

Summary Account

Subject : Conference and debate with Mr. Kako Nubukpo: « *Monnaie et intégration régionale en Afrique de l'Ouest : quel avenir pour le franc CFA ?* »

Date: April 10, 2024

Venue : World Bank, 66 avenue d'Iéna, 75116 Paris, France

Attended : Olivier Lafourcade, Olivier Lambert, Patrice Dufour, Jacques Coudol, Jean-Marie Cour, Christian Fauliau, Christian Grossmann, Charlie Garrigues, René Karsenti, Bernard Snoy, Jean Baneth, Michèle Bailly, Jean-Christophe Bas, Monique Amaudry, Armand Rioust de Largentaye

Apologies : Marie-Thérèse Bellot, Jean-Louis Sarbib, Monique Desthuis-Francis, Franck Phelip, Michel Petit, Fatimah Maria Zwanniken de Quinones, Pierre Duquesne

The meeting pictured a situation in West Africa that was terrifying in the words of Jean-Christophe Bas, and certainly distressing for all those who devoted their career to international cooperation. In the Sahel, France has sought to provide help and is reaping hatred.

Issues

The leaders of the three putschist Sahel states are, according to Kako Nubukpo, locked in a deadly prospect. They pertain to the generation of Kako Nubukpo's students and complain that they remain in misery while they were promised prosperity. In addition, they must meet the uncontrolled rebellion in the North. Youth is especially resentful of France.

How has this come to be? After years of pondering aid effectiveness, should some basics of international cooperation be questioned? In addressing his topic, Kako Nubukpo reflected on the impact of money on regional development in West Africa. The West African Monetary Union (WAMU) includes Bénin, Burkina Faso, Côte d'Ivoire, Guinée Bissau, Mali, Niger, Senegal and Togo. Currently, four countries, the three Sahelian countries plus Senegal with its new president, i.e. half the countries of the WAMU, question the justification of the Union.

In the wake of his intervention on money and development at the *Institut Pierre Mendès France* conference of November 9, 2023, Kako Nubukpo focused on West Africa, a burning case for France and Europe. Concerned by the tragedy of immigration at its doorstep, the European Union is obsessed with migration when dealing with Africa, where the geopolitical balance is upset by the war in Ukraine.

WAMU

Kako Nubukpo proposed first to examine the criticisms levelled at WAMU, whose treaty, revised in 2007, dates back to 1962, and second to review remedies and reforms. WAMU should not be confused with the WAEMU, the West African Economic and Monetary Union and its Commission, inspired by the EU Commission. Kako Nubukpo is a member of the WAEMU Commission.

Three main criticisms are levelled at WAMU. The first concerns the independence of the Central Bank. In the absence of an amendment to the Treaty, sanctions against the putschist states violated the principle of independence and therefore the WAMU treaty. A second criticism concerns the breach of the treaty resulting from the meeting of the heads of state in Nigeria, which is outside WAMU territory. A third reproach is the lifting of the sanctions, which has simply discredited them.

Kako Nubukpo did not conceal his doubts about the future of the monetary union. In terms of reforms, it was necessary first to change the name of the CFA franc, which, in the eyes of Africans, especially of its youth, recalls the original name « *Colonies françaises d'Afrique* », the execrated trace of domination. Second, the CFA franc enhanced France's visibility in an unfortunate manner because France's guarantee was not perceived as effective and was not designed to protect the countries from IMF adjustment measures.

A third reform should deal with the independence of the Central Bank, more specifically with its objectives. Indeed, the BCEAO's primary objective is to defend the exchange rate rather than to stabilize prices. Because the exchange rate is fixed in relation to a strong euro, the central bank is forced to limit the lending activity of commercial banks and thus to strangle the private sector and the country economies.

Monetary Governance and Sovereignty

In terms of governance, the BCEAO systematically offers its chair to Ivorian nationals, while in the central African monetary union nationals take turns in chairing the central bank. Furthermore, the successive presidents of the WAEMU Commission complain that they are not deliberating members in the monetary committee of the Central bank, while France, though no longer represented, remains influential. In addition, the West African Development Bank (BOAD) has failed to ensure the economic convergence of the Union.

Regarding the envisaged monetary union of the fifteen-member strong ECOWAS (Economic Community of West African States) including heavy-weight Nigeria as well as Ghana, Kako Nubukpo considers that the 2027 deadline is unrealistic. He has organized the « *Etats généraux de l'Eco* » to explore a gradual approach of the ECOWAS single currency project, in the manner of the European ECU, with the aim of fostering monetary sovereignty in Africa.