

THE EURO AND AFRICAN MONETARY INTEGRATION

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Abstract

The African Union aims to introduce a continental currency following an earlier stage where there are several regional currencies. This article argues that one of these, West Africa's planned *eco*, is unlikely to be realised. This is partly because European economists and leaders of the region's CFA subzone (whose currency is tied to the euro) assume that a future West African currency entails an expansion of the stable and convertible CFA into neighbouring states. In contrast policy makers in the anglophone subzone believe that their neighbours will abandon the CFA, responsible in their view for perpetuating ties to Europe at the expense of pan- African solidarity. This cultural and political division within West Africa, never openly discussed, is an obstacle to continental monetary unity.

1. Introduction

Monetary union is as important an issue in Africa as it has been in Europe. Studies hitherto have usually had an economic focus (Alibert 2001; Ben Hamouda, 2001; Bénassy Quéré 2005; Diallo 2002; Kéou-Tiani 2002), although Nigerian Chibuike U Uche analyses cultural and political factors as well (U Uche, 2002). Human factors, such as positive or negative attitudes toward European aid programmes, affect willingness to participate in both long-established and future African monetary unions. I examine recent history and future prospects of monetary union in the light of these factors, beginning with an outline of the Eurafrikan case for African monetary integration, whether in West Africa or more broadly. Since the long-established monetary arrangement between francophone Africa and France has evolved into one based on a fixed parity to the euro, it makes sense according to this view to consider the merits of a wider membership in order to foster aid and trade between the two continents. This is particularly appropriate since the European Union has decided to negotiate its aid agreements with regions rather than with the ACP group as a whole. The largest of these European Partnership Agreements is with West Africa.

The paper then considers those who take the contrary position, namely that pan-Africa solidarity requires forms of monetary integration that are no longer indirectly subject to decisions taken by the European Central Bank. According to this contrary view, aid and trade should not, and will not, remain a largely European prerogative. Africa is increasingly benefiting from investments from China and other countries, and therefore CFA currencies for example should be decoupled from the euro and instead loosely linked to a basket of international currencies. In West Africa the question of a future common currency is especially important, but is complicated by the indirect presence of the euro (the CFA franc) in many states in the region. I conclude that the incompatibility between a Eurafrikan and an ultimately pan-African vision has resulted in parallel projects for a West African and also possible pan-African integration. Though these differences do not appear in the official documents celebrating the recent entente between the European Union and the African Union, they do represent divergent approaches to relations between the two continents.

2. Eurafrikan Monetary Union as a Model of North-South Solidarity

The commitment of Europe to Africa was a leitmotif of colonial powers. Today that commitment is exemplified in the continued support of EU member states for sixteen African countries using four currencies that are local variants of the euro. The Cape Verde escudo is the responsibility of Portugal, while three currencies are guaranteed by the French Treasury. These are the franc de la Communauté financière africaine used in eight states of West Africa: francophone Benin, Burkina Faso, Mali, Niger, Senegal, Togo and Cote d'Ivoire, plus since 1997 lusophone Guinea-Bissau. The franc de la Coopération financière en Afrique centrale is used in six states in Central Africa: Cameroon, Congo, Gabon, Central African Republic, Chad, and since 1985 hispanophone Equatorial Guinea. Both are known as the franc CFA or céfa, and each is fixed at exactly the same value against the euro, as they had been to the French franc prior to 1999. Finally, the Comoros franc, fixed to the euro at a different rate, is legal tender in most of the Comoros islands. (The exception is Mayotte, which is partly integrated into the French Republic, and therefore uses the euro). The four African euro-tied currencies are not legal tender within the euro zone, just as the euro is not accepted in the African euro-linked zones. Yet many transactions between the two are free of charge, because they legally involve simple transfers between two versions of the euro (Veyrune, 2007: pp 9-10). Despite this, currency movements among the African euro-linked zones and even between the two CFA currencies (in West and in Central Africa) are subject to charges, even though the CFA francs are fixed at the same rate

against the euro. The reason given in this case is that one CFA franc is not legal tender in the other zone. Such discrepancies demonstrate the inconsistencies that may arise when long established, once colonial traditions must be reconciled with the evolving harmonisation requirements of the European Union. In any case, the continued use of the term CFA franc is curious post 2001, since the French franc no longer exists.

Whatever the legal complexities, French experts have long emphasised the political and economic advantages CFA zones enjoy. Some of them believe that these advantages should be exported beyond states that now benefit only because they were once in a monetary union with their colonial powers. For example, in the late 1980s the Guillaumonts, French advisors to CFA zone governments, were looking forward to European monetary union, which they expected the United Kingdom to join soon afterwards. Consequently the African states that participated in the ACP arrangement (the privileged aid and trade relationship that the European Community enjoyed with its African, Caribbean and Pacific partners) would choose to fix their various regional or national currencies against the ecu as this would make trade and aid cheaper and easier between the blocs. As a less radical alternative, they suggested that the EC might provide a limited overdrawing facility to these governments in return for good practice. They admitted that their Eurafrican, perhaps neo-colonial proposal might not appeal to some EC member states. Furthermore African states less dependent on European trade than were the CFA zones might be lukewarm also. Nonetheless they concluded: "If the Europe of tomorrow is able to establish its own monetary identity, monetary co-operation with Africa would be an effective way for it to contribute additionally to the development of that continent." (Guillaumont and Guillaumont, 1989: pp. 144-5).

In an article in *Le monde* in early 1992 French Africanist Daniel Bach was confident that European monetary union would also create a large Euro-African ecu zone, which would be attractive to neighbouring states and would eventually expand into all of sub Saharan Africa, that is, the African component of Europe's 'privileged' ACP bloc. EMU would 'reconnect' the two continents, strengthening Franco-African relations and entrenching a European sphere of influence, predicted Bach. In another article the following year Bach found pan-African union plans wanting. Narrowing his focus, he now advocated a common currency pegged to the ecu in an expanded West African union. The European Community should assist this, he added (Bach, 1992; Diop, 1993: p. 42). Soon afterwards Paris professor Philippe Hugon echoed the earlier Bach: an extension of the African CFA zones to all African ACP states was the logical next step in Eurafrican relations, since fixed CFA/ecu exchange rate would equalise divergent economies and facilitate the periodically renewed regional trade agreements sought by Brussels.

A complete monetary convergence between parts of Europe and Africa could only benefit both sides. Hugon cautioned, however, that, 'Naturally, the present interests of the European Community, notably of Germany (dominant at the monetary level) and of Great Britain do not favour a Eurafrican integration. Furthermore, African nationalisms may oppose such a project' (Hugon, 1994: pp 187-8.)

By the late 1990s Francophone African governments, which were free to leave the zones if they so chose, decided to remain, confident that Paris would not 'abandon' them once EMU had arrived. They welcomed EMU as it promised easier, cheaper access to the wealthy European market and a wider choice of competitively priced imports. Some hoped that the EC would take over the support of their currencies, thereby encouraging more African countries to join the new euro-linked area of prosperity and stability. That the European Central Bank did not after all take over responsibility for the African currencies hitherto guaranteed by Portugal and France was due to the reticence of some member states, and to the determination of Paris to maintain her political influence in Africa without interference from the European organizations. This she achieved by convincing the European organisations that the zones should not enter EMU, as the arrangement was a purely budgetary and hence national matter. (Council 1998a; Council 1998b; European Central Bank, 1998; Diallo, 2002; Dearden, 1999; African Agenda, 1998; Fouda and Stasavage, 2000; Gnassou, 2002; Guillaumont and Guillaumont, 1989 and 2000; Liaison News, 1998; Gbagbo, 1992: pp. 37-47).

Since the replacement of the French franc by the euro, European Union spokesmen have joined their French colleagues in extolling the political and economic advantages of the African euro currencies. Yves-Thibault de Silguy, French EC Commissioner for Economic and Monetary Affairs and Tommaso Padoa-Schioppa, a European Central Bank official, were among those who stressed that the arrival of the euro ensured stability, low inflation and new markets for Africans as well as Europeans. IMF and African bank officials agree: Charles Konan Banny, the Governor of the Central Bank of WAEMU (the CFA zone West African Economic and Monetary Union) declared that the euro of 'notre Union européenne' opened new commercial and investment opportunities. For example already the former communist European states, which have prospered since their EU entry in 2004, have begun to invest in Africa (IMF, 1997: p. 9; de Silguy, 1999; Padoa-Schioppa, 1998; Banny, 1999; *afrol News*, 2007). As other recent entrants follow Slovenia's forthcoming membership of EMU, some of that investment is likely to favour the African euro zones.

3. Opposition to Eurafrican Monetary Union

Criticism of monetary ties to the EU is growing in the West African CFA zone, now also an emerging common market known as WAEMU (West African Economic and Monetary Union, or UEMOA in French.) They assert that the CFA franc arrangement entrenches continued French political influence. Furthermore it distorts trade; the two CFA zones export nearly 70% of their production to the EU, and import from there over 60% of their needs. This vertical dependence has been aggravated as a result of the euro's revaluation against other regional currencies and the US dollar. The situation will not improve, they argue, unless Europe opens its markets to value-added processed goods, ends the dumping of foods such as frozen chicken that destroys local livelihoods, and compensates local cotton producers and others for lost revenue (Jennar, 2005).

Perhaps the best-known critic of the CFA arrangement is Abidjan liberal economist and President of the National Assembly Mamadou Koulibaly, whose criticism of French business interests in the region, the EU's EPAs and the 'colonial' currency has been denounced as irresponsible by Konan-Banny, the Governor of Western zone's Central Bank. Koulibaly has been arguing since 2000 that monetary ties to Europe encourage waste and irresponsibility and hinder business. In a bitter metaphor he has said that African leaders should throw themselves into the jungle of globalisation, rather than remain inside the zoo waiting for foreigners to throw bananas at them, which they then fight over. Governments should leave the CFA/euro zone, should decouple the CFA franc from the euro and let it float, he argues. If other CFA states demur because of the privileges enjoyed by local elites, Cote d'Ivoire should leave the zone unilaterally and create its own currency, he suggests. (Koulibaly, 1994: pp 195-210; Sindou, 2006; Cameroon-info, 2007.)

Koulibaly is not alone. Senegalese former African Development Bank official Samou Mbaye, consultant to the World Bank Tchetché N'Guessan and economist Nicolas Agbohohou, both of Côte d'Ivoire, agree that the CFA zones should ultimately go. That 65% of the zones' reserves must be deposited with the French Treasury is an enormous drain on poor countries, they observe. At the same time the fixed, tariff free convertibility of the currencies encourages corrupt leaders in the illegal stashing of stolen funds in foreign bank accounts. Although there are no longer French members of the boards of the three CFA central banks, French political pressure may lead to the removal of dissenters from public office and banks.

Le monde has recently drawn the attention of the French public to the serious economic consequences of a strong currency which cannot be adjusted domestically to suit very different economic circumstances in poor African countries.

The newspaper reported that throughout both CFA zones agriculture was in crisis because the currency's fixed link to the strong euro had reduced export earnings regionally and internationally, closing businesses. High domestic prices cannot compete with those of neighbouring countries or compete with Chinese imports. This obliges producers to continue to export primary products to Europe instead. In this way the existence of euro-linked enclaves divides regions.

While the strong euro devastates those weak economies tied to it, at the same time it does attract inward investment. There are advantages that trading in variants of the euro bring to poor African states, which enjoy mostly tariff-free export opportunities to twenty-seven European countries. For example, Nigeria apart, ECOWAS states trade predominantly with Europe. Despite their low dependence on trade with Europe, Nigerians have complained about a perceived CFA zone advantage as far as trade with Europe is concerned. They claim that though all sub Saharan Africa states benefit from the European Development Fund, French lobbying and the ease of cross continental money transfers attracts EDF aid to the CFA zones that might otherwise go elsewhere. The arrival of the euro in Africa has therefore drawn attention to, and exacerbated, a perceived pre-existing two-tier system of rewards with respect to northern aid to the south. This they interpret as characteristic of neo-colonial relationship, albeit with the consent of the countries concerned. (Mbaye, 1993, 1994, and 2001; Ngoupandé, 2002, pp.120-1; Ela, 1998: pp. 363-85; Koné, 1998; N'Guessan, 1996; Kouassi, 1998; Agbohhou, 1999; Berkani, 2001; Page, 1996; Tchundjang Pouemi, 2000; Diagne, 2001; Dearden, 1999; Hugon, 2002; Faujas, 2007.)

4. Wider Monetary Union in West Africa: A Break with or a Consolidation of Monetary Eurafrica?

West Africa is of interest to economists as a case study because it is home to several long-established or planned monetary unions. The eight states in WAEMU, itself an emerging common market as we have seen, belong to the Economic Community of West African States, or ECOWAS (1975), which also includes Nigeria, Ghana, Sierra Leone, Gambia and (as an observer) Liberia. ECOWAS announced plans for a central bank by 2002, a currency union by 2004, and a customs union by 2007, none of them realised so far. (U Uche, 2001; Claeys and Sindzingre, 2003; Lavergne, 1997; Van den Boogaerde and Tsanarides, 2005). While the inflation within and lack of inter-currency convertibility between the other ECOWAS member states discourage WAEMU members, political and cultural differences are equally important. Lack of progress in realising all the aims of ECOWAS caused the non-WAEMU states to agree in 2000 upon an interim West African

Monetary Zone or WAMZ, in part to demonstrate to WAEMU governments that they could later safely integrate with their neighbours monetarily as well as economically. (Soungalo, 2005; Asenso-Okyere, 2005; Ebi, 2003: pp. 145-150; ARIA II, 2006). Even the limited WAMZ project has stalled, however: its common currency, the eco, was to be introduced by January 2003, but was postponed, first to July 2005 and then to 2009.

The sensitivities and doubts on both sides (the francophone and the anglophone blocs) may be read from the silences in official documents. As far as French and WAEMU officials are concerned, the tacit assumption appears to be that, though the CFA franc may be renamed, it will form the basis of the post-eco common currency of ECOWAS. A Banque de France information note on the franc zone (2002) interprets further regional integration as an expansion, not as absorption: “il est prévu une possibilité d’élargissement de l’Union (i.e. WAEMU) aux autres pays de la sous-région.” That same year the President of Senegal, Abdoulaye Wade, launched the fortieth anniversary of the Western CFA monetary union with the announcement that this should form ‘the hard core’ around which would follow further monetary co-operation not only in West Africa, but in the entire African continent. The currency of WAMZ would be the CFA under a new name, he explained after a visit to France in 2007 (Banque de France, 2002: p.6; Rapport annuel de la BCEAO, 2002: p. 79; Cissé, 2007). Brussels and Paris should facilitate an extension of the CFA zones, agree African leaders and officials, ignoring the reticence France’s partners expressed in 1998 to accept even the status quo. Former Prime Minister of the Central African Republic Jean-Paul Ngoupandé has taken an interest in developments in the sister zone, arguing that WAEMU should continue as a euro-linked zone alongside WAMZ not as a short term measure but permanently, citing concerns over Nigeria’s influence within a larger monetary union (Godoy, 2001; Diallo, 2002: pp. 76-85; Ngoupandé 2002: pp.16-19, 358-9).

We have seen that some years prior to EMU several French analysts had assumed the Eurafrikanisation of the CFA links. Interestingly, Côte d’Ivoire President Gbagbo, whose political allegiance is opposed to that of Koulibaly, has proven almost as enthusiastic a supporter of the euro in Africa as is President Wade of Senegal. Initially the West African monetary union would absorb neighbouring states, and finally all of ACP Africa. Gbagbo considered that the backing of a strong and stable international currency outweighed its tendency to perpetuate exchanges with Europe (Gbagbo, 1992: pp.37-47). He did not mention the other CFA zone; perhaps it too would act as a magnet, drawing in its neighbours. By 2001, after the birth of both the African Union and the euro with its attached currencies in Africa, Gbagbo had modified his geopolitical horizon. He still favoured a single currency, he announced, but not one operative within the confines of the

European Union's aid programme (the ACP bloc); instead he now restricted his ambition to West Africa alone, that is, the commonly expressed plan of a final ECOWAS 'merger' between WAEMU and WAMZ. However he did not answer the precise question asked, which was whether his government would abandon the CFA franc and create a new West African currency. In his reply Gbagbo merely affirmed his support for a single ECOWAS currency after the 'fusion' of the two sub-regional currencies, avoiding any suggestion that this might imply ending the CFA agreements. (Bessis, 2001).

Francophone leaders' expectation of further additions to WAEMU (beyond the entry of Guinea-Bissau in 1997) is not necessarily fanciful. Ghana's National Bank expressed reservations as WAMZ was being mooted, arguing that economic integration had to succeed before monetary union could safely occur. These doubts explain recent unofficial interest in Ghana's possibly joining WAEMU instead. Accra University economist Fritz Gockel received a sympathetic reception when he suggested this in the Press in mid-2006, citing Guinea-Bissau as a precedent. Ghana's currency was stable, he said (skating over the disastrous inflation of the cedi in recent years). Furthermore the eco project had lost credibility owing to its repeated postponements. In response the newspaper agreed that the political will behind the eco project was lacking, that WAMZ was unattractive owing to its 'profligate' members' policies, and that ECOWAS has not honoured its commitments to setting up a common market. Ghana was, after all, surrounded by CFA states, with which she had much in common. Finally came the paradoxical argument that once Ghana had joined the eco (i.e. WAMZ), she could the more credibly quit and join WAEMU instead. French economist Agnès Bénassy-Quéré among others has suggested that on economic grounds alone Ghana (as well as Gambia and Sierra Leone) should indeed join WAEMU instead of WAMZ (Bénassy-Quéré, 2000; Nnanna, 2006). Guinea-Conakry, long resistant to French influence, has recently shown interest in closer relations with WAEMU, possibly as a prelude to eventual membership (U Uche, 2002: p. 7; Yeboah-Konadu, 2006; UEMOA, 2006; Kapini Atafori, 2006.)

Koulibaly is an exception in a political landscape in which CFA zone leaders generally manage to remain loyal to the partnership with France while at the same time regularly meeting their ECOWAS colleagues to plan a future integration. For their part neither the French Treasury nor metropolitan politicians have given the slightest hint that they might end the monetary arrangements. On the contrary, in 1999, just after the decision had been taken to maintain them, the International Francophone Organisation established relations with WAEMU. Since then the economic and cultural collaboration between the two organisations has increased and diversified (OIF, 2003). Clearly, while the disappearance of one or

both CFA franc zones need not end cultural, scientific or any other cooperation with France, one does reinforce the other. Developments outside WAEMU add a cautionary note: the admission in 2006 of francophone Rwanda and Burundi into the anglophone East African Community has been denounced in Kinshasa as proof of an economic and resource war between the French and ‘the Anglo-Saxons’ (Emangongo and Ipan, 2007). Previously, French commentators had sometimes construed the war in Rwanda as a proxy language war. Similar resentments may ensue if a West African common currency not tied in a fixed parity to the euro were to replace the western CFA franc.

If the as yet unnamed ECOWAS wide currency is to be loosely pegged to a basket of currencies or the US dollar, that spells the end of the CFA franc, in the West at least. That is probably why the ECOWAS currency that is supposed to replace the WAMZ eco and, presumably, the CFA of WAEMU, has not been named. Official documents emanating from ECOWAS refer only to an eventual ‘merger’ of the two currencies after a period of ‘discipline’ in WAMZ has effected a ‘convergence’ between the two zones, similar to the prerequisites imposed by the Treaty on European Union prior to EMU. R.D. Asante, an ECOWAS official, is unusual in that he has openly suggested that its currency should be new, not an expanded CFA franc or eco. During the interim stage, he explains, there would be two parallel central banks, the long established BCEAO (the WAEMU bank) and its new counterpart in WAMZ. The CFA franc and eco would co-exist for a time (perhaps each accepted as legal tender in the other zone), to disappear the same day. This scenario certainly would ensure political equality between the two zones, thereby partially neutralising opposition from nationalists on both sides. However, one may question the wisdom of establishing a short-lived, parallel central bank in WAMZ. To incur the cost of two currency changeovers in the Anglophone bloc within as little perhaps as a year or two hardly seems attractive, Asante points out. Instead close cooperation between the BCEAO and the various national central banks of WAMZ would be easier and cheaper. Politically, of course, the co-existence, however short-lived, of two sub-regional central banks would put off the sensitive matter of a future choice of currency and its anchor or anchors. Fellow Nigerian Chibuike U Uche, of the University of Nigeria, states that early on the dollar was chosen as the anchor currency for WAMZ, albeit allowing it to float within a narrow band. (Uche, 2002). This would suit Nigeria, the strongest economy in ECOWAS, as she obtains most of her foreign reserves in the form of US dollars, but not WAEMU members, with their very different trade patterns. Nigeria had already announced its willingness (or determination) to determine the eco’s exchange rate, rather than allow the market to decide. Former Nigerian minister and industrialist Bamanga Tukur, previously in favour of the CFA zone

and Nigeria both abandoning their currencies to join the eco, seems to have lost faith in the ECOWAS monetary scheme, suggesting instead that the naira must become West Africa's common currency by 2009 (Henrikennyo, 2005 and Tukur, 2007). Such comments arouse concerns that Nigeria intends to dominate WAMZ. Whatever Nigeria's influence in this regard, some of its MPs and bankers now support delaying the eco scheme, referring as a cautionary example to European nations whose economies have allegedly been 'devastated' by joining a monetary union they cannot quit. (U Uche, 2002; Masson and Pattillo, 2003: pp. 387-412; Bénassy-Quéré, 2005; Ojo, 2004; Asante and Masson, 2001; Hadjimichael and Caly, 1998; Alibert, 2001; Chippla 2005).

Although officials and ministers in the planned WAMZ and in WAEMU consult each other regularly since 2000, the crucial matter of what anchor currency or currencies the eco might use has not been finally settled, despite some comments to the contrary. Otherwise one is obliged to interpret the French assumption of a widened CFA zone as self-delusion. Should the exclusive French arrangement cease, and a new, more flexible arrangement be negotiated? While no French analysts will admit to a possible end to the CFA zones, their African colleagues increasingly favour a flexible CFA exchange rate against the euro, as long as confidence in the enlarged monetary area is not compromised... This would remove the problems the CFA zones suffer because of their fixed peg to the strong euro, a handicap the euro itself does not suffer from, owing to its floating exchange rate. (Cobham and Robson, 1997; Siddiqi, 2003). N'Guessan suggests that the ECOWAS single currency should be based on a basket of currencies such as the dollar, the euro, and the yen (Godoy, 2001; Diallo, 2002: pp. 76-85; N'Guessan, 1996; Guillaumont and Guillaumont-Jeanneney, 2002). But this would end French Treasury support. Nor has there been much discussion of the fact that unless an ECOWAS monetary union adopted a fixed euro link (whatever its name might be), this would split the two CFA zones, CEMAC and WAEMU. Would the CEMAC (or the Comoros franc zone for that matter) survive the disappearance of WAEMU? Would Paris accept such a possibility? Could she prevent it?

5. The afro and the euro

The 1980 Pan African Lagos Summit had advocated regional customs unions, common markets and monetary unions as a prelude to a continental currency. The African Economic Community, forerunner of the African Union, announced an African Central Bank, a single African currency and a Pan African Parliament, as reiterated by the AU in article 44 of its founding Treaty in July 2000. In 2003 a meeting of the Association of African Central Bank governors set the date for an

African monetary union at 2021 or perhaps 2028. The aim is to negotiate better trade terms with other blocs or countries. (Muchie, 2002 and 2007). So far, though, CFA zone governments have been absent from the AEC's first Assembly of Heads of State and Government (Harare, June 1997). The only Francophone country at the second meeting in November 2000 was Guinea-Conakry, an ECOWAS but not WAEMU member.

There is some scepticism about the feasibility of an African currency union even by 2028. Togolese politician and UN economist Yves Ekoué Amaïso warns that without an independent pan-African central bank political pressures will encourage reckless lending, so that the afro (or afrik or mandela) will not be a credible, convertible currency. However he rejects the argument that there is therefore no credible option other than forging a continental fixed link with the euro, which would make exports uncompetitive and foster vertical trade with the EU. (Ngwawi, 2006; Buigut, 2006: pp. 295-315; Masson and Pattillo, 2004: pp. 152-3; Amaïso, 2005; Aryeetey, 2004; Martin, 2002: pp.123-169; Essy, 2001; RFI 2007).

Amaïso's scepticism about the international credibility of an afro is shared by Etienne Yehoue of the IMF. However Yehoue suggests that the afro might be a stable and strong currency if it had the euro as its sole reference currency or anchor, as Africa trades more with the EU than with the USA or Japan: "The euro seems to be a good candidate for an anchor for the union." (Yehoue, 2005). Of course this is not the same as suggesting that the afro should be a variant of the euro, its parities and policies decided on the other side of the world.

A United Africa is almost by definition a declaration of emancipation from post-colonial tutelage, and therefore few of its supporters would regard any sort of euro link favourably. Pan-African artists Mansour Ciss Kanakassy and Daniel Goldfarb (Senegal, Canada) have designed and exhibited prototype pan-African banknotes, first in Berlin and subsequently at the Dakar biennial art shows. At the 2002 Dakar Show Senegal's President Abdoulaye Wade and his Minister of Culture publicly accepted the symbolic afro banknotes, which are now displayed at WAEMU's Central Bank. That the afro project might be incompatible with the continued existence of the CFA zones was suggested in a hand drawn sketch of the map of Africa displayed on the artists' Internet site (since replaced by another, entirely anodyne sketch), that stated 'Adieu CFA, Welcome Afro'. (Cadasse, 2007). Perhaps the artists were persuaded to remove their sketch because President Wade, a high official of WAEMU at the time as well as President, was reassuring WAEMU's Central Bank that its currency would be the 'core' around which a West African, later a pan-African monetary union would coalesce. (Wade, 2002). Furthermore, President Wade had previously conveyed in the French Lower House Senegal's attachment to France, thanking her for her continued fidelity towards his

country and its CFA franc, despite which he was, he added, “panafricaniste depuis toujours” (Assemblée Nationale, 2000).

Quite apart from such political contortions, all agree that a common currency does not of itself bring cost reductions across borders. What is needed first is a well-managed single continental market, not a monetary union say some Pan-Africanists. Sanou Mbaye has recently suggested that the AU should establish an African Payments Union instead based on a virtual currency for international transactions, which would fluctuate within an agreed band, and which would intervene to support participating currencies when necessary (Mbaye, 2006). In an interview on French radio in mid 2007 an AU official admitted that without democratic consultation of the people an elite-imposed continental currency would never work. (RFI, 22 July 2007.) Economic obstacles notwithstanding, the afro has been agreed upon on political grounds. The question of whether it would serve African interests best to attach it to the euro, given the larger context of trade relations with the European Union, or to the dollar or several strong currencies (Kona, 2001: pp. 2-12) is therefore perhaps premature.

6. Conclusion

What is the future of the two CFA zones? They are not likely to expand any further, notwithstanding the declarations of francophone officials, because neither the French Treasury, nor the ECB and the (euro-zone) Council, which must be consulted, would favour it. Rumours in 2007 that Paris might impose a second devaluation would not suit the CEMAC currency union, which consists mainly of petrol producers, but the rumours induced probably empty threats to leave the zone on the part of the pro-French long-term leader of Gabon, Omar Bongo. The suggestion that both CFA Central Banks should decouple their pseudo-currencies from the euro, enabling these to float, was recently discussed on French international radio (Konate, 2001; Patat, 2007; RFI, 2007)). But the two experts did not agree on the expected effects of an end to the support of the French Treasury that this would entail. In any case trade with Europe is not necessarily the best or permanent option. As Koulibaly points out, trade is increasingly global. The remedy to internal wars, corruption, poor budget control, divergent trade policies and low investment is not, say critics, to rely on outsiders to impose financial probity but rather to implement NEPAD, the collective agreement decided in 2001 which aims to improve governance (Masson and Milkiewicz, 2003).

Plans for an all African currency union have been as absent from European Union documents as its ECOWAS forerunner has been ignored by most French officials. José Manuel Barroso, President of the European Commission, formally

endorsed the support of the European Union for its counterpart, the African Union, at its ninth Summit in Accra (Barroso, 2007) but neither he nor any of the official documents pertaining to the Joint EU-Africa Strategy, of which regular EU-AU meetings forms a part, ever mentions what is regarded in Africa as a key element of continental integration. While the ECB does not underwrite the two CFAs and the two other euro-linked African currency arrangements, nonetheless EU officials have publicly approved them. Yet the survival of the term 'franc' years after the demise of its anchor currency points to the special relationship French state and private businesses still enjoy in West and Central Africa, and this would seem incompatible with the aims of African Union.

Currencies may float freely against the euro, may be pegged to it within a band or have a fixed rate; none of these necessarily implies monetary control by foreign officials. Yet the silence or the apparent obfuscation of CFA zone governments, of French officials and of European Union leaders indicates that the presence of the euro in Africa is not immediately threatened despite economic hardship and political criticism. Whatever the eventual outcome of regional or wider monetary integration, the priorities for Africa are peace and improved living conditions. Perhaps a Eurafrikan partnership of equals needs to bring to an end a monetary arrangement that provides easy and often exclusively French access to Africa's resources to the detriment of its economies, perpetuating a clientelism at odds with the values the EU espouses.

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