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SPECIAL FEATURE

Hiring, Firing, Atomizing; Manpower Agencies and Precarious Labor in Kazakhstan's Oil Sector

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Abstract

This paper analyses the influence that manpower agencies have on hiring practices and employment in Kazakhstan's oil sector. While influenced by the literature on transition from planned to market economy, this article's main argument is rooted in the understanding that labor precarization is produced through transnational capitalist practices. The influx of foreign capital through the investments of transnational companies (TNCs) also transplanted into Kazakhstan's labor market their antilabor policies and practices. This welcomed the presence of a new, dedicated actor for the establishment and curation of labor relations, namely manpower agencies, especially in the oil-rich region of Atyrau. This article argues there, the rationale for the presence of manpower agencies and the absence of trade unions is directly linked to the activities of TNCs. Manpower agencies have a decisive role in making employment and labor increasingly precarious in the oil sector. Manpower agencies function as a disaggregation force in the oil industry. Their presence stimulates a race to the bottom among workers, who have no other option but to accept precarious, unsafe, and underpaid jobs. Against this backdrop, the paper also offers a peek into "industrial gossip," gathered during fieldwork in the Atyrau region. This more anthropological side of the argument highlights how the world of manpower agencies helps TNCs thrive by creating an atomized workforce.

Introduction

His brown shoes are always shiny, his linen suits are never wrinkly, his shirts are always tailored, his beer glass is never empty—though he seems never to get drunk, regardless of the many rounds he indulges. This is the portrait of every foreign manager at a manpower agency in Atyrau, the so-called "oil capital" of Kazakhstan. He is always a man, generally white, often with a marked British accent. His job is to outbid his clone, another foreign white man, in tenders offered by consortia of transnational companies (TNCs) looking to hire skilled and unskilled labor for their oil projects. He will ensure that the price is right for the TNCs and will instruct "the girls" in his office—local women who mostly work as project assistants—to select the right résumés for the block of jobs he won. The assistants will then draft a temporary contract with the candidates, keeping in mind that a markup (generally around 4 to 10 percent) will go to the manpower agency. Hired through the agency, the worker-contractors will find themselves side-by-side with other contractors, seconded workers, or direct employees, at the drilling site, the construction yard, or the processing facility.

In the last two decades, working through manpower agency contracts has become widespread in Kazakhstan's Atyrau region, which spreads out from the coast of the Caspian Sea in the northwest of the country. In Kazakhstan, it is the largest oil producing region and it is rife with TNCs, something less common in other oil regions across the country. The two largest oil fields in the country are located in the Atyrau region: one onshore, Tengiz, and one offshore, Kashagan. These are so-called "giant" fields, the kind that defined the generation of oil exploration globally in the 1990s and the 2000s respectively.

The gradual, yet significant increase of agency workers, or contractors, in the Atyrau oil industry marked a decided break with the Soviet-era environment of industrial relations, in which workers were generally hired directly in vertically-integrated companies and built their careers in one enterprise, rather than jumping from contract to contract—unless the Soviet planners needed cadre elsewhere.

In the late 1990s and early 2000s, the boom in investments in the oil sector and the consolidation of the industry were conducive to a reconfiguration of labor relations in Kazakhstan. Importantly, this was accompanied by a consolidation of political power into the hands of Soviet secretary-turned-president Nursultan Nazarbayev. The country's political stability hinged on the progressive elimination of all opposition, including independent trade unions. As employment accelerated unevenly across the country, with oil regions attracting most of the workforce, the transformation in the trade union sector—from the Soviet-era rank-and-file organization to more independent and militant labor organizations—was patchy.

This article argues that the massive presence of manpower agencies as the leading hiring powerhouses in the Atyrau region was a decisive factor in breaking up any solidarity among workers, especially once a new generation of workers, with a new generation of contracts with worse conditions, replaced the Soviet-era labor cadre.

The research question—why and how have manpower agencies come to dominate employment and hiring practices in certain oil regions in Kazakhstan since its independence? —aims to explore and explain the behavior of TNCs, especially in the oil sector.

In line with Michael Watts's theorization, the oil sector[1] is interpreted as a "complex," a sort of unitary, yet multifaceted system of interactions between the state, the private sector, and communities. Importantly, as in Watts's concept, the oil complex analyzed here is "territorially constituted through oil concessions." The relationship between oil and state-society relations is deeply intertwined with the territoriality of the resource basin, which predicates "oil is embedded in the proprietorial, institutional and cultural-political structures of the nation–state."[2]

Manpower agencies fit in a space between company human resource departments and trade unions, sometimes substituting partially or entirely either or both organizations. In their study of trade unions in Kazakhstan, Akhmetzharov and Orazgaliyev ask what factors prevent labor unions in Kazakhstan from fulfilling their mission, arguing that the decline of the role of trade unions has to do with top-down systemic and strategic institutional corruption.[3] In a study of labor relations in Kazakhstan, Croucher argues that since 1991 trade unions have essentially replicated the old Soviet model, one predicated on solid linkages between the managers, the government bodies, and the labor organization.[4] In Kazakhstan, in fact, strikes and other labor actions only take place outside the structures of labor unions, with either independent organizations or labor collectives taking the initiative, while the traditional unions remain silent, or even condemn the disruptions that these demonstrations cause.[5] Through this lens, Croucher analyzed the protests in the oil town of Zhanaozen in 2011, which led to special forces killing several striking oil workers: "unprecedented worker unrest was insufficiently well-articulated and represented by the formal institutions of employee representation."[6] The events in Zhanaozen, although closely-linked to processes of privatization, concerned the relationship between workers and the national oil company, a dynamic that is far less present in the Atyrau region, where TNCs are the principal actors.

By hiring masses of local workers for TNCs and their contractors in Atyrau, manpower agencies also claim to contribute to the overall employment of the population of Kazakhstan, meeting their corporate social responsibility (CSR) and helping large extractive TNCs meet theirs. By doing so, the companies reproduce the dynamic by which short-term, visible fixes (a new road, a school in a recently developed district, or a concert for a public holiday) create "a dysfunctional relation between company, labor, and the state."[7] Short-term, modular contracts can be considered in a similar vein as short-term CSR initiatives. These templates replicate and reproduce labor standards that become the texture of the relationship between the corporation and the government.

In the Atyrau region, the analysis focuses on the role of TNCs in influencing hiring policies in a sector that was aggressively privatized in the 1990s. TNCs became the catalyst for the penetration of manpower agencies, which essentially only serve the oil sector in Kazakhstan.

The methodology used for this article follows a mixed-method approach used for the author's doctoral research.[8] In particular, for the case at hand, several in-person interviews in Atyrau, Almaty, and the capital, Astana, were conducted over the course of several months. By comparing and contrasting data presented by competing manpower agencies, human resource departments, and trade unions it was possible to reach a holistic understanding of the labor relations specificities of Atyrau compared to the rest of the country as analyzed below.

The following sections discuss the impact of the "Chevron effect" on the post-Soviet transformation of the oil sector and labor market in Kazakhstan, the precarizing role of manpower agencies as they flooded the industry, and the particular effect that these new labor practices had in Atyrau, the main oil producing region in Kazakhstan.

Post-Soviet Transformation and the "Chevron effect"

Kazakhstan is one of the world's largest oil producers and exporters. Its status as a global hydrocarbon powerhouse, however, was unknown and unexplored until a few years before independence from the Soviet Union in 1991. In the 1960s, in fact, after sizable oil deposits were discovered in the Caspian region, the Kazakh Soviet Socialist Republic was still a minor contributor to the USSR's oil production. In 1974, when the Tengiz oil field was discovered, however, Soviet scientists suddenly became more interested in the Caspian basin. The complexity of the exploration at Tengiz led to talks between the Soviet leadership and a number of foreign oil companies, mostly from the United States and Canada. Hungarian enterprises also participated in the construction of extraction infrastructure, something still vivid in the topography of the region, where a "Hungarian village" still exists in the proximity of the oil field.

In 1985, a year-long fire at an extraction well in Tengiz forced Soviet engineers to plead for help. Foreign specialists, mostly from US Chevron corporation participated in extinguishing the fire. The company's management entered talks with the Soviet Ministry of Oil already in 1988, when the sides planned to establish a joint venture, SovChevrOil to develop Korolevskoye, at the time considered a more promising oil discovery.[9] James Giffen, a skillful middleman, entered the brokerage deal and maintained the contacts with the Soviet decision makers, a detail that would give Chevron an edge after 1991, when talks about a joint venture to exploit the Tengiz basin resumed.[10]

In April 1993, Chevron and the government of Kazakhstan signed a joint venture agreement, establishing Tengizchevroil (also known by its acronym, TCO), an enterprise tasked with exploiting one of the world's largest oil fields. Known in Kazakhstan as "the deal of the century," the foreign investment into Tengiz had a ripple effect on the local and regional economy, as well as on the local and regional politics. An influx of foreign direct investment (FDI) also translated into an influx of workers, both locals and foreigners, in the Atyrau region; new service companies were established, new hotels and business centers were built. At the same time, the Russian government had effectively "pushed out" Kazakhstan from the ruble zone in July 1993,[11] leading the Central Bank in Almaty to roll out the new tenge currency the following November.

Between 1991 and 1996, economic output fell by 34.1 percent in Kazakhstan, while employment decreased only by 15.5 percent and registered unemployment floated between 1 percent and 4 percent of the workforce.[12] Despite an increase in precarization in terms of purchasing power and job stability, official statistics showed a rather sustainable picture in the country. A survey in 1996, however, showed that unemployment figures could be as high as 11 percent, rather than the reported 4.2 percent.[13]

Along with economic investment and restructuring, Kazakhstan also dealt with delicate political balancing within the country, where Nazarbayev was still establishing himself as the undisputed leader, and regionally, by establishing a web of good neighborly relations through a so-called "multi-vector foreign policy."[14] One of the drivers of such predicament was the need to overcome the potential geographic and political barriers to the export of Tengiz crude: besides a pipeline link to Russia's Samara and a tanker connection between Kazakhstan and Azerbaijan and Iran, the avenues for Kazakhstan's oil exports were still to be built. It was Chevron, alongside Russia's hydrocarbon transport monopolist Transneft and a handful of other investors—grouped in the Caspian Pipeline Consortium (CPC)—that pushed for the construction of a pipeline that would run from Tengiz, around the Caspian shore, to the Russian port of Novorossiyk on the Black Sea. In 2002, once the CPC completed its pipeline, another Western-sponsored project, brokered by Britain's then-prime minister Tony Blair, connected Azerbaijan's capital Baku with the Turkish port of Ceyhan via pipeline. By 2005, Kazakhstan's oil was being sold across the Caspian, into the Black and Mediterranean Seas, and, through another pipeline, to the eastern border with China. Many foreign policy vectors corresponded to many export pipelines.[15]

Kazakhstan's oil was thus sold in international markets, making the fortunes of TNCs involved in the extractive business, global oil traders, and local elites that managed the domestic market. As Kazakhstan's oil market expanded, so did FDI, pouring in due to an increasingly favorable legislation and business climate. Yet, the best exploration and production contracts had all been parceled out by the late 1990s. Compared to other major oil TNCs, Chevron had the better deal: It was able to negotiate a joint venture[16] with the government, which delineated the confines of the agreement from the start and suffered only minor changes in the shareholding structure.[17] Tengizchevroil has one of the largest offices in Atyrau, a nine-story concrete building tucked between city hall and the secret service regional headquarters. A stone's throw away, a fake oil pump perpetually oscillates underneath the billboard welcoming into "Atyrau, the oil capital of Kazakhstan."

With around 150,000 inhabitants, Atyrau is the administrative center of a region that spans around 46,000 square miles and hosts a population of 650,000 inhabitants, which has grown 2 percent per year in the 2012–2021 decade. The census, however, does not account for the shift workers who populate the region fourteen or twenty-eight days at a time. These are the so-called *vakhtyory*, workers that work a two- or four-week consecutive shift at the rotation village near the oil fields and then go home, whether in Kazakhstan or abroad, for another two- or four-week period.

If oil made the Atyrau region attractive for FDI, it could be said that Tengiz was instrumental in the growth of Chevron into a global oil and gas superpower.[18] Chevron would not be the $264 billion company we know today[19] without its investment in Kazakhstan. In 1993, it churned out 950,000 barrels a day and had a yearly net income of $1.5 billion. That was a decisive year: Chevron shifted its major investment activity toward foreign markets, chiefly Kazakhstan. In a public record report from 1993, Chevron admitted the important role of the investment into Tengiz in its internationalization policy.

> The company believes opportunities to discover and develop major new reserves in the United States are limited due to regulatory barriers and drilling prohibitions on many of the most promising areas of development. In 1993, 68 percent of the exploration and production capital spending, including affiliates, was allocated to international operations. In 1994, that number is expected to increase to 75 percent. […] As an important example of this new emphasis, in April 1993, the company entered into a joint venture agreement with the Republic of Kazakhstan to develop the massive Tengiz oil field in that country.[20]

Since the beginning of operations, Tengizchevroil became a cornerstone of Chevron's corporate strategy, helping the company grow exponentially. By 2018, the company's net income amounted to $14.8 billion and its global production had tripled to more than three million barrels a day. Today, Tengizchevroil represents around 20 percent of Chevron's global oil production. It is not surprising that, in the history of Kazakhstan's oil sector, "Tengizchevroil is considered Chevron's diamond."[21] Besides changing the corporate future of Chevron, Tengizchevroil had a defining influence on Kazakhstan's job market.

Along with Chevron-related jobs, contractors, English-language teachers, rotation villages, and a gated community in the center of Atyrau, came the corporate practices of outsourced hiring and anti-union policies. By the early 2000s, two major outsourcing companies had garnered a large stake in the market of energy jobs, alongside a constellation of local and foreign smaller outfits, which essentially existed only to fulfill certain needs for certain skillsets, or to give the impression of a diversified market with genuine competition. The following section analyses the causes and consequences of the emergence of manpower agencies as principal brokers of employment relations in the Atyrau region.

How Manpower Agencies Came to Kazakhstan

TNCs started using manpower agencies over a century ago, whether for moving large reserves of laborers or to find specialists. In the oil sector, manpower agencies gained trust as an intermediary body for the headhunting of specific skillsets: The hires were either global oil workers who moved from project to project, usually for a specific task to be delivered in a determinate period, or local unskilled laborers. The companies' rationale for the use of manpower agencies lied in their inability—and unwillingness—to burden their HR departments with the task of recruiting temporary workers, drafting contracts and benefit packages, and hiring-and-firing these workers according to the project seasonal needs. Instead, all the company needed to do was to outsource the specific profile of skilled worker or number of unskilled locals they needed to the manpower agency and the daily rate at which they would hire them.

In a 2012 article, Appel described "offshore work" in Equatorial Guinea's oil sector, showing a pattern common across the global oil industry: expatriate workers hop from project to project in different geographies under various contracts, sometimes with different companies or subcontractors. Contractors share a similar fate as machinery, which is often physically transferred from project to project according to the company's needs.[22] It was crucial for TNCs working in Kazakhstan to transfer these standards into the oil fields of Atyrau, because standardization and replicability are crucial features of this modular extractive process.[23]

Precarious work and unclear chain of command are typical of contracted labor.[24] After signing a contract with one employer—the agency—the contractor works at the premises of another company, what is now their principal company, and obeys the orders of a manager, who could be hired by yet another subcontracting company or agency.

The profile of the global expatriate worker, however, represents only a minority of the workers hired by manpower agencies, as local laborers with limited or no skills would experience. Working for a manpower agency in an oil field operated by a different oil company implies job insecurity, a concept that Standing[25] links to his theory of the precariat. Dissatisfied, injured, or underperforming workers could be fired with little or no notice. Importantly, however, expatriate workers enjoy substantially different working conditions compared to local workers: a significantly higher salary, paid return trips home, better dormitory rooms, and oftentimes separate canteens. As Appel also indicates, "the subcontracted conditions under which [local] men work intentionally fail to account for the precarity of their onshore living conditions."[26]

In his history of industrial relations in the Colombian oil sector, Tijerina outlined the peculiar activities of Tropical Oil, a Canadian subsidiary of US giant Standard Oil[27] at the beginning of the last century. Already in the 1920s, Tropical Oil made extensive use of manpower agencies for the hiring of unskilled and semi-skilled workers, a strategy that exonerated Tropical from any responsibility or accountability toward the workers.[28] In 1924, in Colombia, a clandestine trade union, Unión Sindical Obrera (USO) emerged to protect these workers, who assembled for their first mass strike in 1924.

Similarly to Colombia in the 1920s, and Nigeria almost a century later,[29] when Kazakhstan's oil sector was flooded with TNCs, these companies brought into the country several of their global industrial standards, ranging from technology to safety to employment conditions. This article focuses on a specific dimension of these "imported standards," namely the systematic precarization of the workforce. In the 1990s, TNCs that won tenders and signed joint ventures or production sharing contracts (PSA) with the government in order to exploit the rich oilfields scattered across the vast territory of Kazakhstan applied similar practices to their new ventures in Central Asia.

Along with the big names of Exxon, Chevron, Shell, Lukoil, and Eni came less-known foreign service companies traditionally linked with them. These companies often created joint ventures with Kazakhstani partners in order to lower risk and maintain close relationships with the local business elites. The new joint Kazakhstani-foreign ventures, as well as the principal production companies, needed workers and equipment: skilled workers and high-tech equipment were shipped in from abroad, whereas unskilled, cheaper labor and basic machinery were locally sourced.

Foreign companies thus found use for manpower agencies, split between local and international ownership, which sourced labor. These companies, often operating in several different regions of the world in similar extractive projects, brought labor practices less common in the Soviet system of employment that Kazakhstan inherited in other sectors. The practice of "hiring from outside" was notable in several extractive and construction projects during the Soviet Union. Bahovadinova[30] brings as an example the engineers hired for the construction of the Nurek dam in Tajikistan, highlighting how the quick solution of hiring skilled labor from outside created "structural disincentives against developing local industrial workers," which in turn hindered diversification and emancipation within the Tajik SSR.[31]

In the post-Soviet era, especially in the oil sector, manpower agencies took the place of trade unions and labor committees as middlemen to manage the workforce. In Kazakhstan, this happened to a larger extent in the Atyrau region, the area with the highest concentration of TNCs. Kazakhstan thus left the Soviet system of employment, which guaranteed a wage according to central planning. While unemployment remained low in the first years of independence, real wages collapsed, especially due to price liberalization.[32] As GDP and wages collapsed, post-Soviet governments tried via "labor hoarding" to maintain employment levels that were artificially high and avoid unrest.[33] Labor hoarding, devised as a cost-cutting social measure in spite of low productivity rates, was a direct inheritance of the Soviet system.

The need for fresh foreign investment, paired with the interest of TNCs in profiting off underdeveloped oil fields in Kazakhstan, created the perfect conditions for a privatisation process that welcomed the big names of the global oil industry into the country. Flooded with TNC investments, Kazakhstan's oil sector became acquainted with several of their global industrial standards, ranging from technology to safety to employment conditions.

In terms of industrial trends, the precarization of labor had to do with the dynamic of subcontracting. According to a 2005 World Bank study on Kazakhstan, "the best option for local companies is usually to become a supplier to a supplier, not directly to an oil company."[34] The systematic precarization of the workforce became a crucial cost-cutting practice among these imported standards, as TNCs—that won tenders and signed production sharing contracts (PSA) with the government in order to exploit the rich oilfields scattered across the vast territory of Kazakhstan—applied similar practices to their new ventures. The shift to market economy, in conjunction with the economic recession of the 1990s, insinuated precariousness into Kazakhstan's labor environment.

> The switch from Soviet to capitalist employment regime has opened up a division between securely employed, unionized, more skilled and better paid regular company workers and the poorly paid, less protected, unskilled, and non-organized contract laborers.[35]

Soviet-era collective agreements remained in force in some large oil-producing consortia, essentially leveling salaries and conditions for specific positions and giving workers a space, albeit confined, to make their voices heard through company-based trade unions. With the switch described above by Trevisani, atomized contract laborers started taking the place of full-time employees, a trend that led to a significant growth in precarious jobs. In the first years after independence, contract workers were few and highly skilled, mostly recruited via manpower agencies. Contrary to the market-economy tendency of hiring contract workers for their specific skills, the industrial demography of contract workers shifted, in later years, toward underpaid, low-skilled workers from Kazakhstan or East Asia.

Both international companies and manpower agencies played a crucial role in shaping the profile of workers that fulfil specific tasks, through specific skills, at specific times during the production cycle. These guest workers need not demand different conditions or be part of a trade union, as their work changes little throughout the geographies to which they are shipped during the year. For local workers, on the other hand, anti-union practices begin at the interview process: Atyrau-based companies such as Tengizchevroil and NCOC[36] openly discourage trade union membership during the hiring screening. Direct contractors of these consortia generally follow similar standards, as one former HR manager said: "You couldn't be in a trade union because Chevron had an agreement with the government. In order for them to develop the field, trade unions should not be involved." In 1998, five years after Chevron signed the contract for the Tengiz field with the government and after a series of industrial actions, the Soviet-era company trade union "was delegalized and its leaders denied access to company premises."[37] In the early 2000s, Yessenova accounted for around one hundred companies "clustered at Tengiz,"[38] and whose ultimate customer was Tengizchevroil.

Importantly, Tengizchevroil repeatedly features worker disputes in its territory, as highlighted by incidents in 2004–2006, in 2011, in 2019, and in 2020–2022, just in the past two decades. These disputes, however, are mostly connected with subcontractor companies that work for the Tengiz project, because Tengizchevroil's policy against unions left its more than twenty thousand workers without a representative organization that could voice their interests and complaints. By using subcontractors and manpower agencies, the responsibility of the clashes remains outside the remit of Tengizchevroil. As aptly put in a 2014 op-ed: "The industrial colony structure disincentivizes company action because responsibility for atrocities is diffused between the state and the network of subcontractors."[39] Anti-union policies thus set in motion a trend that led to precarization on the one hand and reduced to a minimum the moments of organized resistance, a trend analyzed globally by Mitchell[40] in *Carbon Democracy*.

Such a trend contrasts with protests in the nearby Mangistau region, where the oil fields are mostly operated by national companies or joint ventures with Chinese state-owned enterprises. There, workers are more "local" and mostly live in mono-towns near or close to the oil fields. Different hiring, work rotation, and outstaffing mechanisms entail different approaches to labor relations and trade union activity.[41] Although anti-union practices also exist in Mangistau,[42] the dominant role of TNCs has had a significantly more marked effect on the precarization of labor in Atyrau.

But how exactly do these manpower agencies contribute to inequality and precarization in the Atyrau region? The following section aims to answer this question.

The Inner Workings of Manpower Agencies in Atyrau

Working for oil in Kazakhstan is seen as prestigious[43] and the higher-than-average wages it guarantees—in certain, but not all instances, as this work demonstrates—renders the job market crowded with applicants. Stacks of CVs pile up at the reception desks of the main and field offices of oil producing and service companies, a practice much rarer in other business sectors. The existence of "oil families" and dynasties of *neftyaniki* (нефтяник, "oil man" in Russian) meant that careers in oil became almost hereditary: It is easy to recognize the last names of the first geologists and explorers among today's managers, who are in fact their sons, nephews, and cousins. For those without a clear kin connection or the money to "buy" a job—a widespread practice, seen as an investment in the future—the choice is quite straightforward: Job applicants send thousands of applications every day to manpower agencies, who promote job openings on social media and newsletters.

The English-language tagline of Fircroft, a foreign-owned manpower agency in Atyrau, "the right people for the right job," immediately outlines the characteristics that both the agency and their clients look for in their prospective hires: With an emphasis on the peculiarity of the job, which becomes increasingly specialized, the worker should be selected on individual merits and skills. The manpower agency, naturally, serves the interest of the client as well as its own: their aim is to negotiate an individual contract according to their client's own requisites, but also to allow for a margin for their hiring fees. The use of manpower agencies, i.e., the outsourcing of human resources (HR) management and the atomisation of the workforce, characterizes the Atyrau region more than others in Kazakhstan. The presence of manpower agencies and the absence of strong and independent trade unions is directly linked to practices by TNCs.

Manpower agencies have played a decisive role in making employment and labor more precarious in the oil sector. In particular, they serve as surrogate labor management bodies, given the forced absence of independent trade unions. Manpower agencies earn a fee in the form of a mark-up on the daily rate and the worker signs a contract with the agency, rather than with the principal company. Employment conditions were less favorable to the employee, who enjoyed fewer rights and benefits, but would sometimes earn a higher-than-usual daily pay. At the beginning of the post-Soviet experience, this scheme mostly applied to foreign workers, in particular Western specialists, but later expanded to local workers deemed "disposable" according to their fit with the extractive companies' periodical needs.

Crucially, manpower agencies also contribute to the creation of worker hierarchies, beyond the Western expat-local dichotomy. As expressed above, different kinds of workers experience different kinds of working conditions. Low-skilled workers trained locally are largely outsourced through manpower agencies, as some of these agencies work internationally and have specific "workforce basins" from which they hire welders, painters, mechanics, and others. Besides mere profit-oriented speculation, experience and education play a significant role in the choice of the workers. Thai welders and Filipino painters are generally hired "in bulk," as one health and safety manager said during a field visit at an industrial yard contracted by TCO for construction parts. While Filipino workers speak English and can easily understand instructions from Western managers, Thai workers generally work under the direction of a foreman that speaks both Thai and English. These low-skilled workers are *gastarbaitery* (гастарбайтеры, "guest workers" in Russian[44]), migrant laborers that are alien from the society in which they live, because their jobs are seasonal and the language barrier does not allow for communication with other local workers.

Similarly to the experiences recounted in Vitalis's seminal work on Saudi Arabia, *America's Kingdom*, both in the city of Atyrau and in the fields there are plenty of "physical barriers" that create a hierarchical structure along ethnic and class lines. US and other western workers often take a plane to reach the Tengiz field from Atyrau, while locals are mostly shuffled on company buses for hours on a road built by Chevron specifically to link the city to the field. Field research reflected with stark precision the observation that "the American position of preminence is reflected in symbol and fact […] and it contributes to an omnipresent sense of precariousness."[45]

Notably, the topography of Atyrau has little to do with the riches its region produces.[46] As described by Michael Economides and Ron Oligney in their 2000 book *The Color of Oil*, in the 1990s, the city featured "countless gray, crumbling buildings and unlit courtyards … people have called this place the Midland, Texas, of Kazakhstan, the next oil boomtown, but being here, it is difficult to believe that anything too significant is about to happen."[47]

Nowadays, besides some large glass-and-steel business centers, most of the architecture in the city center resembles that of a Soviet monotown, with five- and nine-story blocks designed in the 1960s and 1970s. Outside the immediate center, however, the urban landscape changes dramatically, with unpaved roads sifting through small private houses, some of which are not connected to the sewer system or the gas grid. "If you go outside the one square kilometer that represents the center, you step into the nineteenth century," a journalist from Almaty who often travels to Atyrau said in an interview. The city develops on the shores of the Zhaiyk river (which originates in Russia, where it is known as Ural). Between Satpayev street, the main artery on the western side of the city, and the riverwalk, there is a gated community with around fifty detached two-story duplexes, surrounded by well-groomed, lush gardens. This "neighborhood" is called TCO Dostyk Village, a community designed to host expatriate workers and their families in a US-style urban landscape. In an interview for a local magazine, a former resident found it "strange that every duplex had a garage for a car," as foreigners generally do not drive in Atyrau.[48] The kind of accommodation designed for expatriate workers significantly differs from the one allocated to local workers, who either live in the city's Soviet-era buildings or in the rotation village near the oil field.

During interviews in the city of Atyrau and elsewhere with local workers employed by these large international ventures, the ultimate ambition is spelled out as a career transformation: "I want to become an expat," a chemical engineer said. "If I manage to be sent to a different project, say in Africa or Latin America, my pay could increase dramatically." Becoming and expatriate worker is thus seen as an upgrade compared to local contracts. By comparing their life with the foreign expat workers that interact with them in Kazakhstan, local workers experience a comparison to a different standard. In turn, most of the mobile expatriate workers moving around the globe are hired through manpower agencies, which inevitably creates a tension between job security and higher pay. Most of the expatriate workers interviewed for this project say they are aware of the trade-off, but still choose mobility. "I make enough money to afford 'insecurity', plus this arrangement keeps me flexible and I can negotiate from a position of strength," a British automation specialist without higher education degrees said at a bar full of expats in Atyrau, while bragging about his experience living in Nigeria, Australia, and Kazakhstan and working for some of the largest TNCs.

In Atyrau, manpower agencies have played a political as well as an industrial role. Interviews with managers and workers of these agencies have highlighted the importance of the informal ties that brought them to prominence in the recruiting process: From links to elite members in Kazakhstan, to industrial ties to the TNCs in the country of origin, to alleged connections with criminal organizations in Italy. Due to these connections, manpower agencies can charge commissions that range from

2 percent to 15 percent on the contracts they sign with oil companies. The agency with the best political connection can charge a flat fee of 15 percent, while a 2 percent commission, according to people in the industry, means the manpower agency operates at a loss. "They practice dumping in order to beat the competition, but their expat management doesn't care. For them, it becomes a way to affiliate the client. If the loans they take out from the banks one day fail to cover their losses, they just let the company go out of business and then create another one," a midlevel manager at a manpower agency in Atyrau said.

Several companies that are small enough to manage hiring processes in-house still pay for the services of manpower agencies. The industry and the people involved are such a small circle that members of a single household pass through the revolving doors of working alternatively for the manpower agency or for the oil company HR department. Rumors and gossip often trump market analysis in the reading of the Atyrau employment environment. In particular, the revolving doors dynamic sparks preferential treatment for certain connections, as certain companies tend to use specific manpower agencies more often than others, despite market considerations. Political pretexts, personal spats, family relations, and bribes have shuffled the world of manpower agencies.

Nepotism and preferential treatment are common in the job market in Atyrau, and manpower agencies are often used as the in-between. One engineer, hired by a consortium on a short-term contract, explained that companies have used the "reorganization" phases in order to "clean up the house." In 2017, several workers were fired from one consortium and, while a few were re-hired through recruiting agencies and reintegrated, "several questionable people were promoted and shifted from a precarious contract with recruitment agencies into a better contract with the same consortium." Because of the informal ties between manpower agencies and TNCs, the job environment in Atyrau can hardly be described as a competitive marketplace. Allegedly staunch adversaries, the various agencies seldom compete for the same contracts during bidding, because the negotiations on who will be the client's preferred outsourcing company usually happen beforehand, at a bar or in a hotel room.

The British manager at one of several manpower agencies headquartered in Atyrau described at the beginning of the article said their job is essentially to satisfy the needs of oil companies. "We sell bodies, they come to us body shopping," he said in an interview. Among the thousands employed by a manpower agency, expatriate and local workers alike are spread around different companies and projects in the oil sector. In her research about the oil industry in Equatorial Guinea, Appel also highlighted the role of manpower agencies as "body shops" that served the purpose of hiring a certain number of local workers to fulfil local content requirements.[49]

At the turn of the century, manpower agencies effectively substituted HR departments across the three largest oil consortia in Kazakhstan. The consortia retained manpower planning, a joint effort between the HR and industrial relations departments, by outlining a five-year plan according to production and sale targets. Yet, they outsourced the hiring responsibilities to manpower agencies. An HR advisor for manpower and planning in Atyrau, said that employment would be better catered through engineering societies, to which most workers sign up. Yet the HR departments do not have access to these societies and rely on known profiles for experienced workers: "There is no HR community here. We prefer relying on agencies, smaller outfits for specific roles or bigger manpower companies for local low-skilled workers. Not hiring directly allows for better flexibility," a HR manager in Atyrau said. "Flexibility" is thus a common trait for foreign Western specialists and for foreign companies, while it translates as "precarity" for the less protected and worse paid local workforce.

For large projects of expansion or maintenance, manpower agencies play a crucial role in inflating and deflating the number of workers according to specific company needs. In 2013, KPJV, a joint venture between local and foreign companies, drafted a feasibility study for the expansion project at Tengiz, which was ultimately billed at $37 billion. In the document, KPJV says the project would need to have "inherent flexibility, such that it can handle large increases, or decreases, in manpower volumes."[50] The workforce volatility ranged between eight thousand and ten thousand during the various phases of the project.

External factors, such as the volatility of oil prices, the changes to regulatory and legal frameworks, or global investment decisions, have a role in creating an incentive for TNCs to prefer and rely on fixed-term contracts that can be easily terminated, a practice that oil companies apply globally.[51]

Conclusion

In the post-Soviet era, new joint ventures that formed in Kazakhstan with the participation of TNCs tended to stipulate the exclusion of trade unions as a base condition for their investment. In the decade following their initial investment, these companies also started to rely increasingly on manpower agencies for their staffing needs.

Signing collective agreements with their workers could be a risk factor for TNCs, whose goals are chiefly to minimize costs and eliminate resistance. In this light, the anti-union and hiring-through-agency policies go hand in hand. By negotiating contracts on an individual basis, furthermore, the company can have the upper hand and offer more precarious, less secure conditions. This practice represents a clear break from the Soviet legacy of planned manpower and rather transparent contractual provisions. Yet, as demonstrated by Bahovadinova, precarity could be witnessed also in internal migration prompted by Soviet plans at extractive enterprises.

As one of Appel's informants put it, by relying on subcontractors and manpower agencies especially in the hiring of local workers, the oil industry can "have it both ways"[52]: TNCs are thus able to show progress in the involvement of local workers in the extractive projects—albeit under worse conditions than their staff—while at the same time these workers fall into a category of disposable and modular manpower with scant guarantees of stability.

The career of a local oil worker in Kazakhstan hired by a manpower agency or a service company has proved more precarious compared to the cadres of a Soviet-style enterprise or a giant oil company. Manpower agencies have become embedded in the oil sector and serve as a cost-cutting tool for TNCs. By eliminating collective negotiations and trade unions from the picture, manpower agencies also play the role of arbiter of the local job market, a process that entrenches the salary and conditions differences between local and expatriate workers.

Most Western expatriate workers are based out of Atyrau, the country's "oil capital," where they live in comfortable homes and earn large salaries in comparison with local workers, often confined to much less appealing quarters and earning a fraction of the US dollar-denominated salaries. This disparity changes the foundational principle of contracts signed with manpower agencies, as these are deemed "flexible" by expats, while they are tools of "precarity" for locals.

Notes

1. Watts 2004: 54
2. Bridge 2008: 413
3. Akhmetzharov and Orazgaliyev 2021: 141
4. Croucher 2015
5. Satpayev and Umbetaliyeva, 2015: 126
6. Croucher 2015: 952
7. Liu 2018: 185
8. The thesis, titled "Industrial relations in Kazakhstan's oil sector (1991-2019)" and defended in March 2021, is publicly available at: https://theses.gla.ac.uk/82271/ [accessed on January 4, 2023].
9. Labban 2008: 107; Nurgozhin 1998
10. LeVine 2007: 124-127
11. Dabrowski 1995
12. Verme 2001: 18
13. Verme 2001: 19
14. Hanks 2009; Anceschi 2020
15. Sorbello 2014
16. Other international consortia entered into Production Sharing Agreements, contracts that strongly incentivize investment, but are ultimately designed for the foreign investors to leave the project.
17. It is important to note that Chevron is not the only TNC involved in Tengizchevroil, but it is certainly the one with the largest role. The shareholding of the company has changed over time, most significantly when ExxonMobil completed the acquisition of a 25 percent stake from the government in 2000. LUKArco, a joint venture between Russia's Lukoil and Arco (later acquired by BP) owns 5 percent of Tengizchevroil.
18. Totaro and Sorbello 2021: 308
19. As of February 2022, accessed on January 4, 2023, https://companiesmarketcap.com/chevron/marketcap/
20. From Chevron's 1993 10-K Form, page 2. Accessed on January 4, 2023, http://getfilings.com/o0000093410-94-000002.html
21. Journalist in Atyrau, September 2018.
22. Appel 2012: 695
23. Appel 2012: 698
24. Rudnyckyj 2018
25. Standing 2011
26. Appel 2012: 705
27. Chevron was born out of a few mutations of a spin-off company of Standard Oil, when it was forced to break up its monopoly in 1911.
28. Tijerina 2018: 53
29. Itegboje and Chang 2021
30. Bahovadinova 2018
31. In essence, these practices maintain the workers in a state of subordination. Writing about India, Raman (2010: 2) argued that "peripheral labour […], is characterised by subordination at multiple levels: class, caste and gender. Its status is thus similar to that of the Gramscian political-cultural 'subaltern'."
32. Kalyuzhnova 1998: 41
33. Verme 2001: 18
34. World Bank 2005

35. Trevisani 2018: 86
36. The North Caspian Operating Consortium, which is in charge of exploration and production at the offshore field of Kashagan.
37. Yessenova 2012: 103
38. Yessenova 2012: 94
39. Kovalenko 2014
40. Mitchell 2011
41. Sorbello 2021
42. Kaisar and Sorbello 2022
43. Yessenova 2018: 373
44. The German word "Gastarbeiter" has been adopted in the Russian language (гастарбайтер) to mean low-skilled migrant workers, qualitatively different than "expatriate" workers, who are generally skilled and appointed to managerial positions. See Feakins and Zemnukhova 2018.
45. Vitalis 2007: 254
46. Chervinskii 2017
47. Economides and Ron Oligney 2000: 41
48. *WeProject* 2019
49. Appel 2012: 700
50. Karini 2013
51. Sorbello 2019
52. Appel 2012: 706

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