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The Economic Road to Justice in Africa

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Abstract

Is there any economic road to the justice of food, job and social security for all in Africa? Yes, there is. It is the interest-free and private-sector-led regime of full reserve central and private banking which: makes the currency of each African economy commercial convertible and resource-conserving; deepens and equitizes the markets for savings of each African economy; and, promotes rural industrial entrepreneurship, and private-sector-led-growth in local content, within the work and reward sub-system each of African economy.

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1. Introduction

There is a fundamental ethical question which every economist should ask and answer everyday. This question goes like this: which type of money clears and paves the road to justice, peace and development within and between the economies of the globe? The reason why any economist should always put and answer this question is threefold and as follows.

First, it is the proper remit of the economist to show how to grow justice in any economy so that its members may have their rightful due of contributive justice in regard to access to fulfilling work, commutative justice in regard to access to the material and social rewards of work and distributive justice in regard to access to respectable social upkeep for the non-working members of an economy[1]. Indeed, the economist has the social burden and duty to lead the global economy down the road to the Pareto optimum of food, job and social security for every human being[2].

Second, the instrument which any economy of the globe uses to distribute work and its rewards among its members is money. Therefore, the concept of money which any economy chooses to work is what determines whether it can provide its citizens with the food, job and social security of the Pareto optimum[3]. And since the economist is the person who is expected to know the monetary road to the wealth and poverty of nations, then it is mandatory that any economy of the globe retains the services of a bona-fide economist to help it to find, choose and work the concept of money that will enable it to provide its members with food, job and social security.

And third, two or more economies of the globe cannot walk together in peace and co-operation unless they, in tandem, choose and work a uniform concept of money that grows job, food and social security for their respective members.

It is, therefore, the objective of this paper to show how the economist should go about choosing and working that appropriate concept of money which would help to grow justice, peace, development and cooperation within and among the economies of Africa. So, with this objective in focus, this paper takes off by distinguishing between the two ways in which money can be used in any economy of the globe to distribute work and its rewards among its members.

The one way uses money to distribute work and its rewards in the service of the few and at the expense of the many. This money supply management formula is what this paper calls *macro-economic ftscalism* or the Judaeo-Christian macro-economics of exclusion as ordained by Deuteronomy 23: 19-20. But the other way uses money to distribute work

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and its rewards in the service of all and at the expense of none in any economy of the globe. And this money supply management formula is what this paper calls *macro-economic monetarism* or the Islamo-Christian macro-economics of inclusion as endorsed by Exodus 22: 25[4]

Then, the paper goes on to argue that it is only the Islamo-Christian principles of good economic governance, which it gives in some detail in Section 4.2, that the economist can use to grow justice, peace, development and cooperation within and among the economies of Africa. In fact, the Islamo-Christian macro-economics of inclusion says that Africa is today mired, all over, in squalor, want, disease and strife because its economies keep and manage their international reserves in the flow-of-funds domains of the West. This is what makes a *Leaning Tower of Pisa* out of every non-convertible currency economy of Africa today -the centres of gravity of their flow -of -funds systems are domiciled in the West, where all types of moths, both local and foreign, doth, indeed, eat them.

Accordingly, the Islamo-Christian macro-economics of inclusion posits that, if Africa must grow into social and material plenty, the centres of gravity of the flow-of-funds systems of its economies, which the Judaeo-Christian macro- economics of exclusion keeps in enforced exile in the West, must be repatriated to and domiciled within the economies of Africa. This is why it is the fundamental tenet of the Islamo-Christian economic agenda for the growth of justice, peace, development and cooperation in Africa that the international reserves of its constituent national economies must be home-based and gold- based. Simply put, the currencies of the economies of Africa must all become commercial convertible and resource conserving and must, thus, be endowed with *integrity in real exchange value* in the global markets for currencies, *solidarity in time-value* in their domestic markets for savings and *subsidiarity in real value, or purchasing power*, in their domestic markets for commodities.

Hence, the argument in the rest of this paper is arranged as follows. Section 2 tells us how any economy of the globe is structured to work and the money supply management principles which enable it to provide, or prevent it from providing, its members with food, job and social security. Section 3 builds on what Section 2 says about the market nature and causes of the wealth and poverty of nations to throw more light on why the economies of Africa do not and cannot provide their members with food, job and social security. Section 4 then goes on to point up the *bottom-to-top market development initiatives* which the economies of Africa must undertake severally and in partnership, in order to walk firmly down the road to justice, peace, development and cooperation. And Section 5 concludes the paper.

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2.0 **Economies at Work**

Natural scientists tell us that time suffuses all of the animate and inanimate elements in nature. They tell us that this is so because every element in nature suffers from a cumulative and irreversible process of decay: the *ageing process.* It is the trajectory of this inexorable process of decay of all matter, the *ageing process,* that we know as the *arrow of time*[5]

Given, therefore, that man himself is a biological element in nature, it will then follow that, from the foetus to the grave, man is a *biological clock* whose sands of time fizzle out at death. This biological clock is kept going until death by a continuous intake of energy from its environment. In fact, the natural sciences tell us that there is a periodic minimal quantity of energy intake that the human biological clock needs in order to be able to grow and live-out its normed or normal life span of three score and ten.

Unfortunately, however, man's periodic energy needs do not anymore fall from the heavens as *manna*[6]. They must be brought into being through the efforts of man as a *worker and tool-maker.* It is, thus, for this reason that one can say that the needed effort of man through work to reduce to the barest minimum the scarcity of the energy resources for the sustenance of the human biological clock is the fundamental datum and concern of the human condition.

Man must, indeed, wage a never-ending war against scarcity in order to live-out his normal life-span. And it is this necessity to wage a perpetual war against want that leads man to team up with his fellow-men in social organization so that the *work and the rewards* of the primordial economic warfare against want can be *shared equitably* among the members of a society.

Thus, any social organization is an economic war machine against want. The aim of this economic war machine is to slow down the general ageing process for *all or for some* of its component human biological clocks or to distribute *equal or unequal* ageing processes among the constituent human biological clocks of any society.

Accordingly, all that macro-economics does, and should, give us are the principles of social organization that make for the distribution of equal or unequal ageing processes among men in society. What are these principles? They are essentially the principles of money supply management, or economic distribution, in society. We talk about the money supply management principle of God Almighty and the common good when economic distribution endows all in society with the energy conditions for an equal ageing process. But, we talk about the money

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supply management principle of Mammon and the private good when economic distribution slows down the ageing process for the few-some and intensifies and hastens it for the many others.

2.1 Market Forms

Now, through what channel does any economy use its currency to distribute equal or unequal ageing processes among its members? The market channel, of course. In fact, two things are central to the working of any economy of the globe. The one is the concept of markets. And the other are the principles or rules which constrain and guide price-formation in the markets of an economy. So, one does not promote the growth of economic knowledge by knocking the concept of markets and running away from it. Indeed, one should dissect and scrutinize this concept in order to begin to understand why and how unequal and equal market forms arise and remain within and between economies.

For, economic life, understood simply as the use of money to distribute work and the rewards of work, both material and social, among the members of an economy, cannot possibly go on with ease anywhere on this earth without a working concept of the market being at the centre of it all. In fact, every economy of this earth, rural or urban national or sub-regional, continental or global, is a market economy of sorts[7]. Economies only differ, one from the other, with regard to the power-structures that control price formation in their markets for goods, services, jobs and savings and ideas.

The power structure which controls price-formation in the markets of any economy is aptly and adequately captured by its price-structure. And the price- structure of any market economy comes in two variants. The one is the bottom-to-top and win-win variant and the other is the top-to-bottom and win- lose variant. Whereas the former is the short-hand for a perfect market economy of the common good and inclusion the latter is the byword for the imperfect market economy of the private good and exclusion.

Thus, for instance, where buyers and sellers of goods and services have equal power to influence to their own advantages the prices of goods and services in the markets of an economy, there do we have the case of a perfect market economy. Economic sovereignty, or the power to swing the price of a good or service in one's favour, is equally distributed across the demand and supply market divide, right through the economy.

This type of an economy has a symmetric or a win-win or a democratic or a bottom-to-top price-and-power structure which allows every seller and every buyer of any good or service to always have the

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elbow room to drive a good-price-bargain. And, this is a common good and *communitarian* market economy which excels in providing each and every one of its members with job, food and social security.

But, consider now the contrary example where the price-structure of an economy allots unequal pricing power to the advantage of the seller or the buyer and to the loss of the buyer or the seller of goods and services in its markets. Here, we do have the case of an imperfect market economy. It is a market economy of monopoly or oligopoly when the seller-side alone is the economic sovereign, whilst it is a market economy of monopsony or oligopsony when the buyer-side alone is the economic sovereign.

And, this is the type of a market economy which has an asymmetric or a win- lose or a top-to-bottom or an undemocratic price-and-power structure. Every exchange situation in this economy is a zero-sum game where either the buyer or the seller gains it all and the seller or buyer loses it all; it is market economy of the winner takes it all. And such a market economy with an asymmetric price structure is the private good and common bad market economy. It excels in allowing the monocentric or oligocentric few to determine what is produced, how and for whom in an economy.

It is, therefore, clear from the above that any programme of economic reforms for any economy on this earth does, as of necessity, involve a choice of piloting the economy towards having a symmetric and democratic or an asymmetric and undemocratic price-and-power structure. In this regard, one could choose a programme of monocentric/oligocentric or top-to-bottom economic reforms for the private good of the few and the common bad of the many members of an economy; or one could choose a programme of polycentric or bottom-to-top economic reforms for the common good of all the citizens of an economy. Whereas the former is the undemocratic macro-economics of exclusion of the many from having any price and resource allocation say in an economy's markets for goods, services, jobs and savings, the latter programme is the democratic macro-economics of inclusion which empowers all to participate in determining what is produced, how and for whom in an economy.

2.1.1 **Ethics of Money**

In fact, the most common-place way to illustrate the difference between the level playing price ground of perfect markets and the uneven playing price ground of imperfect markets is for us to now look at the

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historical and contemporary economic misfortunes and fortunes of the proverbial *village* and the proverbial *city* respectively.

All of humanity at one time or the other can trace their roots and identity to the one bush-village or the other. Indeed, the village is where much of humanity toils and labours to keep body and soul together. In contrast hereto, the city is the market-place where most of the humanity from the village-bush take their goods and services for direct and indirect exchange into their own needs of goods and services. Ideally, therefore, the city is the no-man's land of a perfect market, a level -playing pricing ground, where villagers come to exercise equal pricing leverage over what they sell and what they buy. But what obtains in the real world is a very far cry from this picture.

The city is never ever the market place for a plentiful of equally leveraged village suppliers and a plentiful of equally leveraged village demanders of goods and services, that a level playing pricing ground of perfect markets calls for. Rather, the city has become and remains the economic graveyard of the villagers. The villagers who are the plentiful equally leveraged demand points and the plentiful equally leveraged supply points for goods and services in the city markets, come to the city only to be cheated of equal, fair and just prices by *city- middlemen - oligopsonists* and *city-middlemen –oligopolists*. In short, the villagers, both as consumers and vendors of goods and services, have been and are always at the pricing mercy of the middlemen merchants of the city. In all their economic contacts with the city, villagers are ripped off now by the city oligopsonist and now by the city oligopolist, and in the end by the city bankers.

But why and how is it that the city middlemen merchants and bankers always have this imperfect pricing edge over the villagers both as buyers and as sellers of goods and services? The answer to this question has simply to do with how we go about managing economic weights and measures and logically, of course, with whether or not we lend and borrow at interest.

For the fairness or otherwise of the unit of our economic measure determines the fairness and justice or otherwise of any economic transaction in the markets of the city. So when the weights and measures that are used in the markets of the city are inaccurate, then injustice and inequality have crept into the economic transactions of the city. As a result, the middlemen merchants and bankers of the city who, through the deficit-financing State or Sovereign, control the weights and measures of economic transactions in the city markets create, in their own interests, the uneven pricing ground of imperfect markets for the villagers' demand

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and supply of goods and services in the city markets. This is the way of work of Judaeo-Christian macro-economics. And it all goes to show that he who controls, directly or indirectly, the national mint controls the *ethical content* of business life in any economy.

The point we are making here is simplicity itself. If only the units of account, of contracts and of payments in the city markets were and remained what God said they should be: *pure and unalloyed units of gold,* then the level playing ground of perfect market prices would be what the village suppliers and demanders of goods and services would always come to meet and enjoy in the city markets. And this is the way of work of Islamo-Christian macro-economics[8].

Alas, however, the cheating hands of the State and indolent city *financial middlemen* have stretched themselves into debasing the currency of account, contracts and payments in the city markets with the result that the few private and public city minders of the national mint now enjoy *seigniorage or inflation tax*, both as middlemen oligopolists and middlemen oligopsonists in the city markets for goods and services. As they cheat the villagers of just and equal prices, they prepare and lead the villagers into becoming subjects in their own economies. Thus, the uneven playing ground of imperfect market prices for goods and services that historical and contemporary cities have become the world over, only go to show that the visible hand of Mammon is at play in the past and current unequal financial affairs of men the world over and especially so in Africa.

And where the visible hand of Mammon controls the national or global mint, there do the many grains of city-based middlemanship - commercial, financial, industrial and technological, prevent the multitude of rural dwellers from ever having any say over what is produced, how and for whom in the national or global markets.

The historical and contemporary *city* of the global imperfect markets in our world of trade and investments is the global North. And the historical and contemporary *village* of all-round price-takers in what they sell and buy in the global markets is the global South.

Generally speaking, therefore, financial empires arise and fall as nations control or cease to control the currency weights and measures of international trade and payments. And colonies and neo-colonies are those nations which bear the cheating brunt of fake weights and measures, through the devaluation of their currencies, in their external trade and payments transactions. For as the colonies and neo-colonies are induced by exogenous and imperial financial forces to consistently devalue their currencies, we find that they will continue to sell more and more of real values to the imperial centre and yet are increasingly less and less

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equipped financially to buy today, as much of goods and services, as they bought yesterday from the imperial centre.

However, what the world economy will achieve under the aegis of Islamo-Christian macro-economics of inclusion, or macro-economic monetarism, is the general slowing down of the ageing process for all human biological clocks of the global North and the global South as well. For it is only this that will make citizens all and subjects none of all Africans in Africa.

So, one begins to understand why the Judaeo-Christian macro-economics of exclusion differs from the Islamo-Christian macro-economics of inclusion in price-structure and resource allocation structure when one realizes that different concepts of the monetary unit undergird them. In fact, any concept of the monetary unit is coded with its own peculiar set of normative information about: how economic power should be distributed among men in society; how men in society should be spread out on the ground in industrial work, play and rest and; in what currency men in the one society should trade and pay with men in the other societies. In other words, any concept of the monetary unit may concentrate or disperse the power to determine what is produced, how and for whom in an economy, may concentrate or disperse how people live on the ground in industrial work, play and rest in an economy and may concentrate in some economies or disperse in all economies the sources of international means of payments and reserves.

It so happens that the history of economic thought has thrown up only two concepts of the monetary unit[9]. The one is the demand-side or debt money and the other is the supply-side or commodity money. The Judaeo-Christain macro-economics of exclusion is held together by demand-side money whilst the Islamo-Christian macro-economics of inclusion is under-lain by supply-side money. In the former, the deficit-financing State and its budget is put at the centre of the money supply management of an economy. But in the latter, supply side and risk-taking money goes out everyday to service the private sector entrepreneur with seed capital, working capital and growth capital.

It is precisely this difference in the funding clienteles of demand-side and supply-side money that leads to the differences in how Judaeo-Christian macro- economics and Islamo-Christian macro-economics spread out industrial activities on the ground in any economy of the globe and how they distribute the power to determine what is produced, how and for whom among its members. For, Judaeo-Christian macro-economics, which is public-sector- financing, concentrates the financial and industrial markets and activities of an economy in its urban areas and

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city centres whereas Islamo-Christian macro- economics, which is private-sector-financing, disperses the financial and industrial markets and activities of an economy all over its rural areas and village centres.

So, what is clear is this. Judaeo-Christian macro-economics generates a win-lose price structure within and between the economies of the globe where Islamo-Christian macro-economics generates a win-win price- structure within and among them. What, then, are the market rules which these two brands of macro-economics use to throw up these unequal and equal price-structures in economies? As follows.

2.2 Currency and Macro-economic Pricing Principles

The English economist, John Maynard Keynes, had this to say about the market rules which guide and constrain price-formation in the economies of the globe:

'*There is no subtler, no surer means of overturning the existing basis of a society than to debauch the currency: the process engages all the hidden forces of economic law on the side of destruction and does it in a manner which not one in a million is able to diagnose*[11].

In order to enable us understand how a currency is debauched, we must first know what it means to say that any currency has value. This matter was settled long ago at the turn of the twentieth century by the German legal and economic historian, Georg Friedrich Knapp in his book of 1905[12]. Knapp's book is an out and out apologia for the Judaeo-Christian macro-economics of exclusion but he had to admit therein that the value of any currency today is a child of what it was yesterday and before. Therefore, metallism is the *fons-et origo* of the value of any currency. So, one finds that the value of any currency of the globe, local or international, must, for historical reasons, have a real or putative gold parity as measured in troy ounces of fine gold. From this, it becomes clear that it is gold or like metal and nothing else, that endows any currency with any degree of value and confidence. Thus, every currency of the globe today, non-convertible and financial convertible alike, has and must have a nominal or reference unit gold value in troy ounces of fine gold. This is the official gold parity. But, its actual or real unit gold value or gold parity in troy ounces of fine gold at any point in time may not be the same as the official gold parity.

Accordingly, when a currency's nominal or reference unit gold value coincides with its real unit gold value, the currency is said to have a full and constant value. But as a currency's nominal or reference gold parity begins to diverge from its real or actual gold parity, then the

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currency is said to have a depreciating value and the economy's currency policy is said to be value- shrinking.

Now, a currency is debauched when currency policy in an economy imposes an increasing gap of inflation or value attrition between its reference and actual gold parities. Indeed, the nominal and real unit gold values of a currency must necessarily move apart and remain apart from each other as and when the fractional reserve regime of central and private banking dedicates more and more of the savings of its economy to the servicing of its public sector deficit financing requirement. So, a currency is debauched as its economy fiscalizes its money supply management through increasing public sector deficit-financing. But currency debauching ceases to be when its economy privatizes its money supply management through zero public sector deficit financing and thereby subjects itself to the full reserve regime of central and private banking.

It is noteworthy that the *phenomenon of interest* arises only when an economy fiscalizes its money supply management. So, in a fiscalized economy where the currency, like the Nigerian *Naira,* is interest-based and public-sector dependent, it is the macro-economic lore that the level of interest rates must move in the opposite direction with the gap of inflation between the currency's official and actual gold parities. This inverse relationship between the level of interest rates in an economy and the real gold parity of its currency is a macro-economic pricing theorem which has different names depending on whether one is dealing with a financial convertible currency economy or with a non- convertible currency economy.

In a financial convertible currency economy of the West, for example, this macro-economic pricing theorem is known as the *interest parity, or the debt standard, theorem,* a pricing theorem of resource importation [J .M. Keynes: 1923/24, *A Tract on Monetary Reform]*. But, for a non-convertible currency economy, like Nigeria, it is known as the *import parity pricing, or the currency board debt standard, theorem,* a pricing theorem of resource exportation.

Hence, where the interest parity theorem, IPT, of resource importation allows a financial convertible currency economy of the West, through capital and resource import from a non-convertible currency economy, to decrease the gap which public sector borrowing interposes, as of necessity, between the official and actual gold parities of its financial convertible currency, we find that the import parity pricing theorem, IPPT, forces a non-convertible currency economy like Nigeria to increase this *public-sector-induced gap of resource unemployment* between the nominal

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and real gold parities of its currency. This is the logic of currency depreciation under any form of the World Bank's Structural Adjustment Programme, SAP.

IPPT debauches the currency of a non-convertible currency into the ditch of social chaos and anomie as J .M. Keynes predicated long ago. Thus, IPPT can only decay a non-convertible currency economy job-wise and all-wise as it grows a financial convertible economy job-wise and all-wise. Hence, IPPT and the IPT are the twin market pricing principles of a global economy that is ruled by Judaeo-Christian macro-economics of exlusion. And where IPPT is the quintessential capital flight pricing theorem, IPT is the quintessential capital receiver theorem.

But, if the IPPT and IPT operate within and between economies when the currencies of the globe are gold demonetized across-the-board, what will happen when all the currencies of the globe are gold remonetized across-the-board? In this situation, the gap of inflationary divorce between the official and actual gold parities of currencies will cease to be, and the phenomenon of interest will also cease to be as the public sector of every economy of the globe ceases to be deficit-financing. And then the global economy will be ruled by a new market pricing principle: *the purchasing power parity theorem, PPPT, a pricing theorem of resource conservation*. Thus, when the global economy is subject to the Islamo-Christian macro-economics of inclusion and its attendant full-reserve regime of central and private banking, the PPPT will grow every commercial convertible currency economy of the globe job-wise and all-wise.

When we now tie up the arguments of this section, the following emerge.

One, as Judaeo-Christian macro-economics gold-demonetizes and debauches all the currencies of the globe, it establishes a dual or two-tier currency market policy of currency financial convertibility for the strong and few economies of the West and currency non-convertibility for the weak and many economies of the global South in general, and of Africa in particular.

Two, the interest parity pricing theorem of resource importation enables the financial convertible currency economies of the West to grow in social and material plenty as the import parity pricing theorem of resource exportation condemns the non-convertible currency economies of the global South in general, and of Africa in particular, to decay into numbing social and material want.

Three, as Islamo-Christian macro-economics gold remonetizes and firms up the values of all the currencies of the globe, it establishes a single-

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tier currency market policy of currency commercial convertibility for all the open economies of the globe.

And, four, the purchasing power parity theorem of resource conservation enables all the commercial convertible currency and open economies of the globe to grow justice, peace, development and co-operation at home and abroad. Therefore, Judaeo-Christian macro-economics is a theory of imperfect market forms within and between economies which uses the interest parity pricing theorem to grow the economies of the West on the gold exchange debt standard into roaring wealth, as it uses the import parity pricing theorem to decay the economies of the global South in general, and of Africa in particular, on the currency board debt standard, into numbing poverty. But Islamo-Christian macro-economics is a theory of perfect market forms within and between economies which uses the purchasing power parity pricing theorem to grow all the open economies of the globe on the gold commodity standard into material and social abundance.

2.3 Economic Index Numbers

Something very interesting emerges from the foregoing section on how economies work. This is the gap of inflation and resource unemployment which public sector deficit financing interposes between the official, or nominal, and the actual, or current, gold parities of the currency of any economy of the globe. This gap of currency gold demonetization is highest when the import parity pricing theorem and the currency board debt standard are the macro- economic pricing policy and the currency policy respectively, of the common bad market economy whose currency is, as a rule, non-convertible or has restricted commercial convertibility into an imperial and financial convertible currency on the gold exchange debt standard, e.g. CFA Franc and the Euro.

Then, this gap of currency gold demonetization ceases to be when the purchasing power parity pricing theorem and the gold commodity standard are respectively the macro-economic pricing policy and the currency policy of the common good and communitarian market economy whose currency has unrestricted or global commercial convertibility.

And then the size of this gap of currency gold demonetization fluctuates between its maximum at the currency non-convertibility of the common bad economy and its minimum at the currency commercial convertibility of the common good economy when the interest parity theorem and the gold exchange debt standard are respectively the macro-economic pricing policy and the currency policy of the private good and

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capitalist market economy whose currency has financial convertibility. See Table 2.3.1. below.

So, if any economy is moved, experimentally, from the bottom currency and macro-economic pricing policy pair of the currency board debt standard and the import parity pricing theorem through the middle ground currency and macro-economic pricing policy pair of the gold exchange debt standard and the interest parity theorem to the top currency and macro-economic pricing policy pair of the gold commodity standard and the purchasing power parity theorem, it traces a gradient of fiscalization of its own money supply management. This is what one could describe as the *actual or current unit gold value gradient or the gold valorization gradient* of its currency. It has a zero value at its currency board debt standard bottom-end and a unity value at its gold commodity standard top-end as Table 2.3.1 amply demonstrates below.

Table 2.3.1. GEIN: General Economic index Number

Macro-economic paradigm	**Currency policy**	**Macro-economic Pricing Policy**	**Market Form**	**Resource Use Pattern**	**GEIN**
Islamo-Christian	Gold Commodity Standard ____ Currency Commercial Convertibility	Purchasing Power Parity Theorem	Perfect Markets of Equal and Fair Exchange	Resource Conserving	GEIN = 1.0 Zero gap between nominal and actual gold parities of currency
Judaeo-Christian	Fixed and Flexible Rate Gold Exchange Debt Standard ____ Currency Financial Convertibility	Interest Parity Theorem	Imperfect Markets of Unequal Exchange ____ All-round Price Setter	Resource Importing	1<GEIN>0.25 Gap between nominal and actual gold parities of currency less than unity but greater than 0.25
	Fixed and Flexible Rate Currency Board Debt Standard ____ Currency Non-Convertibility	Import Parity Pricing Theorem	Imperfect Markets of Unequal Exchange ____ All-round Price-Taker	Resource Exporting	0 ≤ GEIN ≤ 0.25 Gap between nominal and actual gold parities of currency fluctuates between zero and 0.25

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What then does this gradient of currency gold demonetization stand for? Simply as the general economic index of value and distribution in any economy of the globe. This is, indeed, a rarity because it is common knowledge that economists are notoriously ambiguous whenever they speak on the degree of readiness of any economy of the globe, developed or developing, to provide its members today and tomorrow, with food, job and social security. But, here is a simple currency market statistic in which there apparently is no twitch of ambivalence with regard to the nature and causes of the wealth and poverty of nations. Why is this really so?

Simply because this currency market statistic addresses head-on the core ethical issue of who should determine what is produced, how and for whom in any economy. This it does by flowing naturally from the very definition of macro- economics as the moral or ethical science which looks into how money is used in any economy to distribute work and its rewards, both material and social, among its members.

So, the message, here, is very clear and unambiguous. Embedded within the money flows structure of any economy is a general and standard macro- economic performance guage for measuring its past and present readiness to produce its members into social and material plenty. It is this macro-economic performance guage that the gradient of currency gold demonetization represents. And what any economist should be able to do for any economy is to exhume this gradient of currency gold demonetization from its money flows structure and then read off the actual values the economy has registered overtime on it and then go on to use this knowledge to plan for how the economy should go about producing its members into material and social plenty.

But, it must be emphasized, at this juncture, that the idea of this gradient of currency gold demonetization is by no means a new one. In fact, it is written boldly all over the seven hundred years of documented Western economic thought as it concerns the nature of the monetary unit[13]. For, over seven hundred years ago, when Roman Catholic social thinkers like Thomas Aquinas, 1225-74, and later Nicholas Oresme, 1330-82, were the founding macro- economic voice of the globe, Western macro-economic thought lived by the Islamo-Christian macro-economics of inclusion. Within this macro-economic scheme of thought, the commodity theory of the monetary unit and its attendant full reserve regime of central and private banking was considered to be the grundnorm of standard macro-economic practice. And, this would enable

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every economy of the globe to notch up the value of unity on its gradient of currency gold demonetization.

But as the centuries wore on and the ethic of the private good and self-interest got the better of the ethic of the common good and self-less service in the minds of the globalizing peoples of the West, Western economic thought began to question the appropriateness of the live-and-let live and right is - might ethos *of* Islamo-Christian macro-economics as a guide to prudent and prosperous economic action. Accordingly, Western economic thought came up, explicitly through the work of the French courtier, Jean Bodin, "*Six Essays of the Commonweale*" of 1576, with the idea that the State has the right to cheat with economic weights and measures through the concept of *seigniorage*. Thus, was the practice of public sector deficit financing introduced into the currency policy of nations and, as a result, the debt theory of the monetary unit, or the Judaeo-Christian macro-economics of exclusion and its attendant fractional reserve regime of central and private banking, has, from the seventeenth century up till this day, become the grundnorm of global macro- economic thought and practice. And, ever since, the global South in general, and especially Africa, has known no justice, no peace, no development and no co-operation.

So, Sir Thomas Gresham, 1819-79, a currency privatizer like Nicholas Oresme and the English currency expert, saw the far tomorrow of the world of money when he enunciated his currency fiscalization theorem, otherwise known as Gresham's Law, GL. GL says that in any economy, fiscalized and rent- taking debt-money chases privatized and risk-sharing commodity money out of circulation. This is the fate that has befallen the global economy as it came under, specifically from 1819, the time -and space squeezing globalization of Judaeo-Christian macro-economics. Hence, it is the gradient of this currency fiscalization theorem which is embedded in the global structure of flow-of - funds, since 1819 at the least, that is exhumed in this paper and christened the general economic index of value and distribution.

The fact that this general economic index number does enable the economist to speak authoritatively about the past, present and future of any economy of the globe becomes manifest when one looks closer at the market channels through which an economy's currency is used to distribute work and its rewards among its members. And in this regard four points need to be made.

The first point is that there are three market channels through which the currency of an economy is used to distribute work and its rewards among its members. The key channel is its foreign exchange

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market and domain of currency policy where the nominal and real unit gold parities of an economy's currency could coincide or diverge. The nominal and real unit gold parities of a currency diverge in this market when the public sector imposes a gap of deficit financing and rent-taking between them. Another channel is its markets for savings and domain of financial or savings policy where an economy manages the ratio between its short-term commercial savings and its medium-long-term industrial savings. And the other channel is its market for commodities and domain of local value-adding or industrial policy where an economy manages the ratio of foreign content to local content in each of the goods and services on offer in its markets.

The second point is that there are three-related market concepts of the value of a currency. The first is the general foreign exchange market concept of the value of a currency. This is the real unit gold value of a currency as registered on an economy's gradient of currency gold demonetization. The second is the partial financial market concept of the value of a currency. This is the time- value of a currency as found within the markets for savings in an economy. And the third is the partial industrial market concept of the value of a currency. This is the real value or purchasing power of a currency which is found within an economy's markets for goods and services.

The third point is that there are three-related market indices of the value of a currency. The first is the general foreign exchange market index of the value of a currency. It measures the gap of rent-taking and inflation which exists between the nominal and actual unit gold parities of an economy's currency as a result of deficit financing by its public sector. This gap rises or falls as the fiscalization ratio of money supply management rises or falls in an economy. And, as the fiscalization ratio of any economy's total savings rises or falls, so does its level of interest rates rise or fall and so does the real unit gold parity of its currency fall or rise. The second is the partial financial market index of the value of a currency. It measures the average tenor or time-horizon of savings contracts in an economy and, therefore, the degree of liquidity preference which its savers have. Here, one notices that the time-value of a currency rises or falls as the fiscalization ratio of its economy's total savings falls or rises. Thus, the time-value of a currency rises and falls with the rise and fall of its real unit gold parity. The third is the partial industrial or commodity market index of the value of a currency. It measures the average time horizon of economic contracts and the average local content of goods and services within an economy's commodity markets. It is thus an index of the degree to which economic activity is commercialized, out-or-foreign-

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sourced and spatially concentrated within an economy. The real value of a currency rises or falls with the rise and fall of its real unit gold parity.

The fourth and very fundamental point is that the linch-pin of macro-economic policy is whether an economy allows for, or does not allow for, public sector deficit financing or for the phenomenon of interest and, therefore, whether it fiscalizes or privatizes its money supply management. So, it is the currency policy of an economy which determines its financial or savings policy as its financial or savings policy determines its industrial or local value-adding policy.

Thus, the message of the general economic index number as found within the foreign exchange markets of any economy is unambiguous and as follows. An economy offers its members the maximum of job, food and social security as the nominal and real unit gold parities of its currency are one and the same thing and thus, as its financial and commodity/industrial markets are locked seamlessly together, through zero public sector deficit-financing, in an interactive structure of local value-adding and wealth creation. But an economy begins to offer less and less of food, job and social security to its members as the nominal and real unit gold parities of its currency diverge from each other, through excessive public sector deficit-financing and, thus, as its financial and industrial markets must float away from each other in a wider and wider gap of value-adding estrangement. Therefore, currency policy either brings the financial and industrial markets of an economy to work harmoniously in sustained partnership of local value- adding and local wealth creation or pulls and keeps them apart and, thereby, prevents them from forging any meaningful value-adding and wealth-creating contact with each other. It follows that with some currency policies an economy grows in jobs, goods and services but with other currency policies an economy decays in jobs, goods and services. The name of this gamut of currency policies under which an economy may grow or decay in goods, services and jobs is the general economic index number, GEIN.

2.4 Common Currency Variants

What emerges clearly from the foregoing section and especially from Table 2.3.1 above is that two or more economies can only coordinate activities in their respective markets for currency, savings and commodities if they work an identical pair of currency policy and macro-economic pricing policy. Accordingly, two or more economies gain from merging activities in their respective currency, savings and commodity markets only when they are on the gold commodity standard or on the gold exchange debt standard.

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For, any resource-exporting economy on the currency board debt standard does not, from the evidence in the above section, grow in goods, services and jobs overtime. Therefore, two or more resource-exporting economies on the currency board debt standard cannot grow, severally and collectively, in jobs, goods and services by the simple expedient of being tucked under a colonial and common currency umbrella of the currency board variety. Rather, a common colonial currency umbrella that is erected over two or more economies on the currency board debt standard only creates a larger captive market for the industrial products of the resource -importing and financial convertible currency economies on the gold exchange debt standard.

So, the Judaeo-Christian macro-economics of exclusion generates two types of common currency umbrellas. The one common currency umbrella is imperial and is erected over two or more resource-importing and financial convertible currency economies on the gold exchange debt standard. And the other common currency umbrella is colonial and is erected over two or more resource -exporting and colonial currencies which have restricted commercial convertibility into a single or common imperial currency.

But the Islamo-Christian macro-economics of inclusion generates a single-tier common currency umbrella above two or more resource-conserving and commercial convertible currency economies on the gold commodity standard. So, any two or more economies of the globe gain from economic cooperation only when they, in common, work the currency and macro-economic pricing policy pair of the gold commodity standard and the purchasing power parity theorem.

What, then, is a common currency? It is a unit of account, contracts and payments which is produced and managed by a multinational central bank for general use within two or more economies for the purpose of distributing work and its rewards, both material and social, among their common members. It comes in three variants as in Table 2.4.1 below.

The first variant is the independent and resource-conserving common currency. This child of Islamo-Christian macro-economics has a fixed rate peg to the gold commodity standard, is globally commercial convertible and works the purchasing power parity pricing theorem in the common markets of its subscribing economies.

The second variant is the dependent and resource-importing common currency. It may have a fixed or an adjustable or a floating peg to the gold exchange debt standard, is globally financial convertible and works the interest- parity pricing theorem within the common markets of

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its subscribing economics. It is a product of the Judaeo-Christian macro-economics of exclusion.

And the third variant is the dependent and resource exporting common currency. It may have a fixed, or an adjustable or a floating rate peg to the currency board debt standard, has restricted commercial convertibility into its parent and imperial currency area and works the import parity pricing theorem in the common markets of its subscribing economies. It is also a product of the Judaeo-Christian macro-economics of exclusion.

Table 2.4.1. Common Currency Variants

Macro-economic Paradigm	**Common Currency Type**	**Currency Policy**	**Macro-economic Pricing Policy**	**Resource Use Pattern**
Islamo-Christian	Independent	Gold Commodity Standard	Purchasing Power Parity Theorem	Resource Conserving
Judaeo-Christian	Dependent	Fixed and Flexible Rate Gold Exchange Debt standard	Interest Parity Theorem	Resource Importing
	Dependent	Fixed and Flexible Rate Currency Board Debt Standard	Import Parity Pricing Theorem	Resource Exporting

A dependent and resource exporting common currency is a colonial and an unequal common currency. It does not encourage local capital deepening and the production of local goods and services for domestic and foreign markets. Rather, it dedicates the domestic markets of the common currency area to foreign goods and services. This is what the CFA Franc does to the Francophone African economies and this is what

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the ECO is being planned to do for the Anglophone West African economies.

And a dependent but resource-importing common currency is an imperial and an unequal common currency. It encourages local capital deepening and the production of local goods and services for domestic and foreign captive markets. Besides, it makes its economies the price-setting centres and financial locomotives of the global economy. And this is precisely what the Euro of the Eurozone represents at home and abroad.

But an independent and resource-conserving common currency is quite a different kettle of fish. It is a self-reliant and an equal common currency. It emphasizes local capital deepening and the local use of local resources for the satisfaction of local needs. It, therefore, dedicates local markets to locally produced goods and services. And this is what the ECO should be in West Africa.

3.0 Exclusion of Africa from the Global Markets

Three strands of discourse are taken up in this section. The first strand, *Structure of Exclusion,* looks at the issue of how Judaeo-Christian macro-economics makes all-round price-setters of the economies of the West and all-round price- takers of the economies of Africa, barring South Africa, in the global market space. The second strand, *Process of Exclusion,* points up the monetary policy instrument of discrimination which Judaeo-Christian macro-economics uses to keep the economies of the West as all-round price-setters and the economies of Africa, minus South Africa, as all-round price-takers in the global market space. And, the third strand, *Recolonization of West Africa,* illustrates how Judaeo- Christain macro-economics is trying to return Anglo-phone West Africa to the colonial currency board regime of a CFA Franc.

3.1 Structure of Exclusion

How has Judaeo-Christian macro-economics made all-round price-takers of the non-convertible currency economies of Africa? By simply allowing their high levels of public sector deficit-financing to permanendy erode at least 75% of the official or nominal unit gold parities of their currencies. It is in this way that Judaeo-Christian macro-economics has condemned these economies to the ranks of the fixed and floating rate currency board debt standard where they notch up values of between 0 and 0.25 on the currency gold valorization gradient, or the general economic index number, GEIN. They are resource- exporting economies with non-convertible currencies and are thereby deprived of any price-

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setting say in the global markets for ideas, savings, goods and services. This is the story which is partly told by Table 2.3.1 above.

But, just as Judaeo-Christian macro-economics makes all-round price-takers of the non-convertible currency economies of Africa, so does it make all-round price-setters of the clutch of the financial convertible currency economies of the West. And Table 2.3.1 says that Judaeo-Christian macro-economics does this by ensuring that their levels of public sector deficit-financing always erode less than 75% of the nominal or official unit gold parities of their currencies. In fact, the monetary negentropy which Judaeo-Christian macro-economics enables them to import from the non-convertible currency economies of Africa, contributes enormously towards decreasing the gap of currency gold demonetization which public sector borrowing interposes, as of necessity, between the nominal and real unit gold parities of their currencies. This is why Judaeo-Christian macro-economics elevates these economies to the ranks of the fixed and floating rate gold exchange debt standard where their resource-importing and financial convertible currencies notch up values that are greater than 0.25 but less than 1.0 on the currency gold valorization gradient or the general economic index number, GEIN.

However, one thing is crystal clear. It is the control by the West of the world means of trade, payments and reserves management, in the form of their financial convertible currencies, which excludes the non-convertible currency economies of Africa from being all-round price-setters in the global market place. In consequence, these non-convertible currency economies are saddled with four impoverishing features as follows.

First, Judaeo-Christian macro-economics has transformed them into lenders of any resort, the all-weather central bankers, to the financial convertible currency economies of the West. Thus, as Marcello de Cecco noted in his brilliant study of 1970 on India's finances under the British Raj, "*Money and Empire*", it is the poor economies of the global South in general, and of Africa in particular, which make the rich economies of the West what they are today as the global centres of financial, commercial, industrial and technological middlemanship[15].

Second, as the prices of the exports of Africa to the West are fixed in the financial convertible currencies of the West and the prices of the imports of Africa from the West are also fixed in the financial convertible currencies of the West, one finds that the oligopsonistic and oligopolistic price-setting powers which Judaeo-Christian macro-economics gives to the economies of the West makes them to pay less in their own currencies

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for their imports from Africa and to earn more in their own currencies from their exports to Africa.

And therein lies the source and sustainer of the chronic and unamortizable indebtedness of Africa to the West. The external terms of trade of Africa with the West must and does suffer irreversible secular decline as Raul Prebisch, 1901-86, the late Argentinean economist observed for the Latin American world over the stretch of a century[16]. It is as a result of this deteriorating external tenns of trade with the West that Africa's external indebtedness to the West has been on the irreversible increase since the 1960s. But, the external debt service capacity of Africa has also been on the perpetual wane for the simple reason that all-round pricing power in the global markets is in the hands of the nations and peoples of the West. *So, there is no solution to the external debt problem of Africa unless it is rid of the price-taking incapacities which Judaeo-Christian macro-economics saddles it with in the global markets.*

Third, the fact that the economies of Africa manage their international reserves in the flow of funds domains of the West means that the centres of gravity of their own domestic flow of funds systems are externalized and domiciled in the West. In consequence, we find that the savings of these economies are short- termist and dedicated more to the servicing of the working capital borrowing needs of their public sectors. Nigeria, for example, is one of the key economies of Africa and yet she has today the following set of shocking fiscal and financial
statistics.

1. 90% of the 495 billion naira in circulation is outside of the Nigerian banking system where the comparable figure for Britain is 5% and for USA is 9%. And this is what makes the Nigerian economy a highly informal, monetized and tax-evading economy where economic policy cannot work because the captive flow of funds matrix for its work is abysmally narrow and shallow. This is the financial core of the down-side of how Judaeo- Christian macro-economics of exclusion works in Nigeria.

2. 80-90% of the Nigerian public sector expenditure is recurrent when the corresponding figure for a normal and democracy-roading economy is 30-35%.

3. the Nigerian public sector crowds out the Nigerian private sector in accessing loanable funds in the Nigerian markets for savings. This is easy to understand because with the centre of gravity of the Nigerian

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flow of funds system being located in the West, much of Nigeria's savings is short-term and cannot go towards financing the medium-to-long-term needs of the Nigerian private sector.

4. 80-90% of Nigeria's savings is dedicated to funding foreign content in Nigeria's markets for commodities.

In effect, the time-value of the naira is nothing to write home about because the centre of gravity of the Nigerian flow of funds system is located in the flow of funds domains of the West.

Fourth and last, a currency which has a very low time-value is definitely pro- commerce and anti-industry. Thus, by putting and managing their international reserves in the flow-of-funds systems of the West, the economies of Africa are constrained by Judaeo-Christian macro-economics to neglect agriculture and agro-based industrialization and thereby fail to provide their citizens with food, job and social security. Accordingly, the real value of the currencies of these economies cannot but be very low. For, afterall, the purchasing power of any currency rises and remains high as its economy is increasingly able to use what it has of resources to produce itself into social and material plenty.

In sum, Judaeo-Christian macro-economics excludes the non-convertible currency economies of Africa from the global market place by forcing them to keep and manage their international reserves in the flow of funds domains of the West.

3.2 Process of Exclusion

Two money supply management considerations make it mandatory for the West to always seek to exclude the economies of Africa from active participation in the global market place.

The one consideration is the West's imperial desire and need to annex, keep and use, without due recompense, the savings, or international reserves, of these economies to fund and sustain its global economic middlemanship.

The other consideration is the West's imperial desire and need to prevent the private sectors of these economies from ever becoming internationally competitive by having access to own domestic sources of medium -to -long -term capital.

Thus, the current socio-economic and political programmes of the IMF and the World Bank that ostensibly seek to "*put prices right*", "*put policies right*", "*put structures right*" in the economies of Africa have a

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double objective in mind: the one is to ensure that the centres of gravity of their flow-of-funds systems do get to sink deeper into the financial bogs of the West and the other is to ensure that the private sectors of these economies are starved the more of the domestic financial wherewithal for growing their economies into recovery and strength. So, it is not true that the furious industry of pauperization which the IMF/World Bank manage for the West in Africa is private-sector-oriented. .It is public-sector-oriented and private-sector -stunting and this is why it does not deepen and equitize the flow of funds structures of the economies of Africa.

In fact, the policy process which is used by the West to exclude these economies from the global market place is the free-fall depreciation syndrome which the current-global regime of the floating rate currency board debt standard imposes on their non-convertible currencies [See 2.1.1 above]. It is this IMF/World-Bank assisted free-fall depreciation of these non-convertible currencies in their domestic markets for currencies that unleashes a persistent fall in the time-values of their currencies within their financial markets which, in its turn, reduces the real values or the purchasing powers of their currencies within their home markets for commodities.

For, we have seen, from Section 2.3 above, that the local value-adding power or the real value of a unit of a currency in any economy's industrial markets depends on the time value of a unit of that currency in the economy's financial markets. Also, the time value of a currency in an economy's financial markets depends on the degree to which public sector deficit financing empties a currency of its real unit gold value in the economy's markets for currencies. So, since the currency policy of an economy determines its financial or savings policy as its financial or savings policy determines its industrial or local value- adding policy, then it follows that the cheapest way to disarticulate any domestic convergence between consumption and production in any economy, and, thereby, exclude it from having any price-setting say in the global market space, is to sow a free-fall depreciation syndrome into the real unit gold value of its currency. And this is precisely the objective of the SAP and PRSP policies of the West in the economies of Africa.

In effect, the more the floating rate currency board system depreciates these non-convertible currencies in their domestic markets for currencies, the more their domestic markets for savings go commercial and the more local value adding suffers at the hands of imported finished goods. And the Nigerian example illustrates this point rather splendidly.

In the nineteen seventies and early nineteen eighties when Nigeria worked the adjustable rate currency board debt standard and the Ministry

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of Commerce controlled, through import licensing, access to, and the use of Nigeria's international reserves, there was in place a crawling peg currency policy of the graduated attrition of the real unit gold value of the naira. This, in its turn, led to a term structure of naira savings which was biased somewhat towards the medium term and therefore to a situation where on the average 30-40 kobo out of each naira in domestic circulation was used to create jobs at home in Nigeria.

However, as Nigeria began from September 26 1986 to work the current floating rate currency board debt standard of the SAP, a strange top-to-bottom liberalization was ushered into the currency policy of Nigeria. For, the control of access to and the use of the international reserves of Nigeria no longer lay with the Ministry of Commerce, but was now the preserve of the CBN and a motley gang of round-tripping and money-changing private banks. This transition from a State monopoly to a public-private sector partnership and oligopoly in the management of Nigeria's international reserves has brought about the on-going Nigerian currency policy of the galloping attrition in the real unit gold value of the naira. And this, in its turn, has cramped the term structure of naira savings into a preponderantly short-term and commerce-bias with the result that, today, only a miserable 10 kobo out of each naira in domestic circulation is available for the creation of jobs within Nigeria. This is why Nigeria is today a laughable giant of a second-hand goods importing economy in the shadows.

So, the process that excludes the economies of Africa from the global market space is the IMF /World Bank-assisted floating-rate free-fall in the real unit gold values of their currencies.

3.3 Recolonization of West Africa

The Economic Community of West African States, (ECOWAS), Monetary Cooperation Programme, EMCP, was established in 1975 to erect a common currency umbrella above its now fifteen member economies of Nigeria, Ghana, Gambia, Liberia, Guinea, Sierra Leone, Togo, Niger, Benin, Cote d'Ivoire, Senegal, Mali, Burkina Faso, Guinea Bissau and Cape Verde. Yet, 30 years on, it is still fumbling with this assignment. Why is this so? For two reasons as follows:

One, the francophone members of the ECOWAS: Togo, Niger, Benin, Cote d'Ivoire, Senegal, Burkina Faso, Mali and Guinea Bissau which make up its *First Monetary Zone,* FMZ, are in external monetary bondage and are not free and ready yet to do what it takes of domestic market development for an independent ECOWAS common currency to emerge. And, two, the anglophone members of the ECOWAS: Nigeria,

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Ghana, Liberia, Gambia and Sierra-Leone plus Guinea and Cape Verde, which make up its *Second Monetary Zone,* SMZ, are free and ready to evolve an independent ECOWAS common currency but lack the patriotic zeal and political leadership for pursuing an aggressive programme of domestic market development for this purpose.

Table 2.4.1. tells us, however, that two common currency variants are feasible in the ECOWAS. The one is the colonial common currency which will lead to the ECO of the SMZ being made in the image and likeness of the CFA Franc. And the other is the independent common currency which will make the CFA Franc of the FMZ to cease to be as the ECO takes all of the ECOWAS into the portals of the gold commodity standard.

Of course, an independent ECOWAS common currency will do a lot of good to the memory of the West African founding fathers like Kwameh Nkrumah of Ghana and Ahmed Sekou Toure of Guinea. Nkrumah for one pulled Ghana out of the anglophone West African Currency Board after Ghana gained her independence from Britain in 1957. In this way, Nkrumah sowed the seed for the splendid and decolonizing idea that a non-convertible currency African economy can only grow into recovery and strength when its own central bank deepens its domestic markets for savings, jobs, goods and services. This cannot be done under the colonial fixed-adjustable-floating rate currency board debt standard. So, the West African Currency Board and its colonial West African pound had simply to go.

And in 1958, Ahmed Sekou Toure, took his decolonizing money supply management cue from Nkrumah's Ghana and pulled Guinea out of the colonial common currency umbrella of the CFA Franc. France saw red on this occasion and went on, with colonial impunity, to reduce Guinea's infrastructure to *ground zero.* Nigeria eventually followed in the footsteps of Ghana and Guinea as did Sierra Leone and Gambia. So, the becoming of the SMZ is tied up with this realization by the first generation of West Africa's political leaders that their domestic markets for savings, jobs, goods and services must be deepened if their economies should provide their citizens with job, food and social security. And this macro-economic wisdom, which is the language of Islamo-Christian macro-economics of inclusion, remains valid to this day.

Unfortunately, however, West Africa's current political leaders have lost touch with the subtle and decolonizing monetary insights of their predecessors and have decided to put West Africa on the colonial monetary trail. This they did in April 2000 when they established the West African Monetary Institute (WAMI) in Accra and charged it with a fast-

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track assignment of erecting a common currency umbrella like the CFA Franc above the SMZ. So, today, WAMI is working very hard, but with diminishing returns, to take the SMZ back to the market widening disabilities of a dependent and resource exporting common currency of the *CFA* Franc variant. This is what the ECO of the West African Monetary Zone, WAMZ, and SMZ is being packaged to become.

But this colonial ECO does not do any honour to and show any respect for the memories of the great SMZ founding fathers like Kwameh Nkrumah and Ahmed Sekou Toure. Both leaders took their respective economies out of the colonial common currency umbrella because they rightly could see that the job, food and social security of their kith and kin could not be catered for thereunder. They lived, worked and died for an African common currency of capital self-reliance, recovery and growth. Neither the *CFA* Franc nor an ECO made in the image and likeness of the *CFA* Franc is such a currency. What is more, the colonial ECO does not do any honour to or show any respect for the integral human development of every West African. A dependent and colonial common currency makes slaves and subjects of West Africans where an independent common currency makes citizens and free men of West Africans.

4.0 Inclusion of Africa in the Global Markets

Are there any benchmarks of currency, financial and commodity market statistics which any of the economies of Africa must reach and keep so as to make economic sovereigns of all its members and, thereby, enable them to participate, as of justiceable right, in determining what is produced, how and for whom in their own economy? Section 4.1 below tells us that there are, since every macro-economic index, currency, financial or industrial is, *sui generis,* an index of democracy and citizenship. So, on this basis, Section 4.2 takes off to show the type of market development initiative that each of the economies of Africa must undertake at home and abroad in order to make all-round price- takers of the members and nations of the region in the global market place. And Section 4.3 goes on to cap this chapter with a brief mention of the monetary convergence criteria which each economy of Africa must meet and keep in order to be a signatory of an independent common currency protocol for Africa.

4.1 Structure of Inclusion

Othman dan Fodio, the West African Islamic sage of some two centuries ago had this saying that an economy may survive with unbelief but will most certainly go under without justice. Why is this so? Because

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in the words of St. Thomas Aquinas, the great Roman Catholic philosopher and theologian of the medieval Europe of some eight centuries ago, "justice is the virtue which gives every being all that belongs to it". With justice in any economy, there is to each, his rightful due of job, food and social security.

In a manner of speaking, therefore, justice is the glue of social inclusion which binds the one member of an economy, soul and body, words and deeds, to the other. Justice transforms every member of an economy into a duty-and-rights bearing stakeholder in the work and care, reward and share, and play and rest of an economy. Thus, with justice everyone is an insider and a citizen, and no one is an outsider and a subject, of an economy.

It is because justice makes an insider and a citizen of every member of any economy that the age-old form of social governance, which is known as democracy, is said to be without meaning unless justice is its cornerstone. For democracy is supposed to include every member of an economy, in an age- specific and graduated manner, in the on-going processes for determining what is produced, how and for whom in an economy and, therefore, in generally growing the economy in every socio-cultural and material wise. So any democracy-roading economy in Africa, like Nigeria, has the crucial and fundamental job of putting in place the institutional framework and transparent procedures for ensuring that every Nigerian, for example, has a say in directing how Nigeria's material and social affairs are managed in the interest of the common good. And, as is touched upon briefly in Section 4.2 below, the institutional framework and market procedures in question are found precisely in the full-reserve regime of central and private banking which the Islamo-Christian macro-economics of inclusion imposes on a democracy-roading economy.

So, growing justice in any of the economies of Africa simply means that all its members become citizens and economic sovereigns who are active partners with the economy's central bank in the bottom-to-top and decentralized market procedures of directing and managing how the currency of the economy is used to distribute work and its rewards evenly and amply among them. And what Islamo-Christian macro-economics does in this regard is to build and operate the following structure of minimal benchmarks of currency, financial and industrial market statistics in each of these economies.

First, Islamo-Christian macro-economics insists that the currency of each of these economies must have a constant, full and secure real unit gold value. *This is the integrity criterion for democratization.* It achieves this

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integrity criterion for democratization by ensuring that the international reserves of the economy are home-based and gold-based. So, Islamo-Christian macro-economics hinges its democratization agenda for any of these African economies on the gold remonetization currency policy.

Second, Islamo-Christian macro-economics uses the secure, full and constant real unit gold value which the currency of any of these economies now has to encourage a low liquidity preference among its savers and, therefore, to establish a high-ratio of medium-to-long term savings to total savings in the financial markets of the democracy-roading economy. *This is the solidarity criterion for democratization.* In this regard, the time value of its currency in its financial markets will be 0.75 and above. And Islamo-Christian macro- economics achieves this solidarity criterion for democratization through the savings equitization policy.

And third, Islamo-Christian macro-economics, by making the real unit gold value of the currency of any of these economies to be the same no matter where one resides within its space, ensures that there is no price incentive for any of its members to leave his native and cultural habitat in order to enjoy integral human development. This is why and how Islamo-Christian macro- economics makes the industrial structure of a just and equal economy of the common good and democracy to have a marked rural bias and to emphasize , "*the local use of local resources for the satisfaction of local needs". This is the subsidiarity criterion for democratization.* In the process of establishing this subsidiarity criterion for democratization through a country-wide network of back-to-back stock and commodity exchanges, the real value of the currency of the economy registers in its industrial markets a value of 0.75 and above.

In sum, therefore, Islamo-Christian macro-economics grows justice and democracy in any of the economies of Africa by:

5 giving stability, permanence and fullness to the real-unit-gold value of its currency through the privatized, commoditized and domesticated management of its international reserves – *the integrity criterion.*

6 giving long-term and work-bias to its savings structure through its financial market index registering a time-value of 0.75 and above for its currency -*the solidarity criterion.*

7 giving a rural and high local-value adding bias to its industrial structure as its industrial market index registers a real value of 0.75 and above for its currency -*the subsidiarity criterion.*

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4.2 **Process of Inclusion**

In order to establish and maintain the three currency value criteria of integrity, solidarity and subsidiarity for the democratic transition of any of the economies of Africa, the old economic partnership of Judaeo-Christian macro-economics which has continued to make subjects and serfs, at home and abroad, of the members of these economies will be transfonned into a new economic partnership of Islamo-Christian macro-economics which makes citizens and free-men, at home and abroad, of their members. And two things must be in place to facilitate this freedom ride from the status of all-round price-taker to the status of all-round price-setter in the global market place.

The one is that the centres of gravity of the flow of funds structures of the non-convertible currency economies of Africa are repatriated to their home bases through the policy of the gold remonetization and internationlization of their currencies. And the other is that their respective central banks should develop, make and manage country-wide networks of deep, or local-value-adding, markets for equity capital and commodities within these economies.

It is worth our while, at this juncture, to focus our attention on how a key economy in this region, like Nigeria, should go about creating the three currency value criteria of integrity, solidarity, and subsidiarity for the democratic empowerment of every Nigerian. In fact, since Nigeria has the official mandate to evolve a structure of macro-economic policy that would create job, food and social security for every African economy under NEPAD, New Partnership for Africa's Development, then what follows hereunder can also be considered as a mini blue-print of the economic governance initiative for peace and cooperation in Africa. And what Nigeria must do to provide job, food and social security for every Nigerian are as follows:

One the naira should be transformed into a commercial convertible and an international currency which foreigners must demand and keep in the same way and manner that Nigerians demand and keep the financial convertible currencies of the West. Two, the Nigerian markets for savings should be deepened and equitised to foster and encourage the across-the-board use within Nigeria of the abundant financial capital, human capital and material resources of Nigeria to produce Nigeria into social and material plenty. And three, the Nigerian industrial structure should be domesticated and ruralized so that meaningful and sustainable human development may take place in Nigeria within the varying and authentic cultural and ecological settings of every Nigerian.

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How, then, does one go about making the naira a commercial convertible and an international currency? In three ways as follows. One, a root and branch loot retrieval process must occur within Nigeria. All ill-gotten liquid and illiquid naira assets must be retrieved from Nigeria's past public officers and their private sector bagmen. These retrieved naira funds will provide Nigerians with the resource wherewithal for liquidating the public sector naira debt-overhang and for rehabilitating the Nigerian social and physical infrastructure to world standards. Two, public sector indebtedness on all tiers of government must be consolidated and liquidated and every tier of Nigeria's government must become budget-balancing and self-financing. And three, the naira should be gold remonetised and Nigeria's stock of international reserves of gold bullion should be home-based.

When the international reserves that back and guarantee the value of the naira are home-based and gold-based, a secure, permanent, full and constant value basis is established for the naira in domestic circulation. And when the value of the naira in domestic circulation is the same no matter where one resides in Nigeria, the rural-urban drift of resources in Nigeria will die a sudden death and Nigeria will be set on the path of decentralised and balanced growth and development. Indeed, no Nigerian will need to leave his cultural and ecological *bush-country* in order to have a good and genuinely human life.

Then, how does one go about giving a dominant medium-to-long-term bias to Nigeria's savings instruments? Simply through a model shift in the Nigerian principle of savings management. Interest-based indirect-financing must make total way for interest-free direct-financing, or, put differently, debt-financing must yield total ground to equity-financing, in Nigeria's structure of savings management.

For, in order to empower every willing and able Nigerian to shine in work and life, preferably in his own native and cultural habitat, a mobile and entrepreneur-friendly savings management structure must emerge in Nigeria. Such a common good savings structure should have a threshold savings ratio of 1 to 3 between Nigeria's commercial and industrial savings. But, today, the savings ratio between commercial and industrial savings in Nigeria is 9 to 1. And it is the ruling financial principle of debt-financing and compound interest that makes it and keeps it so. However, the interest-free equity-financing principle which follows in the wake of the currency policy of gold remonetisation for the naira will give the desired and overwhelming medium - to -long-term bias to the Nigerian savings structure.

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And, how does one go about domesticating and ruralising the use of Nigeria's productive resources in order to take socio-economic development to meet the Nigerian where he is most comfortable in his native cultural and ecological setting? Again, simply through the reversal of the rural-urban drift of productive resources in Nigeria. And what will do this trick? The establishment of a country-wide network of on-line, interactive and back-to-back stock and commodity exchanges to foster and encourage, all over Nigeria, the local use of local resources *for* the satisfaction of local and foreign needs. The portion of each naira in domestic circulation that is used to purchase Nigerian must increase from its abysmal 10 kobo of today to the common good threshold value of at least 80 kobo of tomorrow. This is the objective of the rural industrial programme.

The growth pole and focus of this rural industrial programme is a *rural district* of at least one local government area. There in the rural district, an equity-based *rural growth fund* is established to finance at risk the integrated industrialization of its component communities, autonomous or otherwise. Thus, the rural industrial programme will splay out and promote human habitation and economic activities in the rural districts to conform with how God Almighty has distributed human and material resources all over Nigeria. Nigerians will simply begin to buy Nigerian most of the time because the production of the one Nigerian depends on the consumption of the other Nigerian. And this is the only way in which the dual economy syndrome can be eliminated and the current massive rural urban drift of the Nigerian population reversed *for* good and *for* keeps.

In effect, the rural industrial programme for the common good and democracy in Nigeria is essentially an interactive network of the *sources of funds* for rural growth funds from the economy-wide network of stock-exchanges and an interactive network of the *uses of funds* by rural growth funds in the economy-wide network of commodity exchanges. So, rural growth funds are the core institutional props of the common good Nigerian economy.

In fact, the existence of a robust, liquid and country-wide market structure for Nigerian soft and hard commodities is the most direct and efficient way of engaging most Nigerians in the arduous but doable task of building a bottom- to-top and participatory economic democracy within the nation. For, a countrywide network of markets for soft and hard commodities is actually the foundation for a country-wide network of markets for equity naira. This is so because it is the small-scale and rural Nigerian enterprises that sell and buy commodities at their local

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commodity exchanges which do require medium to long-term equity funding at their local stock exchanges. And, this process whereby the theory and practice of the supply-side or commodity naira takes bubbling industrial activity to the nooks and crannies of Nigeria through a country-wide network of back-to-back stock and commodity exchanges is what the concept of *industrial subsidiarity* denotes. It is through industrial subsidiarity that every Nigerian, within the context of his rural district and his rural growth fund, is given the citizen and human right to participate in determining what is produced in Nigeria, how and for whom.

All of the above will, of course, require a structural change in the central banking or flow of funds system of Nigeria as follows: The current public-sector-led, top-to-bottom, interest-based and commerce-oriented regime of fractional reserve central and private banking must make total way for the new private- sector-led, bottom-to-top, interest-free and production oriented regime of full reserve central and private banking. The former breeds the current naira savings market structure of high interest rates and financial incest, where the latter generates a naira savings market structure of zero-interest rate and financial solidarity.

4.3 Decolonization of Africa

The issue of how to transform the economies of Africa into an equal economic world of justice, peace, development and cooperation entails two macro- economic policy thrusts. First, is the across-the-board removal of each of their currencies, non-convertible and financial convertible alike, from under the current global canopy of the two-tier structure of unequal currencies of capital import and capital export. And second is the across-the-board placement of the now commercial convertible currencies of Africa under the emerging global canopy of the single-tier structure of equal currencies of resource self-reliance as outlined in Table 2.4.1 above. And, how then would Africa go about doing this? Simply by erecting an independent common currency canopy above the African economic world as follows.

An independent common currency will emerge above Africa only when each of its economies takes the initiative to deepen its own domestic markets for savings, goods, services and jobs and to internationalize its currency through its complete gold remonetization. So as each African economy is attaining at home, and on its own steam, the domestic market conditions for its own self- sustaining growth and development, so is it, at one and the same time, satisfying the democratic and private sector-led

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monetary convergence criteria for the emergence of an independent African common currency like the *gold Mandela.*

These monetary convergence criteria require every African economy to

1. consolidate and liquidate its domestic public sector debts and its public sector to remain debt-free and budget-balancing thereafter.
2. ensure that the ratio between its commercial and industrial savings is at the most 1: 3.
3. use at the least 80% of every unit of its currency in circulation for local value-adding.
4. make its currency autonomously gold or commercial convertible through the domestication of the management of its international reserves of gold assets
5. contribute to the pool of gold assets that would serve as the value-collateral of the common currency management activities of their jointly owned and private-sector led multinational central bank for Africa - Bank of Settlement, BAS.

BAS will develop, own and manage the electronic Wide Area Network of intra- African and back-to-back stock and commodity exchanges, i.e. the electronic. African Payments Union, APU, in the service of increased intra-African trade in goods and services.

In essence, BAS will issue and manage the single-tier and equal African common currency of capital self-reliance, the gold Mandela, as it will ensure through the operations of the electronic APU that there is a trans-African market web of financial solidarity and industrial complementarity between and among the commercial convertible currency economies of Africa. In other words, BAS will use the ample buffer stock funds at its disposal to always clear and stabilize prices in its trans-African electronic markets for capital and commodities. In fact, BAS is the external guarantor of the unrestricted or global commercial convertibility of each and every commercial convertible currency of Africa.

5.0 Conclusion

The current global hegemony of the Judaeo-Christian macro-economics of exclusion, as sanctioned by Deuteronomy 23: 19-20, does not give a life-time of food, job and social security to many an African. This is so because African economies are forced by it to manage their international reserves in the flow of funds domains of the West. Their home flow of funds systems become, as a result, congenitally loath to

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grow ample local content for their self reliance in production and consumption.

However, the emerging global financial order of the Islamo-Christian macro-economics of inclusion, as endorsed by Exodus 22: 25, will give a life-time of food, job and social security to every African. This it will achieve by domesticating, privatizing and commoditizing the management of the international reserves of every African economy and in, thereby,

1. giving integrity to the foreign exchange market value of each African currency.
2. giving solidarity to the financial market value of each African currency.
3. giving subsidiarity to the commodity market value of each African currency., and
4. erecting an independent Mandela common currency canopy over all the African economies.

And, at long last, all forms of economic middlemanship: commercial, financial, industrial and technological, will be repatriated from the West and domiciled within Africa. *Suum cuique!*

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