increased from USD 1.435 million in 1992 to USD 119.279 million in 2011. Most of this went to Kazakhstan (78.49 per cent in 2011) (UNCTAD, 2012). Kazakhstan's principal exports are oil and natural gas, long responsible for almost half of the country's foreign earnings (Kaser and Mehrotra, 1992, Rittmann, 2012).

The Kazakh trade unions are conditioned by the society of which they are part. The Central Asian states' industries were ruled in Soviet times by a relatively devolved form of

hierarchy; interpersonal and patrimonial relations persisted after their relatively late secession from the USSR (Cooley, 2005). Kazakhstan's President Nazarbaev follows a policy similar to that of other élites on the 'transitional periphery' by emphasising continuity with the Soviet past, a policy that has extended to trade unions. A common feature of Central Asian polities has been 'the establishment of super-presidential political systems under autocratic rulers' (Pomfret, 2012: 400). Government structures in the region have been dominated since independence by representatives of the Soviet élite (Sievers, 2003; Gleason, 2003; Murphy, 2006; Lane, 1996; Lasch and Dana, 2011). In the Kazakh case, traditional patrimonial relations also provided both social foundations and a means of legitimation for the new régime. Currently, as Minbaeva, Hutchings and Thompson (2007) illustrate, Kazakhstan (like the region's other countries) exhibits a culture where the family unit and local origins are crucial and clientilism, associated with clan politics, deepened in the 1990s (Schatz, 2004). The political élites maintain strong economic and social connections to powerful local clans and oligarchic groupings. Clans have played a central role throughout post-independence Central Asia, and it has been argued by Collins (2006) that they are also responsible for the region's failure to maintain the public goods provided by the Soviet regime while advancing their private interests. Clans are informal, vertical, kinship-based, informal organisations which provided a means of reconstituting political and social relations during and beyond the fall of Communism in ways that became increasingly inimical to the interests of labour (Collins, 2006).

Labour law is embedded in this wider system of social relations; the weakness of impersonal rules in employment relations is evident. Özkan suggests that faced by problems, instead of going to the courts Uzbek business people ‘would seek the help and advice of their influential and powerful relatives and friends’ (Özkan, 2010: 83). In Transparency International’s Annual Corruption Report (2012), Central Asian countries continue to occupy low positions in the control of corruption, rule of law and judicial independence indices. Moreover, unions’ legal rights steadily diminished during ‘transition’. In Kazakhstan, a 2000 revision of the Labour Code shifted employment relations to an essentially individual basis by making only individual contracts mandatory; collective agreements at all levels were from this point voluntary. Unions right to prevent the termination of an individual’s contract was revoked (ICTUR, 2005). Parliament is at the time of writing considering further restrictions both on civil liberties in general, such as the right of assembly, marches and freedom of expression; simultaneously, the new trade union law prohibits such activities as enterprise unions or the basic level of union organisation by organisations without nation-wide status (Buketov, 2014). In short, enterprise unions (which may potentially lead industrial action) are subordinated to the broader national organisations of which they are part (which are more subject to political influence). Thus, labour law has been continuously weakened although unions continue to resist these changes (Buketov, 2014).

In formal terms, the Kazakh unions could appear moderately well-placed to represent workers. The Federation of Trade Unions (FPRK), Kazakhstan's majority trade union confederation, to which many industrial union federations affiliate, is the largest and most important confederation. It does not provide consistent statistics for its membership since it has only unreliable data from affiliates. Klaveren et al (2010) estimate that overall, 50% of paid workers are unionised, although ICTUR (2005) offered a much lower estimate and membership has undoubtedly been falling recently in many industries (Klaveren et al, 2010). In the oil, gas and chemical industries IndustriALL's affiliated unions Kazhimprofsoyuz (chemicals) and Kazneftegazprofsoyuz (oil and gas) are agreed by respondents to have relatively high levels of union membership. A number of small independent unions also exist but are marginalised by official unions and management. An internal ICEM document of 2000 (ICEM, 2000) reported that the Kazakh union leaders saw themselves as well-ensconced within the national system. They erroneously viewed changes to labour law mooted in 1999 as aimed at their independent rivals and were therefore complacent about them. At around this point, their colleagues in the Russian unions acted as a bridge from the Central Asian unions to the GUFs, encouraging the Central Asians to further improve their international links (Sogge, 2004).

These unions' apparently moderately strong membership and place within the system does not mean that individual employees are in a position to assert their rights. Good employment opportunities are few and far between, the 'informal economy' is the normal locus for populations' battle for survival, employment laws are rarely enforced and

work with TNCs is widely seen as a privilege (Muratbekova-Touron, 2002). Exceptionally hierarchical and authoritarian management styles are generally unchallenged (Muratbekova-Touron, 2002). In larger companies, decision-making is concentrated among major shareholders and other stakeholders' interests are largely ignored (Minbaeva et al., 2007). In short, employees have very little power. For those physically capable of the work, exit to foreign countries, notably to Russian construction sites, represent relatively attractive options despite the racial discrimination they are likely to experience (Zayonchkovskaya, 2009)

In the oil and gas industries, labour confronts sophisticated internationally-coordinated employers in which local states have major interests. After independence, local political élites were highly reluctant to let foreign companies acquire too much control over natural resources promoting ethnic nationalism and associated 'resource nationalism' (Bingol, 2004:44; see also Murphy, 2006 for a more detailed analysis of the Kazakh élite). On the other hand, they required (and continue to require) foreign companies' technical expertise if resources were to be fully exploited. They therefore pushed foreign companies to establish joint ventures with state-controlled or quasi-privatised companies, conglomerates and holding companies. In Kazakhstan, many foreign investment projects in extractive industries are conducted through joint ventures with state-owned agencies (KMG Exploration and Productions; KazMunaiTengiz, KazTransGaz, and KazTransOil), arms of the state-owned natural gas and oil company KMG. IJVs are often favoured by

developing countries, but Kazakh policy is more stringent than in China, where although the government does not permit wholly-owned foreign company subsidiaries and IJVs are often used, alternative arrangements are more common. The Kazakh state scrutinises applications for TNC investment closely and is interventionist in its approach (Moldasheva, 2001). On occasion, national élite interests may occasionally coincide with those of unions in which case government may act in their defence, thereby strengthening the latter's emphasis on political action (see below). Yet these IJVs have had long lives, and as evidence below indicates, they effectively provide access to local expertise in handling labour relations.

In summary, the social, political and legal pressures on Kazakh trade unions have increased since independence, weakening them in the face of powerful TNCs. Both factors have increased their interest in the international level of trade unionism since they view them as potential means of enhancing their influence.

### **The debate on GUFs, national unions and relations with TNCs.**

It was argued a decade ago that the GUFs were central actors in the construction of a global system of industrial relations (Fairbrother and Hammer, 2005). From this perspective, the Global Unions were key to influencing TNCs' activities in worker-friendly directions, notably through reaching formal agreements with them. Other researchers

have allocated this type of regulation only a small role in the wider context of other ‘private’ initiatives; those by campaigning NGOs and employer-led ‘CSR’ bodies on the one hand, and ‘public’ regulation by international organisations such as the International Labour Organisation (ILO) and national governments on the other (Kolben, 2007).

These various forms of regulation may operate in complementary and positive ways or, as other researchers have noted, condition a wide range of different outcomes, not all of them positive for workers (Lock et.al., 2013). As we outlined above, labour law application in Kazakhstan has deteriorated. If the GUFs and national trade unions play only marginal roles, labour regulation is likely to be extremely weak since it will reflect low levels of regulation in both spheres. The Kazakh unions have long been aware of this and wish for international intervention to support their weak position (ICEM, 2006).

It has been suggested that Global Union Federations may exert influence on TNCs in various ways. There has been considerable and growing interest in the conclusion by GUFs of agreements with TNCs variously described as International (or alternatively, Global) Framework Agreements (IFAs). These are essentially repetitions of certain core ILO standards, notably those in favour of freedom of association and collective bargaining, together with undertakings that companies will follow national law. Niforou (2012) points out that since precedence is normally given to local law within these agreements, the enforcement of rights can be difficult if not impossible, undermining claims that IFAs can constitute effective tools in securing employees’ positions. Unions’ capacity

to operate beyond simple ‘legal watchdog’ functions (a strong tradition in Kazakh unions) is therefore very relevant to their effectiveness. Others prefer to view the agreements in a wider context of dialogue between GUFs and TNCs; in this perspective, their purpose is to allow local unionists to organise and bargain while GUFs ‘hold the ring’ for them through dialogue with companies drawing on TNCs’ need for international legitimacy (Croucher and Cotton, 2011). Nevertheless, despite reservations, these agreements continue to be viewed positively by all of the industrial relations scholars cited, as providing local unions with opportunities to organise within signatory companies. Indeed it has been argued that their importance has been understated. From this perspective, if unions can leverage issues of particular importance to TNCs such as product or service quality, labour issues can acquire increased salience with them and greater gains can be achieved for workers (Williams et al, 2013). Thus, the clear consensus is that IFAs and indeed wider dialogue with TNCs are opportunities for local activists to negotiate with companies and organise workers to put pressure on them. This assumes that local unions have orientations and structures that permit them to do so.

How GUFs can assist local unions to organise within TNCs and bargain effectively with them has also been discussed. Some researchers have stressed the significance of internal GUF and union relations in determining IFAs’ effectiveness (Dehnen, 2013). Power relations between unions operating in the global heartlands of trade unionism, especially in Europe, and the relatively resource-poor GUFs, can assume major significance. Eu-

European trade unions, when operating in conjunction with others in European Works Councils, have occasionally sought to extend their influence both with TNCs and the GUFs themselves, in the ways that they have negotiated IFAs with companies (Dehnen, 2013). The GUFs, as advocates and guardians of global trade unionism and industrial relations more widely, have historically sought to address power imbalances within the international trade union movement. However, these imbalances are also reflected in the GUFs themselves: their structures favour the unions of the developed world who contribute most to their funding and governance (Croucher and Cotton, 2011). The GUFs have long addressed this tension through educational activities designed to share information, transfer expertise and build trans-national solidarity. Long-term workers' educational activities, designed to build international and indeed national organizing, mobilising and negotiating capacities, have proved effective both within and beyond the Russian-speaking world (Croucher, 2004; Sogge, 2004; Cotton and Royle, 2014). However, a consideration stressed by Croucher and Cotton (2011) is vital here: a resource-based view of GUFs' capacities strongly suggests that they have to take increasingly difficult decisions about where to allocate their limited resources. These decisions are informed by assessments of the amount of progress they are likely to make in any given international context.

Thus, the debates surrounding the construction of a 'global system' generate questions about the extent to which GUFs are major players within it, as well as about the effec-

tiveness of IFAs and the significance of internal relations within the international trade union movement. Kazakhstan is a suitable context for examining all of them precisely because it raises the question of whether GUF influence may have significant limits in certain regions despite their strategic importance within global capitalism, due to the specific nature of trade unionism there. Recent literature documents international union efforts to improve organising and bargaining capacities. Yet, in global terms, the ‘varieties of unionism’ (Frege and Kelly, 2005) are not limited to those of Europe and the Anglo-Saxon world, nor to those with significant organising and collective bargaining orientations which attract almost exclusive attention in the ‘union renewal’ discourse.

In this context, we ask: *How did the ICEM perceive and impact oil and gas workers unions’ capacities to represent workers in TNCs operating in Kazakhstan?*

## **Method**

In so far as the research involved direct investigation of the Kazakh unions and of their relations with the GUFs, the method was participant observation. The author was involved as an educator with the ICEM and other GUFs from 1995 until 2010 and was implicated in project planning, investigations into unions and conducting numerous workshops both in Russia and Central Asia. He draws here on extensive research diaries of the preparation, implementation and evaluation of workshop events and their impact on unions across the fifteen year period. The diaries recorded information on unions,

industrial relations, interactions and immediate evaluations in chronological order. The use of such diaries to record and analyse interactions with participants both outside and inside educational settings is analysed and advocated by Altrichter and Holly (2005) and by Engin (2011), who argues that such diaries provide tools for ‘scaffolding’ the creation of understanding. In Central Asia, the educational activities reached a peak in 2004-6. Although this is a relatively long period for a research project and considerable change might be expected during it, the main changes were contextual and the overall story was one of organisational stasis. The author had regular discussion with GUF officials at all levels from General Secretary downwards and access to extensive documentation on GUF strategy and local union structures. These documents provide unique insights into the ICEM’s perceptions of the unions.

English and Russian language literature and government, company and NGO websites were also used, supplemented by notes on interviews conducted by the author in 2006. Fifteen semi-structured interviews were carried out to deepen the data available on perceptions of the Central Asian unions. Respondents were selected to offer a wider view of the unions and the context in which they operated. Three interviews were with Kazakh government officials, four with company representatives from major extractive companies and the remainder with national trade union officers and officials of all of the Global Union Federations involved in the Six GUFs project (see below). Questions asked of the government officials focused on their perceptions of continuity and change

in the unions as they have regular interactions with them and are well-informed external observers at the national level. Questions posed to the extractive companies pursued the same theme but at the company and industrial and in terms of industrial relations. Questions asked of the GUF officials pursued the continuity and change theme, but centred in this case on union organisational structures and cultures, as well as on the interactions between the GUFs and unions. Interviews were conducted in English and Russian (the latter with the assistance of an experienced Russian trade union interpreter who was very familiar with the national, union and GUF contexts) and recorded exclusively by written notes at respondent request. These were analysed manually, and interview notes were coded thematically through the lenses of two key themes: national union structural and cultural continuity and change on the one hand and the evolution of unions' relations with other institutional actors and their own members on the other.

### **Kazakh Trade Unions and the ICEM**

In this section, the analysis is based on GUF documents, ICEM and other respondents' views of the unions, supplemented by other sources. Some context on the regional GUF officials and their milieu is required at this point. The GUF regional officers were part of a small, tight-knit group who all had their bases in Moscow and interacted on a more or less daily basis. Indeed, the funders of the '6 GUFs' project regarded the degree of cooperation between them as a very positive aspect of that project. In the case of the

ICEM, their regional officer collaborated especially closely with his counterpart for the IUF precisely because there was little or no industrial competition for members or affiliates between the two GUFs. They in turn were highly influential among the other GUF officers and tended to shape views of the Central Asian unions, on which there was a real lack of information. The result was a high degree of consistency among GUF views of the Central Asian unions from 2000 on.

An internal ICEM document produced by a highly experienced expert had summed up the situation in Kazakhstan in 2000. This confidential and perceptive strategy statement (ICEM, 2000) is worth quoting *in extenso* because of its author's intimate acquaintance with the unions concerned and his probably unique overview. It began by characterising the country as an 'oriental type of society' in which the 'democracy' concept had little real meaning. It went on to describe the need to reform these unions as 'the most vital necessity' because of the local importance of TNCs and the high level of Western interest and management methods in the country, noting that some leaders and activists already saw a need for change. As other GUF respondents later noted, the many older leaders with short personal time horizons feared retaliation from employers if they signalled less conciliatory, organising and bargaining approaches. The document proceeded to describe internal union financial arrangements and their consequences:

‘The bulk of the dues remain in the hands of the local organisations which use them for so-called ‘material assistance’ (when somebody is asking for some money for kids, to buy goods or for the funeral etc.).....Local organisations do not have real motives to recruit more members, as they will have slightly more money, but progressively more headache....’ (ICEM 2000).

Therefore, the author argued, enterprise organisations had little reason to affiliate to the national union federation at all, clearly decreasing the latter’s influence. In the context of their common lack of bargaining function, this increased their vulnerability to company influence and to their becoming, (in local parlance throughout the Former Soviet Union ‘yellow unions’, i.e. the term does not refer specifically to Asian unions) or employer-driven bodies. It also created the possibility of increasingly prevalent ‘company unions’ linking up or, as the document put it, ‘creation of the company unions under the name of interregional.....and even international.....’ Thus, companies sought to influence rather than abolish official unions as the companies ‘appreciate controllable company unions in general, while many regional leaders in oil and gas sector already made so much money, that they can afford to buy nice apartments in Moscow.....’. In the Kazakh case, they also potentially acted, as the document’s author put it, to ‘block the development of independent unions which although few and small are also very active’ (ICEM, 2000).

The same ICEM internal document proceeded to show in detail how the process of developing company unions by separating them from the national unions applied in the Kazakh instance. The TengizChevroil Company signed a collective agreement with three of its unions in 1999, at least two of which were company unions in the author's view. This consolidated the local enterprise unions' internal company positions and marginalised other union levels, threatening the national union's inter-level integration. In other cases, 'Western companies not capable of directly organising yellow (sic) unions try to undermine relations and connections between the local unions and their regional and national offices (Chevron in Kazakhstan). (parentheses in original—author)' (Ibid.). The quotation shows how Western companies were felt to have insufficient local knowledge and networks to adopt sophisticated and well-tailored solutions to problems and therefore potentially benefited from IJVs.

All of the GUF respondents agreed that this picture remained essentially accurate five years later. The Kazakh unions had discussed change, but had taken few steps towards initiating it, essentially remaining Soviet-style unions with top-down bureaucratic structures reliant on management patronage. They nevertheless also had strong political orientations and a clear view of the need to represent Kazakh workers' interests in relation to government and TNCs. The GUF respondents argued that enterprise unions had shown some capacity to bargain on a few occasions, an assessment confirmed by company respondents. Equally, all agreed that the unions essentially saw a need to become

more representative bodies with greater capacity to involve, represent and mobilise members. Nevertheless, the FPRK union leaders were often from Soviet times when leaders were appointed by the party and their three basic functions therefore continued to be seen as: first, government-oriented political action (including through national tripartite structures), second, legal watchdog functions and third, worker welfare through the direct distribution of ‘material support’ to workers in particular need at workplace level. Indeed, the unions themselves claimed some gains for workers by 2005, notably improved health and safety insurance laws and improved disbursements to people injured at work. These gains, however, were marginal for most workers and the many legal cases brought against foreign companies for refusing to sign collective agreements brought only patchy results.

Members’ subscriptions were largely retained at enterprise level with only relatively small amounts being (inconsistently and irregularly) sent to regional and national levels, leading to high levels of disarticulation between different union levels and the considerable isolation of many workplace organisations. At all levels, collective agreements could be reached. These are normally legalistic documents which take formulaic and declaratory forms and are not underpinned by meaningful bargaining or substantial monitoring processes. Often the collective agreements at enterprise level were (and continue to be) concluded by non-union bodies such as the legally-recognised ‘labour collective’. One result was that at most foreign enterprises, no collective agreements existed and

where they did they were not concluded by independent unions; an internal GUF report ascribed this situation to an unprincipled and over-conciliatory stance by union leaders taken to preserve their weak positions with management (ICEM, 2006). However, the Kazakh oil workers' union had shown some local capacity to bargain and to access the ICEM's assistance. In 2005 the ICEM had successfully supported Kazakh negotiators in dealing with recalcitrant Canadian management in Petrokazakhstan by organising a solidarity demonstration in Windsor Canada, bringing pay increases. GUF respondents argued that success was achieved because the Canadians were by this point out of favour with the Kazakh state-owned companies. They were soon replaced by Chinese partners. Thus, the circumstances were unusually favourable to the union and the incident was viewed as an exceptional one which did not contradict the broader picture.

The conclusion of a Global Framework Agreement between the Russian Oil and Gas Workers' Union (ROGWU) and the Russian oil major Lukoil might be interpreted as an opportunity for organisational change in Kazakh unions. However, in global terms, this is not and was not seen by any respondent as a 'typical' GFA in terms of facilitating improved bargaining and mobilising in Kazakhstan. Lukoil, the author of the ICEM (2000) document suggested, was happy to 'make a deal, no conflicts—no hard collective bargaining; I will give you money and you will arrange your own international contacts and trips....'. Therefore, Lukoil management, together with union leadership in Russia, (Russian Oil and Gas Workers' Union –ROGWU) was happy to sign a Global Frame-

work Agreement in 2004. The Russian élite exercises considerable influence in Lukoil as in all natural resources companies, while the union has representation at the highest level within the company: this is a company-level manifestation of ‘illusory corporatism’ (Ost, 2000). Even before the Global Framework Agreement with ROGWU, the company (along with Yukos) created a regional association between the Russian and Central Asian unions, which ‘unfortunately looks very attractive in the eyes of the ambitious local and regional officers....’ (ICEM, 2000). The GFA, signed some five years later, extended existing Russian ‘social partnership’ arrangements between ROGWU and Lukoil to Kazakhstan and Uzbekistan. It was reported by GUF respondents to have underpinned ROGWU’s position in the ICEM and, simultaneously, its influence with its Central Asian counterparts. The agreement was, at least in formal terms, relatively advanced, containing a clause binding the company to adhere to it wherever it had ‘full control’; elsewhere it would simply ‘exercise its best efforts’ to make other companies aware of its agreement, and to secure compliance. The IJV is arguably a case where the company lacks full control. GUF respondents argued that it was consistent with ensuring traditional Soviet-style industrial relations persisted in Central Asian units. It arguably decreased the ICEM’s influence on the unions as the company showed its willingness to ‘substitute’ for the GUF by providing cross-border contact and foreign travel. Thus, far from creating possibilities for Central Asian unions to become more independent, it was seen as reducing them. Neither the joint action against the Canadians nor the Lukoil GFA were seen by the ICEM as changing the overall picture.

## **The GUFs' reform efforts in Central Asia**

In this section, we use the author's notes on his involvement with GUF activities, supplemented by other named sources. The Global Union Federations and in particular the ICEM, had been in contact with Central Asian unions from the early 1990s onwards, becoming well-informed about their structures and activities. From 1994, funded by the Dutch FNV Mondial, the ICEM and IUF—traditional partner GUFs because of the lack of overlap and hence competition between their affiliates' membership bases—launched educational activities in Eastern Europe designed to assist unions to restructure to cope with major change. Central Asian unions were consciously relegated to a future in which Eastern Europe and then Russia and Ukraine had been essentially dealt with. For the GUFs, unions needed to be ready to undertake reform; despite some demands from affiliates and indeed non-affiliates, the GUFs made careful judgements both collectively and individually about which unions should be invited to become involved.

The central Asian unions had only marginal involvement in a major four-year effort by the international trade union movement to facilitate union re-structuring in the Russian-speaking world begun in 2004. As we indicated above, the Global Union Federations judged them to be insufficiently capable of reform to merit full access to the project's resources. The initiative was conducted by six (originally five) Global Union Federations led by the ICEM and IUF—the first time in their long history that so many GUFs had co-operated in this way-- and was designed to consolidate tentative changes made

over the previous decade (Sogge, 2004). Central Asian and Kazakh unions had some small involvement but this was limited to creating a cadre of union educators. The educational work was to use the collective learning methods described in detail in Croucher and Cotton (2011) to identify and solve members' problems by involving them. They drew on a handbook created by Moldovan union educators ('The union: past, present and future') designed to allow unions to locate themselves within an evolutionary process to transform soviet-style unions.

The accuracy of ICEM perceptions of unions was tested through the educational project. During a project workshop involving the Kazakh unions held in 2007, senior union officials were asked to apply an organisational analysis tool to their unions. All officials saw a need for change. However, they also drew attention to an important basis on which they argued the existing form of unionism rested: older workers' expectations of appropriate union functions, notably offering material assistance and legal aid. Asked to identify ways in which they might change, their prescriptions were generally compatible with existing modus operandi and cultures. They called for 'competent, well-trained leaders' and 'better information about companies'. They also expressed a desire for improved educational systems and increased educational resources. Yet this begged the question of the nature of that education, their traditional educational activity having been limited to top-down information giving. There were also general calls for the existing structures to be re-organised and for members' subscriptions to be allocated in different

ways. National leaders called for the size and frequency of subscription income coming from enterprise organisations to be increased; only in this way, the national officials argued, could the union pay realistic subscriptions to the ICEM and exercise a strategic role at national level. Enterprise unions remained sceptical of the national union leaders' rhetoric however and were reluctant to increase their contributions to those at regional and national levels. Conceptions of a more 'organising' approach introduced by GUF participants were received with interest. However, it was also noticeable that these ideas were not explored by participants. Several participants said they needed time to think through their applicability to the Central Asian context (author's notes of workshop held in Bishkek, March 2007). Overall, the local unions' discourses tended to support ICEM perceptions of the unions as unlikely to reform soon.

The educational and organisational processes undertaken by the GUFs in Russia and Ukraine have been judged by external bodies, including the Federation of European Employers, to have considerably improved Russian and Ukrainian unions' organising and bargaining capacities (Croucher and Cotton, 2011). By contrast, in the case of the central Asian unions, another internal document produced for all six GUFs argued that 'There is a number of specific problems (sic) in the region of Central Asia that are inherent only to this region. These include obsolete and out-of-date union structures, on the one hand, and lack of trade union culture, on the other....trade unions are often unable to act promptly and adequately to the changes (sic).....' (6 GUFs, 2008). In the

subsequent GUF project in the Russian-speaking world, designed to create and upgrade networks of activists in TNCs, it is therefore unsurprising that activists from the Kazakh unions were only marginally involved.

### **The Kazakh unions and the 2011 labour revolt in oil and gas**

Here, detailed publications on the labour revolt of 2011 are the primary source. Kazakh unions have remained largely unreformed and did not lead significant industrial conflicts in 2011. In that year, a dramatic revolt occurred in an unprecedented wave of strikes in oil facilities in Western Kazakhstan. These included a seven month-long strike involving thousands of workers over low pay in KarazhanbasMunai, a Kazakh-Chinese joint venture in the Kazakh oil industry. Their low pay reflected a lack of effective collective bargaining (Rittmann, 2012). The strikes were led by small independent trade unions and unofficial leaders, ignored by companies. Numerous violations of workers' and trade union rights supposedly guaranteed by national law were documented by Human Rights Watch (Rittmann, 2012). On 16 December, 2011, twelve people were shot dead and many others wounded when police opened fire on strikers. According to the senior IUF official Kirill Buketov, the strikes marked a turning point in Kazakh employment relations in that violent and unlawful repression had become the norm rather than the exception. The government sentenced a number of strike leaders to imprisonment and other penalties, for 'promoting social unrest' (Rotmann and Williamson, 2012). The opposition politician Vladimir Lozlov was tried for his involvement; it is significant that

a politician rather than a union leader was singled out in this way. The government clearly identified essentially ‘unofficial’ strike leaders and an outside politician rather than the official trade unionists as responsible for leading the unrest. Three TNCs involved in IJVs were judged by Human Rights Watch to have denied workers’ rights in many areas; some two thousand workers were dismissed for participating in the strikes (Rittmann, 2012; Buketov, 2014). The strike demonstrated a central feature of the national situation in the oil and gas industry: unprecedented worker unrest was insufficiently well-articulated and represented by the formal institutions of employee representation. The Russian trade unions and indeed the international trade union movement more widely expressed dissatisfaction with the official Kazakh unions’ conduct during the strike. The President of the Russian Confederation of Labour Boris Kravchenko spoke critically of them in Western Europe and was supported by others when he suggested publicly that the striking oil workers had been left without any support by the Kazakh national unions (Rittmann, 2012).

## **Conclusion**

The research question was: *How did the ICEM perceive and impact oil and gas workers unions’ capacities to represent workers in TNCs operating in Kazakhstan?*

Before answering the question directly, the limitations of the research must first be acknowledged. Although the ICEM relies heavily on its regional officials to inform its headquarters’ (then in Brussels) views of unions at national level, the views of the most

senior officials, the General Secretary and his close associates were not formally researched through structured interviews. Further research could fruitfully investigate the process of collective opinion-forming both within and between the GUFs about the union situation in different regions and how regional views interact with headquarters' interests to shape these.

The first part of the research question, on perceptions, may be answered fairly simply: the ICEM perceived them as essentially soviet-style unions which emphasised élite political activity in preference to developing mobilising capacities. The specificities referred to by Buketov (2014) may be, as he suggested, principally related to their roots in Kazakh society. The further question nevertheless remains of how far the GUF's perceptions were justified by the evidence. It might be argued that they were unjustified since all of the problems identified with the Kazakh unions would have been applicable at an equivalent point in their development to many other unions, for example in Azerbaijan (Croucher and Cotton, 2011) . The Kazakh unions had been prepared on at least one occasion to take a bargaining stance with the Canadian employers, they had enjoyed some success through political action and they had (after an initial naïve mis-perception that they would affect independent unions rather than their own) steadfastly opposed negative legal changes. However, these empirical foundations are too weak to serve as a basis for generalisation about these unions' capacity to reform. The 2007 workshop re-

vealed that the Kazakh unions demonstrated little interest in undertaking fundamental reform.

The answer to the second part of the question is less problematic: GUF interventions have only minimally affected these unions' capacity to mobilise workers. By mid-2014 the Kazakh unions remain largely unreformed. The 'Soviet' nature of the official unions is broadly similar to that of unions in the 'transitional periphery' more widely. Most of these unions appear locked into broader polities that constitute hostile environments for organising forms of trade unionism. Meanwhile, Kazakh unions have been involved in a desperate rearguard action to defend their rights to operate in the political and legal arenas and this has proved highly distracting to their expressed wish to embark on reform. As the GUFs prosecute their activities in TNCs in the Russian-speaking world, these unions remain marginal to them despite the GUFs' recognition of the region as important to global capitalism. As Cooley (2005) noted in relation to the international financial institutions and international NGOs' interventions in Central Asia, national specificities meant that they had little or no impact. In this sense, the GUFs were not unique.

The experience allows reflection on the notion of a 'global system'. Unions internationally are very heterogeneous in their functions, which do not necessarily include organising, mobilising workers or bargaining. Thus, the existence of a GFA such as that between Lukoil, ROGWU and the ICEM cannot be seen as making such an approach more

likely in Central Asia and in some senses positively prevented that. More importantly, because of the weak spots arising in some parts of the world, any global system of industrial relations is unlikely to achieve comprehensive coverage within key TNCs and, while international in scope, may not fully justify the ‘global’ description. Thus, the significance of the GUFs as actors in building any ‘global system’ of labour regulation may be limited and the relatively small interest in them by some labour regulation commentators may to that extent be justified.

The GUFs nevertheless have potential to impose themselves as more than bit players in international labour regulation. Experience in Eastern Europe has shown that external intervention is required to reform unions; GUFs, because of their unique expertise, are capable of leading projects to change this situation. However, several preconditions would have to be met: first, that the unions involved are willing and ready to make major strategic changes in their organisation and indeed their entire collective thinking via long-term projects; second, that the GUFs agree that this is the case; third, that the GUFs have adequate resources available to undertake the major initiatives required. The latter condition would require major changes in their human resources and funding models that would be difficult for funders and key affiliates to deliver and which appear unlikely to be met in the near future. In short, the decline of trade union resources in the developed world has serious wider consequences for worker representation internationally.

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