

The Continuation of Colonial Exploitation in Africa

By: Fatima Musab*

In 2019, Luigi Di Maio, Italy's former deputy prime minister and current minister of foreign affairs said *"France is one of those countries that by printing money for 14 African states prevents their economic development and contributes to the fact that the refugees leave and then die in the sea or arrive on our coasts."* This highly critical statement was aimed at the CFA franc in Africa.

Founded in the 1945, the CFA franc is the name of two currencies, the West African CFA franc, used in eight West African countries, and the Central African CFA franc, used in six Central African countries. Both currencies are guaranteed by the French Treasury. As a result, France's central bank (Banque de France) held the national reserves of 14 African countries and forces them to contribute "500 billion dollars every year" to the French treasury as payment for their "colonial debt". These countries were obliged through a colonial pact to use "France colonial money" and put 85% of their foreign reserves under the control of the French minister of finance. (Source: Report)

In December 2019, France announced that the eight West African countries belonging to the West African Economic and Monetary Union (WAEMU) will rename their CFA franc to Eco.

This was put across as a major currency reform, which would limit the control that France had on Africa, as no longer keeping half their foreign reserves in France, the situation is far from simple. Nor does it free the area from French control.

According to the Wall Street Journal, the move showed that France had "bowed to popular pressure in west Africa by agreeing to scrap the name of the CFA franc and loosen its supervision of the currency union as Paris seeks to reshape relations with its former African colonies." However, "France still wields significant power in the region through both the currency and its extensive military presence there."

It should also be noted that, the 6 Central African countries are still bound by the pact and its conditions.

The CFA Franc:

France allows them to access only 15% of the money in any given year. If they need more than that, they have to borrow the extra money from their own 65% from the French Treasury at commercial rates. France imposes a cap on the amount of money the countries could borrow from the reserve. The cap is fixed at 20% of their public revenue in the preceding year. If the countries need to borrow more than 20% of their own money, France has a veto. (Source)

This means that 14 African countries do not have an independent monetary policy. They do not hold the right to determine details of how much currency to release into their economy or to revalue their currency at will. All decisions pertaining monetary policy are controlled from Paris. These countries are also obliged to deposit 65% of their foreign reserves in the French central bank. More so, these countries cannot access this money at will. In fact, if they need more than 20% of this 65%, they take it as a loan from France at the prevailing market rate. (Source: <https://www.geopolitica.info/tag/french-colonial-pact/>)

The Eco:

The Eco is still guaranteed by France and it's pegged to the euro. According to the Wall Street Journal, the details have yet to be finalised but it's clear that the countries will still share daily information with Paris. France can also nominate an independent member of the monetary policy committee though the candidate wouldn't represent France nor would they have a reporting role. If the countries reserves fall below a certain level, France could request that their representative be reinstated on stressed that daily information sharing with Paris would continue the Eco's monetary policy committee.

The 8 states will not have to place half of their reserves in the French Treasury. However, it's clear from the other conditions that France hasn't relinquished its control over the area.

The issue is that France maintained control of their colonies, even once they left.

The currency was one part of the colonial pact, that the French called upon the African colonies to sign when they demanded independence. (The Atlantis Report Video). France suggests that Africa owes them a "colonial debt" for the benefits that their colonisation brought.

This is shown through the fact that, when Guinea decided to opt for independence from the French empire in 1958, Charles de Gaulle's government pulled out more than 4,000 civil servants, judges, teachers, doctors, and technicians, instructing them to sabotage everything they left behind. They took their property and destroyed anything that which could not be moved, this included schools, nurseries, public administration buildings, cars, books, medicine and research institute instruments. (The African Report) This was done with the aim of showing colonies how high the consequences of seeking independence were.

There are reports that if the countries leaders refuse to pay the colonial tax, they are assassinated by Foreign legionnaires. According to reports, during the last 50 years, a total of 67 coups happened in 26 countries in Africa, 16 of those countries are French ex-colonies, which means 61% of the coups happened in Francophone Africa.

To uphold the CFA franc, it is argued, France has never hesitated to jettison heads of state tempted to withdraw from the system. Most were removed from office or killed in favour of more compliant leaders who cling to power come hell or high water, as shown by the CAEMC nations and Togo. (Source: Brookings)

They also have something called "Defence Agreements" attached to the Colonial Pact, in which France had the legal right to intervene militarily in the African countries, and also to station troops permanently in bases and military facilities in those countries, run entirely by the French. There is an obligation to send France annual balance and reserve report. Without the report, no money. Apart from this, France have the first right to natural resources that are found in the land of its former colonies. The African states are only allowed to seek other partners if France is not interested in the resources.

Looking at the evidence, it's clear that this colonial pact was for French benefit not African.

In March 2008, former French President Jacques Chirac said: "*Without Africa, France will slide down into the rank of a third [world] power*". The currency was born of "*France's*

need to foster economic integration among the colonies under its administration, and thus control their resources, economic structures and political systems". (Source: [LSE blog](#)).

This is evidenced from the desperation that France displayed when dealing with the colonised states and their call for independence.

While there is evidence that African elites are benefiting from the choices and thus support the CFA Franc zone, the countries and its people are not. In fact, the 14 states that signed the colonial pact are amongst the countries that have 'Low Human Development' and are economically weak.

While proponents of the CFA franc zone agree that the currency provides a measure of monetary stability, others say that in exchange for the guarantees provided by the French treasury, African countries channel more money to France than they receive in aid. For the states to develop economically, they need to get rid of the currency. (Source: [BBC](#)). According to a [Brookings article](#), "the CFA franc is a barrier to industrialisation and structural transformation, serving neither to stimulate trade integration between user nations, nor boost bank lending to their economies". It also encourages massive capital outflows.

Colonial power has ended, the exploitation hasn't and change will not come without changing the entire Western system.

The Western states argue that the colonial era is over and the exploitation of the colonies is a thing of the past. This example shows that that's far from true- France may not be an official Empire anymore, but they've maintained control over the states and ensured that they benefit at the expense of the African people.

Changing laws, removing rulers, establishing Islamic courts in democratic countries will not change the situation as the capitalist system will remain in place, allowing the powerful states and their elites to manipulate the political, economic and legal systems to their benefit.

To change the circumstances, we need to change the system. That means removing the Capitalist ideology from the ruling position and replacing it with the Islamic ideology.

﴿اللَّهُ وَلِيُّ الَّذِينَ آمَنُوا يُخْرِجُهُمْ مِنَ الظُّلُمَاتِ إِلَى النُّورِ وَالَّذِينَ كَفَرُوا أَوْلِيَاؤُهُمُ الطَّاغُوتُ يُخْرِجُونَهُمْ مِنَ النُّورِ إِلَى الظُّلُمَاتِ أُولَئِكَ أَصْحَابُ النَّارِ هُمْ فِيهَا خَالِدُونَ﴾

"Allah is the ally of those who believe. He brings them out from darknesses into the light. And those who disbelieve - their allies are Taghut. They take them out of the light into darknesses. Those are the companions of the Fire; they will abide eternally therein." [Al Baqarah: 257]

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