

West African nations make a break for sovereignty

By Elisa Barwick

Russia and China have set the stage for African nations to finally achieve sovereignty, beginning with control over finance, resources, and national development. Some African nations are seizing on this potential.

Upcoming conferences of the Forum on China-Africa Cooperation (FOCAC), BRICS and the New Development Bank (NDB) will reinforce significant moves by African countries to regain control of resource production and, in Burkina Faso's case, establish a national bank.

The insistence of both China and Russia on ending the "neo-colonialism and hegemonism" of the West—as Chinese President Xi Jinping and Russian President Vladimir Putin affirmed on the 75th Anniversary of the Establishment of Diplomatic Relations on 16 May—has strengthened African nations in this mission.

China's intervention with the Belt and Road Initiative, Russian development assistance particularly on nuclear energy, Chinese and NDB funding—sidelining the existing IMF/World Bank framework with "strings attached"—have made a material difference, showing African nations an alternative is possible.

Reasserting control of finance and resources

On 2 August the junta chief of Burkina Faso, Captain Ibrahim Traoré, opened the country's first state bank in the national capital, Ouagadougou. Popular revolutions in Mali, Burkina Faso and Niger, plus elections in Senegal have led to those countries breaking away from French colonial control of their currency. Traoré took power in a September 2022 coup.

In a statement on X, Traoré stated: "With integrity as its compass, this bank is a tool and a symbol of economic and financial sovereignty of Burkina Faso. It will be closer to the populations and will contribute to the socio-economic development of our country through a more suitable method of financing and structuring projects and programs.

"I invite the Burkinabe, public and private development organisations and economic operators to use the 'Burkindlim' bank to participate in the work of collectively building a sovereign economy in the service of the development of our country." The public bank network will be accessible cross the country through Treasury branches.

At the inauguration ceremony President Traoré announced that "Burkindlim is much more than just a bank, it is a symbol of our sovereignty and our desire to build a better future for our country". Its priorities include: infrastructure financing; supporting local businesses; the development of growth sectors; and a bank to serve the people. The bank belongs to the citizens, said Traoré, calling it a "tool at the service of your development and well-being".

Partner countries who also perceive the risks associated with weaponisation of the US dollar will likely join Burkina Faso in this approach. In September 2023 Burkina Faso, Niger and Mali formed a military alliance, the Alliance of Sahel States. On 6 July the confederation charter for the alliance was signed. The agreement already saw them withdraw from the Economic Community of West African States (ECOWAS) in January, which had become—they said—a tool of the imperialists. ECOWAS had suspended Niger in July 2023, Burkina Faso in September 2022 and Mali in August



Burkina Faso leaders celebrate the launch of the new state bank. Photo: X/Ibrahim Traoré

2021 after their military takeovers.

The new charter, which started as a mutual defence pact, according to Traoré was "enlarged ... to include finance, economy, infrastructure, health, education" and is reported to include an investment bank and stabilisation fund. Fousseynou Ouattara, the vice president of the Malian Transitional Council's Defence and Security Commission, told Sputnik Africa that it is a "great turning point" for the countries, thanking "the support of true friends" involved in the process, including Russia, China, Turkey and Iran.

As a result of this shift, the US military withdrew from its bases in Niger that same month. French troops withdrew from Mali in 2022 and from Niger and Burkina Faso in 2023. The nations have instead pursued security ties with Russia.

In his speech at the charter signing, Traoré said the imperialists believe "Africa is the empire of slaves" but "We have asked this master to leave the place."

"Westerners consider that we belong to them and our wealth also belongs to them", he continued. "They think that they are the ones who must continue to tell us what is good for our states. This era is gone forever. Our resources will remain for us and our populations."

Niger's leader, Abdourahmane Tchiani, declared that "The AES member states are engaged in the process of recovering their full sovereignty. It is no longer acceptable for our states to be France's cash cow." All three countries still use CFA currency—*Colonies Françaises d'Afrique* (French Colonies of Africa)—a currency created by France for its colonies in 1945.

The following day thousands of Malians took to the streets in Mali's capital, Bamako, in support of the move. Malian President Assimi Goita declared it a "historic day for our populations". The new alliance comprises some of Africa's poorest but resource-rich countries, covering an area five times the size of France with a combined population of some 71 million people.

As gold prices rise and dedollarisation expands, Burkina Faso and Ghana have doubled down on crushing illegal gold mining and smuggling, which finances terrorism, and are increasing their gold reserve holdings to stabilise their currencies. Burkina Faso's National Corporation of Artisans and Small Mine Operators lamented that it has "no control over gold mining sites". Vice President of Ghana, Mahamudu Bawumia, stressed the "ability to refine our gold, ... sell it at the appropriate price", and thereby "retain its economic value within our borders while creating numerous jobs for the youth". The Bank of Ghana aims to diversify foreign

exchange and reduce reliance on external borrowing, according to Sputnik Africa.

Burkina Faso has suspended issuance of export permits for artisanal (non-industrial) gold. Over 73 per cent of the country's export income comes from gold. Additional regulation of the gold industry will be introduced through a mining code rewrite, including increased state shareholding in the capital of mining companies. Last November, construction commenced on a state gold refinery so the country can refine its gold domestically. The government will establish a national gold reserve to back the currency.

Upcoming summits

The context for these moves by African nations is the expansion of multipolarity, through forums providing a voice for the developing world, or Global South. The Forum on China-Africa Cooperation (FOCAC) will hold its triennial meeting in Beijing on 3-8 September, on the theme "Joining hands to advance modernisation and build a high-level China-Africa community with a shared future". Ahead of the summit a new book has documented China's collaboration with African nations for development, written by renowned South African sinologist and researcher Dr Paul Tembe and fellow researcher Jeffrey Sehume. The book, *Xi Jinping and the Flourishing Forum on China-Africa Cooperation in the New Era*, was released 16 August in Pretoria, South Africa.

According to South African news platform IOL, "The book explores the extensive China-Africa relations which has resulted in China constructing and upgrading more than 10,000 kilometres of railways, nearly 100,000 kilometres of highways and over 60,000 kilometres of submarine cables, as well as nearly 1,000 bridges, 100 ports and over 100 health facilities and schools."

Speaking at the book launch, China's Ambassador to South Africa, Wu Peng, noted that Chinese enterprises have built infrastructure servicing over 900 million African people. This ranges from "water-saving irrigation pilot areas in Mauritania, Nigeria and Ethiopia", to new technologies creating jobs "in South Africa, Kenya and Rwanda" and a Chinese role in the South African energy market. IOL reported that "Fifty-two [of 54] African countries and the African Union Commission have signed Belt and Road cooperation documents with China."

Russia also sponsors a Russia-Africa cooperation forum. Western nations tried to sabotage the last one, held 27-28 July 2023 in St. Petersburg, Russia, warning African nations not to attend. Putin nonetheless addressed leaders from 40 African countries, 17 represented by heads of state or government, with development cooperation and new financial arrangements discussed. The "rules-based order", he said, is neocolonialism. Putin has consistently denounced the ugly neo-colonialism in "the collective West's attempts to retain its dominance at any cost, to economically subjugate other countries, to strip them of sovereignty". But in June 2023 he told the St. Petersburg International Economic Forum that the old order "has ceased to exist".

The BRICS-initiated NDB will hold its ninth annual meeting in Cape Town, South Africa on 29-31 August. The NDB is currently increasing its issue of bonds on the Chinese interbank market—"Panda Bonds" denominated in the Chinese renminbi—to raise more capital to lend to BRICS members and other countries for infrastructure.

The BRICS group will hold its leaders' summit on 22-24 October in Kazan, Russia. Brazil, Russia, India, China and South Africa welcomed Egypt, Ethiopia, Iran and the United Arab Emirates as new members in January.

Argentina, under new president Javier Milei, withdrew from its planned accession; Saudi Arabia was accepted as a member but held off officially joining as the USA tried to tempt it away; it is now hostage to the worsening Middle East war. It has not yet joined the NDB but is working with China to forge new financial arrangements for economic cooperation.

Other nations are awaiting membership requests, including Venezuela, which is hoping to be admitted at the October summit and contribute to the emergence of a new system. Deputy Ambassador to the United Nations Joaquín Pérez Ayestarán told Sputnik: "We believe Venezuela will be a great addition to BRICS; we have the largest certified reserves of oil in the world that will also add to the basket of products that BRICS as a whole can offer." He added: "BRICS is at the forefront of this new multipolar world that has emerged, and Venezuela wants to contribute to the consolidation of this new world."

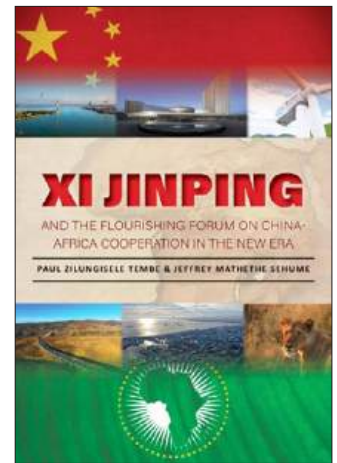
Debt and economic warfare

The break for sovereignty is urgent. Debt Relief International and the Norwegian Church Committee aid agency, have reported that the average annual debt service payments for Least Developed Countries eat up about 42 per cent of their entire federal government budgets.

There is a concerted escalation of economic warfare against nations which have recently joined or are hoping to join the BRICS. This has included Egypt and Ethiopia, which have been forced by the IMF to conduct deep devaluations of their currencies, as well as South Africa, Argentina, Iran, Venezuela, and Bangladesh—the latter not a BRICS member but the first non-BRICS member of the NDB, whose stalled IMF financial bailout package was finally disbursed one day after the elected Prime Minister was forced out of office on 5 August. Bangladesh joined the NDB in 2021 with Egypt and the United Arab Emirates; Saudi Arabia had been expected to follow.

Ousted Bangladeshi Prime Minister Sheikh Hasina was replaced with a darling of the IMF and World Bank, Muhammad Yunus, known for his "microcredit" schemes. London's *Financial Times* since declared him the "sage, seasoned technocrat that Bangladesh needed". In January the Hasina government had pressed charges against Yunus for corrupt banking practices.

In March, Egypt floated its currency and raised interest rates as a precondition for securing an IMF deal. Following the announcement the pound immediately plunged 62 per cent against the US dollar. Egypt's foreign debt has tripled since 2019 in dollar terms, and has doubled in the last two years, from \$142 billion in 2022, to \$276 billion, driven by rising import costs caused by commodity inflation, loss of Suez Canal and tourism revenue due to the Middle East war, and IMF-imposed austerity including fuel price hikes. In late July, the IMF approved a bailout for Ethiopia after it too complied with the demanded float of its currency, which subsequently lost a third of its value against the US dollar. Devaluation, of course, means more local currency is required to pay US dollar-denominated debts.



A new book released on China-Africa development cooperation.
Photo: Screenshot