Catallactics misapplication It crucial role in Africa's underdeveloped Economy

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A. INTRODUCTION

The study and purpose of this paper is to correct the error which emerged from the careless use of imaginary construction on the direct and indirect exchange activities of the market and it methodological application by the Central Banks of Africa to dispense their monetary policy. This result in fallacious economic predictions and policy constructions directed to the future of the market. The latter result is the frustration of the employment of capital and labour for the development of the economy of Africa. L. Blanchard (2003) posited" Monetary policy can have large and long lasting effects on the real interest rates and the implication on activities." She further indicated in her Conference paper presented in honour of James Tobin at MIT School, and i quote "the large empirical literature based on structural VRA, suggests that the effect of an innovation in money on activity peaks after a year or so. The large theoretical literature based on an equation for inflation derived from Taylor-Calvo foundation gives roughly the same results. Neither literature is totally convincing (p.1). Finally stated "we need to rethink fiscal policy and redesign automatic stabiliser because fiscal policy suffers from schizophrenia" (p.9)

For this paper to be able to present it argument coherently; the complex variations of definitions of monetary policy need to be constructively be redefined here for the purpose of setting up clear parameters to guide the ultimate deduction, hence resorted to the definition of Thomson G. (2008); he described monetary policy as all actions of governments, central banks, and other public authorities that influence the quantity of money and bank credit. It therefore embraces policies relating to such things as choice of the nation's monetary standard; determination of the value of the monetary unit in terms of a metal or foreign currencies; determination of the types and amounts of the government's own monetary issues; establishment of a central banking system and determination of its powers and rules for its operation; and policies concerning the establishment and regulation of commercial banks and other related financial institutions. A few even extend the meaning of monetary policy to include official actions affecting not only the quantity of money but also its rate of expenditure, thus embracing government tax, expenditure, lending, and debt management policies. Thomson G. (2008) further posits under the subject the '**Element of Monetary Policy'** and I quote "Like all economic policies, monetary policy has three interrelated elements: selection of objectives, implementation, and at least an implicit theory of the relationships between actions and effects. All three elements present problems of choice and are continuing subjects of controversy."

To examine the gravity of the error in the current monetary policy dispensation to address the current macroeconomic challenges, Thomson G.(2008) under the subject "**Evolution of Monetary Policy Objective"** state "Monetary policy, in the modern sense of deliberate and continuous management of the money supply to promote selected social and economic objectives, is largely a product of the twentieth century, especially the decades since World War (I). In the earlier period, when most countries were on either gold or a bimetallic standard, the primary and overriding objective of monetary policy was to maintain and redeem the ability of the nation's money in the primary metal, both domestically and internationally. A decline of the nation's metallic reserves to dangerously low levels, or any other threat to redeem ability, became a signal for monetary and credit restriction, whatever might be its other economic effects. When redeem ability seemed secure, monetary policy was used to promote other objectives—to deal with panics, crises, and other credit stringencies and even to expand money somewhat when business was depressed. But such intervention was sporadic rather than continuous and its purposes limited rather than ambitious. The international gold standard of the pre-1914 period was not purely automatic, but it was managed only marginally".

Many forces have contributed to the change and growth of monetary policy since World War (I). One set of forces includes the breakdown of the international gold standard and other changes and crises in monetary system's—inflation during and following World War I and the long period of suspension of gold redeem ability in most countries, the changed and insecure nature of the gold and gold exchange standards re-established in the 1920s, the renewed breakdown of gold standards during the great depression of the 1930s, and world-wide inflation during and following World War (II). All these had profound effects on attitudes toward monetary policy. Both countries that had too little gold and those that had too much shifted to the view that the state of their gold reserves was no longer an adequate guide to policy and that new objective and guides should be developed. Monetary actions became increasingly less sporadic and limited and more continuous and ambitious in scope.

The final focus of this paper not ignoring the current development of macroeconomics and monetary policy to address some of these fundamental flaws in neo-liberal regime, it therefore stresses the difficulty of such monetary policy formulas which are applicable to Eurocentric economic zone, to some level of efficiency is very inapplicable on the continent of Africa, largely West Africa economic market zone.

B. METHODOLOGY

This science paper adopted series of methods to derive it final deduction. Praxeological was one of methodical tools, due to the effort of this paper to derive a practical correlation of human labour input in micro level to the macroeconomic aggregation measurement for easy analysis. “Praxeology is a deduction of human action based on notion that human engages in purposeful action behaviour” L. V. Mises (1949)

It further used the Case study method to analyze the current monetary policy impact on microeconomic development in Africa. “Case Study aim is to analyze specific market within the boundaries of specific environment, Situations or organization” John Dudovskiy (2016). Correlation Analysis was used as another tool to test the impact of the monetary policy to the actual market performance by measuring from the past 4 years to current circumstance using non-probability sampling; specifically purposive sampling to select the following African state listed as follows Ghana, Kenya, Nigeria, Benin, Uganda, Zimbabwe and South Africa for the experimental studies. From the statistical examination, all failed to pass the test of Pearson product-moment correlation. Correlation analysis is used to determine the extent of relationship between two variables (Washington et al, 2010). The paper builds it argument on causal relation design; with the ultimate focus to identify the reason behind the ineffectiveness of monetary policies designed to address contemporarily Africa desired economic growth. Causal research design Zikmunel et.al (2012)

The subscription to all this methodology is to arrive to an economic calculation, with the ultimate aim to correct the current dysfunction of the market phenomenon in the context of Africa to meet the standard of macroeconomic management of a Sovereign state. This demands a critical look into the behavioural stature of the African market, to achieve accurate response in the predictive model of the economic profession, to rejuvenate the confidence and certainty which investors and other players of the market depends on largely to contribute to the development of the economy.

C. MARKET PHENOMENA

"There have never been any doubts and uncertainties about the scope of economic science. Ever since people have been eager for a systematic study of economics or political economy, all have agreed that it is the task of this branch of knowledge to investigate the market phenomena" as asserted 'Human Action' by L.V. Mises (1973).

To define the market phenomena, simple equations below could be derived

1st

Market Phenomena (MP) = Market Exchange (ME) + Catallactics

2^{nd}

Catallactics = Money Price (Px) + Economic Calculation (EC)

Simple derivation

Market Phenomena= Market Exchange + Money Price + Economic Calculation

The critical questions that arise when analysing the above equation are as follows:

1. Are the dynamics of market exchange in the context of African well understood in the sphere of scientific studies for accuracy in monetary policy application?

2. The premise upon which the economic calculation is derived in the context of African market, accurate?

The two outlined questions above, if not addressed accurately, the default in the understanding of the economic market operational frame work of Africa will continue to play the major role in most of the failures encountered through the economic developmental projects instituted by World Bank and its allies for Africa, as well as other failures in scientific predictions in political economic development in Africa over the past two decades. Experience of today and historic fact vindicate these assertions.

To address such questions, and for the error to be corrected, "value" in the economic context has to be revisited and summed up to capture the cultural factors of a group of people within a defined society in this instance the African continent, to have a deeper understanding of its market phenomenon.

L.V. Mises (1920), "Value is an intrinsic quality inherent in things and not merely the expression of various people's eagerness to acquire them". He emphasizes that an "Action man" is always concerned with both "material" and "ideal" things. Kelvin H. (2006) classifies and defines "Value" as means-value and ends-value. "Means-Value" is object or action and the "Ends-Value" is the feelings associated with the means value. He further classifies "Ends-values" into the categories of "attraction-values" and "avoidance- values". Examples of attraction-values are love, happiness, security, ecstasy, freedom. Examples of avoidance-values are depression, anxiety, fear, boredom, sickness. Anthony R. (1987) asserted that we want or seek certain things or conditions in life (means-value) because of the state we think they will give us (ends-value). It is very important to also realize that the value of an action man or a group of people extends to its cultural philosophical roots; hence it plays a cardinal role in what motivates them as people to engage in a market exchange. The concentration of the "exchange mechanism" is driven by the Value-focus of a group of people. For example, if a group of people believes so much in a "Value" of investing in building houses to exercise certain "ends" like prosperity, prestige and many other interrelated web-links of "ends" such will drive the intensity of exchange in architectural constructions to develop private property to the satisfaction of consumers. Such is the advancement of market phenomenon cum economic development.

Comparative economic development of Africa deduced ontologically, bringing to bear the era of BC and AD, justify with clear evidence through historical records; that the Africa of AD has deteriorated in its true economic advancement despite its exhibition of modern edifice infrastructures. The evidence of this analytical study depicts clearly that the continent is operating on a displaced economic and market "value".

Since "value" is the cardinal pillar of market phenomena, a technical displacement of it as a result of a missing link to the cultural ontology of the people; causes a very complex problem that disconnect the majority of the labour force to relate meaningfully to the dynamics of the market operations, a means to cause great impact on the exchange market for economic advancement.

Africa current socio-economic development examination depict a clear lost of connection of it larger labour force to it economic market, which suppose to be the power house of efficient production in the market to complete an exchange operating mechanism, as if that is not enough, there emerge scarcity as another negative force in the market operating framework, together causes a special dysfunction to the market whereby majority of the supposed market players (grassroots circle) has lost meaning of their existence to the ecosystem to contribute meaningfully to the development of the market structure and it value within this geographical area.

In such a socio-economic experimental situation, all government fiscal policies, no matter how scientifically they are constructed, will fail to achieve their intended purpose because they misalign with the true market stature of the targeted group of people. It has to be realised, when an imaginary construction of a policy is in error, it loses its meaning of a win-win situation.

A brief historical record of African economy and it scientific established linkage to "value" development in it market system, led to the booming of its economy in the early 5200BC, which archives assert that earlier Africans were hunter-gatherers living in small family groups even though there was considerable trade that could cover a long distance. Archaeologists have found evidence of trade in luxury items, like precious metals and shells across the entirety of the continent, which were the main items of trade. Some people, such as the Berber, lived in dry areas and became nomadic herders while in the Savannah grasslands people cultivated crops and thus permanent settlements were possible. Agriculture supported large towns and eventually large trade networks developed between towns as early as 5200BC. Historians believe that iron working developed independently in Africa unlike other continents. Africa did not have a period of copper and bronze working before it own age. Copper is quite rare in Africa while iron is common. In Nubia and Ethiopia, iron trade and agricultural surpluses led to the establishment of *cities* and *civilization*. (Wikipedia, 2016 Economic History of Africa)

This fact stated above establishes the correlation between market-value of the identified group of indigenes, their cultural philosophy leading to the emergence of their civilisation through economic advancement in the era of BC of Ancient Africa.

D. MARKET PHENOMENA, SCARCITY AND VALUE

Acting and thinking man is the product of a universe of scarcity in which, whatever well-being can be attained is the prize of toil and trouble of conduct popularly called economics. I seek to differ a bit from the textual construction of this foregoing assertion by L.V. Mises (1920) and argue that, *the acting and thinking man is a product of a universe of scarcity created, which was caused by it action but could not be easily reversed; however, for his well-being he has to pay the price of toil and trouble of conduct, popularly called economics.*

This places economic studies and practice in the correct historical perspective such that economics forms not part of the foundation of creation but emerges as a discipline through certain actions of men that led to scarcity. Hence, scarcity has become a major challenge of man to address. This demands the compulsory knowledge of economics to minimize the effect and impact of scarcity, for man's welfare and development. This does not correlate my ideas in support of the Karl Marx School of thought which believes that scarcity could forever be eradicated by the abolition of private property. From my perspective such an intellectual opinion is radically ambitious and does not hold the solution to the problem under debate, taking in context the "Value" of man and attitude to power of control, naturally on the grounds of historical evidence. Calculating 'value' from a market system using praxeology will require resorting to Mises (1949) theoretical framework for the gradation of ends from means in his publication entitled*: The Human Action*. He believed that gradation of the means is, like that of the ends, a process of preferring "a" to "b". A manifestation of judgment that "a" is more intensely desired than is "b" is equal as "b" to "c". This opens a field for application of ordinary numbers but does not open to application of cardinal numbers and arithmetical operations based on them.

The immediate goal of acting is frequently the acquisition of countable and measurable supplies of tangible things. Acting man then has to choose between countable quantities; he prefers, for example, "y" to "x"; but if he had to choose between "x" and "z" he might prefer "x". We can express this state of affairs by declaring that he values "z" less than "x" but higher than "y". This is tantamount to the statement that he prefers “a” to “b” and “b” to “c” but the substitution of y=a, x=b, z=c changes neither the meaning of the statement, nor the fact that it describes.

It certainly does not render reckoning with cardinal numbers possible. It does not open a field for economic calculations and the mental operations based upon such calculations.

The elaboration of economic theory is heuristically dependent on the logical process of reckoning to the extent in which “Value” is derived from an acting man without undermining the role its culture plays in the context of desire. The economist had failed to realize that such is the fundamental problem involved in the method of economic calculation. They are prone to take economic calculation in market phenomenon as a matter of cause; they do not see that it is not an ultimate given but a derivative, requiring reduction to more elementary phenomena.

They take it for a category of all human action and ignore the fact that it is only a category inherent in acting under special conditions. They have to come to the realization that the interpersonal exchange and consequently market exchange are affected by the intermediary of common medium of exchange; that is money and cultural influence on value, therefore, price are special features of a certain state of society’s economic organization which did not exist in primitive civilization and could possibly disappear in the further course of historical change.

The argument presented above makes it very clear that monetary price will not and could not be the only vehicle of economic calculation which reveals the fallacies implied in the ideas about economic calculation by many eminent economists. The modern theory of “value” and “prices” shows how the choices of individuals, their preference of some things at the expense of other things, result in the sphere of interpersonal exchange in the emergence of market price.

These masterful expositions are unsatisfactory in some minor points and disfigured by unsuitable expressions but essentially irrefutable. In order to trace back the phenomena of the market to the universal category of preferring “y” to “x” , the elementary theory of “Value” and “Price”, is bound to use some imaginary constructions to which nothing corresponds in reality, is an indispensable tool of thinking. No other method would have contributed something to the interpretation of reality until the most important challenge to such a science, which is the fallacies in its imaginations employed for such constructions, is avoided. And rather begin to analyse the market in the view point of human action.

E. THE ERROR IN CATALLACTICS APPLICATION AND CORRECTIONS

The first imaginary construction is to create a market in which all transactions are performed in direct exchange. Where money is non-existent, goods and services are directly bartered against other goods and services. Again, we must carefully guard ourselves against the delusions which this construction of a market with direct exchange can easily engender.

There is a serious blunder that owes its origin and tenacity to a misinterpretation of this imaginary construction. It was the assumption that the medium of exchange, which in this context was money, is a neutral factor only. It further asserts that the interpolation of money into the market transaction did not affect the main features of the business. May be, they are being too quick to ignore the fact that in the course of history tremendous alterations in the purchasing power of money has occurred and that these fluctuations often convulsed the whole system of exchange.

It is easily assumed that changes in purchasing power occur with regard to all goods and services at the same time and to the same extent the axiom of the theory of catallactics. It therefore, defines the task of economics calculation as the study of direct exchange with the remaining challenge, to address the scrutiny of the problems of "bad" money.

Furthermore the imaginary construction ignores the processes of how value is derived in market system through the understanding of the cultural philosophy of a market, and it impact on catallactics calculations. Complying with this opinion, economists have neglected the huge challenge associated with problems of indirect exchange resulting in the treatment of monetary problems superficially. However, an inveterate fallacy asserted that things and services exchange are of equal value; which "value", as a subject of discourse, is well analysed in earlier pages for reference studies. This is how it was first assumed, leading to the establishment of goods and services by an act of measurement and then proceeded to barter them against quantities of goods and services of the same value. 'This fallacy frustrated Aristotle's approach to economic problems. And for almost two thousand years the reasoning of all those for whom Aristotle's opinions were authoritative it actually vitiated the marvellous achievements of the classical economists and rendered the writings of their epigones, especially those of Marx and the Marxian school, entirely futile' Mises(1973)

The basis of modern economics is the cognition that it is precisely the disparity in the "value" attached to the objects exchanged, which the value has to be ontologically understood from individual or group perspective to result in successful exchange that could advanced the development of a society. People buy and sell only because they appraise the things given up less than those received which is built deep down in their cultural philosophy.

Thus the notion of a measurement of value is vain. An act of exchange is neither preceded nor accompanied by any process which could be called a measuring of value. An individual may attach the same value to two things; but then no exchange can result. But if there is a diversity in valuation, all that can be asserted with regard to it is '"a" is valued higher than "b"' – implying it is preferred more. "Values" and "Valuations" are intensive quantities and extensive quantities. They are not susceptible to mental grasp by the application of cardinal numbers.

There was a spurious idea that "value" is measurable and could really be measured in the conduct of economic transactions. It is one of the greatest fallacies which lesser economists carry it as a notion, which Prof. Mises simply puts it; they maintained that money serves "as a measuring of value".

We have arrived at a realization that valuing means to prefer "y" to "x". In its studies – through logic, epistemology, psychology and praxeology – only one pattern is derived: "preferring". Preferring always means to desire or love "y" more than "x", just as there is no standard and no measurement of the value of commodities. So if a man exchanges 5kg of bread for 3kg of sachet of milo all that we can assert with regard to this transaction is that he, at the instant of the transaction and under the conditions which this instant offers to him, prefers 3kg of sachet of milo to 5kg of bread. It is certain that every act of preferring is characterized by a definite psychic intensity of the feelings it implies which is ontologically defined from it cultural philosophy.

There are grades in the intensity of the desire to attain a definite goal and this intensity determines the psychic profit which the successful action brings to the acting individual. Psychic quantities can only be felt. They are entirely personal and there is no semantic means to express their intensity and to convey information about them to other people easily without a guideline of their cultural philosophical bar ground.

However, in the market society there are money prices. Economic calculation is a theoretical calculation built on money prices. The various quantities of goods and services enter into calculation with the amount of money for which they are bought and sold on the market or for which they could prospectively be bought and sold. This indicates that it will be a fictitious assumption that an isolated self-sufficient individual or general manager of a socialist system could conduct a successful economic calculation. It is impossible because there is no way which could lead one from the money computation of a market economy to any kind of computation in a non-market system. Economic calculation is essentially the applied art of quantitative prediction of the outcome of planned actions; and one calculates with a reasonable degree of precision in the outcome of a planned actions in such a way that a definite result emerges. However, the mere information conveyed by quantitative prediction would suffice for performance of calculation only, if all means of production, both material and human, could be perfectly substituted for one another according to definite ratios or if they all were absolutely specific. Such conditions are never present in the universe in which man acts because there are more or less specific means for the attainment of various ends. On the other end, most means are not absolutely specific; most of them fit for various purposes. This sets man the tasks of allocating them to those employments in which they can render the best services which makes computation impossible. Modern technology in economics operates with countable and measurable quantities of external things and effects; it knows causal relations between them but it is foreign to the relevance of human wants and desires. The economic calculation has failed to play its core role expected up to date because what the acting man wants to know is how he must employ the available means for the best possible result to remove uneasiness as far as possible.

Technology and the considerations derived from it would be of little use for an acting man if it were impossible to introduce into their scheme the money price of goods and services. The lofty theorist in the seclusion of this laboratory does not bother about such trifling things; what he is searching for is the causal relations between various elements of the universe. But the practical man, eager to improve human conditions by removing uneasiness as far as possible, must know whether under given conditions what he is planning is the best method or even a method to put people at ease. He must know whether what he wants to achieve will be an improvement when compared with the present state of affairs and with the advantages to be expected from the execution of other technically realizable projects. And other Project which cannot be put into execution if the project he has in mind when absorbs the available means. Such comparison can only be made by the use of money price. This makes money to become a vehicle of economic calculation. This does not define money as a separate function. It has a core role as a universally used medium of exchange, nothing else. Where there are no money prices there are no such things as economic quantities. There are only various quantities relations between various causes and effects in the external world but there is no means for a man to find out what kind of action would best serve his endeavours to remove uneasiness as far as possible. The task which acting man wants to achieve by economic calculation is to establish the outcome of acting by contrasting inputs and outputs. However, economic calculation is either an estimate of the expected outcome of the future actions or the establishment of the outcome of past action under the context of the real world. This further emphasizes that the estimate of the expected future outcome is never based in historical and didactic aims but only act as a guidelines.

Its practical meaning is to show how much one is free to consume without impairing capacity to produce. It is with regard to this problem that the fundamental notions of economic calculation – capital and income, profit and loss, spending and savings, cost and yield –are developed as a module for quantification purposes. The practical employment of these notions and of all notions derived from them is inseparably linked with the operations of a market in which goods and services of all orders are exchanged against a universally used medium of exchange, money.

This further deduce that, for a meaningful operations of the Central Banks in the African market phenomena, they should begin to construct their monetary policies based on the critical analysis of the culture concept of the market to derive it value from human actions, the only means to relate meaningfully to fiscal policy of an economy, which is believed to be the answer to the current underdeveloped economy, experiencing by African nations.

F. THE CURRENT ERROR IN FUTURE MARKET FORECASTING

Adaption Expectation theory hypothesized that, people form their expectations about what will happen in the future based on what has happened in the past and computed it into an equation as

$$\boxed{Pe = Pe_1 + \boldsymbol{\lambda}(\boldsymbol{P} - \boldsymbol{Pe_1})}$$

However the theory chose to blame the error of forecasting on stochastic shocks. This weakness of the theory has contributed to rampant failures, experienced by most of Central Banks forecasting activities, worse of all the ones in Africa, which this paper seek to argue that the error emerge from the careless imaginary construction, ignoring the role of comprehensive study into a market build value derived through it cultural philosophy as a premise for the theorization that govern current forecasting model into the future market.

This resulted in the development work of J. F. Muth (1961) on expectation theory. This theory presented a model for a systematic predictions, also being a victim to simpler fallacy of ignoring the cultural philosophy of a build up market value of a group of people or a society which forms the axiom for the computation into the equation for predictions, hence was bound to create the same error as the initial theoretical formula was noted of, hence failing woefully to make a meaningful formula for practical market operations in forecasting into the future market for appropriate policy measures.

In an attempt to solve macroeconomic development problem by resorting to a theory that calculate prices changes, ignoring labour computation into the economic calculation, the axiom that drive the base economy of most of the developing and underdeveloped countries; we are bound to arrive to an equation that is fraud to the macroeconomic reality of market phenomenon.

G. TECHNICAL ERROR COMMITED BY LABOUR ECONOMIST

The significant error noted from most of the labour economist is their fallacious imaginary construction to establish their theoretical computation. Rationalisation of labour efficiency in the market phenomenon is mostly based on quality formal education without considering the stratification of the market system within a particular geographic area. This has mostly resulted to an error of misalignment of a market value and effective utilisation of labour. Not all labour efficiency depends on formal education to easily arrive to the kind of arithmetic computation as the general formula is seek to be deduce. When autocorrelation text was conducted to measure most of the 'causes' exude by the labour economist as the root of labour efficiency and impact to macroeconomic growth, it failed woefully.

An experiment was conducted through a critical observation of identified cause effect on labour performance and efficiency to an economic market, it was realised that cultural philosophy of a geographical area, is a major variable that has a strong influence in the cause relation analysis. Purposive sampling technique was used to select both developing and underdeveloped countries based on the nature of their economic market stature. It was further realised that effective operational mechanism of micro economy of a nation, has a lot to do with national economic development agenda. Anytime a report of the market defines gab of misalignments of labour productive input at the micro level, the investment of monetary capital is bound to be wasted per the autocorrelation test.

This deduce that, any formal education that produces human capital for a particular market has to take into consideration, the cultural philosophy of that market to construct it training materials to develop it labour force, beyond this, there is a likelihood of dysfunction of the labour force produced to be the engine for industrial growth.

H. RECOMENDATION TO ADDRESS THE EFFICIENCY OF THE CENTRAL BANKS TO MACROECONOMIC DEVELOPMENT OF AFRICAN NATIONS

The policy development and application of the Central Banks in developing and underdeveloped countries have one similar character of adoption and application of Eurocentric macroeconomic policy which is inapplicable to the environment they operate in it, based on the following errors in the economic calculation.

Their macro economy is misaligned with the microeconomic fundamentals;

1. In a situation whereby the ratio of misalignment of labour productive input to an economy is estimated at 70:30 in a correlation test with 70% unproductive labour force and 30% computed as marginally productive to macroeconomic stimulation, it easy to see such a economy falling to into a category classified today by World Bank as developing economy by different methodology of rating

2. Underdeveloped economy has their percentage level of misalignment rate to be estimated at 85:15 with 85% unproductive labour force and 15% marginally productive to macroeconomic aggregate

Therefore if the misalignment gab not corrected, studies indicate that no matter how accurate and logical the monetary policy will be, investment in such a market is bound to be ineffective and wastage of monetary capital as earlier argued. To address such gab, the supposed labour force of 40% and above in any economic market should be naturally gravitating to the **market value point** with a complementary policy regulation. Which this **market value point** is easier to identify when one find or identify the cultural philosophical interest of the society, because it always operate around this point in the economic market.

SIMPLE ARITHEMENTIC MACROECONOMIC CALCULATION

MD= ME + C (MV)..2

MD- will be represented with the alphabet (θ) is Macroeconomic Development Aggregate

ME- will be represented by an Alphabet (β) is Market Exchange Index

MV- Will be represented by an Alphabet (α) Market value Index of a specific geographical area per it cultural context

C- Will be represented by an Alphabet ($\boldsymbol{\lambda}$) mass labour efficient index

$$\boxed{\theta = \beta + \lambda\alpha}$$

(Θ) is defined by this calculation as the **macroeconomic development aggregate** of a nation, a society or a particular geographical area

Θ = Macroeconomic Development aggregate

(β) is defined by this calculation as the **market exchange Index** of a geographical area derived from my first equation as

β= **Market** Exchange: This defines the exact market sector of the economy that performs very high in Gross Domestic production (GDP)

(α) is defined by this calculation as the "***market value index"*** which measure the exact sector of the economy which forms the backbone or the fibre of the economic growth of a particular nation.

α= Market Value in this calculation measure the sector of the market that engage more active and efficient labour force easily, which it contribution have a significant effect on the macroeconomic index

(**λ**) – It defined as '**mass labour efficient Index'** which quantify the labourers accessible to the 'market value index' (α) within a particular period of time.

(**λ**)- The computation takes into consideration a labour force development and efficiency, which is highly inspired by the culture philosophy of the society. Critical observation indicate that, the labour market classified as informal is very voluminous in developing and underdeveloped countries, hence their market value and exchange transaction has to directly depend on this labour force per the natural market phenomena, if not any macroeconomic calculation is bound not to be sustainable. This constant ($\boldsymbol{\lambda}$) varies with time differences because culture is dynamic hence the equation below will be appropriate to measure a practical macroeconomic development of a state or a nation by the computation of the below formula. The equation below will be effectively applied as a model in current neoliberial market phenomena as well as a free market system.

$$\boxed{\theta = \beta + \lambda^{t2-t1}(\alpha)}$$

This indicates that Central Banks of Africa need to widen their analysis of variables needed for macroeconomic computation within it jurisdictional area of operations, and avoid the adoption of simplistic employment of current macroeconomic formulas that never relate to the operating mechanism of the natural market for instance the use of Gross Domestic Product (GDP) as a measuring tool to determine the development and welfare of a state economy disconnected to the factors of the real market, the same apply to simple computation of Human Development Index (HDI) could never reflect the actual status of the development of an economy. To measuring the true state of a nation economy is highly dependent on its market value and availability of labour supply to that sector of the economy that generate high GDP classified in this paper as market value point or sector.

The accurate application of catallactics through correct *market value* derivation is the only economic calculation that will form the foundation of monetary policy direction, to engineer the grassroots who are the majority market players of every economic system to contribute meaningfully to the exchange market which will reflect on a true performance and the state of macroeconomic welfare of a nation in Africa.

APPENDIX

Catallactics: *Is a theory of the way the free market system reaches exchange ratios and prices. It aims to analyse all actions based on monetary calculations and traces the formation of price back to the point where an agent makes his or her choices.*

Praxeology: *Is the deductive study of human action based on the notion that humans engage in purposeful behaviour*

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