
Monetary dependency and the West-African Franc CFA zone On the distributive outcomes of capitalist money and of a long lasting colonial currency arrangement

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Résumé

This paper zooms in on the most neglected case of monetary dependency: the Franc CFA. This currency arrangement was born in 1945 during the colonial era but it still operates in the same old ways more than 70 years later in 14 countries in Africa, mostly former French colonies. Engaging with the emergent literature on ‘financial subordination’ as well as seminal African scholarship on the role of money for the extraction of value, we explain monetary dependency as a structural capitalist relation that distributes power and wealth. We argue that the Franc CFA provides an extreme but paradigmatic example of the rationale, workings and distributive outcomes of capitalist money in the poorest countries of the Global South. It is paradigmatic because 1) The Franc CFA is a relation of domination and extraction of value, 2) As in most of the Global South much of the national monetary policy is largely determined from outside 3) Hard-earned reserves need to be stored and lay idle to be able to defend the currency 4) The lack of capital controls makes capital flight extremely easy 5) internal credit repression stems from a foreign dominated banking sector and the lack of perceived profitability of investing in your own country.

Mots-Clés: Money, currency, Franc CFA, West Africa, dependency, financial subordination

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