IS THE FRANC A TRAP?

Monetary Dependency vs Development in Africa · 1980-2023

ADEO · 2025-2026 • 14 CFA Zone countries vs 10 Non-CFA peers

World Bank WDI + IMF WEO

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Authors

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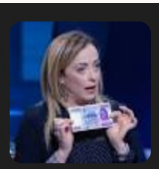
The Global Debate: Is France Still Exploiting Africa?

Le Monde.fr

Giorgia Meloni's exaggerations about France's 'colonial currency'

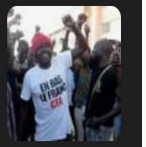
26 Nov 2022



BBC

African protests over the CFA 'colonial currency'

30 Aug 2017



BBC

Niger coup: Is France to blame for instability in West Africa?

The recent wave of military takeovers have all been in former French colonies - is this a coincidence?

5 Aug 2023



Quote on Exploitation Claim



> ***The solution is not to take Africans and bring them to Europe. The solution is to free Africa from certain Europeans who exploit it.***
>
> — Giorgia Meloni, Italian Prime Minister, 2022

Our Approach: Testing Claims with Data

These are bold political claims. We test them with **40+ years of economic data**.

Data Sources

World Bank World Development Indicators (WDI)

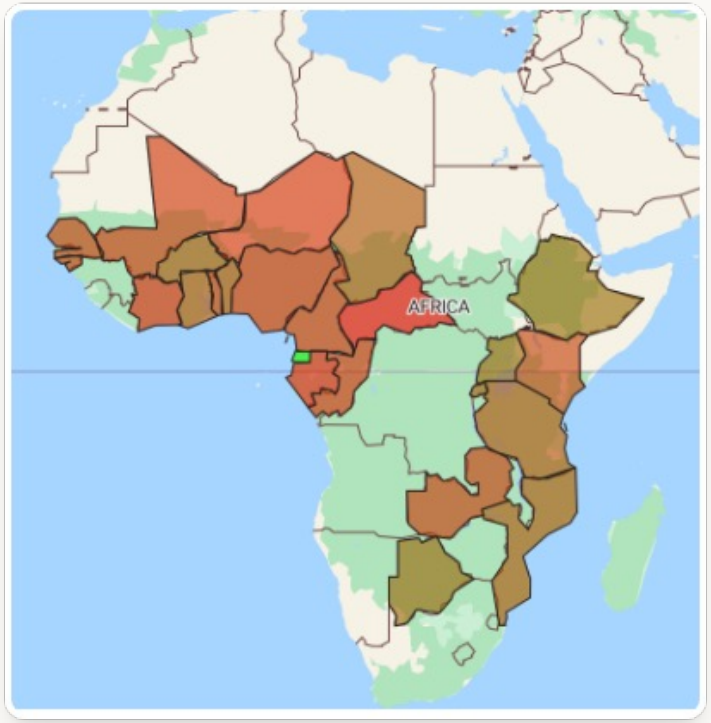
IMF World Economic Outlook (WEO)

Coverage: 24 countries, 1980-2023

14 CFA Zone countries vs 10 Non-CFA African peers

Key Research Question

Does monetary stability come at the cost of development?



The 1994 Devaluation A Defining Moment

January 11, 1994:

- France unilaterally devalued the CFA franc by **50%** overnight
- 14 countries had no vote, no warning, no policy response
- GDP crashed, inflation spiked to **25%+**
- Export competitiveness improved — but at what cost?

This single event exemplifies the core sovereignty issue:

- External decisions made in Paris
- No local monetary tools to respond to economic shocks
- Countries unable to set policy based on local conditions

Data: World Bank WDI · IMF WEO | ADEO 2025-2026

Analysis Framework Three Dashboards

1

Dashboard 1: Economic Growth

- GDP growth rates over 40 years
- Per capita income development
- Impact of the 1994 devaluation
- CFA growth premium calculation

2

Dashboard 2: Fiscal & Trade Freedom

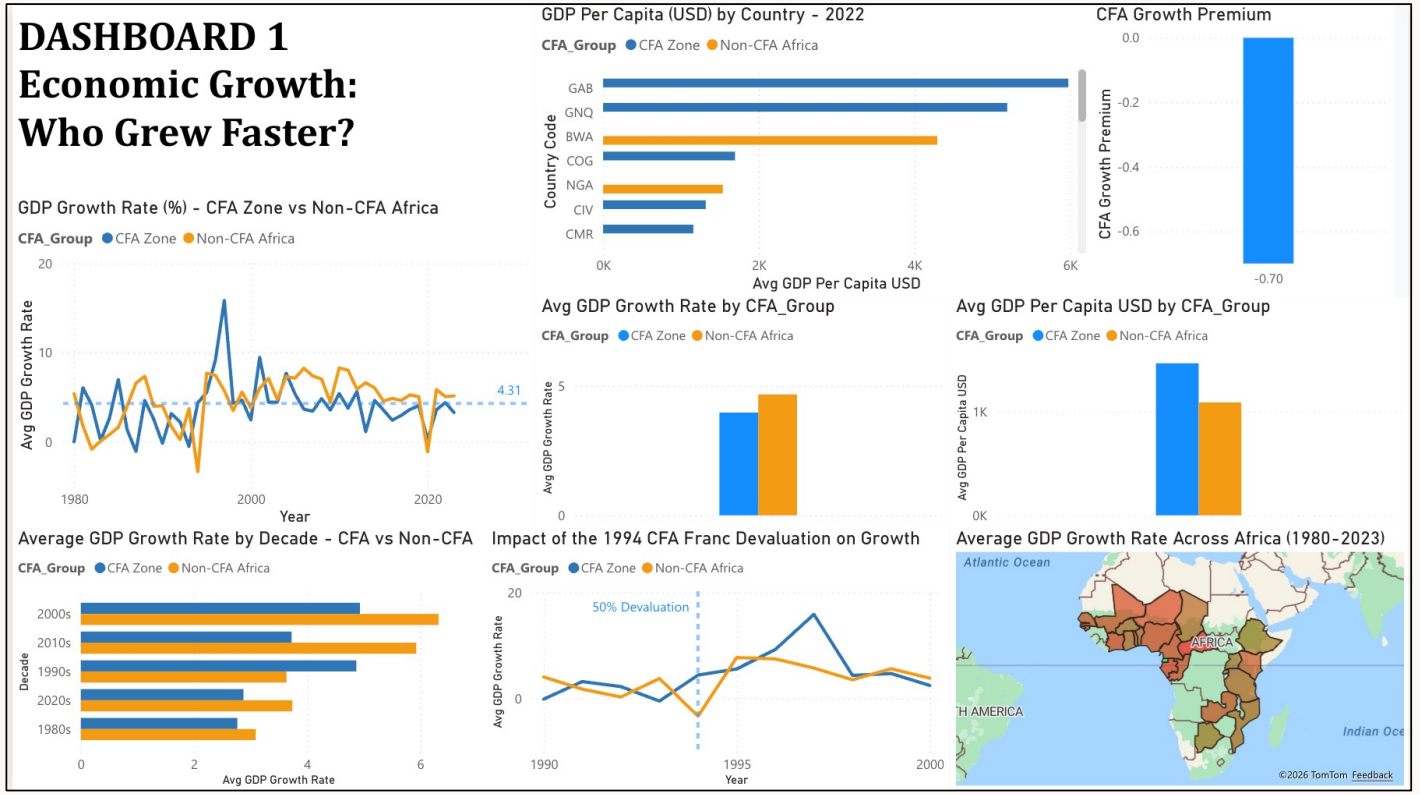
- Government finances and deficits
- Export competitiveness
- Investment rates and capital formation
- Savings patterns and capital outflows

3

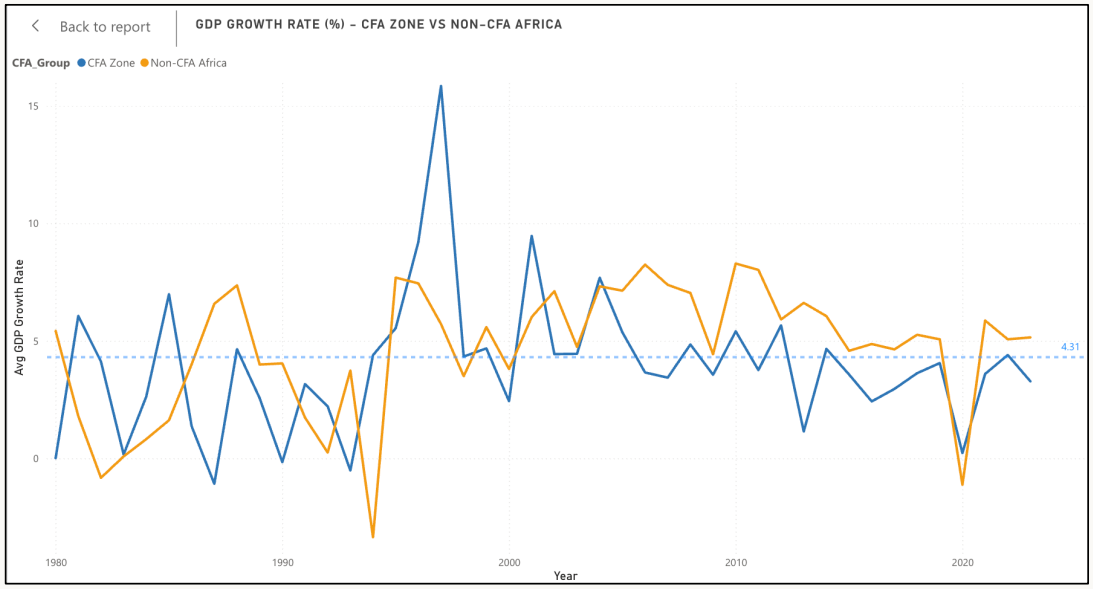
Dashboard 3: The Verdict

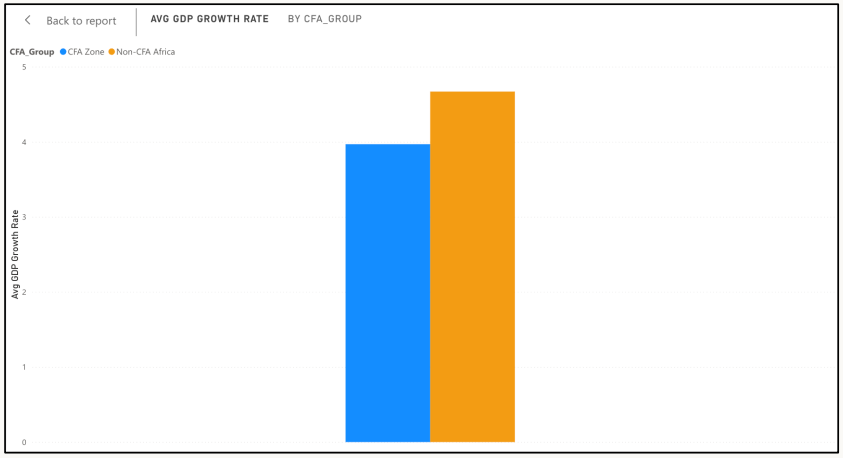
- Inflation advantage vs growth cost
- The stability-growth tradeoff visualized
- Country performance scorecard

Dashboard 1: Economic Growth — Overview

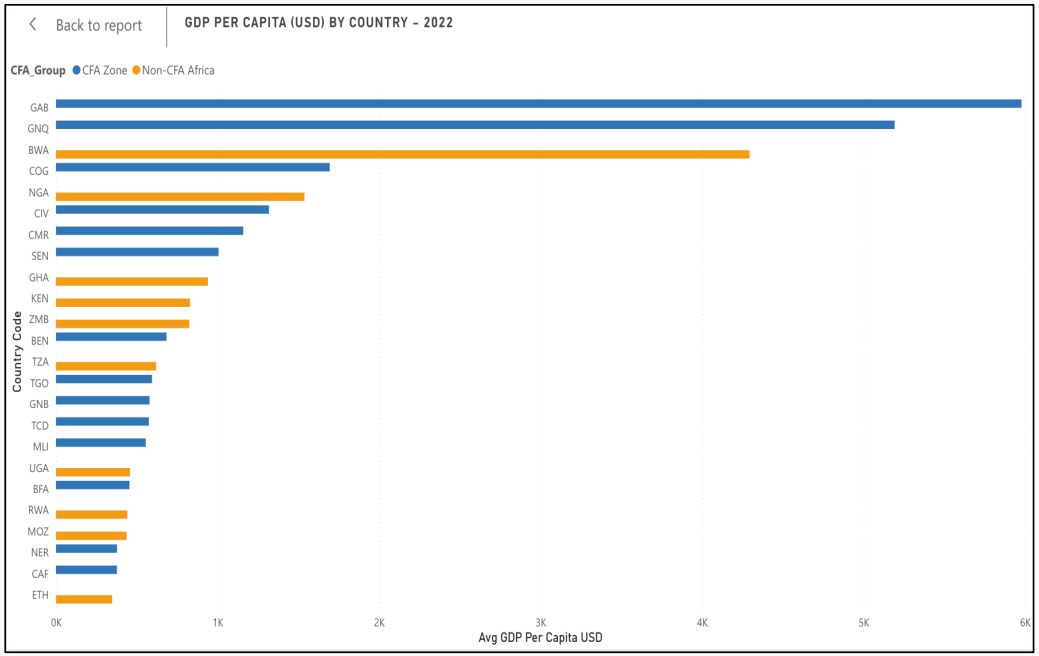


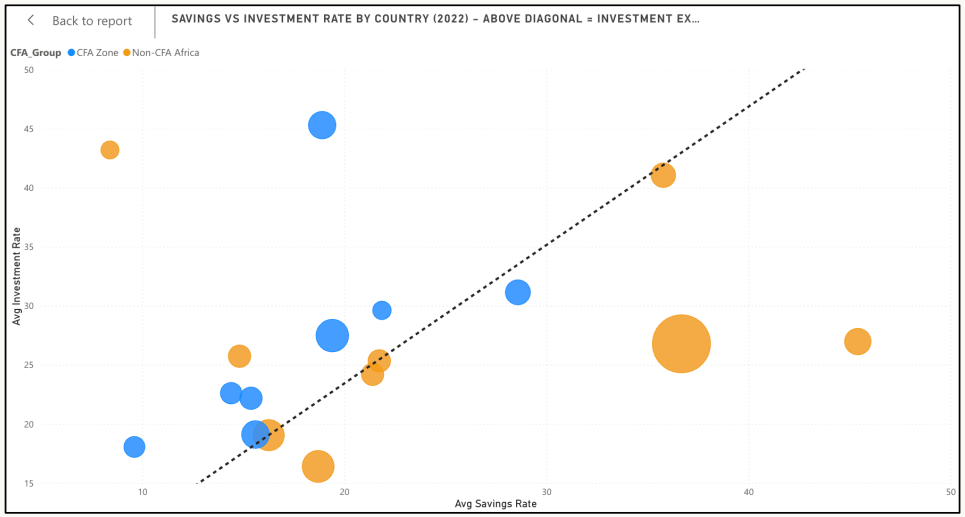
KPI: GDP Growth Rate (%) — CFA vs Non-CFA



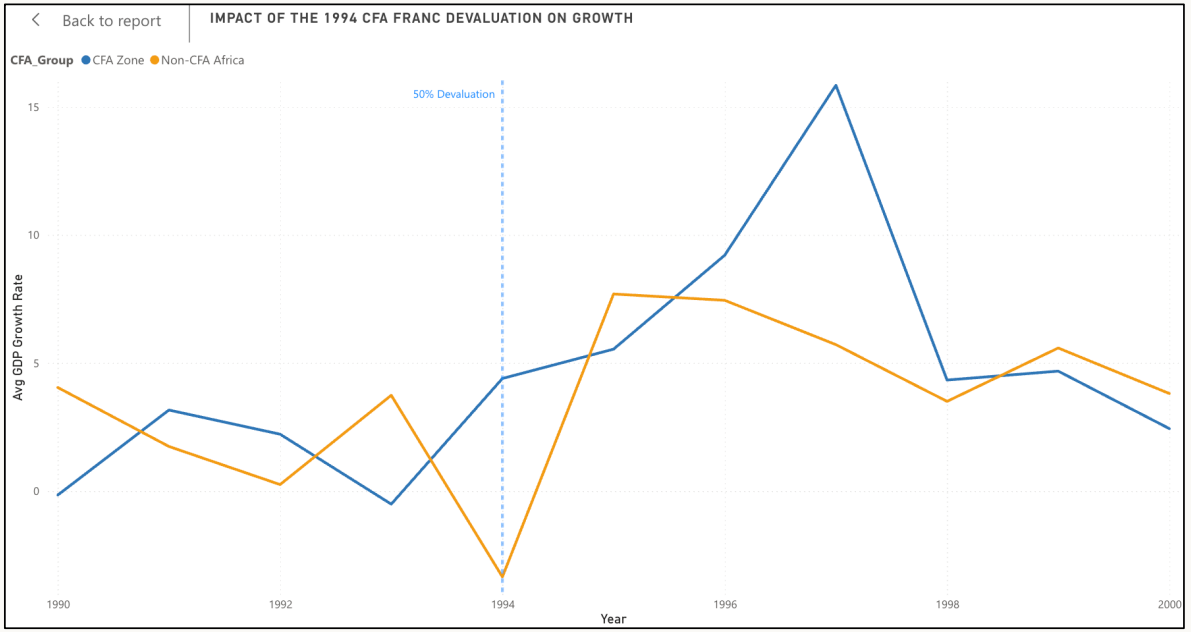


KPI: GDP Per Capita (USD) by Country — 2022

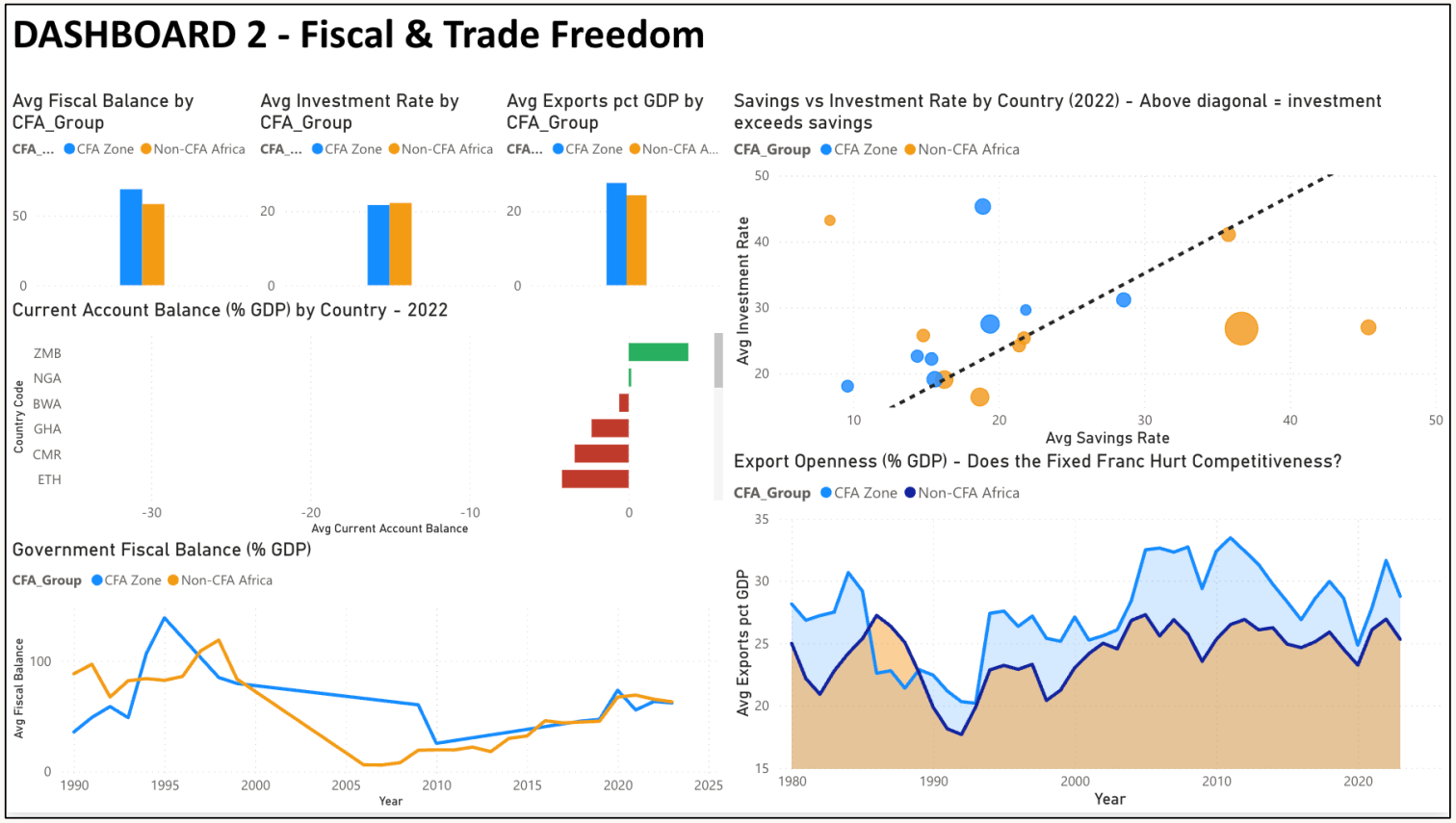




KPI: 1994 Devaluation Impact on Growth

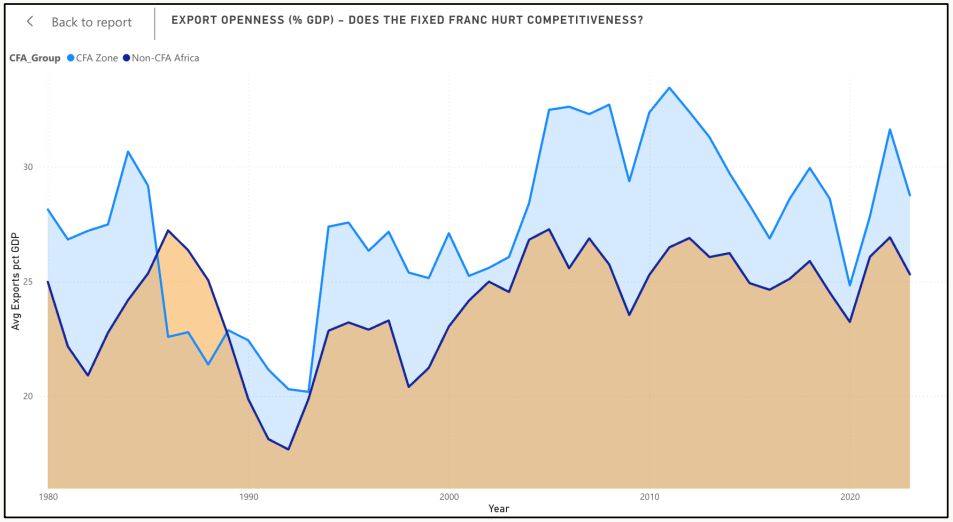


Dashboard 2: Fiscal & Trade Freedom — Overview

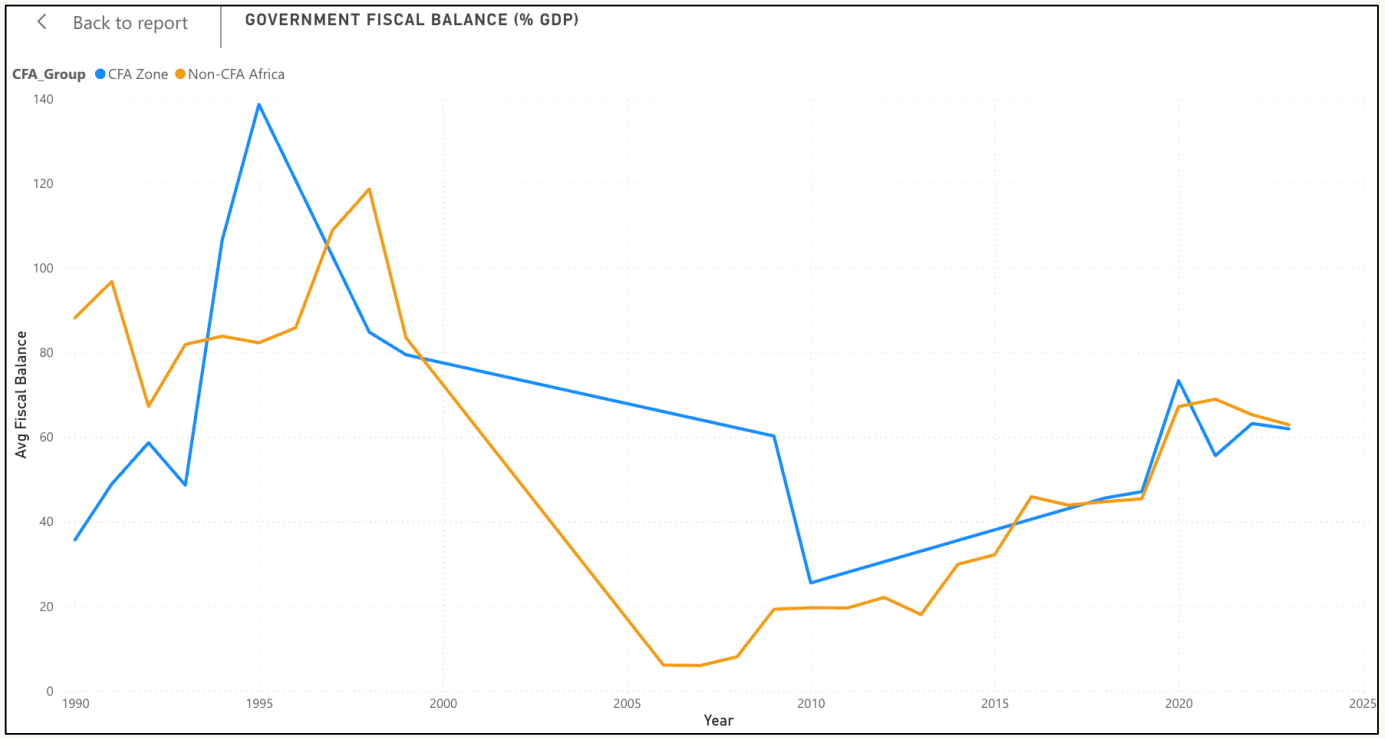


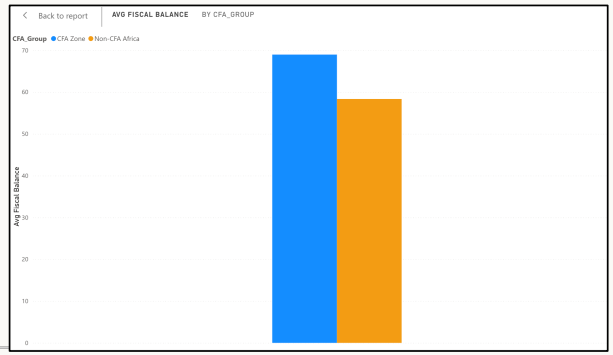
KPI: Export Openness / Competitiveness





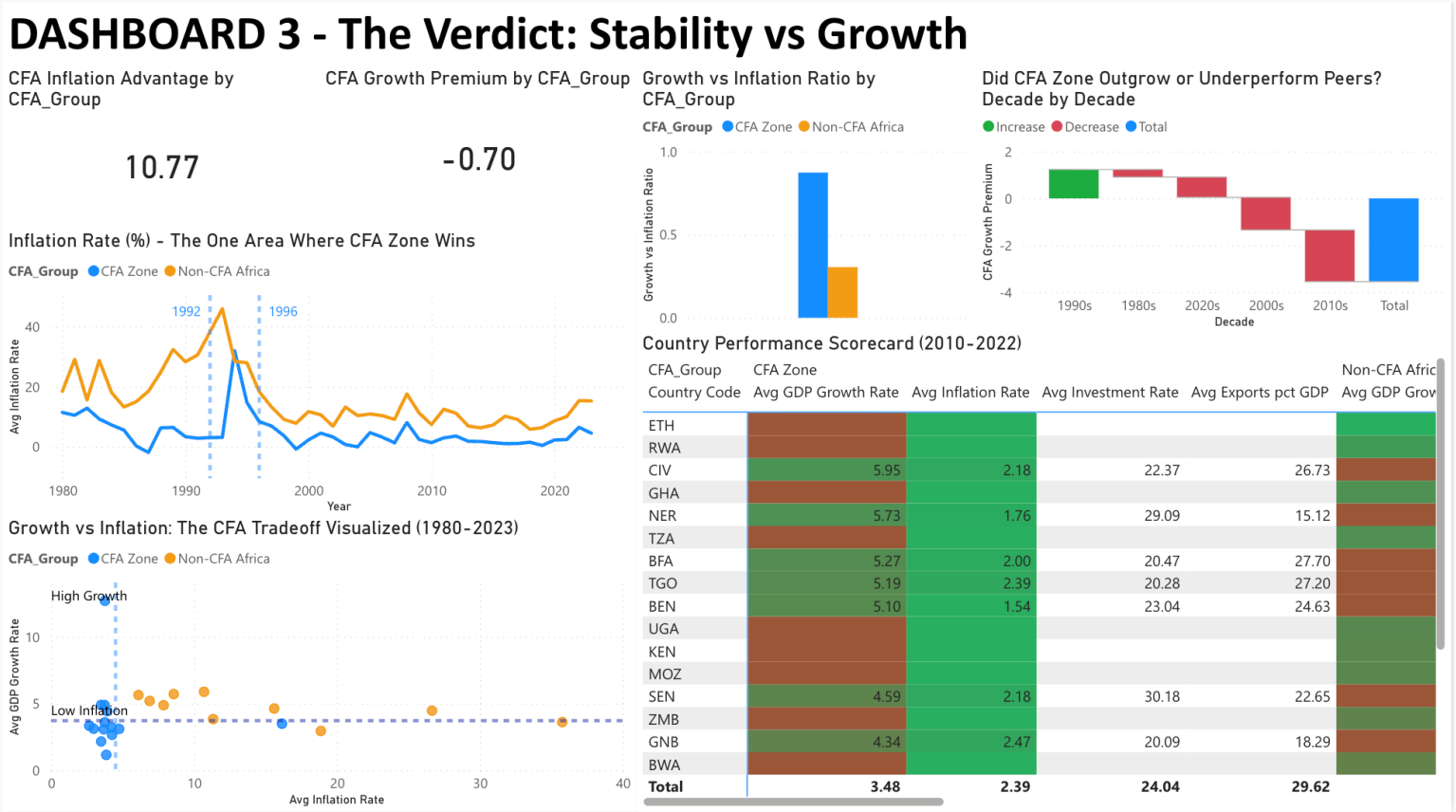
KPI: Government Fiscal Balance (% GDP)



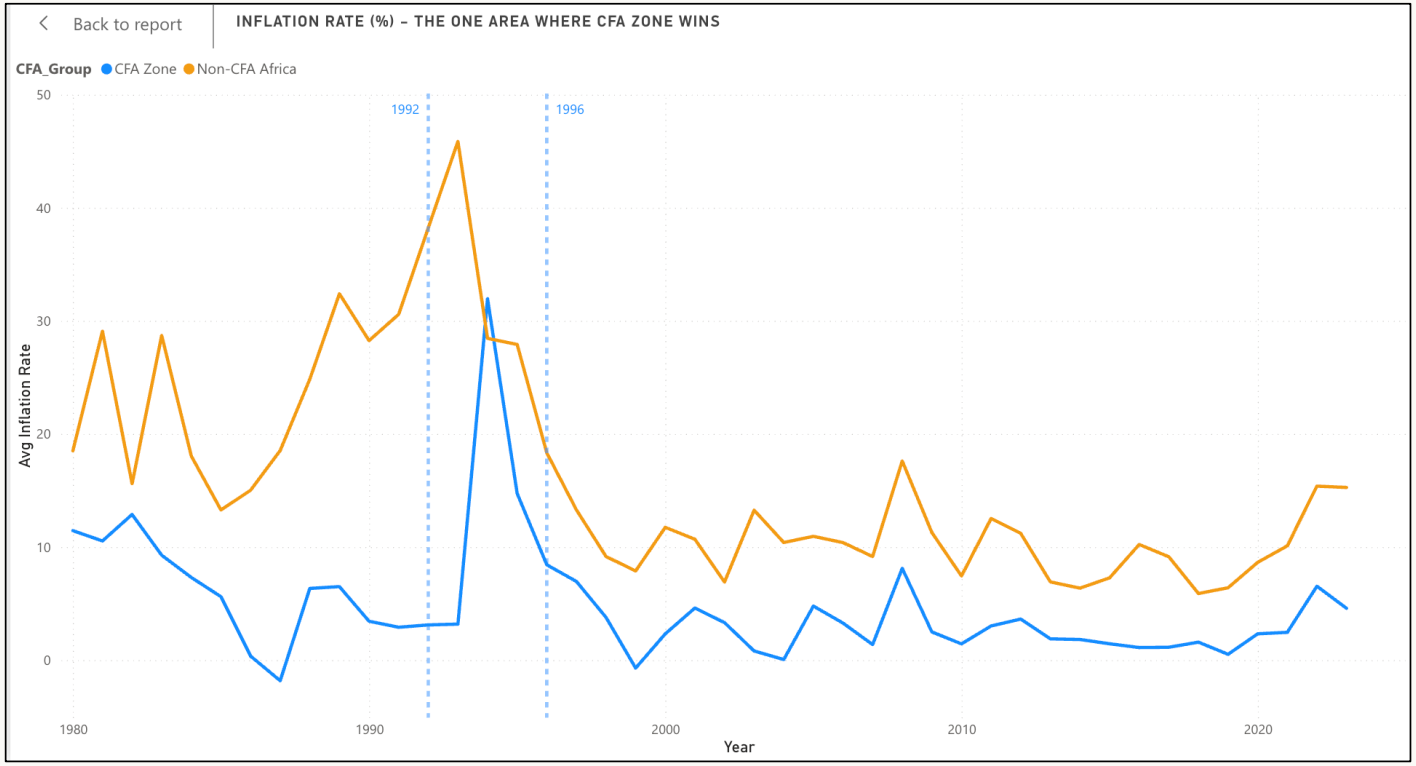


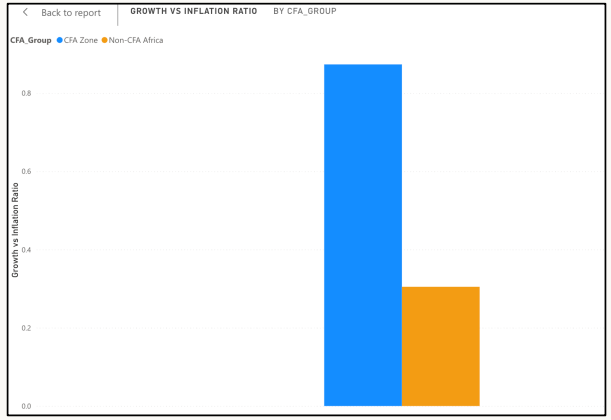
Data: World Bank WDI · IMF WEO | ADEO 2025-2026

Dashboard 3: The Verdict — Overview

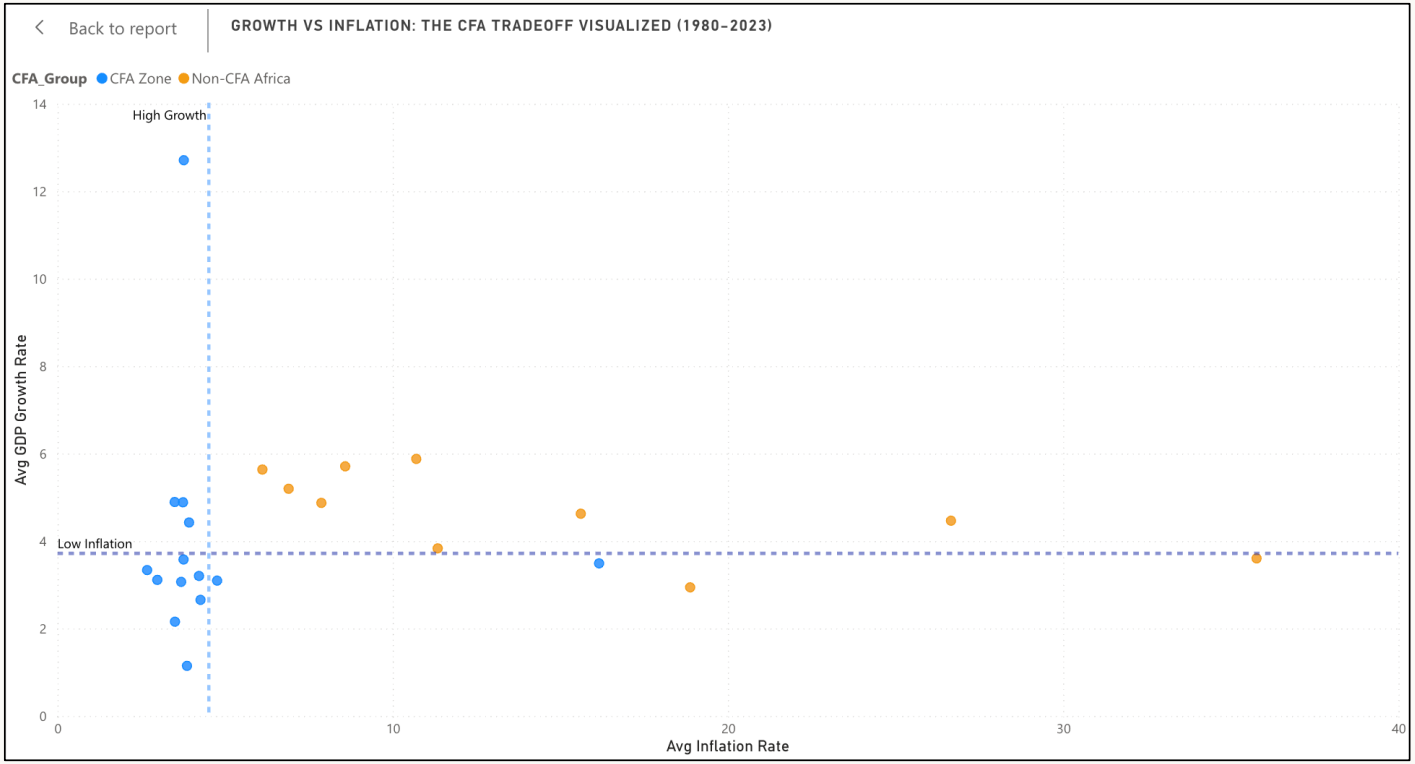


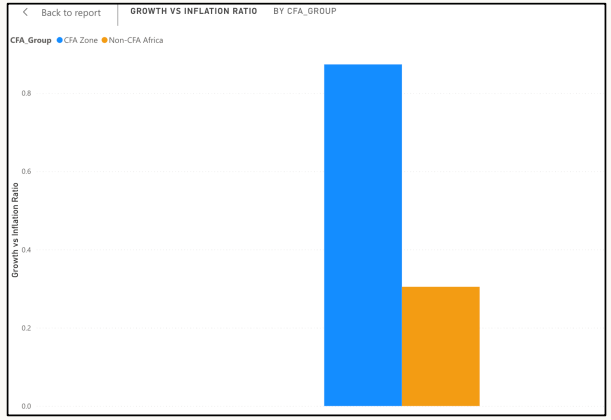
KPI: Inflation Rate (%) — The One Area Where CFA Zone Wins





KPI: Growth vs Inflation Tradeoff





Country Performance Scorecard (2010-2022)

CFA_Group	CFA Zone				Non-CFA Africa
Country Code	Avg GDP Growth Rate	Avg Inflation Rate	Avg Investment Rate	Avg Exports pct GDP	Avg GDP Growth Rate
ETH					8.67
RWA					6.82
CIV	5.95	2.18	22.37	26.73	
GHA					5.73
NER	5.73	1.76	29.09	15.12	
TZA					5.64
BFA	5.27	2.00	20.47	27.70	
TGO	5.19	2.39	20.28	27.20	
BEN	5.10	1.54	23.04	24.63	
UGA					4.99
KEN					4.87
MOZ					4.83
SEN	4.59	2.18	30.18	22.65	
ZMB					4.49
GNB	4.34	2.47	20.09	18.29	
BWA					4.23
MLI	3.93	1.84	23.97	21.46	
CMR	3.82	2.64	18.82	20.18	
TCD	3.49	2.50	22.22	27.62	
Total	**3.48**	**2.39**	**24.04**	**29.62**	**5.31**

g Investment Rate	Avg Exports pct GDP
30.95	9.64
23.97	17.23
22.37	26.73
19.26	32.73
29.09	15.12
36.62	17.20
20.47	27.70
20.28	27.20
23.04	24.63
25.57	14.47
20.66	15.59
40.62	36.56
30.18	22.65
34.58	39.78
20.09	18.29
29.24	45.58
23.97	21.46
18.82	20.18
22.22	27.62
24.12	54.86
40.64	54.99
20.87	14.57
20.07	58.54
26.01	28.03

For Policymakers: The Case for Monetary Sovereignty

The 1994 devaluation proved a critical point:

- External control creates **asymmetric risk**
- CFA countries need **monetary tools** to respond to local shocks
- Stability without policy autonomy limits development options

Recent political developments support this analysis:

- Mali, Burkina Faso, Niger — recently hit by coups
- All three have announced intentions to leave the CFA zone

The question is not just economic — it's about sovereignty:

- **Who benefits when stability is prioritized over growth?**
- **If growth is sacrificed for stability, who makes that choice?**

Data: World Bank WDI · IMF WEO | ADEO 2025-2026

For Investors: The Risk-Return Calculus

Non-CFA countries offer higher growth despite currency risk:

- Rwanda, Ghana, Ethiopia: **5.7-8.7%** avg growth (2010-2022)
- Compare to CFA avg: **3.48%**

Currency risk vs growth premium:

Non-CFA: Higher inflation but stronger real growth

CFA: Price stability but slower wealth creation

Investment thesis:

Countries with monetary policy autonomy can respond to opportunities and shocks more effectively, creating better long-term returns despite short-term volatility.

Data: World Bank WDI · IMF WEO | ADEO 2025-2026

Conclusion Is the Franc a Trap

The CFA franc delivers price stability at the cost of economic growth and policy sovereignty.

Over 40 years, this trade-off has resulted in measurably slower development for CFA countries compared to their African peers who control their own monetary policy.

The question is whether that stability serves the interests of the 180 million Africans who live under it, or the interests of those who control it from Paris.

+10.77%	-0.70%	5.31% vs 3.48%
CFA Inflation Advantage	CFA Growth Premium (cost)	Non-CFA vs CFA Avg Growth (2010-2022)

Data: World Bank WDI · IMF WEO | ADEO 2025-2026

Thank You

Data: World Bank WDI · IMF WEO