

Imperialist Economics and the New Cold War

Western capitalist states continue efforts to dominate world system

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Global Research, June 03, 2015

Region: [sub-Saharan Africa](#)

Theme: [Global Economy](#), [History](#), [Oil and Energy](#)

Since late last year there has been a precipitous decline in the prices of oil and other commodities produced in large measure by countries in Africa, the Middle East, Asia, Russia and Latin America. The United States under the Obama administration has developed a concerted energy policy to boost domestic oil and natural gas production in an effort to lessen dependence on foreign states for essential transportation and concomitant needs related to petroleum and related industries.

One country on the African continent, the Federal Republic of Nigeria, represents a case in point when analyzing the role of oil in the economic trajectory of a post-colonial territory. 101 years ago the British consolidated their control over Nigeria as an imperialist outpost for London.

During the mid-1950s, a number of western-based oil firms such as Shell entered the country to exploit its natural resources. By the time of independence in 1960, the country contrived by the British was split in several essential ways where the production of oil was largely centered in the southeast. A three-year civil war in which Biafra attempted to separate from the broader state failed leading to a heightened level of oil exploitation resulting to the country becoming the dominant producer on the continent.

The U.S. utilization of oil led to a strong economic relationship between Washington, Wall Street and Nigeria. Successive U.S. administrations sought to maintain good relations with Nigeria in order to encourage the stability of a unitary state and the continued supply of oil.

However, the billions earned by the multi-national corporations and the Nigerian national bourgeoisie did not necessary flow down to the masses of farmers, workers and youth. Unrest grew in the oil-rich regions of the South and demands were made that Shell, Exxon-Mobil, Total and the others invest some of its resources into maintaining an environmentally sound area as well as funding schools, hospitals and other centers of employment and services for the local population.

At present the trade in oil between the U.S. and Nigeria has dropped significantly. The largest purchasers of Nigerian crude are now India and China. The decline in oil prices is requiring the incoming administration of Muhamadu Buhari to institute austerity measures amid massive shortages of fuel in the domestic market. Even though the largest producer of oil on the continent can provide crude to other states, its deteriorating infrastructure and other

market-related issues have created a major crisis for ordinary Nigerians who need fuel to

drive and maintain a household.

The Impact of U.S. Energy Policy

Under Obama there has been a concerted movement towards a rapid escalation in domestic and offshore production of petroleum products. An oil glut during 2014 has created economic downturns in several states around the world.

In Nigeria the transition from the government of President Goodluck Jonathan to former military head-of-state Ret.-Gen. Muhamadu Burhari will pose enormous challenges to Africa's most populace state which was also designated during 2014 as having the largest economy on the continent. The designation as the most robust economy came at a time when the Boko Haram Islamist sect based in the northeast carried out daily attacks on state structures and civilians. Boko Haram extended its operations across the Nigeria borders claiming to have established a caliphate which encompassed sections of Chad, Niger and Cameroon. The militaries from these neighboring states joined in to force Boko Haram from some the territories they had seized.

However, the young women high school students kidnapped at Chibok have not been accounted for. Burhari will face monumental issues amid a declining economy and the growing unrest within the labor movement. The strike by petroleum workers coupled with the gross scarcity of gasoline in Africa's largest oil-producing state with the leading economy to boot, illustrates that despite these aspects of foreign direct investment growth, the contradictions between the capitalist mode of production and relations of production continues.

Gold, Platinum and the South African Working Class

The wealth of South Africa beginning in the late 19th century centered-around the extraction of strategic minerals such as gold, diamonds and later platinum. During the era of settler-colonialism and apartheid the mining industry was a source of super-exploitation and consequent unrest among the African workers.

Successive generations from the Post-World War I period through the present have organized workers and taken labor action through strikes and other forms of resistance. In 1985, nearly thirty years ago, the Congress of South African Trade Unions (COSATU) was formed in alliance with the still outlawed African National Congress (ANC) and the South African Communist Party (SACP).

At the time of national independence in 1994, the mining firms such as Anglo-American and DeBeers established their headquarters outside of South Africa. As a result of the militant demands of the African workers, leading firms began to downsize their operations creating an even larger crisis of joblessness than what existed under apartheid.

In the last three years, the unrest in the platinum belt has resulted in the deaths of dozens of workers—the most egregious of course was the massacre of 34 miners at Marikana on August 16, 2012. A commission of inquiry has just submitted its report to ANC President Jacob Zuma yet very little information has been released to the South African media.

The contradictions within the post-apartheid political and economic dispensation has created tensions within the Black working class movement prompting splits and expulsions

from COSATU while unemployment and poverty persists among a large segment of the proletariat overall. A political revolution needed within the trade union movement is stifled by the crisis of how to proceed during a general world economic crisis within global capitalism which necessitates a socialist program that objective conditions would facilitate but still remains elusive.

Nonetheless, the ANC remains in power as the Southwest African People's Organization (SWAPO) of the Republic of Namibia, two close allies during the struggle against apartheid. The land redistribution program in Zimbabwe over the last 15 years is admired but has not been replicated in the region.

These complexities require a total break with imperialism and its economics of export and subservience to the multi-national corporation and the financial institutions. These difficulties for the oppressed nations are also mirrored within the industrialized capitalist states in a myriad of forms.

FIFA Indictments and the New Cold War

One current example of the continuing Cold War and the militaristic character of imperialism is the announcement by the U.S. Justice Department of indictments against leading officials of the international soccer clubs. The Federation of International Football Associations (FIFA) had several officials indicted after an investigation by Washington.

Such criminal indictments involving FIFA immediately has international implications. Outside the U.S. where soccer is not only a popular sport and cultural phenomenon, opinions vary but the political repercussions of these legal actions remain paramount.

Russia was chosen to host the World Cup of 2018 and Qatar in 2022. Efforts aimed at isolating the Russians have been the cornerstone of U.S. foreign policy for decades.

The U.S. has been involved in Moscow's foreign affairs dating back to the mediation role played by President Theodore Roosevelt during the Russo-Japanese War in 1905. When the Bolsheviks took power in 1917, the U.S. joined with other imperialist states in an invasion to overthrow the world's first socialist government.

From the era of Lenin and Stalin to Khrushchev, Brezhnev and Gorbachev until to today's post-Soviet Putin administration, the ruling class has viewed Russia as an impediment of imperialist's designs on Eastern Europe, Asia, the Middle East and Africa. Even though the Russian Federation is no longer a socialist state, Washington views it as a threat to its imperialist policies.

President Vladimir Putin immediately spoke out against the role of the U.S. in FIFA affairs saying that the alleged crimes were not committed on American soil and these efforts by the Obama administration's Justice Department represent the continuing overreach of the country in meddling in the internal affairs of other states and institutions. Washington is still angry over the persistent resistance to the right-wing coup in Ukraine during 2014 and the federation of Crimea with Moscow.

The development of alliances and economic organizations which exclude the U.S. and the European Union member states, illustrates to the U.S. that its role in the world economy is no longer guaranteed as being dominant. The Pentagon interventions in the Black Sea,

expanding NATO in efforts to contain and surround Russia and the imposition of unwarranted sanctions against the Kremlin are all part of the methodology to undermine Moscow's influence.

Impact of the Cold War on the Domestic Scene

These foreign policy imperatives of U.S. imperialism reverberate with ominous consequences for the people living inside country. Despite the rise of President Barack Obama as the first self-identified African American to hold that office, the actual conditions of the people represents the reinforcement of national oppression and institutional racism.

The Obama administration has been not only absent in the struggle for the civil and human rights of African Americans, it has actually oversaw some of the worst losses in jobs, economic opportunities and household wealth. There is a systematic campaign on the part of the banks and corporations to drive African Americans and other oppressed nationalities out of the central areas of the major municipalities. Detroit, an example of extreme expropriation and disenfranchisement of African Americans and Latinos, is being championed by the ruling class as a successful example of urban revitalization.

Nonetheless, this ruling class propaganda cannot mask the gross injustices and inequalities prevalent in Detroit and other cities. The mass demonstrations in Ferguson, Baltimore and other urban areas have shown the world that America is still a class society. The militarized response to the rebellions does not suggest the strengths of the capitalist and imperialist system but its weaknesses. It will be the organized might of the workers and the oppressed that seals the fate of imperialism both abroad and domestically.

Note: This paper was prepared and partially presented at the Left Forum held at John Jay College of Criminal Justice, City University of New York (CUNY), during May 29-31, 2015.

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