

Flammable Societies: The Role of Oil and Gas Industry in the Promotion of Poverty Reduction and Social Volatility

Research Scope and Relevance

After four decades of hydro-carbon extraction, the experience accumulated by analysts and politicians alike demonstrates that the discovery and exportation of oil and gas does not guarantee the transformation of poor countries into flourishing economies. Indeed, oil and gas exporting countries are more likely to be described as suffering from a “paradox of plenty”. It is now commonly reported in resource related research and the world’s media that countries that are dependent on oil and gas for their livelihood are in general among the most economically troubled and most conflict-ridden in the world (Lynn Karl 1997). What remains unknown are definitive answers explaining, and avoiding this outcome.

This project is a direct response to these apparent contradictions and to ongoing discussions taking place in academia, the media¹ and Norwegian politics regarding solutions to this paradox i.e. the sustainable use of natural resource wealth, and especially oil and gas, to reduce poverty and support the conditions necessary for stable and substantive democracy. Recognising the current weaknesses and empirical ambiguities of quantitative approaches to the idea of a “resource curse”, the central focus of this proposed project is the qualitative study of the linkages that exist between oil and gas industry development and the generation of conflict and poverty on the one hand, and the possibilities for generating peaceful economic, political and social opportunities on the other. These are goals that mirror those of the Poverty and Peace Programme. We propose that these linkages can best be studied through an innovative multi-level and comparative ethnographic study of institutional and policy formation and their concrete impact on local development opportunities, together with a focus on the detailed social histories of different cases of oil and gas industry development. These are societies that because of their common resource base and volatile nature we choose to call here *flammable societies*. The project furthermore proposes to reflect critically on and contrast the historical lessons of North Sea extraction with contemporary Norwegian international investment and direct insertion in oil and gas industries in the South. These goals will be met through the close cooperation with an international network of researchers and post-graduate students.

Of particular interest to this network is the study of the differing relationships that are formed between oil and gas rich states and private actors (companies, labour unions, oil workers and neighbouring local communities), and especially the formative linkages that may exist between these and the formation of policies for social responsibility, investment, and development. This reflection and study is of importance at a time when Norway is heralded internationally as the leading success story of a country that has successfully utilised its hydrocarbon resources to eradicate earlier conditions of poverty and economic dependence. Indeed, it is particularly needed given that, despite the widely recognised critique of oil politics and exportation of development templates, the Norwegian government has now defined a position for itself as a source of sustainable experience, solutions and technologies through the launch of and involvement in a series of globally recognised policies and programmes, the Oil for Development (*Olje for utvikling*) programme and the Extractive Industries Transparency Initiative (EITI) being principle amongst these.

¹See ”Oljeindustriens totale makt” Dagbladet 21.05.2007.

Research Background

Oil for Development

In 2005 the Norwegian government laid out its commitment to add to Norwegian international development cooperation through its commitment of 50 million NOK for five years² and the formation of a programme anchored in the coordination of the Ministry of Foreign Affairs, The Ministry of Finance and the Ministry of Petroleum and Energy aimed at:

- The strengthening of Norwegian aid to countries that request Norwegian competence and experience in the oil and gas sector.
- The stronger global profiling of good governance and the sustainable management of oil and gas resources.

With these two goals in mind the programme aims to draw on Norway's 40 years of experience as an oil and gas-producing nation to assist others in utilising their hydrocarbon resources in a stable and effective way. The Programme stresses that Norway is one of the countries that have done the best out of utilising its oil and gas related economic growth for social development and increased social welfare for its citizens. On the basis of this experience the Programme aims to provide professional support in questions of natural resource management and initiatives aimed at securing transparency and accountability in the extraction industries. Specific mention is made in the programme of the 'resource curse' and of the explicit desire to assist oil and gas producing nations in the developing world to avoid conflict, corruption and the misuse of funds. Furthermore, the programme highlights explicitly the possibilities of using income from the oil and gas industry to reduce poverty and better the living standards of the population. When first introduced the then National Development Minister Hilde Frafjord Johnson commented that "We want to show that income from oil resources can be used to reduce poverty in Africa and other places, that oil can be a blessing and not, as it is in many cases, a curse"³.

By stressing that it aims to export expertise and not a model for development the Norwegian government clearly seeks to adopt a different ethical position to earlier top-down and externally produced "blue-prints" for development. However, despite this clearly expressed concern for flexibility and "social responsibility", in seeking to share its experience and claim a moral stance it must be asked whether Norway's aid effort is not still problematic (reproducing problems of earlier development templates). Indeed, by stressing in isolation the importance of effective political institutions, strong governance and technological transference as the secret to the success of its North Sea model, it must also be asked whether the Norwegian government over-simplifies its own experience. We question whether more emphasis should not be made of the particular historical development and political relationships responsible for forming and securing Norwegian governance and knowledge of its hydrocarbon resources. Indeed, given the low levels of reflection on Norway's own past of oil and gas extraction, but also of more recent spread of its hydrocarbon investments and business involvement across the developing world, we suggest that the basis of current policy claims must be placed in doubt. Norway runs the risk of being seen to be exporting accepted global economic dogma rather than the claimed expression of its own experience. Detailed qualitative research and analysis still needs to be made of the historical peculiarities of Norwegian oil and gas industry development, the social and political nuances of which we suggest can be revealed through comparative study of historical and contemporary processes taking place in Scotland, UK. We question in this project whether this comparative and qualitative history of North Sea oil and gas, can through contrast with the actions of the

³ See http://www.norad.no/default.asp?V_ITEM_ID=3241

industry in the third world of the present also give important insight into the politics, strengths and possible shortcomings of existing policy-models.

The Links Between Oil, Poverty and Conflict

For the last fifty years academics have been trying to solve the conundrum of why it is that despite endowment with natural wealth the majority of countries with oil and gas reserves have failed to utilise these resources to the benefit of their national economy and citizens (Lynn Karl 1997). Rather than fulfilling the intuitive expectations of economic prosperity, the discovery of oil and gas is instead commonly linked with high rates of poverty, malnutrition, child illiteracy, corruption, authoritarianism, and indebtedness (Sachs & Warner 1995). It is now widely recognised that oil extraction hits the poor at a number of levels. At the national level, there is also a growing consensus amongst economists that the disruptive economic effects of oil investments act to drastically reduce growth and undermine the non-oil economy⁴, as well lead to a weakening of governance and democratic structures (Mehlum, Moene & Torvik 2006; Robinson, Torvik & Verdier 2006; Hodler 2006). A study of OPEC members from 1965-1998 shows that their capita gross national product decreased by an average of 1.3% per year, whereas non-oil developing countries as a whole grew by an average of 2.2% over the same period (Gylfason 2002). Studies demonstrate that the greater the dependence on oil and mineral resources, the worse the growth performance (Lynn Karl 2004). When compared to countries dependent on the export of agricultural commodities, mineral and oil-exporting countries suffer from unusually high poverty, poor health care, wide-spread malnutrition, high rates of child-mortality, low life-expectancy and poor educational performance (Lynn Karl 2004). At the local level, oil production has been shown to damage people's livelihoods and health, either through direct pollution or by threatening food production and water supplies and the spread of disease (Shelley 2005; Logan 2007). Examples of this and of the impacts on local social structures are extensive and can be drawn from research and media reports from across the world⁵.

In recognising the range of difficulties related to oil production a series of proposals have been made by researchers and international organisations aimed at abating the resource curse. At the local level oil companies have started to engage in infrastructural, education, health and service development. At the macro level proposals now include the setting aside of commodity stabilisation funds that can smooth out price volatility, more economic openness and sophisticated foreign exchange policies to mitigate the effects of Dutch disease; more efficient investment in human resources, especially education and skill acquisition; and greater transparency and tax policies (Ross 1999). It is also recognised, however, that the successful outcome of all these policies are highly dependent on capable state institutions and high levels of governance (Mehlum, Moene & Torvik 2006; Robinson, Torvik & Verdier 2006; Hodler 2006). In available studies, an overdependence on oil exports is strongly associated with weak public institutions that generally lack the capacity to handle the challenges of petroleum-led development (Ross 1999; Mehlum, Moene & Torvik 2006). In resource-poor countries, intense popular pressure on scarce resources is more likely to reduce

⁴ In reference to the negative economic impact of the economic part of this context, economists have frequently referred to a "dutch disease"- a now well-known term derived from the experience of the Netherlands during the expansion of the country's natural gas industry in the 1960s and 1970s (See Bray & Lunde 2004) .

⁵ See Stockman, K & Muttit, G (2005) "Pumping Poverty: Britain' Department for International Development and the Oil Industry" Platform Research, Friends of the Earth and Plan B Report. Nærland, M (26/6/2006) Blodig Kamp om Verdens Olje. Dagbladets Magisinet. The Economist 20/12/05. The Paradox Of Plenty. Salopek, P (2006) A tank of gas, a world of trouble. Chicago Tribune Report In-depth Report <http://www.chicagotribune.com/news/specials/broadband/chi-oilsafari-html.0.7894741.htmlstory> ,The Curse of Oil: BBC Storyville <http://www.bbc.co.uk/bbcfour/documentaries/storyville/oil.shtml>.

the tolerance for inefficiency and predation, and the economy cannot support extensive protection and bureaucracies over a long period of time. In contrast, in oil states, oil wealth weakens agencies of restraint. The net result may be a state that looks powerful, but is hollow. Democracy may be a casualty if this rentier dynamic; authoritarian rulers use petrodollars to keep themselves in power, prevent the formation of opposition groups, and create vast militaries and repressive structures.

Having recognised the importance of government policies, a number of studies have now been conducted that attempt to empirically study the failure of states and governments to take measures that could change resource abundance from a liability to an asset. The observations made by some of these studies in some cases have been startling, drawing a direct link between oil and political violence (Lynn Karl 1997, 2004; Stern 2005; Kleveman 2004; Collier 2003:60). Whilst producing startling results, the attempts to use these empirical studies to build some general theoretical explanations for the “resource curse” have, however, been less successful. Theories of policy failure are roughly divided into cognitive theories that blame policy failures on the mentality and short-sightedness of state actors; societal theories that highlight the dangerous influences of elites, privileged sectors and clientelist networks or interest groups; and state theories that fault the strength, or fragility of state institutions i.e. their ability to extract and deploy resources, enforce property rights, and resist the demands of interest groups and rent seekers (Evans 1995). Each of these theories have their own strengths in drawing attention to different dynamics and problems with governance, however there is also a growing recognition amongst economists and political scientists alike that they also have severe weaknesses because of the limits to quantitative findings, their lack of testing and the shortage of qualitative case studies. “The absence of careful testing has had two major consequences: scholars have been unable to produce a cumulative body of knowledge about policy failures of resource exporters; and with no apparent need to place their theories in testable form, their arguments are often left underspecified, with nebulous variables, ambiguous domains of relevant cases, and fuzzy causal mechanisms (Ross 1999).

It is important to highlight that these problems of empirical depth and theoretical credibility are not only limited to ideas about the governing of natural resources, but also indicative of weaknesses in the more general critique of ideas on governance. Whilst there is a current international consensus on the need to build “better” states, there is also recognition amongst a growing number of academics and northern donor institutions of the absence of a strong, evidence-based array of practical measures by which external agents can actually help do so. Beyond a handful of oft-cited but largely isolated case study examples⁶, there are no proven agreements *how* exactly to build “the rule of law”, enhance “good governance”, or nurture “developmental states” in low-income (and especially ‘fragile’) countries (Pritchett & Woolcock 2004).

There is some thinking available for why this is the case, and here anthropology and ethnography have found a critical place. First, the instruments through which “development” is conducted—namely, large high-modern bureaucracies—have very strong imperatives to “see” (Scott 1998) problems in ways that favour technocratic, standardized solutions, which in turn give rise to “best practices”, “tool kits”, and deferment to “experts” rather than context-specific responses (Evans 2004; Pritchett and Woolcock 2004). Second, in their quest for such solutions, development professionals inevitably “de-politicize” them, not only in the oft-noted sense of framing the core problems in ways that obscure (even eliminate entirely) issues of

⁶ Perhaps the two most prominent cases are public expenditure tracking surveys (PETS) in Uganda, and ‘participatory budgeting’ processes in Porto Alegre (Brazil) and Kerela (India).

class and power (e.g., Ferguson 1994), but also in the sense of failing to appreciate that, historically, robust and legitimate political institutions have been forged in and through deeply *political* processes (Leftwich 2005), which is to say, through long periods of (managed) contention (Bates 2000, McAdam, Tarrow and Tilly 2002). Third, understanding and successfully engaging in issues of politics and power necessarily requires extensive local knowledge (Geertz 1983), but acquiring such knowledge entails more labour-intensive research methods, different types of human resources, and longer time horizons than those typically allocated to development problems.

In addition to problems in the theory and practice of governance, there are also challenges to meet in drawing this thinking away from an over-emphasis on a prescriptive analysis of the national level and towards an analytical approach that highlights the linkages between levels, and between powers. In matters of “governance”, the development community is long on national-level quantitative indicators (e.g., Kaufmann, Kraay and Mastruzzi 2006), but short on exploring how and why effective local, regional, national, and international institutions actually work in particular times, places, and circumstances. The current theories and practice of “good governance” backed by the international community places all of the responsibility for change and action at the level of national government. Although a rhetoric of participation exists elsewhere in international development policy, current prescriptive thinking on governance fails to take account of local conditions and relationships, or of the way in which these intersect with the limitations and possibilities placed upon them by international policies, political conditions and global structures of power.

There is then a need to respond to the issue of governance in new and innovative ways. Indeed, given a concern with sustainability and social responsibility it appears clear that this new approach must recognise that designs for successful hegemony should not be removed from democratic discourses that merge the global and local in equal measure. This is a tall order, and one that we cannot claim to have the capacity or intention to meet. However, whilst unable to respond to the much larger challenges of global governance directly, in this proposal we suggest that answers to the shortcomings of theory and empirical foundation for the governance of natural resources, and specifically oil and gas, can be found in the innovation of an approach that is sensitive to the context-specific nuances and interwoven complexities of the formal and informal nature of government and corporate policy.

Ethnographies of Oil and Gas Governance?

With the ability to pick up on the linkages between different levels of decision-making, the nuances of power relations and the interactions of institutional and non-institutional actors, we propose that new approaches to ethnography (that link the micro level to the macro) can provide a relevant and innovative methodology by which to study governance, and to capture the concerns of recent approaches to poverty. Indeed, given the possibilities it creates to empirically study formal and the informal of decision-making processes and capture in detail technological transfer, we propose to use a qualitative research approach that is primarily ethnographic, but that also draws on other qualitative⁷ and quantitative⁸ methods and findings. Through the utilisation of this methodology we aim to develop a series of cases studies in which detailed study is made of the subtle and multi-level linkages involved in the oil and gas industry, the contextual formation of models and strategies for its development, and the particular impacts of these models on social development- where we see formation of

⁷ E.g. semi-structured interviews, life histories, questionnaires, focus-groups, participatory methodologies.

⁸ E.g. census data, national and local economic statistical information.

substantive democracy (or a negotiated peace) and poverty reduction as the most desirable normative outcomes.

As Abu-Lughod points out, through the utilisation of ethnography, anthropology should be in a unique position to understand the workings of multiple, intersecting and conflicting power structures which are local, but tied to non-local systems (1990:42). Indeed, it is this subtle approach to the workings of power that are now being picked up and highlighted through anthropological approaches to policy and development (Shore and Wright 1997:6). With its subtle understanding of power relations the ethnography of development is distinctly uncomfortable with monolithic notions of dominance, resistance, hegemonic relations and the implications of false consciousness among the developed (or the developers) (Mosse 2005). While ‘beneficiaries’ (or project workers) may consent to dominant models-using the authorised scripts given them by projects- they make of them something quite different (de Certeau 1984:xiii). And in this sense it is possible to think in line with James Scott (1990) of the existence of “hidden transcripts” alongside the “public transcripts” of development policy. The ethnography of development also shows that governance brought by development schemes cannot be imposed; but requires collaboration and compromise. Since success is fragile and failure is a political problem, hegemony has to be worked out not imposed; it is a terrain of struggle (Li 1999).

The ethnographic question is then not whether a project succeeds, but how development projects work and how “success” is produced. Here it becomes clear that success depends on the active enrolment of supporters including the “beneficiaries”, and control of the interpretation of events. As critical analysts of policy discourse rightly argue, power lies in the narratives that maintain an organisation’s own definition of the problem (Roe 1994) i.e. success in development depends upon the stabilization of a particular interpretation, or policy model- but what they miss is the way in which policy interpretations are also socially produced and sustained. The ethnographic task, and the task we see for ourselves in this project, is also to show how, despite such fragmentation and dissent, actors in development are constantly engaged in creating order and unity through political acts of *composition* (Latour 2000). It involves examining the way in which heterogeneous entities- people, ideas, interests, events and objects (engineered structures, pumps, vehicles, computers, fax machines or databases) are tied together by translation of one kind or another into the material and conceptual order of a successful project (Latour 2000). Returning to think about sustainable resource governance and poverty reduction, it is also this nuanced *composition* of micro and macro factors and social relationships (involving politics, institutions, people, technologies and knowledge) we argue can effectively reveal the qualitative impacts and development value of oil and gas resources and chosen strategies for exploitation. Such an approach promises to reveal the source of dilemmas and failures, but also in a concrete manner the intricacy of the decisions and practices needed to peacefully integrate existing conditions of social organisation, economy, skills and competence together with imported technologies and knowledge in order to produce sustainable social and economic development.

Case Studies

Venezuela/Bolivia: This comparative case will make in-depth comparative ethnographic study of oil governance regimes and social development models in Bolivia and Venezuela. In line with the other case studies included in this application, it will study the intricate relationships of decision-making, organisation and governance that exist between government, oil companies, unions and their workers. There has been an increasing call for more domestic control of national resources in Latin America, in order to put them to use for

national social and economical development. What is seen as a looting of the national resources by corrupt domestic elites and western transnational companies has given way to a radicalization of civil society and a growing claim to large-scale re-distribution of the nations' oil wealth. Given the controversial nature of current policies aimed at emphasising the role of the oil and gas industry as a contributor to national social and economic development the research will give particular attention to assessing the organisation and outcomes of the programmes publicised by the Venezuelan and Bolivian government for this purpose. Consideration will be made of the role of these programmes in terms of poverty reduction, and in terms of their role in addressing the conflicting interests of differing ethnic groups and classes in the two countries. Through a multi-level ethnographical study of the Venezuelan state oil company PDVSA, political institutions and local populations affected by and/or benefited by the petroleum industry, the research will seek to analyze current dynamics and effects of government policies and the emerging new petroleum regime within the larger historical-political context of Venezuela⁹. The Bolivia case will focus through local ethnographic study on the impact of the new policy regime¹⁰ on the impact of the industry and new policies on the conditions of poverty¹¹ in the predominantly Guaraní communities of Gran Chaco and Chuquisaca¹². Although these departments of the country have the longest histories and largest reserves of oil and gas in the country, the indigenous communities¹³ have until recently received few benefits or opportunities to control the operation and impact of their industry in their region.

The research in Venezuela will draw on the existing historical research experience of Research Fellow Owen Logan, University of Aberdeen and the anthropological research of Iselin Åsedotter Strønen on current changes in government policies. An application for a PhD research grant for Strønen to be based at the Department of Anthropology, University of Bergen is included here. The project will be given further research support by the Venezuelan Institute for Scientific Research (ICV), with 25 years of research experience on the petroleum sector in Venezuela.. The research in Bolivia will draw on the project leader, Dr John-Andrew McNeish's research experience focusing on the anthropology of development and politics of poverty in Bolivia. McNeish's research contact with the Institute for the Study of the Americas, University of London will also play a significant establishing role in this work. The project will be given further research support by the Centre for Postgraduate Study of Development and the Environment (CIDES) based at UMSA La Paz. The research will also be further developed through the addition of Ana Teresa Morales Olivera as a full-time PhD research student and part-time research assistance of Dr Fernanda Wanderley, both financed by the project and based at CIDES in La Paz. Utilising different qualitative and quantitative methodologies, the work of these researchers will be directly connected into the wider comparative research of the overall project through participation in a series of workshops and collaboration in joint publications.

⁹ During the first half of 2005 poverty was calculated to be at 38.5%.

¹⁰ This is currently under review with assistance from the Norwegian Oil for Development Programme.

¹¹ Between 1999 and 2002 poverty rose in Bolivia from 62% to 65%, and in some rural areas in the Highlands of the country is estimated to be as high as 82%

¹² i.e. the regions where the majority of Bolivia's oil and gas reserves are deposited.

¹³ 63% of the Bolivian population claims indigenous identity according to the 2005 national census. 70% of this indigenous population fall below the World Bank's poverty line.

Angola: Angola is an extreme example of the destructive impact that the exploitation of natural resources can have on a developing country.¹⁴ This case study aims to study the changes that have taken place in Angola's oil regime since the cessation of hostilities in the country four years ago¹⁵. We will consider to what extent state and private interests in the Angolan oil industry contribute to poverty reduction and conflict resolution in the post-war period. Since the end of the bloody civil-war the country's economy has grown in real terms at an average of 13% during the last three years. The oil-rich country has also paid off at least two-thirds of its \$2.3bn (£1.16bn) debt to the Paris Club, and this year alone expects to produce 585m barrels of oil, worth over \$30bn (£15bn), which is more than the entire Organisation for Economic Cooperation and Development aid to the whole of Africa in 2006. Utilising a mixture of ethnographic and other qualitative methods this study will study the management and impact of this wealth at the local level and on the country's extreme poverty¹⁶. As such focus will be made of the implementation and impact of the government's recent poverty reduction strategy and expanded role of civil participation in the government formed Social Assistance Fund (FAS). Civil society has been found to be weak in Angola, and the political and societal space that has been allowed has been severely limited by the ruling party, the MPLA. Angolan authorities have not fully accepted civil society's voice, watchdog and control functions, and the legal framework is restrictive. With plans for national elections in the country in 2008 these restrictive relationships are now under review. The proposed case study will study at depth the changing relationships of the Angolan state, national civil society and private industry actors including Norwegian Statoil in the work of reconstruction and development. As such, recognition will be made of the new work of private oil company's corporate governance and social responsibility, as well of the growing role of religious institutions in the country as sources of poverty reduction.

The research in Angola will be conducted by John-Andrew McNeish in close conjunction with the Centre for International Studies (CEIC) based at the Catholic University in Luanda. The research will also draw on the extensive research experience gathered and shared by a number of researchers at CMI. CMI has developed close relations with researchers, research institutes, NGOs and international development partners in Angola since the 1980s. During 2006 CMI and CEIC entered into a three year cooperation programme funded by the Norwegian Embassy in Angola. The programme will include capacity building in poverty research, a new annual report comprising research on the church and poverty as well as further work on budget issues as well as business ethics. McNeish has recently been taking part in this research work in Angola.

Azerbaijan: Since the collapse of the Soviet Union, Azerbaijan has experienced an impressive petroleum boom. In 2006 the Azerbaijan economy grew by 32,5 per cent.¹⁷ At the same time as Azerbaijan's petroleum economy and military budget are booming, poverty is a continuing problem and over 40 % of the population continue to live under the national poverty line¹⁸. The continuing poverty, corruption and bad governance are directly linked to the risk of a new war over Nagorno-Karabakh. Due to Statoil's involvement in the petroleum sector, Norway's

¹⁴ The International Monetary Fund (IMF) estimates that of the annual US\$ 5 billion Angola earns from oil, more than US\$1 billion goes straight into private bank accounts. A report by Human Rights Watch in January 2004 stated that \$4bn in oil revenues were unaccounted for in government finances from 1997 to 2002.

¹⁵ For decades the government used the country's civil war as an excuse for its lack of transparency and accountability. The resulted in the creation of its dubious reputation as one of the world's most corrupt states.

¹⁶ Over 70% of the Angolan population live in conditions under the World Bank's poverty line.

¹⁷ As a consequence of this spectacular economic growth, Azerbaijan was able to invest large sums in its military apparatus, and the military budget increased from USD 175 mill. in 2004 to an estimated USD 1 bn in 2007.

¹⁸ An important part of this picture is the 500.000 IDPs remaining in limbo.

only embassy in the eight countries of the South Caucasus and Central Asia is located in Baku. The Norwegian state is thus involved in Azerbaijan both through its controlling stake in Statoil and through the activities of the embassy, a potentially complicated situation. In addition, the Aliiev regime has set up a national fund to improve the management of the petroleum revenue, referring explicitly to the Norwegian petroleum fund as its model. But unlike the Norwegian petroleum fund, the Azerbaijani one remains opaque and largely illegitimate among the population.

This case study will be based on participant observation in Azerbaijan, focusing on: the poor, the elite and the Norwegians. Particular attention will be paid to micro-level, day-to-day issues of the poor, and how these impact on their view of and relationship with the elites and Norwegian actors. The research will draw on the established research experience of Indra Overland, leader of NUPI's Energy Programme, in the region of the former Soviet Union as well as established contacts with local analysts and research institutions in Azerbaijan.

Norway/Scotland: This comparative case-study will highlight the differing histories of two of the most central nations involved in the exploitation of North Sea oil. The study aims to consider the importance of differing social and economic histories, possibilities for collective bargaining, and contemporary political conditions and decision-making as the basis for a nuanced account of the success story of the Norwegian "knowledge economy". Whilst both countries have prospered from the development of oil and gas fields in the North Sea, Norway has benefited more greatly in terms of sustainable social and economic development than Scotland¹⁹, an issue taken up in recent national election debates. Here we question the underlying causes of this outcome. Through the connection of individual life-histories with a larger background of political and economic change, the project aims to construct qualitative insight into the complex processes and relationships responsible for these differing outcomes. Moreover, we question whether reflection on these European processes and history, can reveal important (an otherwise unattainable) critical insight into the possibilities, strengths and possible shortcomings of policy-models being proposed by the international community for use and establishment in the developing world. A suggestive starting point here is the contrasting conditions under which the oil industry was established in Norway and Scotland. The "social construction" (Olsen & Sejersted 1997) of the state-owned Norwegian oil and gas industry contrasts greatly with the private-UK owned industry that was developed off the shores of Scotland.

The case will draw on the established research experience in the North Sea of Dr Hanne Müller, University College Stord Haugesund ²⁰ and Professor Terry Brotherstone, University of Aberdeen. A further key resource in this work will be the life-history archive located in the British Library produced by the University of Aberdeen's internationally acclaimed "Oil Lives" project²¹, and the Norwegian Oil Museum's project to form a similar record of the Frigg field in Stavanger. The researchers taking part in this historical/ethnographic work will be directly connected to the project's Southern studies through participation in a series of workshops and collaboration in joint publications.

¹⁹ Between 1997/8 and 2000/1 the proportion of people in Scotland living in households with less than 60 per cent of median income after deducting housing costs - the most commonly-used poverty threshold - rose from 21.5 to 23.5 per cent.

²⁰ <http://www.kulturminne-ekofisk.no/>

²¹ <http://www.abdn.ac.uk/~wad009/>

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