THE AFRICA WE WANT OR THE AFRICA WE WERE GIVEN? INTERROGATING THE AFRICAN ECONOMIC COMMUNITY AND THE CHALLENGES OF MONETARY INTEGRATION IN WEST AFRICA

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Abstract

The study interrogates the possibility of achieving monetary integration in West Africa as part of efforts at realizing the envisaged African Economic Community (AEC). Eight regional economic communities (RECs) were recognized by the African Union (AU) as building blocks for the AEC, whose ultimate goal is the establishment of an economic and monetary union in Africa. These RECs are the institutional mechanisms through which this integration will be achieved, and monetary cooperation in the RECs is one of the steps towards achieving the integration. The Economic Community of West African States (ECOWAS) is one of these RECs. Extant literature accounts blame the failure to achieve monetary integration in the sub-region on the countries' inability to meet the 'convergence criteria' required to establish a monetary union. This study acknowledges this but contends that though this undermines monetary integration in the continent and sub-region, much attention has not been given to the impacts of colonial legacy. The study is anchored on the theory of the post-colonial state and utilizes the documentary method of data collection. The findings indicate that the nature and character of the continent handed over to Africans at independence, especially by France, and its continued meddlesomeness, have made it very difficult for West African countries to forge a common front in monetary integration. This casts doubts on the possibility of

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realizing the monetary integration agenda of the AEC. The study, therefore, concludes that as long as France continues to meddle in the affairs of its former colonies in West Africa, efforts at monetary integration in the sub-region and the wider AEC are likely to continue to be undermined.

Keywords: African Economic Community, monetary integration, RECs, African Union, ECOWAS.

Introduction

The first continent-wide attempt towards cooperation in Africa materialized in May 1963 when the Organization of African Unity (OAU) was established. The OAU was more of a political organization, dedicated to ensuring complete decolonization and unity of African states, based on the philosophy of pan-Africanism. The need for economic integration of the continent led to the adoption of the Lagos Plan of Action during the OAU Extraordinary Summit in 1980. The commitments in this Plan were translated into concrete form in June 1991 when the OAU Heads of State and Government signed the Treaty establishing the African Economic Community (AEC) during the 27th Ordinary Session in Abuja, Nigeria. The treaty is otherwise known as Abuja Treaty. According to Ogunkola (2005), while the provisions of the Lagos Treaty could be described as a mere statement of intentions without any definite steps for implementation, the revised (Abuja) treaty states clearly the steps towards establishing a monetary union in the sub-region.

The Abuja Treaty came into force in May 1994, after the requisite number of instruments of ratification had been deposited. Part of the goals of the AEC is the attainment of a single monetary zone for the whole continent by 2034. It is also aimed at strengthening, harmonizing, and coordinating the existing RECs through which the AEC itself would gradually be established (Nalule, 2019). For a continent that has most of the world's poorest countries and whose economies depend mainly on the production and export of primary products, regional integration is a panacea for attaining sustainable economic growth and development, as well as scaling down the level of poverty the continent is facing (UNECA, 2008). Regional economic integration is, therefore, the ultimate goal of the AEC.

In view of this, the AU has recognized eight regional economic communities (RECs) as building blocks of the envisaged AEC. The idea is that the RECs would serve as an intermediate stage, leading to full continental integration under the AEC. The RECs include the Economic Community of West African States (ECOWAS); the Community of

Sahel-Saharan States (CENSAD); Common Market for Eastern and Southern Africa (COMESA); East African Community (EAC); Economic Community of Central African States (ECCAS); Intergovernmental Authority on Development (IGAD); Southern African Development Community (SADC); and Arab Maghreb Union (AMU). The strategy is that monetary integration among these RECs would lead to an African monetary integration with a single currency. Article 44 of the Abuja Treaty states that:

> …Member States shall, within a time-table to be determined by the Assembly, harmonize their monetary, financial, and payments policies, in order to boost intra-community trade in goods and services, to further the objectives of the community, and enhance monetary and financial cooperation among member States (OAU, 1991, p. 41).

Thus, the framework lays out the six different stages for the implementation of the integration agenda through the harmonization of the monetary, financial, and payment policies of the RECs. These stages are contained in Article 6 of the Abuja Treaty and are as follows:

- Stage 1: creating and strengthening the regional economic communities (to be completed by 1999)
- Stage 2: eliminating tariff and non-tariff barriers (to be completed by 2007)
- Stage 3: creating the free trade area (to be completed by 2017)
- Stage 4: creating a continental customs union (to be completed by 2019)
- Stage 5: creating an African common market (to be completed by 2023)
- Stage 6: creating an African economic and monetary union (to be completed by 2028) (African Union Commission, 2019).

It is pertinent to note that many of these timelines have been missed already, with only a few of the targets met. The last stage in the process entails the creation of three pan-African financial/monetary institutions, as guaranteed in Article 19 of the AU Constitutive Act. This is after monetary integration would have been achieved at the level of the RECs. These financial institutions include:

- The African Central Bank (ACB). Its purpose will be to build a common monetary policy and a single African currency as a way to accelerate economic integration in Africa. The agreed timeframe for establishing the ACB is between 2028 and 2034. It is proposed that

the ACB headquarters will be in Abuja, Nigeria.

- The African Investment Bank (AIB). Its purpose will be to foster economic growth and accelerate economic integration in Africa, The agreed timeframe under Agenda 2063 for establishing the AIB is 2025. The AIB will be located in Libya.
- African Monetary Fund (AMF). Its purpose will be to facilitate the integration of African economies by eliminating trade restrictions and providing greater monetary integration in the continent. The Fund is expected to serve as a pool for central bank reserves. The agreed timeframe for establishing the AMF is 2023. The AMF headquarters will be in Yaoundé, Cameroon (African Union Commission and New Zealand Ministry of Foreign Affairs and Trade, 2021).

According to Nnanna (2006), the ultimate aim of regional integration is to create a common economic space among the participating countries. As the scope of objectives for integration broadens, they also tend to include capital, financial, banking, fiscal and monetary issues, which give rise to monetary integration. Monetary integration is a kind of regional integration where states work towards a macroeconomic convergence of their monetary policies which will ultimately lead to a common currency. The convergence criteria are designed to ensure that participating countries' macroeconomic policies are similar enough to be well served by a common currency and common monetary policies (Amadou, n.d.). Part of the reasons for establishing monetary unions is to enlarge and diversify market sizes, promote intra-regional trade, as well as to strengthen the bargaining powers of participating countries in the global economy (Nnanna, 2006). UNECA (2008) further notes that monetary integration contributes significantly to deepening regional integration, and as the building blocks of the AEC, these RECs have or are in the process of creating monetary unions, which will eventually coalesce into a continent-wide monetary union. The idea is to have a greater measure of monetary stability, which is required for full economic union, the ultimate goal of the AEC.

During colonial rule, the colonial governments introduced different currency blocs in different African territories. As was the case with the franc zone in West and Central Africa, there was also the sterling area, the Belgian monetary zone, the peseta zone, and the dollar zone in different parts of Africa (Sylla, 2020). All these currency zones were dismantled at independence except the franc currency zone controlled by France. The inability of the French West African countries to pursue independent financial and monetary policies at independence made them get deeper integrated with France than their other West African neighbours.

Consequently, as efforts are geared towards achieving full integration of all West African countries, the continued influence of France in the economic and monetary lives of its former colonies in West Africa continues to pose a threat to such a mission.

Monetary unification entails three basic arrangements or conditions. These include having a common currency, a common central bank, and a common monetary policy (Mati, Civcir, & Ozdeser, 2019). It is noteworthy that the eight Francophone countries in West Africa have achieved all three and have a fully operational monetary zone under the auspices of the West African Economic and Monetary Union (WAEMU). ECOWAS, the umbrella body of all West African countries, has not achieved even one. Though the West African Monetary Agency (WAMA) and the West African Monetary Institute (WAMI) are already in place to support monetary integration efforts in the sub-region, neither a common currency, a common central bank, nor a common monetary policy is close to being achieved.

It is, therefore, the contention of this study that colonial legacy is the major impediment to monetary integration in West Africa. The CFA franc zone, even as the oldest north-south monetary arrangement (UNCTAD, 2009), is still deeply embedded in the colonial past. Its peg with the euro (formerly with the French franc) links the WAEMU with France. The link with France undermines the commitment of WAEMU members to the wider ECOWAS agenda. Ultimately, this has weakened the resolve of ECOWAS members to create a monetary union with a common currency, as evidenced in the numerous postponements of the take-off date.

The study is anchored on the theory of the post-colonial state. The theory is an off-shoot of the Marxist theory of the state. It is used in the Social Sciences to explain the prevailing conditions in the developing world, especially in Africa, where colonialism is seen as being responsible for shaping the nature and character, and conditions of the post-colonial state. As popularized by scholars such as Alavi (1973), Ake (1985), Ekekwe (1985), Ibeanu (1998), and others, the major contention of the theory is that the post-colonial state is a creation of imperialism and as such, has followed a developmental strategy dictated by the interest of imperialism and its local allies rather than that of the majority of the indigenous population. The paper is divided into four sections. Following this introduction is section two, which traces the history of monetary integration in West Africa. Section three discusses the prospects and challenges of monetary integration in West Africa while section four concludes the study.

Historicizing Monetary Integration in West Africa

Attempts to have a monetary union in West Africa preceded independence. Under colonial rule, the metropolitan countries tried to unite their overseas colonies in West Africa and other parts of Africa under a single monetary system not only for easy administration but also to aid trade and other commercial activities between the metropolitan powers and these overseas colonial territories. Having multiple currencies with different exchange rate systems would make transactions difficult and cumbersome. Thus, the colonial authorities tried to unite their colonies in the region into one currency administration. For the French, her colonial territories were united under the CFA franc zone. Britain united her territories under the sterling zone, while Spain maintained the peseta currency zone for her colonial territories (Sylla, 2020).

Monetary relationship between France and her colonial territories in Africa began long before the creation of the CFA franc in December 1945. In the middle of the 1820s, under Charles X, coins with the inscription 'French colonies' were in use as a medium of exchange on the island of Gorée, in Senegal (Koddenbrock & Sylla, 2019). Then, France used a unified currency regime in her colonial empire, including Africa. The metropolitan franc was the sole currency that was circulating in all colonies, except in India and Indochina, though with different monetary signs (Koddenbrock & Sylla, 2019). This monetary unity was suspended by France in 1945 when the CFA franc (franc des Colonies Françaises d'Afrique, or franc of the French Colonies in Africa) was created.

While a different CFA franc was in use in the eight[*] French colonies in West Africa, a different CFA franc was being used in the six[†] French Central African countries. At independence, the acronym for the two currencies became known as franc de la Communauté Financière d'Afrique (or franc of African Financial Community) for the CFA franc in West Africa, and franc de la Coopération Financière en Afrique Centrale (or franc of Financial Cooperation in Central Africa) for the CFA franc in Central Africa (UNCTAD, 2009; Frohlich, 2019). Though the currencies have

[*] These eight countries include: Benin, Burkina Faso, Guinea Bissau, Cote d'Ivoire, Mali, Niger, Senegal, and Togo. Guinea left the franc zone in 1960 while Mauritania left in 1973. Guinea Bissau (colonized by Portugal) joined the monetary zone in 1997.

[†] The six countries that make up the CFA franc zone in Central Africa include: Cameroon, Central African Republic, Chad, Republic of the Congo, Equatorial Guinea, and Gabon. Equatorial Guinea (colonized by Spain) joined the Central African franc monetary zone in 1985.

different names (but the same acronym), they have the same parity and are governed by the same monetary principles.

While other colonial monetary zones were dismantled at independence, the CFA franc continued to exist[§] both in West and Central Africa after independence. According to Sylla (2020), France had used both repression and co-option to keep most of these countries in the CFA franc zone after their political independence. In the early 1960s, France reviewed the existing monetary relationships it had with her former colonies, leading to the creation in West Africa, of the West African Monetary Union (WAMU) in 1962 to continue to unite the eight Francophone countries in West Africa under one monetary zone. At the time WAMU was established, its members included Côte d'Ivoire, Dahomey (now Benin), Mali, Niger, Mauritania, Senegal, Togo, and Upper Volta (now Burkina Faso) (Adu, 2019). In the same year, WAMU was established, la Banque Centrale des Etats de l'Afrique de I'Ouest (BCEAO), or the Central Bank of West African States, was also established, and it became the sole central bank of the West African Francophone countries, with a sole right of issuing currencies and managing monetary policies of member states (Uche, 2001). In the 1970s when France acquiesced to some minor demands for reform, the headquarters of the BCEAO was moved from Paris to Dakar, Senegal, with national branches in the eight countries that make up the union. The same was done for the Bank of Central African States (BEAC) which was also moved to Yaoundé, Cameroon, from Paris (Koddenbrock & Sylla, 2019).

In 1973, the Francophone West African countries created the Economic Community of West Africa (CEAO). This was dissolved in January 1994 and replaced with the Union Economique et Monétaire Ouest Africaine (UEMOA) or the West African Economic and Monetary Union (WAEMU) following the devaluation of the CFA franc (Dramani, 2010). The WAEMU, thus, became a full monetary union with a central bank and a common currency. Meanwhile, at the same time WAEMU replaced CEAO in 1994 in West Africa, their Central African counterpart was also undergoing the same revision. The Central African Customs and Economic Union or the Union Douanière et Économique de l'Afrique Centrale (UDEAC) was also dissolved in 1994 and was succeeded by the Communauté Economique et Monétaire de l'Afrique Centrale (CEMAC) or the Central African Economic and Monetary Community (African

[§] This was with the exception of Guinea (which left in 1960), Mali (left in 1962 and rejoined in 1967), Madagascar (left in 1972) and Mauritania (also left in 1972) (Sylla, 2020). These countries issued their respective sovereign currencies when they left the zone.

Development Bank, 2019). The restructuring of UDEAC was intended to address the issues of excessive protection, low customs revenue, low levels of trade with the rest of the world, and intra-regional distortions in production (Khadiagala, 2011).

UNCTAD (2009) notes that creating a common currency for the former French colonies in Africa was meant to protect these colonies from the effects of the depreciation of the French franc in relation to the United States dollar under the Breton Woods system. The CFA franc was re-valued in 1948 by more than 17 percent against the French franc. But in 1994, it was devalued as a result of the economic deterioration of that period. It was this economic decline and the devaluation that prompted the establishment of both WAEMU and CEMAC, each with its central bank. While CEMAC is a major part of the Economic Community of Central African States (ECCAS), WAEMU forms a substantial part of ECOWAS. Till 1999, the CFA franc (of both Central and West Africa) was pegged to the French franc. This, however, changed when it was pegged to the Euro when Euro became the European Union's common currency in 1999. Furthermore, unlike the currencies used in British colonies in West Africa, the French Treasury continues to guarantee the convertibility of the CFA franc.

Like their French counterparts, the British West African colonies also participated in some form of monetary union in form of currency boards, based on the British Pound Sterling. In order to ensure that monetary administration and governance were uniform and consistent in all West African colonies, the West African Currency Board (WACB) was established in October 1912. The WACB issued currencies in the four West African colonies* till 1962. Earlier in 1894, the Bank of British West Africa (BBWA) was registered in Lagos, Nigeria. Then, it had only four branches, one in each of the capitals of the four British colonies in West Africa: Lagos, Accra, Freetown, and Banjul. By 1961, the bank had about 104 branches across four countries: 53 in Nigeria; 41 in Ghana; nine in Sierra Leone, and one in The Gambia (Adu, 2019). The Bank of Nigeria was established in 1909 but was absorbed by the BBWA in 1912. The BBWA thus became the only bank operating in British West Africa until the Colonial Bank commenced business in West Africa in 1917. Barclays Bank eventually acquired the Colonial Bank in 1926, and before many West African countries had attained independence, it had established about 200 branches (Adu, 2019).

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* These colonies are: The Gambia, Gold Coast (now Ghana), Nigeria, and Sierra Leone.

However, unlike the French, monetary cooperation was not deemed very important in the Anglophone West African countries, resulting in the dissolution of the WACB at the independence of these colonies. Each country, after gaining independence, went ahead to create its national currency and independent central banks, halting the process of monetary integration within the region (Adu, 2019; UNECA, 2008). Table 1 shows currencies in use in ECOWAS countries.

Table 1: Currencies in Use in West Africa

S/N	**Country**	**Currency in Use**
1	Benin	CFA franc
2	Burkina Faso	CFA franc
3	Cape Verde	Escudo
4	Cote d'Ivoire	CFA franc
5	Gambia	Dalasi
6	Ghana	Cedi
7	Guinea	Guinean Franc
8	Guinea Bissau	CFA franc
9	Liberia	Liberian Dollar
10	Mali	CFA franc
11	Niger	CFA franc
12	Nigeria	Naira
13	Senegal	CFA franc
14	Sierra Leone	Leone
15	Togo	CFA franc

Source: authors' compilation.

The success of WAEMU motivated the Anglophone West African countries to also create a monetary zone in the sub-region – the West African Monetary Zone (WAMZ). Leaders of these non-CFA franc zone countries met in Accra, Ghana, in April 2000, where they declared their intention to create a second monetary zone in the sub-region. When it was established in April 2002, the WAMZ had five members: The Gambia, Ghana, Nigeria, Sierra Leone, and Guinea. Liberia joined the zone in 2010. WAMZ countries adopted the Eco as their common currency and planned to introduce it in 2003. This was postponed several times – from 2003 to 2005, to 2010, and 2014. Due to the international financial crisis of 2007/2008, the launch of the currency was rescheduled again to 2015 by the Council of Ministers and Governors of Central Banks of West Africa, during their meeting in May 2009. It was at that same meeting that a plan was set to merge the Eco and the CFA franc by 2020 (Talabi, 2020).

In order to provide a framework for the integration of all WAMZ central banks, as well as begin preliminary preparations for printing and minting the Eco currency, the West African Monetary Institute (WAMI)† was established in 2001, with headquarters in Accra, Ghana. WAMI is intended to supervise and coordinate all programs of WAMZ (Talabi, 2020), as well as undertake technical preparations for the establishment of the West African Central Bank (WACB). Over the years, the mandate of WAMI has been expanded to also include facilitating trade integration, financial sector integration, development of the payments system, and statistical harmonization of the six WAMZ countries (WAMI, 2021). After this, not much progress was made towards the establishment of the second monetary zone in West Africa until the Abuja ECOWAS summit in June 2019 where ECOWAS leaders agreed to adopt the Eco as the common currency for entire West Africa.

In June 2019, the fifteen Heads of State and Governments of ECOWAS decided to adopt the Eco as the common currency for the entire West African sub-region and committed to launch it in January 2020 as the West African single currency (Ordu, 2019), the same date earlier adopted by WAMZ countries to merge the Eco and the CFA franc. The idea behind this move is to form a monetary union in the sub-region that will complement other ECOWAS initiatives (such as the ECOWAS Trade Liberalization Scheme and the Common External Tariff) aimed at strengthening economic/trade relations among the member countries of the organization. A single currency removes the bottlenecks associated with exchanging currencies and makes crossborder transactions easier. However, it also means transferring national monetary policy-making authority to sub-regional institutions.

Earlier in 1987, ECOWAS had adopted a protocol known as the ECOWAS Monetary Cooperation Program (EMCP). The EMCP was intended to strengthen and accelerate the accomplishment of a single currency and a central bank for ECOWAS countries. However, the lack of policy coordination and harmonization between countries in the CFA franc zone and those in the WAMZ, as well as the non-uniform adoption of the required macroeconomic framework, has continued to impede the implementation of the EMCP (Okafor, 2013). In 1996, the West African Monetary Agency (WAMA) was established as an autonomous and specialized agency of ECOWAS, with headquarters in Freetown,

† WAMI was modeled after the European Monetary Institute (EMI) which was printing and minting physical currencies in the Eurozone before the Euro was introduced.

Sierra Leone. One of its major objectives is to ensure the monitoring, coordination, and implementation of the EMCP. The eight central bank‡ of ECOWAS member states are members of WAMA (WAMA, 2021). However, in December 2019, six months after ECOWAS leaders agreed to adopt the Eco as its common currency, WAEMU countries declared that by 2020, they would rename their common currency from the CFA franc to the Eco and that it would remain pegged to the Euro to guarantee its stability (Talabi, 2020). Table 2 shows the characteristics of different forms of monetary integration.

Table 2: Characteristic of Different Forms of Monetary Integration

Characteristics	**Informal exchange-rate union (Pseudounion)**	**Formal exchange rate union**	**Full monetary union**
Between members:			
Current account convertibility	Yes	Yes	Yes
Capital market integrated	Yes	Yes	Yes
Exchange rate fixed	Yes (within margins)	Yes (zero margins)	Yes (zero margins)
Currencies	Separate	Separate	Single
Central banks	Multiple, independent	Multiple, strongly coordinated	Single
Reserve pooling	No	Yes	Yes
Foreign-exchange market intervention	Separately	By single agency	By single agency

Source: Adu (2019, p.17).

Prospects and Challenges of Achieving Monetary Integration in West Africa

Several challenges undermine the prospects of achieving monetary integration in West Africa, which will affect the realization of the AEC. One major challenge is the colonial legacy of the countries in the West African sub-region, especially the attachment of Francophone West African countries to their former colonial master – France. In line with this, Uche (2001) has identified colonial solidarity as the major factor undermining economic integration in West Africa. He further notes that after independence was granted, France still wanted to be very much around to counter what it perceived as an overbearing regional influence of Nigeria on the region. It, therefore, proposed a strong francophone regional body. According to Georges Pompidou, then president of France, such a regional body was necessary "to counter-balance the heavy

‡ These central banks include the BCEAO (the common central bank of the eight CFA franc zone countries); Bank of Cape Verde; Central Bank of The Gambia; Bank of Ghana; Central Bank of the Republic of Guinea; Central Bank of Liberia; Central Bank of Nigeria; and the Bank of Sierra Leone.

weight of Nigeria" (Uche, 2001, p.14), having seen Nigeria's influence in ECOWAS. On the other hand, Nigeria's promotion of a multilingual regional integration in West Africa, cutting across all colonial backgrounds, was also partly an attempt to reduce the influence of France in the region. France is, therefore, fighting back, ensuring that the trend of economic or regional integration in West Africa is not being determined by Nigeria.

Thus, in order to ensure that Francophone countries did not follow Nigeria's integration model, and in doing so reduce Nigeria's hegemony in the sub-region, France ensured that it maintained political, economic, and cultural ties with nearly all its colonial territories in West Africa. As has been noted earlier, it influenced the creation of the CFA zone and WAEMU in the sub-region to ensure the link was not severed (Iloh & Ojukwu, 2021). Presently, while other countries in the sub-region maintain separate and independent institutions, the WAEMU countries maintain common economic institutions. For example, while Nigeria, Ghana, Sierra Leone, and Cabo Verde have their separate stock exchanges, the eight-member countries of WAEMU have the Bourse Régionale des Valeurs Mobilières (BRVM) serving them as their common Stock Exchange (West African Monetary Agency, 2011).

To further ensure that the economies of the CFA zones are tied to the apron strings of metropolitan France, four working principles were adopted by both France and the former colonies. Sylla summarized these principles thus:

> First, the exchange rate of CFA currencies is pegged to the French currency…. Second, income transfers and capital movements are free within the Franc Zone. Third, the French Treasury promises to lend francs (now euros) to the central banks of the Franc Zone if their foreign exchange reserves are exhausted. This is the so-called 'convertibility guarantee' of the CFA franc. In exchange for this 'guarantee', since 2005 each central bank of the Franc Zone must deposit at least half of its foreign exchange reserves in a special 'operations account' of the French Treasury….fourth principle: the centralisation of foreign exchange reserves. All euro/CFA franc currency conversions pass through the operations account. When this account is in credit, the French Treasury pays interest. When it is in debit, the French guarantee is active… In addition to the mandatory deposit of part of their foreign exchange reserves, there is another counterpart to the French 'guarantee': France is represented in the organs of the central banks of the Franc Zone. As a matter of fact, it has implicit veto power over statutory issues and controls the implementation of monetary policy. No major decision can be made without its consent (Sylla, 2020, p.43).

Because of France's support, WAEMU has advanced much more than the larger ECOWAS in regional integration, especially in financial cooperation. It has established more effective institutions, has a functioning common currency, and even a regional central bank. Consequently, countries in WAEMU have not shown much enthusiasm for a larger ECOWAS integration because they are already integrated amongst themselves. For them, aside from a larger market, there seems to be nothing in ECOWAS that WAEMU cannot offer. This has made ECOWAS continuously be in the race to 'catch up.' In 2013, it adopted a common external tariff (CET) that was based on an earlier one adopted and being used by WAEMU (Iloh & Ojukwu, 2021).

Adu (2019) has given the impression that the creation of WAEMU was supported by ECOWAS seeing that a monetary integration of the sub-region would be difficult because of governance differences inherited from the colonial masters. As a result, he opines, ECOWAS welcomed the creation of two monetary zones as a way out. These monetary zones are the WAEMU and the WAMZ. The creation of WAEMU was not facilitated by ECOWAS, neither was it a part of the integration attempt by ECOWAS. The establishment of WAEMU was a French agenda and its establishment created problems for the wider establishment of a monetary union in West Africa. Until now, the problem persists and that is why Anglophone West African countries have kicked against the adoption of the Eco as a common currency for WAEMU. The attempt to establish WAMZ and the Eco was actually a counterpoise to WAEMU and the CFA franc.

However, the taking-off of the Eco has been shifted severally. From the original launch date of 2003, it was postponed to 2005, 2009, and 2020 (Adu, 2019). Moreover, Tadei (2017) has revealed that before France agreed to grant independence, it gave a condition that African leaders should sign a 'cooperation agreement' in many arrears of governance including currency management. In this regard, the agreement implied that these countries would remain in the CFA franc zone. He noted that France used intimidation and repression to force the new African heads of state to remain in the monetary zone. "In the 1960s, except for Sekou Touré, who managed to exit Guinea from the CFA franc zone, the other 'dissidents' among African leaders, like Modibo Keita (Mali) and Sylvanus Olympio (Togo), were thwarted in their ambitions" (Tadei, 2017, p. 9). So the monetary integration of the WAEMU was not an ECOWAS creation.

Camara (2001) also posits that most times, international support for WAEMU is viewed with hostile feelings by other ECOWAS members who believe that WAEMU's projects are being used by international donors to undermine those of ECOWAS. According to him, this informs Nigeria's

desire to weaken or completely break the existing ties between France and its former colonies in West Africa. He argues that neither WAEMU nor the ties between Francophone West African countries and France constitute an obstacle to a wider regional integration in West Africa. The fact remains that this is not about Nigeria. Pan-Africanist social movements within the WAEMU region and a growing number of African intellectuals have increasingly challenged the continued retention of the CFA franc, decades after independence. For them, it denotes a lack of sovereignty on the part of Francophone countries.

In fact, Sylla (2020) reports that an opinion poll conducted by Afrobarometer in Togo in 2017 showed that 66 percent of Togolese citizens believe that the CFA franc serves French interest much more than African interest and should be abolished. Likewise, The Economist (2020) also notes that many Francophone Africans have objected to their countries' continued stay in the franc zone, describing it as a relic of past subjugation. This is despite the fact that the monetary attachment to France delivered currency stability and low inflation to these countries. So, when Nigeria calls for the detachment of the eight CFA franc countries from the French Treasury, it is not only to draw their commitment to a broader West African monetary integration, but also a re-echo of the sentiments that are already prevalent among the citizens of those countries. France understands that a common currency for the entire West African countries would mean the end of the franc zone in the sub-region. As a result, it has been using its ties with its former colonies to covertly frustrate such efforts.

During a summit in June 2019 in Abuja, ECOWAS leaders finally reached an agreement on the proposed Eco currency for all ECOWAS member states. This is after almost 30 years of procrastination and several missed deadlines. The decision was that Eco would be introduced in 2020. Six months after this summit, President Alassane Ouattara of Cote d'Ivoire and his French counterpart, Emmanuel Macron, had a press conference in Abidjan in December 2019 where they announced the decision of the eight Francophone countries to ditch the CFA franc by 2020 and adopt the Eco as their common currency (Ballong, 2020). Ordinarily, this should have elicited optimism that a monetary integration of West African states was finally going to be possible. But this was not to be. The envisaged Francophone West African Eco still tied the WAEMU countries closer to their former colonial master, France. The fact that French President Macron had to be present at the point of the announcement, and actually made the announcement himself, proved that monetary integration in the franc zone was far from being independent of France.

The only difference between the CFA franc and the Eco adopted by the French-speaking West African countries was that countries using the Eco would no longer be required to keep half of their foreign reserves in the French Treasury as was the case with the CFA franc. Also, France would no longer be involved in managing the new currency by having a representative on the Board of the currency union. But the new Eco would still be pegged to the Euro. This is contrary to the agreement of the Abuja summit where it was decided that the Eco would maintain a flexible exchange rate system. Also, the Eco adopted by the eight countries would still have France retaining its position as the guarantor of the convertibility of the new Eco. These arrangements did not go down well with other West African countries outside the franc zone, not even Ouattara's announcement that the fixed exchange rate with the euro would be maintained as a transitional measure. President Ouattara, during a UK-Africa Investment Summit at the Chatham House in London in January 2020, explained the reason for pegging the WAEMU Eco to the Euro. According to him, Africa is primarily an agricultural economy and trades mostly with the European Union, and as a result, Africa's currency needs to be in line with her foreign trade (Ballong, 2020).

To underscore the threat posed to ECOWAS monetary integration by the continued dependence of WAEMU countries on France, Sylla (2020) has observed that since 2017, Nigeria's president, Muhammadu Buhari has been demanding that WAEMU countries using the CFA franc should provide a divorce plan from the French Treasury. When something that seemed like this divorce plan was eventually announced in December 2019, it was unacceptable to the rest of the countries in the sub-region. From the foregoing analysis, therefore, it is obvious that WAEMU countries are not yet ready to break the colonial cord that ties them to France, and will stop at nothing to get France involved in a purely African project. The six non-CFA franc countries – Gambia, Ghana, Guinea, Liberia, Nigeria, and Sierra Leone – had condemned

WAEMU's unilateral decision, and this has stalled any further progress on the Eco. In June 2020, Nigeria President Muhammadu Buhari announced that his country, which accounts for 70 percent of the region's GDP, would no longer join the Eco (Asongu, 2021). Earlier, Ghana's president, Nana Akufo-Addo, expressed his country's willingness to join the new regional currency regime, but not on the terms championed by Macron and Ouattara.

In another ECOWAS summit held in Accra, Ghana in June 2021, having missed the 2020 deadline for the introduction of the Eco currency, the sub-region once again shifted the introduction of the currency to 2027, citing the Covid-19 pandemic as the reason (Asongu, 2021). With the continued

shifting of the deadline[††], it is very doubtful that the AEC will be realized, especially given the fact that the AEC is relying on the integration of the RECs for its realization. Apart from the obvious inability of member countries of ECOWAS to meet the criteria[§§] for joining a currency union, the geopolitics[‡‡] surrounding the currency and mutual distrust, especially between the Francophone and Anglophone countries, as well as France's meddlesome interference, will continue to prevent the currency from taking off.

Thus, Byiers (2019) has argued that these colonial and political links with France have made France have so much influence on the integration processes in these regions, making the attention of national political elites to be drawn more towards France than towards the regions. This colonial allegiance also makes it difficult to mobilize the citizens around a national course, let alone a regional one (Bossuyt, 2016). While it is commendable that WAEMU countries have made appreciable progress in monetary integration, it will not lead to the achievement of the AEC. This is because, despite the level of integration, it is ECOWAS, not WAEMU, that the African Union has selected as one of the building blocks of the AEC. Moreover, the more they deepen their ties with France, the less their attention to the ECOWAS integration agenda. The overall consequence will be ECOWAS's inability to meet the required expectation of monetary integration that will be combined with others to usher in an African Economic Community by 2034.

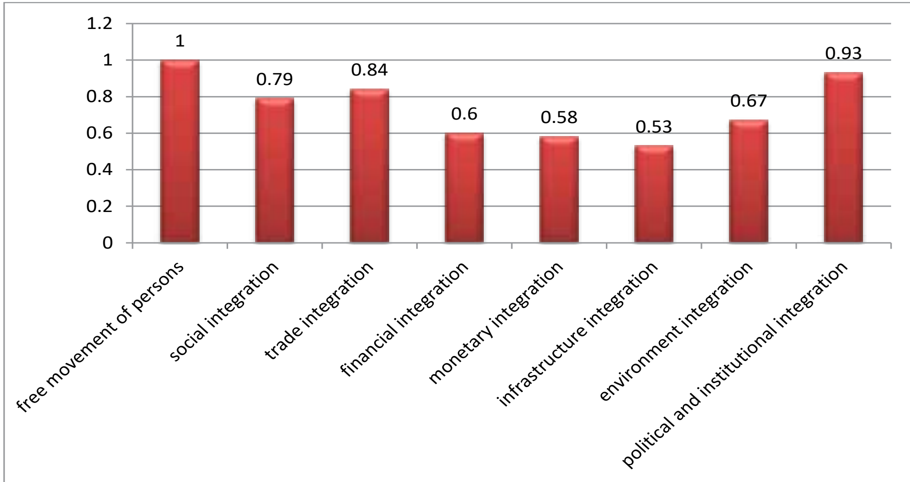
Already, empirical evidence has shown the low level of monetary integration among ECOWAS counties. This is manifested in the African Multidimensional Regional Integration Index (AMRII) report of 2021. There are eight dimensions of the index. They include free movement of persons; social integration; trade integration; financial integration; monetary integration; infrastructure integration; environment integration; and political and institutional integration. The assessment of the integration process in the ECOWAS sub-region using the eight dimensions of the AMRII index shows that monetary integration is one of the least integrated dimensions among ECOWAS countries. In a score of 0 to 1, monetary integration scored 0.58, which is only higher than infrastructure integration with a score of 0.53 (AUC, 2021). This is depicted in Figure 1.

[††] Since the idea was conceived in 2003, it has been shifted five times: 2005, 2010, 2014, 2020 and 2027.

[§§] These include four convergence criteria: a single digit inflation rate at the end of each year; a fiscal deficit of no more than 4% of the GDP; a central bank deficit financing of no more than 10% of the previous year's tax revenues; and gross external reserves that can give import cover for a minimum of three months (Adeshokan, 2020).

[‡‡] The hegemonic role being played by Nigeria in the sub-region was not acceptable not only to France but also to Francophone West African countries, especially Cote d'Ivoire. The assumption had been that the Eco would be built around Nigeria's naira and WAEMU's adoption of Eco was to nip this thinking in the bud.

Figure 1: Assessment of the ECOWAS Regional Integration



Source: AUC (2021, p. 78).

According to AUC (2021), the score for monetary integration, in particular, would have been lower if ECOWAS did not enclose WAEMU. But then, as already mentioned, WAEMU is not recognised as one of the RECs which constitute the building blocks of the AEC. WAEMU's high level of monetary integration does not, therefore, translate into an equally high level of monetary integration for the entire ECOWAS sub-region. This is a result of the fact its members are more integrated with France, their erstwhile colonial overlord, than with the rest of West Africa. This study, therefore, contends that with the continued attachment of Francophone West African countries to France, and the latter's overt interference in West Africa's integration agenda, achieving monetary integration in ECOWAS and the subsequent realization of the AEC by 2034 is unlikely.

Conclusion

The study examined the challenges and prospects of achieving monetary integration in West Africa as a precursor to the envisaged African Economic Community. It explored the historicity of monetary integration in West Africa and subsequently interrogated the challenges and prospects of achieving monetary integration in the sub-region.

Ultimately, the Francophone's perpetual attachment to France remains the greatest impediment to monetary integration in West Africa. Their reluctance to severe the colonial tie to France explains the sluggish

implementation of the wider sub-regional integration agenda. Their announcement adopting the Eco without other ECOWAS countries and pegging it to the Euro is an indication that the colonial ties that bind them with France are far from being severed. It further demonstrates that their loyalty to France supersedes forging alliances with other countries in West Africa. As a consequence of this colonial factor, it has been difficult for all the parties to fulfill the convergence criteria, which explains why the target dates for the launching of the monetary union keep shifting. This casts doubt on the possibility of achieving an African Economic Community by 2034, and by extension, throws the aspiration of "The Africa We Want" by 2063 in doubt. The choice for the WAEMU countries, therefore, is between forging closer ties with fellow West African countries, on one hand, thereby fast-tracking a wider subregional monetary integration, and remaining loyal to French pro-colonial interests on the other, thereby undermining that process. The former will be in the best interest of West Africa in particular, and Africa in general.

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