

# **The Dynamics of Heightened Labor Unrest in the Extractive Sector: The Platinum Belt in South Africa and the Oil Fields of Kazakhstan**

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## Abstract

In December 2011, in Zhanaozen, Kazakhstan, dozens of striking oilworkers were killed or injured when police opened fire. Eight months later, in Marikana, South Africa, 34 striking mineworkers were shot dead by police. This article investigates why, in two regimes with different political and economic characteristics, labor militancy is most pronounced in the extractive sector, and why the strikes at Zhanaozen and Marikana ended in similarly tragic massacres. Our analysis points to the distinctive challenges of labor unrest where resource extraction at fixed sites combines with volatile prices in a globalized economy to raise the stakes for state, business and a mostly migrant workforce with rising expectations. Also significant are critical blockages in existing channels for mediation and bargaining given the quiescence of leading trade unions. These jointly necessary conditions explain the heightened labor militancy in Kazakhstan's oilfields and South Africa's platinum belt. To account for the massacres at Zhanaozen and Marikana, we also consider timing and sequence. Both stand-offs occurred later in the strike wave, prompting increasingly anxious state and business to blame "criminal" and "external" forces and priming local security personnel to exert coercion to restore order. This, in turn, increased the likelihood of labor intransigence and over-reaction on the part of local security personnel. While such massacres are not common – in part because of the reputational costs that follow – the causal story that emerges from this paired comparison contains portable insights about the dynamics of labor unrest in extractive sectors in the developing world.

## Keywords

extractive industries, labor unrest, Kazakhstan, South Africa, trade unions, wildcat strikes

Since the break-up of the USSR, Kazakhstan has had just one President and is coded as "not free" by Freedom House (2018). In contrast, post-apartheid South Africa has held regular elections and is considered one of the most "free" countries in the developing world. This difference is mirrored in labor rights, with South Africa manifesting a more robust commitment to core labor standards and more space for labor protest and new trade unions. Economic conditions, too, vary greatly, with Kazakhstan's per capita GDP more than double South Africa's while the latter's gini coefficient and unemployment levels are substantially higher than Kazakhstan's. Moreover, while natural resources are important to both economies, Kazakhstan's reliance on oil rents has risen sharply since the extraction of oil in the Caspian basin began in the 1998, with oil rents accounting for as much as a quarter of the GDP in some years.

Despite these differences, both Kazakhstan's oilfields and South Africa's platinum belt have been marked by heightened labor unrest (relative to both other sectors in the respective country). And, both would witness similarly tragic events ending in the killing of striking workers. On December 16, 2011, in the Kazakh oil town of Zhanaozen, at least 16 workers were shot dead and another 100 injured when police opened fire on protesters. Eight months later, on August 16, 2012, local security forces shot and killed 34 striking mineworkers while injuring several dozen others outside of a platinum mine in Marikana. This article seeks to understand why, in two regimes with different political and economic conditions, do we see persistent labor militancy in generally lucrative sectors marked by export-oriented resource extraction – with one episode in each case culminating in similarly bloody massacres. Specifically, we undertake a least-similar systems paired comparison to investigate two questions: What accounts for the frequency and militancy of wildcat strikes in Kazakhstan's oil sector and South Africa's platinum sector (at least relative to other sectors in the two countries and to extractive industries in other developing countries)? Second, is there something about the timing and sequence of events that accounts for the spirals of growing anger, fear, and violence that culminated in the massacres at Zhanaozen and Marikana? Our goal is neither to provide a comprehensive account of the massacres, nor to test existing theories of strikes or protest waves. It is to generate middle-range hypotheses that are responsive to the above questions but also reveal the interactive effects of portable mechanisms that can potentially intensify or diffuse labor unrest in extractive industries across the developing world.

We argue that, more than regime type or economic conditions, certain distinctive aspects of labor relations in extractive industries within developing countries – marked by production at a fixed location and exposure to volatile prices in an increasingly globalized economy – dramatically raise the stakes for state, business and a mostly migrant workforce expecting to raise their living standards. This does not, however, entail persistent labor unrest. Our comparisons suggest a second contributing factor: the inadequacy of institutionalized channels for mediation and bargaining, particularly in light of the quiescence of the main labor federations in both countries. While neither of these factors independently guarantees heightened labor militancy, we regard them as jointly forming necessary conditions for explaining the frequency of wildcat strikes in Kazakhstan's oilfields and South Africa's platinum mines. To account for the tragic massacres at Zhanaozen and Marikana, however, we examine the timing and sequence of events. It is significant that, later in the strike wave, state and business in both cases became more anxious about further declines in output and began to characterize the dispute as "criminal" in nature. This, in turn, raised the pressure on local security forces to restore order and increased the likelihood that they would over-react to more angry or aggressive expressions of protest. The first section below considers the limitations of structural arguments often invoked to explain collective protest and introduces our own three-step "middle range" argument. The following three sections link our comparative study to each of these three components respectively. The conclusion provides an overview of the portable mechanisms that can preempt, reinforce or diffuse labor unrest in export-oriented extractive industries across developing countries.

### **The Limits of "Macro" Explanations: Towards a Mid-Range Perspective**

Broadly speaking, students of comparative politics might expect that a more democratic polity will be accompanied by a more vibrant civil society and create a more open and safe space for collective protest. Moreover, in cases involving regime change, the largest and most recognizable component within civil society has often been organized labor (Kubicek, 2004), which has sought to partner with ruling elites in newly democratizing regimes (Caraway, Cook and Crowley, 2015; Hartshorn and Sil, 2018). From this perspective, it should matter that, in the aftermath of regime change, post-Soviet Kazakhstan and post-apartheid South Africa traveled

along very different paths. South Africa is coded by Freedom House as one of the most "free" polities in the developing world, with an aggregate score of 78 on the Freedom House Index to reflect its combination of political liberties, civil liberties, and political contestation (Freedom House, 2018). Although the African National Congress (ANC) has been in control of national politics, it has ceded control of several major cities and locales to opposition parties and has also seen its own leadership go through dramatic changes as a result of its internal contestation and democratic elections. Kazakhstan, on the other hand, receives an aggregate score of just 22 on the Freedom House Index, marking it as essentially "not free" (Freedom House, 2018). Since 1992, the country has had only one President, Nursultan Nazerbayev, and there has been little space for open criticism of the government or for the sustained mobilization of opposition forces.

This difference is mirrored in labor relations in the two countries. Kazakhstan has a single labor federation – the Federation of Trade Unions of the Republic of Kazakhstan (FTUK) – that is descended from the Soviet-era trade union apparatus, has little competition from alternative unions in any given sector, and is seen as coopted by the regime. Although workers do formally have the right to establish new unions, in reality, there is little protection for those unions that employers choose not to bargain with. In contrast, South Africa is regarded as having one of the most progressive systems for defending core labor rights and standards via the Constitution, its National Labor Relations Act, and its institutions for mediation and tripartite bargaining. While there is a dominant national labor federation – the Confederation of South African Trade Unions (COSATU) – that is allied with the ANC, it has seen a stream of defections from several major affiliated federations while competing trade union organizations have come to account for nearly half of the unionized workforce. Additionally, South Africa's courts play a mostly supportive role in protecting freedom of association and the right of collective bargaining.

These differences are not inconsequential. Indeed, they help us understand how South Africa's much wider "political opportunity structure" (Tarrow, 1994) has helped spur greater labor mobilization, enable new alignments with contending political elites (both within and outside the ANC), and provide greater space for coordinating strikes, creating new unions, and launching anti-government protests. They also help us recognize why, in cases of regime change leading to a new authoritarian regime, legacy unions from the old regime might tend to be more docile except in seeking to help the government preempt the proliferation of alternative unions,

as is the case in Kazakhstan (Human Rights Watch, 2016). The differences between the post-apartheid South African regime and post-Soviet do not, however, account for the common dynamics of labor unrest in the oil sector in Kazakhstan and the platinum sector in South Africa. In these contexts, variation in political institutions did not have a decisive impact either on the heightened level of labor militancy in the extractive sectors of the two countries or on the similar spirals of escalating confrontation

Another broad set of explanations for collective violence or labor protest center on a growing sense of relative deprivation as extreme manifestations of growing frustrations among the working class over the rise of economic inequalities and the loss of social protection. While the Zhanaozen massacre received less attention in this context, Thomas Piketty (2014, 39) is among those who characterized the massacre at Marikana as a tragedy resulting from the extreme inequalities and intense distributional conflicts generated by South African capitalism. Similarly, others have blamed the ruling African National Congress (ANC) for being having sacrificed the well-being of the working poor in order to promote business-led growth (Bond, 2014; Satgar, 2012). Certain features of neoliberal reform – from austerity to trade liberalization and deregulation of the private sector– could be plausibly faulted for persistent social inequality or disproportionately high levels of poverty and unemployment among Blacks (Bond, 2014). But, such a view does not account for the stark differences between the Kazakh and South African economies. While per capita GDP (PPP) in 1999 was practically identical for the two countries, by 2012, Kazakhstan's per capita GDP had grown to a level nearly double that of South Africa's (Global ICP Unit, 2018), while South Africa's unemployment rate stands at about *five times* that of Kazakhstan (International Labour Organization, 2017). Moreover, South Africa's gini coefficient of over 63 (as reported in 2013) suggests a much higher degree of social inequality than in Kazakhstan, where the gini is under 30 (United Nations Development Programme, 2013). This may correlate with the generally higher level of industrial conflict in South Africa, but it does not explain the heightened labor unrest in Kazakhstan's oilfields and South Africa's platinum mines, where the typical earnings of workers in the resource-extraction sectors have been higher than than the average earnings of workers in other sectors. Indeed, it is the prospect of higher earnings in these lucrative sectors that account for high rates of labor in-migration to Kazakhstan's western oilfields and South Africa's platinum belt.

Arguments predicated on the "resource curse" hone in on some distinctive features of the resource extraction sector. In particular, dependence on revenues from fossil fuel exports is seen as detracting from sustained growth in other sectors and/or helping preserve authoritarian rule. As Michael Ross (2012, p. 44) puts it: "while oil boosts the government's revenues, it does much less to help – and can even harm – other industries in the private sector." In addition, "oil-rich countries can indefinitely provide more benefits than they collect in taxes, allowing them to maintain popular support and avoid democratizing rebellions" (Ross, 2012, p. 69). Whether or not all oil and gas exporters are vulnerable to these negative effects of the resource curse is an open question (e.g. Smith 2007). But, even if we grant that the "resource curse" thesis applies to the case of Kazakhstan, where oil rents have come to represent 15-20 percent of GDP and does coincide with enduring authoritarianism, the argument does not carry over to an economy such as South Africa's, where the *combined* rents from several of its key natural resources (i.e. gold, diamonds, platinum) have only once exceeded 10 percent of South Africa's GDP over the past two decades. Despite South Africa's position as the world's top producer of platinum, the actual and potential economic benefits from platinum are far less significant for the national economy than for the individuals and companies directly involved in platinum mining.

Our point of departure is the presumption that no single general theory can adequately explain the heightened level of labor militancy in Kazakhstan's oilfields and South Africa's platinum belt. Labor unrest in Kazakhstan is more the exception than the rule, in part because of severe constraints on the right to strike and on the formation of new unions (Human Rights Watch, 2016). While strikes do occur, at the time of the Zhanaozen massacre, they were heavily concentrated in the western oilfields, which is where labor unrest continues to cause the greatest concern for the government (Williamson 2017). In South Africa, labor unrest is more ubiquitous. In a survey of the level of "cooperation in labor-employer relations," South Africa ranked dead last out of 140 countries (World Economic Forum, 2016). Even so, the platinum belt, stands out in terms of the incidence of wildcat strikes and strike violence (von Holdt, 2012; Chinguno, 2015). In 2012, the year of the Marikana massacre, 16 million of the 17 million working hours lost due to strikes were in the mining sector, with nearly half of those strikes not protected by labor law (Odendaal, 2014). In 2014, despite concerted efforts to improve labor peace in the platinum sector following the massacre, there was a five-month work stoppage, South Africa's longest continuous strike on record (Shabalala, 2014). In this article, we develop a middle-range

account of why, in two regimes with markedly different political and economic characteristics, we see heightened labor militancy in the extractive sector, with one episode in each case ending in a tragic massacre.

Our argument proceeds in three steps, each containing portable theoretical insights. First, we focus on the sectoral context, highlighting certain distinctive features of labor relations at resource extraction sites tend to create some special challenges for managing industrial conflict. Specifically, we consider how fixed production sites and volatile commodity prices in an increasingly globalized economy can heighten the anxieties of both ruling elites concerned about revenue and employers concerned about productivity and share prices. These conditions, together with rising expectations of a migrant workforce, raise the stakes for state, labor and business than in sectors such as manufacturing or agriculture. The built-in challenges inherent in export-oriented resource extraction – discussed in greater detail in relation to the cases in the following section – may be regarded as the boundary conditions of the paired comparison.

Even within the context of export-oriented extractive industries, persistent labor militancy is not inevitable. Thus, a second step in our argument focuses on whether the system of labor relations contains stable mechanisms for resolving disputes so as to preempt wildcat strikes and other disruptive industrial actions. In both Kazakhstan and South Africa, the formally institutionalized system for social dialogue, while seemingly adequate on paper, was rendered ineffectual due to the quiescence of the dominant national labor federation and the subsequent break-down of meaningful tripartite bargaining at the national level. This shifted the burden to local and sectoral efforts at mediation, which also went nowhere since the established union bosses prioritized cooperation with management over pressing forward with workers' grievances. Recent research emphasizes how a blockage in existing channels for mediation and negotiation increases the likelihood of wildcat strikes (Anner & Liu, 2016; Pye, 2017). In manufacturing sectors, such actions may spur unions to get involved and even elicit modest concessions from employers eager to restore production (Anner, 2018; Anner & Liu, 2016). In agriculture, wildcat strikes may yield dividends, but migrant workers have the option of relying on informal networks to change employers (Pye, 2017). In the extractive sector, once a wildcat strike occurs, there is a higher likelihood of a prolonged stand-off. Workers who have migrated specifically to obtain jobs in these lucrative extractive industries are more likely to persist with their demands than switch jobs. And, management at a fixed site of production is not likely to keep offering

generous concessions, especially when it has the option of dismissing striking workers and turning to an expanding pool of available labor. Under such conditions, the cozy ties between management and local unions embolden the former to disregard workers' grievances, which only further intensify labor intransigence.

While these two conditions jointly form necessary conditions in explaining the frequency and intensity of labor unrest in Kazakhstan's oilfields and South Africa's platinum belt, they do not account for the strikingly similar spirals of confrontation evident in the lead-up to the massacre of strikers at Zhanaozen and Marikana. Thus, the third-step of our argument focuses on the timing and sequence of events. We note that the stand-offs at Zhanaozen and Marikana occurred later in a strike wave in their respective sectors, accompanied by a higher level of anxiety employers and state elites over the continuing disruption of production. Not only were they worried over loss of profits but they also faced the even more scary prospect of a free-fall in share prices. Under these conditions, the urgency for resolving industrial disputes grew, with key members of the ruling elite and senior management officials gravitating towards a narrative treating the strikers as engaged in "criminal" acts that hurt ordinary citizens. Given these signals, local security personnel found themselves under growing pressure to reestablish "order," making it more likely that they would overreact to the slightest (perceived) provocation on the part of restive strikers. The next three sections elaborate upon each of the three steps in our argument.

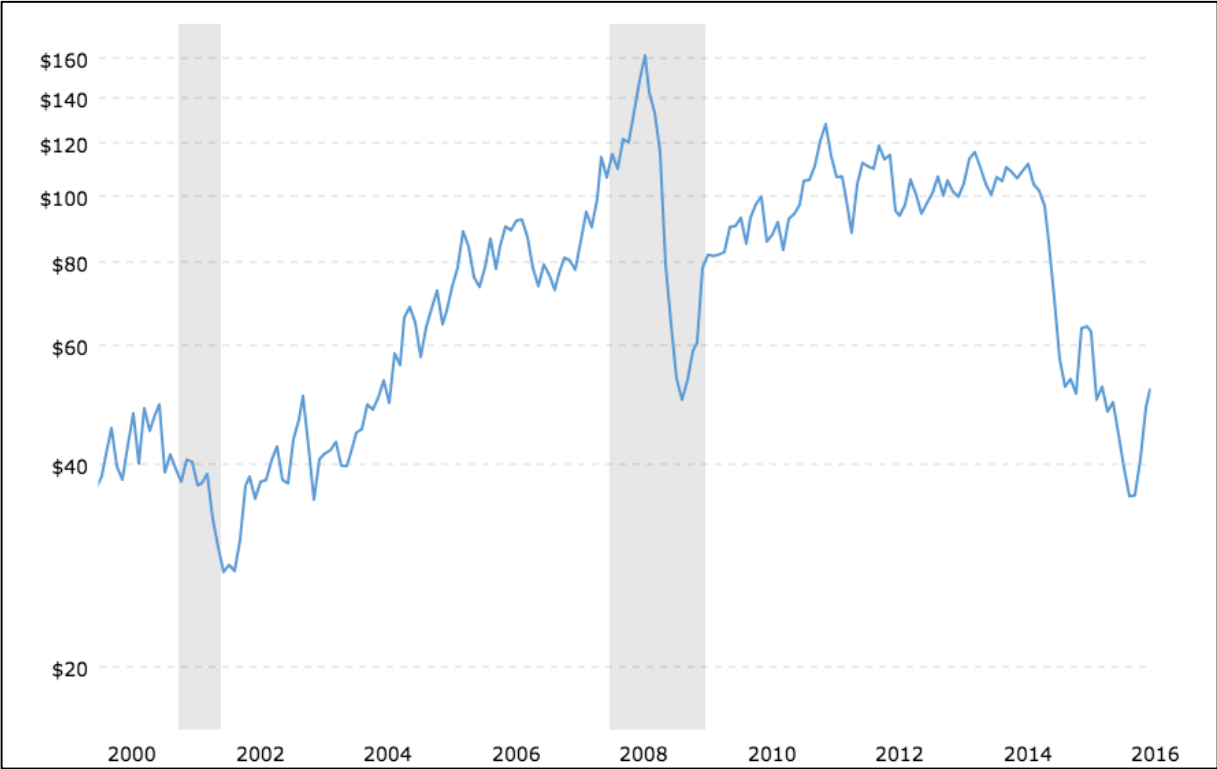
### **The Sectoral Context: Export-Oriented Resource Extraction in a Globalized Economy**

Kazakhstan's economy has been consistently more dependent on natural resource rents than South Africa's. Starting with the commencement of oil extraction at the Tengiz oilfields in 1998, oil output nearly tripled over the next ten years, during which time global oil prices rose from under \$20 per barrel to over \$140 per barrel (Macrotrends 2018). As a result, Kazakhstan's GDP increased six-fold between 1998 and 2008 (in current U.S. dollars), while the percentage accounted for by natural resource rents – mostly oil and gas rents – climbed from under 3 percent in 1998 to a peak of over 32 percent in 2005 (World Bank, 2018). In contrast, South Africa has long been the world's largest producer of platinum, but the percentage of GDP accounted for by all natural resources combined has exceeded 10 percent only once, in 2008 (World Bank, 2018).



In the year of the Zhanaozen massacre (2011), more than 26 percent of Kazakhstan's GDP came from natural resource rents; in the year of the Marikana massacre (2012), just 7 percent of South Africa's GDP came from a combination of platinum, gold and other resources (World Bank, 2018). This difference is undoubtedly significant for any number of questions about the role of natural resource rents in political economy. When it comes to the particular dynamics of labor unrest in the two sectors, however, what stands out are the increased stakes for state, business and labor of the decline and ongoing volatility of both oil and platinum prices, particularly after the sharp rise in global commodity prices between 2002 and 2008 (see Figures 1A-1B).

**Figure 1A. Oil Prices, 2000-2016 (WTI crude, US dollars per barrel)**  
Source: [www.macrotrends.net](http://www.macrotrends.net) (accessed 10.30.18)



**Figure 1B. Platinum Prices, 2000-2016 (US dollars per troy ounce)**

Source: [www.macrotrends.net](http://www.macrotrends.net) (accessed 10.30.18)



First, it is highly significant that the extraction of both fossil fuels and precious metals is a highly localized process, while the revenues they generate for state coffers and private investors are sharply affected by global fluctuations in commodity prices. In contrast to manufacturing, where global production chains allow a company to threaten to relocate a given production facility in the face of recurrent labor unrest, resource extraction is tied to fixed locations. Kazakhstan's oil is predominantly extracted along the Caspian basin in the western part of the country, while South Africa's platinum deposits are mostly concentrated in the Bushveld complex to the northwest and northeast of Johannesburg. For either of these industries, output depends entirely on maintaining labor productivity at these specific locales. Yet, the revenue generated by that output depends heavily on worldwide fluctuations in commodity prices. In 2008-2009, a sudden and steep decline in oil prices (Figure 1A) coincided with Kazakhstan's GDP growth rate falling from over 10 percent in 2006 to just 1.2 percent in 2009.

In South Africa, a similarly steep drop in the price of platinum (Figure 1B) coincided with the GDP growth falling to -1.5 percent in 2009, the only year in the post-apartheid era in which the South African economy actually *contracted*. These fluctuations raise the stakes of lengthy labor disputes for states, since prolonged stoppages in production mean vast losses in export revenue, regardless of whether the state maintains direct control of the enterprises involved in resource extraction or whether it must rely on taxing the profits of private companies (Jones Luong and Weinthal 2010).

Second, export-oriented resource extraction comes with special challenges for private companies with foreign shareholders and/or listed in global stock exchanges where share prices can fluctuate even more wildly than the price of a commodity. In South Africa, platinum extraction is dominated by three huge private companies – Amplats, Implats, and Lonmin – which are all listed in the Johannesburg stock exchange as well as the London stock exchange (although Implats pulled out of the London exchange in 2012). Thus, when the platinum price, after reaching a peak in 2008, fell by 25 per cent over the next four years (Macrotrends, 2018), the drop in share prices for the three major platinum companies was far steeper and more sustained, with British-based Lonmin's shares in 2015 valued at just one percent of what they had been in 2008 (Smith, 2015). In Kazakhstan's oil sector, as Jones Luong and Weinthal (2010) note, even with some state ownership, several enterprises and subsidiaries are marked by significant foreign ownership, including the partly Chinese-owned KMG-EP (KazMunaiGas-Exploration Production), which is a subsidiary of KMG (KazMunaiGas). None of these companies fared nearly as poorly as Lonmin, but KMG reported a 7 percent drop in production and a corresponding loss of \$270 million attributable to the strikes at their facilities (Satpayev & Umbetaliyeva, 2015, p. 126). For its subsidiary KMG-EP, which was listed in the London stock exchange, falling output meant not only lower profits but also lower share prices and reduced opportunities to attract new foreign investment. In effect, for private companies involved in resource extraction, shareholder pressures vastly magnify the consequences of production stoppages in a sector that must already contend with volatile prices. This generates a particularly troublesome dilemma for business in these sectors: prolonged strikes disrupt production and reduce profits (driving down share prices); but acceding to repeated demands for wage hikes means continually rising labor costs (again, negatively impacting share prices).

As for labor, it is significant that a substantial proportion of the workforce in both South Africa's platinum belt and Kazakhstan's oilfields consists of migrant workers. These workers have relocated from distant villages, towns, and cities in search of higher incomes in a sector they perceive to be lucrative, but have also contributed to the rapid growth of the population in the communities surrounding the resource extraction sites (Jäger, 2014; Stoddard, 2013; Xulu, 2012). In South Africa's platinum belt, a majority of the workforce consists of migrant workers from distant locales, including from Lesotho and Swaziland, who leave their families behind to live in dismal conditions in cramped hostels with very limited infrastructure in the surrounding community (Chinguno, 2015; Cairncross & Kisting, 2016). In Kazakhstan, oilfield workers also include repatriates – ethnic Kazakhs previously residing in Turkmenistan and Uzbekistan.

For these workers, awareness of the value of resource rents fuels rising expectations of higher earnings and better living standards, which creates a sense of relative deprivation. Workers were not only aware of the wealth being visibly amassed by corporate executives and management (and, in some cases, by union bosses as well), but they were also conscious that their counterparts in wealthier countries – and, in Kazakhstan's case, foreign staff working at the company (Satpayev & Umbetaliyeva, 2015) – have substantially higher earnings. In one of the earlier oil strikes in 2011, at Ersai Caspian Contractor, workers in the Karakiya union put forth demands that included “equal wages with foreign staff” (Rittmann et al., 2012, p. 61). At Marikana, workers were acutely aware that their average wages were less than one-tenth that of their counterparts in Britain and Australia even though they worked longer shifts and had to engage in the more physically exhausting system of traditional rock drilling (Alexander *et al.*, 2013; Sinwell, 2016, p. 5). Moreover, when management suggested that these workers' wages may be higher than average wages in other locales or sectors across the country, workers were quick to point to the difficult and even dangerous working conditions faced by both South Africa's mineworkers (Chinguno, 2015) and the workers in Kazakhstan's oilfields (Jäger, 2014) as justification for demands for compensatory increases.

Importantly, while workers do have some leverage through their ability to halt production, this can be off-set by management's ability to threaten or enact mass dismissals with the intention of not only ending strikes but discouraging future demands. This has been a recurrent feature of the dynamics of labor disputes in both Kazakhstan's oilfields and South Africa's platinum mines, even in the early disputes that ended in new agreements and re-hiring of

dismissed workers. The threat of mass dismissals is an effective one, particularly in light of the steadily increasing pool of labor and the lack of alternative employment options for migrant workers employed in the region's main industry. This does not, however, assure management of an easy or quick victory, as evident at the protests at Zhanaozen and Marikana, where the threat of dismissals served to stiffen the resistance of workers (even those dismissed) in the hopes of generating support from the government and/or international audiences. Thus, labor disputes in both Kazakhstan's oilfields and South Africa's platinum belt reveal a similar dynamic: unmet wage demands, wildcat strikes, mass dismissals, and growing labor intransigence.

In short, the context for our paired comparison – and also the boundary conditions for identifying other comparable cases – concerns the specific dynamics that can complicate and exacerbate labor disputes in volatile resource-extraction sectors. The fact that resource extraction must occur at specific locales, the magnified impact of fluctuating global commodity prices on state revenue and/or company profits, and the expectations of (often migrant) workers who view jobs in these lucrative sectors as a path to higher living standards – all combine to dramatically raise the stakes for state, business, and labor, at least relative to other sectors in a given country. As the next two sections suggest, however, these characteristics do not constitute a sufficient condition in accounting for heightened labor militancy in these sectors, and they certainly do not help us understand why militancy leads to a spiral of violence in some instances but not others.

### **The Limits of Cooperative Unionism: The Withering Away of Social Dialogue**

The high stakes described above do not automatically predict labor unrest for the simple reason that labor institutions – including trade unions and fora for social dialogue – can facilitate collective bargaining and produce general agreements before labor disputes escalate. In both Kazakhstan and South Africa, tripartite institutions existed for this purpose. At the company level, there were also rules in place for dues-paying workers to be represented by the majority trade union in negotiations with management when disputes arose. Yet, at both the national and company levels, these institutions failed to function as intended – largely because the dominant trade unions prioritized industrial harmony over advocating on behalf of aggrieved workers.

### *Labor Relations in Kazakhstan's Western Oilfields*

While Kazakhstan is party to numerous ILO Conventions, the leading national labor federation, FTUK, is a typical "legacy union" (Caraway 2012), derived from the Kazakh branch of the Soviet-era All-Union Central Committee of Trade Unions. FTUK is viewed as being more concerned with labor peace and productivity than with workers' grievances, essentially continuing its predecessor's reliance on "top-down bureaucratic structures reliant on management patronage" (Croucher, 2015, p. 951). Due to the close ties between FTUK and the government, the efforts to set up alternative trade unions predictably run into cumbersome procedures that make it virtually impossible to get officially registered. Independent labor activists have attempted to establish a new national-level inter-industry union, Zhanartu, but their paperwork has been repeatedly rejected on technicalities by the Ministry of Justice (Rittmann et al., 2012, pp. 27-28). In rare cases where a new union might be recognized, it is usually at the company level, thereby excluding it from participation in tripartite fora. This has effectively left FTUK with a monopoly in national-level bargaining, often producing collective agreements that the state and large industrial lobbies favor (Rotmann & Williamson, 2012). Thus, when it comes to deliberations over inter-industry issues, there is no vehicle for channeling workers' interests into meaningful positions from which to negotiate. This was most evident in the revisions to the Kazakh Labor Code, which strengthened the hand of business through such measures as making sectoral collective agreements voluntary. Consequently, the burden for preempting or diffusing labor disputes fell entirely on enterprise management and company unions.

At the local level, too, the mechanisms for mediation and negotiation were similarly rendered ineffective given that the unions authorized to engage in bargaining were affiliated with the dominant national federations and were rewarded for preserving industrial peace. Established union bosses showed little interest in presenting workers' grievances to management or preparing industrial actions that might have forced negotiations or compromises. Company executives also refused to recognize alternative unions that were prepared to negotiate on behalf of striking workers. Unable to count on their unions as a vehicle for bargaining, aggrieved workers are left to either accept the status quo, or, as in the case of the oilfields, mobilize independently.

In the oilfields, the main company-level union, the FTUK-affiliated Kazneftgaz Profsoyuz, claims to represent the vast majority of oil workers but has been reluctant to initiate labor disputes. In the meantime, independent unions in the sector were ignored or thwarted by both the official unions and management (Croucher, 2015, p.950). The latter insisted that only the FTUK-affiliated union was authorized to negotiate on behalf of workers, refusing to recognize alternative unions. Given that the union was known to toe "the government line," however, it became progressively less trusted by workers as a means for pursuing grievances (Satpayev & Umbetaliyev, 2015, p. 126). These conditions effectively precluded regularized wage bargaining and set the stage for recurrent wildcat strikes in the sector.

The first indication of critical blockages in company-level channels for negotiations came at Ersai Caspian Contractor, where an alternative union, Karakiya, had been formed in 2009. In early 2011, Karakiya attempted to initiate a labor dispute for higher wages and "non-interference in the union's activities," after the company had restricted the union leader's access to company grounds. Ersai management refused to open negotiations, claiming that the union "had not adhered to regulations" in Kazakhstan's Labor Code (Rittmann et al., 2012, p. 11, 58). According to members, management did not allow the elected leader of Karakiya to work and permitted only one meeting per month. In response, 217 workers signed their names to a set of four demands presented by Karakiya: "(1) higher wages, (2) revision of the collective agreement, (3) equal wages with foreign staff, and (4) non-interference with union activities" (Rittmann et al., 2012, p. 61). Ersai management not only rejected the demands as groundless but interrogated "and, in some cases, harassed and threatened" the workers whose names were attached to the demands (Rittmann et al., 2012, p. 61). Workers refusing to respond to management's summons were made to report to the police station. When this process was repeated a month later with the same result, Karakiya members decided to call a strike, following the procedures outlined for legal strikes per the Labor Code. They sent an announcement of their plans to Ersai management and a letter to governmental organizations requesting assistance in mediating the dispute (Rittmann et al., 2012, pp. 64-65). The strike drew an estimated 700 participants and lasted about six weeks before local authorities broke it.

Another episode, at Karazhanbas Oil (KBM), reveals a another kind of blockage. Here, while other personnel at the company union were ready to pursue a labor dispute, the cozy relationship between management and the chairman of the company union, Erbosyn

Kosarkhanov, effectively scuttled meaningful bargaining. In January 2011, the union put forward three experts to represent it on a mediation commission for higher pay, but Kosharkhanov and KBM executives agreed to bar union lawyer Natalia Sokolova from the process (Rittmann et al., 2012, p. 37). The following month, the union terminated the labor dispute, but rank-and-file members alleged that Kozharkhanov acted unilaterally and voted him out of office. They proceeded to elect a new leader of the KBM union. But, management refused to recognize him and later kept union members and their lawyers from accessing the union office and documents required to transfer authority to the new chairman to reinitiate the labor dispute (Rittmann et al., 2012, pp. 37-40). The company's Vice President proceeded to file a complaint with the prosecutor's office, while workers lodged their own complaints and initiated a seven-month labor strike starting in May 2011. The courts would eventually fine striking workers, while sentencing the union lawyer Sokolova to six years in prison for "inciting social discord" (Solovyov, 2011). The strike at KBM, although it did not involve an alternative union, suggests that workers were prepared to reject a union boss seen as beholden to management.

The wildcat strike that broke out at OzenMunaiGaz (OMG) is the dispute that culminated in the Zhanaozen massacre. In late May 2011, two dozen workers launched a hunger strike to protest a reduction in wages after their individual complaints were rejected by management as unfounded. In solidarity, several thousands of workers put down their tools and walked off the job. Although nearly 8,000 of the 9,000 employees of OMG were members of the company union, the strike bypassed the union structures and was largely undertaken "by personal initiative of individual workers" (Rittmann et al., 2012, pp. 48-49). Workers reportedly saw no point in relying union leaders who appeared to agree with OMG management that there was no basis for a wage dispute. As the strike had not been authorized the majority union, however, management proceeded to simply dismiss some 2000 workers. It is this move that set the stage for the intensification of protest around an encampment set up at Zhanaozen (discussed below).

At all three companies, formal mechanisms for wage bargaining and dispute-resolution simply did not come into play. In all cases, company unions affiliated with FTUK and headed by union bosses sought to block the formal initiation of wage disputes. In cases where alternative unions or new leaders were put forward, management simply refused to recognize them. And, when wildcat strikes were subsequently initiated by workers, company executives relied on their



close connections to local authorities to have the actions declared illegal, thereby securing a pretext for fining or dismissing striking workers.

### *Labor Relations in South Africa's Platinum Belt*

The dominant labor federation in South Africa, COSATU, is not a legacy union as FTUK is. In fact, COSATU emerged as part of the struggle against the apartheid regime, with many of its members also belonging to the African National Congress (ANC) and the South African Communist Party (SACP). After the end of apartheid, an explicit "triple alliance" was established between COSATU, ANC, and SACP. ANC officials counted on COSATU to mobilize electoral support while COSATU leaders expected to be able to advance workers' interests by influencing government policies through the tripartite body NEDLAC, the National Economic Development and Labor Council.

Under Mandela's successor, Thabo Mbeki (1998-2008), a concerted push towards business-led growth and deeper integration into the global economy left some in COSATU concerned. But, Jacob Zuma's rise as ANC president initially offered hope since Zuma was reputed to be a labor sympathizer and had worked closely with many of COSATU's leaders. In reality, Zuma's government continued to move forward with neoliberal reforms, while COSATU saw its own cohesion and relevance get further diminished (Buhlungu, 2010). COSATU's internal surveys revealed that, while 83 percent of the membership had seen the triple alliance as beneficial in 1994, that figure dropped to 61 percent by 2008 (Maree, 2012, pp. 68-69). During the 2014 elections, many affiliates refused to mobilize support for the ANC, and several later defected. As a result, the number of constituent federations in COSATU fell from 22 to 14.

The decline in COSATU's stature and unity also meant that it had difficulty leveraging its seats in NEDLAC, the main tripartite body, to negotiate inter-industry collective agreements (Webster *et al.*, 2013, p. 54). The main business association actually declared NEDLAC to be a "purely advisory structure" that at best yielded non-binding agreements (Cherry, 2006, p. 148). The CEO of the Chamber of Mines even called for shutting it down saying that 'NEDLAC belongs to a previous era' (cf. Webster *et al.*, 2013, p. 11). Under these conditions, NEDLAC, had an increasingly difficult time functioning as a forum for tripartite discussions that could preempt industrial conflict (Bischoff, 2015, p. 245). A report prepared for the ILO pointed to the

decline in social dialogue and erosion of trust as major obstacles to retaining NEDLAC as a functional mechanism for peak-level tripartism (Webster *et al.*, 2013). Thus, as in Kazakhstan, the burden for industrial peace shifted to the enterprise level.

Initially, the majority union at each of South Africa's three largest platinum mining companies – Amplats, Implats, and Lonmin – belonged to the National Union of Mineworkers (NUM), a founding member of COSATU and a key player in the struggle against apartheid (Allen, 2005). In the post-apartheid era, NUM continued to play a significant role in recruiting and organizing newly arrived migrant workers at the mines (Xulu, 2012). Yet, as part of COSATU and the triple alliance, NUM also saw itself as “a leadership grooming institution [that] has always been willing to avail its graduates to assume important roles within the alliance structures” (National Union of Mineworkers, 2016). It is precisely this latter role that made NUM less reliable as a defender of miners’ interests, especially after 2008, when platinum prices first experienced a steep decline and the mines began to speak of retrenchment.

While NUM claimed to represent over two-thirds of the workforce at the mines, union bosses were rewarded for cooperating with management and maintaining productivity. In comparison to their counterparts in other sectors, NUM shop stewards were more likely to push for accommodation (Masondo *et al.*, 2015, p. 211). Among the rank-and-file, the perception was that NUM's union chiefs were well-to-do individuals whose continued prosperity depended on the success of the company. One striking example of this dynamic is South Africa's current President, Cyril Ramaphosa, who had been a founding leader of NUM and a General Secretary of the ANC. As the Mbeki government adopted a program of business-led growth, Ramaphosa shifted his attention from union activities to business ventures, setting up an investment firm with major stakes in South Africa’s mines – and later joining the board of Lonmin.

At all three companies, however, mounting grievances over wages led to a series of massive wildcat strikes, each marked by a level of militancy not seen since the apartheid era (Chinguno, 2015). In January 2012, workers at Implats issued demands for a wage increase that would triple their earnings, basing their claims on the fact that their real wages had long stagnated while the mean salaries of company executives were 150 times as much as miners' average earnings (Alexander *et al.*, 2013). Thousands of workers walked off the job without the backing of NUM, while Implats executives declared the strike illegal. Implats proceeded to fire 17,000 workers and then met with NUM leaders to arrange for the re-employment of 15,000 of

those dismissed. This was effectively a method to break the strike without offering substantial concessions. Even so, the strike continued for six weeks, in part because an alternative union had entered the fray: AMCU, the Association of Mineworkers and Construction Union. AMCU, which was not affiliated with COSATU, began to recruit Implats workers and claimed to become the majority union in the course of the strike. NUM representatives disputed the claim, and intra-labor violence flared up with each union blaming the other (Chinguno, 2015, p. 263). In the end, AMCU managed to negotiate a substantial increase in wages, albeit spurring wage demands and strike actions at other mines.

In July 2012 a month before the strike at Marikana, another strike at Lonmin's Karee mines revealed how NUM blocked negotiations over workers' demands for wage increases. Again, the result was a massive wildcat strike called by independent workers' committees, followed by the company's dismissal of 9,000 workers as a means to break the strike. And, again, AMCU stepped in to recruit members, claimed to become the majority union, and negotiated the rehiring of workers along with a pay increase (Alexander et al., 2013, pp. 27-28). At Lonmin's mines in Marikana, however, NUM held on to its position as majority union and discouraged talk of strikes. There were even shots fired at approaching workers from the offices of NUM (Alexander *et al.*, 2013). When workers walked off the job at Lonmin to press their grievances, it appeared as though the cycle seen before at Implats and Lonmin's Karee mines would be repeated. This time, however, before AMCU could recruit enough members to take over as the majority union, the violence – including between AMCU and NUM supporters – escalated quickly and produced a stand-off that would end in the deaths of dozens of workers.

The case studies are not identical. In fact, they reveal consequential differences in regime-type, at least insofar as a new union AMCU – unlike alternative unions in Kazakhstan – became the majority union at the big three platinum mines. In 2014, AMCU organized the largest strike ever in South Africa. Though lasting five months, the strike was not a wildcat strike; it was initiated by trade unionists who were able to eventually bargain with management. This could mark a point of divergence going forward. Yet, prior to the Zhanaozen and Marikana massacres, in neither country did the professed support for tripartism produce institutionalized negotiations to produce collective agreements or resolve labor disputes. A big part of the reason was that affiliates of the main labor federations in both countries, despite their different

inheritances, opted to prioritize cooperation with management over initiating industrial action on behalf of their rank-and-file. The result in both cases was recurrent labor unrest, frequently manifested in wildcat strikes marked by high levels of militancy. The next section investigates what separated the bloody endings at Zhanaozen and Marikana from the other episodes of militancy in Kazakhstan's oilfields and South Africa's platinum belt.

### **Later in the Game: Rising Anxiety, Criminalized Protest, and Escalating Violence**

Paul Pierson (2004) describes how "slow moving" processes can gradually approach a critical threshold where cascading effects generate large-scale institutional change. More recently, James Mahoney and Tulia Falleti (2015, p. 216) argue that "the order and pace of events can be causally consequential for the outcome of interest," which in some cases leads to "self-amplifying" processes. Along these lines, it is significant that the confrontations at Zhanaozen and Marikana were part of a longer strike wave and began relatively late in the game – when state, business, and local authorities were reaching a critical threshold as a result of mounting costs generated by preceding labor disputes. These conditions made it more likely that the state would be more likely to regard strikers as "criminal," businesses would threaten or enact mass dismissals, desperate strikers would become more intransigent, and local security forces would be more prone to react forcefully to potential threats – real or imagined – in the name of preserving order and restoring production in a critical sector.

#### *The Pathway to the Zhanaozen Massacre*

The decentralization of managerial control over Kazakhstan's petroleum sector effectively gave subnational leaders in oil-rich regions "a continued stake in the regionally based distribution of benefits" (Jones Luong and Weinthal, 2010, p. 206). However, this also meant that labor disputes were predictably spurred by local distributive conflicts. Although wages in the oil-producing Mangystau region were slightly higher than elsewhere, migrant workers who had relocated in search of high-paying jobs in a lucrative sector continually sought to narrow the gap between their take-home pay and their initial expectations against the backdrop of the wealth

being amassed by local elites. Long-running wage disputes had been unfolding at all three major oil companies – Ersai, KBM and OMG – for more than a year by the time the massacre occurred at Zhanaozen. At OMG, workers’ grievances over pay date back to 2010, when the company introduced changes to the remuneration system to resolve an initial dispute. Although the changes appeared to signal a victory for labor, workers' representatives claimed that their actual take-home pay later began to drop (Rittmann et al., 2012, p. 49).

The frustrations related to the 2010 dispute formed part of the backdrop for both workers and management when tensions over wage levels escalated again in 2011 at all three companies. Workers at KBM were the first to move, supposedly over technical aspects of "wage coefficients and the remuneration system" (Rittmann et al., 2012, pp. 49-51). They launched a partial hunger strike on May 8<sup>th</sup>, before calling a broader strike nine days later. On May 11, workers at Ersai initiated their own strike, this one backed by the alternative union that had supplanted the FTUK-affiliated company union. Two weeks later, OMG launched its own strike over higher wages, with thousands of workers walking off the job without the backing of their company union. It was this last strike that coincided with management taking a tougher stance: They instantly dismissed workers' claims to be illegitimate, supported by regional courts that declared the strikes "unlawful" on the basis of Article 303 of the Labor Code, which prohibits strikes at "hazardous production facilities."

The strike at Ersai, while lasting several weeks and marked by a high level of militancy, eventually drew to an end when management agreed to sit down with the alternative union before tensions spiraled out of a control. The strike at KBM was marked by a stand-off that persisted for several months. In both cases, management mostly relied on applying pressure through legal measures and interference with union administration to gradually force a negotiated end to the conflict with minimal concessions. By the time of the strike at OMG, however, the scale of labor unrest had reached new heights, with thousands of oil workers striking and greatly extending the losses already incurred by companies due to the preceding stoppages. This time, state officials were paying more attention in light of fears over shrinking tax revenues. In fact, President Nazarbaev’s son-in-law, Timur Kulibaev, then the head of a state holding company, declared that the strike had “caused great damage to state coffers” and estimated the loss to the state in 2011 at \$365 million (Satpayev & Umbetaliyeva, 2015, p. 126). At the company level, OMG's subsidiary, KMG, reported a seven percent drop in production and

a corresponding loss of \$270 million that was attributed entirely to the strike (Satpayev & Umbetaliyeva, 2015, p. 126).

Under these conditions, both ruling elites and company executives relied on their ties to local authorities to try to force a quick and decisive end to the OMG strike, but in the process triggered greater militancy and intransigence on the part of workers. After the regional courts declared that the strikes in the oilfield were illegal, in June 2011, some 300-500 striking OMG workers marched to set up a hunger strike outside the Regional Mayor's Office in Akimat, but found that their path was blocked by about 50 law enforcement officers who proceeded to detain dozens of participants (Rittmann et al., 2012, p. 45). The company subsequently dismissed hundreds of workers in the hope that others would then return to work to avoid the same fate. But, the strikers (including most of the dismissed workers) responded in July by setting up an encampment at the central square of the nearby town of Zhanaozen. In August 2011, another 1000 OMG workers were dismissed, and key protest leaders were arrested (Rittmann 2015). This set the stage for a more tense stand-off than what had been seen in the earlier protests at Ersai and KBM.

One element of the subsequent escalation featured a narrative, promulgated largely by government officials and business executives, that "criminal" and "external" elements were exacerbating an unnecessary conflict, disrupting production and harming the country. By the time of the OMG strike, anxieties over mounting losses had reached a critical threshold, prompting ruling elites and company officials to make a concerted effort to criminalize the protests and justify dismissals and coercive tactics. Strikers were portrayed as unreasonable and greedy, and confrontations were blamed on the actions of opposition groups and "external" forces such as Kazakh repatriates (Satpayev & Umbetaliyeva, 2015). Rather than bring an end to the dispute, however, this tactic only intensified labor intransigence.

Importantly, the narrative about "criminal" elements and "external" forces resonated with local police, who were already dealing with a rapid influx of migrant workers and Kazakh repatriates from neighboring Uzbekistan and Turkmenistan. According to the official report of Human Rights Watch, throughout the Fall of 2011, local police, with the backing of the courts, began to harass, detain, and charge strikers with various infractions well before the massacre occurred (Rittman et al., 2012). While harrassment and detentions had been evident at Ersai and KBM, things escalated more steeply at OMG, the latest and most prolonged dispute. As that

strike went into its second month, riot police went in to arrest OMG workers on hunger strike, with reports of excessive police violence against the striking workers and detention of family members (Rittmann et al., 2012, pp. 53-54). By the Fall of 2011, the frequency of violent incidents intensified, though it is not clear who instigated them, and no perpetrators were brought to account. In October, several striking workers were struck by rubber bullets, with police accusing the workers of shooting at each other (Rittmann et al., 2012, p. 55). In short, well before the time of the Zhanaozen massacre on December 16, 2011, a spiral of coercion and violence had already been steadily intensifying, with local police primed to rereact to any act that appeared to be "unlawful" or "criminal" in their eyes.

In the months following the massacre, President Nazarbaev did fire his son-in-law Timur Kulibaev and called for oil workers to be reinstated in their jobs (Salmon, 2012). But, he also absolved the police and company officials from blame, attributing the escalation of violence to “the actions of bandit elements which wanted to use the situation for their criminal designs” (Lillis 2011). Along similar lines, and for the benefit of international audiences, the Minister of Foreign Affairs at the time, Yerzhan Kazykhanov (2012), penned an article in *Foreign Policy* blaming the violence at Zhanozen on rioters who “chose destruction rather than negotiation.” Such characterizations did not prevent subsequent waves of strikes in the oil sector, and in recent years, workers in other extractive industries – notably copper and coal – have joined in as well.

### *The Pathway to the Marikana Massacre*

In South Africa, labor militancy had been steadily rising across locales and sectors during the decade preceding the Marikana massacre (von Holdt, 2012; Chinguno, 2015). But, the rise was most noticable and violence-prone in the platinum sector, especially in the years following the steep drop in platinum prices during the second half of 2008. But, it was the waves of labor disputes during the months before the Lonmin strike at Marikana that set the stage for intensifying spiral of confrontation between intransigent mineworkers, on the one hand, and increasingly impatient company officials and local police forces, on the other.

One reason why the Lonmin mineworkers' strike at Marikana escalated towards a violent stand-off was that it came relatively late in the strike wave of 2012. Previous labor disputes and wage hikes at other platinum mines, particularly at Implats, had created rising expectations

among the striking workers at Marikana. Meanwhile, Lonmin management worried about the effects of continual wage hikes at a time when volatile platinum prices and share prices required them to retrench and contain labor costs. NUM remained in place as the majority union with the authority to negotiate on behalf of the miners at Lonmin. But, rather than opening negotiations with management, NUM sought to deflect workers' grievances as part of an effort to prevent AMCU organizers from making inroads into Lonmin's mines at Marikana after their success in negotiating pay hikes at Implats and at Lonmin's other mines at Karee. NUM had been the majority union at both of these other locations, and was now under more pressure to avoid any labor dispute that might give AMCU a chance to expand their recruitment activities. Under these conditions, by the time Lonmin workers first put forth their demands for wage hikes in August 2012, both the company and the leaders of its dominant union were eager to prevent any further deterioration of their positions vis-à-vis labor.

As in the case of OMG in Kazakhstan, however, the efforts to thwart the initiation of labor disputes only led to heightened militancy and intransigence on the part of workers, particularly as they were aware of the wage increases won by their counterparts at other mines. Rather than waiting for NUM officials to become responsive, they took matters into their own hands and downed their tools to set up a massive encampment for striking workers on a "koppie" (small hill) just outside the mines at Marikana. This time, the actions of the strikers did not result in negotiations with Lonmin management. Although workers set up a committee to negotiate on the behalf of striking mineworkers, company officials refused to negotiate with the workers on the grounds that the dispute had not been formally authorized by the majority union (NUM). Instead, tense confrontations erupted between striking mineworkers, on the one hand, and company security forces and local police, on the other. This was accompanied by instances of intra-labor violence (Chinguno, 2015, p. 263), starting with the two workers shot outside of NUM's office at the start of the conflict and extending into lethal confrontations between backers of NUM and AMCU during the course of the wildcat strike at Marikana. Thus, even before the massacre at Marikana, ten people had died, with the victims including not only workers but security personnel and union activists from both NUM and AMCU.

As in the case of the OMG dispute in the weeks preceding the Zhanaozen massacre, the labor dispute at Marikana came to be increasingly characterized by company board members and some government officials in as "criminal" acts. During the hearings over the Marikana



massacre, it was discovered that Cyril Ramaphosa, in the capacity of a board member of Lonmin, sent e-mail messages to company executives as well as the Minister of Mineral Resources in which he stated just twenty four hours before the massacre: "The terrible events that have unfolded cannot be described as a labor dispute. They are plainly dastardly criminal and must be characterised as such... There needs to be concomitant action to address this situation" (Davies 2015). Further, Ramaphosa had alleged called upon the Minister of Police to "act in a more pointed way" (McClenaghan and Smith, 2013). That Ramaphosa, a former founding leader of NUM (and now the President of South Africa), was the largest shareholder in Lonmin company and had close ties to top ANC leaders only served to reinforce the views held by company executives that the strikers camped outside the Lonmin mines were engaged in an unlawful act, disregarding the legal framework for initiating and resolving labor disputes. For the locally recruited security forces, whose leaders had close ties to Lonmin management, the signal was to act more decisively to put an end to "criminal" acts being carried out in their own communities. As in the case of the migrant oil workers in western Kazakhstan, the fact that so many of the workers at platinum mines are migrants from distant places made it easier for local security forces to blame the dispute on outside agitators greedily seeking to increase their wealth rather than dispossessed members of their own local community.

Under these conditions, it becomes easier to see how local police forces and company security personnel might begin to view the spear-wielding protesters at the "koppie" at Marikana as an imminent threat to law and order, and possibly to their own lives. At the same time, the actions of the local security forces immediately preceding the massacre make it difficult to characterize the situation as one of self-defense. In fact, as described in a wide range of accounts of the massacre (Alexander et al., 2013; Cairncross & Kisting, 2016; McClenaghan and Smith, 2013; Sinwell, 2016), security personnel, acting under the direction of company executives, began to hem in the workers at the koppie encampment with razor wire while setting up a second perimeter with armored vehicles. It is these actions that led the workers to descend en masse, causing the security forces to shoot off multiple rounds of live fire that would leave thirty four more people killed, many found to have been shot in the back.

At the sites of both the Zhanaozen and Marikana massacres, the lack of institutionalized channels of bargaining and quiescent trade union bodies set the stage for wildcat strikes. In both cases, the fact that the particular disputes at OMG and Lonmin emerged and persisted late into

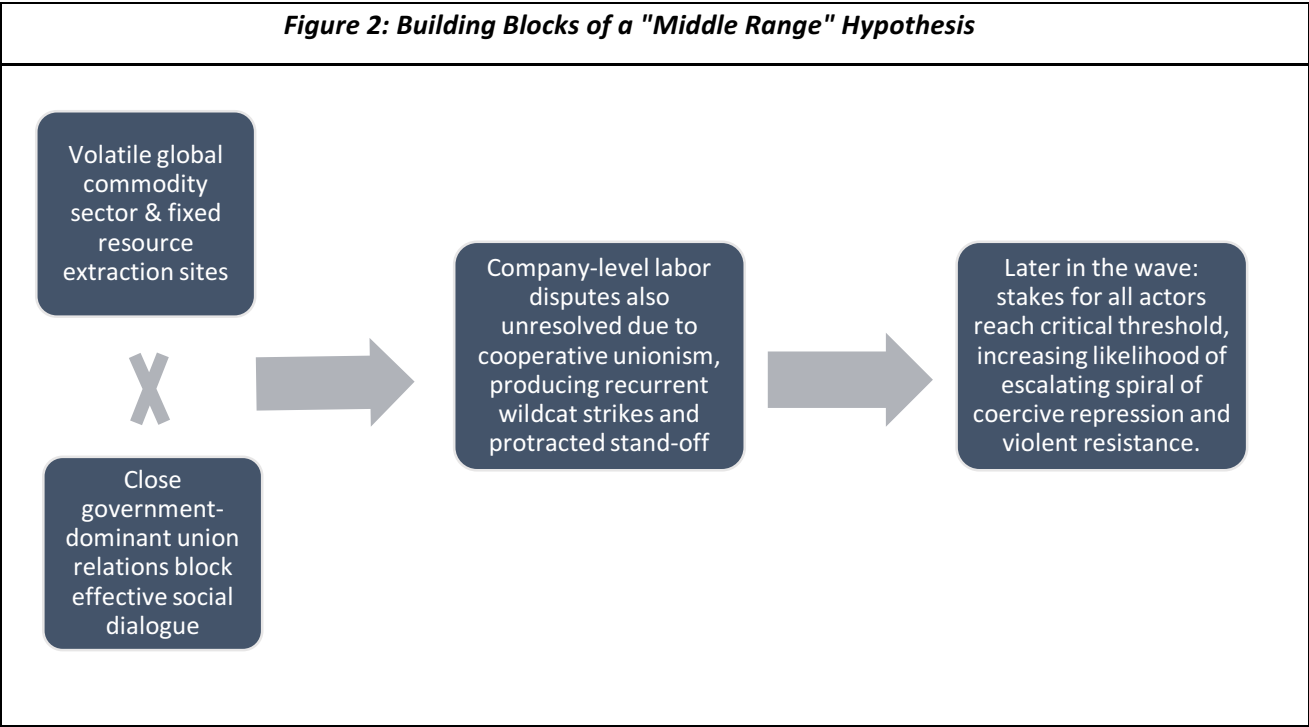
the strike wave increased the determination with which ruling elites and business officials sought to avoid further concessions and to decisively halt further drops in output. This, in turn, led to a tendency to characterize the strikes at OMG and Lonmin as "unlawful" actions spurred on by "criminal" elements, thereby setting off a spiral of anger, distrust, and anxiety in what was already a tense, protracted stand-off. These conditions greatly increased the likelihood of the kind of horrific tragedies seen at Zhanaozen and Marikana.

### **Conclusion**

The sequences outlined in the previous section are not likely to be repeated in either country given the financial and reputational costs that ensued for the relevant companies. Yet, the paired comparison does contain important lessons for managing labor relations in the two cases examined here. The study also points to some portable mechanisms that can preempt, diffuse or exacerbate turbulent episodes of labor relations in the developing world, particularly in the case of extractive industries. In effect, the argument outlined in the previous three sections may be regarded as both a stylized narrative that covers the countries and sectors examined here and a set of middle-range hypotheses that can be applied to a universe of cases that satisfy the boundary conditions implied above: export-oriented extractive industries within developing or emerging economies (see Figure 2).

First, while labor unrest is not inevitable in the extractive sector, Kazakhstan's oil fields and South Africa's platinum belt illuminate the particular challenges of preempting labor unrest in the context of export-oriented resource extraction in an increasingly globalized economy. This is not merely an expansion or updating of past arguments about the inter-industry propensity to strike (Kerr and Siegel, 1954) or about the intensive forms of solidarity among miners (Shorter and Tilly, 1974; Yarrow, 1979). Such arguments were predicated on a vision of a workforce embedded in long-standing local communities where coalmines were established. They neither fit the experience of workers in oilfields, nor account for the role of migrant workers relocating in search of higher earnings. They are also not concerned with the vantage point of state elites and businesses worried about the impact not only of volatile commodity prices but also of falling share prices. Our argument is focused on the higher likelihood of labor militancy and a

prolonged stand-off when state, business and labor all attach great significance to the revenues generated from export-oriented resource extraction at a fixed site. The state fears loss of tax revenues, businesses see loss of profits and share prices, and migrant workers are angered by the discrepancies between what they earn, what they expect, and the wealth they see amassed around them.



Of course, complex challenges can be, and sometimes are, managed effectively through negotiations, so long as the institutionalized channels for tripartite social dialogue and collective bargaining are not "blocked" as they were in Kazakhstan's oilfields or South Africa's platinum belt. In both countries, close ties between the leading national labor federation and the ruling elite (at the national level) and between local union bosses and management (at the company level) prevented organized labor from exerting the pressure needed to conduct purposeful negotiations between employers and workers. This situation is not limited to Kazakhstan and South Africa. In fact, the dangers of close ties between trade unions and ruling elites pursuing market reforms have been noted in other cases, including Poland and Tunisia (e.g. Ost, 2005; Hartshorn and Sil, 2018). In advanced industrial economies marked by high growth and

generous redistributive policies, cooperative unions may very well serve their rank-and-file by striking deals to preserve employment levels in exchange for wage restraint. For much of the developing world, however, such deals are not likely to be accepted by disaffected workers who have sometimes relocated over long distances in search of higher wages. Under these conditions, if unions are unwilling to enter into wage disputes on behalf of workers, wildcat strikes or other forms of industrial disruption are much more likely. Together, the complex challenges of labor relations in export-oriented extractive industries and blockages in institutionalized channels for mediation and bargaining may be viewed as jointly necessary conditions for heightened labor militancy in the extractive sector in developing economies.

Militancy, however, need not escalate into the bloody events that unfolded in Zhanaozen and Marikana in 2011-2012. While the particulars about the two massacres may differ, there are temporal aspects to both stories that suggest certain generalizations about the timing and sequence through which labor disputes unfold. These include the fact that disputes coming on the heels of previous disruptions of production and/or prior settlements are likely to have raised the stakes for management and the expectations of workers, making a prolonged stand-off more likely. Under these conditions, protests are more likely to be characterized as unlawful and/or harmful acts being stoked by "outsiders," and local security forces are more likely to apply coercion in the name of restore order in their communities. This sequence is likely to be rare given the long-term and widespread negative repercussions of even a single episode that ends horrifically. As such, this last component of our argument does not lend itself to tests or applications spanning several cases. At the same time, the narrative that emerges from our paired comparison is not idiosyncratic. Within the context of labor relations in export-oriented resource-extraction industries, so long as the channels for negotiation are not effective in resolving labor disputes, recurrent or protracted wildcat strikes in those sectors are more likely. In such a situation, if state and business lose patience and dismiss the protests as "criminal" acts, something akin to the tragic massacres at Zhanaozen and Marikana is not unthinkable.

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