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**Currency, a reflection of the geopolitical reshaping in West Africa?**

## Currency, a reflection of the geopolitical reshaping in West Africa?

### Summary:

Currency is one of the main areas where the struggle for global hegemony between great powers is evident. West Africa currently finds itself in a situation that exemplifies this geopolitical contest in monetary terms. Eight of the fifteen countries in that region have a currency — the CFA franc — that is to a certain degree controlled by France, which has led to a fair amount of criticism. France has reacted in recent years by trying to develop an anti-colonialist narrative and by proposing a new currency — the “eco” —, giving back control to African countries. However, the project does not seem to become a reality, while Mali, Burkina Faso and Niger have made a radical shift in terms of foreign policy, moving away from Western powers and the Economic Community of West African States (ECOWAS). Instead, they are undergoing a rapprochement toward rising global powers such as China and Russia, who could seize the opportunity and dominate the monetary sphere to pursue their economic interests.

### Keywords:

Currency, West Africa, CFA franc, eco, Alliance of Sahel States (AES), Economic Community of West African States (ECOWAS), geopolitics.

**\*NOTE:** The ideas contained in the Opinion Papers are the responsibility of the authors and do not necessarily reflect the views of the IEEE or the Ministry of Defence.

## *La moneda, ¿reflejo de la reconfiguración geopolítica en África Occidental?*

### Resumen:

La moneda supone uno de los principales ámbitos en los que la lucha por la hegemonía global entre las principales potencias se pone de manifiesto. África Occidental se encuentra actualmente en una situación que ejemplifica esta pugna geopolítica en términos monetarios. Ocho de los quince países de dicha región cuentan con una moneda —el franco CFA— que está bajo cierto control de Francia, lo que ha producido numerosas críticas. Francia ha reaccionado, tratando de desarrollar en los últimos años una narrativa anticolonialista y a su vez proponiendo una nueva moneda —el “eco” —, devolviendo el control a los países africanos. Sin embargo, el proyecto parece no concretarse, al tiempo que Mali, Burkina Faso y Níger han dado un giro de 180 grados en lo que respecta a política exterior, alejándose de Occidente y de la Comunidad Económica de Estados de África Occidental (CEDEAO). En su lugar, están acercándose a potencias globales pujantes como China y Rusia, quienes podrían aprovechar la oportunidad y dominar la vertiente monetaria para perseguir sus intereses económicos.

### Palabras clave:

*Moneda, África Occidental, franco CFA, eco, Alianza de Estados del Sahel (AES), Comunidad Económica de Estados de África Occidental (CEDEAO), geopolítica.*

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## Introduction

For centuries, political power has possessed and executed a series of exclusive powers that endow it with the authority to lead a given political community. The ruler — be it an absolute king of the 17th century or a democratic government today — holds the *iura regalia*, i.e., the prerogatives of the sovereign. These can vary, yet there are several that have been present in practically every political regime in recent centuries. Some examples are waging war, dispensing justice, establishing diplomatic relations with other political communities, or minting money. Specifically, the latter is sometimes seen as a mere symbol without much relevance beyond economics and international trade. When attempting to analyze international relations, the focus is frequently directed to factors such as geography, military alliances, international organizations and treaties, interests in natural resources, religion, or ideology. Meanwhile, the issue of currency is often limited to debates among economists and is not usually included in geopolitical analyses. Nevertheless, currency matters considerably, and it does in international politics as well.

The U.S. dollar provides a prime example. The American currency is the world's reference currency — both for trade and reserves — thanks to the confidence in the Federal Reserve's governance, the military might, the relative political stability, and the strong financial markets of the U.S.<sup>1</sup> However, with the rise of new powers and an emerging multipolar order, the drive to topple the dollar from its position as the currency of reference is growing. This supremacy is not to the liking of countries such as the BRICS<sup>2</sup> — group whose GDP already exceeds that of the G7<sup>3</sup> — since it allows the United States to monetize its debt — in other words, financing it by increasing the money in circulation — without serious consequences in terms of inflation and depreciation —, as well as being too strong for emerging countries — making their imports more expensive and increasing the value of their dollar-denominated debt<sup>4</sup>. Moreover, as new powers flourish, world

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<sup>1</sup> DAS, Rahul. «Why does the US dollar maintain its value during global turmoil?». GoodReturns, 10 October 2023. Available at: <https://www.goodreturns.in/news/precious-metals-as-safe-havens-gen-1305197.html> Note: All links of the present document have been consulted at the date of its completion (30/01/2024)

<sup>2</sup> LEAHY, Joe; LOCKETT, Hudson. «Brazil's Lula calls for end to dollar trade dominance». Financial Times, 13 April 2023. Available at: <https://www.ft.com/content/669260a5-82a5-4e7a-9bbf-4f41c54a6143>

<sup>3</sup> JIMÉNEZ ORGAZ, Cristina. «Qué tan poderosos son los BRICS y qué países se incorporan al bloque el 1 de enero». BBC News Mundo, 1 January 2024. Available at: <https://www.bbc.com/mundo/articles/c4nyzy0dgd7o>

<sup>4</sup> BBC News Mundo. «3 claves para entender la histórica fortaleza del dólar y qué consecuencias puede tener para tu país». 5 October 2022. Available at: <https://www.bbc.com/mundo/noticias-63122914>

trade and demand for oil has diversified, putting the petrodollar — the use of the U.S. dollar as the currency for trading oil — at risk<sup>5</sup>.

This struggle between the preservation of the *status quo* — that is, the hegemony of the dollar — and the de-dollarization of the global economy represents one of the main fronts of today's geopolitics and is precisely taking place at the monetary level. Nonetheless, this is not the only strife in which the monetary dimension is at stake.

From the late 19th century, Africa has been dominated by Western powers through colonial institutions. After the independence of African nations, the West kept a certain pre-eminence. In recent times, though, the multipolar order is becoming increasingly evident on this continent as well<sup>6</sup> and, of course, currency is one of the elements of power on the line. More specifically, there is a sub-region of Africa where geopolitical reconfiguration is more present than ever and where currency is becoming a clear reflection of it: West Africa. Much of it has to do with the currency of 8 of the 15 countries in this area: the CFA franc.

### What is the CFA franc?

The CFA franc — whose initials stand since 1960 for “Financial Community of Africa” and originally “French Colonies of Africa” — is the name of two currencies used by a total of 14 countries, issued by two central banks classified by areas: the Central Bank of West African States (BCEAO in French), comprised of 8 countries — Benin, Burkina Faso, Ivory Coast, Guinea-Bissau, Mali, Niger, Senegal and Togo —, and the Bank of Central African States (BEAC in French), composed of 6 states

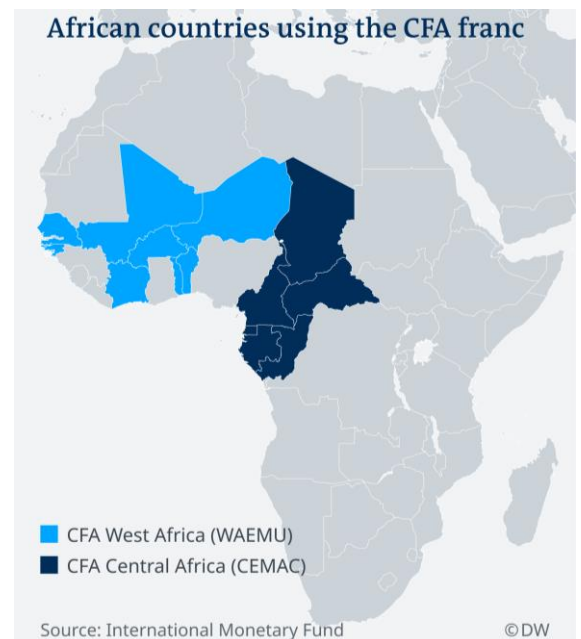


Figure 1: African countries using the CFA franc. Source: Deutsche Welle. Available at: <https://www.dw.com/en/common-currency-divides-west-african-nations/a-49422357>

<sup>5</sup> TAN, Huileng. «3 razones por las que países de todo el mundo quieren romper con el dólar». Business Insider, 26 July 2023. Available at: <https://www.businessinsider.es/3-razones-paises-todo-mundo-quieren-romper-dolar-1279908>

<sup>6</sup> More information at: BRADY, Laura. «Las potencias trasladan a África su rivalidad». La Lectura (El Mundo), 2 October 2023. Available at: <https://www.elmundo.es/la-lectura/2023/09/29/651691afe85ece42388b45b7.html>

— Cameroon, Chad, Gabon, Equatorial Guinea, the Central African Republic, and the Republic of Congo.

This currency began to be used almost 80 years ago. France established it in its colonies and mandates at the end of World War II, in 1945. It was kept after the independence of the colonies and later on, territories of other former metropolises such as Equatorial Guinea — in 1984 — and Guinea-Bissau — in 1997 — incorporated its use. It is the representation, in the form of currency, of the enormous power that France held in the region, preserved after the emancipation of its former colonies.

The way this currency works is the following: first, its exchange rate is fixed with the currency used by France — formerly the metropolitan franc and, since 2002, the euro — , thus its appreciation or depreciation vis-à-vis other currencies depends on what occurs to the euro. Secondly, states using the CFA franc are obliged to have 50% of their reserves deposited in the French Treasury<sup>7</sup>. Paris is responsible for printing tender as well, and exchange transactions from this currency to other currencies must also pass through the French capital. It is worth noting that both currencies have the same value, meaning one West African CFA franc is worth exactly the same as one Central African CFA franc<sup>8</sup>. The aforementioned features render this currency surrounded by controversy in the public debate, with numerous advocates and critics.

On the one hand, supporters of this currency argue that it is a source of stability for user states, given that its peg to the euro makes inflation moderate, unlike other African countries with their own currency, such as Ghana, Nigeria or Sudan. Furthermore, the fact that several countries are integrated under a monetary union, with the ensuing freedom of capital movement between member countries, implies a considerable attraction for foreign investment. In addition, in the event of a lack of reserves, support would be expected from the French Treasury in the form of loans.

On the other hand, there are many objections to the CFA franc. Firstly, it is argued that the fixed exchange rate with the euro deprives user states from their sovereignty, since they have no discretion in monetary policy. All leeway remains with the European Central

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<sup>7</sup> PERALTA, Luis Alberto. «El franco CFA, la divisa de la discordia entre África y Europa». Cinco Días (El País), 14 August 2023. Available at: <https://cincodias.elpais.com/economia/2023-08-14/el-franco-cfa-la-divisa-de-la-discordia-entre-africa-y-europa.html>

<sup>8</sup> LAGUNA, Paula. «¿Qué es el franco CFA?». El Orden Mundial, 11 February 2020. Available at: <https://elordenmundial.com/que-es-franco-cfa/>

Bank and, as a result, these countries cannot shape monetary policies of a restrictive or expansionary nature in light of the economic context of any given time. Secondly, the obligation to place 50% of the reserves in the French Treasury, as well as the printing of cash in Paris and the need to go through the French Treasury to convert currency, give Paris a *de facto* veto right in decision-making. This may entail that, if a proposal from one member or the CFA as a whole is not supported by the French government, it will simply not be considered, given France's bargaining power and leverage in this situation<sup>9</sup>. Finally, some argue that due to the economic level of the countries using the CFA franc — lower-middle-income and low-income economies<sup>10</sup> —, the currency is excessively appreciated for the development model they should adopt, as imports are cheaper and exports less competitive. Therefore, it is less profitable to produce and export goods in the CFA, condemning these nations to be “perpetual importers of agricultural and manufactured goods”<sup>11</sup>.

These negative aspects have led the CFA franc to be branded by many actors — both within the African countries that employ it and in France and other former colonial metropolises — as a form of neo-colonialism with which France seeks to maintain control and despoil the maximum possible benefit from these countries, despite their condition as sovereign and independent states. This dissatisfaction poses an opportunity for foreign powers seeking to gain influence in the region in monetary terms.

### France's response: the “eco”

In light of foreign intentions and the possibility of losing prominence in Africa, France — under the presidency of Emmanuel Macron — has decided to react in order to maintain its position in the continent.

As early as his first year in power, there were already glimpses of Macron's desire to develop a new narrative to address the growing accusations of neocolonialism. In 2017,

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<sup>9</sup> GOZZER, Stefania. «Qué es el franco CFA, la moneda africana por la que acusan a Francia de seguir "colonizando" África». BBC News Mundo, 2 February 2019. Available at: <https://www.bbc.com/mundo/noticias-internacional-46960005>

<sup>10</sup> HAMADEH, Nada; VAN ROMPAEY, Catherine; METREAU, Eric. «Clasificación de los países elaborada por el Grupo Banco Mundial según los niveles de ingreso para el año fiscal 24 (1 de julio de 2023- 30 de junio de 2024)». Blog de Datos del Banco Mundial, 30 June 2023. Available at: <https://blogs.worldbank.org/es/opendata/clasificacion-de-los-paises-elaborada-por-el-grupo-banco-mundial-segun-los-niveles-de-ingreso>

<sup>11</sup> ZAFAR, Ali. «Franc CFA. Les faux-semblants de la réforme Macron-Ouattara». Afrique XXI, 7 October 2021. Available at: <https://afriquexxi.info/Franc-CFA-Les-faux-semblants-de-la-reforme-Macron-Ouattara>

he made the following statement: “France must not be some post-colonial country [...], the countries of Africa will be our major partners, and we must continue to learn from them, just as they can learn from us”<sup>12</sup>. These words hint at a narrative of reciprocity, contrary to the criticisms of paternalism that often originate in the CFA franc. This is why, in the midst of this power struggle, France decided to respond by specifically addressing the currency issue.

In December 2019, Emmanuel Macron and Ivorian president Alassane Ouattara announced the end of the CFA franc in WAEMU — the West African Economic and Monetary Union, i.e., the western area of the CFA —, with it being replaced by a new currency called “eco”<sup>13</sup>. This reform establishes the end of the obligation to place 50% of the currency reserves in the French Treasury and the exit of France from the governing bodies of the financial institutions of the West African CFA zone, as well as the new name<sup>14</sup>. That way, it intends to put an end to those complaints claiming France is a neo-colonialist power by returning control to some extent to the African nations.

Nevertheless, the “eco” is not immune to controversy: on the one hand, France is accused of attempting to seize the currency project — which dates back to 1983<sup>19</sup> — of the Economic Community of West African States (ECOWAS)<sup>15</sup>, which is expected to be used by its 15 members — there were disagreements within the organization following the announcement by Macron and Ouattara, as the English-speaking countries and Guinea do not want the “eco” to be a simple replacement for the CFA franc<sup>16</sup> —; on the other hand, in spite of the new name and the aforementioned changes, the currency will continue to be pegged to the euro under a fixed exchange rate regime — just like its predecessor<sup>17</sup>. Moreover, this reform would only affect the West African CFA franc, thus

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<sup>12</sup> MACRON, Emmanuel. «Speech by President Emmanuel Macron - Ambassadors' Week 2017». France Diplomacy, August 2017. Available at: <https://www.diplomatie.gouv.fr/en/the-ministry-and-its-network/news/ambassadors-week/prior-editions/ambassadors-week-edition-2017/speech-by-president-emmanuel-macron-ambassadors-week-2017/>

<sup>13</sup> France 24, «Emmanuel Macron anuncia el fin del franco CFA y condena nuevamente el colonialismo». 22 December 2019. Available at: <https://www.france24.com/es/20191222-emmanuel-macron-anuncia-el-fin-del-franco-cfa-y-condena-nuevamente-el-colonialismo>

<sup>14</sup> Assemblée Nationale, «Projet de loi n° 2986». 22 May 2020. Available at: [https://www.assemblee-nationale.fr/dyn/15/textes/15b2986\\_projet-loi#](https://www.assemblee-nationale.fr/dyn/15/textes/15b2986_projet-loi#)

<sup>15</sup> More information at: GÓMEZ, David. «Qué es la Comunidad Económica de Estados de África Occidental (Cedeao)?». El Orden Mundial, 4 August 2023. Available at: <https://elordenmundial.com/que-es-comunidad-economica-estados-africa-occidental-cedeao-ecowas/>

<sup>16</sup> SMITH, Elliot. «West Africa's new 'eco' currency sparks division over timetable and euro peg». CNBC, 17 January 2020. Available at: <https://www.cnbc.com/2020/01/17/west-african-eco-currency-sparks-division-over-timetable-and-euro-peg.html>

<sup>17</sup> ABOA, Ange. «West Africa renames CFA franc but keeps it pegged to euro». Reuters, 21 December 2019. Available at: <https://www.reuters.com/article/us-ivorycoast-france-macron-idUSKBN1YP0JR/>

leaving the six countries of the Central African Economic and Monetary Community (CEMAC in French) under the current system.

Furthermore, the reform was scheduled to take place in 2020. Instead, it had to be postponed to 2027 — with the former ECOWAS project having been already postponed in 2003, 2005, 2009 and 2015<sup>18</sup> — in order to meet the convergence criteria — deficit below 3%, inflation below 10%, and public debt below 70% of GDP<sup>19</sup>. There are likewise concerns regarding compliance with these conditions in 2027, as all 3 requirements must be met for 3 consecutive years, while Ghana and Nigeria — accounting for more than 80% of ECOWAS' GDP — have problems of high deficits, public debt and inflation<sup>20</sup>. On top of these setbacks, there is the problem of the suspension of the four ECOWAS members with military regimes emerged following coups d'état<sup>21</sup>: Guinea, Burkina Faso, Mali and Niger.



Figure 2: 15 members of ECOWAS, 4 of whom sanctioned or suspended. Source: TV5 Monde. Available at: <https://information.tv5monde.com/afrique/cedeao-quel-est-le-role-de-cette-institution-ouest-africaine-2663853>

<sup>18</sup> VILLARROYA MARTÍNEZ, Miguel; RENGIFO RODRIGÁÑEZ, Carolina; Oficina Económica y Comercial de la Embajada de España en Dakar. «Procesos de integración económica en la CEDEAO». Page 16. ICEX, 28 October 2022. Available at: [https://www.icex.es/content/dam/es/icex/oficinas/038/documentos/2023/01/otros-documentos/OD\\_Integraci%C3%B3n%20econ%C3%B3mica%20en%20la%20CEDEAO%202022\\_REV.pdf](https://www.icex.es/content/dam/es/icex/oficinas/038/documentos/2023/01/otros-documentos/OD_Integraci%C3%B3n%20econ%C3%B3mica%20en%20la%20CEDEAO%202022_REV.pdf)

<sup>19</sup> Deutsche Welle. «África Occidental pospone su moneda común a 2027». 20 June 2021. Available at: <https://www.dw.com/es/%C3%A1frica-occidental-pospone-el-lanzamiento-de-su-moneda-com%C3%BA-a-2027/a-57972532>

<sup>20</sup> DIOP, Moussa. «CEDEAO: pourquoi la monnaie unique Eco ne peut être lancée en 2027 comme prévu» Le360 Afrique, 13 March 2023. Available at: [https://afrique.le360.ma/afrique-de-louest/cedeao-pourquoi-la-monnaie-unique-eco-ne-peut-etre-lancee-en-2027-comme-prevu\\_SSPABUFZWVGGJHIQ425YUWO7XY/](https://afrique.le360.ma/afrique-de-louest/cedeao-pourquoi-la-monnaie-unique-eco-ne-peut-etre-lancee-en-2027-comme-prevu_SSPABUFZWVGGJHIQ425YUWO7XY/)

<sup>21</sup> More information at: PINTO CEBRIÁN, Fernando. «El resentimiento de las ex colonias francesas en África. Sobre causas y efectos». Desperta Ferro Ediciones, 13 September 2023. Available at: <https://www.despertaferro-ediciones.com/2023/el-resentimiento-de-las-ex-colonias-francesas-en-africa-sobre-causas-y-efectos/>



All these issues indicate that the “eco” — whether as a joint ECOWAS project or merely as a replacement for the West African CFA franc — still seems distant, in view of the division within the regional organizations, especially aggravated by the geopolitical shift in Mali, Burkina Faso and Niger.

In any case, regardless of its success or lack thereof, Macron’s reform proposal highlights the importance of the currency in relation with the African continent and the underlying unrest regarding the CFA franc. At the same time, the fact that France is forced to bring up a change in the monetary sphere evinces Paris’ concern not to lose control of the region to other foreign powers.

### **Then... where to?**

These radical shifts in political regimes in the region, irrespective of their cause, reflect a trend of change in the *status quo*, leaving behind traditional Francophile African leaders and introducing regimes that are increasingly skeptical of France and willing to align themselves with other foreign powers. A clear demonstration of this — which represents a threat to France’s monetary plans — is the Alliance of Sahel States (AES in French), created in September 2023 and consisting of Mali, Burkina Faso, and Niger — countries that have forced French troops to leave their territories following their geopolitical realignment<sup>22</sup>. This alliance was originally conceived as a collective defense sphere<sup>23</sup>. That said, it is subject to a process of evolution, as illustrated by the discussion of different areas of potential expansion for the organization, among which there is a possible monetary union<sup>24</sup>. Should it materialize, it would mean a serious blow to both the “eco” project and the still-ruling CFA franc, as it would clearly reflect a radical estrangement from France and the more Western-friendly stance that characterizes ECOWAS.

However, the current reality is that nothing prevents these three countries from leaving the CFA franc. The WAEMU statute stipulates that, for a member to leave the

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<sup>22</sup> TV5 Monde. «L'armée française quitte le Niger, après le Mali et le Burkina Faso». 22 December 2023. Available at: <https://information.tv5monde.com/afrique/larmee-francaise-quitte-le-niger-apres-le-mali-et-le-burkina-faso-2683880>

<sup>23</sup> Ministère des Affaires Etrangères, de la Coopération Regionale et des Burkinabè de l'Extérieur. «Charte du LIPTAKO-GOURMA instituant l'Alliance des États du Sahel entre le Burkina Faso, la République du Mali et la République du Niger». 18 September 2023. Available at: <https://mjp.univ-perp.fr/constit/sahel2023.htm>

<sup>24</sup> Reuters. «Niger, Mali and Burkina Faso to move toward monetary alliance, Niger leader says». 11 December 2023. Available at: <https://www.reuters.com/world/africa/niger-mali-burkina-faso-move-toward-monetary-alliance-niger-leader-says-2023-12-11/>

organization, it is simply required to notify the Authority of Heads of State and Government, and 24 days after such notification, the exit will become effective<sup>25</sup>. Nonetheless, neither of them has announced their exit. Moreover, not only has the procedure for leaving the organization not been activated, but there have been visits by senior officials of the BCEAO — the central bank of the western zone of the CFA — to Ouagadougou and Bamako, which is seen by some as a rapprochement of the monetary authorities with these countries<sup>25</sup>. At the same time, a withdrawal from the CFA franc would not be the best strategy in the short term, given the general instability of the region in economic terms — high interest rates and high inflation— and the security problems that AES members suffer themselves<sup>26</sup> — which would exacerbate the economic hardship<sup>25</sup>—. The peg with the euro gives a stability to these countries that would not be possible to achieve in the short term with a new currency, as manifested by the fact that the CFA franc has become a safe haven asset within Nigeria and Ghana in order to offset the depreciation of their respective currencies<sup>27</sup>. In addition, all AES members are landlocked, which makes them heavily reliant on imports from WAEMU countries such as Ivory Coast, Senegal and Benin. For this reason, leaving the economic and monetary union would lead to a significant increase in the cost of imports<sup>25</sup>.

Nevertheless, there is also reason to believe that these countries will abandon the CFA franc. Within ECOWAS, the consensus is clearly against the new AES governments<sup>28</sup>. This disagreement has led Mali, Burkina Faso and Niger to leave the organization<sup>29</sup>, bringing a definitive end to these ties. In WAEMU, although there is more debate, the “eco” project seems equally stalled. In addition, WAEMU is generally subordinate to ECOWAS in political matters<sup>27</sup> — the former being a more technical organization with the function of managing purely economic and monetary matters. It is also worth mentioning

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<sup>25</sup> BROUCK, Thaïs. «Mali, Burkina, Niger : une monnaie commune est-elle crédible ?». Jeune Afrique, 12 January 2024. Available at: <https://www.jeuneafrique.com/1524779/economie-entreprises/mali-burkina-niger-une-monnaie-commune-est-elle-credible/>

<sup>26</sup> Institute for Economics and Peace (IPC). «Global Terrorism Index 2023». Page 20. March 2023. Available at: <https://www.visionofhumanity.org/wp-content/uploads/2023/03/GTI-2023-web-170423.pdf>

<sup>27</sup> RIZK, Yara. «Pourquoi le franc CFA est devenu une valeur refuge au Nigeria». Jeune Afrique, 25 April 2023. Available at: <https://www.jeuneafrique.com/1437844/economie-entreprises/pourquoi-le-franc-cfa-est-devenu-une-valeur-refuge-au-nigeria/>

<sup>28</sup> MAUSSION, Estelle. «Coups d’État, sanctions, désunions... L’Uemoa prête à craquer ?». Jeune Afrique, 13 November 2023. Available at: <https://www.jeuneafrique.com/1494379/economie-entreprises/coups-detat-sanctions-desunions-luemoa-prete-a-craquer/>

<sup>29</sup> Europa Press. «Burkina Faso, Malí y Níger abandonan con efecto inmediato la CEDEAO». 28 January 2024. Available at: <https://www.europapress.es/internacional/noticia-burkina-faso-mali-niger-abandonan-cedeao-20240128144353.html>

that Mali, Burkina Faso and Niger are countries that export raw materials — the first two, gold, and the latter, uranium<sup>30</sup> — and therefore receive foreign currencies. This would make them less vulnerable should they embark on a common currency project.

Another realistic possibility is that they may seek support from other foreign powers. One of the main options could be China. The Asian behemoth has great aspirations on the economic front, among which is also the promotion of its currency<sup>31</sup> — in order to displace the dollar as the world's reference currency. In particular, China could leverage and push for a new currency pegged to the yuan in these nations — much like the CFA franc with the euro — and in turn conduct trade payments between China and these nations in yuan to strengthen its own currency. It could also develop its Belt and Road Initiative<sup>32</sup> in greater depth in these countries and use it as an element of persuasion and soft power<sup>33</sup> to have a better image and not fall into the same problem as France — that is, being accused of acting as a neo-colonialist power. Another major power that could develop a similar strategy is Russia, who could sell gas and oil to these countries having the payments for these exchanges made in rubles. Moscow could provide security to these states<sup>34</sup> to protect them from the heightened terrorism in the region in exchange for trading in rubles, thereby mitigating the impact of the sanctions imposed in the wake of the war in Ukraine<sup>35</sup> and further strengthening its currency.

## Conclusion

There are, consequently, arguments for and against the permanence of the CFA franc in this new West African geopolitical bloc. All signs suggest that, in the short term, the

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<sup>30</sup> Reuters. «Niger, Mali and Burkina Faso not halting exports of uranium and gold». 2 August 2023. Available at: <https://www.reuters.com/article/idUSL8N39J4N2/>

<sup>31</sup> More information at: SONI, Aruni. «Bank of China eyes de-dollarization move in Africa, pushing the yuan in a top copper producer». Business Insider, 5 December 2023. Available at: <https://markets.businessinsider.com/news/currencies/dedollarization-china-yuan-us-dollar-africa-currency-global-finance-copper-2023-12>

<sup>32</sup> More information at: DIALLO, Mariama. «China's BRI Brings Roads, Rails and Debt to Africa». Voice of America, 11 October 2023. Available at: <https://www.voanews.com/a/china-s-bri-brings-roads-rails-and-debt-to-africa/7306133.html>

<sup>33</sup> More information at: PANTUCCI, Raffaello. «The Many Faces of China's Belt and Road Initiative». Current History: A Journal of Contemporary World Affairs, 120 (822). Page 29. January 2021. Available at: [https://raffaellopantucci.files.wordpress.com/2021/01/curh120822\\_05\\_pantucci.pdf](https://raffaellopantucci.files.wordpress.com/2021/01/curh120822_05_pantucci.pdf)

<sup>34</sup> El País. «Putin anuncia acuerdos militares con 40 países africanos durante la cumbre en San Petersburgo». 28 July 2023. Available at: <https://elpais.com/internacional/2023-07-28/putin-anuncia-acuerdos-militares-con-40-paises-africanos-durante-la-cumbre-en-san-petersburgo.html>

<sup>35</sup> TLDR News. «Why is the Ruble (Still) Declining?». 15 August 2023. Available at: <https://www.youtube.com/watch?v=9TqQeVmuhX8>

situation will remain as it stands, given the need to maintain the stability that the CFA franc effectively provides. In the long term, though, a reconciliation appears to be more challenging. Therefore, over the more distant future, in the event of a rapprochement in monetary terms by China or Russia — which would provide a new fixed exchange rate and hence a stability such as that provided by the CFA franc — the most foreseeable scenario would be the abandonment of the CFA franc. This would constitute the elimination of the last remnant of French influence and would symbolize the ultimate breakdown of these countries with Western powers.

Whichever the outcome, West Africa provides a powerful example of how currency is also influenced by balance-of-power issues and how the world's major powers seek to control it in every corner of the globe. It is one of several cases which show that, both globally and regionally, the currency dimension is one of the “battles” in the geopolitical “war” that is being waged.

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