Introduction to the Book Symposium: Africa's Last Colonial Currency: The CFA Franc Story

By:

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We wrote *Africa's Last Colonial Currency* in order to tell the story of a topic that has remained taboo. It was paramount for us to favor a form of writing that makes our book accessible to the general public. There are many reasons why the CFA franc, a currency used by 14 African countries and still under the close control of France, continues to be governed by the same colonial operating principles laid at its birth in 1945. One of them is the perceived technicality of monetary issues. This seemingly insurmountable barrier has been an effective bulwark for the defenders of the franc zone (an institutional space gathering the eight countries of the West African Monetary Union, the six countries of the Central African Economic and Monetary Community (CEMAC) and the Republic of Comoros). After all, the guardians of the temple, those who usually define themselves as the "experts" on money, and who often profess a discredited monetarist doctrine, could often dismiss any criticism of the CFA franc as

coming from economic illiterates or from activists whose words have no scientific value. In such a context, it seemed important to us to address a wider audience, especially since the CFA franc topic appears for its staunchest defenders in the Franco-African policy circles to be a kind of shameful secret that should be kept within the iron cage of a select francophone intellectual milieu.

In our book, we tried to explain the circumstances in which this politico-monetary arrangement was created, how it works, what changes it has undergone, what purposes it serves, what benefits France derives from it, and how it handicaps the development of African countries that use it. While tracing the long history of repression against African political leaders and intellectuals who strove for the monetary liberation of French-speaking Africa, we have not forgotten to mention the recent movements on the continent and in its diaspora that are calling for the end of the CFA franc. Faced with the criticism that the opponents of the CFA franc have no serious alternative to propose, we show that African economists such as the Franco-Egyptian Samir Amin, the Senegalese Mamadou Diarra and the Cameroonian Joseph Tchundjang Pouemi, among others, had outlined different options for leaving this colonial device from the end of the 1960s, that is to say, well before the formulation from 1983 of a single currency project for West Africa.

Money can’t be reduced to a mere technical issue. As its Greek etymology reminds us (the words "money" and "law" share the same roots), it is first and foremost a political institution. As such, its production, management and allocation should never be removed from democratic debate. It is therefore welcome that Afronomicslaw offered a space to discuss our book. The contributions gathered here share the view that money is not a veil - a commodity that facilitates exchange – or a convenient tool arising through market interactions, as mainstream economics maintains, but a legal creature which have a bearing on how the economy is organized and on who gets what in the distribution of power, status and wealth.

The links between money, state formation, state politics and democratic legitimacy in CFA franc using countries are the focus of the comment by public law specialist Lionel Zevounou. He interprets the CFA franc as a device that deprives African governments and their peoples of their sovereignty, their right

to self-determination, for the benefit of the former metropolis, its companies and its local allies. Speaking from a legal point of view, Lionel Zevounou suggests that the institutional continuity of CFA franc arrangements is anything but normal. He unearthed the case brought by one Benin citizen before the national constitutional court about whether the CFA franc currency is constitutional. The Benin Constitution stipulates that sovereignty belong to the people. So, why the people were never consulted about the use of the CFA franc? After all, France organized a referendum to adopt the euro. Why this option is left out for African citizens who use the CFA franc? For Lionel Zevounou, the debatable answer given by the Benin Constitutional court to back the legality of the CFA franc shows first and foremost that the current legal and institutional structures in French-Speaking countries such as Benin function actually as a bulwark for the French neocolonial order. In a nutshell, we could say: tell me how any national monetary and financial system is legally structured and I will tell you for whom the state and the economy have been designed.

Economist Jamee Moudud also speaks about the politics of double standards between France and its former colonies. “The story of the CFA franc, he wrote, is an Orwellian scenario par excellence in which French dominance of sovereign African countries is maintained under the rhetoric of *laissez faire*”. He shows how France continues in its former colonies to help enforce monetary institutions detrimental to their development according to the same principle of *laissez faire* that it repudiated during the course of its economic development. A vivid illustration of the politics of “doublespeak”, the CFA franc is also for Jamee Moudud a heuristic topic to the extent that it brings significant empirical support to the theoretical insights from the Law and Political Economy (LPE) approach which includes the emerging Constitutional theory of money literature. In contrast to the mainstream Law & Economy approach which focuses on the so-called “rule of law”, the LPE tradition asserts the constitutive roles of politics and the law in creating and organizing the economy and in the distribution of social power. According to Jamee Moudud, when this lens is applied to the CFA franc countries, the limitations, and ideological character, of mainstream economics subtly racialized accounts of inequality and underdevelopment become as stark as ever.

To speak about money is therefore to speak about power. This point has not been missed by Economist Francisco Perez. In his review, he insists on the CFA franc as a geopolitical instrument for the French state and capital. This emphasis is specially welcome at a time when some African intellectuals are uncritically buying the French government rhetoric that the so-called 'Françafrique' is over. On the one hand, the CFA system has been a powerful political weapon helping the French government to to discipline any attempt at monetary emancipation in its former colonies and to keep ruling elites in check. On the other hand, the CFA system provides France an advantage similar to the "exorbitant privilege" of the US dollar worldwide. To the extent that the two central banks of the CFA franc using countries are obliged to hold part or totality of their foreign exchange reserves in the French currency (franc then euro), this implies that the French currency constitute their reserve asset and also that France has no financial constraint regarding the resources and labor of the CFA zone.

While monetary and financial systems could be used for domination, as the CFA illustrates, it could also be made to work for people and their well-being. Francesco Perez discusses possible options to exit the status quo. If monetary unity at regional or continental level is a long held pan-Africanist ambition, he cautiously observes that it's not a straightforward business.

Recent protests by African social movements have obliged the French President Emmanuel Macron, in the presence of its Ivorian counterpart, Alassane Ouattara, to concede on December 21st 2019 a largely cosmetic reform of the West African CFA franc. Interestingly, according to an official French parliamentary report, the announcement was made without the West African Central Bank (BCEAO) knowledge! Likewise, some aspects of the reform, namely the abolition of the so-called "operations account", were implemented from the French side before their official parliamentary ratification in France as well as in the eight African countries concerned. In other words, the French Treasury remains still in charge of the CFA franc 76 years after it created it.

Hopefully, cracks are multiplying in the neocolonial building. Conversations like this one are an eloquent indicator of the growing awareness within the continent and beyond about the anachronistic and draconian character of Africa's last colonial currency.

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