Jurnal Perpajakan dan Keuangan Publik

Eco and CFA Franc: Continuation or Rupture of Colonial Legacies in Postcolonial Monetary Sovereignty?

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How to cite: Kanté, L. (2025). Eco and CFA franc: Continuation or rupture of colonial legacies in postcolonial monetary sovereignty? *Jurnal Perpajakan dan Keuangan Publik*, *4*(2), 59–67.

Histori Artikel
Received: 1 September 2025
Revised: 20 December 2025
Acceptep : 30 December 2025

Keywords:
ECOWAS, Eco, CFA, CAEMC, WAEMU, West Africa

Kata Kunci:
ECOWAS, Eco, CFA, CAEMC, WAEMU, Afrika Barat

ABSTRACT
CFA has been created in 1945 by colonial France. CFA has stood for Colonies Françaises d'Afrique with fourteen West African countries. The West African space is divided in two zones: the West African Economic and Monetary Community called WAEMU (UEMOA in French), and the Central African Economic and Monetary Community also known as CAEMC or CEMAC in English. CFA has been guaranteed by the French Treasury and pegged by the euro. It was partially governed by colonial France. In Contrast, Eco refers to a single currency that the Economic Community of West African States (ECOWAS) proposed for the economic integration and monetary independence in West Africa. In opposition to CFA, the Eco has been designed as decoupled from the institutions of France. The latter reflects pan-African economic identity and ideology. The objective of the present paper is to analyze the representation of neocolonialism in reference to the two economic currencies. In other words, we aim to study the decolonial image of West African monetary currency in reference the transition from CFA to Eco.

ABSTRAK
CFA didirikan pada tahun 1945 oleh Prancis kolonial. CFA merupakan singkatan dari Colonies Françaises d'Afrique yang terdiri dari empat belas negara Afrika Barat. Wilayah Afrika Barat terbagi menjadi dua zona: Komunitas Ekonomi dan Moneter Afrika Barat yang disebut WAEMU (UEMOA dalam bahasa Prancis), dan Komunitas Ekonomi dan Moneter Afrika Tengah yang juga dikenal sebagai CAEMC atau CEMAC dalam bahasa Inggris. CFA dijamin oleh Departemen Keuangan Prancis dan dipatok oleh euro. Sebagian wilayahnya dikelola oleh Prancis kolonial. Sebaliknya, Eco merujuk pada mata uang tunggal yang diusulkan oleh Komunitas Ekonomi Negara-Negara Afrika Barat (ECOWAS) untuk integrasi ekonomi dan kemerdekaan moneter di Afrika Barat. Berbeda dengan CFA, Eco dirancang agar terlepas dari institusi Prancis. Hal ini mencerminkan identitas dan ideologi ekonomi pan-Afrika. Tujuan makalah ini adalah untuk menganalisis representasi neokolonialisme dalam kaitannya dengan kedua mata uang ekonomi tersebut. Dengan kata lain, kami bertujuan untuk mempelajari citra dekolonial mata uang moneter Afrika Barat dalam kaitannya dengan transisi dari CFA ke Eco.

A. INTRODUCTION

The issue of monetary sovereignty has remained an important challenge for the economic and political development in ancient, colonized nations, states and organizations like ECOWAS. One of the monetary spaces in Africa is CFA, a colonial monetary heritage that still circulates across several West African countries. Eco has been proposed by the ECOWAS institution in 2013 after being suggested to be introduced in 2003, postponed several times, 2005, 2010 and 2014. Its start was scheduled for 2015

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after the Convergence Council of Ministers and Governors of West Africa's meeting on 25 May 2009. This was possible because of the 2008's financial crisis. These two currencies raise fundamental questions on the issues of rupture and continuity with the colonial systems. The first is clearly a colonial-era mechanism in postcolonial governance even if there are changes and evolutionary symbols that are developed.

The present study explains postcolonial currency and critical political economy. In the present work, we attempt to examine the way colonial structures mainly fixed exchange rates; foreign reserve pooling and external oversight can shape neocolonial monetary policies. This paper calls for frameworks such as the perpetuation of economic subordination called dependency theory, the way historical institutions constrain contemporary choices also explained as 'institutional path dependence', and the indirect perpetuation of colonial power dynamics manifested in 'neocolonialism'.

The problem statement of this paper remains centered on the way postcolonial powers dismantle colonial legacies regarding monetary currencies and the question of colonial legacies' continuity or a new rupture. The CFA Franc remains retained by fourteen African nations. It is plugged to the euro that foreign institutions govern and requires fifty percent of foreign reserves that remains held in France, the ancient colonizer. The Eco is ECOWAS' proposed monetary currency. ECO faces tensions. It brings us to question whether it will replicate CFA's dependency or enable autonomy? This paradox underscores dilemma. To what extent does the ancient colonial currency institutionalize colonia-era economic dependency in its governance mechanisms? Is Eco a project that represents a structural rupture with CFA model? Does it risk perpetuating similar dependencies like CFA? How does geopolitical interests mainly France, Europe influences and subregional power dynamics (ECOWAS) shape contestation over monetary sovereignty? Does the introduction of Eco remain a strategic road for maintaining West African nations in ECOWAS? Which conditions would enable true reclamation of monetary sovereignty?

As the CFA remains widely criticized as colonial relics, its evolution from 'Colonies Françaises' to 'Communauté Financière Africaine' (CFA) is understood as a simple symbol for many peoples. CFA's institutional formations and its external control are images of the continuation of colonial powers. Its fixed parity with Euro by the French Franc and the mandatory of fifty percent of foreign reserves in the Treasury of France are understood as neocolonial constraints on sovereignty. In opposition to CFA, Eco has been opted as a symbol of decolonization and Pan-Africanism. In consequence, the processes of its adaptation have created tensions between Francophone and Anglophone ECOWAS nations, mainly the controllers, the macroeconomic criteria that must be met and the roles that external actors should have.

B. LITERATURE REVIEW

Researchers and scholars have developed ideologies and frames that explain the usage of CFA and Eco in postcolonial nations. Debates surrounding the question of monetary issues in West Africa have garnered increasing attention in postcolonial literature. Kako Nubukpo (Nubukpo, 2019) has conceptualized the CFA as a system of voluntary servitude. His analyses revealed that CFA remains a paradox where the elites of African nations uphold monetary framework sustaining France's influence on West African economies. He qualifies this servitude as 'voluntary' because it retains national and local actors to align for economic dependency. This form of enforcement in macroeconomic orthodox serves French Treasury.

Ntongho (Ntongho, 2020) explores a nuanced analysis of Eco project. He underlines that Eco is an affirmative step toward regional sovereignty and an image of contested narrative with the Franco-Francophone dynamics. He explains that Eco is hailed as an image of decolonization, but it remains for him also a reproduction of colonial legacies through governance and design. This explanation is an analysis of the representation of different West African actors mainly UEMOA and non-UEMOA nations as competing figures for sovereignty. This is a revelation of fractures not between France and its former colonies, but between African ancient French colonies. These fractures and oppositions have complicated internal political dynamics withing ECOWAS and the other subregional organizations as Yusuf (2021) and Anela (2022) have developed in their emerging research from Covenant University. Their findings explain institutional weakness, political rivalries, and the lack of supranational coherence that could maintain regional integration.

ECOWAS has failed to gather West African voices. In contrast, the realization of collective economic goals added to the economic dominance of nation like Nigeria limit ECOWAS' ability to implement and develop transformative monetary policies. Adediran (Adediran and al., 2020) utilizes quantitative economic models to evaluate the alternative currency regimes that could be beyond Eco peg. Their main question is the adaptation of single currency like the Eco. They ask whether ECOWAS should make exchange-rate anchor preferable.

Akpan H. Ekpo has underlined that "In 2000, in order to fast-track integration, another monetary zone known as the West African Monetary Zone (WAMZ) was established to work towards the convergence of the currencies of the economies of WAMZ with the aim of aligning with the CFA to have a single currency for the region." (Akpan H. Ekpo, 2018:1-2). The WAMZ was composed of Anglophone countries. This initiation was for the reconsideration of regional integration.

Rachael Ntongho (Ntongho, 2022) explains in his chapter that political economy remains an appropriation of ECOWAS countries and a space of tensions between states. Both Yusuf (2021) and Anele (2022) explain that ECOWAS lacks the supranational political ontology. They explain political rivalries and competing regional interests. These tensions between nations are influenced by colonial borders that hinder collective action. As the West African states do not control fully their CFA, European economic needs are the more shaped. Kako (Nubudpo, 2019) sustains that African leaders have accepted this colonial system of currency even if it is limited and far from economic freedom. Is the ECO simply a new name? If the ECO sought to replace the CFA and symbolize economic independence, it always keeps the Euro peg. That's one of the anomalies of the new currency. Even if France has stepped back, its influence remains always through debt, trade, and financial systems. Is not the political division the main reason of the impossibility of West African nations to break up with colonial legacies? Yusuf (2021) has underlined that ECOWAS countries like Nigeria and Francophone countries do not fully trust each other. Jean-François Bayrat's The State in Africa: the Politics of the Belly (Bayrat, 2009) explains that postcolonial leaders profit from power by patronage, clientelism and corruption. As true monetary sovereignty requires new economic thinking, not just copying, it obliges African unity and a complete break from colonial dependence. The question is whether ECO is for a real change or just a name. First, true economic independence requires ditching the euro peg with full control. Second, it demands the building of trust between African states and leaders, and finally, to decolonize economic thinking from African policies.

In “To ECO or not to ECO? Evidence for the Single Currency Agenda of ECOWAS” (Idris A. Adediran, Afess A. Salisu, Ahamuefula E. Ogbonna, 2020), the examination of series proves that the strong statistical evidence moves in a stable long-run fashion. It covers the timeline between 2009 and 2019 with observation to the ECO’s rollout. The findings back the possibility of the single regional currency with a strong suggestion to link ECO with the US dollar over Euro. This is due to the robust cointegration evidence. The results support the adoption of ECO as the local monetary currency able to provide stabilization. The paper provides econometric evidence through fractions. This illustrates that currency shocks in ECOWAS are temporary and mean-reverting. The conclusions suggest the adoption of ECO because of its link to dollar.

Livinus Anele and Joseph Anuga (2024) explain that the states of ECOWAS lack political will in their “The Challenges of Adoption of Eco Single Currency among ECOWAS Member-States”. They come back to the historical mistrust and differing integration visions that impede cooperation. This is illustrated in the paper by the Nigeria’s critique of unilateral movement that francophone countries adopt for the ECO. On a page of this article, we read “…Nigerian government criticized the decision of the Francophone West African bloc, through President Alassane Ouattara of Cote d’Ivoire, and President Emanuel Macron of France, for unilaterally announcing the adoption of the proposed ECO single currency in 2020” (Livinus Anele and Joseph Anuga, 2024:521). Added to this, always in the same article, the different convergences timelines and constructions between WAEMU for francophone and WAMZ for anglophone countries have complicated alignment. Without forgetting civil unrest, military coups and insurgencies that destabilized the region with the withdrawal of Mali, Burkina Faso, and Niger from ECOWAS in 2024. Another importance point is the African’s sufferance from limited electricity access with 42 per cent overall and 8 for rural areas, the minimal-ECOWAS trade (less than 12 per cent) and poor transport networks hinder integration. The authors recommend that WAMZ demonstrate real commitment to the Eco agenda instead of lipping services. In consequence, they also recommend strengthens of ECOWAS mechanisms including sanction for non-compliance. This could not succeed without equitable treatment of all ECOWAS members and clear communication on the benefits and costs of Eco.

“ECOWAS, the Politics of ECO Currency and Economic Development in West Africa” (Felix Ayeni & Sadeeque A. Abba, 2024) examines the ECOWAS’ ongoing issue to adopt ECO single currency. The authors explain that ECO is a failure of ECOWAS states to meet the criteria of macroeconomic convergence like inflation control and fiscal debt. The involvement of Emanuel Macron has created political disunity over the ECO Agenda. The conclusions affirm that ECOWAS need transparency and focus inward by the priorities of domestic economic development to ensure financial stability.

C. RESEARCH METHOD

The study used a qualitative-based literature to make relevant findings. In doing this, the study used a literature-based snow-balling method in getting secondary data to answer the research questions. The literature was written systematically by sticking solely to the research questions posed in the study.

D. RESULTS AND DISCUSSION

ANALYSIS

ANALOGIES AND DISCREPANCIES

ECOWAS' leaders speak of a phased ECO launch in 2027. Before this, deadlines have long expired since 2003, 2010, 2015, 2020, and now, they are talking for two next coming years. The 2020 WAEMU's reform for the CFA where France has ended up the operations account withdrawal form BCEAO government and requirement, people see this like a legal-institutional change but another macroeconomic issue. Ndongo Samba Sylla and Fanny Pigeaud (Sylla, N. S. & Pigeaud, F, 2021) traces the origins of the Franc CFA to 1945. After direct colonization, France continue to control its mechanisms through four key issues: (1) the fixed peg to the French Franc (now euro), (2) their treasury guarantees convertibility (African states deposit the half of their foreign reserves in France for financial hostage-taking, (3) the presence of French peoples in central bank boards and (4) the free capital flows to France which encourages leaders to stash wealth, no investigation.

In consequence, the ECO matters because it is supposed to remove French control on African states. The question is: why does the euro peg keep Eco currency? This explains another form of submission and control. But, if Eco takes the euro peg, it repeats the same problems as CFA. Then, it would not be a solution. If the Eco could not break the euro peg, end foreign reserve which is at France, create regional industrial politics and make democratic control over money, it does not address sovereignty and independence.

The debates over the transition to Eco raises fundamental questions about postcolonial sovereignty, independence and regional integration. Eco is presented as a symbol of liberation from colonial legacies but raises doubt about the depth of the rupture. CFA has fixed parity with the euro since the 1999s, even after the change to French Franc, the same fixed exchange remains fixed exchange rate with Eco. Eco and CFA monetary stability is based on euro peg. With CFA, France has officially sat on BECEAO boards, he central bank for the West African Economic and Monetary Union (WAEMU), issuing and managing the common currency in the West African CFA franc (XOF). In contrary, with the ECO, French removal for representation is represented as an integral project. In addition to this, Eco is a pan-African branding given name whereas CFA remained first a colonial given name before its change in form. Talking about their limitations also, CFA has always been restricted to UEMOA countries and Eco remains designed the single ECOWAS currency. These explanations conclude that changes indicate formal break from colonial legacies.

The CFA-Eco reform exposes the tensions between symbolic sovereignty and structural dependence. In contrast, the new naming of CFA and the removal of French representation is a response to popular political call for autonomy after independence. The recent proposition of Eco remains a step toward African-led integration. The transformation from CFA to Eco is more managerial than radical rupture.

THE RUPTURE OF COLONIAL ECONOMIC

The Eco was currently designed for UEMOA members. It occupies an ambiguous space representing neither a complete break nor a mere cosmic change. The currency decolonizing struggle for economic sovereignty is very limited since it is idealized through a symbol of independence only. The question should really be: What should

ECOWAS make full monetary sovereign? Should it be limited to managerial fact or symbolic reforms embedded in a well through monetary symbolization?

The rupture for ECOWAS should be very strategic. It should expand policy space for cyclical stabilization. This should lead to the revision of the central bank for instrument independence and mandate duality. It can be represented in the following structuration: price stability + employment/financial stability. This can make the central bank an initiation of a bank that will be free from political influence in the daily operations and decisions. It is an open permission to an autonomy for choosing tools like the interests' rate changes and open market. This is necessary for maintaining the central bank credible. As the primary objective of any central bank remains price stability, the revision of laws adds duality of mandate. It includes employment and financial stability. This is demonstrated by the 2008 crisis in which price stability was not enough to prevent financial collapse. This is not important if the transparency standards are not known by the mass people.

DISCONTINUITY OF COLONIAL CURRENCY

The Eco remains a response to the failures of the CFA franc, with its primary objective being to succeed where the CFA system proved inadequate. This objective is grounded in the concept of *discontinuity*, understood as a clear break in institutional design and governance structures that historically characterized the colonial monetary system. Such discontinuity encompasses four major dimensions: the termination of French influence, whether formal or informal; the end of the requirement to deposit 50–65 per cent of ECOWAS member states' foreign reserves with the French Treasury; the withdrawal of French representation from regional monetary institutions such as the BCEAO and BEAC; and the expansion of monetary autonomy previously constrained by the fixed peg and guarantee structure. This shift toward discontinuity was initiated through a series of political and institutional decisions taken between 2019 and 2020. In 2019, WAEMU abolished the *compte d'opérations*, resulting in member states' foreign reserves being held entirely by the BCEAO, while French representatives were simultaneously removed from BCEAO governance structures, including voting rights and board membership. These reforms marked the end of formal co-decision authority by the former colonial power over regional monetary governance (ECOWAS Commission, 2025). Another dimension of discontinuity lies in the symbolic renaming of the CFA franc (XOF) to the Eco within the WAEMU zone, a change that carries significant political and symbolic meaning. Through these reforms, the BCEAO has taken a step toward greater operational sovereignty. However, the continued fixed peg to the euro represents a form of structural continuity, as macroeconomic policy alignment with the euro area continues to prioritize monetary stability over domestically driven growth objectives (African Development Bank Group, 2025).

The proposal change from CFA to Eco has broken two of the most emblematic colonial systems. The first remained the operation account and the second, colonial governance seats which constitute two undeniable discontinuities in form and control of currency adoption. On the following table 1, we make a comparison of Colonial CFA and Post-2020 Eco systems.

Table 1. Comparison of the CFA System (pre-2020) and the Eco System (post-2020/WAEMU) and their Discontinuity Status

Symbols	CFA system (pre-2020)	Post-2020 Eco System (WAEMU)	Discontinuity status
Reserve management	50-6% of foreign reserves deposited in French Treasury Operations	100% reserves held by BCEAO	Institutional and operational
Banking governance	Colonizers had voting rights	No French voting seats	Institutional
Legal framework	Parity fixed to French franc, then Euro (always with French guarantee)	Fixed parity to Euro (always with French guarantee)	Partial discontinuity
Policy autonomy	Limited flexibility for local needs	More operational independence with the same external anchor limit flexibility with CFA	Substance continuation

Decolonization is not simply a withdrawal of colonial authority, it remains a re-organization of political, cultural and economic lives. This is understood as a creation of discontinuities. In other words, it is a break from inherited systems and structures of dependency.

As the transition from CFA to ECO is understood as a break, discontinuity remains something contested. Eco represents a clear discontinuity but an establishment of African institutes, monetary schools and central bank training centers. Discontinuity requires linking money to development goals. What are the development goals in the zone of ECOWAS? These development goals embed industries, employment and food sovereignty. Are they considered and considered? As discontinuity refers to decolonial principles, it positions Eco as a step toward African continental currency. A strategic discontinuity of colonial monetary heritage could be drawn as demonstrated in the following figure 1.

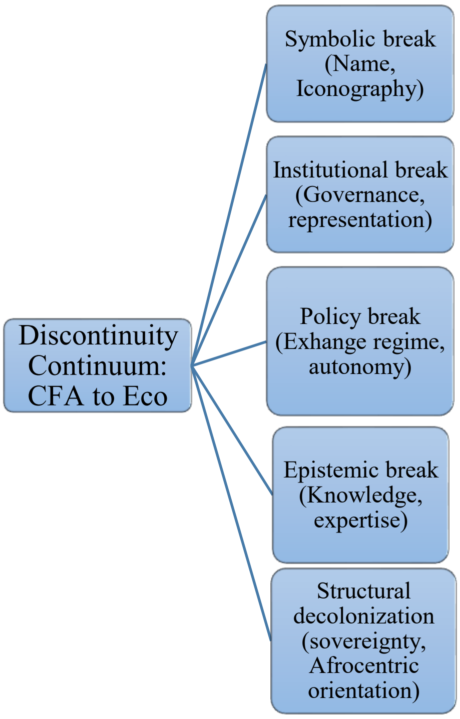

Figure 1. Discontinuity Continuum: CFA to Eco

as Eco current situation is between institutional and policy breaks, this diagram nightlights that there are always policy and structural decolonial incompleteness. With the dollarization of international monetary system (88% of foreign exchange transactions remain dominated by U.S dollar) and international loans, trade and debt repayments are overwhelmingly paid on base to dollar (Eichengreen, 2011) guaranteed USA the only leverage to finance deficits and influence. To Africans, this should make them reform the domestic and regional currency. The consequences of this 'internal system' of developing nations have created what is called 'origin sin' because only the dollar has appreciated, repayment burdens rise. Rodney has developed the same issue of monetary subordination in his How Europe Underdeveloped Africa (Rodney, 1972). For Rodney, monetary dependence reproduces colonial economic hierarchy by locking African economies into resource export and payment of debt.

E. CONCLUSION

The information in this work has demonstrated that CFA is a symbol of colonial system. Eco embodies a symbol of dialectic tension. It symbolizes institutional and symbolic discontinuities advancing decolonial narratives. Even if Eco retains structural discontinuity, it can become a cosmetic rupture. The peg limits real monetary independence because in exchange rate, decisions remain constrained. In this context, what is considered 'rupture' could become symbolic reform. In other words, Eco could be like this painter who attends to repaint the colonial building while keeping the colonial heritage foundations.

The question turns then from discontinuity to radical discontinuity able to produce genuine monetary decolonization. In this perspective of force imposition of Europe on their ancient colonies, they always continue to control and maintain their domination. If loans and payments are dollarized, ECO and CFA cannot achieve full decolonization. Africa needs a strong currency.

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