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## The Iraqi who saved Norway from oil

Martin Sandbu August 29, 2009

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[Lisa Margonelli](#) 2017



When he boarded his flight from London to Oslo, Farouk al-Kasim, a young Iraqi geologist, knew his life would never again be the same. Norway was a country about as different as it was possible to imagine from his home, the Iraqi port city of Basra. He had no job to go to, and no idea of how he would make a living in the far north. It was May 1968 and al-Kasim had just resigned from his post at the Iraq Petroleum Company. To do so, he had had to come to the UK, where the consortium of western

companies that still controlled most of his country's oil production had its headquarters.

For all its uncertainties, al-Kasim's journey to Norway had a clear purpose: he and his Norwegian wife, Solfrid, had decided that their youngest son, born with cerebral palsy, could only receive the care he needed there. But it meant turning their backs on a world of comforts. Al-Kasim's successful career had afforded them the prosperous lifestyle of Basra's upper-middle class. Now they would live with Solfrid's family until he could find work, though he had little hope of finding a job as rewarding as the one he had left behind. He was not aware that oil exploration was under way on the Norwegian continental shelf, and even if he had known, it wouldn't have been much cause for hope: after five years of searching, still no oil had been found.

But al-Kasim's most immediate problem on arriving in Oslo that morning was how to fill the day: his train to Solfrid's home town did not depart until 6.30pm. "I thought what I am going to do in these hours?" he says. "So I decided to go to the Ministry of Industry and ask them if they knew of any oil companies coming to Norway."

He deposited his luggage and walked to the ministry, where he was received by a baffled official who told him to come back that afternoon. When he returned, expecting only an address list, several men were waiting for him. "They were keen to know what had I been doing, what kind of education I had, whom I worked for. Did I work as a petroleum engineer? Did I work as a geologist? What did I do?" His request for a list of possible employers had turned into an impromptu job interview. "They must have been absolutely desperate for expertise!" says al-Kasim. They were indeed. At the time of his surprise call, Norway's oil administration numbered just three officials, all in their thirties and all learning essential parts of the job as they went along. Meanwhile, the North Sea exploration results were pouring in and required careful analysis. Al-Kasim must have looked like a godsend: a man rich in academic training and practical experience of the oil industry – and one in need of work.

In 1952, the Iraq Petroleum Company had reluctantly agreed to train young Iraqis to work alongside its colonial-era masters. It would sponsor batches of Iraqi students to study abroad with the promise of a job afterwards. At only 16, the precocious al-Kasim was selected for the first intake and sent to study petroleum geology at Imperial College London. He returned to Iraq in 1957 – by then married to Solfrid, who had been working in London as an au pair.

Once home, al-Kasim started his working life at the company. Half a century later, eyes shining with glee, he recalls the first time he entered the oil executives' club in Basra. "I walked across the room, straight up to the bar, where I sat down and ordered a drink. Then I turned around and looked back at all the British managers with their wives, who were staring at me in silence. It was the first time they had seen an Iraqi enter the club, except as a servant."

But the company could reassure itself that he was no radical anti-imperialist. "I'm a mild man ... I got the impression that I fitted in their scheme as a balanced person who will take over management at one time, and treat IPC fairly." When he left at 31, he was number five at the company and its highest-ranking Iraqi.

Al-Kasim and his family wouldn't have left Iraq but for their son's medical problems, but even so, the move was politically sensitive. In the past, he'd been stopped at the border on orders from the secret police, who considered him a key figure for any future nationalisation of the oil industry. Now it took months to secure permission to take his son for what they had to pretend would be short-term medical treatment abroad. "It was a smuggling operation ... we were only trying to save the life of our youngest child. But in Iraq, these things don't matter."

Nor was it straightforward to resign from his job. When al-Kasim broke the news to his boss in London, "he said: 'Damn you, Farouk. We were counting on you. Now you are letting us down.'" The top director put pressure on him to stay, but al-Kasim explained that only Norway offered the care his son needed. In the end, his superiors relented. "My immediate boss said: 'I can't promise you that you will get a job, but I can say now that we will not stop you getting one.'"

And so no one interfered when Norway's Ministry of Industry hired al-Kasim as a consultant. His job would be to analyse the North Sea exploration results – at a salary just above that of the prime minister.

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Poor countries dream of finding oil like poor people fantasise about winning the lottery. But the dream often turns into a nightmare as new oil exporters realise that their treasure brings more trouble than help. Juan Pablo Pérez Alfonso, one time Venezuelan oil minister, likened oil to "the devil's excrement". Sheikh Ahmed Yamani, his Saudi Arabian counterpart, reportedly said: "I wish we had found water."

Such resignation reflects bitter experience of the way that dependency on natural resources can poison a country's economic and political system. Inflows of hard currency push up prices, squeezing the competitiveness of non-oil businesses and starving them of capital. As a result, productivity growth withers (a phenomenon known as "Dutch disease" after the negative effects of North Sea gas production on the Netherlands). Meanwhile, the state institutions in charge of oil often become corrupt and evade democratic control. And oil-rich states almost invariably waste the income it brings, many ending their oil booms deeper in debt than when they started.

This is better understood today than it was 40 years ago. When al-Kasim arrived in Oslo, no one was worrying about how oil might challenge Norway – in part because they didn't think any would be found. The Geological Survey of Norway had dismissed the possibility just 10 years earlier.

The politicians and senior bureaucrats had not caught oil fever. A serious mining accident had recently brought down a government, and most did not want to touch oil matters with a bargepole. "Everything I said was met with, 'Oh, you think so? Mmm. Maybe. Let's wait and see'," al-Kasim recalls. "This characteristic saved Norway from the curse of oil: the fact that they are completely incapable of getting carried away by the oil dream. They were very sceptical – plain horse sense basically. They didn't want to move until it was absolutely proven that it was the right time to act."

His was a lonely, contrarian voice. After examining exploration results, he wrote a report that warned Norway was sleeping, that even though no one had found oil yet, it was only a question of time. And time was short: the country's leaders needed to prepare Norway to become an oil nation, but they were doing nothing. "I was a constant reminder that they were doing everything wrong," al-Kasim says pointedly. Only his closest colleagues would listen.

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Oil companies were starting to leave Norway. Well after well had turned out dry and Phillips Petroleum, the first company to explore the Norwegian continental shelf and the last one still searching, was getting ready to throw in the towel. In summer 1969, it asked to be relieved of the final exploration well remaining in its work programme. The government's oil office refused: if Phillips did not drill the well, it would have to pay a fee equal to the cost of drilling. Realising it would be cheaper just to drill, Phillips went ahead one last time. This well banished any thought of leaving. Forty years ago this December, Phillips declared the Ekofisk field one of the world's largest

offshore oil basins.

Overnight, Norway turned into a hydrocarbon superpower. Today, it is the world's sixth-biggest net exporter of oil and the second-biggest net natural gas exporter. In the years since the Ekofisk discovery, the country has exported oil and gas equivalent to some 30 billion barrels of crude – and the continental shelf still contains, by official estimates, almost twice as much again. Yet the country has escaped the problems that beset most other oil exporters. Rather than stifling productivity, the oil sector has spawned world-class exploration, oil services and construction technology. Norway's state oil company, StatoilHydro, is internationally recognised as a competitive commercial player and one of the most environmentally and socially conscious ones to boot. Since 1996, every krone the government has earned from oil has gone into a savings fund, which now totals some £240bn – more than a year's gross domestic product and equivalent to about £50,000 for each of Norway's 4.8 million citizens.

The real achievement, in other words, was not finding oil but coping with its discovery. Norway faced the same dilemma as every other new oil producer with no experience of the industry: if you rely too much on private foreign companies, too little of the oil wealth benefits the country in the form of government revenue or economic development; if you go too far in the other direction, you risk a bloated, politicised oil sector that evades both accountability to the people and competitive pressures to be efficient.

A balance had to be struck. Al-Kasim recalls now that one thing was clear in the early 1970s: Norway would join an international trend towards significant state participation in the oil sector. The Labour government “wanted this to be the new impetus in Norwegian industry”, he says. “And for that to be done properly, according to a socialist, the state has to be in the driver's seat.” Al-Kasim agreed with that view, and so landed the job of writing the nation's blueprint for how it would organise its fledgling oil industry.

The office was no place for this work, al-Kasim and a colleague decided. So on a summer day in 1971, they left Oslo for the colleague's cabin in the woods, where they spent what al-Kasim remembers as the most exciting work week of his life. They worked on the plan into the early hours, taking fishing trips “between the battles”, he recalls. By the time they came home, they had drafted a government white paper that was later presented to parliament and unanimously waved into law. This created the Norwegian Petroleum Directorate, the oil industry regulator, and Statoil, the national

oil company (now known as StatoilHydro).

The trick of the Norwegian model was to retain the private sector's competitive drive and its expertise – which Norway sorely needed – by making sure that the regulator was independent enough to rein in the state oil company as well as its private-sector peers. This was not secured without a fight. Statoil, after all, was going to generate a lot of money – and very soon it did. Willy Olsen, a fast-talking former Statoil manager, says: “Statoil and the Norwegian Petroleum Directorate didn't have the friendliest of relationships. The first 10 to 12 years, the institutions were very unbalanced – Statoil was much heavier. NPD had to fight to gain respect, and for that it needed enthusiasts with enough competence that they could not be dismissed.” That became al-Kasim's mission – and his job for the next two decades – as the regulator's director of resource management.

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“Farouk is perhaps the greatest value creator Norway has had,” says Olsen. And with good reason. Most of the oil found in the world is never recovered: the average extraction rate worldwide is around 25 per cent. Norway averages 45 per cent, and for that, Olsen gives al-Kasim much of the credit: he pushed the government to increase extraction rates; insisted that companies try new technologies, such as water injection in chalk reservoirs or horizontal drilling; and threatened to withdraw operating licences from companies that balked. “It is this culture, a culture of ‘squeezing the last drop out’, which he cultivated,” says Olsen.

The extraction rates al-Kasim forced through significantly boosted oil and gas revenues – and so indirectly, the size of the savings fund. But the culture of pursuing the “last drop” brought greater benefits than just money pouring in. It spurred the development of technological expertise that has enabled Norwegian companies to compete with the best in the world. This, then, is a striking case of strong state regulation ultimately benefiting the private sector. “Norway is the only country in the world where the state and the capitalistic entities work together as partners, and the co-operation works, really works,” says al-Kasim. Paradoxically, state involvement makes this easier. “To put it very simply, you put your wallet where your mouth is ... When you take 50 per cent of the risk, and other companies take maybe 15 per cent tops, it is hard for them to say you're crazy, right?”

Today, al-Kasim is well known and liked within the older generation of Norway's oil community (for whom his impromptu visit to the Ministry in May 1968 has entered

the folklore). Beyond that limited circle, however, he is virtually unknown. The big newspapers have not profiled him; an internet search reveals little. I first learned of his story by coincidence, when a Norwegian development official mentioned him in an off-hand remark. The government has an ambitious aid programme (now called “Oil for Development”) to help poor, oil-rich states manage their natural resources. The official pointed out the irony in this, given that “it was an Iraqi guy who helped us set everything up in the first place. Without him we would just have let the American oil companies decide how to do things.” What a great story, I thought, almost too good to be true. But if it was true, how come so few people in Norway knew about it?

When I visited al-Kasim in Stavanger twice last winter to hear his account first-hand, he seemed pleased that I had got in touch, but surprised and slightly embarrassed – like someone with a story to tell but who has long since given up hope that anyone would listen.

At one point he sighed that young people today have little knowledge of what Norway did in order to succeed. That sounds like the typical complaint of a 73-year-old, but in this case, the disappointment is justified. Norwegians of my generation, born when the oil started to flow, largely take our country’s success for granted. So do many observers abroad, who tend to attribute it to some exceptional feature of Norway’s institutions and national character. This version of events leaves little room for luck, or for outsiders. It is hard to shake off the thought that al-Kasim’s pivotal role does not quite fit his adoptive country’s public self-image – 40 years ago or today.

So it is not so surprising that al-Kasim’s first years in Norway were not without frustrations. “We were a good team” in the oil office, he says – but relations with the Norwegian government proved delicate. “They obviously needed me, but they knew they couldn’t put me in an office in the ministry. It would be a provocation to the political system that was not ready for it. So the plan was to introduce me gradually, gradually, bit by bit, inch by inch ... I was treated with kid gloves.”

In spite of the importance of his work, al-Kasim was kept at a safe distance from the main government offices at first, and worked at the hydrological division of the Geological Survey of Norway. For years, he never met the people who were making the strategic and political decisions – his colleagues in the oil office would act as go-betweens, bringing their superiors’ questions to him and taking his answers back.

After the Ekofisk find, he had to train new recruits. “I, of course, accepted that I am teaching people so that they can make my existence unnecessary ... What choice did I have? I had only one hope, and that is that through my contribution, I would become indispensable, which I did.”

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During my last visit to Stavanger, Norway’s greatest value creator and his wife took me out for dinner. Over seafood on Stavanger harbour, they mused about how unpredictably their lives had turned out. Al-Kasim returned to Iraq only once, as part of an official Norwegian delegation in the late 1970s. Saddam Hussein’s regime wooed him – but “I never trusted that guy”. After Saddam’s regime fell, he drafted oil industry legislation for Iraq that would have “followed what can be followed from the Norwegian model”, but political horse-trading so altered the draft that he has disowned the version that the Iraqi government finally endorsed (it has not been passed into law).

The al-Kasims had got out of Iraq just months before the Ba’ath party took power. “You can’t use the word blessing in disguise, but ...” Solfrid said softly. “If I had been given the choice, I would not have wanted my son to be handicapped ... but today I may not have had any children at all, since they would have been sent to the war.” (As it is, all three children today live in Stavanger, their youngest son “completely transformed” by the treatment he received in Norway.)

Her husband nodded. “Not everything in life has been good – but things have mostly come in a fortunate order. It’s got nothing to do with skill, it’s simply luck. Like the idea to drop by the Department of Industry ... it was just because I am the kind of person who hates waiting.”

When did he start feeling Norwegian, I asked. After a pause, he responded: “I think the answer must be when I started working at Norwegian Petroleum Directorate, for then I had a whole institution depending on me ... it was my institution in a way, that’s how I felt. That this was my experiment. My calling in life.”

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<https://www.tozsdeforum.hu/uzlet/gazdasag/miert-piszok-gazdag-norvegia-a-kezdetek-88729.html>



## 1958-ban norvég geológusok kutatásai arra jutnak, hogy nincsen olaj a norvég partok menték. 2017-ben Norvégia jelentős olajkitermelő és a világ egyik leggazdagabb országa. Mi történt a két évszám között? Cikksorozatunk első részében azt nézzük meg, hogyan lett mégis olaja Norvégiának.

### **A legkisebb fiú szerencsét próbál**

Utazzunk vissza az időben az 1950-es évekbe. Létezik ekkor egy kis-közepes olajcég Amerikában, úgy hívják, Phillips. Nemzetközi céggé szeretnének válni, és mivel ekkoriban kezdik el felfedezni az olajat az Északi-tengeren, a Phillips sem akar kimaradni a jóból. A gond csak az, hogy a brit, dán, nyugat-német jogokat a nagyobb halak (mint a Shell vagy az Esso) már megszerezték. Egy ország nem érdekel csak senkit a környéken: Norvégia.

Úgyhogy fogják magukat a Phillips a képviselői, és 1962. októberében elmennek Oslóba, ahol előadják a norvég kormánynak, hogy olaj után akarnak kutatni, és a norvég tengeri területek nagy részére kizárólagos jogot kérnek. Cserébe dollármilliókat fektetnének be a gazdaságba.

A norvégok persze teljesen ledöbbennek, hiszen az 1958-as jelentés kizárta, hogy olaj lenne a környező vizek alatt. Tanácstalanok, fogalmuk sincs az olajiparról, de egyelőre visszautasítják a Phillips ajánlatát.

### **Miért nem kellett a norvégoknak a dollármilliók?**

Amellett, hogy nem akartak monopóliumot adni egyetlen olajcégnek, a norvégok azért sem fogadhatták el az ajánlatot, mert az északi-tenger fölötti jogok ekkor még bizonytalanok. 1963 júniusában a norvég parlament elfogad ugyan egy törvényt, amelyben kijelentik, hogy a tengeri határ Norvégia és környező országok között középen húzódik, csak hogy egy ilyen törvény semmit sem ér, ha a szomszédos államok nem egyeznek bele a határ meghúzásába.

A norvégok leginkább Nagy-Britanniától félnek. A probléma az, hogy a norvég partoktól nem messze húzódik egy mély hasadék a tengerfenéken, a Norvég-árok, és a britek bármikor kijelenthetik, hogy a norvég terület csak az árokig tart, ami onnan kezdődik már az övék.



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Norvég-árok sötétkéssel kiemelve. Forrás: Wikipédia

Oslo nem is mer egyelőre a briteknek szólni, inkább leülnek tárgyalni Dániával. 1964. február 18-án azonban levél érkezik a brit külügyminisztériumból. A britek tisztázni szeretnék a tengeri viszonyokat, és azt javasolják, hogy a határ pont közepén húzódjon. Bődületes mázli.

Ez már precedenst teremt a dán tárgyalásokhoz, amelyek így nemsokára be is fejeződnek. Az már mellékes, hogy a dánok szerint azért húzódik középen a tengeri határ a mai napig, mert az akkori dán külügyminiszter, Per Hækkerup, aki híres volt arról, hogy szerette az italt, végig be volt rúgva a tárgyalások alatt.

### **Jens Evensen, a kemény**

Közben persze a többi olajcég megneszeli, hogy a Phillips megkörményezte Norvégiát, és jönnek ők is, hogy megtudakolják, mit lép az állam? Az olajcégek képviselői azonban eddig leginkább olyan országokhoz voltak szokva, ahol nem volt egy erős demokrácia, és ebből eredendően egy erős, makacs tárgyalófél, aki ellentmondjon nekik. Norvégia így aztán igazi kihívás.

Jens Evensen, aki tárgyalásokat vezetett norvég részről például egy szemtanú szerint már az első megbeszélésen kijelentette az olajcégek képviselőinek: „Norvég kontrollt akarunk. Mi mondjuk meg a szabályokat. Meghallgatjuk Önöket, de olyan

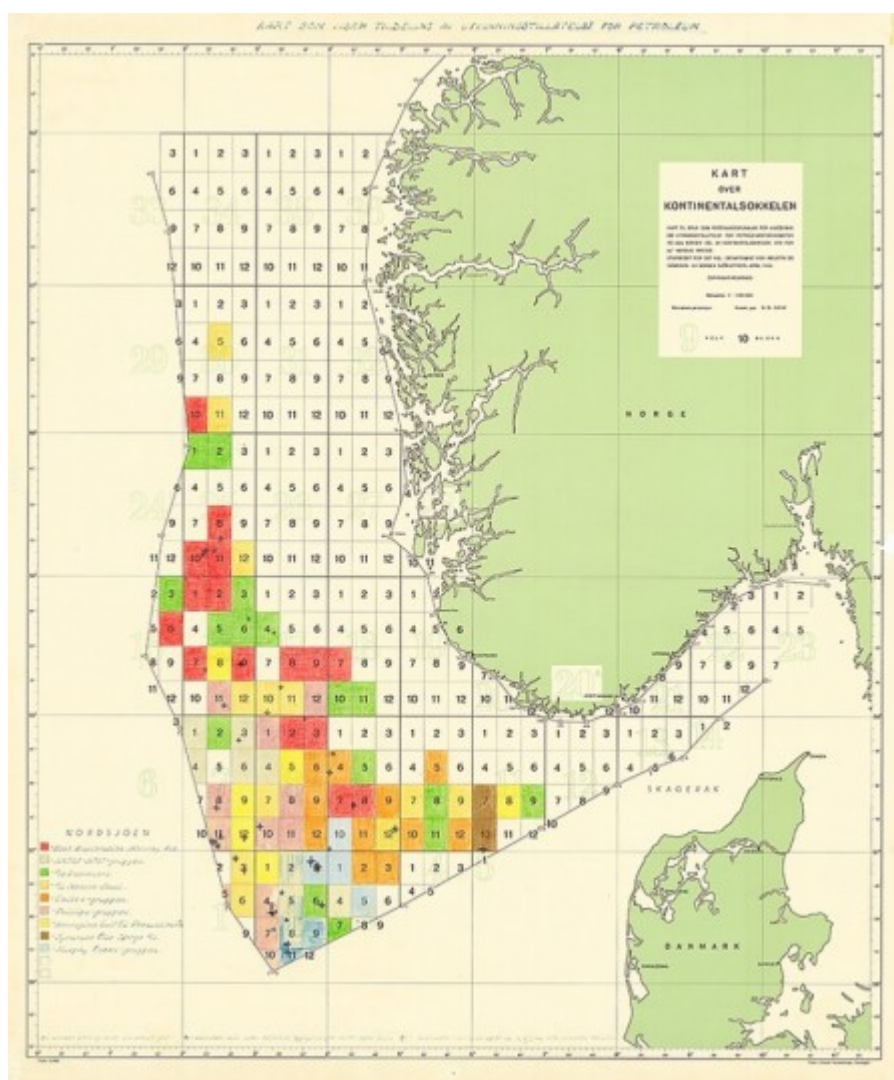
koncessziósrendszer lesz, amit muszáj követniük. Ez egyszerűen így fog működni, akinek pedig nem tetszik, az hazamehet.”

Na most azt Evensen hiába keménykedett, jól tudta, hogy az olajkitermeléshez rengeteg tapasztalat illetve tőke kell, és hogy az országban egyik sincs meg igazán, úgyszólván kénytelenek külföldi, főleg amerikai cégekkel együttműködni. Már csak az volt a kérdés, hogyan tudná feloldani Norvégia azt a paradoxont, hogy egy erősen szociáldemokrata ország kénytelen a vadkapitalista multinacionális cégeket bevonni az olajkitermelésbe.

Az egészben mindeközben az a félelmetes, hogy úgy kezd el hirtelen a komplett olajvilág Norvégiára figyelni, hogy még egyetlen olajtálat sem volt norvég vizeken. A Phillips végzett geológiai kutatásokat, és nagyon biztató volt az eredmény, de semmi más biztosíték nincs arra, hogy tényleg van olaj a norvég vizek alatt. És az Esso, a Shell, a Phillips már mind irodát nyit Oslóban.

## Hol van már az olaj?

A norvégok, látva az érdeklődést, brit mintára blokkokra osztják fel a területet. 78 blokkot osztanak ki kilenc cégcsoport között, akik hatalmas rizikót vállalnak, ugyanis a norvég állam semennyi pénzzel nem száll be a kutatásokba, mindent a cégek állnak.



Így nézett ki a legelső norvég koncessziós térkép. Forrás: norskpetroleum.no

A leggyorsabban az Esso lép, amelyik akkor a világ legnagyobb olajcége volt. 1966. július 19-én kezdik meg a fúrásokat. 3000 méter mélyre mennek le a tengerfenéken, és 84 nap múlva

befejeződik az első fúrás. Olaj sehol.

Az Esso persze nem adja fel, és máris látszik az olajkutatás első gazdaságélénkítő hatása: szükség van ugyanis kutatóplatformokra, és ezeket Norvégiában kezdik el gyártani. Eltelik azonban két év, és az olaj még mindig hiányzik. A pesszimizmus nő, a norvég kormány már le is mond egy második koncessziós körről.

Csalódás csalódást követ, sőt még az is megtörténik, hogy az egyik kutatóhajó egyszerűen nem bírja az északi-tengeri viszonyokat, nem tudják egy helyben tartani fúrás közben, és 45 méterrel az olajmező előtt feladják. Azért tudjuk ezt ennyire pontosan, mert később itt újra fúrtak és az egyik legnagyobb találat lett belőle, a Valhalla olajmező. Képzeljük el, ha ez az utolsó fúrás, mindenki hazamegy és sohasem derül ki, hogy mennyi olajat rejtenek a norvég vizek.

## **Az utolsó fúrás**

Merthogy már lassan itt tartunk. 1969 nyarán több olajcég is azon gondolkodik, hogy feladja. Az elf, a Shell és a Phillips is leépít. Utóbbi vállalatot viszont még köti a szerződés, és bár sok értelmét nem látják a további pénzszerzésnek, mégis belemennek, hogy fúrjanak egy utolsót. 1969. augusztus 21-én nekikezdenek, és ekkor persze még fogalmuk sincs, hogy pár hónappal később örökre megváltoztatják Norvégia történelmét.

Decemberre ugyanis kiderül: amibe beletrafáltak az a legnagyobb olajmező, amit addig valaha víz alatt találtak, úgy hívják: Ekofisk. 1969-ben szenteste előtt egy nappal a Phillips közli is a jó hírt a norvég kormánnyal.

Norvégia tehát a legszebb karácsonyi ajándékot kapja, amiről egy gazdaság álmodhat. Legalábbis így gondoljuk utólag. Azonban 1969 decemberében minden esély megvolt rá, hogy az északi ország úgy járjon az olajával, mint más olajalapú gazdaságok: a nyomorgó Venezuela vagy a jövő nélküli Szaúd-Arábia. J