

First Steps to Creating the “Nilo” Currency for Africa

Cheikh Anta Diop University, Dakar, Senegal

In this paper I argue that there is no country or region in the world that can enjoy real independence without owning and controlling its own money. Put it in this "hard" language the proposition sounds dogmatic. But it is not. It is the reality of the present (and past) asymmetrical global economic and political systems. In order to advance the cause of Pan-Africanism and for Africa to be able to speak effectively in the global fora, it is incumbent that it creates and controls its own currency. There are good economic reasons for this. But more significant than the economic are reasons connected with Africa’s security and political independence in the present turbulent world of generalised warfare that might last beyond the present generation. The paper seeks to elaborate on this thesis.

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FIRST STEPS TO CREATING THE “NILO” CURRENCY FOR AFRICA

Yash Tandon

In June 2009, the Cheikh Anta Diop University had invited me to write a paper for a Symposium on the "United States of Africa". In my paper entitled *“Reclaiming Africa’s Self-Reliance: Federalism, Economic Development, Science and Technology”*, I had suggested the creation of an African currency called the "Nilo" (after the River Nile) as a non-convertible African currency to service purely intra-African trade.¹ I am not an expert on currency or monetary issues, nor is this a technical paper showing how to create the “Nilo” or whatever an African continental currency might be named. I write as a “generalist” interested in Pan-African development towards, ultimately, an economic and political union of Africa.

Is the “Nilo” too fanciful an idea?

The suggestion is not a mere fantasy as it might appear at first sight. In my above cited paper I gave the example of a common “trading currency” called the Unit of Account for PTA (UAPTA). It was created some 25 years ago, in August 1988, by the Preferential Trade Area of eastern and southern Africa (PTA) – now renamed COMESA.² The UAPTA was a mechanism

¹ Throughout the paper I use the term “Nilo” as a short substitute for “African or continental currency”, which of course could be called by any other name.

² The Common Market for Eastern and Southern Africa (COMESA) consists mostly of countries of Eastern and Southern Africa but it also includes Egypt, Eritrea, Ethiopia, the DRC, Libya and Sudan -- with a population of about 400 million, and total GDP of estimated US dollars 360 billion.

for minimizing the use of hard currencies, such as the U.S. dollar and pound sterling. It also enabled Member States' citizens to travel within the region without having to use foreign currency. (The UAPTA was then equivalent to one Special Drawing Right of the IMF). The PTA had set up its own bank with capitalisation of US\$360 million including a US\$130 million reserve fund to support the operations of UAPTA Clearing House. However, within 9 years, in June 1997, the UAPTA was discontinued. Why? The reasons are far from simple for they are political as well as economic, external to Africa (including the World Bank- IMF imposed neo-liberal policies), as well as internal (contradictions within the member countries). I cite UAPTA only because I know it at first hand (having used it myself), but there have been several such attempts (some failed, some successful) to create currencies in other parts of Africa with potential for evolving into an African “Nilo”. So the idea of an African continental or regional currency is not as outlandish or bizarre as it might sound. It is a doable project, even if it is, admittedly, a challenging one.

Limits of this paper

Before I go further I need to define the limits of our discussion in this paper. Here I do not go into the very exciting and innovative discussion about “alternative currencies”. Alternative mediums of exchange have always existed through civilizations; and they exist today too in many communities around the world. These are currencies that do not depend on “money” as a medium of exchange, such as for example, exchange in the form of “labour vouchers” – exchange of labour services of equivalent (or roughly equivalent) values – and e-currencies that do not use the banking or traditional currencies for personal or business transactions. I do not go into these. However, there might be another time or venue where we have a discussion on “alternative currencies”. Here we focus on the conventional definition of “currency” as fiduciary money, money that has the authority of the state to realise its value as a medium of exchange or as a store of value.

The thrust of the argument

My argument develops along the following three lines.

1. I first examine why Africa needs its own currency. I rate the political-strategic-security consideration as higher than the economic (though this is important too) as the principal reason for Africa to create its own currency.
2. Then I argue that the present global financial/economic crisis has opened up an opportunity for Africa to take serious first steps to launch its own currency. However, the present neoliberal and neo-Keynesian policies to reform the global system are doomed to fail. Therefore, it is argued, Africa needs to take a far more radical approach.
3. Following this, I make some tentative suggestions on the first steps in the long journey to create an African currency that it owns and controls.

Why Africa needs its own currency

There are two main reasons why Africa needs to create and control its own currency - one, in the strategic-security-political domain, and the other in the economic domain. The discussion in most academic and policy circles has revolved around the economic. This is not surprising. Money, credit, foreign exchange, market, currency, etc. are quintessentially “economic” categories. But, it is important to understand that economics is a blind academic discipline; it does not see, or at best it obfuscates, the political reality behind it. Dig deeper into this pseudo-science and you will find, hidden behind its categories and assumptions, political strategies and tactics of the old game of conquest and exploitation. Economics is politics. The only reason I treat these as separate in this paper and draw out narrowly defined “economic” arguments is in order to engage those who deal with economic matters in the government ministries of trade and finance and in the academic discipline called “economics”. And so whilst I end this paper by suggesting certain measures (“first steps”) that appear to be economic, it must be understood that behind my proposals lies a sound political argument, a critical argument for the times we live in.

There is another reason for going into the politics of economics. And this is ideology. For the last nearly three-and-half decades (since about the mid-1970s), the world has been served a heavy dose of neoliberal ideology. It became even more imposing in claiming the status of “science” after the fall of the Berlin Wall and the demise of the Soviet alternative model. After 1989, the only game in town was neoliberal economics whose policy prescriptions were presented as “axiomatic”, indeed as “second nature” to humanity’s future growth and development. The walls of this ideology are finally falling asunder following the financial (economic) crisis which was lurking for over the last thirty years, but which broke surface in 2007-08 triggered by the sub-prime housing scandal in the United States, and, following it, the virtual collapse of the global banking system.

Of course, the old horse (neoliberalism) is still delivering solid kicks that still hurt the poor nations and the poor in all nations. Nevertheless, even as it is dying a slow death, its demise is now a historical certainty. This has opened the door to another ideology. Suddenly, as if from nowhere, its place is now taken by “neo-Keynesian” economics (almost forgotten for thirty years) with its putative claim to a “social-democratic” alternative to neo-liberalism. This paper will not go into the sterile debate between the neoliberals and the neo-Keynesians. I mention this only in order to alert readers not to get caught up in this debate. What Africa needs is a much more radical approach, one that recognises that all economics is, at base, politics by other means.

The political-strategic-security reasons for creating the “Nilo”

A critical argument of this paper is that the post 9/11 world has triggered a new era of generalised warfare. We are living through a prolonged war that could last through and beyond the present generation. In this evolving scenario whose future is far from clear, it behooves on Africa to have its own currency in order to maintain a measure of independence and in order not to be dragged into other peoples’ wars through, above all, monetary and currency manipulations.

Two questions arise: one, what kind of war is it? And two, what has war to do with having an independent currency? I will not dwell on the first question. It has complex physical, ideological-cum-religious and social-psychological dimensions. All I can say is that it is not like the two major wars of the last century (World War I and World War II), nor like the “cold war” (World War III) that lasted for nearly 50 years from the end of WW II to the end of the last century. We are living through another kind of war (World War IV) in a profoundly different situation – including a new kind of global awakening a new kind of resistance to the old power structures; a new kind of challenges to received dogmas and ideologies... But let me stop here; this is a subject for another discourse.

The second question is more relevant to the subject in hand. Why should this war (whatever its character) be linked with the issue of Africa owning its own currency, its own “Nilo”? What has one got to do with the other? This, too, is a complex matter, but its main outlines can be identified without too much difficulty.

All things change; everything is in flux. Nonetheless, there are certain things that change in content and form, but not in essence. Money is such a thing. Money has existed through times immemorial, but in different forms and content in different times. Though it has changed in form and content, what has not changed in essence, is the use of money in war (as also in peace). Money is essentially a weapon of war both in peace and war times.

We know how money and currency played a critical role in the colonial conquest of the Americas (the US and South America), Asia, and Africa. Nathan Rothschild who virtually controlled the Bank of England famously said that he who controlled Britain’s money supply also controlled the British empire. European Imperial-Colonial countries (Holland, Portugal, Spain, England, France and Belgium) kept coinage out of the control of the colonies to prevent them from trading with one another. From Africa's own history, we know that the expansion of money and capital from 1880s led first to colonial conquest of Africa after the Berlin Conference of 1884-85, and later to inter-imperial rivalry and the two world wars. Money played a critical role in wars and colonization. As we all know, one of the first things the new colonial masters did in the African colonies was to introduce the monopoly of their own currency systems. (This hold over Africa of imperial currencies exists to this day; and Africa needs to break out of it. But to this we shall return later)

What have the Punic Wars to teach Africa?

Let us take a couple of examples from history first, for history is full of evidence of the connection between money and war. The role that money played in the three Punic Wars fought between Rome and Carthage between 264 and 146 BC (including the “Battle of Tunis” on the African soil) is well documented in history books. Rome used “money” as a weapon of war, but ironically, the ultimate destruction of Rome’s money system in the final years of the Punic wars was one of the most critical factors that led finally to its own demise.

What has the American War of Independence to teach Africa?

The experience of the English colonies of America (now the USA) is worth recalling for African readers. Pennsylvania (in the colonial period) had created its own paper money in 1723 to assert its independence from the Empire, and interestingly it was the only colony that managed to prevent inflation that had ravaged the rest of the colonies that were dependent on the English currency.³

In 1764, however, England passed the Currency Act to curb issuance of colonial money. In 1766 Benjamin Franklin went to London to petition against it but he lost; his petition was rejected by the imperial-colonial government.⁴ However, at the first Continental Congress in Philadelphia in May 1775, the revolutionary colonies decided to create their own currency called the “Continental Currency”. During the war of American independence, the English tried to undermine the Continental Currency through massive counterfeiting as a weapon of war.⁵ The Americans liberation warriors, despite English efforts to sabotage their currency, managed to finance the liberation war, and in 1776 at the Declaration of Independence the colonies legalised their new currency. Thus the US finally – and once and for all time - broke away from the imperial currency system. And this is what Africa needs to do.

This story has its own double irony, however. The same USA, by an ironical twist of history, is lording over the rest of the world today with its dollar power. Earlier I observed that Rome used money as a weapon of war, but ironically, the ultimate destruction of Rome’s money system in the final years of the Punic wars was one of the most critical factors that led finally to its own demise. This is the (inevitable) fate of the American Empire too. That is why the US cannot allow a counter global currency, or to loosen its control over, for example, the IMF and its military wing, the North Atlantic Treaty Organisation (NATO).

What has the present crisis in Europe to teach Africa?

In our own times we have the experience of Greece struggling over the last twenty months (or more) to reclaim its sovereignty. Little did its people realise (indeed, they were never

³ An interesting aside is that in order to protect its independent currency, Pennsylvania inflicted heavy penalties on those engaged in counterfeiting, including cutting off of both ears on first offence and both limbs on later offences. This aside should not be interpreted to mean an implied encouragement to the present-day Sharia law, which is a domain outside my competence.

⁴ Franklin had criticised the Austrian School of Economics - what Franklin ridiculed as the “Austrian School of Economyths” associated with Ludwig Von Mises - for their ignorance of monetary issues.

⁵ They were out of the reach of Pennsylvania’s “ear-cutters”. Actually, the English set up printing presses aboard British ships in New York to flood the American money system with counterfeits.

meaningfully consulted) that by replacing its currency (the drachma) with the euro, it would lose its ability to define and control its own economic policies, that it would lose its sovereignty. Now Greece is at the mercy of its EU “partners”, the European Development Bank, and the IMF.

Of course, it might be argued that Greece is unique, that this is not the experience of countries such as Germany, France or Sweden – these, too, have also abandoned their independent currency in favour of the euro without facing Greece-kind of crisis. This is partly true. But this argument has two sides to it. One is national and the other regional. *Nationally*, Germany, France and Sweden (the “northern” countries) have strong economies relative to, for example, Greece, Portugal, Spain and even Italy (the Mediterranean countries). The ancient wisdom that the strong tend to rule the weak is being played out in Europe between the “Northerners” and the “Mediterraneans”. *Regionally*, what the Maastricht Treaty had hoped to create is a strong, united, Europe that could match the strength of the US and Japan. But a strong Europe, in turn, required that countries in the region surrender part of their sovereignty to the will of the collective in order to reap the long-term benefits of the collective strength that comes from unity. You sacrifice a bit of sovereignty nationally so as to gain more out of regional unity. There are thus two sides of the same coin – national and regional.

How does this analogy apply to Africa? It applies both in its “national” and “regional” contexts. There is no gainsaying that if African countries want to be able to talk with the rest of the world with a strong, united voice, each of them needs to surrender part of its sovereignty to the collective will of Africa. And here lies the real challenge. No African country is willing to do this – at least in the foreseeable future. But here is the irony. The irony is that *what African countries are not prepared to do in the African context, they have done so already in the global context*. Presently African countries have their sovereignty compromised (not only in terms of economic but also in terms of political and security policies) by an historically imposed domination of the Empire over the continent.

A side argument – a distractive argument which we must deal with - is that the Empire does not exist; that Africa is now “independent” and Africans must not continue to lay blame on “neo-colonialism” for all their ills. The second part of the above statement is partly true – African leaders too often hide behind the imperial skirts of their erstwhile masters to cover up their own weaknesses and frailties. But the first part – the point about the Empire - is a reality that no amount of linguistic subterfuge can hide. The imperial reality is extant. It has changed its character from the days of direct colonialism, but it is present in all its force and vigour.

Europe is part of that Empire. (I may add, parenthetically, that such countries as Sweden, Norway and Finland are also part of the Empire -may be more “benign”; but there should be no illusion on this score). Africa, on the other hand, is not yet independent. Africa in this sense is different from Europe. It is true that Europe too compromises its sovereignty on, for example, matters of security in Iraq, or Afghanistan, or Syria to the will of the United States – the most dominant player in NATO. But Europe does that for its own strategic and security interests.

Also, Europe enjoys relative independence in matters related to for example, trade, investment and environmental policies that could be the envy of Africa. It is not without reason that in the face of the global economic crisis the Europeans are trying their best to preserve their independent currency (the euro), even at the cost of bringing weaker countries like Greece, Ireland and Portugal to toe the “European line”.

Summing up the political-strategic-security argument for the “Nilo”

The Roman and American examples from the past, and the example of Greece and Europe in our own times, lead to three important conclusions:

1. They show the link between the money system and the war system. *Money is war by other means from antiquity to the present times.*
2. They underscore the fact that Africa is not yet independent. Its independence and sovereignty are compromised by the historically imposed will of the Empire over Africa. This imperial will is exercised through many channels – political, military, ideological, economic; through the so-called “development aid”; and, above all, through the control over Africa’s money system.
3. Africa can learn from the experience of the thirteen American colonies in the 1760s – break away from imperial currencies, and create their own. Africa must also learn from Europe’s determination to hold on to the Euro. The leading nations of Europe are not taking chances on the future; they do not want to mortgage their future to the US dollar either in the economic domain or in the political-strategic-security domain.

The post 9/11 world has triggered a new era of generalised warfare, which is still in its early stages, whose evolution is still in the future. Money is playing an extremely important role in triggering and fuelling the wars in the Arab world. Syria is inundated with money from, for example, the US, Europe and their allies in the oil rich Gulf countries. Also, in the case of Iran, one of the objectives of the NATO coalition is to weaken Iran’s currency through massive embargo on its oil exports and escalated sanctions. Currencies are weapons of war, just like scud missiles and the drones. Africa must create an independent currency. This is a strategic objective whose importance cannot be exaggerated.

The economic reasons for creating the “Nilo”

Earlier I argued that economics is political-economy masquerading as pseudo-science, or what Benjamin Franklin called “*Economyths*”. The best examples of this are the “neoliberal” and the “neo-Keynesian” economics. I have also no doubt that whilst the Marxist method of dialectic materialism provides a better tool for analysis than the neoliberal or neo-Keynesian epistemologies, there is no such thing as “Marxist economics” or “neo-Marxist economics”. These are reductionist economic distortions of what Marx wrote and fought for.

But let us not get into this ideological discourse. The “economic” argument for the “Nilo” is made in order, as I said earlier, to engage and to connect with people involved in academic and policy issues in Africa.

I will keep this brief because the argument does not require much laboring. We all agree that Africa has abundant natural and human resources, and that it needs to use these to get out of poverty and underdevelopment. Our disagreements or confusion is on the question of where we get investment capital to develop these resources. And this begs the question: Why is it that Africa creates a lot of added value in production but it still needs capital from outside?

This is a question that has been with us since the colonial times to this day. Let me say that part of our confusion (no, indeed, most of it) has been created by mirrors and magic lanterns created by the Empire; these distort realities and turn them upside down. Let me illustrate this from the experience of my country – Uganda. Dani W. Nabudere, in his *Imperialism and revolution in Uganda*, has shown how during the colonial times, the surplus from Uganda, extracted out of peasant commodity production, became so large that a substantial part of it was exported to Britain.⁶ In 1958, for example, of the £17.5 million deposited in Uganda banks £11.6 million was used in Uganda and the rest was sent to Britain. He quotes the colonial economic historian, Walter Newlyn who wrote:

The outstanding characteristic of this phase of their development (of the banks) was that they soon became able to collect deposits locally in excess to what they were able to utilise in the East African countries and these surplus funds they invested in London. The result was that for a long period of their history, these banks were actually involved in the process of exporting capital from the underdeveloped countries of East Africa for use in a developed country.⁷

In essence, nothing has changed from those days. Africa is still the net exporter of capital to the Empire. Africa has got its political independence, but the system of production, trading and currencies remain more or less the same, except that the separate bilateral colonial rules (British, French, etc.) have been replaced by multilateral rule under the overall direction of the World Bank and the IMF. These institutions of global economic governance, fifty years since their creation, are still stubbornly controlled by the US-led Empire. Under this multilateralised imperial regime, there is a net outflow of both resources and money-capital from Africa (and other parts of the third world, including China), and figures bear this out. Africa pays out more

⁶ Dani W. Nabudere, *Imperialism and revolution in Uganda*, Onyx Press, 1980

⁷ Quoted by Nabudere, *Ibid*, p.65, citing Newlyn W.T. (1972), *Money in an African Context*, Oxford, p.43

than it gets. There is an enormous value added in production in Africa, especially in commodities, and yet Africa retains an insignificant share of this value. Again, figures even from sources within the IMF and the World Bank bear this out.

Why this is so should surprise nobody. It is not a result of something insidious (although this too, as later explained); it is largely because this is how the system works globally. There is no automatic leveling down (or “trickle down”) process at the international (or for that matter at the national) level. Asymmetries are built into the workings of the system. Power and wealth concentrations are inherent to the system. Those who have accumulated wealth through various forms of “rent seeking” acquire more of what they have, thus spiraling the rich-poor gap both within and between nations. Over time, however, some “insidious” practices have indeed become part of the system, such as speculation in commodities and in the foreign exchange and derivatives “markets”, much of which are openly fraudulent, and enjoying a large measure of impunity.

Oiling this vast system of what amounts to theft is the money system. It is for this reason that many writers have given a specific name to this era of capitalism – namely a system of “financialised” capitalism – a system where making money out of money is rewarding speculators and bankers more than those involved in actual production; where “stocks” are floated onto the “money market” and leveraged through derivatives that have no relation to the value of hard, tangible, assets; where governments (mainly in the US and Europe) are engaged in printing money (confusingly called by the technically beguiling phrase “Quantitative Easing” or QE to fool the masses). This is actually to enable their banks to balance their books which have fake (what in the official language is called “toxic”) assets. This is the real world of present-day capitalism.

Why the neo-Keynesian reformist “solution” is an illusion

The demise or near-demise of the neoliberal paradigm has opened the door to several reformist “solutions” - some still within the same paradigm, some outside of it. One of the latter is the neo-Keynesian reformist “solution”, named after the English economist, John Maynard Keynes, a brilliant bureaucrat who showed one possible way out of the depression of the 1930s. Keynes was also engaged on the British side in the negotiations leading to the creation of the Bretton Woods institutions (the World Bank and the IMF), except that he lost out to the more powerful Americans. The British were already in post-war decline. Nonetheless, Keynesian economics flourished in some social-democratic milieu until buried under the avalanche of neoliberalism in the 1970s. More recently it has resurrected itself in some “left” reformist circles.

I shall not go into this theory. What concerns us here is the application of neo-Keynesian economics to the present financial-economic crisis. One of its most brilliant contemporary advocates is the American Nobel Laureate, Joseph Stiglitz, who headed the "Commission of Experts" set up at in September 2009 by the United Nations General Assembly, to study the

financial crisis in depth and make recommendations. I have summarised the findings and recommendations of the Stiglitz Commission elsewhere.⁸ The Report came out in September 2009, with some of the best ideas that money can buy on how to reform the international financial architecture to prevent future occurrences of the crises.

The point to underscore is that nothing is heard of the report any more. Not a single of its ten major recommendations has been followed up. Why not? A quick answer, without getting into sordid details, is that the ruling classes - and the entire paraphernalia of the capitalist system controlled by an un-regulateable "mafia" of bankocrats, kleptocrats, speculators, and state bureaucrats - have absolutely no interest in reforming a system of which they are the principal beneficiaries.

The crisis of the dominant system is an opportunity for Africa

The struggle for liberation from the hold of the Empire is a long struggle. Much of what is happening in the Arab world is part of that scenario. Africa too is embroiled in several wars within the continent whose causes are deeply rooted in its colonial past with lingering ethnic-religious-class and political-economic dynamics of power and resource distribution at the heart of these wars.

Nonetheless, at the political-economic level, the failure of the neoliberal and reformist "solutions" to the global multiple crises does open the door for more innovative, more radical, thinking on the part of African activist intellectuals and grass roots social movements.

I have also floated some ideas along these lines, especially during my tenure as Executive Director of SEATINI (Southern and Eastern African Trade Information and Negotiations Institute), 1997 – 2004; and then as Executive Director of the South Centre, 2005-2009. I have argued, like Samir Amin, Dani Nabudere, and others before me, that it is imperative that Africa and the countries of the South "decouple" – or "delink" - themselves from the crisis-prone system of the North. A serious debate is urgently needed in Africa between its political leaders, its academic and intellectual community, and its civil society; and above all, between all of these and the movements of the people on the ground who are at the receiving end of all ill-conceived policies done in their name. This is the democratic transparency that is needed, not the top-down financial and banking "transparency" of the G8, the G20, the IMF, the World Bank, the European Union, and the OECD. This is not to underestimate the gravity of the problems that face Africa and the South in trying to work out an alternative model of a monetary and financial system. But whoever has thought of starting a long journey without taking the first step?

⁸ Yash Tandon, "Economic Policies response to the financial crisis: a view from the South", for the conference on "Sustainable Development Alternatives: how to change the social paradigm focused on human being and nature", Quito, June, 2012.

Putting the issue of Nilo in the broader context of a 10-point strategic programme of action

Africa is not alone in venturing on this long struggle. Efforts are afoot also in other parts of the South. Among such efforts, I would cite the work of the Ecuadorian political-economist, Pedro Páez, as offering some of the best ideas on the subject of money systems and currencies. In the above cited paper I have summarised his ideas too.

So here in points form are some of the critical steps that might be taken – in parallel or sequentially, depending on the circumstances - to undertake a radical reform not only of the financial and currency system but broadly of Africa's general orientation to the rest of the world. Obviously, the 10-point programme of action suggested below is not a one-day affair, and certainly not something that can be carried out by a single African country on its own. It can be done at the continental level by for example the African Union (AU), or the Economic Commission for Africa (ECA); and/or (simultaneously or in sequence) at the regional level involving regional organisations like COMESA and ECOWAS.

1. Break trade barriers between African countries and create customs unions, and encourage those that are already doing this to expedite their efforts, for example, ECOWAS and the Eastern African Community.
2. Create regional monetary arrangements (RMAs), including flexible regional bloc exchange rate regimes (ERR), and the creation of regional currencies. It is not necessary at this stage to create fully-fledged regional currencies - like the euro, for example. What is immediately doable is the creation of regional "trading currencies" such as the Uapta. Indeed the Uapta can be given a new lease of life along revised format and structures, but retaining its potential to evolve into a regional currency.
3. Create regional banks and community banks funded entirely out of savings generated within Africa and therefore independent of aid or capital from outside.
4. Aim in the long run to turn banks into post offices. Money should be owed by people and handed over to Post Offices to manage issuance of credit and servicing loans for a fee. The Grameen Bank idea in Bangladesh started out well for it was based on the above principle, but it got corrupted along the way on account of infiltration by the dominant money system and the World Bank.
5. Review all the donor driven agreements (for example, those with the IMF, the World Bank, USAID and the European Commission). Some of these agreements need to be scrapped and others fundamentally changed or re-negotiated, if at all. This might require a certain level of expertise in evaluating the economic, political and legal dimensions of these agreements, as well as some financial resources.
6. Of critical significance are, especially, "development aid" agreements, the Bilateral Investment Treaties (BITs), and the Free Trade Agreements, such as the Economic Partnership Agreements (EPAs) now being negotiated under extreme pressure from the European Union. There should be an immediate embargo on further negotiations of the EPAs, in order to buy time for Africa to consider its options.

7. African political and grassroots leaders should, as early as possible, link up with countries in other parts of the South (for example, the Alba counties in Latin America and the ASEAN countries) in order to exchange ideas and methodology of working out a government-to-government and people-to-people South-South strategy for a more radical approach to the financial and economic crises than what is offered by the neo-liberal and neo-Keynesian reformists.
8. At the global level, Africa (and the global South) is better placed to work through the G77 group rather than through the G20, which has been co-opted into an apparatus set up and dominated by the G7 Countries.
9. The global financial system remains extremely fragile. And so, whilst working towards an alternative system, Africa (and the South) might create a co-coordinating mechanism to monitor the volatility of the financial system, and to create "fire-walls" to "de-couple" from its effects. The use of national currencies (as between China and Iran and some African countries) is an example of de-coupling, but there are other firewall mechanisms that might be put in place.
10. Above all, African leaders should be careful not to allow big powers to fight their proxy wars in Africa as happened during the cold war. We are already in a situation of World War IV (the "cold war" was W.W. III). Therefore, the African Union and African leaders should put their maximum efforts to defuse the situations in, for example, Somalia and Mali. Insulate these situations from infiltration by external big power interests, and seek peaceful solutions that are wholly African.

Conclusion

There is no country or region in the world that can enjoy real independence without owning and controlling its own money. A country or region that has no control of its money is never going to be independent.

Africa is not yet independent. Its independence and sovereignty are compromised by the historically imposed will of the Empire over Africa. This imperial will is exercised through many channels - political, military, ideological, and economic; through the so-called "development aid"; and, above all, through the control over Africa's money and currency system.

This broad historical and ontological landscape of Africa forms the context in which the question of the continent's response to the "financial" crisis must be addressed. There is a widely shared consensus that the financial crisis is systemic, and an outcome of present phase of financialised capitalism, a phase where unproductive financial and speculative capital has stumped productive capital. For over three decades (since mid-1980s), the countries of the South have been subjected to austerity economics and financial "bail outs" by the IMF and the "donors". As it turns out, and as the Greek experience further demonstrates, the "bail outs" were for the globalised banking system and not for the people of the South. The IMF's stabilization project was always a fraud a "Mission IMF-ossible".

This is the “economic” reason for Africa to seek its own path to recovery from the present crisis, and the best way is for it to decouple itself from the crisis-ridden and crisis-perpetuating Empire-dominated economic system, and create the “Nilo” (i.e. a continental money) that it owns and controls.

But deeper than the economic reason are the political-strategic-security reasons. A new kind of war has begun after 9/11. This war (World War IV) could go on and evolve in unpredictable ways in the generations to come. Africa needs peace for another two or three generations to get out of its poverty and underdevelopment, and an independent globally non-tradable currency would be one of the major ingredients of the peace it needs.

Yash Tandon

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