Africa: How France Continues to Dominate Its Former Colonies in Africa

Thursday 22 April 2021, by DITE Chris, PIGEAUD Fanny, SYLLA Ndongo Samba (Date first published: 29 March 2021).

In France's former African colonies, imperialist monetary policies from Paris continue to cripple domestic economies and undermine democracy. Colonialism in Africa won't have meaningfully come to an end until true economic sovereignty is allowed to flourish.

The economics of sub-Saharan Africa burst into the headlines in the first week of March. As Ngozi Okonjo-Iweala assumed office as the first female African director general of the World Trade Organization, mass youth protests broke out in Senegal over deteriorating economic conditions. Sweeping in to help everyone make some sense of the situation was the English translation of Africa's Last Colonial Currency: The CFA Franc Story by Ndongo Samba Sylla and Fanny Pigeaud.

The book lays out the French state's continuous meddling in Africa — a master class in capitalist villainy, victim-blaming, and versatility. After the abolition of slavery, huge "reparations" were paid to the French former slave owners. These were used in part to establish colonial banks in Africa, later joined by others, which would strive to ensure that French domination would endure post-slavery by maintaining "the colonial pact." This pact involved the deliberate underdeveloping of the colonies' economies, their forced reliance on raw material exports, and a French monopoly on shipping, exports, and imports. The CFA franc was the currency designed by France to ensure French control survived colonialism's official demise.

To learn more about it, *Jacobin*'s Chris Dite sat down with Ndongo Samba Sylla and Fanny Pigeaud to discuss their book as well as recent events on the continent.

CD | A recent French finance minister described France as being in Africa "as a friend." Reading your book, I couldn't help thinking that's like describing the Corleone family from the *Godfather* series as a friend to the businesses under its "protection." Could you help readers understand how the relationship between France and its former colonies is based on threats, violence, and extortion?

NSS | The French knew that independence in Africa was inevitable. In 1958 France organized a referendum asking whether sub-Saharan African countries under its domination wanted to become independent on French terms. Guinea — led by one of the few African leaders who was a trade unionist and not a loyal French ally trained in France — voted no to this independence-without-independence and broke away from France two years before the rest.

For the others, it was independence without full sovereignty, independence on the condition of signing "cooperation agreements." The idea was to create new republics with limited autonomy under the tutelage of France — all sovereign commands would be exercised by Paris.

When Guinea decided to issue its own national currency in 1960, France organized a sabotage operation to destabilize the new country, sending in its service secrets agents, flooding the economy with false banknotes, and disrupting everything. This sent a clear message to other countries: "If you want to go down that road, you know what happens." From then on, this has been more or less the story of African leadership: if you want to stay in power, you have to be on good terms with France.

FP | In the lead-up to independence, France managed its relationships with these new countries by choosing the leaders it preferred to be heads of state. You can see now it's the same system — we have African leaders who are very linked to and don't dare to act without the okay from Paris. If they try to act differently, there will be reprisals.

France has kept military bases in several countries since independence — Côte d'Ivoire, Gabon, Senegal, among others — and currently has five thousand soldiers on the field in the Sahel. Even if officially the military is there to "fight terrorism," we know that it's also there to maintain a form of control over these countries.

France used military force to create the politics it wanted in Côte d'Ivoire in 2011, for example. But actual military intervention isn't required to get the Parisian agenda implemented. If you're a country like Niger with a lot of problems — security problems, economic, social, and financial problems — and you have the French military and intelligence services on the ground all around you, it's difficult to think that you're free to make your own decisions.

CD | And how does the CFA franc fit into this violent picture?

NSS | The CFA franc is colonialism repackaged. The Franc of the French Colonies in Africa (FCFA) during colonial times became with independence the Franc of the Financial Community of Africa (FCFA) in West Africa and the Franc of Financial Cooperation in Central Africa. The French government is a specialist at reframing colonial structures using new names: this is really the story of France's relationship with Africa.

FP | We can see the same behavior now with the recent so-called reforms. It's just marketing — but in fact, everything remains the same. The French are quite good at this.

CD | A common line from defenders of the current system is that if you subtract the aid money provided by France from any gains it makes from exploitative arrangements, it either "balances out" or works in Africa's favor. Could you explain why this is simply not the case?

NSS | In the CFA franc system the African central banks have for decades been obliged to deposit a large proportion of their foreign currency reserves into the French treasury. Those amounts represent double the amount of aid from France to sub-Saharan Africa. France essentially gives African countries back a fraction of these forced deposits as "help."

CD | In your book you describe Emmanuel Macron's recent changes to the CFA Franc zone as a transition to a more indirect system of control. Could you explain these reforms?

FP | Three things are expected to change but only for the West African countries involved, not those in Central Africa: the first is the name of the currency (it is now called the "eco"), the second is that French representatives will no longer sit in the bodies of the Central Bank of West African States, and the third is the removal of the obligation to deposit 50 percent of foreign exchange reserves into the French Treasury.

But the main link will remain. These countries will still have to report to France daily by virtue of the "convertibility guarantee," which is France's promise to lend as many euros as needed by the Central Bank of West African States — a promise on which it does not deliver.

CD | How are these changes still informed by the logic of domination?

NSS | The French government's mindset is a colonial mindset. The "reforms" are designed to give new life to monetary domination and enlarge the CFA franc zone to the other countries of West Africa like Guinea and Ghana. France continues to believe in the colonial empire whereby African countries must support the development of France.

The French government cannot break the ties. It will find new means to maintain the empire. The new name of the "eco" is designed to undermine a regional grouping of fifteen countries called ECOWAS [Economic Community of West African States]. "Eco" is short for ECOWAS and was going to be the name of a proposed West African regional single currency. Macron and [Alassane] Ouattara stole the name "eco" and made their announcement on the same day that most of the ECOWAS presidents were meeting to decide a launch date for their currency. We've never seen the "eco" banknotes or coins. It seems to have just been a strategy to quickly get rid of the old name.

Macron says the French representatives are gone, but they've signed new monetary cooperation agreements stipulating that they can always be brought back. Paris will still decide with its African counterparts which representatives will report daily to the French Treasury. France frames the deposit obligation removal as a gift, but the real gift has been Africa's financing of the French Treasury. Africans have been losing on their Treasury deposits — not just because low interest rates and higher inflation means they're losing in real terms but because they could have used this money constituting half of their foreign currency reserves in much more productive ways over the years.

CD | Why are these changes happening now?

NSS | There have been many ongoing protests against some aspects of the CFA franc that are really embarrassing for France. Paris wanted to address these without putting an end to the CFA franc. For example, young people are asking why their countries are forced to hand over their foreign exchange reserves to the French Treasury. In fact, when the right-wing Italian government was fighting with France about immigration issues in 2019, it said, "if we have African migrants coming to Italy, it's because the CFA Franc is impoverishing Africa. Get rid of the CFA Franc and that'll get rid of African migrants." This was demagogic, but it drew attention to the CFA franc issue more broadly.

FP | An anonymous French military officer said a few weeks ago that without Operation Barkhane (the French military intervention in the Sahel), France would become like Italy. They don't want that. The French authorities still think that the French-speaking African countries are necessary for France's own development and economy. It's clear they think these countries are still part of the "French empire," even if they deny it. With these so-called reforms, Paris wants to make people believe that it has understood the message of those who no longer want the CFA franc. But in reality, it's trying to maintain control, to gain time.

CD | No doubt any African country proposing to leave the CFA franc zone would be presented with examples like Lebanon as evidence of the dangers of fiat currency. Is this really the choice facing Africa — extortionate European "supervision" or chaos and hyperinflation?

NSS | This has been one of the main defensive arguments aimed at anyone arguing to de-link from the French treasury: if you de-link you'll become like Zimbabwe.

But any sovereign country wants the capacity to develop its own domestic capabilities. You need to have your own currency for that. There are many examples of African countries that have their own national currency, but it's not really sovereign — why? Countries of the Global South rarely meet the major condition for being monetarily sovereign: having zero debt in foreign currency. If you want to have a sovereign currency, you have to develop a strategy based first and foremost on the mobilization of your own domestic resources — without this you'll have to rely on debt in foreign currency, foreign investment, and development aid. This strategy is not sustainable.

Any development strategy based on foreign finance must function like a Ponzi scheme — you have to contract new flows of foreign finance to service interest on existing debt and the repatriation of profit flows. So you can't rely on foreign finance for your own development. Unfortunately, many countries do not use, economically speaking, their domestic potential and their potential as a sovereign issuer of their own currency.

CD | Could you elaborate a little further on the nature of the relationship between French economic domination and African government corruption?

NSS | The system creates its own type of leadership — as long as we have a CFA franc, we cannot expect to have leaders committed to the interest of their people. There's always competition: potential African leaders prepared to play the role France wants them to.

Many African leaders know that talking about the CFA franc can get them into trouble, and so they try to keep quiet on this issue. The system is also based on pegging the CFA franc to the euro; to sustain this, you have to have a sufficient level of foreign exchange reserves. But most countries in the zone can't generate enough foreign income through trade and so are forced to borrow and to under-finance the economy to sustain the peg. Public mismanagement is ingrained in the CFA franc zone.

CD | Ngozi Okonjo-Iweala, who famously negotiated debt forgiveness as finance minister of Nigeria, recently became the WTO director general. This was hailed in the media as a sign of brighter things ahead for Africa. Could you elaborate on how even something as innocuous-sounding as "debt forgiveness" involves the economic domination of Africa?

NSS | During the so-called period of structural adjustment throughout the 1980s and '90s, the Global South transferred the equivalent of fifty-six Marshall Plans to the North in the form of "debt service." It's completely crazy. At least 40 percent of African external debt is held by private creditors — they obviously will never agree to forgive that debt. Even multilateral actors like the World Bank and the IMF don't want to consider that.

I myself am supportive of the cancelation of the foreign currency debt of the Global South, but it's not a solution. What we have to "cancel" — actually abolish — is the system that produces this debt. The world system works structurally in such a way as to put the Global South in a perpetual position of indebtedness; any cancelled debt is reconstituted very quickly.

Developing countries cannot aspire to prosperity for their population if their development is based on foreign resources. It's impossible. So the issue of this external debt has to be framed along these lines: canceling/abolishing the mechanism of unequal exchange at the global and domestic levels and helping developing countries to mobilize their own domestic resources using their monetary and economic powers.

As Africans we should be happy that one of our compatriots is head of the WTO. It's important, symbolically speaking. But at the same time, we know that the WTO is no longer relevant; it's been blocked. Many countries of the Global North have retreated from the multilateralism of the WTO after issues like agricultural liberalization were met with resistance by developing countries. So it's ironic that at a time when the WTO has no strength at all, we have a female African director general.

CD | There have been large youth uprisings in Senegal recently. One Senegalese commentator noted that the president might be a tough guy when he has soldiers with guns attacking kids armed with stones, but he's much more submissive when faced with the French finance minister in the Central Bank boardroom. How will France respond to this rising mass discontent?

NSS | France is facing more and more pressure in Africa, militarily speaking, because people oppose its interventions, and as we see in Senegal, economically speaking as well. Many French properties and businesses were destroyed. This will be a growing trend. Many people expect that what happened in Senegal will also happen in Côte d'Ivoire and also Central Africa.

These uprisings were a signal to France, saying, "we know what you're doing, we know you're backing illegitimate leaders, we know you're imposing companies which drain our resources and with which we've been forced to sign unfair agreements. We'll no longer accept that." The French government talks about "anti-French sentiment" — it's framed as if Africans have this irrational hatred of the French. But French companies have been undertaking very antidemocratic work in Africa. It's natural that populations start to oppose such practices. African people want self-determination, they want to fight against their bourgeois comprador classes and also against French imperialism. It's a positive desire for liberation.

FP | Paris is in quite a bad position. Normally the French government makes statements about situations like the one in Senegal. This time, Paris didn't say anything. It remained silent. It shows that French officials don't know how to respond. They know that if they say something it will be badly interpreted. It's an incredibly sensitive situation for France.

NSS | France does not have the kind of financial means to keep playing the gendarme in Africa. Most French military operations are done with the help of the US — if the US decides to retreat from Africa, it'll become much more difficult for France. Maybe they'll find another way to outsource their military control of Africa. It's an uneasy situation for them. There are rumors saying that at one point recently France was contemplating sending its soldiers into Senegal to defend French interests. I don't know if this is accurate. People would never accept seeing French soldiers in Senegal like this. Even the French admit this.

FP | The example of Côte d'Ivoire in 2011 had a big impact on the population. A lot of people were shocked by France's actions. What France did in Abidjan is not possible today.

NSS | People wouldn't accept that. Definitely not. Emerging powers like Russia and India and smaller powers like Nigeria who want a larger market share will try to associate themselves with this anti-imperialistic mindset in order to make life difficult for France in Africa. It's opportunistic, obviously, but at the same time it means you have this framework of global competition where the French market share is reducing more and more. And their other instrument — manipulating who can become the president of an African country and blackmailing him — is also less and less available. Because now people are awakened. They understand how things work. The younger generation will not accept lifelong despots deciding their fate. So France will have to give up this nineteenth-century colonial logic.

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P.S.

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