MONETARY REFORM AS A RESPONSE TO THE CHALLENGE OF ENDOGENOUS DEVELOPMENT IN SUB-SAHARAN AFRICA

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1 Introduction

The announced end of the CFA Franc together with the announcement of the creation of a new currency for the whole of West Africa (the "Eco") raise issues about two important dimensions of money: the symbolic and political one, referring to the name of the new currency; and its economic dimension, concerning the economic neutrality or non-neutrality of the new institutions tasked with its governance. The first dimension corresponds to the first function of money, namely that of being a unit of account. The denomination of a currency is constituent of the identity of its users; it is not by chance that the Japanese do not count in Euros or the Americans in Yen. As the CFA franc refers to the colonial period, to the French colonies in Africa, the principle of "debaptising" it and choosing another name seems to be a wise one as it would be finally in line with the change in status of these colonies into independent states. This is why the announcement made on 21 December 2019 in Abidjan by the French and Ivorian presidents of a forthcoming change of name for the CFA currency was to be warmly welcomed.

However, the choice of Eco as the new name of the CFA Franc raises a problem insofar as Eco is governed by the ECOWAS agenda, which, let us recall, includes seven more member countries than the UEMOA. This ECOWAS monetary integration project dates back to 1983 and the name "Eco" was endorsed by ECOWAS in June 2019. Therefore, the choice made by France to name "Eco" the successor of the CFA Franc looks like a "hostile takeover bid" of ECOWAS by France. Moreover, the entry into the Ecozone is subject to precise convergence criteria that make it impossible to automatically replace the CFA Franc with the Eco, as the criteria are not identical in the two areas. As expected, such a monetary "sleight of hand" has been strongly contested by non-French speaking ECOWAS countries (which do not belong to the West African Economic and Monetary Union, WAEMU) such as Nigeria, Ghana, Liberia, Sierra Leone and the Gambia.

Wasn't it possible to choose another name for the currency to integrate the WAEMU into the future Ecozone? Given the prohibitively high costs involved in any monetary transition process (withdrawal of old notes, putting new notes into circulation, ensuring the absence of counterfeit new notes, etc.), replacing the CFA Franc with a name other than Eco (Koris, Wari, etc.) seemed difficult at first. This would have meant duplicating the currency transition exercise in a very short period of time, which would have reduced user confidence in the new currency in circulation. Confidence is key to the success of any process of introducing new monetary signs into a society. This is why, despite the ambiguities highlighted, the choice of the name Eco is a lesser evil, provided that it is envisaged from the outset for all 15 ECOWAS countries and not as a substitute for the CFA Franc, which is exclusively in use within the Franc zone. Thus, the Eco currency will obviously be destined to become a West

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African “common good”. Under what terms and conditions, however? This is what we will examine in this chapter.

2 A roadmap for the forthcoming West African currency

The “States General of Eco”[2] led to the adoption of a roadmap for the establishment of the future currency of the Economic Community of West African States (ECOWAS), the Eco.

The establishment of the Eco, planned for the second half of 2020 at the latest, has long been a shared orientation within ECOWAS. A first step had been taken with the joint declaration of Presidents Ouattara and Macron on 21 December 2019. According to this declaration, the CFA Franc should have changed its name to Eco, while the management of centralised reserves would have been transferred from France to the Central Bank of West African States.

However, the Covid-19 crisis put the steps involved in this decision on hold.

The Final Communiqué of the Fifty-Ninth Ordinary Session of the ECOWAS Authority of Heads of State and Government[3], held in Accra on 19 June 2021, stated that the decision was taken “to adopt the Convergence and Macroeconomic Stability Pact between ECOWAS Member States, whose convergence phase covers the period from 2022 to 2026 and the stability phase from 1st January 2027”, and took note of “the roadmap for the launch of ECO by 2027 and charges the Ministerial Committee to continue to work to resolve all outstanding issues”.

The deadline for the common currency has therefore been postponed to 2027. Nothing more has been said, and it is unclear whether this is a binding decision or a simple “wait and see”. Has the process just been slowed down? Will it restart on other premises? Will it lead to a simple extension of the rules of the existing monetary zone to the rest of the countries? Or will new and innovative solutions be found? And finally: will it be a quick process, or will it involve several steps in a medium- to long-term horizon?

Faced with this situation, the objective of the States General of the Eco in Lomé (in which scientists as well as stakeholders of change in Africa, both from civil society and the political world, participated) was to collectively conduct a prospective reflection on the outlines of the Eco and to examine the issues and challenges associated with the announced end of the CFA Franc, the emblematic currency of the Africa-France relationship more than sixty years after African independence.

The roadmap, known as the "Lomé Declaration", contains twenty-four points grouped under four main headings.

2.1 Major objectives of the reform project

Since the decision of the ECOWAS Heads of State Summit of 20 June 2019 in Abuja, the principle of the Eco-currency for the ECOWAS has been formally agreed. The political process towards the adoption of a common currency responds to a legitimate demand for the establishment of the full monetary sovereignty of the fifteen Member States. This project is in line with the post-Covid perspective of regaining all the fundamental sovereignties (on food, health, trade, finance, politics and security) at the level of the ECOWAS region. It also takes note of the decision to leave the Franc Zone taken by eight states at the end of 2019, notably with the repatriation of reserves from the operating account housed in France and with the choice of a new currency denomination, the Eco. The project aims to associate all the States, whatever their differences, by guaranteeing the necessary flexibility to absorb the impacts of external shocks, which certainly can diverge (this is an important point to which we

[2] Held from May 26 to May 28, 2021, at the Faculté des sciences économiques et de gestion, University of Lomé.

[3] https://www.afdb.org/sites/default/files/documents/2021-06-20-uk_final_communique-venglish.pdf, last accessed April 11, 2023

will return during our reflection on the economic and political conditions for the feasibility of the Eco). Finally, the project aims to maximise the potential of an increased and strengthened economic integration.

2.2 The fundamental choices

The project takes into consideration the main principles and goals of a healthy exchange rate policy, i.e. financing essential imports, supporting exports, promoting local credit, protecting emerging sectors with high employment potential, and compensating for the negative impacts of external shocks. On the short-term convergence criteria (prices, debt and deficit), the project acknowledges the need to set minimum macroeconomic criteria (entry ticket) for membership, but above all it considers that the reduction of differentials (in terms of prices, debt and deficit) is not a prerequisite, but a medium-term objective, which can be achieved more easily with an appropriate common economic policy. Indeed, a loosening of the inflation constraint (4-8%) is required in order not to stifle the structural transformation potential of ECOWAS economies, since moderate inflation stimulates credit by reducing the debt burden on borrowers and thereby rewarding risk and innovation. In this perspective, structural convergence is fundamental, and sectoral policies in favour of region-wide agricultural and industrial value chains need to be implemented in a complementary manner.

2.3 The system to come

The new system will be built on a new currency, sui generis, distinct from the existing currencies in the ECOWAS zone. A Central Bank would be responsible for conducting the monetary and exchange rate policy of the Member States of the ECOWAS zone. The pooling of foreign exchange reserves will be the basis of solidarity. During the transition period, solidarity will be reinforced on a political and institutional basis. A cooperation mechanism will be put in place to mitigate differences of opinion and facilitate economic convergence. Furthermore, the definition of the future ECOWAS Eco currency will be based on a basket of currencies representative of the main trade flows of the zone, with four currencies, the euro, the dollar, the yuan and the pound sterling. The exchange rate of the common currency will be flexible but administered by the Central Bank. An exchange rate agreement will be concluded between the parties to peg their existing currencies to the Eco, which will act as a pivot. The principle of a corridor will be adopted, within which existing currencies can float around the pivot currency, with a fluctuation margin fixed and monitored by the ECOWAS Monetary Authority. Finally, the transition from the common currency to the single currency will be envisaged.

2.4 The implementation process

Particular attention will be paid to the prospects of monetary digitalisation, which are already central in the developed economies but which could prove even more strategic in the African context, characterised by a low level of bank access among the general population. To initiate the transition to the common currency, an initial pool of states meeting the minimum convergence criteria (which will have to be updated) could join. Subsequently, new memberships in the project will be sought, giving priority to those that are easiest to obtain. The abandonment of the French Treasury guarantee granted to WAEMU states will be decided. In fact, confidence in the ECOWAS currency will be based on new endogenous safeguard and credibility mechanisms.

Furthermore, during the transition phase and while learning the exchange rate mechanisms, attention will be paid to fiscal and budgetary harmonisation and the stimulation of regional financial markets, both of which are a necessary condition. Finally, it is clearly recognised that behind the questions concerning the choice of how to create the new currency, the future parity and its linkage to a basket of currencies, the level of exchange rate flexibility or the "right" currency allocation regime to be adopted, lie other crucial issues, namely the structural transformation of West African economies. In order to bring about real change, the proposals to accompany the transition to ECOWAS will have to be technically sound, economically argued, politically accepted and based on measures whose future impacts and risks will be assessed in advance. The issue of recognising the benefits of monetary integration and sharing them in order to gain people's support is fundamental to the success of the project.

Defining a roadmap is all the more important, as the Eco could appear to be an "unidentified monetary object", insofar as the monetary history of West Africa displays the coexistence of a supranational CFA Franc pegged to the Euro, managed in an ordo-liberal manner, with national currencies, most of which are the result of British colonisation, with a flexible exchange rate regime, managed with an explicitly "Keynesian" approach. This monetary coexistence requires a wide-ranging reflection on the type of integration that the West African countries want, paying particular attention to the degree of budgetary federalism, the choice of convergence status (nominal, real, structural, etc.), the type of financing of the internal market, etc., as well as a debate without taboos on the appropriate exchange rate regime for the future ECOWAS Eco currency.

The States General of the Eco, deliberately entitled "Which currency for which development in West Africa?", made it possible to address more general questions, raised in particular within the framework of the European integration process and debated in the economic and political literature relating to optimal currency areas.

They have thus allowed the challenge of West African monetary construction to be reintegrated into a more global challenge, namely the analysis of the roots of monetary sovereignty in a supra-national framework. The economic theory of monetary unions, which is the relevant theory in the case of the Eco, does not recommend *univocal* solutions to the problem of the constitution of a monetary zone, but rather provides an analytical framework for a problem that admits of different solutions, *whose choice is and will remain political*.

In this perspective, it will also be useful to take into account the ongoing questioning of the European scene, where we are witnessing the reappearance of the federal option, which, rather than being discarded, was "put in perspective" at the time of the creation of the Euro, in favour of the implementation of a purely monetary convergence mechanism. The federal option, with the notion of a common fiscal policy, is based on budgetary cooperation, risk pooling and fiscal transfers. What is being challenged in Europe today is exactly this mechanical and "monetarist" notion of monetary union, based exclusively on the concept of convergence and the resulting practice of "fiscal discipline by the market"[4].

A programme of monetary emancipation in West Africa requires moving away from the approach of a pure and simple extension of the WAEMU rules to the non-WAEMU countries of ECOWAS, based on convergence mechanisms and characterised not only by a weak counter-cyclical capacity of national budgets, but also by the absence of a real prospect of fiscal federalism. This is however what seems to emerge from the "Accra Declaration" made by ECOWAS on 19 June 2021 and which, in our view[5], would reduce to a minimum the chances of even a medium-term construction of a monetary union at the ECOWAS level, and hence the credibility of the announcements relating to the establishment of a single currency.

All currency unions stem from the political decision to face together, with greater strength, shocks that would be much more difficult to deal with in isolation. However, the cessions of monetary sovereignty implied by a monetary union must be balanced by its ability to cope with the different characteristics of Member States.

[4] M. Amato, F. Saraceno, Squaring the circle: How to guarantee fiscal space and debt sustainability with a European Debt Agency, *Baffi Carefin Working Paper Series*, 2022, https://bafficarefin.unibocconi.eu/research-units/mints/publications

[5] For a more in-depth analysis, see M. Amato, K. Nubukpo, (2021), Après les « états généraux de l'Eco » à Lomé. Vade-mecum pour un agenda ouest-africain d'émancipation monétaire », *Afrique contemporaine*, (N° 271-272).

In view of this task of “resilience in difference”, it is crucial to build common instruments capable of promoting external stability, while maintaining the focus on growth and endogenous development. Without being arbitrary from a monetary point of view (in order to foster confidence in stability), these instruments must retain a margin of autonomy for fiscal policy (in order to support the possibility of development).

In this respect, the creation of a single currency in West Africa remains a timely and worthwhile project, despite the uncertainties that have arisen following the Eurozone crisis and several postponements of the introduction of the Eco currency. In the current international monetary context, if well-constructed, a single currency in ECOWAS would offer West African countries the possibility of pooling their monetary resources to better pursue their common and individual development goals.

In response to fluctuations in the international monetary system, monetary integration can also play a stabilising role both upstream and downstream. Upstream, supervisory structures and prudential arrangements at the supranational level can be more effective in reducing exposure risks. Downstream, the principle of solidarity is essential for monetary integration, especially to mitigate the effects of shocks in the most exposed countries and to preserve the common currency. In addition, monetary union can promote an increase in intra-regional trade.

In the international monetary arena, which today plays a decisive role in determining the value of currencies, the single ECOWAS currency would benefit from the economic and diplomatic weight of West Africa, which is far greater than that of any individual country.

3 Doesn’t budgetary cooperation without political federalism make a monetary unification project untenable? Looking back at the Lomé Declaration

Criticism is always welcome, as it allows the promoters of an initiative to clarify their positions. These lines will therefore not only respond to the remarks that were made to the Lomé Declaration after its public release on 28 May 2021, but will also build on them to (re)contextualise the Lomé Declaration in the current political and economic debate about currency unions, not only in Africa but also globally.

Indeed, proposing a monetary union at the level of ECOWAS at a time when the flaws characterising the Eurozone and even more so the CFA Franc, i.e. the two largest monetary unions marked by the absence of a federal political structure, are increasingly being recognised, requires being extremely clear not only about the ultimate goals to be achieved, but also about the most appropriate means to do so[6].

As many are increasingly emphasising, Africa needs to find its way. Today, this is truer than ever. However, this does not preclude, but rather implies that Africa needs to find its way in the world, and thus also to deal with the structure of international markets and the presence of external constraints which, properly addressed, can give rise to significant opportunities for economically endogenous and politically autonomous development. The appropriate response to finally free themselves from the weight of their colonial and post-colonial history is not self-referential sovereignty for African countries, but the ability to engage in political dialogue and economic exchange on an equal footing with other global actors.

But let us now turn to the critical points of the Lomé Declaration, in order to better illustrate its basic spirit. They can be grouped under three main headings. They concern 1) the need to avoid certain mistakes made elsewhere, and in particular in

[6] Amato M., Nubukpo K. (2020), A new currency for West African states: The theoretical and political conditions of its feasibility, *PSL Quarterly Review*, 73 (292): 3-26.

Europe, when it comes to building monetary unions without a federal-style institutional framework; 2) the nature of single or common currency of the eco proposed by the Declaration; and 3) the capacity of the new currency, as advocated by the Declaration, to reverse the pattern of relations of African countries with the world economy from essentially extroverted and uncooperative economies to economies oriented towards endogenous development and trade within the single currency area.

3.1 Lessons and warnings from European monetary unification

Twenty years after the birth of the euro zone, but especially after two structural crises (2010-2015 and 2020-2021) which have revealed its weaknesses (very often at the expense of the economies of the Member States and their peoples), there are good reasons to question the desirability of a monetary union. Especially when this union is proposed as an accelerator of other forms of unification, and above all of political unification under the flag of democratic federalism.

This is the sense of certain remarks which underline the precedence of political conditions over monetary conditions and which, as far as the Eco project is concerned, we could summarise as follows: "How can we not agree on the fact that monetary sovereignty presupposes... sovereignty!". The fact remains that a logical presupposition is not necessarily an institutional prerequisite.

This applies to Africa exactly as it does to Europe. For sure, the construction of an accomplished federal state at the level of ECOWAS would involve the adoption of a single currency, managed by a central bank linked to a federal treasury, thus also capable of pursuing the twin objectives of price stability and growth, as is the case with the US monetary union.

Still, it remains to be seen whether 1) this option is realistic, both for West Africa and for Europe, and 2) whether non-federalist monetary unification, as was the case with the euro project, can only be achieved in one way, namely by preventing any form of political solidarity between the member states.

Indeed, only if the second question is to be answered in the affirmative are the criticisms of the Declaration on this point relevant.

However, it is possible to think that, both for Europe and for West Africa, monetary unification without a federal state can be conceived, provided that budgetary cooperation policies are put in place and that the ground is prepared for other forms of unification. In a nutshell: the European project is not flawed because monetary union was not designed within the framework of political federalism, *but because it was poorly designed*. This is where the problem lies.

It is true that until now the only objective of the European Central Bank (ECB), conceived as an institution independent from the other Community institutions (Commission, Council and Parliament), has been to achieve an inflation target "close to, but below 2%", i.e. to prevent price increases from exceeding 2% per year (as is the case for the BCEAO). However, it should be added that both the objective and the method can be changed, as shown by the recent decisions of the European Central Bank, which set the 2% threshold as a symmetrical medium-term objective, allowing it to support with scope not only the fiscal expansions made necessary by the pandemic, but also the policy mix that will have to accompany its exit.

It is clear that in Europe, serious consideration is now being given to the possibility of the ECB actively supporting this policy mix, and thus pursuing the twin objectives of monetary and financial stability and real growth, and doing so by updating its techniques: on the one hand, support for government bond prices is becoming more systematic, and will continue to be so in the future; on the other hand, the orientation of monetary policy is now, as it is in the United States, to stabilise average inflation and not target inflation.[7]

[7] These considerations were written before the growth of inflation (due in the US to rising demand and in the EU to rising energy prices). The decision to "fight" inflation with orthodox monetary measures shows us that positions can be reversed more easily than trends. Suffice it to note that these positions, both in the US and the EU, have

This is evidence that the ECB, while remaining autonomous, could and even should play a cooperative game with the member states and the Commission. The question opened up by the NextGenerationEU (NGEU)[8], the European Commission's Recovery Plan, is indeed twofold: on the one hand, it assumes the already real possibility of fiscal transfers without a federal structure, and on the other, it opens up the possibility of a European debt made sustainable by the activity of a Central Bank capable of stabilising expectations on the yields of government securities.

To be clear, the goal of convergence has always to be pursued, but the way in which it is can change greatly: so far, in Europe but also in the CFA zone, convergence has been pursued by subjecting governments to market discipline, to the detriment of growth. Budgetary cooperation, on the other hand, could couple the objective of stability with that of growth.

Another non-negligible element in the perspective of a cooperative construction of the Eco is the possibility of a coordinated management of public debt. Just as a European Debt Agency (EDA) is technically and institutionally conceivable[9], it is also possible to think of an ECOWAS Agency (West-African Debt Agency, WADA), tasked wot the issuing of Eco-denominated securities to finance the member countries. Something similar has already been envisaged with the WAMU-Securities Agency[10], and the West African Development Bank (WADB) also seems to be moving in this direction. Coordinated debt management would not only preserve ECOWAS member countries from the risks associated with direct market access, but above all it would give concrete meaning to the idea that "unity is strength", in other words that there are cooperative advantages linked to monetary unification that the new currency could make effective.

A non-federalist monetary union does not necessarily need to look like Europe's choice in 2002. Many economists now point out that the neo-liberal, market-oriented, budgetary austerity approach was not the only feasible solution. When it comes to serious political constructions, nothing, or almost nothing, is ever set in stone, especially when, as is the case with the Eco, it involves a new currency which needs not mimic the euro as it is, but which can stand on its own, in a direction which the euro could also take.

Minimalism and maximalism are similar in that they both fail to achieve their objectives: the former through excessive timidity, the latter through excessive presumption. Recent decisions in the EU show that budgetary cooperation tools can be put in place well before a federal construction, which could only be facilitated by such premises. It is up to African decision-makers to learn from this and do better.

3.2 Single currency/common currency: gradualism vs maximalism

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been questioned by prominent mainstream economists and are, at the very least, far from being considered unambiguously effective.

[8] The NextGenerationEU (NGEU) is the European Commission's 806.9-billion-euro plan to deal with the pandemic but also to launch infrastructure investments aimed at the productive reconversion of the Union's economies. It is characterised at the financial level by marked forms of budgetary mutualisation. See https://commission.europa.eu/strategy-and-policy/recovery-plan-europe_en. In the same line of a pooling of resources and risks, there is also the "The European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE)". See https://ec.europa.eu/info/business-economy-euro/economic-and-fiscal-policy-coordination/financial-assistance-eu/funding-mechanisms-and-facilities/sure_en.

[9] M. Amato, E. Belloni, P. Falbo, L. Gobbi, Europe, public debts, and safe assets: the scope for a European Debt Agency. *Econ Polit* (2021). https://doi.org/10.1007/s40888-021-00236-6

[10] Agency created by the BCEAO to help WAEMU countries go to the West African financial market to issue public debt securities. It could eventually become the West African Debt Agency (WADA).

The same argument can be invoked with regard to the distinction, which is conceptual above all, but also practical, between the final form of the Eco and the process leading to it.

As it is outlined in the Lomé Declaration and especially in the roadmap that it draws up, the Eco project does not immediately impose the single currency on all the ECOWAS Member States. The spirit of the Declaration is rather that of a progressive sharing of the principle of solidarity. Of course, it is questionable, as some critics have argued, whether this “principle of solidarity” derives from the simple “increased and strengthened economic integration” that the Declaration actually mentions in its point 5. In the spirit of the Declaration, in fact, the opposite is true: it is from solidarity that the realisation of this potential for integration stems, and it is precisely this solidarity that must first of all be institutionally established.

This is why monetary unification can, and indeed must, for the sake of sound realism, involve the construction of a common currency. The Declaration states that without hesitation. As for the validity of this cautious and gradual approach, it is the history of the euro as it was conceived in 1992-2002 that clearly shows it by difference: the introduction of the single currency was done without providing for any cooperation mechanism, or any trade balance clause - belatedly and timidly included in the Macroeconomic Imbalances Procedure (MIP)[11] in 2011. The resulting build-up of trade imbalances has certainly not helped to maintain either stability or growth in the Eurozone. Yet, the Eurozone is much more integrated than the economy of ECOWAS and the future Ecozone.

We must learn from the failures of others in order to build a true common market at the level of ECOWAS, and then support the tendency to equilibrium. This is the reason for the attention we pay to the European Payments Union, whose spirit also animates the Lomé Declaration. In view of the relatively low level of intra-ECOWAS trade, due to the competitive extraversion of the economies of the member countries, the construction of a West African Payments Union using the Eco as a common unit of account, while leaving it to each country to decide whether to adopt it as its national currency, and thus leaving each country the possibility of regulating the exchange rate of its own currency with the Eco, is an intermediate solution capable of gradually preparing the adoption of the Eco as a single currency; with the risk to be assumed of a social and economic cleavage between those who could protect their assets in national currency thanks to their conversion into the common currency, and those who would in fact only have access to the national currency (following the example of several Latin American countries using the dollar as a common currency).

Since some critics of the Lomé Declaration are stimulated by the idea that one could always do things differently, often forgetting to say how, they should be reminded that this alternative of a common but not single currency could have been realised before the euro, when the ECU was the unit of account common to the States of the European Community, with each country retaining its own national currency, simply by taking up the institutional and economic logic of the European Payments Union.

This is why we speak explicitly of “preparatory tools for the passage from the starting scenario to the ideal scenario”, and we mention precisely a “West African Payments Union” along the lines of the European Payments Union (1950-1958), and a “West African Debt Agency”, capable of issuing common securities, by perfecting the model of the WAEMU securities service (WAMU-Securities Agency).

4. Extraversion and endogenous development: what a new currency can bring

There is no need to try to hide behind a finger: among the problems of the future Ecozone there is certainly the low level of internal trade in West Africa. Nor should one hide from the fact that a radical change in this regard could only come about

[11] https://ec.europa.eu/eurostat/web/macroeconomic-imbalances-procedure/.

through a systematic transformation of African economies towards "endogenous development". Clearly, this change can be greatly facilitated by a well-designed monetary reform as well as the construction of a roadmap for the ECOWAS single currency.

Curing extraversion in order to move towards endogeneity does not in any way imply closure to global economic relations. Quite the contrary. Among the challenges that Africa must take up, there is also that of building the conditions for trade on an equal footing with the other major geopolitical zones. This is why there is no contradiction between the transition to an endogenous development of West Africa and the opening up to international capital flows. We must simply remember that there is no growth, even endogenous growth, without debt (this is the very logic of investment) and that we can no longer think in terms of closed economies. The problem is not the debt, but its sustainability. And a new, well-designed currency would serve precisely to make sustainable the debts incurred to undertake the investments.

In this sense, there are recoveries of sovereignty that should make it possible to build a more balanced relationship between ECOWAS and international investors (who would be interested in endogenous development as much as, if not more than, the maintenance of the old "extractive" and extroverted relations): among them is clearly an autonomous and rigorous management of reserves, as planned since the summit of ECOWAS Heads of State on 20 June 2019 in Abuja.

The other form of sovereignty to be recovered is at the heart of the Lomé Declaration as well as of all the preparatory work for its drafting: far from being a simple extension of the logic of the CFA Franc to an ECOWAS zone that is even less convergent than the UEMOA zone, the new ECOWAS currency must make it possible to achieve a policy mix based on controlled fiscal expansions, on the possibility of financing them in a sustainable way, so as to attract (good) investments, namely those that are intended to promote development and not extraction. But only forms of fiscal cooperation can enable monetary policy to move away from the minimal objective of controlling convergence parameters: only within the framework of the roadmap outlined by the Declaration can ECOWAS count on a Central Bank capable of pursuing the dual objective of stability and growth, by putting in place mechanisms "ensuring the necessary flexibility to absorb the impacts of external shocks which may diverge" (point 4 of the Declaration).

This could help Africa to face its own challenges, those of endogenous development and sustainable agriculture. To criticise the Lomé Declaration for not explicitly addressing this issue is to expect too much from a monetary project. The Declaration is not a new bible: it is mainly about money. It is clear, however, that the real objectives of economic policies can be better achieved with a monetary policy based on an adequate currency, i.e. on a policy capable of supporting public investment.

A major disease of politics is maximalism: whatever is proposed, it is always "much more" that should be done. Another disease of politics, quite the opposite of the first, is however the "realism" of realpolitik, resolutely asserting that one cannot do more than what is possible. Between the two, however, lies always another way: that of working to make possible what seems impossible, but which, far from actually being impossible, is simply difficult to achieve.

5. Conclusion

We must remember that Africa can get out of the spiral of over-indebtedness and extreme dependence on external financing by promoting a form of finance based on criteria of use (what are our needs to be met) and on the links that are to be forged to forge in African territories and among African populations. So let us not talk about finance, but about African finance, which is plural, local and committed, woven from our own aspirations and principles of coordination.

To this end, we propose to definitively turn the page on the CFA Franc and to build a future currency for the entire African continent, thus giving substance to a true monetary pan-Africanism[12]. For the success of this construction, the economic dimension of the currency is crucial: how to succeed in the monetary transition from the CFA Franc to the ECO and make the future ECO zone an “optimum currency area”?[13]

The institution of African monetary commons should strive to go beyond the debate between "federalists" and "sovereignists" as well as that between advocates of an ex-ante approach and supporters of an ex-post approach to monetary optimality; it is a question of imagining forms of monetary association that transcend state and/or market perimeters. Promoting this dimension of money is what justifies that decisions concerning it should be taken by democracy and not by an autocracy, even a supranational one.

[12] Perhaps it is worth recalling that the first Pan-African Conference was held in London in July 1900...

[13] For that notion, the standard reference is to R. Mundell, A Theory of Optimum Currency Areas, *The American Economic Review*, 51 (4), pp. 657-665. For a review of the literature, with specific reference to the African case, see M. Amato, K. Nubukpo, (2020), A new currency for West African states: The theoretical and political conditions of its feasibility, *PSL Quarterly Review*, 73 (292): 3-26.

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