

ARTICLE

The Iraqi Connection: International Experts and the Formulation of Norwegian Petroleum Policy

Eivind Thomassen 

Department of Business, History and Social Sciences, University of South-Eastern Norway – Campus Vestfold, Borre, Norway
eivind.thomassen@usn.no

Norway is celebrated for its successful management of petroleum resources. This success is often attributed to Norway's institutions and to key Norwegian policymaking figures. However, the roles of foreign experts in shaping early Norwegian oil policy have been overlooked. This article explores the roles of two Iraqi oil experts, Farouk Al-Kasim and Hasan Zakariya, and finds that they contributed to shaping the Norwegian petroleum management system at a crucial stage in its development. The article reveals the interconnectedness of global oil policies and challenges conventional North-South diffusion narratives, broadening our understanding of the impact of decolonisation on contemporary Europe.

Norway is often hailed for its success in managing petroleum resources.¹ After petroleum was discovered off its rugged coast in 1969, the country has, through its concession system, high tax rates and a highly profiled Oil Fund, managed to encourage an efficient and competitive domestic offshore oil industry, maximise public revenues and retain macroeconomic stability, all while expanding its generous welfare state. Scholars point out how the Norwegian experience contrasts sharply to that of many petroleum exporting countries in Asia, Latin America and Africa, marred by economic stagnation, internal strife, corruption and poverty. Norway also compares favourably, some scholars claim, to the United Kingdom and other European oil producers.²

Success has almost without exception been attributed to *the Norwegians*. Their unique characteristics and historical legacy as an advanced democratic people with little corruption and high levels of trust are regularly invoked by scholars as explanations for their success.³ The only way the Norwegian experience can be replicated is, according to one 2015 study, 'to start with 4.5 million Norwegians'.⁴ The specialised historiography has focused closely on specific individuals. Authors like Ryggvik, Hanisch and Nerheim have highlighted the men who stood at the centre of the formative policy-making process of the 1960s and early 1970s, emphasising their far-sightedness and resolve.⁵

¹ Paul Stevens, Glada Lahn and Jaakko Kooroshy, *The Resource Curse Revisited* (London: Chatham House, 2015), 12.

² See in particular Norman J. Smith, *The Sea of Lost Opportunity: North Sea Oil and Gas, British Industry and the Offshore Supplies Office* (Handbook of Petroleum Extraction and Production, Vol. 7) (Oxford: Elsevier, 2011); Svein S. Andersen, *The Struggle over North Sea Oil and Gas: Government Strategies in Denmark, Britain and Norway* (Oslo: Scandinavian University Press, 1993); Giuliano Garavini, 'Thatcher's North Sea: The Return of Cheap Oil and the "Neo-Liberalisation" of European Energy', *Contemporary European History* 33, no. 1 (2024): 37–52.

³ Andersen, *The Struggle over North Sea Oil and Gas*; Brent F. Nelsen, *The State Offshore: Petroleum, Politics, and State Intervention on the British and Norwegian Continental Shelves* (London: Praeger, 1991). From the Norwegian language literature, prominent examples of this nation-centric view are Francis Sejersted, *Systemtvang eller politikk: Om utviklingen av det oljeindustrielle kompleks i Norge* (Oslo: Universitetsforlaget, 1999); Einar Lie, *Norsk økonomisk politikk etter 1905* (Oslo: Universitetsforlaget, 2012).

⁴ Stevens, Lahn and Kooroshy, *The Resource Curse Revisited*, 12.

⁵ See the authoritative *Norsk oljehistorie* series ('Norwegian oil history'), i.e. Tore Jørgen Hanisch and Gunnar Nerheim, *Norsk oljehistorie: Fra vantro til overmøt?*, vol. 1, *Norsk oljehistorie* (Oslo: Leseselskapet, 1992); Gunnar Nerheim, *En*

These were men like Arve Johnsen, the first visionary chief executive of Statoil, Norway's national oil company. Jens Evensen, another example, was, as a civil servant in the 1960s, crucial in establishing sovereignty over Norway's oil-rich continental shelf and in formulating early petroleum legislation. The individual focus carries over into popular conception. Evensen became in 2018 one of very few recent Norwegian public figures to have a statue of him erected in the middle of Oslo city centre.

The literature has paid little attention to the many foreigners who were involved in the early days of Norwegian oil. The Norwegian historiography has duly acknowledged the significance of foreign, predominantly American, experts in the early days of exploration. The technology transfer they embodied was, they recognise, crucial for Norwegian success.⁶ Little has been written about the experts who contributed to the formulation of policy, however. It is known that Norwegian civil servants regularly consulted their British colleagues on matters of regulation and legislation in the early 1960s.⁷ The Norwegian government hired academics and practitioners as consultants and advisers in the 1970s. Transnational approaches to history argue, as do institutional approaches in the social sciences, that experts who move across borders can play decisive roles in policymaking, transmitting ideas and institutional blueprints from one context to another.⁸ Nevertheless, foreign experts' role in shaping Norwegian policy has, to the best of this author's knowledge, not been studied at all.⁹

This is remarkable, as one of the most striking features of early Norwegian policy was its similarity to the policies of Third World oil exporting countries. Many aspects of the Norwegian policy framework were introduced between 1970 and 1972, in an effort to assert 'national control' over the new-found oil. The most important measure was to create a state-owned national oil company, Statoil, in 1972.¹⁰ The creation of a national oil company under the urge for 'control' was between 1970 and 1972 becoming the norm among member states of the Organization of the Petroleum Exporting Countries (OPEC), all developing countries in Africa, Latin America and Asia. Though many features of Norwegian policy would come to diverge from the OPEC norm, this crucial aspect remained. To many foreign observers, it seemed self-evident that Norway had 'taken a leaf from OPEC's book', that the Norwegians were, in mocking reference to Saudi Arabia and the other Persian Gulf states, now dominating OPEC as 'The Blue Eyed Arabs'.¹¹

I started to explore these similarities in the article 'Taking a Leaf out of OPEC's Book?' (2020), which focused on technical similarities between oil governance systems in the Middle East and the North Sea.¹² This article explores the role of foreign experts in shaping early Norwegian oil policy 'OPEC style'. It will focus on two foreign experts who are particularly interesting from this perspective.

gassnasjon blir til, vol. 2, Norsk oljehistorie (Oslo: Leseselskapet, 1996); Helge Ryggvik and Marie Smith-Solbakken, *Blod, svette og olje*, vol. 3, Norsk oljehistorie (Oslo: Ad notam Gyldendal, 1997). Ryggvik has echoed the narrative in many later works, e.g. Helge Ryggvik, 'A Short History of the Norwegian Oil Industry: From Protected National Champions to Internationally Competitive Multinationals', *Business History Review* 89, no. 1 (2015): 3–41. The individualistic approach is also taken in a range of more popular studies, such as Torbjørn Kindingstad and Fredrik Hagemann, *Norges oljehistorie* (Stavanger: Wigestrands, 2002).

⁶ See e.g. Odd Einar Olsen and Francis Sejersted, *Oljevirksomheten som teknologitvillingsprosjekt: perspektiver på utviklingen av det oljeteknologiske systemet på norsk kontinentalsokkel* (Oslo: Ad notam forlag, 1997).

⁷ See e.g. Helge Ryggvik, 'Det første møtet mellom norske myndigheter og multinasjonale oljeselskap 1962–1965: Om forhandlingsspill og hvordan en politikk ble til' (Master's thesis, University of Oslo, 1991).

⁸ On the transnational history approach in general, see Akira Iriye, *Global and Transnational History: The Past, Present and Future* (London: Palgrave Pivot, 2013).

⁹ See note 13 below, however.

¹⁰ Eivind Thomassen, *Commerce and Politics: Statoil and Equinor 1972–2001* (Oslo: Scandinavian University Press, 2022).

¹¹ For a brief survey of amusing epithets, see Hassan S. Zakariya, 'New Directions in the Search for and Development of Petroleum Resources in the Developing Countries', *Vanderbilt Journal of Transnational Law* 9 (1976): 546.

¹² Eivind Thomasen, 'Taking a Leaf out of OPEC's Book? The Significance of Developing Producer Country Models for State Involvement in North Sea Oil Production', in *Handbook of OPEC and the Global Energy Order: Past, Present and Future Challenges*, eds. Dag Harald Claes and Giuliano Garavini (London: Routledge, 2020), 225–40. That article deals with the introduction of state participation agreements in the Norwegian and UK sectors of the North Sea in the 1960s and 1970s and compares them with Middle East joint venture contracts of that same period. Hasan Zakariya's involvement in Norway is briefly outlined there, building on some of the same key sources that will be used in the present article, but

Two Iraqis, Farouk Al-Kasim and Hasan Zakariya, came to be heavily involved in Norwegian policy-making in the early 1970s. Al-Kasim has, as a petroleum geologist in Iraq, experienced first-hand the tensions between international oil companies and new national ambitions for control in the 1950s and 1960s. Zakariya headed OPEC's legal section in Vienna between 1967 and 1970, at a crucial time in the formulation of the members' approach to petroleum policy. Al-Kasim's role has become increasingly well-known over recent years thanks to the efforts of Norwegian journalists fascinated by his exotic story¹³ (Zakariya's role was briefly outlined by the author in 2020). However, their role has not been systematically discussed in the historical literature. Building on my 2020 article, but supplying additional material from Norwegian government archives, interviews with former Norwegian civil servants and published sources, the article will reconstruct both Al-Kasim's and Zakariya's roles in the Norwegian policymaking process and discuss their individual impact. It will not confirm the journalistic claim that the two Iraqis were, as one journalist has put it referring to Al-Kasim, 'the secret behind the Norwegian oil adventure'. Nor were they the Iraqis 'who saved Norway from oil', to paraphrase a *Financial Times* article claimed in 2009.¹⁴ Both Al-Kasim and Zakariya did, however, as we shall see, contribute to the shaping of Norwegian policy.

By exploring Al-Kasim and Zakariya's cases, this article broadens our understanding of the interconnectedness between the different oil policy contexts of the post-Second World War world. The interdependence created by flows of crude oil and money in the twentieth century has become a unifying theme among many eminent petroleum historians over recent decades.¹⁵ So has the transnational movement of people and ideas for petroleum policy formation, particularly in the OPEC context.¹⁶ Both strands tend, however, to focus on interconnectedness, either within the framework of developed Northern countries or in that of underdeveloped Southern ones. This tendency echoes that of the social sciences literature on diffusion, generally concerned as it is with diffusion from a developed 'core' to an undeveloped 'periphery'.¹⁷ By providing a rare case for policy diffusion in the opposite direction, this article continues the recent efforts by historians like Spaskovska and Stanek to challenge this divide and to broaden our understanding of the impact of decolonisation on contemporary Europe.¹⁸

Transnational Connections and Petroleum Policy

The 1970s was a revolutionary period in the history of the global oil industry. Oil policymaking was at the core of this revolution. In this decade, Saudi Arabia, Iran, Iraq, and the other big producers of that Middle East region – by the 1970s the world's largest exporters by far – set out in earnest to wrest

primarily to highlight a potential avenue for knowledge transfer. 'Taking a Leaf' concentrates on the technical contractual arrangements and does not deal specifically with the roles played by individual policy experts.

¹³ Martin Sandbu's article ('The Iraqi Who Saved Norway from Oil', *Financial Times*, 28 Aug. 2009) was important. Per Lars Tonstad and Farouk Al-Kasim, *Farouk Al-Kasim: Hemmeligheten bak det norske oljeeventyret* (Oslo: Tun Forlag, 2010), was inspired by the article, and recent years have seen several follow-ups in various Norwegian newspapers.

¹⁴ 'The Iraqi Who Saved Norway from Oil', *Financial Times*, 28 Aug. 2009.

¹⁵ Rüdiger Graf, *Oil and Sovereignty: Petro-Knowledge and Energy Policy in the United States and Western Europe in the 1970s* (New York: Berghahn Books, 2018); Timothy Mitchell, *Carbon Democracy: Political Power in the Age of Oil* (London: Verso, 2013); Garavini, 'Thatcher's North Sea'; Giuliano Garavini, 'The Colonies Strike Back: The Impact of the Third World on Western Europe, 1968–1975', *Contemporary European History* 16, no. 3 (2007): 299–319.

¹⁶ Christopher R. W. Dietrich, *Oil Revolution: Anticolonial Elites, Sovereign Rights, and the Economic Culture of Decolonization* (Cambridge: Cambridge University Press, 2017); Giuliano Garavini, *The Rise & Fall of OPEC in the Twentieth Century* (Oxford: Oxford University Press, 2019).

¹⁷ See e.g. the literature on the spread of modern central banking, including Sylvia Maxfield, *Gatekeepers of Growth: The International Political Economy of Central Banking in Developing Countries* (Princeton, NJ: Princeton University Press, 1997); Juliet Johnson, *Priests of Prosperity: How Central Bankers Transformed the Postcommunist World* (Ithaca, NY: Cornell University Press, 2016).

¹⁸ Ljubica Spaskovska, "'Crude" Alliance: Economic Decolonisation and Oil Power in the Non-Aligned World', *Contemporary European History* 30, no. 4 (2021): 1–16; Lukasz Stanek, 'Buildings for Dollars and Oil: East German and Romanian Construction Companies in Cold War Iraq', *Contemporary European History* 30, no. 4 (2021): 544–61.

control with production and pricing from the multinational oil companies that had dominated the industry since the beginning of the century. In a wave of nationalisations control of oil was shifted to government-controlled national oil companies, in what was known in Arabic as the Oil Revolution.¹⁹ The revolution culminated in the Oil Shock of 1973, when the producer governments used their new-found control to quadruple global crude oil prices, instigating an era of high and volatile energy prices. But European governments were also developing new roles for government as a new offshore oil industry took shape in the British and Norwegian sectors of the North Sea. Though the OPEC revolution had obvious impact on Europe, among other things through the stimulus provided by the price rise in 1973, the policymaking processes have largely been studied isolated from each other.²⁰

In explaining the revolution, historians have placed much emphasis on international experts, particularly in the OPEC context.²¹ The concerted action from OPEC members was crucial in enabling the revolution, they point out. History had given many examples of how multinational oil companies, in the absence of concerted action, could simply shift their production from one country to another, or even boycott a producer altogether, playing one producer state against the other. Concerted action had been hard to achieve in the early phases of decolonisation, however (even after the creation of OPEC in 1960), across the cultures and ideologies that divided the producer governments. Experts were crucial in formulating and spreading the ideas, historians have shown, that were necessary for concerted action.

Christopher Dietrich has identified an ‘anti-colonial elite’ of activist technocrats, men (always men) who were born in the Middle East or Latin America but who received advanced education in the West. These men, such as Saudi oil minister Abdullah Tariki and his Venezuelan colleague Peres Alfonso (OPEC’s founding fathers), established formal and informal networks allowing exchange of views between different national contexts.²² Forging them together into what we might, borrowing from Peter Haas, call an ‘epistemic community’ was, Dietrich explains, their joint experience with colonial rule and foreign domination.²³ The multinational oil companies and the privileges they had received in their home countries were vestiges of imperialism and Western domination, they felt. To bring power back to government was a necessary part of any attempt to resurrect dignity and justice, but also to fully control the resources and money necessary to enable economic development. Many were lawyers, and in developing joint interpretations of the existing concession contracts and in devising alternative arrangements, they pointed out feasible courses of action. The men of the anti-colonial elite became ‘hubs around which ideas about sovereign rights and postcolonial independence arose and crystallized into policy’, Dietrich writes.²⁴

He also shows how these experts were crucial in making the decisions that triggered change.²⁵ In 1968, OPEC’s new general secretary, Francisco Parra, persuaded all member governments

¹⁹ Dietrich, *Oil Revolution*.

²⁰ The abovementioned references are all examples of this. For an example of the British case, see Alex Kemp, *The Growing Dominance of the State*, vol. 1, *The Official History of North Sea Oil and Gas* (London: Routledge, 2012); Alex Kemp, *Moderating the State’s Role*, vol. 2, *The Official History of North Sea Oil and Gas* (London: Routledge, 2012). All historians of North Sea oil, including Kemp and the Norwegian authors listed above, do of course recognise the momentous significance of the 1973–4 price rise.

²¹ Dietrich, *Oil Revolution*; Garavini, *The Rise & Fall of OPEC*; Juan Carlos Boué, ‘The Road not Taken: Frank Hendryx and the Proposal to Restructure Petroleum Concessions in the Middle East after the Venezuelan Pattern’, in *Handbook of OPEC and the Global Energy Order*, eds. Dag Harald Claes and Giuliano Garavini (London: Routledge, 2020).

²² On Tariki, see also Stephen Duguid, ‘A Biographical Approach to the Study of Social Change in the Middle East: Abdullah Tariki as a New Man’, *International Journal of Middle East Studies* 1, no. 3 (1970): 195–220.

²³ Peter M. Haas, ‘Introduction: Epistemic Communities and International Policy Coordination’, *International Organization* 46, no. 1 (1992): 1–35.

²⁴ Dietrich, *Oil Revolution*, 7.

²⁵ Francisco Parra, *Oil Politics: A Modern History of Petroleum* (London: I. B. Tauris, 2005); Ian Skeet, *OPEC: Twenty-Five Years of Prices and Politics* (Cambridge: Cambridge University Press, 1988); Garavini, *The Rise & Fall of OPEC*; Dietrich, *Oil Revolution*.

unanimously to pass resolution XVI.90, making national control a joint policy principle. All member governments should now, as the resolution put it, 'endeavour, as far as feasible, to explore for and develop their hydrocarbon resources directly'.²⁶ The resolution was made possible only through complicated negotiations between Parra and the various producer state governments, particularly those of the Persian Gulf. In these negotiations, members of the anti-colonial elite, such as Saudi Arabia's oil minister Ahmad Zaki Yamani, were important.²⁷

Many factors contributed to increasing producer governments' bargaining strength in the late 1960s. But the Oil Revolution would not have been possible without the joint OPEC stance, particularly among the Gulf producers. Most countries had already created national oil companies. The 1968 resolution kicked off the developments that would put them in charge. In 1970, Algeria started to nationalise foreign oil company assets. In 1972, as Algeria nationalised 51 per cent of French oil interests, Iraq transferred all foreign oil companies' remaining assets to its national oil company. That same year, Saudi Arabia, Abu Dhabi and Kuwait began the renegotiation of concession contracts that would, by the early 1980s, make their national oil companies monopolies.²⁸ It was the government's assumption of oil power in these countries that enabled the Oil Shock of 1973.

We shall in this article show that the anti-colonial elite extended to Norway. Even though Farouk Al-Kasim and Hasan Zakariya were very different from each other, both could be said to belong to the Middle East anti-colonial elite of the 1950s and 1960s. Both came, moreover, independently of each other, to play significant roles in Norwegian policymaking in the 1970s. Both Zakariya and Al-Kasim brought with them first-hand experience with the plight of Third World oil exporting countries and clear notions about what needed to be done to limit the power of international oil companies and reinstate national control.

Two Iraqi Oil Technocrats

Before we go on to discuss Al-Kasim and Zakariya's roles in Norway, we must give a brief outline of their Iraqi background. Farouk Al-Kasim is the one for whom we have most biographical details, thanks largely to a biographical book written by Norwegian journalist Per Lars Tonstad. Al-Kasim has also been interviewed by the author of this article. It is worth emphasising that we rely heavily on Al-Kasim's own recollections. At any rate, according to Tonstad's book, he was born in Basra in Southern Iraq in 1934 to a family of Persian decent. After receiving a government stipend for studying abroad, he went to the United Kingdom in 1954 and received a BSc in geology from the Royal School of Mines at Imperial College, London.

Al-Kasim was immediately hired by the Basra Petroleum Company upon returning in 1956. The Basra company was a subsidiary of the Iraq Petroleum Company, which in turn was the joint subsidiary of Exxon, Shell, BP and the other big multinational oil companies controlling Iraqi oil under a generous concession granted them in 1925, when Iraq was still a British mandate. Al-Kasim would serve ten years in various capacities for the IPC, as an 'area geologist' in the south and later north of Iraq.²⁹ By the early 1960s, he was the IPC's highest ranking Iraqi employee and, according to his own account, fifth in command on the ground in Iraq.³⁰

Far less is known about Zakariya's biography. We don't know, for example, when or where in Iraq he was born, though it was probably sometime in the 1920s. There are indications that Zakariya, unlike Al-Kasim, was born into a privileged family.³¹ According to Al-Kasim, the two only met briefly, and only in Norway. Zakariya studied law, first in Baghdad, where he received his bachelor's degree in

²⁶ OPEC Resolution XVI.90 Declaratory statement of petroleum policy in member countries, 24–25 June 1968.

²⁷ Parra, *Oil Politics*; Skeet, *OPEC: Twenty-Five Years of Prices and Politics*.

²⁸ Parra, *Oil Politics*.

²⁹ Tonstad and Al-Kasim, *Farouk Al-Kasim*, 85.

³⁰ 'The Iraqi Who Saved Norway from Oil', *Financial Times*, 28 Aug. 2009.

³¹ His foreign education and the prominent role in the OPEC bureaucracy point in this direction.

1942, then, from 1950 or 1951, at Harvard Law School in the United States.³² Zakariya received his doctorate in 1954.³³

It seems that after 1958, Zakariya rose to some prominence within post-Hashemite revolutionary Iraq. According to Jens Evensen's account (see below), Zakariya became an oil minister after Abdel Karim Qassem's brutal *coup d'état* in 1958.³⁴ If he was Qassem's man, this may explain why – following a new coup against Qassem in 1963 and the subsequent Baath party's coup in 1968 – he seemed to move further and further away from the centre of power in Baghdad, but this is speculation. Between 1967 and 1970 he served as head of OPEC's legal section. Between 1970 and 1984 he worked as inter-regional adviser on petroleum economics and legislation for the United Nations. It is not clear whether he represented Iraq in this role.

Both Al-Kasim and Zakariya clearly represent the anti-colonial elite that Dietrich has identified. They both shared the experience of inferiority and humiliation brought about by the British mandate from 1920 to 1955. Zakariya's writings, and his affiliation to Qassem, suggest a nationalistic sentiment on behalf of Iraq and the broader Third World, but with a distinctly sober technocratic tone and a worldly twinkle in the eye. Al-Kasim, a more timid personality, shared both sobriety and a sense of nationalism. To his biographer, Tonstad, Al-Kasim expresses clear sympathy for the moderate anti-colonial policies of Qassem and subsequent Iraqi leaders.³⁵ The Iraqis now chose 'a course away from inferiority and impotence', Tonstad writes. 'The dignity of Iraq would be resurrected'.³⁶ Al-Kasim clearly did not perceive himself as an activist, however.³⁷ He was, like most geologists, not an intellectual but a down-to-earth practitioner. 'I chose to be a technocrat and expert rather than a politician and demonstrator', he told Tonstad.³⁸

They had first-hand experience with the conflicts between a national government and the international oil companies over matters of control. Qassem sought, for example, to raise transit rates for crude oil at Basra port to gain more money in the late 1950s. If Evensen's account is correct, Zakariya may have been directly involved in the decision. The IPC simply reduced Iraqi production. In 1961 the government nationalised without compensation all the IPC's concession area that was not yet in production (IPC retained until 1972 its producing oil fields).³⁹ IPC had to accept the move but it laid off many of its Iraqi employees, including Farouk Al-Kasim, to demonstrate its dissatisfaction.

There were, however, other aspects of their experience that came to be most relevant in their dealings with the Norwegian government. For Al-Kasim it was his experience with the know-how. His dual role as an Iraqi within the IPC organisation gave him a particularly vivid impression of the role of knowledge for oil company power. Even if Iraq nationalised all assets, IPC's power rested with the people like himself who knew the geology, the pipelines, derricks, and other equipment necessary to bring crude oil up from the ground and out to the markets. And most of these people were British or American, not Iraqi. This would lead to Al-Kasim relentlessly stressing native petroleum knowledge as a necessary prerequisite for control. 'The state had to get out and drill wells, getting its fingers dirty, or else the distance between the authorities and the business would become too great', as he later expressed it.⁴⁰

³² Cf. note 1 in Zakariya, 'New Directions in the Search for and Development of Petroleum Resources in the Developing Countries'.

³³ Dietrich, *Oil Revolution*, 162.

³⁴ Berit Ruud Retzer, *Jens Evensen: Mannen som gjorde Norge større* (Oslo: Gyldendal, 2017), 59.

³⁵ Al-Kasim echoed these views in conversation with the author of this article on 9 Oct. 2018.

³⁶ 'Landet hadde staket ut en kurs bort fra underlegenhet og avmakt. Iraks verdighet skulle gjenskapes'. Tonstad and Al-Kasim, *Farouk Al-Kasim: Hemmeligheten bak det norske oljeeventyret*, 62.

³⁷ Ibid., 56.

³⁸ 'Jeg valgte å være teknokrat og ekspert heller enn politiker og demonstrant', s56.

³⁹ Michael E. Brown, 'The Nationalization of the Iraqi Petroleum Company', *International Journal of Middle East Studies* 10 (1979): 107–24.

⁴⁰ 'Staten måtte ut og bore brønner, skitne til fingrene sine, ellers ville avstanden bli for stor mellom myndighetene og næringen', Tonstad and Al-Kasim, *Farouk Al-Kasim*, 139.

For Hasan Zakariya, it was his experience with preparation of the OPEC resolution XVI.90 of 1968. Together with general secretary Francisco Parra, Zakariya was the chief architect of this watershed document, the resolution that established policy principles for the OPEC member countries and enabled the 1970s Revolution.⁴¹ Behind this resolution lay a careful process of seeking out the political possibilities among the member countries and of charting the various technical arrangements that member governments had tried in their pursuit of a better division of burdens and benefits with the international oil companies. Zakariya 'sought to close the breach between the right to sovereignty and its practice', writes Dietrich.⁴² Zakariya's overview of these topics would be of particular importance in his contact with the Norwegians.

Al-Kasim and Zakariya in Norway

Al-Kasim and Zakariya began providing services to the Norwegian government in the late 1960s. Before we go into the nature of this service, it is necessary to explain why two members of the anti-colonial elite ended up in this role. Al-Kasim and Zakariya had, as it were, made important Norwegian acquaintances already in the 1950s, long before Norway became an oil producing country. These acquaintances are important to understand why two members of the anti-colonial elite ended up as Norwegian advisors at all.

Farouk Al-Kasim moved to Norway permanently in 1968 for family reasons. He had married a Norwegian woman when he studied in London in the 1950s. He then moved with his wife from London to Iraq, where they raised a family and tried to establish a normal family life in various gated IPC communities around the country, with occasional visits to Norway. In 1968, however, Al-Kasim abruptly quit his job and left Iraq with his family. The couple wanted to find better medical treatment for their youngest son, who had been born with cerebral palsy. In addition, Al-Kasim feared, according to Tonstad's account, that the Baathists would take power. Given the key expertise he possessed, he risked being banned permanently from leaving the country. The Baath party was on the rise again and would seize power in 1968, shortly after Al-Kasim's flight.⁴³

After failing to secure a new job in the IPC headquarters in London, Al-Kasim went to Norway. According to his own account, he was prepared to become a taxi driver in his wife's native west coast village of Åndalsnes. Before leaving Oslo by train, however, Al-Kasim dropped by the Ministry of Industry. Aware that multinational oil companies had begun to explore for petroleum off the Norwegian west coast, he enquired whether the Ministry needed a petroleum geologist.⁴⁴ His service to Norway began when the Ministry hired him a few months later as a consultant on a temporary contract. In this capacity he became the Ministry's first true petroleum geologist and true specialist. He would eventually serve for twenty-two years, most of them as a director in the newly established Norwegian Oil Directorate in Stavanger between 1972 and 1990. (This article, it should be emphasised, focuses strictly on oil policy of the early 1970s and will not consider Al-Kasim's contributions in general.)⁴⁵

Hasan Zakariya was brought to Norway by friendship. When studying at Harvard in 1952, Zakariya had befriended a flamboyant Norwegian lawyer, Jens Evensen. Evensen, who was in his mid-30s and already an authorised lawyer to the Norwegian Supreme Court and a trusted expert in international law to the Norwegian government, was at Harvard to pursue a doctorate in the subject. Evensen would eventually earn his doctorate in 1968, after being interrupted numerous times by government assignments.

⁴¹ Dietrich, *Oil Revolution*, 162–7; Parra, *Oil Politics*, 111–13.

⁴² Dietrich, *Oil Revolution*, 166.

⁴³ Tonstad and Al-Kasim, *Farouk Al-Kasim*.

⁴⁴ There is a discrepancy on this point between Tonstad's book, claiming he was aware, and the *Financial Times* article, claiming he was not.

⁴⁵ See also Al-Kasim's eminent book: Farouk Al-Kasim, *Managing Petroleum Resources: The Norwegian Model in a Broad Perspective* (Oxford: Oxford Institute for Energy Studies, 2006).

Our only source of information about the friendship is an account by Evensen's biographer, based on Evensen's colourful oral recollection many years later. According to this account, Zakariya at some point needed surgery for an eye disease. He borrowed cash from Evensen for the surgery, which he later paid back.⁴⁶ Evensen was called back by the Norwegian government shortly afterwards and it is not clear whether they maintained contact.

In 1958, however, Zakariya and Evensen met again, due to an extraordinary streak of coincidences. Following Abdul-Karim Qasim's coup, Evensen was sent by the Norwegian government to Baghdad as an improvised special envoy to assist some concrete workers from Trondheim trapped in the turmoil. Again, we have to rely on Evensen's colourful storytelling. According to Evensen, he was flown into Iraq in a private propeller airplane and left alone by an anxious pilot at the end of a desolate airstrip outside Baghdad. Evensen was immediately arrested and put in a murky prison cellar. Unfamiliar with Arabic but remembering Zakariya from Harvard, he tried to shout Zakariya's name to the guards. Suddenly, Evensen was brought out from the cell, moved into a limousine, and driven off through cheering masses (mistaking him for Swedish star diplomat Dag Hammarskjöld) to some government building in the centre of the city.⁴⁷

There he met Hasan Zakariya. According to Evensen, Zakariya had become minister in Qasim's government. He arranged for Evensen an awkward meeting with Qasim himself (Evensen allegedly challenged the heavily armed general to a fist fight – a challenge that was not accepted). Zakariya then arranged reasonably safe accommodations in Baghdad, and Evensen was able to accomplish his diplomatic mission.⁴⁸

The coincidences would continue. When Norwegian authorities considered allowing oil companies to drill for petroleum under Norwegian waters for the first time in 1962, the government assigned Jens Evensen to sort out the many legal details. Following the news of the discovery of the Groningen gas field in 1960, and of the news that it extended under the North Sea seabed, many oil companies approached Norwegian authorities for permission to explore for petroleum.⁴⁹ The government was eager to attract foreign investment. Evensen, who now headed the Ministry of Foreign Affairs' legal office, supervised the introduction of petroleum legislation in 1963 and of a regulatory framework for exploration and production in 1965.⁵⁰

When Hasan Zakariya became head of OPEC's legal department in 1967, Evensen quickly arranged for his right-hand man, Nils Gulnes, to visit him and gather information on international oil policy. Gulnes was secretary to the Oil Council, a body Evensen chaired and that would serve as the official pretext for his freewheeling advisory activities between 1965 and 1972. Gulnes was also appointed first head of the Temporary Oil Office, the office responsible for administering the concessions. This office, where Farouk Al-Kasim was employed in 1968, would eventually grow into the permanent bureaucracy of Norway's Ministry of Oil and Energy. Gulnes went to the new OPEC headquarters in Vienna in 1967 and quickly established a relationship with Zakariya himself.⁵¹ From late 1969, Gulnes and Evensen would involve Zakariya in various capacities as a consultant and adviser for the Norwegian government.

The Norwegian Turn to 'National Control'

It is obvious that the roles Farouk Al-Kasim and Hasan Zakariya could play in Norway were very different from those they could play in Iraq or in the OPEC organisation. Iraq, receiving de-facto independence as late as 1955, was underdeveloped institutionally and economically, characteristics it

⁴⁶ Retzer, *Jens Evensen: Mannen som gjorde Norge større*, 59.

⁴⁷ Ibid., 59.

⁴⁸ Ibid..

⁴⁹ Finn Erhard Johannessen, Asle Rønning and Pål Thonstad Sandvik, *Nasjonal kontroll og industriell fornyelse: Hydro 1945–1977* (Oslo: Pax, 2005), 257.

⁵⁰ Hanisch and Nerheim, *Norsk oljehistorie*, 1.

⁵¹ Nils Gulnes, interviewed by the author, 4 June 2018.

shared with all OPEC members countries. Dietrich and other historians emphasise the importance of decolonisation for understanding the Oil Revolution in the Middle East. The struggle over oil was a struggle for postcolonial justice in general. Dietrich emphasises how an anti-colonial *culture* bound the elite together and created a powerful resonance with their domestic political contexts.

Norway was by the late 1960s in a very different position. Long before the inflow of oil revenues, it was safely placed among the richest countries in the world measured in GDP per capita. It had a diverse industrialised economy, long-established democratic institutions, and a highly educated, albeit small, population.⁵² Norway had, one could claim, experience with humiliation and exploitation as the junior partner in various Scandinavian unions and as a Nazi-occupied country during the Second World War, but nothing on the scale of Iraq and other OPEC countries. Jens Evensen, Nils Gulnes and other Norwegian officials felt it far easier to relate to American and British oil company managers than to Arab oil men.⁵³

Norwegian oil policy came, nevertheless, to show similarities to the oil policy of many OPEC countries in the years after Zakariya and Al-Kasim became involved. In the summer of 1971, the Norwegian parliament, Stortinget, passed unanimously a broad and ambitious policy programme for Norwegian oil, summarised under the slogan of ‘national control’.⁵⁴ The programme had a broad scope. It contained many elements that we will not discuss here, some of them with little resemblance to OPEC policy. Other measures showed striking similarities, however. Particularly important among these was the parliament’s explicit intention to introduce a state-owned oil company.⁵⁵ The company Statoil was introduced in 1972 and would be allowed to expand rapidly with a default 50 per cent share of all new concessions from 1973. Norway was, it seemed, clearly – albeit implicitly – complying with the policy principles passed by OPEC in 1968.

The developments in 1971 and 1972 represented, if not a revolution, then at least a pronounced shift in attitude. The legislative framework Jens Evensen and his colleagues had designed between 1963 and 1965 clearly recognised the principle of sovereignty over natural resources and gave broad provisions for government to introduce control measures. Inside this framework, however, the Norwegian government had already become highly reliant on multinational oil companies. The framework had been developed in close collaboration with the oil companies themselves and with business-friendly British authorities.⁵⁶ In 1965, to encourage activity and investment, Nils Gulnes and the Oil Office had awarded concessions for large tracts of the Norwegian sector. If significant oil and gas reserves had been discovered in these concessions, the framework would have given the multinational oil companies much leverage over the future development of the Norwegian oil industry.

One important reason for the shift was the discovery of petroleum. Oil policy in the mid-1960s had been formulated under much uncertainty about the potential for discoveries. While the Norwegian sector quickly proved more promising, it was expected that discoveries would be marginal. In late 1969 American oil company Phillips Petroleum suddenly discovered large quantities of oil and gas in the southernmost part of the Norwegian sector. The discovery would later be named Ekofisk, which was at the time probably the largest crude oil field in the world discovered at significant water depth and out of sight of land. In early 1970, Phillips together with its partners decided to develop the field and extract the oil. The shift in Norwegian oil policy from 1970 reflected the realisation that with Ekofisk, petroleum could become a major new force in the Norwegian economy.

Another reason was that new forces emerged on the political scene. Jens Evensen, Nils Gulnes and the others who had formulated the oil framework of the 1960s were civil servants, many of them with a cautious bent. Since 1965 they had operated on behalf of a centre-right coalition government cautious

⁵² Andersen, *The Struggle over North Sea Oil and Gas*.

⁵³ In an interview with the author on 9 Oct. 2018, Al-Kasim told the author that Jens Evensen was clearly sceptical towards him.

⁵⁴ The description of early Norwegian oil policy follows Eivind Thomassen, ‘The Crude Means to Mastery: Norwegian National Oil Company Statoil (Equinor) and the Norwegian State 1972–2001’ (PhD thesis, University of Oslo, 2020).

⁵⁵ Report of the parliamentary standing committee on industrial matters (Innst. S.) no. 2984 (1970–71).

⁵⁶ Thomassen, ‘The Crude Means to Mastery’.

not to expand the state's commitment. The Norwegian Labor party, however – Norway's single largest party and the party that had governed the country continuously from 1945 to 1965 – seized eagerly on the Ekofisk discovery to claim that the centre-right government was losing control. Industrial policy strategists within the party saw oil as a potential catalyst in the development of Norwegian industry and wanted the state to play the leading role in the process. In 1970 the party announced a programme for securing government control with oil containing a state company as its key element. In early spring 1971, when the centre-right coalition dissolved, Labor resumed government.

Al-Kasim and Statoil's Organisation

We will in the following section discuss Al-Kasim's and Zakariya's role in shaping Norwegian policy in the early 1970s, particularly in the creation of the national oil company Statoil. The two Iraqis were not involved in the decision to introduce a national, state-owned oil company as such. They *were* involved, however, in determining the organisation and nature of the company. In the broad stream of oil-related questions raised and discussed by Norwegian politicians in the early 1970s, these decisions may seem of minor significance. They came, however, to have far-reaching impact on the subsequent development of Statoil and Norwegian oil.

The first decision was the organisation of Statoil as an operational company. There was agreement in the Norwegian parliament in 1971 about the need for a state company. In 1972 Stortinget unanimously passed a resolution that such a company, later named Statoil, should be established. However, there was much disagreement about the exact organisation of the company, and about its scope and resources.⁵⁷

The company's operational status was at the centre of the controversy. By 'operational' was meant a company that could conduct activities in its own name, and that could employ the necessary operational personnel and equipment. This could include operations like drilling wells, directing the building of fixed production platforms, operating platforms, tanker ships, refineries and much more. Alternatively, the Norwegian parliament could make Statoil a *non-operational company*. This model was suggested by an independent expert committee, giving its report in spring 1971.⁵⁸ In such a form, Statoil would be formally *prevented* from operational involvement. Statoil would be allowed merely to hold shares in operational ventures. The expert committee envisaged that the subsidiary ventures would be owned jointly with private firms.

This was the issue with which Farouk Al-Kasim was most directly involved. Despite being the Ministry of Industry's foremost industry expert, Nils Gulnes, the head of the Oil Office, had until 1972 kept Al-Kasim in an office far away from the rest of the Ministry, much to the Iraqi's frustration.⁵⁹ Gulnes perceived Al-Kasim's role as delicate vis-à-vis the oil companies.⁶⁰ Following the Ekofisk discovery, the staff of the Temporary Oil Office was expanded from only a handful to around twenty employees, but it was dominated by freshly educated lawyers and lacked expertise in specialised engineering and geology. Nevertheless, Al-Kasim remained on the outside. He was, according to his own account, 'taken by surprise' when, in spring 1972, Gulnes suddenly asked him to draft the Ministry's proposition to parliament for the creation of the state-owned oil company, the proposition with which Statoil's operational status would be settled.⁶¹

During one week in spring 1972, Al-Kasim and a fellow Oil Office bureaucrat, German-born lawyer Dieter Schaubert, drafted the proposal in secret, in an isolated cabin on the Norwegian coast south-east of Oslo. According to both men, they slept, drafted and fished cod.⁶²

⁵⁷ Ibid.; Thomassen, *Commerce and Politics*.

⁵⁸ 'Innstilling om organisasjon for norske kontinentalsokkelsaker', report attached to government proposition to parliament (St. prp.) no. 113 (1971–72) Opprettelse av Statens oljedirektorat og et statlig oljeselskap m.m.

⁵⁹ Tonstad and Al-Kasim, *Farouk Al-Kasim*, 124, 32.

⁶⁰ Gulnes in interview, 4 June 2018.

⁶¹ Tonstad and Al-Kasim, *Farouk Al-Kasim*, 136.

⁶² Ibid., 138–40.

In the discussions leading up to this drafting process, Al-Kasim argued strongly in favour of an operational company.⁶³ A non-operational model was clearly at odds with his advice that government should ‘get its fingers dirty’. ‘If the institute is to be realistically, and not academically, oriented towards petroleum’, Al-Kasim wrote in an internal memorandum, ‘its success will surely depend on the calibre and maturity of its personnel in the down-to-earth aspects of petroleum.’⁶⁴ On this point, Al-Kasim stood out from his Oil Office colleagues, including his boss, Gulnes, and his cabin fishing-mate, Schaubert.⁶⁵ The colleagues feared that Norway should commit too many resources to oil, particularly via a strong freewheeling state-owned company. They shared the principal concern for control but felt the multinational oil companies were doing an excellent job on Norway’s continental shelf. They did not want to intimidate them by aggressive nationalistic measures.⁶⁶

The Labour Minister of Industry, Finn Lied, made clear, however, after hearing out all arguments, that the company should be operational. In Al-Kasim’s final draft, and in the finished proposition, there was considerable emphasis placed on the necessity to build up Norwegian competence and know-how, and on the need to make the national oil company fully operational as one of the means to achieve it. ‘The later development of the petroleum industry shows that the oil producing countries through their state companies more and more take active part in petroleum industry activities’, the proposition stated. They had demonstrated, it claimed, that ‘it is by such active participation on the side of the state that has best enabled each state to influence on and steer the development of an integrated public oil policy in accordance with national and international interests’.⁶⁷

We cannot know how important Al-Kasim’s arguments were in convincing Minister Lied. Key Labour politicians had wanted the state company to take an ‘active’ role, and had argued for Norway to ‘get its hands dirty’, long before talking to Farouk Al-Kasim.⁶⁸ Norway lacked ‘a national oil company that *in an active way* can take care of exploration and extraction’ (my emphasis), an internal Labour memo had stated in the summer of 1970.⁶⁹ It seems clear, at least in retrospective, that this motive favoured an operational rather than a non-operational company.⁷⁰ The reason why Nils Gulnes surprisingly assigned Al-Kasim to write the proposition draft in 1972 may well have been the complementarity of his views with those of the minister. It is possible that government would have proposed an operational company, regardless of advice from the bureaucracy.

It is worth mentioning that Lied’s junior minister, Arve Johnsen, was appointed Statoil’s first Chief Executive Officer a few months later. Finn Lied would become chairman of the company’s board in

⁶³ Ibid., 138–40. This information was confirmed by Nils Gulnes and Dieter Schaubert in interviews with the author of this article on 4 June 2018 and 11 Sept. 2018, respectively, as well as with Al-Kasim on 9 Oct. 2018.

⁶⁴ ‘Proposal for the states [sic] organization of matters related to the continental shelf’ (original in English), FAK/Esk, 30 Aug. 1971, box L0131, series D/Da, Ministry of Oil and Energy archive, Oslo. The particular passage deals with the ‘continental shelf institute’ that was considered at the time, but clearly expresses a general principle.

⁶⁵ Schaubert in an interview with the author.

⁶⁶ Interviews with Gulnes (4 June 2018) and Schaubert (11 Sept. 2018).

⁶⁷ ‘Den senere utvikling innen petroleumsindustrien viser at de oljeproduserende land gjennom statlige selskaper mer og mer tar aktiv del i petroleumsindustriell virksomhet, idet det har vist seg at det er ved slik aktiv deltagelse fra statens side at den enkelte stat best har maktet å influere på og styre utviklingen av en integrert statlig oljepolitikk i samsvar med nasjonale og internasjonale interesser’, Proposition 113 to parliament (1971–72) on the establishment of a state oil company, 18.

⁶⁸ See Johnsen’s memorandum ‘Grunnlag for uttalelse om norsk oljepolitikk (sentralstyresak nr. 11)’ to the governing body of the Norwegian Labor party, 12 Aug. 1970, folio ‘Industriutvalget 1970’, box D/Da 483, archive of the Norwegian Labor Party, the Labor movement’s archive, Oslo.

⁶⁹ ‘I dag mangler vi [...] et nasjonalt oljeselskap som på en aktiv måte kan sørge for leting og utvinning, ilandføring og videre bearbeiding og markedsføring’, Grunnlag for uttalelse om norsk oljepolitikk, sentralstyresak nr. 11, 12 Aug. 1970, folio ‘Industriutvalget 1970’, box D/Da 483 DNA, ARBARK; A-partiet krever full nasjonal olje-kontroll, Arbeiderbladet, 17 Aug. 1970; Arbeiderpartiet vil ha statlig oljeselskap, Morgenbladet, 17 Aug. 1970.

⁷⁰ Other elements also played into the discussion over operational status; see Eivind Thomassen, ‘Vertical Integration among Oil Producing Countries’, *Enterprise & Society* 26 (2025): 1–23; For a more detailed discussion on the Labour Party visions for the company see Thomassen, ‘The Crude Means to Mastery’, ch. 3.

1974. In these positions, Lied and Johnsen would seek aggressively to expand Statoil's operational involvement well into the 1980s.⁷¹

It is important to keep in mind, however, that the early 1970s was a time of much uncertainty. Many decisions had to be taken in a brief timespan. This gave the civil service much authority vis-à-vis government politicians, sometimes more than they liked to admit. There is more than one example from this period of questions that were settled in the civil servants' favour against strongly stated political preferences.⁷² It can be argued against this background that *without* Al-Kasim – in the absence of a strong and knowledgeable advocate for an operational company in the oil bureaucracy – the government may well have concluded differently.

Zakariya and the Participation Contract

The other decision we will discuss – and the one in which Hasan Zakariya was more involved – was to introduce a specific form of participation contract to regulate Statoil's position in Norwegian oil. 'State participation' (*statsdeltagelse*) was becoming a generic term for many forms of national oil company involvement in the 1960s. It came in Norway to refer to a specific form of contract – and one with striking similarities to those of the Middle East producer countries. Hasan Zakariya was, as we have seen, one of the chief architects behind the 1968 OPEC resolution XVI.90, according to which 'Government shall seek to retain the greatest possible measure of participation in and control over all aspects of operations'.⁷³ In 1969 he came to Norway to give a lecture on the resolution, and in 1970 he was hired as a consultant by the Norwegian government, writing a report on participation and making 'a detailed draft agreement of state participation' to be used in the licensing round set for 1972.⁷⁴ How important was Hasan Zakariya's Norwegian engagement for the exact shape of Statoil participation?⁷⁵

Statoil participation would come to have two main characteristics. One was its reliance on partnerships with other, privately owned oil companies. The Norwegian government had begun in 1965 to grant concessions to private firms for the right to explore for and produce oil and gas in particular 'blocks' of the North Sea. The concessions were granted to joint ventures, where a number of multinational companies shared all benefits and burdens according to a given share. Phillips Petroleum of Oklahoma, for example, the company that discovered Ekofisk in 1969, did so as a representative of a much larger 'Phillips Group', consisting of about ten companies. After Statoil was established in 1972, government required that the state company should participate as a co-concessionaire and partner of the joint venture in every new concession (not in existing concessions such as Ekofisk). Apart from the rights and obligations that followed from its share in the partnership, Statoil would enjoy no special government authority vis-à-vis its partner companies.⁷⁶

The other characteristic feature was Statoil's limited share in new concessions. Starting in 1973, government required a customary 50 per cent participation for Statoil in all new concessions. Adjustments in 1976 would allow participation up to 85 per cent if the discovery was particularly lucrative. This opportunity was rarely used, however. Up until the 1990s, 50 per cent remained Statoil's default participation rate, with some upward deviation in rich fields. This meant that Statoil's control over any single oil field would never be complete. This feature, together with the

⁷¹ Thomassen, *Commerce and Politics*.

⁷² For example, the civil service persuaded Minister Lied to abandon the idea of a 'Seafloor Institute' located in Lied's native town of Trondheim. The organisation of Statoil's participation is another example (see below).

⁷³ OPEC Resolution XVI.90 Declaratory statement of petroleum policy in member countries, 24–25 June 1968.

⁷⁴ Contract of consulting between Dr. Hasan S. Zakariya, Vienna, and The Royal Norwegian Ministry of Industry, Apr. 1972, box D/Da L0432, OED.

⁷⁵ The following discussion builds on Thomassen, 'Taking a Leaf out of OPEC's Book?'. It expands on the brief discussion provided there, particularly in terms of the correspondence between Zakariya and the civil servants, the details of the Ustaaset programme and of Zakariya's viewpoints.

⁷⁶ Statoil would, however, in most cases be relieved of exploration risk, as its participation was usually pending on an actual discovery.

partnership organisation, placed Norway in sharp contrast to the many Latin American countries where the oil industry had been completely nationalised and monopolised by the national oil company. This would soon become the norm also in the Middle East.

By the time of the Oil Revolution, however, most Middle East producers were pursuing exactly the same kind of participation policy.⁷⁷ According to Hasan Zakariya's 1972 report to the Norwegian Ministry of Industry, this form of contract had first been developed in 1957 in contracts between two Egyptian national oil companies. A few months later, it was included in an agreement between the ENI subsidiary AGIP and the National Oil Company of Iran (NIOC).⁷⁸ The principles of the Egyptian and Iranian agreements were copied extensively; in Saudi Arabia in 1965 and 1967, in Kuwait in 1967 and in Algeria, Libya and Abu Dhabi in 1968. A report compiled for the Norwegian Ministry of Industry in 1972 listed thirty-six such participation agreements all around the world.⁷⁹ According to Hasan Zakariya's report, 50 per cent participation was the most widespread.

The Middle East joint venture participation contracts were indeed one of the key drivers of the Oil Revolution. To many Middle East OPEC members, and to Francisco Parra and Hasan Zakariya in the Vienna headquarters, joint venture seems indeed to have been what they had in mind when they referred to an 'arrangement' in which governments should, under present circumstances, 'seek to retain the greatest possible measure of participation in and control over all aspects of operations'.⁸⁰

Hasan Zakariya clearly favoured this participation model. 'Complete national control of natural resources is, of course, the ultimate goal', he admitted in his 1976 article. But, he made clear, 'In certain places and at certain times, especially at the outset, this might not prove possible or advisable'. State participation was therefore 'a big step on the way to the ultimate goal, a pragmatic and effective compromise between what is possible and what is desirable'.⁸¹ Joint venture satisfied many of the objectives of complete government control, Zakariya pointed out. It gave better insight into the oil companies' operations ('control from within'), allowed the gradual accumulation of technical know-how and secured a greater portion of revenues for the state.

Zakariya presented these points to Norwegian civil servants, probably as early as 1969. In December 1968, Jens Evensen invited him to come to Norway in January, to the Ustaoset hotel in the middle of the snow-covered Norwegian mountains, to speak to a select audience of Oil Council members and Oil Office bureaucrats. 'I would suggest that you take warm clothes with you', Evensen wrote. 'The necessary ski equipment can be rented through the hotel'.⁸² He did not give him a specific topic, however. Zakariya suggested that he 'speak on some of the current problems under consideration in our Organization, such as, for example, the principles embodied in our Resolution XVI.90'.⁸³ No manuscript survives from Zakariya's mountain lecture, but it is likely that he presented many of the same views he presented in his 1972 report to the Ministry of Industry, where the benefits of participation were laid out. It is also likely that he spoke about the potential consequences of OPEC now, for the first time, taking a united stance.

⁷⁷ For more on the technical aspects of this form of participation, see Thomassen, 'Taking a Leaf out of OPEC's Book?'.
⁷⁸ These agreements seem to some extent to have been modelled on the agreement between the Kuwaiti ruler and the Aminol consortium in 1948; see 'State participation in the future development of petroleum resources on the Norwegian continental shelf, a preliminary report', Mar. 1972, box D/Da L0432 Ministry of Industry Archives; Report state participation in the field of hydrocarbons exploration and production, made by Bureau d'Etudes Industrielles et de Cooperation de l'Institut Francais du Petrole, undated, probably 1972, folio 'Statsdeltagelsesavtale 1972' box D/Da L0433, Ministry of Industry Archives.

⁷⁹ 'Report state participation in the field of hydrocarbons exploration and production', op. cit. Evensen, 1971, 68–79; Zakariya, 'New Directions in the Search for and Development of Petroleum Resources in the Developing Countries', 557.

⁸⁰ OPEC Resolution XVI.90, 'Declaratory statement of petroleum policy in member countries', 24–25 June 1968.

⁸¹ Zakariya, 'New Directions in the Search for and Development of Petroleum Resources in the Developing Countries', 551.

⁸² Letter from Nils Gulnes to Hasan Zakariya, 18 Dec. 1968, box L0121, series D/Da, Ministry of Oil and Energy Archives, the Norwegian National Archive (Riksarkivet), Oslo.

⁸³ Letter from Zakariya to Evensen, 22 Dec. 1968, box L0121, Series D/Da, Ministry of Oil and Energy archives, Riksarkivet Oslo.

Zakariya was certainly not making the Norwegians aware of joint venture participation as a phenomenon.⁸⁴ The government's 'right to participate' had been provided for in the petroleum legislation of 1963,⁸⁵ and Jens Evensen had occasionally discussed this option with the oil companies since 1964.⁸⁶ In 1968 he had even begun to sway some oil companies to accept a small share of state participation in some supplementary blocks awarded that year.⁸⁷ It seems clear, however, that Zakariya strengthened the Norwegian civil servants' belief in the specific form of participation he presented. In an enthusiastic letter to Zakariya thanking him for his lecture, Evensen claimed that he 'gave us new views and thoughts on petroleum economics and state participation'.⁸⁸

After the Ekofisk discovery, the Ministry ceased to award new exploration licences and started to investigate more thoroughly the technical details of global participation agreements. Other advisors were involved. The most important was French petroleum economist Jean Masseron of *L'Institut Français du Pétrole* in Paris, with whom Nils Gulnes also had spent time in the late 1960s.⁸⁹ Masseron was the main guest at the Ustaoset hotel, together with G. Dominjon of the French Ministry of Industry, who had a much larger slot in the programme.⁹⁰ The Petroleum Institute was hired to write an extensive report on participation.⁹¹ Although the report did not give explicit recommendations, it seems that Masseron and the other foreign experts the Ministry talked to were sceptical of extensive state participation in Norway.⁹² Zakariya, on the other hand, warmly recommended participation. In his 1972 report, he in fact recommended that Norway introduce a customary participation in all new concessions, with a suggested customary rate of at least 51 per cent. Jens Evensen published his own report on international petroleum legislation in 1971, portraying joint venture participation as a suitable solution for Norway.⁹³

Unfortunately, the participation contract Zakariya was supposed to draft before the 1972 concession round is missing from the archive. The round was, at any rate, cancelled and not held until 1974. From the extraordinary award of the so-called Norwegian Brent blocks in 1973, however, Norway would to a substantial degree follow the principles in Zakariya's recommendation, with a minimum 50 per cent state participation in all new licences.

Whether the civil service would have become enthusiastic believers in state participation without Zakariya is impossible to know. It seems clear, however, that Zakariya at the very least made Evensen and Gulnes more familiar than most Westerners with the true nature of the OPEC stance, and that this may well have strengthened their inclination to try something similar in Norway. Without their confidence in joint venture participation, the system of Norwegian participation might well have been changed. Key Norwegian Labor party representatives clearly preferred different arrangements for Statoil in the early 1970s, an arrangement that would give Statoil exclusive ownership over certain 'key' blocks. The company would secure technical assistance by so-called service contracts with foreign companies. After becoming CEO of Statoil in 1972, Arve Johnsen would argue

⁸⁴ The government had in fact negotiated such a right in a concession to Caltex to explore for petroleum in the Arctic Svalbard archipelago in 1961; see Kristoffer Bjørklund, 'Caltex-saken og norsk oljepolitikk på Svalbard fra 1960–1973' (Master's thesis, Universitetet i Oslo, 2008).

⁸⁵ '... at den norske stat skal ha kontroll med driften, at den norske stat skal ha deltagerrett', St. prp. Nr. 75 (1962–63) Midlertidig lov om utnyttelse av undersjøiske naturforekomster', 3.

⁸⁶ Industrifinansieringsutvalget PM Spørsmålet om statsdeltagelse ved utnyttelsen av eventuelle oljeforekomster i Nordsjøen, 12 Feb. 1964, unsigned, folio 'Fremtidig oljepolitikk mappe I 1966–69', box Da L0391 OED.

⁸⁷ Thomassen, 'The Crude Means to Mastery', ch. 2.

⁸⁸ Letter from Jens Evensen to Hasan S. Zakariya, 27 Jan. 1969, box D/Da L0121, Ministry of Industry Archives.

⁸⁹ Masseron was considered an authority on petroleum economics at the time, due to his book: Jean Masseron, *L'Économie des Hydrocarbures* (Paris: L'Institut Français du Pétrole, 1969).

⁹⁰ Participants in Petroleum Economics seminar (undated list), box L0121, series D/Da, Ministry of Industry Archives.

⁹¹ 'Report state participation in the field of hydrocarbons exploration and production'; see note 78.

⁹² Thurber and Tangen, 'Norway's Evolving Champion: Statoil and the Politics of State Enterprise', 612; see note 19.

⁹³ Jens Evensen, *Oversikt over oljepolitiske spørsmål bl.a. på bakgrunn av utenlandsk oljelovgivning og utenlandsk konsesjonspolitikk* (Oslo: Industridepartementet, 1971).

systematically for such a view.⁹⁴ The civil servants' belief in joint venture participation and the international standing of the system within OPEC may have given them strength to resist the desire for other options.

This does not mean that Zakariya and the Norwegians favoured state participation for the same reasons. To Zakariya and to OPEC, participation was 'a pragmatic and effective compromise' between the limited control that was possible and the complete control that was desirable. Norwegian civil servants came to appreciate joint venture participation for the exact opposite reason, as a *limit* on state control. Nils Gules and his oil office colleagues had much more confidence in the multinational oil company operators than the 'anti-colonial elite'. They wanted to retain their competence on the Norwegian shelf. The joint venture form of state participation reconciled the need for competence with the strong nationalistic sentiments of early 1970s Norway.⁹⁵ As Statoil started its explosive growth under Arve Johnsen in 1972, the participation system proved beneficial also in another area. The jointness of the participation agreements, with the inclusion of private sector companies in all concessions, served as an indispensable check to the civil servants on Johnsen's rising power.⁹⁶

Conclusion

This article has explored two Iraqi oil technocrats, Hasan Zakariya and Farouk Al-Kasim, and their contributions to shaping Norwegian petroleum policy of the early 1970s. They were both heavily involved in the policymaking process in at least two areas: in making the Norwegian national oil company, Statoil, an operational company, and in organising its involvement in Norwegian oil on a joint venture participation basis. Both areas showed striking similarities to the policies pursued by Iraq and other OPEC member countries in the period. There are indications, we have seen, that Farouk Al-Kasim and Hasan Zakariya influenced these decisions, albeit to varying degrees.

These traits were of course far from the only significant aspects of the celebrated Norwegian petroleum governance model. More central in the literature on Norwegian petroleum governance is the concession system and the management of petroleum revenues in the state pension fund, decisions with less clear international precedents. The organisation of Statoil would nevertheless have enormous importance for subsequent development. Operational status and extensive participation would enable Statoil to grow at breathtaking speed into the 1980s, transforming it into a domestic state-owned giant. Despite many adjustments into the 1990s and 2000s, the company, since 2018 known as Equinor, still plays this role – a role the equal to which, at least in terms of domestic dominance, can only be found among the 'Oil Titans', the Saudi Aramcos, the NIOCs and INOCs, of the Middle East.⁹⁷ To what extent Statoil/Equinor has been a force for good or ill in overall Norwegian petroleum governance is a subject of controversy, and lies far beyond the scope of this article.

The Norwegian oil governance system became something of a hybrid between the government-controlled OPEC systems and the arm's-length regulatory frameworks of Western oil producing countries. Needless to say, the Norwegians with their unique historical legacies and institutions played, as the historiography has demonstrated, a crucial role in giving this hybrid system its particular historic form. But so did, as we have seen, foreign experts.

Through its findings, this article makes several important contributions. First, it further readjusts the hitherto dominant nation-centric approach to the Norwegian oil history (challenged in Thomassen, 2020). Second, by showing how the influence of the anti-colonial elite stretched all the

⁹⁴ Anonymised.

⁹⁵ Nationalism was strengthened by the debate at the time over Norwegian membership in the European Economic Communities.

⁹⁶ Karl Edwin Manshaus, interviewed by the author, 4 June 2018. See also Mark C. Thurber and Benedicte Istad Tangen, 'Norway's Evolving Champion: Statoil and the Politics of State Enterprise', in *Oil and Governance: State-Owned Enterprises and the World Energy Supply*, eds. David G. Victor, David R. Hulst and Mark Thurber (Cambridge: Cambridge University Press, 2012).

⁹⁷ Valérie Marcel, *Oil Titans: National Oil Companies in the Middle East* (London: Chatham House, 2006).

way to Norway, it broadens our understanding of the general Oil Revolution of the 1970s and of the role of OPEC, international experts, and of the spread of ideas. Third, by giving a rare example of intellectuals from a developing country playing a role in the policymaking of a Western industrialised country, it adds to our understanding of the many ways in which the Global South has contributed to shaping contemporary Europe.