

# National Oil Companies as International Investors

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By

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## Abstract

National Oil Companies (NOCs) were initially built to give states control over their domestic hydrocarbon resources, but many of them have now acquired assets and established subsidiaries outside of their home state. This dissertation addresses three key questions related to this phenomenon. First, how does NOC internationalization vary? Second, why are some NOCs highly internationalized and others aren't? Third, what are the political consequences of NOC internationalization? In addressing these questions, this research sheds light on a set of integral but under-theorized institutions, NOCs, which are at the centre of contemporary state capitalism and the political economy of hydrocarbon resource wealth.

# Acknowledgments

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# Dedication

To Kelly, Emma, and Claire.

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# Introduction to this Dissertation

This section gives a 1,000 ft. overview of the dissertation as a whole. It has two key objectives. First, it is designed to provide a “coles notes” for the dissertation, clearly stating both the key questions and findings for all three substantive chapters. Second, should establish as clearly as possible how this dissertation addresses problems at the core of international political economy – that is, it needs to establish disciplinary fit.

# 1

## What is NOC Internationalization?

### 1.1 INTRODUCTION

In December of 2014, the Russian government engaged a drastic interest rate hike in the hopes of defending the ruble. There are a number of reasons for the Russian currency's precipitous decline in recent months — these include the stock market cost of military adventurism in Ukraine and the general decline in oil prices. The drop in the ruble's value in mid-December, however, has been linked by observers to an “opaque deal involving the central bank and the state-controlled oil company, Rosneft” (Kramer, 2014). The oil company, *The New York Times* goes on to report, “had been clamoring for months for a government bailout to refinance debt the company ran up while making acquisitions when oil prices

were high.”

# 2

## Why do some NOCs go global?

### 2.1 INTRODUCTION

Nigeria and Angola are the two largest oil producers in Africa, and their NOCs (NNPC and Sonangol, respectively) are two of the most important domestic economic institutions. Both countries have significant levels of international investment into their oil sectors. Both experienced devastating civil conflict until early in the 21st century. Nigeria has a much larger population and economy; Angola performs better, comparatively speaking, on indexes that measure corruption and investment risk.

## Colophon

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## References

Kramer, A. E. (2014, December 16). Russia's Steep Rate Increase Fails to Stem Ruble's Decline. *The New York Times*. Retrieved from <http://www.nytimes.com/2014/12/17/business/russia-ruble-interest-rates.html>