Ghana was hardly an exception. In the decade of the 1960s, the high hopes of independence gave way through much of the developing world to a continuing saga of coups and political upheavals. In the process, the optimism of the independence era gave way to an intellectual reformulation that saw North and South—industrial and developing countries—as permanent antagonists. The political struggle for independence was transmuted into a continuing struggle against what was variously described as "economic imperialism" and "neo-imperialism"—and, particularly, against the multinational corporation. Indeed "exploitation" became the fashionable way to view relations between developed and developing nations. Karl Marx had not said much about the developing world, and what he had said was quite ambiguous. He saw capitalism as a necessary improvement on the "Asiatic mode of production." According to Marx, British imperialism definitely served to modernize "backward" lands like India. Nevertheless, most Marxist theorists, dependency theorists, and many plain liberal theorists propounded the argument that developed nations and the dynamics of international trade and investment exploited developing countries. Strong state control was necessary to protect the developing nation against these forces, and the state company would occupy the high ground formerly held by the foreigner.

The problem of national control was most acute for the great many countries that depended for survival on exports of primary products, whether agricultural—like coffee, rubber, or pineapples—or mineral—like copper and bauxite. The choice seemed to be whether foreign multinationals would capture all the "rents" from these products or whether a national firm could step in. If multinationals found it cheaper to export raw materials than to invest in a processing plant, what hope was there that the producer countries would ever turn their plantations to modern agro-industry? And if multinationals brought economic distortion, not growth, then could the humiliating effects of watching expatriate managers drive new cars and enjoy "hardship pay" be justified any longer? Surely a state-owned company, a national champion, could better represent the national aspirations.

The epiphany for the mixed economy and state domination in the developing world was reached in the late 1960s and 1970s, when the Vietnam War generated a liberal guilt about the entire Third World. As opinion shifted against the war and the United States, so it did against the economic system identified with the United States. Markets and capitalism seemed to lose legitimacy. The war was partly blamed on them. National liberation movements aimed not only at defeating pro-Western governments but also at overturning the market and replacing it with state ownership in the name of "the people." Socialism and Marxism enjoyed a renaissance. Capitalism lost confidence in itself, and the young rebelled against it. Moral virtue was to be found in the Third World and in its solidarity against the First. All this was part of the loose ideology of "third worldism," which enjoyed a vogue in the developed world in these years. But third worldism also came from the Third World itself. As more and more countries acceded to independence, they formed alliances, organizations, and a voting bloc in the United Nations. As early as 1955, at the Bandung Summit in Indonesia, Nehru joined Sukarno of Indonesia, Gamal Abdul Nasser of Egypt, and Josip Broz Tito of Yugoslavia in calling for a "nonaligned movement" to bypass the Cold War. Despite differences—and Western skepticism—the movement grew, and through the 1960s, Third World countries transacted in economic ideas. By the end of the decade, they too felt ready to assert their identity and their true worth on the world stage.

In some ways, all this came to a head on October 6, 1973, when Egypt and Syria launched a massive attack on Israel, starting the Yom Kippur War. For a number of days, Israel's very survival was in doubt, until it finally succeeded in turning the tide. But before the war was over, the Arab oil exporters had used the "oil weapon"—an embargo—to punish the United States and other Western nations for their support of Israel. By the time this first oil crisis had run its course, the price of petroleum had increased fourfold.

It was a climactic event. It accelerated the process of nationalization of oil concessions that had begun before 1973. In 1975 and 1976, the great oil concessions of Saudi Arabia, Kuwait, and Venezuela were all nationalized and integrated under the control of newly established state companies that were now expected to dominate the international oil business. The creation of these companies was meant to put an end not only to the concessions themselves but to the humiliation that went with them, and to capture the bulk of the oil earnings for the nations that produced the oil.

But the oil crisis was also considered to be something much more—a radical shift of power in the international political system. As one eminent foreign policy expert put it, the crisis marked the first time since the Japanese had sunk the entire Russian fleet at the Battle of Tsushima in 1905, ending the Russo-Japanese War, that the Third World had defeated the first world. It held out the prospect of a no less radical global redistribution of income from developed to developing nations, thus righting the wrongs of alleged exploitation. Plans were bruited for a variety of other commodity cartels, from copper to bauxite, although, eventually, none was to succeed. Nationalization was on the domestic agenda; only the terms were in question. The world's two largest copper-producing countries nationalized the foreign-owned mines on their soil. Kenneth Kaunda's Zambia nationalized peacefully, paying the British mining firms compensation; but Salvador Allende's Chile did it more abruptly and, in so doing, helped precipitate the government's violent downfall. In India, the Janata Party, in power between 1977 and 1980, expelled foreign firms that refused to share their technology with local champions. IBM packed its bags, as did Coca-Cola—penalized for its refusal to reveal its sacred and jealously guarded formula. Around the world, governments were taking over even greater responsibility for the workings of their economies, while multinational companies and foreign investment were derided as evils to be driven away. This was indeed the apogee for government.

As it turned out, many developing countries were among those worst hit by the oil crisis—the markets and prices for their commodities and manufactures declined with the global recession that followed the quadrupling of the oil price. But this reality was submerged by the spirit of third worldism and the apparent solidarity of South against North in what some were to call an international class war over a "New International Economic Order." Developing nations came together as the Group of 77 in the United Nations. Their argument, supported by the Soviet Union, was that, as commodity exporters, they had been exploited by the industrial countries through the low prices paid for their products. Not only, they said, should the developed countries pay higher prices, they should also pay compensatory reparations. In order to mitigate the North-South confrontation, a North-South Dialogue convened in Paris in 1977. It was intended to redistribute income, protect commodity prices, ensure "control," and accelerate the flow of technology. It was also meant to defuse tensions. Despite two years of tractations, there was not much to show for it; at the end, the conferees could not even agree on a communique.