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By George Caffentzis

Since 2004 the rhetoric of Bush's republican party has turned curiously green, integrating climate change as a legitimisation for neoliberal imperialism. At the same time the unintended consequence of America's unsuccessful adventures has been to enrich an 'anti-neoliberal' class of oil rentiers in Africa, Latin America and Asia. George Caffentzis plots the changes in the US energy policy as it turns from eco-naysayer to ecowarrior

The 2004 Presidential Election was in part a referendum on energy policy in the US. The Bush campaign expressed scepticism about both the Global Warming and Peak Oil hypotheses and claimed that the unleashing of the free market (including the lifting of some environmental restrictions) is the proper path for dealing with the energy problems of the US and the planet. In other words, there are no problems concerning energy that a dose of neoliberal privatisation and globalisation can't cure. The Bush 'Deal' with the US working class was that if workers supported his policies (including financing and staffing the required imperial military), the bulk of the costs of the new energy regime will be borne by the proletarians in the oil producing countries of Africa, Latin America and Asia. An important corollary to the 'Deal' was that there would be no need for a drastic wage decrease (caused by high oil prices) in the US. This was a call for the continuation of neoliberal business as usual. The Kerry campaigners took both Global Warming and Peak Oil seriously and proposed an approach to energy that would emphasise conservation and alternative energy production. Such policy, they claimed, would strengthen 'national security' without resort to war (the assumption being that if the US imported less oil, there would be fewer enticements to be drawn into 'resource wars' like the invasion of Iraq in the future). The Kerry 'Deal' being proffered to the US working class would require in exchange for 'national security' tolerance for high oil prices (to incentivise alternative energy production) and hence a dramatic reduction of the real wage in the US. It was a strident call to avoid an energy apocalypse. I criticised the Kerry campaign/ Democratic Party/ Environmentalist NGO position in a previous article in *Mute* (*Mute* Vol.1, Issue 29, Winter/Spring 2005). In this article I will discuss some of the twists and turns of this energy debate among global capitalist 'deciders' since 2004 and the causes of these changes.

After the election, Bush continued to push ahead on the effort to increase oil drilling in the US (especially in the Arctic and the Gulf of Mexico) and to apply military pressure on oil producing nations to neoliberalise their oil industry, with Iraq being at the centre of the strategy. However, over the last two years there has been an evident change in the Bush Administration's rhetoric. In the 2006 State of the Union Address Bush unveiled his 'Alternative Energy Initiative' with these words: 'America is addicted to oil, which is often imported from unstable parts of the world.' In the 2007 State of the Union Address Bush held out hope that the research into new energy technologies his administration is supporting 'will help us confront the serious challenge of global climate change.' Neutral or even positive references to the reality of Global Warming and Peak Oil have begun to appear in official administration documents. This should not be surprising, if one looks at what has transpired in the last two and a half years concerning the class politics of global energy. The neoliberal effort, supported by the guns of the US military, to overturn the nationalisation of energy resources (especially oil and natural gas) has met reverses across the planet. Let me list a few of the more spectacular ones:

- the failure of the US invasion of Iraq to impose a neoliberal regime on the nation’s oil production;
- the renationalisation of the natural gas industry of Bolivia;
- the electoral triumphs of Chavez that have given his government the legitimation to use oil revenues to create a ‘socialism for the 21st century’ in Venezuela;
- the successful ‘stealth renationalisation’ of the Russian oil industry by President Putin’s government;
- the oil companies’ and Nigerian government’s inability to crush the armed resistance of local Niger Delta groups demanding property rights in the oil reserves and reparation for past environmental damage.

This is not a pretty picture for the Bush Administration’s neoliberal globalisation plan. When these reversals are summed up across Africa, Latin America and Asia, a remarkable phenomenon can be observed: the formation of a new ‘rentier’ class that is in opposition to neoliberalism. A rentier is someone who lives off rents and returns from investments, in other words, someone whose revenue arises from the transfer of surplus value from other parts of the capitalist system. In early modern Europe, the landed rentier class was made up of aristocratic families that rented out their land to capitalist farmers. The problematic part of the contemporary oil rentier class is made up of governments (e.g., mullah-ruled Iran, ‘21st century socialist’ Venezuela) and ethnic organisations (the U’wa of Colombia, the Ijaw of the Niger Delta, and the indigenous West Papuans) that are demanding the right to use the rents and transferred surplus value they receive (or ought to receive) in a non-, or even an anti-capitalist manner (to the point that the U’wa would ban all drilling into the flesh of mother earth!).

This part of the oil rentier class worries the Bush Administration more than the apocalyptic scenarios Peak Oil and Global Warming activists delight in telling. In fact, much of the Bush Administration’s newly found attraction to Peak Oil and Global Warming is part of the effort to justify the failure to deliver on the promises of cheaper oil and a threat to troublesome oil rentiers. For after all, there are only two major threats that can be used against the rentiers: (a) direct military force threatening to dispossess them of their resources; (b) the development of alternative non- oil/natural gas energy sources threatening to devalue their resources. The failure of the Iraq invasion to lead to either increased oil production or even a legal change opening up the oil industry to foreign company control has shown the limits of the military effort. Consequently, the Bush Administration, even as it continues to surge ahead in its occupation of Iraq (and threatens to bomb Iran in the bargain), must develop the other threat so openly described by the Saudi oil minister, Sheik Ahmed Zaki Yamani in 1981:

If we force the Western countries to invest heavily in finding alternative energy sources, they will. This will take them no more than seven to ten years and will result in their reduced dependence on oil as a source of energy to a point which will jeopardise Saudi Arabia’s interests.

Capitalist concern over the anomalous behaviour of the landlord or rentier class is not new. Rentiers affect the struggle between capitalists and workers in complex and often problematic ways. In Britain, for example, the rentiers sided with the capitalists for the most part during the rise of capitalism (with occasional violent falling outs in the 17th century). But by the 18th century, capitalist thinkers were debating the negative consequences of ‘absentee’ landlords’ ‘luxury’ consumption and by the early 19th century political economists like David Ricardo argued that rents reduced profits because of the high price of grain that the working class consumed. If the price of grain went down, wages would fall and profits would rise. But the only way for this to occur was to open up the importation of grain by reducing or eliminating the tariff on cereals. The Corn Law (so called because in England ‘corn’ refers

to any ‘cereal grain’) legislated this tariff and so Ricardo called for its repeal. He urged his fellow capitalists to end their alliance with the rentiers, since the flourishing of the latter would threaten the survival of the former. Ever since this period, ‘rentier’ became a synonym in economics for a lazy, obstreperous and parasitic being. ‘Rent’, when it was not the object of opprobrium, was barely mentioned in the economics text books. But like it or not, rents and rentiers have played an important role in capitalism down to the present, especially in the oil industry.

The oil industry also has another kind of transferred surplus value besides rent that arises because oil production is technology intensive and almost labour-less. Hence the oil industry creates very little surplus value. On the other side, the oil industry is quite profitable. Where does this profit come from? It arises from other parts of the system that create much surplus value while requiring relatively little technological investment. This leads to the owners of the oil companies receiving transferred value and if these owners are landlords who own the oil resources as well, they can receive two kinds of income.

Until the early 1970s the oil rentiers (the recipients of both these transfers of value) were relatively amenable to capital’s desires, but since then and especially in the last couple of years many rentiers have become dangerous to the neoliberal accumulation of capital. The most visible example is the political movement that brought Hugo Chavez to presidential power in Venezuela, of course, but there are many other actual political and social movements that are rejecting the neoliberal claim that the best way to maximise everyone’s utility is to denationalise the oil industry and return it to the hands of the global energy companies. In fact, they are using oil revenues to increase wages and invest in the reproduction of workers. For example, the Chavez administration is financing a major land redistribution drive to benefit the slum dwellers of Caracas using the oil revenues.

The true worry of the Bush Administration is that these troublesome oil rentiers will unite with each other and form an alliance with the working classes of their territory that will harm the exploitation of workers across the planet. After all, what concerns Bush’s class is a shortage of value, not a shortage of oil or natural gas. Workers should be politically concerned by ‘Peak Oil’ scarcities and by ‘Global Warming’ apocalypses, but we must remember that capital is not. Scarcity and apocalypse are capitalist business as usual. In capital’s history thousands of scarcities have been created in order to impose work and make a profit. It has destroyed ecologies and human populations time and again to preserve and extend its rule. What we should be concerned about is that this new turn in the class struggle that brings together working classes in Latin America, Africa and Asia with rentier governments and ethnic organisations in the oil producing regions will be attacked using ‘Peak Oil’ or ‘Global Warming’ as an ideological cover in the same way that nuclear non-proliferation has been used to invade Iraq.

Biog

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