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The effects of French foreign aid on the democratic practices of the Congo Brazzaville and Côte d’Ivoire. (1990-2016).

法國對剛果共和國及象牙海岸之促進民主外援之效應。

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Abstract:

This thesis examines the effects of French aid on the democratic practices of both Côte d'Ivoire and the Congo Republic from 1990 to 2016. It does so through the lens of the realist scholar Morgenthau's (1962). Morgenthau's definition of foreign aid as being 'the transfer of goods and services from a nation to another' enables this research to assess the CFA Franc currency as a form of aid, therefore, the categories of aid defined by Morgenthau (1962) allows us to identify several types of French aid; The conventional bribery aid, the subsistence aid, the promotion of the economic development of recipient countries as a justification for the use of the CFA Franc and the subsistence aid to maintain the existence of the CFA Franc. French bribery and subsistence aid are used to support or oppose incumbents during important political events, depending on the incumbent's capacity and willingness to protect French interests. This research finds that bribery aid to replace a non-compliant incumbent increases the likelihood of civil war, while subsistence aid spent to maintain a compliant incumbent in office increase the likelihood of the occurrence of an authoritarian rule. On the other hand, the CFA Franc currency, monetary union and decision making process allow France and the European union (from 1999) to have exclusive access to both countries domestic markets, and to have cheap access to strategic natural resources (uranium, petroleum) and commercial resources (cocoa and coffee, diamonds). This research finds that the provision of the CFA Franc by France slows down the socio-economic development of both case study countries, undermines the monetary sovereignty and the democratic accountability within the monetary unions' decision making organs, and creates dependency on France which makes both Côte d'Ivoire and the Congo remain in the CFA Franc zone. Moreover, bribery and subsistence aid are additional tools for France to maintain both case study countries within the Franc zone.

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Acronym list:

BCEAO - Banque Centrale des Etats d'Afrique de l'Ouest [Central bank of the West African States]

BEAC - Banque des Etats d'Afrique Centrale [The Bank of Central African States]

BICIC - La Banque internationale pour le commerce et l'industrie de la Côte d'Ivoire [International Bank for trade and Industry of Côte d'Ivoire]

BNP Paribas - Banque Nationale de Paris [National Bank of Paris]

CEMAC - Communauté économique et monétaire d'Afrique Centrale [Economic community of Central African States]

CFA - Communauté Financière Africaine [African financial community]

FCFA - Franc de la Communauté Financière Africaine [Franc of the African financial community]

SGBCI - Société Générale Côte d'Ivoire [General Society Côte d'Ivoire]

UDEAC - Union Douanière et économique des états d'Afrique Centrale [The Central African Customs and Economic Union]

UEMOA /WAEMU - Union Economique et Monétaire Ouest Africaine [West African Monetary and Economic Union,]

UMOA/ WAMU - Union Monétaire Ouest Africaine [the West African Monetary Union]

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I. Introduction

I.1 - French democracy promotion

Democracy promotion is one of the major aspects of contemporary Western democracies' foreign policies. Given that observation, it is important to analyze the effects of aid on the democratic transitions in countries of the South, to assess the effects of aid on recipient countries' political systems, and to search for ways of improving democracy promotion efficiency.

The U.S. has unsurprisingly attracted most of the attention within the scholarly community, leaving other important democracy aid donors such as the U.K, France, and Germany relatively understudied. France is arguably the Western country the most tied culturally, economically, politically, and historically to the African continent. France is also notable for actively advocating democratic practices in international institutions, a leading country in the European Union, and a permanent member of the UN Security Council.

François Mitterrand - former French President from 1981 to 1995 - during the France-Africa summit held in June 1990 at Baule city, France, (Bolle, 2000; Obiang, 1996) indicated the goals of France's foreign aid when he argued that France would *'link its effort of contribution to those efforts to move toward greater liberty'* (Riding A., June 22, 1990). The Baule Speech has subsequently become known as the starting point for French democracy aid programs. It had two important themes; France would prioritize democracy in conducting its foreign policy, notably by rewarding countries willing to democratize and guarantee civil liberties. France would also punish political systems unwilling to do so by withholding foreign aid disbursements. (Bolle, 2000; Obiang, 1996; Melonio, 2012).

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However, the literature analyzing French democracy promotion and foreign aid has suggested that despite 'new commitments' in a changing international context increasingly demanding support for democratic practices, French foreign policy has not changed in essence since its late colonial era. France has mainly pursued self-interests and the enhancement of its state power rather than promoting socio economic development or democracy. (Cumming, 1995, Cumming, 2001; Chafer, 2005; Melonio, 2012; Obiang, 1996; Alesina & Weder, 2002; Bolle, 2000; Schraeder, 1995; Hayter, 1966). A research could not convincely assess French interested foreign aid without engaging a discussion on Françafrique.

1.2. The *Françafrique* System and French politics

Verschave (1999) pointed out that French President Charles de Gaulle (1959-1969), in the context of worldwide independence movements in 1960, created a special ministry directly under his jurisdiction known as the *Secretary in Charge of African and Malagasy Affairs - Secrétaire général de l'Élysée aux affaires Africaines et Malgaches*. (1960-1974). The person in charge was the *Chief of Staff in charge of African and Malagasy affairs*, commonly known as *Mr Africa*. The first *Mr Africa*, Michel Foccart (1960-1974) established a network of personal, political and business relations which Verschave (1999) referred to as *Françafrique - [France-Africa]*. Verschave (1999) has also pointed out that, in the dawn of the African independence movements in 1960, this secretariat was created to secretly maintain African countries' dependency on France in order for France to continue enjoying privileges previously provided by colonialism, mostly in the form of cheap access to strategic resources (oil, uranium, gas etc.), access to African domestic markets, but also to maintain important personal and business relations between France and African presidents and political elites.

This analysis implied that France helps preferred political figures to reach office, as well as the use of illegal and corrupt practices through public and private companies (ex: The ELF scandal[1]), secret services and mercenaries (DGSE and DSL), bilateral aid, military interventions etc.

[1] Baruch J., Le pétrole Congolais d'Elf, huile de la Françafrique, [ELF's Congolese petroleum, Françafrique's oil,] *Le Monde*, (2018, April 10.)

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Consequently, many African rulers in office in the sixties were affiliated to France one way or another. Some were linked to French secret services agents, like Gabon's second President, Omar Bongo[2] (1967-2009), others were former deputies under French colonial rule such as Houphouët-Boigny of Côte d'Ivoire or Léopold Sédar Senghor, Senegal's first President. (Verschave, 1999, 2000, 2002, 2004).

These compliant incumbents would favor French companies; even if they are not affiliated to French secret services (Except for ELF), they are important players of the *Françafrique*[3] system described by Verschave. For example, *Bouygues group*, inherited a great deal of the subsidiaries and ODA money Côte d'Ivoire received, at least before 1999. *Bolloré group*, has the monopoly over Transport and Logistics in most of the coastal regions of Francophone Africa, including Côte d'Ivoire, and *Castel group* controls the fishery industry. (Verschave 2003, p 23).

The foundation of the Françafrique network was continued after Jacques Foccart's mandate. After the Foccart years, many different "*connections*", or sub-networks were created and co-existed; the *Giscard connections* (1974-1981) under the presidency of Giscard d'Estaing, the *Mitterrand connections* under the presidency of François Mitterrand (1981-1995), and the *Pasqua connections* under the Mitterrand-Chirac cohabitation (1986-1995).

Mitterrand's connections (left wing) had been established in order to compete with that of the Gaullists and Neo-Gaullists (right wing). Consequently, despite competing political ideologies, represented by the socialists and Gaullists and neo-Gaullists, from de Gaulle (1959-69) to Macron (2017-2022) each French government has maintained this special African Cell and a *Mr. Africa* has determined French foreign policy in Africa. (Verschave, 1999, 2002, 2004; Pigeaud, Samba Sylla, 2018).

[2] *Benjamin, R.*, Les présidents africains sont conscients que les services secrets français ne sont pas à leur service, [African presidents are aware that French Secret Services aren't at their service], *Jeune Afrique*, 2018, October 1

[3] Op.cit.

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I.3. Research question, hypothesis and contribution

Therefore, appreciating the Françafrique system and French foreign aid literature's conclusion, this research asks if French aid as well as the CFA Franc (considered to be a form of foreign aid in this research), helped improve the democratic practices of the Republic of Congo and/or of Côte d'Ivoire from 1990 to 2016? Between the democracy promotion and realist understandings, which ones provide the best tools in analyzing the effects of French democracy aid and FCFA on these two countries?

This paper hypothesizes that aid is either sent to governments in order to support the recipient country's incumbent (Subsistence aid), or to the opposition parties in the attempt to overthrow a non-compliant president (Bribery aid) prior during or immediately after the presidential elections and civil war years and is sent depending on the incumbent's will and capacity to further French interests in the state.

Morgenthau's (1962) understanding of foreign aid as "*the transfer of goods and services from one country to another*" allows this research to understand the CFA Franc currency, monetary policies and set of services *'provided'* by France as a form of foreign aid, and therefore enables this research to analyze the effects of the CFA Franc on economic development and democratic practices of both case study countries. (I.e. 5.1.).

This paper finds that in both case study countries, French foreign aid has had negative effects on the democratic practices, democratic accountability and political stability of both recipient countries. By supporting the incumbent, French (Subsistence) aid consolidates the incumbent's political power and reduces the chances of an alternative to materialize democratically, which may foster authoritarianism. Conversely, by supporting the opposition, French (Bribery) aid is conducted to replace an incumbent who is perceived as an obstacle to the French interests by a more '*suitable option'*, meaning a more docile political figure. These mechanisms allow France to maintain the continued presence of these countries within the CFA Franc zone. The membership of a country in the CFA Franc zone enables France to extract from strategic (uranium, petroleum etc..) and highly profitable resources (cocoa &

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coffee, wood, diamonds), as well as to gain exclusive access to both countries' domestic markets. The CFA Franc creates economic and political dependency on France, damages the democratic accountability and monetary sovereignty of the Franc zone decision making organs, and slows down the socio-economic development of both case study countries which prevent them from overcoming major socio-economic issues and aggravates their economic and monetary dependency on France.

Authors have already pointed out that French foreign aid is self-interested, however it has been done without systematically assessing the effects of aid on the democratic practices of recipient countries. (Cumming, 1995, Cumming, 2001; Chafer, 2005; Melonio, 2012; Obiang, 1996; Alesina & Weder, 2002; Bolle, 2000; Schraeder, 1995; Hayter, 1966, Akindès, 1996; Schraeder et al., 1998; Villaibre-Fernandez, 2009; Kuziemko, Werker, 2006). On the other hand, if the effects caused by the CFA Franc on the economic development and monetary sovereignty of the CFA Franc members have all been assessed by the literature (Pigeaud, Samba Sylla, 2018; Samba Sylla, 2015; Nubukpo, 2007; Nubukpo, 2011; Guillaumont Jeanney, 2006; Makhtar, 1998; Monga, 1995; Guillaumont, Guillaumont Jeanneney, 1984; Elbadawi, Madj, 1996; Guillaumont, Guillaumont Jeanneney, 1995; Ravenhill, 1995; Fouda Owoundi, 2001), only Pigeaud and Samba Sylla, (2018) have pointed out French interests behind the currency as well as systematically assessed the effects of the CFA monetary unions on the socio-economic development, the democratic practices and the democratic accountability of the members.

However, the literature on the CFA Franc isolated the analysis of the currency from the other kinds of aid. In that sense, this research contributes to the literature by applying Morgenthau's (1962) methodologies on French conventional foreign aid and on the CFA Franc which allows to consider CFA Franc as a form of foreign aid and therefore enables this research to identify a complementarity between the conventional types of foreign aid (Subsistence and Bribery) and the unconventional aid (the CFA Franc) all of which allow France to maintain its interests since the end of the colonial era.

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Finally, this research contributes to the democracy promotion literature (Carothers, 1999, Miller et al. 2012, Wright, 2009; Kono & Montinola, 2009; Diamond, 1992; Carothers, 1999; Savun & Tirone, 2011) by holding that democratic transitions are not entirely endogenous processes, as this research finds that French aid (including CFA) were determinant factors of the failed democratic transition in Congo Brazzaville and the weak democratic transition in Côte d'Ivoire.

I.4. - Methodology: Country choice explained.

Building our argumentation surveying the existing literature, available data collected from Charles de Gaulle's presidency (1945) to François Holland's end of mandate (2016), this research involves an analysis of data sources including the OECD, *French Agency of Development - Agence Française de Développement (AFD),* the French National Treasury, the BCEAO, the BEAC, the E.U, the CIA, the French National audiovisual institute (INA), journalistic reports and NGO reports (Freedom House, Transparency International, Survie). This research also involves an analysis of the existing literature on French democracy aid (which is mainly in French language). Importantly, Morgenthau's (1962) methodology and theory of foreign aid is applied to our case study countries, Congo Brazzaville and Côte d'Ivoire - both member states of each CFA Franc union - in the aim of examining the effects of French democracy aid on the democratic practices in both countries.

To further analyze French aid effects on the democratic practices on African countries, a first step would involve a discussion on the destination of French aid. Schraeder showed that 82 percent of all French ODA was allocated to Francophone African states (Schraeder, 1995, p. 542). To be more specific, Alesina & Weder (2002) showed that most of French foreign aid was received by African members of the FCFA monetary zones (FCFA - Franc of the French community of Africa - a currency also referred to as the CFA Franc). The CFA Franc was created during the colonial years, in 1945, and is still used by 15 African countries, divided into three zones - Western, Central Africa, and the Comoros. (Alesina & Weder, 2002).

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Côte d'Ivoire and Congo Brazzaville, both being respectively within the Western and Central African CFA Franc unions, were chosen due to their political ties with France, their memberships in the monetary communities, the occurrence of political instability and civil war in both countries, in 2002 to 2007 and 2011 for Côte d'Ivoire and 1993-4 & 1997 in Congo Brazzaville, all of which in relation with presidential elections. Last but not least, both countries were chosen due to levels of French aid disbursements. Côte d'Ivoire is the first recipient state of French foreign aid worldwide, while Congo Brazzaville is seemingly a more common recipient country but still remaining in the top 10 recipient countries (cf Chart 1).

Strikingly, both states received extreme and sudden increases in aid followed by brutal returns to previous levels, all of which seem to be correlated with the occurrence of civil war (which occurred either prior to, during or immediately after major political events). These spikes were the highest ever recorded in the FCFA zone from 1990 to 2016.

In Côte d'Ivoire, a first spike can be observed at the very beginning of the period in 1990 and then from 1993 to 1995, and goes from $416.29 US million dollars in 1990 to $309.65 US million dollars in 1991 and from $446.08 in 1992 to $584.99 in 1993, $649.72 US million dollars in 1994 and $515.97 US million dollars in 1995. In this period tops in 1990 and 1994 correspond to presidential election which were held in 1990 and 1995. Aid sharply decreased after this period returns $300.3 US million dollars in 1996 and $133.65 US million dollars in 1997. (I.e. Table 1, 2, 3, Chart 1 and Chapter 3).

A second important increase in Côte d'Ivoire refers to the one which occurred year 2002. In 2000 and 2001, French authorities disbursed $156.26 and $110.4 US million dollars respectively while aid reached $531.29 US million dollars one year later. Indeed, 2002 refers to the beginning of the first Ivorian civil war which ended in 2007. Levels of aid during the civil war was relatively low, being a $116.47, $62.16, $54.9, $106.82 and $50.69 US million dollars in respectively 2003, 2004, 2005, 2006 and 2007. The two last significant increases in French aid in Côte d'Ivoire also correspond to important Ivorian historical events. After almost a decade of civil war, elections were held in 2010, and aid increased from $39.49 US million dollars to more than $1 Billion US dollars within a year, and decreased to $138.52 US million dollars the year of the elections. Finally, in 2012, a second striking increase occurred in which aid went from $553.21 million to $1.3 US billion dollars.

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These events occurred a year after the end of the second Ivorian civil war.Significant increases in aid correlated with important political events were also observable in the Congo. The Republic of Congo received $88.99 US million dollars in 1991, $67.34 US million dollars in 1992, $95.86 million US dollars in 1993 while $227.18 million US dollars was received the last year of the first war in 1994. Aid returned to normal levels a year later, reaching $87.36 million US dollars in 1995. However, aid went back up in 1996 with $211.38 million US dollars and $242.44 million US dollars in 1997. 1997 refers to the beginning of the second civil war.

After, the 1990's crisis, aid returned to low levels, thus, French aid went from $9.81 million US dollars in 2000, $11.18 million in 2001, $23.73 million in 2002, $18.08 million in 2003, and $36.10 million in 2004. However, if levels were rather low early 2000's, in 2005 French aid increased significantly and reached $998.73 million US dollars when the legislative election were held two years later in 2007. Aid decreased to $123.38 in 2006 and decreased even more to reach $18.52 US million dollars in 2007. However, after this impressive decrease, aid decreased to 367.98 million US dollars in 2008, when the next presidential election were held a year later in 2009. That year, aid reached less than a hundred million, reaching $93.15 million US dollars. Nonetheless, a year later in 2010, aid reached its second highest level in the Republic of Congo with $909.4 million US dollars when legislative elections were held in 2012. After this increase, aid returns to $61.31 million in 2011 and was under $60 million US dollars until 2016. (I.e. Tables 1, 2 and 3).

I.5. - Democracy promotion literature assumptions, methods and conclusions.

Democracy promotion scholars assume that democracy aid can only show limited positive effects on democratic transitions already set on the right track. A successful democratic transition will rely on countries' capacity to reform undemocratic institutions, on political stability, economic development, as well as the will of political actors to see democracy prevail and therefore to sacrifice political and economic advantages they might enjoy for the greater good.

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Thus, democratic transitions are understood as endogenous processes that foreign aid can only assist in a very limited way; however in no ways can democracy aid or other external factors initiate such transitions. Democracy promotion scholars also hold that donor countries promote democracy in genuine ways, without any agenda other than to actually promote democracy. These assumptions are used in order to examine flows of aid and their possible correlations with the enhancement of recipient countries' welfare (measured with indicators such as literacy rates, infant mortality rates, economic growth, poverty rates, etc.), or recipient countries' capacities to reform undemocratic institutions, respect the rule of law, make multipartism legal and to organize free and fair elections.

Carothers (1999) distinguished two forms of democracy promotion. '*Political assistance*', which is aid provided for the short term, stops the moment recipient countries are considered to have acquired the necessary knowledge, tools and skills to make democratic practices sustain. It depends on the concept of human agency - a group of skilled people are the key to overcoming authoritarianism and good candidates to lead the transition towards democracy. Political assistance is considered to be a form of democracy promotion conducted by the U.S..

The second type of aid, '*developmental assistance*', is conducted long term. The author considered it to be a form of democracy promotion conducted by the European-Union and its members. Donor countries consider democracy as resulting of the increase of the welfare of the population as a whole. It is translated in terms of high literacy rates, better access to education, infant mortality rates, and other benefits of successful socio-economic development. In other words, to promote socio-economic development is to promote democracy. (Carothers, 1999).

After examining the available data on the promotion conducted by the U.S., Carothers (1999) concludes that democracy aid is barely able to show positive effects on democratic practices of recipient countries political systems, and may in fact prove *"occasionally negative"* (Carothers, 1999, p. 332). In his understanding, the *'occasional'* appearance of negative effects and the general lack of effectiveness of aid is essentially due to domestic institutions as well as poor records of legislative assistance. Conclusions regarding the effects of aid on recipient countries are mixed and sometimes contradict one another. Some scholars find that it can play a significant positive role while others find that it can play a significant negative role on democratic practices of recipient countries.

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Starting with the assumption that democratizing states are prone to civil war, Savun & Tirone (2011) find that democracy aid reduces the likelihood of civil war in states in transition. Other scholars find empirically that aid worsens democracy, bureaucratic quality, the rule of law, and corruption. (Djankov, García-Montalvo, & Reynal-Querol, 2008; Knack, 2004).

Kono & Montinola (2009) have argued that, disbursed over a long period, aid helps autocrats more than democrats because the former can stockpile aid money and use it in case of future negative shocks. However, they find that aid may have both effects (promoting democracy or strengthening autocratic regime). Yet, in their understanding, conditionality of aid prove effective only when applied to countries with democratic institutions. Wright (2009) argued that conditioned foreign aid only gives incentives for dictators to initiate a democratization process, yet, their personal will to remain in office is the determinant factor of a successful transition. Werlin (2005) suggested that foreign aid has been ineffective due to the corrupt nature of African governments. Thus, to increase aid disbursements in poor countries is not a viable solution since political elites will act selfishly and won't allocate the funds to enhance population welfare; thus, aid will *de facto* worsen already existing socio-economic inequalities.

Miller et al.. (2012) find that the positive effects are stronger in countries with greater socio economic needs, which refers to poorer countries which are socially divided with lower levels of human capital. Conversely, aid appears to be less effective or may even show negative effects when the recipient country is in a key strategic area for the donor country.
Social cleavages, unfavorable history (such as an undemocratic background), poor economic growth, short-duration of presidential mandates, and external interference in domestic politics were all robustly correlated with democratic collapse. (Miller et al, 2012).

Assumptions that democratic transitions are endogenous processes exclude from the very beginning external actors and factors from the equation. Therefore, by dismissing external factors in analyzing democratic transitions, it becomes peculiar to observe that the literature is interested in the effects of democracy aid on the democratic practices of recipient countries or in ways of improving aid efficiency. By making such assumptions, arguments and conclusions reached by democracy promotion scholars on the effects of aid lose their analytical and explanatory power when it comes to comprehending failed democratic

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transitions. Simply put, if it has been accepted that democracy aid has supposedly very limited effects, how come scholars still find highly positive and/or highly negative effects on recipient countries' democratic practices? It suggests that democratic transitions success and failures aren't solely determined endogenously, which contradicts their own assumptions.

Miller et al, (2012) is the exception, in that it acknowledges the correlation of external interference with democratic collapse. Building on this observation, this paper argues that both domestic and external factors determine the success or failure of a democratic transition; one cannot conduct a persuasive analysis by dismissing one or the other. A more global understanding is thus needed.

It is also the case that the extant literature on democracy promotion generally neglect the incentives of donor countries. Why do they continue providing democracy aid if it is largely perceived as ineffective and sometimes counter-productive? Such conclusions have not led scholars to focus on the incentives of donor countries in promoting democracy in the first place, in order to assess the *occasional* occurrence of negative effects, nor to attempt to understand such selectivity in the regional distribution of democracy aid disbursements.

Rather, the focus has turned to ways of improving promotion efficiency given the assumption that donor countries actually do provide democracy promotion aid to promote democracy.. (Diamond, 1992; Carothers, 1999; Savun & Tirone, 2011).

In contrast, scholars interested in French aid find that France did not disburse foreign aid to promote democracy or economic development; rather, they find that French interests are determinant factors of aid allocations. (Cumming, 1995; Bolle, 2000; Hayter, 1966; Melonio, 2012; Obiang, 1996; Akindès, 1996). This necessity to incorporate *'motives'* in the analysis of French democracy promotion aid in order to contribute to the general understanding of the effects of French aid on democratic practices of recipient countries.

One crucial aspect of this research would be to show that, Carothers (1999), Miller et al (2012), Wright (2009) and Kono & Montinola (2009) and most democracy promotion scholars' observations of negative effects are explainable if one accepts a classical realist approach to analyze French democracy promotion. Such an approach not only includes outside factors of failed democratic transitions - here being French democracy aid - but it also

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incorporates donor's interests behind aid disbursements and therefore, provides better tools to explain the occurrence of negative effects.

I.6. - Classical realist assumptions and methodologies.

Classical realists assume that the world is anarchical, and hold that countries foreign policies are driven by their wish to increase their *state power*, defined as nations military, political and economic might compared to that of other nation-states. Using these assumptions, Classical realist theorist Morgenthau (1962), a pioneer in research on foreign aid defined the latter as being: *"The transfer of money, goods and services from one nation to another"*(Morgenthau, 1962, p. 301). The author then classified six different categories of aid, being; humanitarian, subsistence (status quo), military, bribery, prestige, and foreign aid for economic development. Except for the humanitarian foreign aid, each type of aid are understood as being political, in the sense that they are used by donors as tools in order to further their own state power. However, if it isn't political in nature, humanitarian aid still may be a political tool, depending on the context. Realists would argue that it was never the primary intention of donor countries to actually promote democracy; rather, it is to promote their own self-

interests and further their state power. An observation which would be consistent with the observation that states promote democracy in some states rather than others. Schraeder et al (1998), pointed out that:

> "*Aid policies are driven primarily by strategic interests of nations or states. International relations are conducted in a Hobbesian state of nature in which security and self-preservation become the primary, if not exclusive, objectives*" (Schraeder et al, 1998, p.2).

Applying tools provided by Morgenthau (1962) in analyzing French democracy aid will involve the use of a qualitative research methodology. Conducting such a project not only allows us to incorporate donor self-interested motives in providing aid, incentives which were largely overlooked by democracy promotion scholars. But it will also notably enable this research to provide a more global understanding of democratic transitions by including both endogenous and external factors, pointing out the effects of democracy aid on recipient

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countries transitions. Applying such methods also enable this research to expand the analytical framework, by including FCFA (Franc of the Financial African community - also referred to as the CFA Franc) to the analysis. FCFA was defined by Schrader (1995) as being:

> *"A supranational financial system in which France serves as a central bank, and a common currency - La Communauté financière africaine (African financial community - CFA) - is tied to the French franc and guaranteed by the French treasury."* (Schraeder, 1995, p. 543).

Notwithstanding that each zone has its own central bank, BEAC (Bank of Central African states) for Central African countries and BCEAO (Central bank of Western African States) for Western African countries, the currency is produced in one of the French national central bank's printing houses in Puy-de-Dôme region. France, in theory has no authority and no veto power within the bi-annual meetings. However, as a guarantee for providing such currency and monetary stability, each member country have to deposit 50% of their foreign reserve assets into the French treasury on a yearly basis. Moreover, the French central bank provides the secretariat for the bi-annual meetings of finance ministers and also provides the zones with statistics.

Arguably, the realist *theory of foreign aid*, defining foreign aid as "*the transfer of money, goods and services from one nation to another*", allows to consider French set of *'services'* provided alongside with the production of FCFA bills and coins, as foreign assistance; thus, this research on the effects of French foreign aid on the democratic practices of Congo Brazzaville and Côte d'Ivoire will be including an analysis of FCFA and is composed of five chapters organized as follows.

I.7. Research outline

This thesis is organized into five chapters examining French foreign aid and FCFA effects on Côte d'Ivoire and Congo-Brazzaville democratic practices. Chapter two serves as the literature review, Chapter three turns the focus on the effects of French aid on the democratic practices of Côte d'Ivoire from 1990 to 2016. It involves an analysis of the sharp increases in aid prior election years and during each civil war (I.e. Table 1, 2, 3), all of which is done

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applying Morgenthau's (1962) methodologies. In Chapter four, the same analysis and methodologies are applied on French aid spending in the Congo Brazzaville. Chapter five analyzes the effects of the CFA Franc currency and monetary system on the economic development and democratic practices of the Congo-Brazzaville and Côte d'Ivoire. Finally, Chapter six, serves as a conclusion, which summarizes this research's findings and gives recommendations for the international community and of course, the CFA member states.

Chapter two: Literature review

2.1.French foreign aid literature.

French aid programs started at the end of the decolonization of Sub-Saharan Francophone Africa, and was set in motion by former French President Charles de Gaulle who ruled from 1945 to 1969. De Gaulle wished to preserve the French historical sphere of influence as well as economic, cultural and political interests which foreign aid helped achieve. (Obiang,1996; Chafer, 2005).

As shown above, scholars suggested that French own strategic interests were more important than recipients needs and that economic interests were very important determining factors of how France distributed its aid budgets. (Schraeder et al, 1998; Obiang, 1996; Chafer, 2005; Cumming, 1995). The promotion of economic interests was perceived as integral to the advancement of French '*cultural nationalism*', defined as the promotion of French cultural values, language, intellectual traditions, and way of life. It served as the second most important rationale for ODA policies during the Cold War era (the first one being economic interests). French leaders from De Gaulle onwards, have assumed that economic interests of their country would develop naturally as French culture spread into the 'Third World'. Thus, in the Cold War context, disbursements of aid aimed at the enhancement of French prestige and '*grandeur'* by being the Western power dominating and handling African politics in international institutions, as well as securing French economic interests in the region. Generally speaking, scholars reached the conclusion that the distribution of French foreign aid was decided for personal and political reasons rather than pure development goals. It was also notably a way of containing the '*Anglo-Saxon'*, especially the U.S., from intervening in Africa. However, the end of the Cold War didn't change this '*prime on interests'*.(Cumming, 1995;

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Cumming, 2001; Chafer, 2005; Schraeder, 1995; Hayter, 1966). It has been shown that 82 percent of all French ODA was allocated to the African continent (Schraeder, 1995). Recipient countries were former French colonies having French as administrative language (Francophone countries) all of which are members of FCFA zones. Thus, colonial past and population size (negatively correlated) were both determinant factors of aid disbursements in Francophone Africa (Schraeder, 1995; Amprou & Chauvet, 2004; CERDI, 2002; Hayter, 1966; Alesina & Weder, 2002). If French foreign aid was mainly spent in African countries and designed to further French interests, what were the general conclusions on French democratic conditionality of aid?

2.2. - French democratic conditionality of aid, from the Baule Speech to Chirac's presidency. (1990-2007).

This research started by presenting what has been believed by some scholars and politicians in the early 1990's and even to this day, to be the starting point for the new ideological guideline of France in conducting foreign policy. (Melonio, 2012; Obiang, 1996; Akindès, 1996; Bolle, 2000). Supposedly, from *the Baule Speech* onward France would attach democratic conditionality to its aid disbursements and reward countries willing to commence transitions towards democracy while punishing un-willing political systems by reducing aid. Was this principle applied consistently under Mitterrand's rule and after? Was France really committed to promote democratic practices in countries of the South? Most scholars refuted this commitment.

In analyzing the Baule Speech, Bayart (1991) and Mongo (1993) both referred to the Speech as a '*fable*'. Most importantly, Bayart (1991) argued that the international environment was a very important factor leading to this speech. France which was until then promoting status-quo and supporting un-democratic governments, was facing increasing hostility from Canada, Belgium and the U.S., notably, in the beginning of the post-Cold War era. An unchanged rhetoric and commitments in favor of more democratic practices in countries of the South, would have led France to marginalize itself from the international community (Bayart, 1991). Analyzing French promotion of democracy after the Speech, Bolle (2000) and Obiang (1996), Melonio (2012), reached the conclusion that France had a short term

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policy focused on presidential election years which could show positive short term results. Yet, in order to reform, to foster stability in the aftermath of possibly contested election results, a long term assistance would be more suitable. Authors concluded that, French strategic, economic and diplomatic interests were the main factors of French cooperation rather than democratic practices in countries of the South, from the Baule Speech to the late nineties. French national interests only temporarily ceased to be the primary concerns of its foreign policy during election years, which had forced autocrats to make concessions.

Yet, due to the short term characteristic of French promotion of democracy, effects were short term and backlashes often appeared soon after. In Côte d'Ivoire and Gabon, autocrats used sham democratic institutions and '*opposition parties*' (often composed of former members of the autocratic government) in order to trick the international community and ask for increases in aid (Bolle, 2000; Obiang, 1996). Moreover, in some cases, the Mitterrand administration used blackmail and threats to reach its goals. As an example, Akindès (1996) described how France forced Beninese President to step down, in 1989-90. Either, Kérékou accepted a pacific transmission of power or, France would cease disbursing foreign aid and convince IMF and other international organizations to do likewise. However, to emphasis Bolle's (2000) observation of French democracy aid as being short term, if the President stepped down eventually in 1991, Kérékou was re-elected in 1996. (Akindès, 1996).

Scholars have interestingly pointed out that France rarely imposed sanctions on autocratic regimes, rewards for democratic practices were actually at times, reversed. Célestin Monga, for the period 1993-1995, evaluated at 82 percent the share of autocratic states rich in natural resources receiving French foreign aid within the CFA Franc zone. On the other hand, countries following the path of democracy but relatively poor in natural resources received negligible amounts of aid. (Monga, 1995; Cumming, 1995; Melonio, 2012). Cumming (1995) pointed out that:

> *"Indeed rewards have at times been given in inverse proportion to effort: Benin received 580 million francs of aid in 1989 but only 300 million in 1990 (after taking steps towards democratization) whilst Togo, Cameroon and Zaire (which had remained authoritarian regimes) saw their aid increased from 628 to 923 m, 305 to 519 m and 669 to 1002 m francs respectively."*
> (Cumming, 1995, p. 391).

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Bayart (1991) provided two arguments which may explain this phenomenon. African autocrats have on occasion been able to pressure French governments to answer their demands. Some political parties turned to Africa to finance their election campaigns; the author argued that this led African political leaders to have considerable potential for embarrassing French politicians. Secondly, it is because, until recently at least, African politicians have been able to exert pressure on France by threatening to turn to others for help if France does not respond to their demands.

Finally, if France opted for a more unilateral approach the country also influenced democratic transitions throughout international institutions (Melonio, 2012; Villaibre Fernandèz, 2009). If civil society organizations increasing roles in the respect of democratic practices have been recognized by the literature as well as international institutions, France, financed them around ten times less than Germany or the U.S. and opted for a more unilateral policy. (Melonio, 2012). France's main focus is undoubtedly turned to the CFA member states, what were the main discussions around the CFA Franc and the currency's effects on its members?

2.3. - The CFA Franc

Created in 1945, the CFA Franc is the currency used by 15 former colonies located in Sub-Saharan Africa and split into three distinct monetary unions. FCFA used to refer to "Franc of the French Colonial Africa" (It has been changed to '*Franc of the African financial community*'). The first zone is the UDEAC (*Union douanière et économique des États de l'Afrique Centrale - The Central African Customs and Economic Union*, was created in 1964, it is since 1994 referred to as *The Central African economic and monetary community - La communauté économique et monétaire de l'Afrique centrale* - (CEMAC) a grouping of Cameroon, Central Africa, Congo Brazzaville, Gabon, Equatorial Guinea and Chad. The second zone, *L'Union Monétaire Ouest Africaines - The Western African Monetary Community* (UMOA/WAMU) was created the same year in 1964, but it has been replaced by *L'Union Economique et Monétaire Ouest Africaine - The West African Economic and Monetary Union* (UEMOA) in 1994, and is a grouping of Senegal, Côte d'Ivoire, Burkina Faso, Mali, Niger, Togo, Bénin and Guinea-Bissau. Finally the last zone has only one country; the Comoros. However it has been decided not to focus on the latter in this research. As explained in the methodology section, Schrader (1995) defined FCFA as:

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> *"A supranational financial system in which France serves as a central bank, and a common currency- the Communauté financiere africaine (CFA) franc - is tied to the French franc and guaranteed by the French treasury."*
> (Schraeder, 1995, p. 543).

Schraeder argued that France guarantees the currency monetary stability; however, in exchange, CFA members have to deposit 50% of their foreign reserves into the *French National Treasury*. France also coordinates financial flows, regulates fiscal policies, provides emergency loans, subsidies private investments to member-states, and offers tax breaks to French companies doing business in the region. (Shraeder, 1995, p. 543). What results this currency showed in promoting economic development?

French politicians have argued that CFA Franc has helped foster economic development and stability in the region. However, scholars have shown that huge differences in productivity between European countries and CFA members are proof that it wasn't the case. (Diouf, 1998). Others argued that what BCEAO - the Western African central bank - actually promoted was consumption of imported products, while destroying domestic production. Its lack of efficiency was also explained largely by its dependence on the French National Treasury. (Nubukpo, 2007).

To emphasize this lack of independence by providing an example: the 50% devaluation of the currency decided in 1994 was not a decision of both African central banks, rather, Mitterrand and his Prime Minister, Edouard Balladur took the decision. It has been shown that it failed to produce economic growth in the region. (Fouda Owoundi, 2001). Yet, other scholars didn't see in this monetary zone, a failed project, since, its record was no worse than that of other developing countries and was significantly better than the average Sub-Saharan countries, at least until the mid-1980's. The currency had lower rates of inflation than any other African currencies and its convertibility into other currencies was also attractive to foreign investments. (Ravenhill, 1995). However, if conclusions on the effects of FCFA on member countries vary, none of them linked FCFA to democratic practices. This research will thus, survey the literature on both countries; Congo Brazzaville and Côte d'Ivoire.

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2.4. Democratic transitions and democracy promotion in Côte d'Ivoire and the Republic of Congo.

Côte d'Ivoire

During the colonial era, Côte d'Ivoire used to be the core supplying region of cocoa and coffee for the metropole, in order to meet the increasing demand, and due to the low population density rate at the time, a policy had been conducted in order to increase the Ivorian labor and therefore increase the production of cocoa and coffee. Consequently, thousands of people from Mali and Upper Volta (the current Burkina Faso) were deported towards Côte d'Ivoire between 1933 and 1947. Additionally, frontiers were shaped by the French Empire and regions occupied by Burkinabe and Malian people become part of Côte d'Ivoire (Bovcon, 2009). After the independence in 1960, former deputy under the French colonial administration, Felix Houphouet-Boigny, also referred to as *Papa* (daddy) or *le vieux* (the dean), ruled Côte d'Ivoire from 1960 until his death in 1993. Under Houphouet-Boigny's rule, Côte d'Ivoire's model of development was based on the colonial administration, Côte d'Ivoire specialized in the production of cocoa and coffee and counted on high rates of voluntary migration in order to have enough population to work the lands. (Bovcon, 2009).

Confronted by pressures for democratization, Houphouët-Boigny, supported by France, used the democratic process at his advantage, making political parties legal and imposing unfair electoral rules. He then organized in October 1990 presidential elections, which he won against his rival from the Ivorian Popular Front (IPF), Laurent Gbagbo. A month later, the *dean's* political party *Democratic Party of Côte d'Ivoire* (PDCI), won the majority of the seats during parliamentary election with a score between 30 and 40 percent.

In Glaser and Smith (1994) understanding, France gave the incentives to organize elections and multipartism in order to confirm the legitimacy of the French-friendly authoritarian rule. In exchange, France would guarantee impunity for the autocrat's future policies and measures.

After being re-elected, in an attempt to conduct deep political and economic reforms, Houphouet appointed Alassane Ouattara as prime minister, a position he held until Houphouet-Boigny's death in 1993. The National Assembly President, Henri Konan Bédié, succeeded the *'dean'* in office until 1999. During the 1995 presidential elections, Bédié

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restricted eligible candidates to citizens born of two Ivorian parents, denying the political rights of a significant amount of Ivorian people and preventing possible candidates, notably Ouatarra from running for president. The politicization of ethnicity engaged by Konan Bedié resulted in Gueï's military putsch in 1999. (Villaibre-Fernandez, 2009; Bah, 2010; Bovcon 2009; Gaulme 2001, Dozon, 2000, Losch, 2000).

General Gueï served as a transitional president during the putsch year until presidential election were to organized months later. At the occasion of the election held in 2000, Laurent Gbagbo was elected President, yet, Gueï dissolved the electoral commission and declared himself President. After days of riots confronting Guei's personal army and Gbagbo supporters, (mostly civilians), Gueï finally stepped down, and Laurent Gbagbo became the new President.

In 2002, in an attempt to be reintegrated within the national army and to receive compensation for 2 years without salary, Gueï's former soldiers attempted a coup which was soon stopped by government forces, yet, Gueï's supporters soon demanded for Gbagbo's resignation, the organization of free and fair elections and the end of discriminatory policies based on the concept of '*Ivorianness*'. The failed coup attempt soon attracted the support and sympathy of populations of the North, (mostly migrants or second generations) resulting in the *First Ivorian Civil War* (2002-2007).

In 2002, the war opposed Gbagbo's government military forces of the South to a Burkinabe-Ivorian rebel group, led by Guillaume Soro and his Ivorian New Forces - Forces Nouvelles (FN), It has been shown that at some point in the conflict the rebels controlled 60 percent of the territory, mostly in the Northern part of the State (Pigeaud, Samba Sylla, 2018, p.100). The rebellion notably received military and intelligence support from Burkina Faso's government. (Smith, 2003, Bovcon, 2009). Yet, Burkina Faso's interference was never acknowledged nor condemned by France. If France showed limited support for Gbagbo at first, notably during the 2000 crisis. (Bovcon, 2009), French authorities increasingly showed support for Northern rebels, and forced Gbagbo's regime to negotiate during the 2004 Linas-Marcoussis accords. (Bovcon, 2009; S.Smith, 2003). After successive failed accords, both warring parties finally find common ground with the signature of the Ouagadougou accords in 2007, providing the Prime Minister position to the Northern rebel

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leader Guillaume Soro (Gaulme, 2001; Bovcon 2009). Due to the civil war and '*technical issues' faced by* Gbagbo's administration presidential elections, supposed to be held in 2005 were postponed six times until 2010.

At that time, Konan Bedié's 1995 law had been erased of the Ivorian constitution by the 2003 Linas Marcoussis accords which were initiated by France (Bovon, 2009). The election opposed Laurent Gbagbo (the incumbent) to Alassane Ouattara. Both claimed to be the legitimate president after the election results. France and the U.N. which had mobilized observers during the election recognized Ouattara as the legitimate president while, Gbagbo refused to step down, for the reason that the President of the *Ivorian Electoral Commission* had declared him the legitimately elected president. This dispute led in 2011, to *the Second Ivorian Civil War*. With the mobilization of U.N, French troops, and Ouattara sympathizers, Gbagbo was soon arrested and judged at the ICC, yet, he was acquitted of all charges of war crimes in 2019. (Maupas, January 16th, 2019; Maclean, January 15th, 2019). In the meantime, Alassane Ouattara took office.

Upon peace agreements signed on March 4th 2007, known as the Ouagadougou accords, the civil war took an end. A month later, the leader of the rebel New Forces, Guillaume Soro, replaced Henry Konan Banny who had been appointed by the international community as Prime Minister. However, due to *'technical and financial'* issues, Gbagbo postponed the presidential election 6 times since 2005, until 2010. Contested election results led to the second Ivorian Civil War opposing Ouattara militias to the incumbent Gbagbo's military forces. (Villaibre-Fernandez, 2009; Bah, 2010; Cogneau, Mesplé-Somps and Roubaud, 2003).

Most scholars agreed upon the fact that evidence didn't support the hypothesis stating that the Ivorian political system crisis was the core cause of the civil war. Rather, the intense politicization of citizenship and ethnicity, which started under Bédié at the 1995 presidential election, was one of the major causal factors of the conflict. Peace agreements instigated by the international community failed due to the international community's lack of understanding of issues around citizenship in the country. (Hugon, 2003; Cogneau, Mesplé-Somps and Roubaud, 2003; Bah, 2010; Bovcon, 2009; Losch, 2000; Dozon, 2000).

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If the literature accepted these conclusions, making the politicization of citizenship and ethnicity the core explaining factors of Côte d'Ivoire's failed democratic transition, this research is mostly interested in understanding the role external factors played in the failed democratic transition in Côte d'Ivoire in order to have a more thorough understanding. Smith (2003) argued that during the legitimacy crisis, Paris and the U.N. condemned Gbagbo exactions such as the November 2002 Monoko-Zohi massacre where hundreds of civilians were killed by Gbagbo's army; rafts and assassinations of more than 30 dissidents in Abidjan, as well as many other well documented war crimes. In the meantime, Paris turned a blind eye on similar war crimes committed by Ouattara forces as well as obvious Burkinabe ingerence - Burkina Faso sent troops to better weaken Gbagbo forces during the conflict. The then South-African President Thabo Mbeki observed that, it was because of African countries inability to solve the Ivorian problem that France was *'forced'* to intervene politically, diplomatically as well as militarily. (Smith, 2003).

France was mostly operating throughout international organizations and actively took part in the democratization and peace-building process within the U.N. Security Council. In analyzing the Security Council permanent members role in democratic transitions using Côte d'Ivoire as a case study, Villalibre-Fernández (2009), concluded that in transitions from dictatorship to democracy, the U.N. Security Council promotion of democracy and development should be considered as a global strategy and must prevent permanent members' national interests from dominating the processes. France's former Colonial Empire, was the engine of the council policies in the country and influenced the democratic transition of Côte d'Ivoire in many ways (agreements and implementations of policies) according selfish national interests. For this reason, the author questioned the involvement of a former colonial empire playing a critical role throughout the Security Council, no matter the effects. (Villalibre Fernández, 2009). In addition, Chafer (2005) showed that during the 2002-2007 civil war, Gbagbo's supporters promoted Ivorian nationalism and called for a '*new decolonization*' from France.

If authors have importantly pointed out the determinants of French foreign policy, French role within the Security Council, and determinant domestic factors leading to civil unrest. A deeper analysis of external factors of the Ivorian democratic transition from 1990 up to 2016 must be conducted in order to fully comprehend the crisis and avoid future conflicts. To do so

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this research attempts to understand to what extent French foreign aid and FCFA franc prior, during and after the two civil wars affected democratic practices. Was the effects positive, negative or mixed? Did they foster or appeased conflicts?

The Republic of Congo

Our second case study, Republic of Congo, also known as Congo-Brazzaville, is a former French colony. The country was shaken by 4 civil wars, in 1993, 1997, 1998-99, and 2002-03. It has been portrayed as a perfect example of how democratic transitions can end up being human tragedies. (Bazenguissa Ganga, 1999; Englebert and Ron, 2004, p61).

The Congolese democratic transition began at the occasion of the 1991-2 National conference, which resulted in the resignation of President Sassou-Nguesso (1979-92) as well as the acceptance of a new constitution introducing a multi-party system to the country. At the time, Prime Minister, Pascal Lissouba, had been elected President. Many of the main political players under Sassou-Nguesso remained active throughout the 1990s. As different rival parties were created, recruitment of armed troops or private militias increased. Not long after the first National conference, political rivalry opposing former president attempting to make his comeback in office, Denis Sassou-Nguesso, the mayor of Brazzaville city, Bernard Kolélas and newly elected President Pascal Lissouba led to widespread bloodshed in 1993. (Bazenguissa Ganga, 1999).

President Lissouba's party, *'la Mouvance Présidentielle'*, and its opposition parties, agreed upon a ceasefire in January 1994. The conflict resulted in 2,000 deaths, between 100,000 and 300,000 of displaced people, and 13,000 houses destroyed. In 1997, in a context of upcoming elections, political rivalry once again led to bloodshed. Militarily backed by Angola, the Civil War ended with the victory of former President Sassou-Nguesso in October 1997. (Bazenguissa Ganga, 1999; Yengo, 2007; Clark, 2002; French H.W., October 16th, 1997).

Former President of the Republic, Denis Sassou-Nguesso, who was the most popular candidate in terms of domestic as well as foreign support, left the country for France in 1995 until January 1997. To avoid another escalation of violence, in May 1997 political leaders agreed upon a treaty preventing each party from using military violence.

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Nevertheless, early June, the group affiliated to Sassou-Nguesso and the presidential forces resumed the conflict in Brazzaville. Between 10,000 and 15,000 people were killed (Yengo, 2007). Lissouba tried to use the 1993-94 conflict as an excuse to postpone the 1997 presidential elections. In the middle of highly popular meetings in Northern Congo, Sassou-Nguesso wasn't willing to wait for elections as his campaign was barnstorming and was the favorite candidate. The June 5th 1997 incident was what threw oil on fire.

Two arrest warrants were issued against close collaborators of Nguesso and, Lissouba's political police attempted to arrest them at Nguesso's personal residence, which were perceived as an assassination attempt by Nguesso's supporters. However, despite the support of his then opposition, Bernard Kolélas, Lissouba's forces lost to Sassou-Nguesso's troops, supported by Angola in early October 1997. (Bazenguissa-Ganga, 1999; Clark, 2002; Yengo, 2007, p117).

What were the general conclusions on the failed democratic transition which led to a succession of civil wars, bloodsheds and the return of authoritarian rule? What were the conclusions on the role played by France in the failed democratic transition? Some authors argued that France played a key role in fostering the conflict (Yengo, 2017), while others tempered these conclusions emphasizing internal factors role. (Clark, 2002; Bazenguissa-Ganga, 1999; Englebert, Ron, 2004).

Clark (2002) pointed out that France actually had no influence in the creation of the 1991 conference which started the democratic transition in Congo. This was the case for many countries in Francophone Africa, and this very fact was proof that French influence in the region was decreasing. Clark (2002) also argued that, France was actively supporting Sassou-Nguesso, therefore had no interest in seeing him step down. (Clark, 2002; Verschave 2004).

Scholars have argued that, a couple of months after Lissouba was elected, the government recruited civilians who would work within the presidential guard, (used as a political police). After parliamentary election and a huge loss for Lissouba, his decision to dissolve the National Assembly, to avoid cohabitation, as well as the violent repression of peaceful protesters after, were in Bazenguissa-Ganga's understanding, what led to the first civil war.

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Scholars concluded that, if France supported Sassou-Nguesso regime arranging arms deals with Sassou-Nguesso as the presidential campaign was coming-up, which helped him arm his personal militia and eventually win the war. Lissouba's own political decisions led the French government to oppose him. Finally, political figures own will to seize or remain in power was the major factor leading to bloodsheds, as a result France didn't play the major role in Congo's instability. (Clark, 2002; Bazenguissa Ganga, 2001).

Both Clark (2002) and Yengo (2017) have shown that French *Elf company* (French governmental oil company which was the major oil company in the Francophone region - the nowadays *Total company*) also blocked Congolese government from receiving foreign aid from the American oil company Oxy in February 1993, an aid which would allow Lissouba to pay thousands of governmental officials and face the economic crisis.
It was perceived as a French support for Sassou and Kolélas at the time. (Clark, 2002; Yengo, 2007). Clark (2002) notably concluded that, while both French government officials and Elf operatives aimed at maintaining their influence in Congo, "*Neither bears primary responsibility for the failure of the multiparty experiment*". (Clark, 2002, p.171).

An inference which Yengo (2007) refuted by demonstrated that, Chirac (former French President at the time of the 2002 events), wanted to avoid any French sinking into another African conflict by intervening militarily after the huge fiasco in Rwanda in 1994. The stake was in maintaining control on the conflict resolution while not intervening directly. As a result, France chose a couple of African Presidents to engage in negotiations for peace accords while encouraging Angola to intervene militarily, and supporting Gabon to send weapons to Sassou-Nguesso militia. These external factors do not hold primary responsibility in Clark (2002) understanding.

Both literatures on Côte d'Ivoire and Congo were primarily interested in domestic causes of the failed democratizations and focused on French foreign policies, rather than on aid effects on democracy. Thus, due to the fact that French policies are highly focused on the promotion of self-interests, as argued by Cumming (1995), Chafer (2005), Schraeder (1995), Schraeder et al (1998), Hayter (1966). To apply a realist approach in analyzing Congo Brazzaville and Côte d'Ivoire will be best suited. Secondly, analyses of the effects of the CFA Franc on sovereignty, democratic practices, transitions as well as economic development were largely

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absent of the literature, when they might in fact be additional explaining factors of political instability. Therefore, in the following chapter identifies the goals French authorities intended to achieve by disbursing 'democracy aid' money in Côte d'Ivoire first and in Congo Brazzaville, if the goals were reached or not, and the effects aid had on the democratic practices and political stability of both countries.

Chapter three: The effects of French aid on the democratic practices of Côte d'Ivoire from 1990 to 2016. Morgenthau's (1962) *theory of foreign aid* applied.

3.1 -The historical context

3.1.a. Background

Côte d'Ivoire under Houphouët-Boigny's rule (1960-1993).

Côte d'Ivoire's first President Houphouët-Boigny, who uninterruptedly ruled the state from 1960 (the independence from the French colonial empire) until his death in 1993, had actually been elected deputy in the French parliament and was in charge of administering Côte d'Ivoire during the colonial era from 1945. As a result, the *Ivorian dean* had close personal ties with successive French presidents regardless of their political affiliation, from Gaulists (conservatives) such as Charles de Gaulle himself and Jacques Foccart (the engineer of the Françafrique system), socialist political parties represented by former President Mitterrand and Neo-Gaulists political parties such as President Jacques Chirac's RPR. (Smith, S., July 22, 1995; French, H., July 22, 1995).

Therefore, Houphouët-Boigny's policy was in continuation with the way Côte d'Ivoire was administered during the French colonial era (I.e. Section 2.4); specializing the country in the production of cocoa and coffee by encouraging intensive migration of labor from neighboring states, notably Benin, Burkina Faso, Togo and Mali, to work the lands. Lands were distributed to families willing to conduct agricultural activities in the field of cocoa and coffee, regardless of their ethnicity or nationality. Under Houphouët-Boigny's rule, despite the discontent of local populations of seeing "foreigners" own lands, migrants were highly

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integrated into the economic, social and political system - it goes without saying that it was in a limited way due to the authoritarian nature of the state, but ethnic conflicts were avoided for 33 years. (Bovcon, 2009; Dozon 2000; Losch, 2000).

As a result of Houphouët-Boigny's policy, Côte d'Ivoire is a country composed of 60 different ethnic groups and has one of the highest migration rates worldwide (Losch, 2000, Bovcon, 2009; Gaulme, 2001), with populations coming from Mali, Burkina Faso, Benin, Senegal, Togo. It has been estimated that migrants represented around 26% of the total Ivorian population. (Losch, 2000; Smith, 2003; Bovcon, 2009; Dozon, 2012; Gaulme, 2001, Ouazani, December 22, 2009).

Due to its economic development and political stability, [4] the state was referred to as the *"Ivorian miracle"*. Therefore, due to his successful economic policy and political stability, Houphouët-Boigny was a personality respected and listened to among his African counterparts. *De facto*, essential was for France to maintain good relations with such an important political influence in the continent.

The *dean's* policies favored French companies over others on the domestic market, essentially for the access to cocoa and coffee. (Dozon, 2000; Bovcon 2009). The *Ivorian dean* also was an advocate of French policies in international institutions and encouraged in many speeches African countries (Francophone and Anglophone alike) to maintain good relations with France[5]. (Smith, 2004; Losch, 2000). Under the *dean's* rule, Côte d'Ivoire became the foremost producer of coffee and cocoa worldwide and its first trade partner was France (Bovcon, 2009). However, Akindes F. (1996), Bovcon (2009) and Demery, Squire (1996) showed that the 1980's and 1990's were characterized by a striking decrease in the quality of life of Ivorian citizens and access to public services essentially due to the significant decrease of the international prices of cocoa and coffee which the country's economy depended on, and for the reason that the Bretton Woods organizations imposed drastic economic policies (Bovcon, 2009; Smith, 2003).

[4] Côte d'Ivoire was one of the rare economically and politically stable countries in the region under Houphouët-Boigny's rule, mainly due to its specialization in the cocoa coffee sector. For that reason, it was referred to as the "Ivorian miracle" and attracted massive migration waves from all over Africa.

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Moreover, cases of corruption involving government officials, increased popular discontent demands and demonstrations for more democratic practices, the resignation of corrupted officials, a fair redistribution the lands as well as the resources accumulated from exports of cocoa and coffee. (Ouazani, December 22, 2009). In 1990, due to such discontent as well as international pressures for democracy, Houphouët-Boigny had no choice but to introduce multipartism to Côte d'Ivoire.

In October 1990, presidential election was organized which Houphouët-Boigny won by 81, 68 percent against his rival from the Ivorian Popular Front (IPF), Laurent Gbagbo. A month later, the *Dean's* political party *Democratic Party of Côte d'Ivoire* (PDCI), won the majority with a score between 30 and 40 percent, during parliamentary elections. In Glaser and Smith (1994) understanding, it was France which convinced the Ivorian *Dean* to organize elections and introduce multipartism to Côte d'Ivoire, in order to give a democratic legitimacy to the French-friendly authoritarian ruler, in an attempt to appease external and domestic pressures for democracy while maintaining the *Dean* in office.

The politicization of ethnicity

In 1990, at 85 years old, the dean's health condition was worsening and became increasingly preoccupying due to repeated trips to European countries for hospitalization (Grah Mel, 2010). From that year, the advanced age and deteriorating physical condition of the President, arose speculations around his upcoming death triggered political tensions over the president's succession within his political party. (Dozon, 2000). *The Ivorian dean's* death in 1993 had worsen political tensions and clashes over his legacy and presidential power essentially between two political leaders and their supporters, Alassane Ouattara and Henri Konan Bedié.

Economist by training who worked as a high ranked official in the IMF and as governor of the Central Bank of West African States of the CFA Franc zone (BCEAO), Alassane Ouattara had been appointed Prime Minister in 1990 by President Houphouët-Boigny, in order to conceive an economic program to set the country on the path of sustainable economic growth and development. (Ouattara et al, 2012).

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[5] The Ministry of the Interior, Speech of the State Minister of Côte d'Ivoire, Houphouët-Boigny, at the Geo-Andre Stadium of Abidjan, September 7, 1958. Retrieved from https://dl.wdl.org/2544/service/2544.pdf

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It was in the context of increasing protests against corruption and pressures for democracy that Ouattara was appointed to this position. Officially, in a context of starting democratization of the state, Ouattara's role was to demonstrate the government's *good intentions* to deal with these issues and to reform the economic system for the country to go towards more economic development, benefiting as many Ivorian citizens as possible and reducing socio economic inequalities. As a result, Ouattara was considered as one of Houphouët-Boigny's legitimate political *heirs*. (Ouattara et al, 2012; Grah Mel, 2010; Pigeaud, Samba Sylla, 2018).

On the other hand, Houphouët-Boigny's right hand man and National Assembly President for 13 years, Henri Konan Bedié, was according to the constitution, the political personality to become the interim president in case of death or incapacity to exercise the presidential function of the incumbent, and that, until new presidential elections are organized. (Gaulme, 2001). Konan Bedié finally took office as the transition President in 1993 until the 1995 presidential elections. He officially became the second President of the post-colonial Côte d'Ivoire in 1995.

In an attempt to increase his chances of remaining in office, immediately before the 1995 elections, the new President, used a political scapegoat strategy to distract the public opinion from crucial socio economic and political issues. Ouattara has Burkinabe origins and a double nationality, Houphouët-Boigny then encouraged a whole reflection around the definition of the *Ivorian identity* in order to get rid of his rival. (Losch, 2000, p13).

The definition of this concept was conducted by a group of scholars affiliated to him going by the name of *Curdiphe*, (Cellule Universitaire de Recherche et de Diffusion des Idées et Actions Politiques du Président Henri Konan Bédié - Academic Research Group for the Diffusion of President Konan Bedié's Political Ideas). This group came up with the concept of *Ivoirité*, [*Ivorianness*] which defined what it meant to be an Ivorian citizen. This concept was then applied to the 1995 constitution and the common law and denied political rights (right to vote or to run for president) to each "non-Ivorian citizen" as defined by the concept of *Ivorianness*. Therefore, candidate Alassane Ouatarra could not run for the 1995 presidential elections. The politicization of ethnicity triggered ethnic tensions, unknown by the country until then. (Gaulme, 2001).

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Towards Gbagbo’s rule and the first Ivorian civil war (2002-2007)

Ethnical and political tensions that arose during Konan Bédié’s mandate led to a military coup in 1999 conducted by General Guei. Paradoxically, the Coup meant to overthrow Konan Bedié and put an end to the politicization of ethnicity and to introduce true democratic practices in Côte d’Ivoire did exactly the opposite. *The National Committee of Public Salvation* **-** Comité National de Salut Public (CNSP) - was created after the coup and organized a constitutional and electoral commission, - *Commission Consultative Constitutionnelle et Electorale (CCCE)* - which involved the participation of each Ivorian political party in order to reform the constitution and organize elections. However, if the democratic debate, consensus and multipartism was allowed, debates over

Konan Bedié’s concept of *Ivoirité* persisted; thus, ironically, if the putsch was conducted in order to stop the concept and law over *Ivorianness* from further dividing the society, the Constitutional Commission made even stricter conditions under which one may legally enjoy social and political rights as a legitimate Ivorian citizen (rights to vote, run for president or own land). (Losch, 2000; Bovcon, 2009). For the upcoming election which would be held in 2000, candidates and voters had to be born in Côte d’Ivoire with both of their parents, born in Côte d’Ivoire as well. Second generations of migrants and anyone with a double nationality would be refused political and social rights, which represented in total, more than half of the population living in majority in the Northern part of the country (Smith, 2003; Bovcon, 2009; Dozon, 2012).

The law had excluded Ouattara for a second time and made him the ‘*martyr’* of Ivorian people of the North with foreign origins or second nationalities. (The majority of migrants established themselves in the Northern part of the state). In this context, Laurent Gbagbo, the main opposition leader to late Houphouët-Boigny, won by far against general Gueï, essentially, for the reason that Ouattara and other potential candidates were not allowed to run for president, and to show support, major Ivorian political parties including Ouattara’s *RDR - Rally of the Republicans* and the *Democratic party of Côte d'Ivoire - African democratic rally* (The political party of former President Houphouët-Boigny and Konan Bédié) decided to boycott presidential and parliamentary elections.

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Immediately after the election results, popular contestations over the new president's legitimacy arose. Gueï who refused to accept those results proclaimed being the legitimate president. After intense clashes between the populations and French and UN support for Gbagbo, Gueï stepped down and fled the country while the military personnel supporting Gueï, lost their position in the governmental army.

In 2002, Guei's former personal soldiers attempted a coup and demanded Gbagbo's resignation and their rehabilitation within the national army. However, the coup failed and soon transformed into a Northern insurrection for Gbagbo's resignation, the conduct of new fair and free elections and the end of the politicization of ethnicity, resulting in the *first Ivorian civil war* from 2002 to 2007. Evidence had notably pointed out that Burkina Faso had sent troops on the ground to support the rebellion, of which France was well aware of. (I.e Literature review 2.4 section).

The Second Ivorian Civil War (2011)

The civil war ended in 2007 upon peace agreements initiated by Gbagbo and signed in March the 4th 2007, known as the Ouagadougou accords. Warring parties agreed that, the leader of the Rebel New Forces, Guillaume Soro, would replace Henri Konan Banny, who had been appointed by the international community in 2003 as Prime Minister. Due to *'technical and financial'* issues, and the obvious instability Côte d'Ivoire had faced, Gbagbo postponed presidential election 6 times since 2005, until 2010. Contested election results led to the second Ivorian Civil War opposing Ouattara militias to the incumbent Gbagbo's military forces. (Villaibre-Fernandez, 2009; Bah, 2010; Cogneau, Mesplé-Somps and Roubaud, 2003).

At that moment, Konan Bedié's 1995 law had already been erased of the Ivorian constitution by the 2003 Linas Marcoussis accords which were initiated by France (Bovon, 2009). The 2010 election opposed Laurent Gbagbo (the incumbent) to Alassane Ouattara.

Once more, both claimed to be the legitimate president after the election results. France and the U.N. which mobilized observers during the election recognized Ouattara as the legitimate president while, Gbagbo refused to seize power, for the reason that the Ivorian Electoral Commission President had declared him to be the legitimately elected president.

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This dispute led in 2011, to *the second Ivorian civil war*. With the mobilization of U.N, French troops, and Ouattara sympathizers, Gbagbo was soon arrested and judged at the ICC, yet, he was acquitted of all charges of war crimes in 2019. (Source: Le monde, The guardian). In the meantime, Alassane Ouattara took office in 2011 and was re-elected in 2015.

3.1.b. French interests in Côte d'Ivoire

In order to fully comprehend how French aid played out in Côte d'Ivoire, it is necessary for the reader to fully appreciate French interests at stake in this country. This section describes the political, military and economic interests that France possess in the Côte d'Ivoire, and therefore to grasp more thoroughly the stakes behind France's diplomacy, foreign policy and most importantly foreign aid in support of presidents Konan Bédié (1993-1999) and Ouattara (2011-2016).

Public economic interests

As pointed out by Verschave (1999), the nationally owned French company, ELF was mostly operating in Africa and was composed of around 400 secret services agents. (Verschave, 1999), most of the extraction of oil conducted by the company, was not declared, which helped significantly reduce the taxes the company had to pay and most importantly, the payments from illegal extractions were placed in offshore bank accounts and then used to finance French secret services (DGSE), military coups worldwide. (Verschave, 1999).

Côte d'Ivoire is France's second major trade partner in Sub Saharan Africa after South Africa, and right before Nigeria, it is also the first trade partner of France in the entire CFA zone. However, France is only Côte d'Ivoire's second major trade partner after China[6], and is even less implicated in the natural resources sector. In 2016, French exports to Côte d'Ivoire totaled 1,181 € Billion euros, and consisted mainly of mechanical equipment, electronic and computing devices, agricultural machinery, and pharmaceutical products. On the other hand, France imported 840 € million euros worth of cocoa and coffee from Cote d'Ivoire in 2016[7].

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[6] See the introduction of French-Ivorian bilateral relations on French diplomacy website. https://www.diplomatie.gouv.fr/en/country-files/cote-d-ivoire/france-and-cote-d-ivoire/
[7] Ibid

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France also produces the country's currency, the CFA Franc of West Africa. Its importance to the French interest will be further explained in chapter five. Use of the CFA Franc importantly enables French companies to repatriate all the profits made in CFA members (Pigeaud, 2015, p44; Pigeaud, 2018).

Private economic interests

There are nearly 700 French companies having economic activities in Côte d'Ivoire, 200 of which are subsidiaries of multinationals. This represents the highest concentration of French companies in Sub Saharan Africa. Their sales revenues represented approximately 30% of Côte d'Ivoire's GDP and they contributed to around 50% of the yearly fiscal revenue in 2016[8]. France mainly imports agricultural products, cocoa and coffee beans, paste as well as wood. Côte d'Ivoire is the foremost producer of cocoa and coffee worldwide. It produced 80% of global cocoa supplies in 1960 and 33% in 2014; the only cocoa and coffee world market represented $93 US Billion dollars for the year 2014[9]. The Houphouetist ideology provided French companies involved in the extraction and agriculture industries with low taxes and trade barriers as well as other advantages in order to attract more investments. Therefore, the *dean's* policies was to favor French companies over others on the domestic market, essentially for the access to natural resources, cocoa and coffee. (Dozon, 2000; Bovcon 2009). French investments were largely located in the service sectors, energy, public construction, transport, agro-industry, telecommunication and the industrial sectors. Also importantly, the Ivorian service sector, as most of Francophone African countries, is largely dominated by French companies.

Military and strategic interests

In terms of natural resources, the signature of the multilateral defense treaty of April 24th 1961 between Dahomey, Niger, Côte d'Ivoire and France set the conditions by which each signing party were to cooperate in this matter. Article 1 defined two categories of natural resources as being considered to be strategic and thus, necessary for French national security and military power.

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[8] Data available on France diplomacy website, (accessed on March 10th, 2019). https://www.diplomatie.gouv.fr/en/country-files/cote-d-ivoire/france-and-cote-d-ivoire/

[9] World Cocoa Foundation, 2014, Cocoa market update. ;http://www.worldcocoafoundation.org/wp-content/uploads/Cocoa-Market-Update-as-of-4-1-2014.pdf

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The first category included, oil and gas, while the second one included uranium, thorium, lithium, petroleum and beryllium, the treaty notably mentioned that categories could be modified depending on the invention of new technologies requiring material not included in the list. Each party agreed that French companies would be granted primary access to the extraction of the mentioned ‘strategic resources’, that when it was consistent with French interest and national security, Niger, Dahomey and Côte d’Ivoire agreed to reduce or stop the exportation towards third parties. These three countries also agreed to let French military forces access exploitation sites when needed. In the context of the Cold War, France had the authority, according to the defense treaty, to decide with which countries these States would trade their natural resources with. Ever since, no treaty has been signed in order to modify these conditions[10].This treaty was notably signed by Michel Debré, the First Prime Minister of the Fifth French Republic under General de Gaulle’s presidency and by the Ivorian President Houphouët-Boigny. After the independence in 1960, France had the power to make Dahomey, Niger and Côte d’Ivoire temporarily stop the exportation of natural resources to any of their trade partners when French interests were involved. This treaty shows how to control natural resources was one of the major aspects of French interests in the region and how Houphouët-Boigny and his counterparts who signed the treaty, surrendered their sovereignty to France, at the dawn of the colonial ‘independence’.

French Political interests in Côte d’Ivoire

From 1999 all the way to 2011, French President Jacques Chirac was in office. Chirac had excellent personal relations with Houphouët-Boigny (he went to visit his tomb which was his first presidential act in Africa in 1995), as well as Henri Konan Bedié. Pigeaud (2015) notably showed that in his autobiography published in 2011, Chirac admitted that he despised and didn’t trust Laurent Gbagbo. Even if Gbagbo had participated in Chirac’s 2002 presidential campaign with $3 million US dollars, money which was received by Dominique de Villepin, who became the French Prime Minister from 2005 to 2007. This contribution did not change Chirac’s hatred for Gbagbo, the man who opposed to his longtime friend, Houphouët-Boigny (Pigeaud, 2015, p41).

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[10]. Accords Franco-Ivoirien, Traité de coopération entre la République Française et la République de Côte d’Ivoire, France-Côte d’Ivoire, - French-Ivorian accords, Cooperation treaty between the French Republic and Côte d’Ivoire Republic, Ministry of Europe and foreign affairs (April 24, 1961), https://basedoc.diplomatie.gouv.fr/exl-php/util/documents/accede_document.php?1560156373567

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If such disbursement can be perceived as bribery, it was a normal practice for African leaders within the *Françafrique* framework to finance French political elites' campaigns in order to either get the favors of the future elected French officials, or in order to be left alone. Evidence suggests that in the context of political instability, it was the Latter that Gbagbo wished, yet it didn't work out as planned for the Ivorian President. (Verschave, 1999; Verschave, 2004; Pigeaud, 2015).

Moreover, the Françafrique connections established by Foccart had been undermined during the third cohabitation with Chirac (right - conservative) as President and Lionel Jospin (Left - socialist party) as Prime Minister (1997-2002). Indeed, Jospin expressed his will not to intervene or interfere in African politics anymore. Therefore, during this period, Jospin was mostly conducting a policy destroying the Françafrique and the connections, while Chirac's side was struggling to maintain them. This explains why Gbagbo was able to make it to the supreme office in the first place. However, at the occasion of the 2002 presidential elections, Jospin largely lost and did not make it to the second round of polls, he then decided to retire for politics. Chirac who had been reelected and won the majority of seats in the parliament, he subsequently called back Foccart and re-instigated the connections by re-appointing Jacques Foccart *Mr Africa*. (Pigeaud, Samba Sylla, 2018).

In addition, Gbagbo and his political party, the Ivorian popular Front - Front Populaire Ivoirien (FPI) - wanted to put an end to the colonial pact and review each accord made with France. Therefore, it included a diversification of the power with which Côte d'Ivoire would be cooperating, closing the remaining French military bases. Regarding public construction contracts, French companies made significant margins and profits for the reason that the market was not opened to other multinationals. Therefore, Gbagbo used public offers in order to reduce the cost of public construction projects. (Pigeaud 2015, p 42).

Therefore, to let Gbagbo conduct his policy was a risk that France wouldn't allow to happen since it could have led other African countries to do likewise. As a result, by 2002, French policy conducted by Chirac consisted in undermining Gbagbo's presidency in order to replace the elected president by one of the Houphouetists, being Konan Bedié or Ouattara.

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3.2. French Bribery and Subsistence aid in Côte d'Ivoire.

3.2.a. - Morgenthau's (1962) Subsistence and Bribery aid defined.

Defining Subsistence aid

In Morgenthau (1962) understanding, *Subsistence aid* refers to aid provided by a donor country to a recipient country's government when it cannot provide basic services and its system is on the verge of breakdown. In this case, Subsistence aid is also designed to maintain a government or a president in office, aid money enables the State to provide basic services the state is incapable of providing or to maintain the status quo (Prevent the government from losing power). If there is an alternative to the existing government - a government which is no longer viable due to its authoritarian nature or bad governance - *Subsistence aid* will prevent the alternative from materializing. For the reason that the incumbent remains in office due to the donor's support, it implies that the incumbent owes a debt to the donor country that he/she will repay by conducting domestic and foreign policy favoring donor country's preferences and national interest.

A debt which has implications for the democratic accountability of the recipient country since, the supported incumbent often authoritarian, conducts policy favoring donor country's interest, which might be against popular demands for democracy or harm citizens livelihood. The incumbent, if still the best available option for the donor country during the next elections (if any are held), will very likely be reelected, despite popular discontent due to the previous policy conducted by the incumbent, which has implications for the democratic accountability of the recipient country as well as the free and fair nature of elections. If one applies such understanding on French democracy aid. Hypothetically, one goal behind aid spending and sudden sharp increases in spending observed[11], would be for France to maintain preferred governments in power to continue enjoying political and economic dividends provided by the incumbent's domestic and international policies. A support which may result in some cases in supporting authoritarian governments, reducing the chances of more suitable options represented by the opposition parties to materialize. And eroding the accountability of the incumbent.

[11] See tables 1, 2 and 3

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Defining *Bribery aid*

In Morgenthau's understanding, *Bribery aid* refers to a country *A* (donor) buying up political advantages from the government of country *B* (recipient) providing foreign aid, the same way a consumer would buy up services using money however, it isn't as transparent. The donor country must pretend that what it is doing is providing aid for the economic and social development of the Nation *B*. It creates expectations from both sides. Country *A* expecting political and economic advantages while country B will expect that country *A* want something in exchange for the aid provided, namely economic and political dividends. But these expectations are not straightforward, one or both countries may no longer distinguish what is real from what is acted out. One or both countries may actually expect results in terms of economic development and are likely to be disappointed since aid was not designed for such purpose in the first place. Country *B* will end up blaming A for its inefficient promotion while country A blames B for its stinginess and for asking for more.

Contrary to Subsistence aid, which is designed to maintain an incumbent in office, Bribery aid refers to aid disbursed to receive political dividends from the incumbent. Importantly, Bribery aid may be conducted in order to replace a non-compliant incumbent from office by supporting the opposition party considered to be compliant to the donor's interests. Once in office, the newly elected incumbent owes a debt to the donor country and therefore will become accountable to the donor country and in the most extreme cases will subordinate its foreign and domestic policy to further the donor's national interest.

Therefore, in the case of a successful replacement of a non-compliant incumbent by a compliant opposition leader, donor country's support for the latter in order to maintain him/her in office will require *Subsistence aid*. For the 'bribed' incumbent, the stake of receiving such aid would be to consolidate his/her political power by accumulating resources over time and use them during the next elections. Thus, in such a scenario both bribery and subsistence aid are at play, and have implications for the democratic accountability as well as the fair and free nature of presidential and parliamentary elections of the recipient country.

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Importantly, removed incumbents from office are often authoritarian rulers, otherwise, the narrative of “democracy aid” would fall apart, incumbents are identified by donor country’s authorities to be obstacles or threats to their interests in the region. Therefore, by significantly increasing aid disbursements essentially, prior election years or during each civil war, donor country’s authorities aim at replacing a non-compliant autocratic leader using the narrative of the ‘promotion of democracy’ to legitimize aid disbursements and in order for the international community to understand such promotion conducted by the donor as being necessary. Such aid may be positively correlated with the occurrence of civil war.

By supporting the opposition parties in an attempt to ‘democratically’ replace a non-compliant incumbent, aid disturbs the recipient country’s domestic political affairs by, undermining the government’s authority and increasing the frustration of the ‘non-compliant’ incumbent, who will use all means necessary to remain in power, thus increasing civil and political rights abuses (Guesnet et al., 2009), while increasing the discontent and the confidence of the opposition leaders that they can reach office given the donor’s support, which will be translated.

Therefore, bribery aid conducted to overthrow an incumbent contributes to the increase of political rivalry, and in some cases the use of political violence from both sides, resulting in the worst cases in the occurrence of civil war. In that sense, *Replacement Bribery aid* may be positively correlated with civil war and political instability.

French Bribery aid for the purpose of removing an incumbent from office in Côte d’Ivoire refers to the 2002, 2009 and 2011 spikes in aid. Conversely, the 1990-1995 and 2012 spikes in French aid were designed to both sustain and bribe incumbents, and most importantly to put Houphouët-Boigny’s ideology back in office. Therefore, the following section focuses on French Subsistence aid disbursed in an attempt to maintain Houphouët-Boigny’s ideology in office in Côte d’Ivoire, during the 1990-1999, and the 2011-2016 periods. After this section, an analysis of the effects these disbursements had on the democratic transition, and political stability of the country is conducted.

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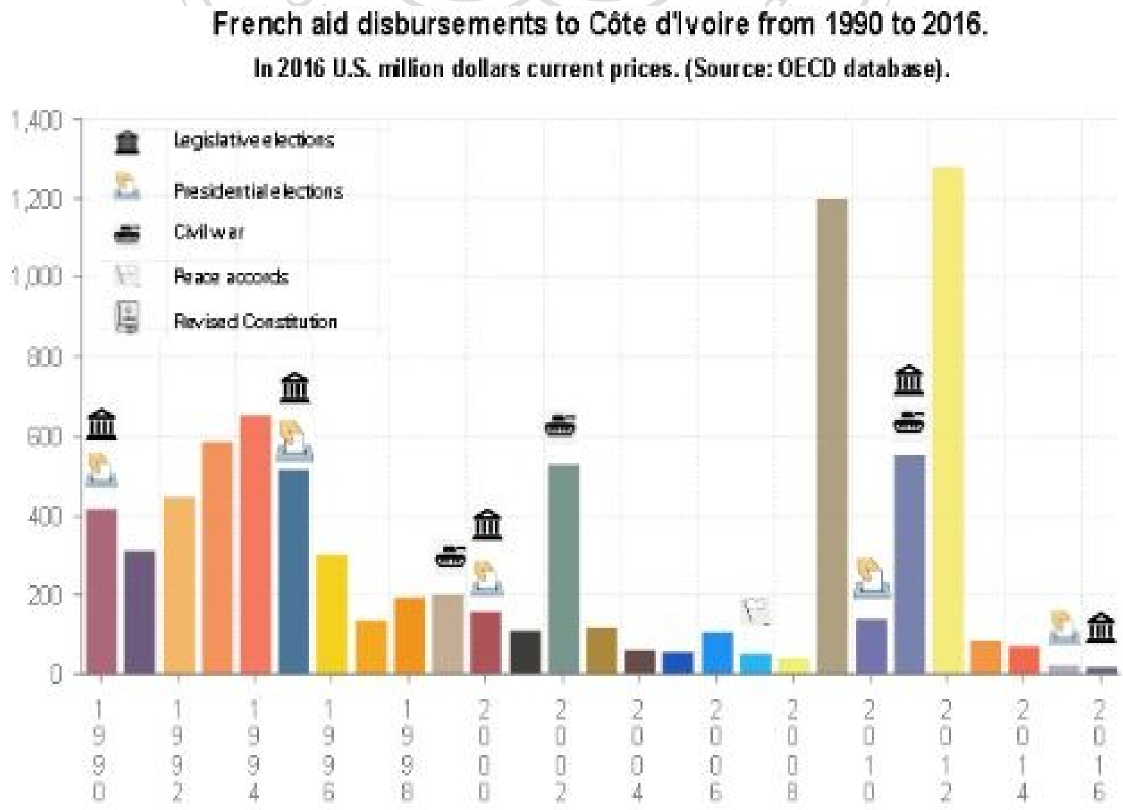
3.2.b. - French Subsistence aid in support for the Houphouetist ideology: An Analysis of the increase in aid under Konan Bedié (from 1993 to 1995) and Ouattara's presidency (from 2011 to 2016).

French Subsistence aid in support for the Houphouetist ideology: An Analysis of the increase in aid under Konan Bedié (from 1993 to 1995).

Boigny's health and the presidential election were two of the major factors of the fluctuations in aid in the early 1990's. Indeed, the physical condition of the president aged 85 years old that year was raising concerns, if most people didn't think he would make it through that year, his health condition improved, and the election were largely won. Therefore, speculations around Houphouët-Boigny's upcoming death in 1990 led to an increase in aid that year in order to support Konan Bedié, yet, the improved condition of the president led to a slight decrease in aid the following year, mainly for the reason that the aim of maintaining Houphouët-Boigny's ideology in office was reached.

Chart 1: French aid disbursements to Côte d'Ivoire from 1990 to 2016



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Aid disbursements went from 416.29 US Million dollars in 1990 to 309.65 US Million dollars one year later. However, in 1992, new trips to European hospitals led to a sustained increase which stopped in 1995, with a top in 1994. Houphouët-Boigny died in 1993. Therefore, aid went from 446.08 US Million dollars in 1992 while it reached 584.99, 649.72 and 515.97 US Million dollars in 1993, 1994 and 1995 respectively. French democracy aid spikes between 1993 and 1995 was a way for France to support Henri Konan Bédié; one of the two dean's *'heirs'*. Aid disbursements reached their highest level in 1994 while presidential election was held one year later in 1995. Strikingly, aid disbursements after this date, significantly decreased and went back two times less than their previous levels one year later going from 515.9 US Million dollars in 1995 to 300.3 US Million dollars in 1996, and 133.65 US Million dollars in 1997. In 1995 presidential election were held, therefore, the highest spending was made during the presidential campaign, which supports Bolle (2000) and Obiang (1996) observation that French authorities was mostly focused on influencing presidential elections[12].

Arguably, during the transition period from 1993 (Felix Houphouët-Boigny's death) to 1995 (the presidential elections), French aid disbursements were conducted in support for Konan Bedié and therefore can be understood as *Subsistence* aid. Supporting Konan Bedié at that time was a way of maintaining the political ideology and policies administered by Houphouët-Boigny for the past 33 years, by making sure that his closest collaborator and his chosen successor, replace him in office.

Ouattara, was rather new in the Ivorian political scene at the time, and his ideology and policy choices vis-à-vis France was not yet fully appreciated by French authorities. In other words, it would have been a way too risky choice for France and the protection of its economic and political interests in the region to support Ouattara at the time. While Chirac had excellent personal relations with both Houphouët-Boigny and Konan Bedié. In other words, to support Henri Konan Bedié during the 1995 presidential election was the most rational choice for France to maintain its influence and interests in the country and in the entire region.

[12] I.e. section 2.2.

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At the occasion of the decrease in aid after 1995, a realist understanding would imply that, either France no longer considered Côte d'Ivoire a strategic state to pursue its political and economic goals, or that France actually had reached its purpose by seeing Konan Bedié in office, and therefore, had no need to maintain such amounts of aid money anymore. French authorities and democracy promotion scholars would argue that aid spent between 1990 and 1995 was a way for France to help the state go throughout this transitional period peacefully after the death of an authoritarian leader who ruled the country for three decades without interruption. Since election already had been conducted successfully, France had done its job in promoting democracy and stability, and therefore significantly reduced aid disbursements in the aftermath of the election in order to avoid interfering in a sovereign state's internal affairs. However, this analysis cannot be considered valid since, under Houphouët-Boigny's regime, France not once sanctioned the lack of democratic practices of the authoritarian leader; worse, France supported the authoritarian leader through his entire regime.

Moreover, Konan Bedié, President of the National Assembly for 13 years under Houphouët's regime, represented the old Ivorian establishment and Houphouët-Boigny's legacy, an establishment which was highly contested by Ivorian citizens since the 1980's after the decrease in the quality of the livelihood, partly due to the reduction of the prices of cocoa and coffee as well as the endemic corruption within the public administration. (Cogneau, Houngbedji, Mesplé-Somps, 2016). As a result, Konan Bedié would probably have not been elected in 1995 if it wasn't for French aid support.

French Subsistence aid in support of the Houphouetist ideology: An analysis of French Subsistence aid from 2011 to 2016.

As mentioned earlier, with Konan Bedié out of the political scene since the 1999 putsch, Ouattara remained the only '*heir to the dean's ideology'*, however due to the reviewed constitution and laws over '*Ivorianness'*, he was not eligible until the 2010 elections. Thus, after Gbagbo's arrest by French and U.N. troops in 2011, a huge increase in aid can be observed in 2012, less than one year after the end of the second civil war (2011). Aid spending went from $138.52 US million dollars in 2010 to $553.21 US million dollars in 2011 and finally to 1.2 US Billion dollars in 2012. (See Chart 1) How come such an increase?

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As argued earlier, Ouattara was the only Houphouët-Boigny's *'ideological heir'* remaining on the Ivorian political scene with a chance to win the elections, therefore, it was in France interest to help him reach office and to help Ouattara's power consolidated in a context characterized by intense politico-ethnic tensions at the very end of two successive civil wars and a military coup. For the reason that Ouattara was already in power since the end of the war in 2011, aid is considered to be *Subsistence* aid from that year, in the sense that it was designed to consolidate his power in prevision of the upcoming presidential election held in 2015 in a country on the verge of breakdown, aid also had the purpose to promote stability and help the state provide basic services it was incapable of providing after facing more than a decade of political instability, civil war and coups. The costly nature of such a project would then explain such amount in 2012. As a result the 2015 election were largely won by Ouattara by 83.7 percent. (Roberts et al, 2016).

Important would be to mention that in the years following the impressive 2012 increase, the lowest spending in French aid in Côte d'Ivoire were recorded under Ouattara's rule. Spending was even lower than under Gbagbo's rule. Yet, if one considers that two of the highest spikes in French aid ever recorded in the entire CFA Franc zone from 1990 to 2016 were spent in Côte d'Ivoire within a 3 years interval - $1.2 Billion US dollars in 2009 and $1.28 Billion US dollars in 2012, our argument still holds convincing power. Arguably, such phenomenon is explainable since France reached its purpose by seeing Houphouët-Boigny's ideology back in office, and that more than two Billion US dollars (current prices) were already spent within 3 years.

Therefore, Ouattara had accumulated enough resources to consolidate his political power in preparation for the 2015 election without as well as to restore political stability and provide basic public services. As a result, Ouattara didn't need additional French *'democracy aid'* money. Security was provided by French and UN troops still in the country after the arrest of Gbagbo and his collaborators. Thus, there was no need to maintain high or average levels of aid after the 2012 increase. In order to acknowledge possible counter arguments, French authorities and democracy promotion scholars would argue that France increased its aid spending in 1990-1999 and 2012 notably in order to foster peace and to support democratic practices in Côte d'Ivoire, thus, the following section focuses on analyzing the effects caused by French Subsistence aid.

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3.2.c. - The effects of French Subsistence aid on the democratic practices of Côte d’Ivoire. (1993-1995 and 2011 onward). The concept of Ivorianness, authoritarianism and corrupt practices.

Effects of Subsistence aid conducted under Konan Bedié.

It is argued in this section that Subsistence aid disbursed in order to support Konan Bedié from 1993 to the 1999 military coup had significantly increased the chances of Konan Bedié to be elected in 1995. In the light of the context of corruption scandals and the public discontent of the previous government best represented by Konan Bedié (Boigny’s right hand man for 13 years), If French support allowed the constitutionally legitimate political figure to access power in 1993, the outcome might have been entirely different at the occasion of the 1995 presidential election if it wasn’t for France. Moreover, it is from 1994-5, that Konan Bedié used the politicization of ethnicity at his advantage led to a decade of political instability and civil war. (Losch, 2000, p13). Therefore, it is argued that France’s goal to maintain Konan Bedié in office, subsistence aid, gives the supported incumbent confidence, and incentives to do whatever it takes to remain in office, including conduct undemocratic practices. Therefore, arguably subsistence aid gave incentives to Konan Bedié to use the additional tool of the politicization of ethnicity to reduce his competition and be elected in 1995. Which in turn led to a decade of political instability as argued by the literature.

Konan Bedié’s concept of *Ivoirité* (I.e. 3.1.a) created an opposition between *outsider-citizens*, mainly coming from Burkina Faso and Mali, Benin and *legitimate-citizens* (true native Ivoirians by blood). Such division was more importantly applied to the constitution in 1995 which limited the right to run for president or to vote during elections to “*Legitimate Ivorian citizens”*, according to the definition of *Ivoirité*. A bill which denied a significant amount of the population from exercising their political and social rights as well as prevented former Prime Minister Ouattara from running for president. At the time Ouattara was accused of being Burkinabe and not Ivorian since evidence showed that while working in the IMF he used his Burkinabe identity card. This bill was a deliberate way for Bedié to eliminate his competition, while consolidating his power by encouraging unfruitful public debates over migration which divided the population. Despite that, Ouattara was not such a popular candidate at the time of the 1995 elections, since he represented the bureaucracy of the Bretton Woods institutions (Bovcon, 2009).

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The 1995 bill and this whole concept of *Ivoirité* triggered a deeper sociopolitical crisis which ultimately brought about *the 1999 putsch*, a coup attempt in 2002 and two civil wars in 2002-2007 and 2011. (Smith, 2003; Dozon, 2000; Bovcon 2009; Villaibre Fernandez 2009; Gaulme, 2001; Losch, 2000). If France tried to talk sense into Bedié's deliberate use of ethnic tensions to consolidate his political power (Bovcon, 2009; Losch 2000; Dozon, 2000), France didn't do much to do so and therefore maintained relatively high levels of aid while Bedié was in office. If aid disbursements were significantly reduced after the 1995 elections, they remained relatively high when compared to the entire CFA zone. Côte d'Ivoire received

$300.3 US million dollars in 1996, 133.65 in 1997 and 190.91 in 1998 when at the same time, in comparison, Senegal, one of the major recipients of French aid worldwide received $177.6 US million dollars in 1996, $142.2 million in 1997 and 1998. Cameroun, also on the top 10 recipient received $176.01 US million dollars in 1996, $199.84 US million dollars in 1997 and $152.77 US million dollars in 1998. Equatorial Guinea, a minor recipient received in total less than $19 US million within three years[13.]

In order to remain in office, Subsistence aid is accumulated by the incumbent in order to anticipate next elections, increase drastically the chances of the supported African elite to be re-elected. However, by doing so, Subsistence aid gives incumbents incentives to conduct corrupt practices, which would explain the significant wealth accumulated by Houphouët-Boigny and Konan Bedié. Such observation cannot be separated from the analysis of the socioeconomic inequalities. Aid is increasingly not be the only way Presidents will accumulate wealth, natural resources extraction and agricultural rents are arguably used to increase the wealth of compliant incumbents. Konan Bedié and Houphouët-Boigny [14] both possessed significant portions of lands specialized in the production of cocoa and coffee, lands which may have been bought using French subsistence aid in the first place. Therefore, Subsistence aid contributes to a lack of redistribution of the wealth produced by the country, resulting in the impoverishment of populations while supported officials enrich themselves, also reducing the chances of a democratic regime change.

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[13] I chose African countries ranked in the top 10 of receipts of French aid from 2012 to 2016: Cameroun, Senegal, I.e. graph 1

[14] See Collombat B., Où sont passés les milliards d'Houphouët Boigny ? *France Inter*, 2015, December 15. Retrieved from: https://www.youtube.com/watch?v=SjbMPO_bvNU

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Therefore, socio-economic tensions fostered by Konan Bedié's corrupt practices as well as the politicization of ethnicity, leading to the 1999 military and its impressive popular support. If it can be argued that Subsistence aid had effects on democratic practices, socio economic inequalities and political stability, French *Subsistence aid* in Côte d'Ivoire also had important implications when disbursed to support Ouattara from 2011 to 2016, which is further analyzed in the following sub-section.

Effects of Subsistence aid under Ouattara's rule (2011-2016)

As argued above, French Subsistence aid in support for Konan Bedié led to increasing political tensions due to the concept of *Ivoirité*. Such concept was the origin of more than a decade of ethnic tensions, political instability and two civil wars in 2002-2007 and 2011. The return of the Houphouetist ideology in office, represented by Ouattara, had re-subordinated the Ivorian economy to that of French interests. Therefore, the same way Houphouet and Konan Bedié accumulated wealth throughout the use of corrupt practices, Ouattara benefited all the same, at the expense of the Ivorian population interests. The accumulation of wealth also indicates a consolidation of power which prevents any alternative from materializing.

Subsistence aid is being used by presidents to remain in office. Therefore, similarly as previous compliant incumbents, the current President should as well possess a considerable fortune, accumulated through the use of both French aid and corrupt practices, enabling him to consolidate his power and get reelected.

Contrary to Werlin (2005) who suggested that foreign aid has been ineffective due to the corrupt nature of African governments. It can be argued that if aid didn't create corrupt practices within African governments, the lack of transparency of French aid (Schraeder et al, 1998; Obiang, 1996; Bolle, 2000; Villaibre-Fernandez, 2009) gives incentives to reproduce corrupt practices in recipient countries and mostly because of the realist and self-interested nature of French democracy promotion and the expectations behind aid spending. The lack of transparency of democracy aid, understood as *Bribery* and *Subsistence aid* gives incentives to incumbents to keep using corrupt practices in order to accumulate wealth and strengthen their political authority to be able to pay their 'debt' to the donor, rather than reduce corrupt practices in Côte d'Ivoire.

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Campbell (2000), pointed out that under Houphouët-Boigny, the National Assembly and the Parliament had no access to government budget and spending whatsoever, this lack of transparency regarding government spending was due to the 1967 presidential decree [15] making the minister of economy and finances the only high official able to monitor government spending and budget. (Campbell, 2000 p 143) And therefore, the minister of economy and finances from 1966, who was Henri Konan Bedié as well as the president Houphouet-Boigny were the only two members of the government able to manage French democracy aid money.

Therefore, multilateral and unilateral development and democracy aid funds weren't reallocated to produce economic growth, reduce poverty or democratic practices, most of the funds were very likely directly put in the pockets of both men who in turn, invested these funds in real estate or in lands destined for the production of cocoa and coffee, which allowed them to even more accumulate wealth, and indeed, they conducted their policy accordingly to attract more investments from the donor country and make more profit. The systemic corruption explains the considerable fortunes accumulated by both men, representing several billions of US dollars for each man. Verschave (2003, p.56) demonstrated that only 5% of French ODA reached the African populations and most of the funds were filtered by French and African corrupted officials. Therefore, as shown by Campbell (2000) the receipt of unconditioned aid encouraged the absence of transparency, as well as undemocratic and corrupt practices, in an authoritarian state.

Due to the *good services* the incumbent is able to provide France with, France will further support him throughout *Subsistence* aid prior to the next elections. Therefore, resources accumulated over the years, throughout receipts of bribery and subsistence aid as well as the corrupt practices of the incumbent which enriched him/her are all used for next presidential election campaign expenses, increasing the likelihood of the accumulation of mandates and thus, of the occurrence of authoritarianism.

[15] Decree n° 67-575 of December 15, 1967. In Koulibaly M. «Les caisses noires de la Présidence» - [The black boxes of the Presidency], *Le Jour*,.1998

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The lack of redistribution and the increasing socioeconomic inequalities, in turn, increase popular frustrations and favors the occurrence of a coup or civil unrest if the incumbent do not possess enough influence on the military high officials. Arguably, Houphouet-Boigny whose wealth was estimated to be of several billions of US dollars at his death made such a use of French Subsistence aid throughout his political career. As a result, at term, the Ivorian political system was based on Houphouet-Boigny's personal rule, allowing him to rule the state for more than three decades without interruption, which can also be considered an additional explanatory factor of the difficult transition after his death. However, due to the absence of Côte d'Ivoire's dean, Konan Bedié who didn't possess such an influence on the military forces and whom didn't have the time to personalize the Ivorian political system, his use of ethnic tensions and the lack of transparency and intense corrupt practices were also all additional causes of the 1999 civil war. Therefore, in Guesnet et al. (2009) understanding:

> *"[...] Transparency and democratic accountability contribute to economic and political stability and thus can reduce the risk of violent conflict (Franke et al., 2002, p.10; see Dunning, 2005; Collier et al., 2003)."*
> (In Guesnet et al., 2009).

As argued by Morgenthau (1962), expectations are not straightforward, donors and recipient countries may no longer distinguish what is real from what is acted out. Thus, promoters may genuinely believe that aid was disbursed in order to promote democracy. However, the persistence of corrupt practices, in recipient countries led French democracy promoters and most scholars including (Werlin, 2005) to blame recipient countries for their failures while donors failed to recognize their share of responsibility. By damaging democratic accountability, and due to its lack of transparency, 'democracy aid' could not possibly produce incentives to reduce corrupt practices, on the contrary the very lack of transparency

of French aid encouraged the use of corrupt practices under supported incumbents. In that sense, this research argues that Bribery and Subsistence aid are what Djankov, García-Montalvo, & Reynal-Querol, (2008); Knack (2004), have been identified as worsening democratic practices, bureaucratic quality, the rule of law, and corruption.

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From the ‘successful’ French intervention which supposedly promoted peace and democratic practices in 2011-2, Ouattara’s regime conducted anti-corruption policies involving the creation in 2013 of an anti-corruption law, the creation of the *Anti-Corruption Task Force* in 2012, and the *High Authority for Good Governance* created in 2014. Transparency International pointed out that in 2018, corruption decreased by 8 points from 2013, corruption remains prevalent in the country.[16] Nonetheless, if it has been argued by French authorities and Transparency international that progress had been made ever since Ouattara took office, Ouattara’s opaque gesture of several debt relief and emergency poverty reduction funds provided by international organizations such as the IMF or the fact that Ouattara’s government faced successively several corruption scandals within three years from 2013 to 2015, notably involving Prime Minister Daniel Kablan resulting in the incarceration of intermediates working directly under the persons of interest orders, without the main actors being worried or prosecuted by the Ivorian justice system. (Adélé, A. May 8, 2015).. Key Ministries and government positions provided to family members of the President in office also raises concerns regarding the progress made in terms of corruption reduction as well as the partiality of the justice system since the end of the second civil war. (Jeune Afrique, November 23, 2011).

Important is to acknowledge the limitation presented by the lack of transparency from both French and Ivorian authorities on the use of aid after its receipt. However; one could argue that this very lack of transparency is evidence in itself of the possible misuse of aid in a country plagued by corruption and high levels of socio economic inequalities, which reminds Houphouet-Boigny’s authoritarian rule and corrupt practices. Moreover, the Ivorian constitution stipulates that incumbents can only be re-elected once, and therefore, must step down at the end of the second mandate[17]; the current president Ouattara already accumulated two successive mandates in 2011 and 2015. Therefore, according to the constitution, Ouattara will not be legally eligible at the occasion of the 2020 presidential elections; nevertheless, the president recently suggested that he may compete once more (Aboa, January 27, 2019), a declaration which raises concerns of seeing Ouattara's presidency shifting towards authoritarianism.

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[16] Corruption Perception Index, 1998, and 2018:
[17] See the revised Ivorian constitution of 2016

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Therefore, such cases of corruption coupled with the opaque gesture of international multilateral and unilateral development funds and Ouattara's will to illegally run for president in 2020, raises doubts of the "successful" transition French democracy promoters claim to have initiated after the 2011-2 military intervention[18].

Finally, for the fact that compliant incumbents are sustained in office by French aid, incumbents implicitly have to repay the 'debt' they owe to France, by protecting French interests in their country. A protection which is too often in contraction with democratic practices, the economic development and the reduction of poverty. Therefore, compliant incumbents are 'bribed' and more accountable to French authorities than to their own citizens. As a result, it can be argued that there is no fundamental change between Ouattara and prior compliant Ivorian regimes policies. Evidence provided by this research suggest that, Ouattara's regime is very likely to move towards more corrupt and authoritarian practices, notably if Ouattara choses to run for the 2020 presidential elections. Therefore, such an analysis is consistent with our theory linking aid to damaged accountability, corrupt practices, and authoritarianism. The case could also be that another compliant incumbent chosen and supported by France would win the election while Ouattara would step down.

Moreover, if French democracy promoters would defend themselves by stating that each increase was meant to foster stability. When stability was mostly needed after the rather successful peace accords of Ouagadougou in 2007, were very low, also importantly, the 2002 increase was followed by the 2002-2007 civil war and the 2009 tenfold increase which anticipated the 2010 elections were also followed by the 2011 civil war. If the causal relation isn't clear, a correlation exists between huge increases in French aid spending and political instability as well as the occurrence of civil war. The following section focuses on analyzing French Bribery aid.

[18] See French diplomacy website, bilateral relations.
https://www.diplomatie.gouv.fr/en/country-files/cote-d-ivoire/france-and-cote-d-ivoire/

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As a reminder, *Bribery* aid comes into play to replace a non-compliant incumbent by a compliant one in office in order for the donor country (here France) to enjoy political and economic dividends. Therefore, after the successful overthrow of the non-compliant incumbent, Sustainable aid comes into play and aims at maintaining a bribed incumbent in office. The sustained incumbent will thus, consistently with the analysis made by Villaibre-Fernandez (2009) and Kuziemko & Werker (2006) notably align their votes to that of donor countries within the U.N system among other things. Thus, how bribery aid operates and what are its effects on the recipient country's democratic practices?

3.3. - Bribery aid to remove Gbagbo from office. An analysis of the mechanisms and effects of French bribery aid operated on Côte d'Ivoire from 2000 to 2011.

3.3.a. - French bribery aid. An analysis of the Increases in aid of 2002, 2009 and 2011 and their effects on democratic practices.

Laurent Gbagbo, who had instrumentalized the debates to reach office in 2000, was willing to keep good relations with France from the start, yet, there were no reciprocity. Bovon (2009) argued that this was mainly due to the conditions under which Gbagbo was elected and Gbagbo's xenophobic policies. Nevertheless, this research argues that this inference isn't satisfactory for the reason that Gbagbo wasn't the one who had implemented this concept of Ivorianness to the constitution, Konan Bedié was, yet, the latter had been supported by France until the coup in 1999. Therefore it can be argued that Gbagbo was simply not a preferred candidate for France essentially because he used to be the main opposition leader to Houphouët-Boigny's regime, highly praised by French authorities despite its authoritarian rule of three decades, and that French President Chirac (as argued in section 3.1.b) simply despised him.

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[19] I.e. sections 3.2.b and c.

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Thus, rather than because of his use of xenophobic and nationalist political tactics, France opposed him for his anti-Houphouetist ideology and his will to diversify Côte d'Ivoire's relations and trade partners. And the more France was involved in conflict management, and supported Ouattara, the more Gbagbo and his supporters had anti-French narratives and debates over getting out of the CFA Franc zone or not paying the debt. (Pigeaud, 2015, pp.43-44). As argued in the previous sections[19], French policies and aid spending consisted in maintaining Houphouët-Boigny's political ideology in office after his death from 1993. The best way for France to do so, was by supporting Houphouët-Boigny's closest collaborators, the best available choice being Konan Bedié first, from 1993 to 1999 and Alassane Ouattara from 2011 to 2016. Therefore, to conduct such a policy implied to oppose their opposition. The major one being Laurent Gbagbo.

At the occasion of the election of Laurent Gbagbo in 2000. France failed to maintain Houphouët-Boigny's ideology in office for the reasons pointed out in the discussion of French political interests in section 3.1.b. If evidence shows that France opposed Gbagbo and supported Ouattara throughout the conflict, concretely for what reasons? In order to provide an element of answer, and to show why Gbagbo was a threat to French interests in Côte d'Ivoire, the construction contract of the Henri-Konan-Bedié Bridge - also known as the third bridge - of Abidjan city the north and the south of Abidjan city is a good example.

In 1997, Konan Bédié and Bouygues group signed a public construction contract estimated to $156 US million dollars (Pigeaud, 2015), in order to build a bridge which would link two major parts of Abidjan and reduce the traffic during rush hours. However, due to the cost of such a project, it has been agreed that this project would be both publicly and privately financed. In order for the French company to reimburse itself for the cost of the construction and maintenance, parties agreed of a 30 years concession during which Bouygues group would charge each vehicle crossing the bridge 700 cfa franc. (Yala D., June 28, 2017).

Yet, this project was suspended due to the 1999 military coup. After his election in 2000, Bouygues kept negotiating with Gbagbo, if Gbagbo agreed that a bridge was needed in Abidjan, however, he refused the idea of a toll bridge charging each passage, mainly for the reason that poverty socio economic inequalities were high at that time and the stake was to

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reduce them not increase them. A Chinese public owned Construction Company started negotiations for only 60 Billion FCFA ($102 US million dollars) and that, without any toll, which attracted more the government. Such a competitive proposal gave, gave president Gbagbo leverage to negotiate and reduce the price of the contract signed between Konan Bedié and the French company, or to simply sign the contract with the Chinese company. However; the first civil war had once more postponed the negotiations.

A couple of months later, in 2002, Guei's former personal soldiers failed coup attempt soon transformed into popular insurrection for Gbagbo's resignation, the conduct of new fair and free election and the end of the politicization of ethnicity, transformed into a Northern insurrection, resulting in the *first Ivorian civil war* from 2002 to 2007[20] . The contract was cancelled in 2003[21]. It was only after Ouattara took office in 2011 that negotiations were re-engaged, both parties came to an agreement in 2012 for the price of $213 US million dollars[22], $57 US million dollars more expensive than the proposal made in 1997. The construction started the same year and was finished in 2014. (Grisot, January 22nd 2015; Don Mello, September 29, 2011). This case shows that identified supported incumbents being Konan Bedié and Ouattara provided a French private company with an important contract while the non-compliant incumbent, Laurent Gbagbo was reluctant to the conditions imposed by the company and was an obstacle to the signature of the contract.

In addition, if France showed limited support for Gbagbo at the beginning of his mandate during the 2000 crisis (Bovcon, 2009). French authorities soon contested Gbagbo's legitimacy and undermined his authority by increasingly supporting the insurrection, and forcing Gbagbo's regime to negotiate with the 'Northern rebels'[23]. (Bovcon, 2009; Smith, 2003). After successive failed accords, both warring parties finally came to the Ouagadougou accords in 2007. France which had been implicated in each negotiation notably in the Linas-Marcoussis accords of 2004, were not involved in these accords. Initiated by Gbagbo in an attempt to find an *'Ivorian solution to the Ivorian problem'*, these accords astonished the international community due to their efficiency in stopping the conflict.

[20]See the 2.4 section
[21]HKB Bridge, Historical context, 2019.: http://www.pont-hkb.com/historique/
[22]Some estimated the total costs to 308 million Euros (2015 prices). See Grisot M. (Janvier 22, 2015), https://www.lemonde.fr/afrique/article/2015/01/22/le-troisieme-pont-d-abidjan-symbole-du-rebond-economique-ivoirien_4561239_3212.html?xtmc=pont_henri_konan_bedie&xtcr=7
[23] Mostly composed by mercenaries coming from all over Africa, and Burkina Faso military forces.

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The peace accords importantly provided the prime minister position to the Northern rebel leader Soro (Gaulme 2001; Bovcon 2009). Due to the civil war and '*technical issues' faced by* Gbagbo's administration presidential elections, supposed to be held in 2005 were postponed six times until 2010.

Arguably, if most scholars agree upon France's *neutrality* in the conflict resolution, (Bovcon 2009), evidence suggests that France was supporting rebel troops during the first civil war and ignored Burkina Faso's interference in Côte d'Ivoire while condemning the then incumbent's war crimes, all of which in order to favor the conditions leading to Ouattara's election. Bovcon (2009) showed that, Franco-Ivorian defense treaties specified that France was to intervene militarily to protect the Ivorian state in case of violations of the Ivorian territorial integrity. Despite that, France refused to respond to Gbagbo's calls for a military intervention as specified in those treaties when evidence showed that France was aware that Burkina Faso government as well as Liberian mercenaries was involved during the 2002-2007 war.

In addition to the support for the rebel troops, the refusal French policy makers to order a military intervention was due to the fiasco caused by such interventionist policy in Rwanda a decade earlier. Thus, French policy maker's worst fear at the time was to be involved in a second Rwandan genocide and to face critiques and sanctions from the EU, the UN and the United States. The complexity of the situation, with mercenary groups coming from Liberia and Burkina Faso left room for interpretation, and as argued by Bovcon (2009), France decided to interpret it at its advantage by remaining "*neutral*", limiting its military intervention to the protection of French civilians but benefiting from Burkina Faso's intervention.

Such *'neutrality'* can be interpreted as a passive support for the Northern rebellion to oppose Gbagbo. In the light of the arguments advanced above[24], It could also be speculated that, since Burkina Faso is also a Francophone country within the CFA Franc zone, that Burkinabe president is also a compliant incumbent sustained in office by France and that therefore, the Burkinabe intervention had been conducted with the incentives of Paris.

[24] Mentioned in sections 3.2.b and c.

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Therefore, France which needed to intervene militarily used a proxy state to do his bidding. Which would explain why France overlooked at the well-known Burkinabe interference and war crimes committed by Ouattara supporters and foreign mercenary groups coming from Liberia while only condemning Gbagbo's use of violent repression.

Therefore, if Bovcon (2009) portrayed French policy and intervention during the Ivorian crisis as being opportunistic and designed to protect French National interests while reducing the cost of the intervention both financial and political[25], (Bovcon 2009), by playing the neutrality card, France managed to protect its economic interests. Bovcon (2009) showed that France remained the dominant commercial partner of Côte d'Ivoire during the crisis, bilateral exchanges in fact increased by 17.5 percent during the 2005-2006 period. The number of French multinationals barely diminished since 2003 going from 147 to 143 in 2007. Moreover, in 2007, more than 400 small and medium-sized French companies were still conducting business after the crisis, compared to 500 prior to the war, representing 30 percent of the Ivorian GDP and 50 percent of the fiscal revenues. Contracts of French firms, such as Bouygues (electricity, water), France-Télécom (telecommunication) or Bolloré (transport), were notably all renewed. (Bovcon, 2009).

The stakes were then for France to replace Gbagbo by a compliant leader. Therefore, if in 2001, France had spent $110.4 million US Dollars, aid was five times this amount a year later and reached $531.29 US million dollars in 2002. (See Tables 1 and 2). This increase occurred the same year the civil war started, in a context of ethnic tensions which were partly previously provoked by French Subsistence aid disbursed under Konan Bedié and the concept of *Ivoirité*. (See 3.1.d section).

[25]I.e. 1994 Rwanda
[26]Also see French diplomacy, France Côte d'Ivoire bilateral relations, 2019 https://www.diplomatie.gouv.fr/en/country-files/cote-d-ivoire/france-and-cote-d-ivoire/

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Bovcon (2009), interestingly provides evidence for France's neutrality while protecting its economic interests in the country during the civil war (I.e. 3.1.e), nevertheless, the author fails to fully appreciate French interests behind its realist policy, arguably because the author overlooked the concept of *Françafrique* and French aid disbursements in her analysis and also for the reason that by the time the author ended her analysis, the second civil war hadn't started yet, which prevented the author from observing important patterns. French agenda involved, as argued above to replace Gbagbo by Ouattara using Bribery aid.[26] (Konaté, 2005; Banegas, 2006).

Therefore, contrary to Bovcon (2009), it can be argued, that French opportunistic policy was everything but neutral. France supported Gbagbo's opposition precisely by getting involved in the conflict management and yet claiming 'neutrality' while organizing negotiations in which Gbagbo was forced to make important concessions, notably at the occasion of the Linas-Marcoussis peace accords (2004). This determination to overthrow Gbagbo is most importantly observable throughout levels of aid spent under Gbagbo's rule.

It was indeed under Gbagbo's presidency that Côte d'Ivoire received among the lowest levels of French aid disbursements ever recorded from 1990 to 2016. In 2001, one year after Gbagbo officially took power, France disbursed only $110.4 US million dollars, $62.16 US million dollars in 2004, $54.9 US million dollars in 2005, $106.82 US million dollars in 2006, $50.69 US million dollars in 2007 and $38.49 US million dollars in 2008. French authorities would argue that these decreases in aid spending resulted in the fact that they were recorded mostly during the 2002-2007 civil war, and Gbagbo's government who kept postponing elections and committed human rights violations irritated French democracy promoters.

However, in 2007, after the signature of the Ouagadougou accords between the two warring parties and the appointment of the rebellion leader Soro as prime minister, French democracy promoters should have identified this moment as being crucial in order to help foster democratic practices and peace in the country. Yet, French aid reached one of its lowest levels ever recorded in the country at that time. Côte d'Ivoire received $50.49 and $39.49 US million dollars in 2007 and 2008. If France was serious enough in promoting democracy and peace, huge spendings in aid should have been disbursed in this period, something which didn't happen. Arguably for the reason that France was attempting to replace Gbagbo rather

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than to promote peace and democratic practices, and that as argued by Obiang (1996) and Bolle (2000), French democracy aid was mainly focusing on presidential elections. Essentially for the reason that aid is disbursed to place and sustain or remove incumbents from office. Thus, low levels of aid here are evidence that France did not promote peace nor democracy per se.

However, significant sudden increases can be observed during Gbagbo’s presidency year 2002, 2009 and 2011. In 2001, Côte d’Ivoire received $110.4 US million dollars when the state received five times more one year later, reaching $531.25 US million dollars. That year was characterized by the beginning of the first civil war which ended in 2007.

In 2008, French authorities spent $39.49 US million dollars as opposed to 1,199 US Billion dollars one year later, which consist in the most impressive increase ever recorded in the entire CFA zone from 1990 to 2016. Indeed, one year later in 2010 presidential election were held. Contested election results led to the second Ivorian civil war in 2011, and thus in 2010 aid spending went back to $138.52 US million dollars and rose to 553.21 US million dollars in 2011, the year of the second civil war.

Obvious becomes the observation that each of these significant increases in French democracy aid have occurred prior important Ivorian historical events, if one considers French aid to be *Bribery aid* conducted to replace a non-compliant incumbent from office in 2002, 2009. Aid was not entirely successful in replacing Gbagbo by Ouattara in office since France had to mobilize troops with the help of the UN to arrest Gbagbo during the second civil war.

If huge increases in aid, which occurred prior or during each civil war, suggest that they were meant for regime change, French bribery aid had important implications for Côte d’Ivoire’s democratic future and economic development. The following section turns the focus on the effects of Bribery aid on the democratic practices of Côte d’Ivoire.

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3.3.b. - The effects of French bribery aid on Côte d'Ivoire's democratic practices: the causal link between French Bribery aid, political instability, and damaged democratic accountability, (2000-2011).

Arguably, by providing rebel groups and opposition parties with significant amounts of bribery aid at the expense of Gbagbo's ruling party in 2002 and 2009, aid spending not only undermined the Ivorian government's authority during a major politico-ethnic crisis, but also fostered political rivalry by increasing the incumbent's frustration of being the 'legitimate' elected president (even though the conditions under which Gbagbo was elected were not democratic due to Ivorianness based laws), yet, opposed by foreign countries, international institutions and Ivorian groups, while simultaneously increasing the opposition's confidence that it had enough resources and foreign support to win the conflict. Aid spending conducted prior elections also damaged the free and fair characteristics of democratic election by giving significantly more advantages to the opposition. When successfully in office after the conduct of bribery aid, even if in some cases observers would label elections as free and fair, the funds accumulated throughout the use of Bribery aid create an advantage/disadvantage situation making *de facto* elections, unfair, due to the inequality in funds available for the expenses of each electoral campaign.

Moreover, supported incumbents once in power, rather than being elected by the population are placed in office by a foreign entity. In the case of Côte d'Ivoire, 2011 elections results raise doubt on who actually won the election since, the UN observers declared Ouattara winner while the Ivorian electoral commission declared Gbagbo winner. Which one of these organizations had the authority in this matter, a foreign one highly influenced by France as Villaibre-Fernandez (2007) has pointed out, or a sovereign entity in charge of organizing and counting the votes? While France was destabilizing the country, the metropole was simultaneously using its position within the Security Council to direct the conflict resolution strategy as shown by Villaibre-Fernandez (2009), Pigeaud (2015), and Pigeaud Samba Sylla (2018, p 157), and convinced other nations that Gbagbo was the source of *the Ivorian problem* and had to step down, which biased the neutrality of the international conflict resolution, increasing that Gbagbo would be replaced by France's preferred choice.

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Once in office, compliant incumbents are more accountable to French authorities who are responsible for their accession to power, than to their own populations, leading them to embrace corruption and more importantly to surrender their country's own sovereignty to favor French interests, leading to slow economic developments, or high socio economic inequalities and high levels of debt[27].

Also arguably, aid in support for the opposition increased the frustration and the fear of the incumbent to be removed while comforting the confidence of the opposition that it could win the elections. Gbagbo's administration and military forces increasingly committed civil rights abuses, anti-French, xenophobic and anti CFA Franc speeches and policies. All of which, worsened the violence of the ethnic conflict while increasing the need for France to remove Gbagbo from office. Therefore, aid contributed to foster political rivalry and tensions, and bribery aid had always occurred prior both civil wars in 2002-2007 and 2011. As a result, bribery aid conducted during the 2000-2010 period had significantly increased the chances of the occurrence of civil wars.

In that sense, French bribery aid in the attempt to replace non-compliant incumbent Gbagbo by supporting Ouattara fostered political rivalry between the two men. Who both used the ethnic tensions and nationalist sentiments previously instrumentalized by both Konan Bedié and Gueï as scapegoat strategies to consolidate their political power, which intensified the conflict[28].

In addition to the politicization of ethnicity, the will of incumbents to remain in office and the Burkinabe interference during the 2002-2007 conflict, evidence support the hypothesis that causal factors of the failed democratic transition until 2012 were not entirely endogenous, a positive causal relation between French Bribery aid and civil war exists in both cases of the 2002 and 2009 increases. If such arguments are made for the case of French aid in Côte d'Ivoire for the 1990 - 2016 period, are such inferences applicable on Congo Brazzaville?

27 I.e. 3.2.c.
28 I.e. 2.4 and 3.1.d.

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Chapter four: The effects of French democracy aid on Congo Brazzaville from 1990 to 2016, Morgenthau's (1962) *theory of foreign aid* applied.

4.1. Background

4.1.a. The historical context 1990-2016

The failed attempted transition towards democracy (1991-1997)

As in Côte d'Ivoire, the Republic of Congo has been characterized by the long rule of an authoritarian leader named Denis Sassou-Nguesso, who came to power in 1979 after a Marxist-Leninist military coup. He remained in office for several decades, shortly interrupted after a failed attempt to introduce democratic practices at the occasion of the National conference held in 1991.

However, after several coup attempts two successive civil wars involving Patrice Lissouba's government forces and militia (going by the name of the Zulus) against Bernard Kolélas's militia (going by the name of the Ninjas) in 1993-4 and Lissouba's supporters and government forces against Denis Sassou-Nguesso's troops in 1997, colonel Sassou-Nguesso returned in office in 1997 and is still in office to this day[29].

The French-trained paratrooper and leader of the Parti Congolais du Travail - Congolese party of labor (PCT), Sassou-Nguesso, is a Marxist-Leninist. Sassou-Nguesso is what we identify in this research as being a *compliant incumbent*, for the reasons that he provided concessions to French businesses, notably the ELF Company mentioned earlier, and was supported by France during the 1997 civil war. Sassou-Nguesso is also notably well known for his friendship with former French President Jacques Chirac. (Ayad C., February 5, 2005). French authorities were shook to learn, at the occasion of the National conference of 1991, that presidential elections would be conducted in 1992 and that Sassou-Nguesso only attracted 17 percent of the votes and thus had to step down.

[29] I.e section 2.4.

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Contrary to Côte d'Ivoire, it has been argued by Clark (2002), that France had no influence in the conference that was held in 1991-2 which initiated the democratic transition in the Republic of Congo. This was actually the case for many countries in Francophone Africa at the time, and this very fact highly irritated and worried French authorities since it was proof that French influence in the region was decreasing in the author's understanding. However, to respond to the author, if France didn't foresee the national conferences all over Africa, in the early 1990's, it was Mitterrand's Baule speech uttered in 1990 in the context of the ELF scandal [30]and the Berlin wall fall, which gave the final incentive to African countries, to organize National Conferences and introduce multipartism and free elections in Francophone African countries, including Congo Brazzaville[31].

Yengo (2007) importantly showed how French public owned company, ELF-Aquitaine, played a key role in the failed democratic transition engaged during the 1991 conference. The author showed that during the 1991 conference, an intense debate occurred on the company. Congolese politicians in a great majority had suggested to conduct an investigation on ELF Company's real investments and rents of the extraction, as well as on the contracts signed between Sassou's government and the company had to be conducted. Many speculated that ELF overstated the costs of its investments and therefore underrated the amount of oil extracted. The cost of ELF's investments was then deducted from the taxes the company had to pay, thus by overrating the investments made, the company would have managed to reduce its taxes. The investigation was to be conducted by an American accounting firm, Therry Anderson was the man in charge of this task. The conference notably established new conditions under which foreign companies would legally be able to conduct natural resource extraction activities, conditions which would truly benefit Congo's development rather than companies, at least, this was what Milongo, the interim Prime Minister had thought. Most importantly, the interim government openly affirmed its will to increase the number of countries which would be engaging in petroleum extraction activities in Congo. (Yengo, 2007).

[30] Ie. 4.1.a

[31]For a better comprehension of the impact of the Baule speech in 1990, see Benquet, P. "Françafirque: l'argent roi", Compagnie des Phares et Balises. December 16, 2010. https://www.youtube.com/watch?v=V3WWpdjdzdg&t=186s

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The same year, after the conference was held, Milongo subsequently went to the U.S. to meet with President Bush. Both agreed upon U.S. future involvement in the promotion of Democracy in Congo. In the meantime, French journal *Liberation* in a paper published in April 1991, reported that French mercenaries were in Congo. Evidence found during the ELF scandal (1993-4) has showed that ELF Company was at the origin or at least financed two coup attempts in 1992. (Yengo, 2007; Verschave, 1999, 2004).

The literature mostly analyzed domestic factors of the failed democratic transition resulting in the return of a strong authoritarian regime in 1997, still ruling the country to this day, while ignoring or not thoroughly taking into consideration France's role in that outcome. The relations between France and the Republic of Congo are in complete contradiction with the policy France was supposed to conduct after the Baule Speech. Countries were supposed to be willing to make efforts to apply democratic practices in their politic life or else, France would cease disbursing foreign aid. Nevertheless, as argued above, the *Speech* was merely a political move to decrease the international community's hostility towards French foreign policy mostly in Africa, and therefore even though Mitterrand implied that countries would have the liberty to choose the path and pace leading towards democracy, similarly as Houphouet-Boigny. Despite obvious civil and human rights abuses, which France constantly seriously condemn in speeches and policies in the E.U. and U.N. instances. From 1979 to 2013, not once France performed economic sanctions, ceased diplomatic relations, stop foreign aid disbursements, nor froze Sassou's personal assets in France due to Nguesso's authoritarian regime. (Broussard P., March 25, 2009).

Clark (2002), Yengo (2007), & Bankounda (2001), have importantly contributed to the understanding of the political instability Congo faced during the 1992-1997 period, by providing a detailed sequencing of events leading to the two civil wars. Thus, in 1991 a National conference was held involving each Congolese political party, the authoritarian leader, Sassou-Nguesso agreed to cease power and each party decided to commence their country's democratic transition. A transitional government would be in place waiting for the presidential elections to be held in 1992. In March 15th 1992, the new constitution was voted by 96.32 percent of the votes during a referendum which introduced multipartism and a semi presidential semi parliamentary political system in Congo, which ended Sassou Nguesso's 12

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years authoritarian rule (Bankounda 2001, p164). Clark (2002) showed that during the presidential election campaign held in 1992, Pascal Lissouba a Scientist by training, former UNESCO official and political veteran, member of the *Union panafricaine pour la democratie social* (UPADS) - Pan African Union for Social Democracy - made a coalition with Sassou Nguesso's *Parti congolais du travail* - Congolese Labour Party (PCT), in order to oppose Kolélas and his party, the Congolese Movement for Democracy and Integral Development - Mouvement Congolais pour la Démocratie et le développement intégrale (MCDDI).

Kolélas was one of the favorite candidates for the 1992 presidential elections. Kolélas was a longtime opposition leader to Sassou Nguesso and before that was known for being a political prisoner after a failed coup attempt before Sassou came to power in the 1979. Kolélas, Brazzaville's mayor in the early 1990's events, was portrayed as pro-American and wished to intensify Congo's relations with the then U.S. government in order to reduce Congo's dependence on France. As argued by Cumming (2001), this was precisely what France feared the most. Thus, due to his political ideology, French authorities could not even begin to consider supporting Kolélas.

To oppose Kolélas, the Nguesso-Lissouba alliance took form, at the time Lissouba was considered to be an asset by French authorities, precisely because of this coalition and as a result, ELF Company financed Lissouba's presidential campaign after the Gabonese president, Omar Bongo's counseling.[32] (Yengo, 2007, p 110). Lissouba was elected President at the second round of the election while Kolélas ended at the second place, Sassou Nguesso on the other hand only gathered 17% of the votes. Lissouba not only reached office, but also had control over the parliament since, on a total of 125 seats, his party collected 39 seats while Sassou's PCT gathered 18 seats. On the other hand Kolélas's MCDDI had 29 seats. (Clark, 2002, p173).

[32]Along with Houphouët Boigny, Omar Bongo is one of the African presidents the most associated with Françafrique. See Verschave (1999), and Verschave, (2004)

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However, a dispute occurred between Sassou and Lissouba since, president Lissouba refused to provide strategic ministries to Sassou's PCT. The dispute resulted in the split of the coalition and the creation of a new one, Sassou-Kolélas. As a result, the newly elected president became isolated and lost his majority in the parliament. French authorities considered then to support Kolélas and new elections were to be held.

To overcome this parliamentary majority issue, president Lissouba dissolved the parliament in order to conduct new elections in the hope of regaining the majority, yet, the opposition refused, and this event consisted in Clark's understanding the very beginning of the intense political instability in the country. In December 1992, to show their disappointment of the newly elected president's disrespect for democracy, partisans of the opposition, demonstrated in front of the presidential palace, the presidential guard was mobilized, and three protesters were killed. (Clark, 2002).

Prior to the 1991 National Conference, Sassou Nguesso still in power had significantly increased the debt and increased the salaries of Congolese civil servants. Therefore, prior to the second parliamentary elections of 1993, Lissouba had to pay 80 000 civil servants who didn't receive any paycheck for nearly 9 months. To do so, Lissouba turned to the French company ELF for a $150 million US dollars loan, yet ELF's Loik Le Floch prigent, afraid that it would be used for the legislative elections refused to provide the loan. Knowing that the new coalition Sassou Nguesso-Kolélas would win the new parliamentary elections, ELF decided to wait until the election results to provide the money mainly to weaken Lissouba's regime who was perceived as a threat.

This refusal frustrated Lissouba since ELF currently provided loans to Sassou Nguesso during his presidency, for this reason, Lissouba turned to the American *Occidental Petroleum company* (Oxy), which granted him the loan. The loan would be granted at the condition that the Congolese government shares in three exploitation sites would be given to the American company. Part of the loan is immediately transferred, two days from the Election Day.

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However, let us remind the reader that Congo's currency is being printed by the French central bank and that each transaction transited by the French Operations account, thus,a day prior to the legislative elections, ELF company blocked the transaction by slowing down the process in the French Central Bank. The money then took several days to reach the Congolese government National Treasury. (Yengo, 2007).

In May 1993, new elections were held, opposing the *PCT-MCDDI* coalition against Lissouba's *UPADS* new alliance formed with smaller parties. Surprisingly, Lissouba largely won the majority with 62 seats and the opposition rejected those results. At the time armed militias were formed by political militants affiliated with each major political party and their leaders. Thus, because election results were contested, political tension arose, leading to the first civil war which occurred between August 1993 and January 1994. The conflict essentially opposed Kolélas and Lissouba's troops and was won by president Lissouba and led to more than 2000 deaths. (Clark, 2002; Yengo, 2007 p.112). By the time, ELF conducted intensive operations in order to buy Oxy's shares in Congo, which it had accomplished successfully. A costly investment, yet Elf then acquired Nkossa exploitation site, the company's biggest profit origin in the entire region and one of the biggest extraction sites in Africa. Elf notably normalized its relations with the then government (Yengo, 2007, p 112).

Yengo (2007) notably argued that the fact that the system set by Foccart and De Gaulle at the dawn of the fifth French Republic referred to as *Françafrique*, had significant control over Francophone African countries natural resources, economy, industry and services sectors, policy etc., and therefore, because of that African elites had every reason to wish having good relations with France, especially if France did not support them prior elections which was the case of Lissouba.

After Jacques Chirac was elected in France in 1995, both Sassou Nguesso and Lissouba tried to enhance their relations with the new president. At the time, Sassou Nguesso went to France and had contacts with political leaders of Chirac's RPR, French entrepreneurs having interests in Congo and started organizing the 1997 presidential elections, Sassou Nguesso also importantly took contact with several private companies specialized in recruiting mercenaries, *EricSA* and *Orion Finance Holdings* in order to recruit councilors immediately available for a mission in Congo (Yengo, 2007, p 115). On the other hand, Lissouba conducted similar

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political moves, by creating relations with French political leaders of the RPR (Chirac's political party), recruiting mercenaries and searching for military and security counseling etc. If president Lissouba succeeded in enhancing his personal relations with French political and economic elites and notably with French president Chirac, his attempt to gain French support over Sassou Nguesso in Congo failed, Sassou Nguesso remained a primary asset of France.

In 1997, Lissouba and Kolélas had come to an agreement making Kolélas Congo's Prime Minister. In July 1997 was programed the next presidential elections, yet, claiming that the 1993-94 civil war had ruined his mandate, Lissouba delayed the election date. However, Sassou Nguesso in a brainstorming presidential campaign was the favorite at candidate and therefore had absolutely no interest in postponing elections. In June 1997, tensions were at their highest, during one of Sassou Nguesso's meetings, a member of his personal guard shot one of Lissouba's undercover officers, which triggered the beginning of the second civil war.

If the war officially ended in 1999 Sassou Nguesso had won and returned in office in 1997, Lissouba and Kolélas, both fled the country before their troops were even militarily defeated, abandoning their supporters. After this event, battles temporarily stopped. However, in an attempt to consolidate his power rather than initiate peace, Sassou Nguesso went on a witch hunt for Lissouba and Kolélas's militia members starting in 1998. For the reason of the violence of the conflict, tens of thousands of people fled the war and seek refuge in Congo Kinshasa (RDC) and other parts of Africa.
In 1998, Massacres were happening until late 1999, government forces ended targeting every young man in age and able to take weapons. The war officially ended at the occasion of the signature of the *Brazzaville accord*s of the December 29th, 1999, signed by the belligerent parties. (Bankounda 2001, p. 167). However, insecurity is still prevalent in Congo Brazzaville since entire areas are controlled by former militia members, notably in the Pool region. And nowadays, government army checkpoints are still in place in important road sections, rural zones are characterized by high poverty and low literacy rates, and each election are marked by fraud, sudden blackouts, and large wins for Sassou Nguesso and his political party the PCT.

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Considering Sassou Nguesso being France's "*local governor*", the following section turns the focus on the mechanisms by which France supported the authoritarian leader for his return in office during the 1992-1997 period and using Bribery aid its effects on Congo's political instability. As a result, the following section focuses on analyzing the increases of French aid spendings which occurred in 1994, 1996 and 1997.

The post 1997-1999 war context: the peace building and reinsertion programs in an authoritarian regime. (1997-2016).

The December 29th 1999 *Brazzaville military accords* signed between Sassou Nguesso's *Congolese Military Forces - Forces Armées Congolaises (FAC)* and *the Forces of Self Defense and Resistance - Forces d'autodéfense et de résistance (FADR)* helped promote sustainable peace in the Niari region, however the situation worsened in the Pool department becoming the headquarters of Ninjas and militias affiliated to 'Pastor' Ntoumi, the Nsilulus. These troops become isolated in late 1999. In 2001, new peace accords were signed which started the disarmament of most of the remaining rebel troops using the *"cash for weapons"* initiative. Notably, the World Bank and the European Union provided 24 million US Dollars for the conduct of that reinsertion project. (Mazurek, Dorier, 2015).

Between 2002 and 2003, in this context, the Congolese military forces took back the control of the pool department, the battles led most of the rural population of the department to flee towards the forests and Brazzaville city. (Joncheray, 2013; Dorier-Apprill, 1997; Ngodi, 2009). These reinsertion programs focused on former militia members mainly and were considered by many as inefficient for the reason that job opportunities provided by the governmental program didn't rewarded veterans with self-esteem nor were attractive in terms of remuneration. Moreover, many veterans have made allegations that the *cash for weapons i*nitiative funds were used wrongfully used by corrupt government officials in charge of these programs, notably the *Superior Police Department for the Reinsertion of Veterans - Haut commissariat à la reinsertion des ex-combattants*.

On the other hand, victims of the violence perpetrated by militia members and government forces alike complained that the government and international organizations were too focused on the reinsertion of former militia members rather than on reparations for the victims and their families. (Mazurek, Dorier, 2015, pp. 138-140).

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In 2007, General Ntoumi, (leader of the last militia established in the pool region) made his entrance in the Congolese political scene by getting elected as a member of the departmental council of the pool as a National council of the Republicans member (CNR). It is only in 2010, notably due to general Ntoumi's position within the government that the insurrection in the pool comes to an end as well as the efficiency of the *Kimia* ('peace' in lingala) operation creating checkpoints in order to control and secure each major road of the department. (Mazurek, Dorier, 2015; Kibangou I. N, et al., 2002, pp.110-11).

Nevertheless, if the 1999 accords guaranteed each political parties participation in the peacebuilding and public debates, the government controlled the entire process, and political opposition who had fled the country fearing for their security returned hoping to contribute to the peace building process, however the national debate was only accessible to a few, all of whom were affiliated to Sassou Nguesso and major discussions were avoided which did not allow a thorough national reconciliation. (Mazurek, Dorier, 2015; Kibangou I. N., et al, 2002, p 111.).

Moreover, the government use of the justice system (each judge were appointed by the president) in order to arrest major political opposition leaders, as well as the instrumentalization of referendum in order to modify the fundamental law as he sees fit, enabled Sassou Nguesso to consolidate and somehow 'legitimize' his presidential power and to easily be reelected in 2002 and 2009. The 2009-2016 mandate was characterized by the slogan *"path towards the future" - Chemin d'avenir*. The government's ideology during this mandate was to use the oil extraction rents and attract massive foreign investments in order to favor economic growth which would in turn reduce socio economic inequalities and appease tensions The ultimate goal of this policy being to become an emerging country by 2025 (Mazurek, Dorier, 2015, p 136, p138).

However, if this period was supposed to be Sassou Nguesso's last mandate, another referendum was voted under obscure circumstances allowed the autocrat to modify the constitution in order for him to be able to run for president once more. As a result, at the occasion of the March 2016 presidential elections, Sassou Nguesso, once again largely won and is still in office to this very day. Therefore, the democratic transition initiated by the 1991 National Conference had been confiscated and used by the authoritarian leader to consolidate and legitimize his rule.

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The same way this research observed in Côte d'Ivoire important increases in French aid prior, during and immediately after important historical events, important increases in French aid are observable in Congo Brazzaville. Namely, the first noticeable increases are linked with the first and the second Congolese civil wars of 1993-4, and 1997-8, the next section analyzes these increases.

4.1.b. French interests in Congo Brazzaville

This section describes the political, military and economic interests that France possess in the Republic of Congo, this overview is important in the sense that it will enable the reader to comprehend more thoroughly the stakes behind French diplomacy, foreign policy and most importantly foreign aid in support for Denis Sassou Nguesso, Congo Brazzaville's president.

Public economic interests

In 2015, the Central-African state was ranked number 33 of all producing countries of crude oil worldwide and was ranked 28 of all exporting countries of crude oil the same year [33]. The state notably produced 240 000 barrels that year[34]. In Sub-Saharan Africa, Congo Brazzaville ranked six among importers of French products in 2016 making France the second biggest supplier after China. Congo Brazzaville's economy used to depend on the oil extraction sector, which represented 90% of its GDP by the time of the first civil war in 1997 (Yengo 1998).

Verschaves (2004) importantly pointed out that, in the 1970's under Sassou Nguesso's rule, the Congolese state only perceived 17% of the declared petroleum extraction rents produced by the ELF company (former Total company), implying that only a tiny share of the oil extracted by the French company was declared. In order to emphasize this fact and make the reader comprehend how this represents significant amounts of money, in a documentary *"France afrique l'argent roi"*, former ELF CEO Loick Le Floch Prigent (1989-1993), declared that oil was bought at extremely cheap prices (around 3-4 US dollars) and sold around 80 US dollars per barrel.[35]

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[33]See CIA website, https://www.cia.gov/library/publications/the-world-factbook/geos/cf.html

[34] See French diplomacy website https://www.diplomatie.gouv.fr/fr/dossiers-pays/congo/presentation-du-congo/

[35]Benquet, P. "Françafirque: l'argent roi", Compagnie des Phares et Balises. December 16, 2010.

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Thus, French oil extraction sector under the public owned company's monopoly was a major source of wealth for the metropole. Investigations followed by a trial conducted by judges of the French justice system had publicly revealed ELF Company's corrupt practices and is to this day the most important scandal the state ever faced. French *ELF* Company had important exploitation sites before the scandal, subsequently, after the scandal, French private group TOTAL, bought all ELF's shares and inherited ELF Company's extraction sites worldwide (Verschave, 1999). Nowadays Total is the first company in the Congolese oil sector, and a major one on the continent, it extracts a great deal of the Congolese oil and is notably the major shareholder of the offshore deep-water Moho-North extraction site. (Jeune Afrique, AFP, March 15th, 2017). Notably, French foreign direct investment (FDI) went from 1 Billion Euros in 2005 to €2.5 billion in 2010, to finally reach 5.7 billion of Euros in 2017 representing an increase of 130, 2 percent, making the Congo by far the first recipient country of French FDI in the entire Central African region and France the leading foreign investor in Congo Brazzaville. (Jeune Afrique, March 15, 2017). Of all French investments in Congo, 70.6 percent were concentrated in the oil sector and were provided by the only company TOTAL which acquired a concession of the offshore Moho-North oil extraction site in 2017. Moho-North is considered to be one of the biggest sources of oil on the continent. However, officially, in 2015, France only imports 0.2% of its total imported crude oil from Congo Brazzaville[36].

Private economic interests

Only on the African continent, *Bolloré transports and logistics group* declared a total turnover of 2.5 billion of euros in 2017. The French multinational is exercising a monopoly over the exploitation of harbors all over West and Central Africa, and importantly Bolloré is one of the major companies associated with Françafrique as demonstrated by Verschave, (1999, 2002, 2004). Vincent Bolloré, CEO of Bolloré group was notably recently placed in custody and accused by the French justice system of bribing Togolese and Guinean high officials in order to get harbor concessions. (Piel S., Tilouine J., April 27, 2018).

[36]Statistica. https://www.statista.com/statistics/744232/crude-oil-main-supplier-countries-france/

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The two judges assigned to this case importantly are suspecting that Vincent Bolloré allegedly used Havas group (one subsidiary of Bolloré group) in order to provide political counseling during election years in exchange for harbor concessions of 30 years in Lomé port of Togo and Conakry port of Guinea to SDV (another subsidiary company of the Bolloré transports and logistic group). Concessions and contracts were signed few months prior and after the successful election of the two bribed presidents (L'Express, April 26, 2018).

Thus, under Sassou Nguesso's regime in 2009, a contract signed between the Congolese government and Congo-Terminal, a subsidiary of Bolloré Transport & Logistics group allowed the French multinational to access a fruitful concession of 30 years of the Congolese Harbor. The conditions under which the group obtained similar concessions in neighboring countries raises questions regarding the conditions under which contracts were signed in Congo, especially given the fact that Congo Brazzaville is characterized by a strong authoritarianism in place for over three decades and high levels of corruption[37].

The Congolese service sectors (resource extraction, civil energy, transport, telecommunication etc.) are all largely dominated by French multinationals, notably the oil extraction and port concessions (lasting for decades) are major profit resources in the region.

Military and Strategic interests

The same way France established the cooperation in regard to natural resources with Côte d'Ivoire upon a multilateral treaty signed in April 1964, France, Chad, Center Africa and Congo Brazzaville have signed a defense treaty back in mid-August 1960, prior Sassou Nguesso's coup of 1979. If the treaty [38]gives autonomy regarding the gesture of 'strategic natural resources', by stating that each country is sovereign and may dispose of their natural resources as they see fit for their own economic and social development, France gives incentives in the annex III to consider reducing or stopping exporting the same strategic resources towards specific countries when needed in order to protect the FCFA zone in which they belong as well as French national interests.

[37]Transparency International, 2016

[38] Accords Franco-Ivoirien, (April 24, 1961, p 579), https://basedoc.diplomatie.gouv.fr/exl-php/util/documents/accede_document.php?1560156373567

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Producing countries also agreed upon the fact that surpluses of production had to be delivered in priority to French companies. This defense accord seems to be still applied to this day.

Political interests

In a context of increasing multilateral cooperation within the U.N. and E.U. systems, the same way France needed Côte d'Ivoire for support in international organizations throughout votes or speeches or policies within other multilateral institutions, France needs Congo Brazzaville in order to back French foreign policy within international institutions. (Kuziemko, Werker, 2006; Villaibre-Fernandez, 2007).

In the light of the arguments made by both researches, it seems important to mention that Congo Brazzaville had presided the African Union in 2006, the *Economic Community of Central African States (ECCAS)* from 2003 to 2007, was a member of the United Nations Human Rights Council from 2011 to 2014 and of the Security Council of the United Nations in 2006-7.

Moreover, significant increases of French aid spending in the Congo are observable prior, during and immediately after important Congolese politico- historic events. (further developed in following sections of chapter 4.1.b).Thus, if aid was disbursed in order for France to maintain its interests in the country, what were the goals behind each increase in aid from 1990 to 2016, and what were their effects on democratic practice? In order to have a thorough understanding, important is to appreciate the Congolese historical background from 1990 to 2016.

Appreciating the interests at play in Congo-Brazzaville, the following sections will further explain why Sassou Nguesso was a major player in the protection of the interests described above, how France supported him throughout the use of Bribery and Subsistence aid and other means allowing him to remain in office to this day, and finally the effects that such a support had on the democratic life of Congo Brazzaville. The following section introduces the Congolese historical context from 1990 to 2016 to the reader.

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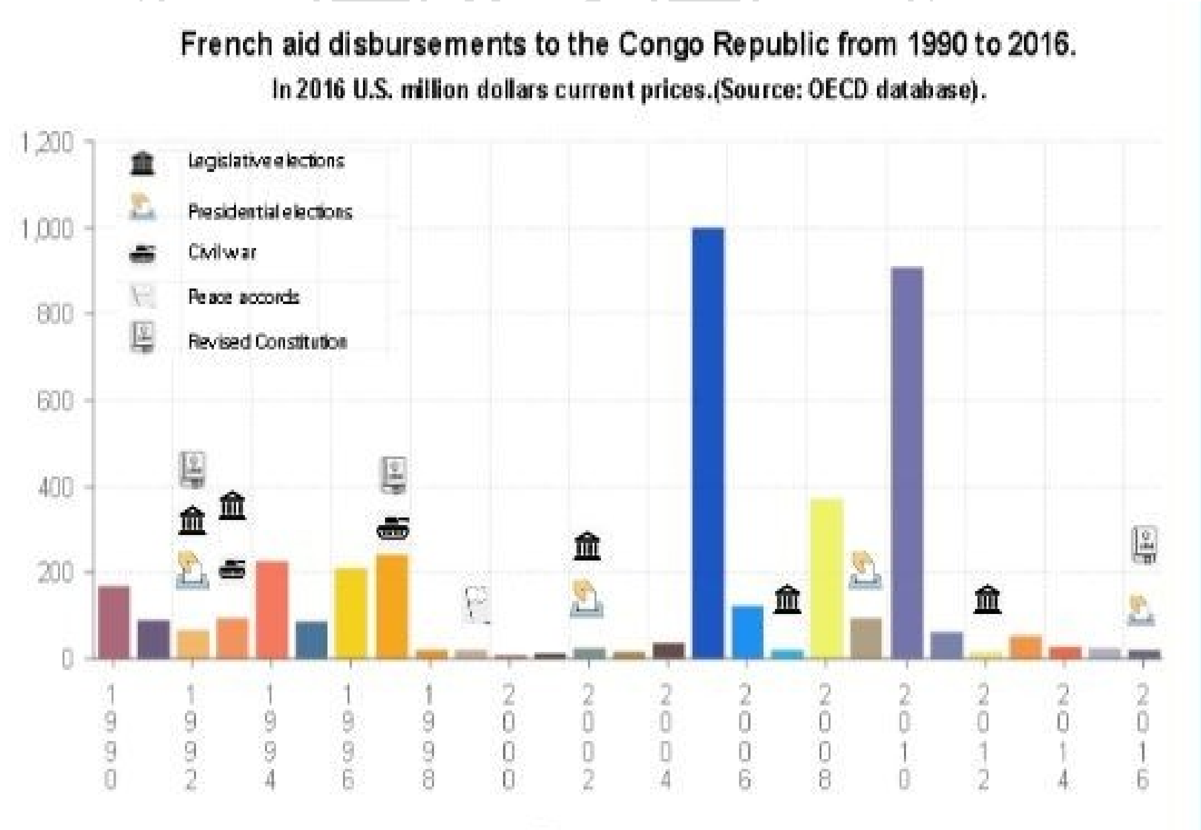
4.2. Analysis of French Bribery and Subsistence aid and their effects on the democratic transition of the Congo Republic

4.2.a. French Bribery aid to remove Pascal Lissouba from office: An analysis of the 1994, 1996 and 1997 increases in French aid

The Republic of Congo received $88.99 US million dollars in 1991, $67.34 US million dollars in 1992, $95.86 million US dollars in 1993 while $227.18 million US dollars was received the last year of the first war in 1994. Aid returned to normal levels a year later, reaching $87.36 million US dollars in 1995. However, aid went back up in 1996 with $211.38 million US dollars and $242.44 million US dollars in 1997. Indeed, 1997 refers to the beginning of the second civil war.

Chart 2: French aid disbursements to the Congo Republic from 1990 to 2016



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Democracy promotion scholars and French democracy promoters would argue that France had doubled aid in 1994, 1996 and 1997 in order to foster democracy, peace and stability in the chaotic context described in the previous section. Nonetheless, on the contrary, it can be argued that such an analysis cannot be satisfying regarding the very fact that throughout the entire conflict France had supported Sassou Nguesso providing him with weapons supplies and diplomatic support. (Yengo 2007, Clark 2002, Bazenguissa-Ganga, 1999). France had no interest in seeing democracy in Congo and therefore undermined the process since, during the 1991 Conference, French government had arranged arms deals with Sassou and helped him arm his personal militia. (Clark 2002, p178). Sassou Nguesso being a Marxist-Leninist dictator, an analysis labeling French aid spendings in Congo during the 1990's as "democracy aid" would fall apart from the very start. Thus, in the light of French self-interested policy conducted until Sassou Nguesso's return in office, aid spending can in no way be considered as 'democracy aid' or promoting peace and stability whatsoever. Rather, French aid coupled with other domestic and external factors can be considered a determinant factor of the failed democratic transition resulting in a return of authoritarian rule in the Congo.

Promoting democracy wasn't French authorities priority, since France had supported Sassou Nguesso from 1979 to 1991 and thanks to this support, ELF company notably had access to extremely lucrative concessions in the oil extraction sector, oil extraction in Congo Brazzaville was one of the major profit sources of the company, as pointed out earlier, Verschave (2004) showed that Congo perceived only 17% of the revenues of oil extracted by ELF. The government owned company, having more than 400 secret services agents secretly working in it, also financed two coup attempts in 1992 against the transitional government, which has been revealed at the occasion of the ELF scandal. (Yengo 2007, Verschave 2004).

It has also been pointed out that from the 1991 Conference, the ELF company did everything in its power to undermine the democratically elected president, (Yengo, 2007; Clark, 2002). Elf company notably had temporarily lost major interests in Congo to regain and consolidate them soon after, also under Lissouba's regime. If by the end of Lissouba's regime, tensions appeased between France and Congo Brazzaville's government, constantly changing positions of the Congolese President depending on his personal interests (I.e. previous section) made

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him unpredictable. French authorities were aware that Lissouba's personal interests could lead him to become a threat to the French interests and thus, the *"want to be"* compliant incumbent was perceived as non-reliable by France. Stakes were then to have a more suitable choice in office. Even if Lissouba managed to appease relations with French President Chirac and the ELF Company, it was only possible due to the French interests, France had to secure its interests until it's "*compliant incumbent*", Sassou Nguesso would be able to return in office.

France never stopped supporting its most loyal and stable asset. Therefore, the long friendship between French President Chirac and Denis Sassou Nguesso, Lissouba's choice to dissolve the Assembly in 1992 as well as Lissouba's search for funds leading him to contract a loan with the American Oxy company (Cumming, 2001), were all factors in France's choice to support Sassou Nguesso rather than Lissouba. Always changing position of the elected President, which led him at some point to have a coalition with both Kolélas and Sassou Nguesso and to give oil extraction sites to an American company also prove French authorities that Lissouba could not be trusted. Lissouba's decision to postpone elections in 1997 only comforted France into the decision to support Sassou Nguesso throughout the civil war, providing him with weapons, diplomatic support and foreign aid and giving diplomatic incentives to Angola and Gabon to intervene militarily. As a result when Lissouba sought an audience with the French President Chirac and his Prime Minister Lionel Jospin in 1997, both refused on the basis that Lissouba's presidential mandate had expired, and that he was no longer the legitimate President that France had to have diplomatic relations with. (Yengo 2007). This occurred while Denis Sassou Nguesso, who was never elected nor possessed an official position in the Congolese administration since 1991, kept having contacts and meetings with French President Chirac and other RPR members.

> *"Mr. Lissouba fell out of France's graces early in his presidency when he turned to the American oil company Occidental Petroleum for financial support for his Government in exchange for significant amounts of future oil production. The French oil company Elf Aquitaine recently began operating one of the world's largest deep-water oil platforms off the coast of Pointe-Noire, and the Congo Republic accounts for a major part of the French company's profits. Paris later forced Mr. Lissouba to cancel his contract with Occidental Petroleum, but ever since has scarcely concealed its preference for Mr. Sassou Nguesso. According to*

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widespread French press accounts, when Mr. Lissouba went to Paris last month to seek a hearing, the French President, Jacques Chirac, refused to receive him, and told him that since his mandate had expired in August, after the fighting began, he was no longer considered President."
(French H.W., October 16, 1997).

As a result, a more consistent analysis of the increases of 1994, 1996 and 1997 would be to consider that aid was being disbursed in a "*bribery*" logic by France, to replace Lissouba in office by the former authoritarian ruler to ultimately secure French interests.

Analyzing the 1994, 1996, and 1997 increases in Bribery aid

If scholars agreed upon the fact that French authorities failed to anticipate the 1991 conference and the 1992 elections, aid didn't increase in this crucial period. French policy was only reacting to variations in the Congolese political scene, which notably led them to support both the Sassou-Lissouba, and Sassou-Kolélas coalitions (i.e. 4.1.b). However, the Civil War which started late 1993 and ended in January 1994 led French aid disbursements to double. Aid went from $95.86 million US dollars to $227.18 million US dollars in 1994. The conflict opposed Kolélas to Lissouba while Sassou Nguesso's troops observed without getting involved. While the two belligerents - the two major political leaders of Congo at that time - weakened their personal military and militia might, hypothetically, Sassou Nguesso received aid spending and weapons from French authorities and empowered himself while waiting patiently for an opportunity to make a move and take back the presidential power.

By the time of the 1997 war, Sassou had prepared himself since 1993 when he recruited troops for his personal militia but did not engaged in the 1993-4 conflict. Yengo (2007) notably showed that while in France in 1995, Sassou Nguesso was recruiting French mercenaries. An important detail which suggest that the former authoritarian leader was preparing the civil war at least two years before it actually began in 1997. Thus, if this analysis is being accepted, the 1996 and 1997 increases was a final financial support before the presidential elections and the second civil war. If it was spent by France to support Sassou Nguesso in his war effort or not is a difficult inference to make with concrete evidence, however, it can be argued that the money accumulated by Sassou Nguesso throughout the receipt of French aid definitely had enabled him to prepare for his 1997 presidential campaign

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and most importantly, for the war, allowing the autocrat to have sufficient funds to hire French mercenaries who trained his personal militia, buy more weapons in addition of the supplies received by France and Gabon and the Angolan military intervention during the war which came to support his troops. Therefore, aid substantially increased his chances of winning the war and returning in office.

Moreover, the same way it occurred in Côte d'Ivoire, French bribery aid disbursements in an attempt to replace the incumbent Lissouba by Sassou Nguesso, increased the political rivalry between each political leader and exacerbated their will to use every tool to reach or remain in office. Due to such support, Lissouba tried, and failed, to replace Sassou as France's "*compliant incumbent*" by improving relations with French political leaders, entrepreneurs and President Chirac notably. His failure increased his frustration and fear of losing his position, while French aid spendings and diplomatic support increased the confidence of Sassou Nguesso that he had enough power and support to regain his position, the importance of seeing Sassou Nguesso return in office for France led authorities to overlook obvious civil and human rights abuses as well as neglecting its responsibility in the political instability and the failed democratic transition of the state.

The fear and frustration of the incumbent Lissouba caused by French support for Sassou Nguesso (Diplomatic support, the two ELF 1992 coup attempts[39], ELF's refusal to provide a loan and its manipulation of the CFA Franc, reduction of aid spendings) led Lissouba (after he had not respected his agreement with Sassou) to dissolve the National Assembly which resulted in the first civil war. French aid in support for Sassou Nguesso also had frustrated and scared Lissouba, leading him to postpone presidential elections in 1997, afraid that he might lose, which resulted to the second civil war. In addition, to French bribery aid spending, as argued by Yengo (2007), Elf company's wrong doings in the Congo, and attempts to preserve its interests in the 1990-3 period, manipulating the CFA Franc in order to influence the legislative elections of 1993 and undermine Lissouba's regime for its own benefit (Verschave, 2004),

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[39] Radio France International, Décryptage de la stratégie africaine d'Elf: les Etats africains concernés (Congo-Brazzaville)(extrait de l'ordonnance de renvoi)", - Decrypting ELF's African strategy in related States (Congo Brazzaville), January 29, 2001

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and coups in 1992, was major external factors of the political instability Congo faced in the 1990's. In the light of French bribery aid spending, what effects were caused on the country's democratic transition and democratic practices?

4.2.b. The effects of French Bribery aid on democratic practices of Congo Brazzaville: an analysis of the 1994, 1996 and 1997 increases.

Indeed, if as argued in the previous section, French bribery aid to replace Lissouba by Sassou Nguesso coupled with military gear supplied by France and Gabon to Sassou Nguesso's militia and the Angolan military intervention led to two civil wars and allowed the return in 1997 of the communist authoritarian leader in office. The return of the Congolese dictator had tremendous consequences for the democratic transition of the Republic initiated in 1991. Upon return in office in 1997, Sassou Nguesso first started to confirm his ruthless rule by conducting a bloody repression on the remaining militia troops, which resulted in a major Humanitarian crisis in the late 1990's. Regarding evidence of French bribery aid used by Sassou Nguesso to return in office, aid can thus be considered as a determinant factor of the human rights violations and humanitarian crisis of the 1998-1999 period.

To provide a concrete example of how French bribery aid impacted Congo, if the conflict was already won by Sassou Nguesso in 1997 with the capitulation and the escape of Lissouba and Kolélas from Congo Brazzaville, troops associated with both men were abandoned, if the war was officially won in 1997, battles were reported until 1999. Sassou Nguesso attempted to reinforce his military might by exterminating the opposition forces. His Cobras militia notably committed countless war crimes, rapes and theft during this period. In December 1998, Sassou Nguesso encouraged the civilian population to flee the country and that his personal militia and government forces would provide secured roads to do so, yet those roads were being used in order to select and kill 'supposed' opposition supporters, leading to a major humanitarian crisis. Around 250 thousand people fled the country at that time. (Yengo, 2007).

In May 8th, 1999, after a speech uttered on radio by the dictator calling Congolese people who fled the country a year earlier to seek refuge and avoid the atrocities of war to return to their motherland. The first refugees had returned the same month to Congo Brazzaville by crossing the river separating Kinshasa to Congo, the frontier was guarded by Sassou's militias and

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government forces. 353 young adults who seemed physically able to hold a gun were captured tortured and killed. These selective kidnappings had occurred until December 1999. These events are referred to as the "*disappeared of the Beach*". (Yengo, 2007, pp. 121-122). Human rights violations and war crimes committed during the 1997-1999 period, were a direct result of French support for Sassou Nguesso throughout aid, weaponry supply and French policy in general from the 1992 presidential elections. Yet, human rights violations and the authoritarian rule of Sassou Nguesso did not incite France to a reduction of the French support from 1997 to 2016 which gives even more evidence to the argument that French authorities never intended to promote democracy in the first place.

4.2.c. French Subsistence aid in the postwar context: an analysis of the increases of 2005, 2008 and 2010.

Arguably, French aid was conducted in a self-interested fashion in order for France to support *"compliant incumbents"* or oppose *"non-compliant incumbents"* in order for France to enjoy economic and political dividends. Thus, as seen above (See 4.1.c) French authorities supported Sassou Nguesso since his entrance in Congo's politics in 1979 all the way through the 1990's civil wars and allowed Sassou Nguesso's return in office. As a result, this research considers increases in aid which occurred after the 1997 period, prior presidential and legislative elections to be Subsistence aid in an attempt to help consolidate the rule of the supported incumbent, to enjoy economic and political dividends. (I.e 3.2.b, 4.1.c). Such support for the status quo had contributed to the consolidation of Sassou Nguesso's rule. And therefore, aid also contributed to the human and civil rights abuses as well as disrespect for democratic practices which occurred under this rule.

As observed in Côte d'Ivoire, significant increases in aid were correlated with important political events in Congo. French aid disbursements in the Republic of Congo went from $9.81 million US dollars in 2000, to $11.18 million in 2001, $23.73 million in 2002, $18.08 million in 2003, and $36.10 million in 2004. However, if levels were rather low early 2000's, in 2005 French aid increased significantly and reached $998,73 Million US dollars when the legislative elections were held two years later in 2007. Aid decreased to 123.38 in 2006 and decreased even more to reach $18.52 million in 2007. However, after this impressive decrease, aid reached $367.98 Million US dollars in 2008, when the next presidential

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elections were held a year later in 2009. That year, aid returned to less than a hundred million, reaching $93.15 million US dollars. Nonetheless, a year later in 2010, aid reached its second highest level in the Republic of Congo with $909.4 Million US dollars when legislative elections were held in 2012. After this increase, aid decreased to $61.31 million in 2011 and never reached $60 million US dollars until 2016. (I.e. Tables 1, 2 and 3).

In 2004-5, More than 20 opposition political parties formed a new coalition in order to pressure the government to conduct democratic reforms before the next presidential and legislative polls to be held in 2007 and 2009 respectively[40]. As a result, the 2005 and 2008 increases which in total represent around 1.3 Billion US dollars provided to Sassou Nguesso and his political party (PTC) enabled them to conduct a costly campaign and resist the opposition by largely winning the elections. If the President position was secured by the 1997 revised constitution, the threat of losing the legislative election still remained. Thus, a replacement of Sassou Nguesso would imply that France may have to face major losses in the oil sector as well in the port concessions, major revenue sources for French multinationals who invest 70 percent of their investments in the Central African region which represents several billions of euros of investments made by Total and Bolloré companies. Moreover, being a member of the UN and other organizations, a new leader may not back France during important negotiations. As a result, in order for France to secure its economic and political interests, France had to spend more foreign aid to make sure that Sassou Nguesso maintained his majority in the parliament and remained in office.

Freedom House[41] showed that the Congolese government refused *"to create an independent electoral commission, as well as weaknesses in the electoral framework that effectively prevent voters from changing their leaders democratically"*. (Freedom House, 2007). Political rights in the Congo were graded 6 out of 7 by the organization (1 being the best and 7 the worst in terms of respect of political rights). The last important increase which occurred in 2010 of nearly one billion US dollars aimed at conducting the exact same policy by anticipating the 2012 legislative elections.

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[40]Freedom House, (2005). https://freedomhouse.org/report/freedom-world/2005/congo-republic-brazzaville
[41]Freedom House, (2007) https://freedomhouse.org/report/freedom-world/2008/congo-republic-brazzaville

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Funds provided by French subsistence aid disbursed prior presidential and legislative elections to support the dictator, allowed him and his party to accumulate funds and to use them for campaign expenses which reduced the chances of a democratic alternative to reach office. But if it wasn't enough Sassou Nguesso used "the rule of law" at his advantage in order to legitimize his personal power, to eliminate the competition and thoroughly control the elections. In other words, French subsistence aid in the Congo, gave incentives to use undemocratic practices for Sassou Nguesso to remain in office. Therefore, Subsistence aid participates in the consolidation of authoritarianism while the supported incumbent protects French political and economic interests in the country.

Subsistence aid consolidates the power of the supported incumbent in order for him to remain in office, at least for the condition that the incumbent successfully allows the donor country to perceive political and economic dividends, thus this consolidation of power is conducted at the expense of the opposition and prevents the occurrence of a more suitable alternative to occur (Morgenthau, 1962). Therefore, if subsistence is designed to maintain the status quo, it also allows the donor country to protect its interests which is why subsistence and bribery aid often go together. Therefore, how subsistence-bribery aid allowed Sassou Nguesso to consolidate his power?

4.2.d. The effects of Subsistence-Bribery aid on the Congo: The use of Sham democratic practices to legitimize and reinforce presidentialism.

In the aftermath of the 1993-4, 1997 and 1998-99 wars, the administrative and electoral population census hadn't been conducted for more than five years, many didn't possess any identity card. Thus, in order to 'solve this issue' administrative and electoral population census was conducted. However, a research conducted on the field pointed out many alarming irregularities (Kibangou I. N, et al., 2002), of which some entire neighborhoods, and villages in rural areas had been erased or created, infants were suddenly in age to vote and others in age to vote simply disappeared of the electoral lists, or multiplied themselves miraculously. The research also importantly demonstrated that the attribution of national identity cards was problematic, due to the destruction of many public administration buildings and private residences, proofs of identity of many had been destroyed or lost. As a result, in order to produce new identity cards or temporary certificates of identity, only a few

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documents were needed, making the process to obtain the Congolese identity rather easy, any foreign nationals could have easily obtained a Congolese certificate of nationality. If those certificates were largely distributed, in rural areas, in order to be able to vote, only the national identity card was recognized as being a valid document by the authorities, which prevented many from exercising their political rights at the moment of the postwar presidential and legislative elections held in 2002 (Kibangou I. N, et al,. 2002, p. 115.)

Secondly, the Article 47 of the new electoral law of 1992 which defined under which conditions one could access to presidential power had been modified in 1997 can be considered one effect of the French bribery aid described in the 4.1.d section. (Kibangou I. N, et al., 2002, p. 117.). As a result, the definition of a legitimate candidate limited to Congolese nationals possessing a '*good morality compass*' with at least 15 years' experience in government positions at the moment of the candidacy. Candidates had to have lived at least 24 months without interruption prior the candidacy, (except for diplomats and civil servants being on missions abroad). Thus, the revised article 47 of the 1992 constitution had limited eligible candidates to Sassou Nguesso and his PCT's collaborators. And like most authoritarian regimes, major opposition leaders were all either in prison or in exile and risked prison or worse if they for some reason decided to go back to Congo including Lissouba, Kolélas, Joachim Yhombi Opango. (Kibangou I. N, et al., 2002, p. 119.)

Political parties functioning was defined by the 1901 law, yet this law allows political parties opacity regarding the origin of the funds they receive as well as the way the same funds are spent, which raised scholars concerns about the use of corrupt practices, and many investigations were conducted in France regarding irregularities in the oil extraction sector involving Sassou Nguesso's family members. (Kibangou I. N, et al., 2002, p 120). It also is consistent with our analysis of the use made of subsistence and bribery aid, which is characterized by its opacity and therefore gives incentives for the use of corrupt practices. Aid money is directly 'put in the pockets' of political elites is then used to increase political power. The Corruption Perception Index of 2016 had ranked the Congo 159th out of 176 countries.[42] In August 2001, new laws regarding the "liberty of information and communication"

[42]Transparency International, (2016), Corruption perception Index.

and "pluralism in audiovisual contents", was voted by the government. Both ironically

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restricted press freedom while subjecting each media to government monopoly. (Kibangou I. N,et al., 2002, p.119.).Congolese people notably couldn't freely travel in Congo, many checkpoints were created where passing requires national identity cards, which many people do not possess, other regions were until 2013 controlled by former militia members (losers of the 1997-1999 conflict who failed to reinsert themselves in society) organized into anarchic groups. (Kibangou I. N,et al., 2002., 2002, p.120)

The October 24th, 1997 constitution introduced a presidential power copied on the French Gaullist presidential system. Thus, the constitution stipend that presidents would be elected for seven years mandates by direct universal suffrage and would legally have to right to run for president only once. (Bankounda 2001, p.165). Notwithstanding, the new constitution established new presidential prerogatives. Articles 86, 126, 128, 192 granted the President with the power to negotiate and ratify international accords with a formal authorization of the national assembly, (which would not be needed under special circumstances), the right to produce common laws, and under exceptional circumstances such as the emergency state the constitution provides each legislative, executive powers to the president, something which disappeared since the 1992 constitution.

Thus, the 1997 constitution had significantly increased presidential power, if judiciary, legislative and executive powers was separated, the president had nominated each members of the parliament and each important members of the judiciary system (Judges), allowing Sassou Nguesso and his PCT to use the justice system to conduct a witch hunt and get rid of important opposition leaders. (Bankounda, 2001, p.166).

As an example, in 2015, Paulin Makaya, leader of the political party *United for the Congo" - Unis pour le Congo (UPC)*, was arbitrarily arrested and sentenced to two years of prison for participating in protests against the referendum to change the constitution allowing Sassou Nguesso to run once more at the occasion of the 2016 presidential elections. (Cockburn S., July 25, 2016). An event which came in handy when Makaya was one of the favorite contenders for the 2016 elections. In March 2016 upon peaceful protests regarding the election results and the election of Sassou Nguesso, opposition leaders including Jean-Marie Michel Mokoko and André Okombi Salissa, president of an opposition coalition at the origin of the Initiative for Democracy in Congo (IDC) were threatened and harassed during the 2016 campaign. Both political leaders were convicted with "undermining the internal security of

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the state” charges and imprisoned only a few months after the 2016 election results. (Amnesty international March 31, 2016, Freedom House, 2017, 2018). Moreover, the president’s political party and parties ‘officially’ recognized as opposition are the only ones allowed to be able to run for legislative elections and to present a candidate to run for president without facing obstacles. (Bankounda 2001, p 168). Opposition parties were also arbitrarily denied registration, at the occasion of the 2017 legislative elections, official party status was refused to the Yuki party, leaving its candidates with no other choice but to run independently. (Freedom House, 2017).

In addition, immediately prior the 2016 elections, the government voted a law banning private donations for presidential and legislative campaign funds of political parties, this bill made opposition parties and candidates depend on public funds, issued by the same government largely dominated by Sassou Nguesso’s PCT. Thus, funds were frequently not fully perceived by the parties. Before the 2016 bill, the 1901 law was until then the only law mentioning political parties. Political parties were perceived by law the same way as non-governmental organizations and associations, and therefore no laws defined and regulated their functioning and the sources of their funds nor encouraged transparency regarding the origin of those funds. An opacity which allowed the PCT and its members in majority in government and parliament positions to spend massive amounts of money during election campaigns. (Kibangou I. N, et al., 2002, p.119). An observation consistent with this analysis of the incentives to use Subsistence aid funds in order to conduct corrupt practices. If the 1997 constitution allowed a considerable consolidation of Sassou Nguesso’s presidential power, the opposition hoped that the president would eventually step down when the 2002 constitution was voted restricting each president to a maximum of two terms in office and set an age limit of 70. If it gave hope to the opposition parties, it didn’t last, in October 2015, only one year prior the 2016 poll, a constitutional referendum proposed by the president himself cancelled the age and term limit restrictions set by the 2002 constitution in order for President Sassou Nguesso to be able to run once more. The referendum passed and he was reelected in 2016 with 60 percent of the suffrage in an election marked by the harassment of opposition figures and independent journalists, allegations of fraud, and curious shutdown of all mobile and internet communication services during the poll. (Freedom House, 2017, 2018).

Therefore, French support providing Subsistence, bribery aid, diplomatic support and weapons supply (Clark 2002, Yengo, 2007), were all determinant factors of the failed

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democratic transition engaged in 1991, of the civil wars that occurred in the 1990's which allowed Sassou Nguesso to return in office, and subsequently, caused a major humanitarian crisis in between 1997 to 1999. French Subsistence aid arguably leaves absolutely no room for the opposition since as argued by Morgenthau (1962), subsistence aid maintains the status quo and significantly reduces the chances that an alternative, often more suited, would materialize. While Sassou Nguesso's authority was consolidating using French Subsistence aid and other means, French investments had increased by 130.2 percent from 2005 to 2017 mainly in the Oil and port concession sectors, mostly involving TOTAL and Bolloré[43]. Thus, as long as military, economic and political French interests lie in Congo Brazzaville and that Sassou Nguesso is able to help France reach its goals, nothing indicates that Sassou Nguesso and his political party will ever accept to promote true democratic practices and allow the opposition to empower itself. In addition to the latter interests mentioned in Chapter three and four (I.e. 3.1.b. and 4.1.b), France possesses a major interest since 1945 which we already have mentioned repeatedly in this research without providing an analysis of it. The following chapter focuses on the controversial currency referred to as CFA franc, its origins, mechanisms and effects on both case study countries.

Chapter five: The effects of the CFA Franc currency on the democratic practices of Côte d'Ivoire and Congo Brazzaville from 1990 to 2016.

5.1 Background

5.1.a. Historical context: The creation of the CFA Franc in 1945

In order not to confuse the reader, the analysis of conventional types of foreign aid and their effects on both countries political stability and democratic practices is separated from the analysis of a non-conventional type of foreign aid, the CFA Franc currency. At first glance, the reader may not quite comprehend the link between a currency and democracy; therefore, it appears important to break it down for the reader.

[43] French National Treasury, (2018), La dynamique des IDE français en Afrique centrale, November 22. https://www.tresor.economie.gouv.fr/Articles/2018/11/22/la-dynamique-des-ide-francais-en-afrique-centrale (Accessed on April-12-2019).

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As pointed out in the introduction section (I.e. 1.4.), the democracy promotion literature established a link between economic development and democracy consolidation, indeed, democracy promotion scholars find that three factors were strongly correlated with democracy consolidation, two of which are of interest for this analysis. Economic development appears to be positively correlated with democratic consolidation, while high inflation undermined it until the 1970's. (Diskin et al, 2005; in Miller et al 2012, p 19).

In addition, Carothers (1999) gave two definitions of democracy promotion, one of which is said to be '*developmental assistance*', provided long term and is understood by the author to be the one conducted by the European Union and its members. Donor countries consider democracy as a result of the increase of the welfare of the population as a whole. It is translated in terms of high literacy rates, better access to education, infant mortality rates, and other benefits resulting from a successful socio-economic development. In other words, to promote socio-economic development is to promote democracy. (Carothers, 1999).

Therefore, if economic development is a key feature of democratic consolidation according to the literature, it should be only legitimate to analyze the effects that a currency may have on the economic development and therefore on the democratic practices and democratic consolidation of the analyzed state. That being said, as pointed out during the previous chapters, France, which is conducting a realist foreign policy literally produces the CFA Franc currency (I.e. section 2.3.).

Finally, given French realistic policy and Morgenthau's (1962) definition of foreign aid as being "*the transfer of goods and services from one nation to another*", this research can consider the CFA Franc and the "services" provided along with it as '*foreign aid*'. Hence, Morgenthau's (1962) categories of aid, *Aid for economic development* and *Subsistence aid* are applied on Côte d'Ivoire and Congo Brazzaville.

CFA franc consist in one of France's major interests in Francophone Africa, for the reason that, the same way France uses conventional foreign aid to remove or put incumbents in office for its own interests, the CFA Franc is the tool which enables France to maintain an economic and monetary control over the observed countries for its own interests. Pigeaud and Samba Sylla (2018) have argued that the currency allows French companies to gain exclusive access

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in African markets and to repatriate the entirety of their generated profits without any costs or restrictions. It also allows France to access strategic natural resources necessary to its state power (I.e. the defense cooperation accords 3.1.a, 4.1.b) and profitable commercial resources such as cocoa and coffee in Côte d'Ivoire with the cheapest prices on the international market, and do so by saving its foreign currency reserve money[44]. Therefore, the observed mechanisms of subsistence and bribery aid assessed in chapter 3 and 4, are essentially conducted in order to maintain member countries within the CFA Franc monetary communities and French role in it. Therefore, the CFA Franc understood as a type of foreign aid has important implications for the economic development of both Côte d'Ivoire and Congo Brazzaville, and therefore is implicated both directly and indirectly in problems of democratic development in both countries.

After making this argument, the following section provides an overview of the creation of the CFA Franc, French interests behind it, describes the monetary community mechanisms, and finally explores the effects of the CFA Franc on the monetary sovereignty, economic development, and democratic accountability of Côte d'Ivoire and Congo Brazzaville from 1990 to 2016.

The creation of the Franc zone and the currency, towards the independence of Sub-Saharan Africa. (1939-1960)

CFA franc refers to a currently being used by 15 former French colonies located in Sub-Saharan Africa and split into three distinct monetary zones. FCFA Franc used to refer to "Franc of the French Colonial Africa". It was later known as the "Franc of the African Financial Community" to the member States of the West African Monetary Union (Nubukpo, 2011) and as the "Franc of Financial Cooperation in Central Africa" to the member countries of the Central African Monetary Union (CEMAC)[45]. During the colonial era, each colony had different currencies produced and administered by France, in the context of the declaration of war and to simplify transactions and importations,

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44 Further developed in 5.1.b., 5.2.b. The operation accounts part.

45 French Central Bank website. https://www.banque-france.fr/en/banque-de-france/about-banque-de-france/franc-zone-and-development-financing/presentation-franc-zone
& BCEAO website https://www.bceao.int/en/content/history-cfa-franc. Accessed on May-25- 2018

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on September 9 1939, through a decree, France created a monetary community. On December 25th 1945, decree number 45-0136 signed by the then interim French President General de Gaulle, Minister of Finance René Pleven and the Minister for the Colonies Jacques Soustelle created the CFA Franc, which officially became the currency of Western, Central Francophone African countries and the Comoros, all being under French colonial rule at the time. (Pigeaud, Samba Sylla, 2018).

It was in the context of the Bretton Woods accords signed in July 1944 that the currency was created. The accords had stipulated that each signing country had to register its currency with the IMF, which would then be adjustable to the U.S. dollar (the only currency that could be converted into gold). Therefore, in December 25, 1945 France registered its currency to the IMF, one U.S. dollar being equal to 119.10 French francs. The next day, France made its first declaration of foreign exchange rate to the International Monetary Fund (IMF). One FCFA franc was set at 1.70 French francs; therefore, surprisingly, the CFA Franc was stronger than the currency of the colonial empire itself.[46] (Pigeaud, Samba Sylla, 2018).

However, Paris devalued its currency several times according to its own economic needs, therefore in January 26, 1948 Paris had devalued French franc by 44%. Since, the CFA Franc is tied to French franc, it was devalued the same way. In October 1948, another devaluation had been decided, however exchange rate was modified, one the CFA Franc was set at two French Franc. At the occasion of the creation of the new French Franc in December 1958, the exchange rate wasn't readjusted. Between 1958 and 1994, the CFA Franc was devalued five times, each of them had been conducted without members' consent. In 1959, three institutions placed under the supervision of the French Treasury was created, being the Central bank of Western African States - *Banque Centrale des Etats d'Afrique de l'Ouest* (BCEAO) and the Central bank of Equatorial African States and Cameroon - *Banque Centrale de l'Afrique Equatoriale et du Cameroun* (BCEAEC) and the central bank of the Comoros (BCC). Headquarters were then located in Paris. (Pigeaud, Samba Sylla, 2018).

[46] Also see BCEAO website https://www.bceao.int/en/content/history-cfa-franc

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The first zone being, The Central African Economic and Monetary Community - *La communauté économique et monétaire de l'Afrique central (*CEMAC), which encompass Cameroon, Central African Republic, Congo Brazzaville, Gabon, Equatorial Guinea (since 1984) and Chad. The second zone refers to, The West African Economic and Monetary Union - *L'union économique et monétaire ouest-africaine* (UEMOA), and is grouping Senegal, Côte d'Ivoire, Burkina Faso, Mali, Niger, Togo, Bénin, Guinea-Bissau. And finally, the last zone

A controlled "independence" of the CFA zone members. (1958-1994)

In the post-Second World War context, the signature in 1948 of the Human Rights Charter, the victory of the independentists in Indochina in July 1954, and the 1955 Non-Aligned Conference of Bandung (Indonesia) held in 1955, French colonies increasingly demanded their independence. French authorities were aware that they were about to face a massive and painful decolonization, after the Indochina and the Algerian wars. Henceforth, France decided to take the lead on the negotiations with Sub Saharan countries in order to minimize its overall losses. Pigeaud and Samba Sylla (2018) have shown that, upon return to office in May 1958, General de Gaulle De Gaulle created the concept of "*community*" which would replace the idea of French "*union*" which defined colonies as being part of the French territory.

This concept of "*community"* would give the 'autonomy' to colonies, they would be able to govern themselves, however, it was only a way to appease popular tensions since the fields of foreign policy, defense, economy, financial and monetary policies natural resources management, justice, secondary education would all be of '*common interest*', meaning that France would still be controlling these countries on these matters. (Pigeaud, Samba Sylla, 2018, p 28; Lelart, 2003). Therefore, September 28, 1958, a referendum in order to modify the nature of French-Africa relations passed and this new system was established. As a result, Franc of Colonial Africa became Franc of the Francophone community of Africa - *Franc de la Communauté Française d'Afrique* - FCFA.

Immediately prior "independence", Jacques Foccart, General de Gaulle's *Mister Africa,* the architect of *Françafrique,* and French Prime Minister Michel Debré, had placed their chosen presidents in office in Sub Saharan African countries, including, Félix Houphouët Boigny (I.e. Chapter three), and Omar Bongo, President of Gabon (who notably was a former French secret services agent), among others. France subsequently "conditioned" the terms of the

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independence of each CFA member by threatening them that there shall not be any independence without the acceptance of “cooperation accords”. Therefore, a set of accords were signed immediately prior independence including the multilateral defense accords described earlier [47](Pigeaud, Samba Sylla, 2018, p.30).

It was in this particular context that sets of economic, trade and defense accords and conventions were signed, of which the multilateral defense accords surrendering the natural resources sovereignty of Côte d’Ivoire and Congo mentioned above was signed. (I.e. 3.1.b. And 4.1.b.). The article 2 of the multilateral economic and monetary accords signed between the Central African Republic, Congo, the Chad Republic and France stipulated that each African signing party agreed to join the CEMAC monetary union. Article 16 of the same accords, stipulated that each country had an obligation to deposit their foreign exchange reserves in a *special account* affiliated to the French National Treasury, and to transit by the French foreign currency exchange market whenever a transaction involving a foreign currency (outside of the CFA Franc zone) is made. (Pigeaud, Samba Sylla, pp. 30-31).

The accords which created the CFA Franc monetary zones as we know it, stipulate that each member is “Free” to exit the community. Yet, paradoxically, despite being a major handicap to economic development as argued by most African scholars engaged in the literature of the CFA franc, most of its members still remain in the monetary zone to this day (Pigeaud, Samba Sylla, 2018; Nubukpo, 2007; Nubukpo, 2011). In 1967, for the first time French Franc became a currency freely convertible with any currencies. From that moment, the Franc zone no longer referred to a monetary defense community, it referred to a “*monetary cooperation*”. It is at that moment that the *Operations accounts* affiliated to the French National Treasury was created. It refers to the account in which CFA members must deposit 50% of their foreign exchange reserves in exchange of which France must guarantee the monetary stability of the currency.

At that time, with the initiative of Leopold Sedar Senghor, Former deputy of the fourth French Republic under the colonial rule and first President of Senegal since the independence as well as Felix Houphouet Boigny negotiated the “Africanization” of the Western Central

[47] I.e. 3.1.b, 4.1.b

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Bank. In this context, in November 22nd 1972 Chad, Cameroon, the Republic of Congo, Gabon, the Republic of Central Africa signed accords creating the BEAC which replaced the BCEAEC, its headquarters were then displaced from Paris to Yaoundé in 1977.

In December 1973, a second monetary treaty was signed between France and Côte d'Ivoire, Dahomey (Benin), Higher Volta (Burkina Faso), Niger, Senegal and Togo, establishing the new status of the BCEAO. Headquarters were displaced from Paris to Dakar in 1978. The treaty modifying the status of the BCEAO stipulated that governors would all be chosen by Côte d'Ivoire. As a result, each governor was part of the Ivorian political elite[48]. These treaties had also reduced French representatives in the Administration council of both Central banks, going from one third of the seats to 1/7. Since 1997, French representatives represent 1/9 of the seats in the BCEAO administration council after the adhesion of Mali in 1984 and Guinea-Bissau in 1997. (Guillaumont Jeanney, 2006, p.48; Pigeaud, Samba Sylla, 2018).

The 1994 devaluation

The 1986-1993 period was characterized by an economic crisis. The sharp decrease in market prices of cocoa & coffee, Cotton and Petroleum had severely impacted the economy of the CFA zone, therefore their assets in the Operations accounts (I.e. 5.2.) were depleted by 50%. (Ouattara, Strobl, 2008, p40). In addition, French policy which consisted in maintaining a strong external value of the CFA also contributed in decreasing the international competitiveness of each member and therefore, aggravated the effects of the economic crisis. Then, CFA members were competing and losing to Nigeria and Ghana. Consequently, real GDP growth was estimated at the time to be around –0.2% (annual average) for CFA members against 2.8% in non-CFA countries. (Ouatarra, Strobl, 2008, p 40). Henceforth, the 1994 devaluation is considered by most scholars to be one of the major events the monetary zone ever faced[49]. It was the IMF and the World Bank which encouraged France to devalue the CFA Franc by 50%. (Pigeaud, Samba Sylla, 2018; Guillaumont, Guillaumont Jeanneney, 1995; in Avom, Bobbo, 2013, p 128).

[48] List of all governors by chronological order: M Abdoulaye Fadiga, Alassane Ouattara, Charles Konan Banny, Philippe-Henry Dacoury-Tabley et Tiémoko Meyliet Koné

[49] French National Treasury website, https://www.tresor.economie.gouv.fr/Ressources/8047_40-ans-dhistoire-de-la-zone-franc

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This request came about due to the deficit in the Operations Accounts of both monetary unions (UEMOA, CEMAC) which failed to meet the 50% rule, subsequently, African members of both unions were late in paying their imports, and funds were debited in euros from the operations account while not being refilled with FCFA's. Therefore by devaluing the currency in 1994, by 50%, it enabled the Operations Accounts to return to the 50% level and to keep functioning, moreover, scholars argued that it was the major factor which set the economy of both zones on the track to economic growth in 1995 (Avom, Bobbo, 2013, p 128). Immediately after the devaluation, the CFA decision making organs decided to conduct reform in order to integrate each country within their union (Trade within each union), it was in March 1994, in this context, that the CEMAC - Communauté économique et monétaire d'Afrique Centrale - Economic and Monetary Community of Central African States - was created, replacing the UDEAC - Union Douanière et économique des états d'Afrique Centrale - The Central African Customs and Economic Union, which had been created in 1964. Similarly, the West African Monetary Union (UMOA, or WAMU) was replaced by the West African Monetary and Economic Union, UEMOA. (Avom, Bobbo, 2013, p.129).

The CFA Franc and the creation of the European Union (1998-2016)

The Maastricht treaty which created the European monetary union in January 1st, 1999, didn't modify the conditions under which France would provide the guarantee. The article 109 of the Maastricht treaty stipulated that each member state would keep their rights to sign unilateral accords with non-EU members, only if these accords do not include monetary characteristics. Therefore, by signing the accords each party agreed upon the fact that the European Central Bank is the only organ possessing the prerogatives in terms of monetary and foreign exchange policies. Consequently, French authorities negotiated for maintaining their relations with the CFA Franc community. French authorities argued that the guarantee was not provided by the French Central Bank, (the only organ in charge of Monetary policies) but by the National Treasury, and therefore, wasn't breaking the accords. After rounds of negotiations, in November 23rd, 1998, the council of Europe confirmed that, France could maintain its accords and relations in terms of foreign exchange currency with UEMOA, CEMAC member countries and the Comoros (Guillaumont Jeanney, 2006, pp 49-50). Therefore, CFA-franc-related-matters would remain a French responsibility.

However, the CFA Franc would be tied to the Euro rather than the French Franc (From

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January 1st, 1999), France would be obliged to regularly inform its European counterparts on the monetary zone functioning. Finally, each decision made by organs of the UEMAO and CEMAC involving the revision of the status of each Central Bank, or the nature of the accords made with France, of the convertibility guarantee of currency, the change of value of the currency or the adhesion of new members into each monetary union, would all have to be first discussed by the European Central Bank decision making organs. Moreover, France had an informative duty towards the European Union and its members, therefore, France had to maintain its European partners informed on each important decision made within the CFA Franc zone (Guillaumont Jeanney, 2006, pp 49-50; Pigeaud, Samba Sylla, 2018, p 116). Consequently, Guillaumont Jeanney (2006, P 53) argued the monetary policy of both African unions would be increasingly aligned to that of "the country providing the anchorage currency", which refers to France, however, France isn't in charge of the monetary policies of the euro, the European Central Bank is starting from 1999. (Guillaumont Jeanney, 2006, p53).

5.1.b. French interests in the CFA Franc.

Pigeaud, Samba Sylla (2018)[50] argued that the CFA Franc was created by France in order to increase its control over the trade relations of its colonies, for its own interest. In 1939 West African Francophone countries exported 85% of their total explorations towards France, Central African countries 74%. However, in 1945 after the war those numbers became 56% for West Africa and 47% for Central African countries. In the meantime, Importations went from 64 to 23% for West African countries (same period) and from 45% in 1939 versus 4% for Central African countries. (Pigeaud, Samba Sylla, 2018). In the immediate post World War II context, French economy and military might was weakened, the metropole needed accessible markets to re-boost its economy, and access cheap natural resources to rebuild its state power in the international scene notably by possessing nuclear weapons. It was in reaching such goals that the CFA franc played a key role since it enabled France to make the entire zone a 'private market' in which French multinationals (private and government owned) would have an exclusive access.

[50] Pigeaud, Samba Sylla, 2018, p 133

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The decision to make French Franc Cfa's Anchorage currency had greatly participated in it, since, it resulted in the CFA being an overrated currency, When France registered both currencies to the IMF, 1 FCFA was set at 1.70 French franc, which was an aberration for most scholars, due to its inadequacy with the economic realities of member countries in situation of underdevelopment for some of them according to the World Bank and IMF standards. Yet, the overvalued CFA Franc was good for France since it increased the costs of producing in these countries, increasing the price of exported goods originating from these countries, making them more expensive than Asian and Latin American products, and therefore hard to sell. Thus, because less competitive, these countries had to turn to France in order to find buyers, giving France leverage to re-negotiate the prices. A situation which created exclusive business opportunities for French companies which would create a dependency of African States on trade with France. Therefore, when France joined the EU, and tied the CFA Franc to the euro, (a currency able to compete with the US dollar), the prices of imported goods decreased even more while it had destroyed the local productions. Enabling European companies to possess monopolies in African countries.

French *SocioEconomic Council*, in 1970 had reported that the freedom of transfers (further explained in 5.2.b) guaranteed stable and exclusive market opportunities for France in the CFA Franc zone. Notably, the report admitted that it allowed France to *"buy natural resources in French Franc"*. (Pigeaud, Samba Sylla, 2018). French Franc would thus have to be replaced by Euros in 1999, however the same principle remains, European companies as a whole rather than just French companies, are from 1999 able to invest, disinvest and import African products by paying in euros. (In Pigeaud, Samba Sylla, 2018, p.134; Conseil Economique et Social Français, 1970). Which implies that France and European nations from 1999, could access raw materials without using their foreign currency reserves, (and therefore saved money), however, due to the defense accords signed at the independence, France remained a privileged 'partner'.

This was possible due to the two principles of freedom of transfers within the Franc zone (of which France is a member even though it adhered to the EU) and the absence of conversion between the CFA Franc and the Euro since 1999[51].

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[51]For example, if a government decides to import $400 million US dollar worth of manufactured goods, the country's central bank will have to buy $400 million US dollars using its Euros, after which the transaction can be made. This mechanism is further explained in 5.2.b.

Both principles allowed French companies (and European companies) to buy or invest in Africa in euros. Companies are able to invest and to repatriate all the profits made in Africa without any foreign exchange barrier, it also allows to disinvest rapidly to avoid the effects of a devaluation or of a major economic crisis. Therefore, Pigeaud, Samba Sylla (2018) have estimated to around 250 million US dollars the amount of foreign currency reserve money saved by France each year in Africa thanks to the freedom of transfers principle. (Pigeaud, Samba Sylla, 2018).

The World Bank and the IMF data showed that the CFA Franc zone represented only 1% of French foreign trade in 2010, the same year, only 5% of French exports were destined to CFA members. Yet, Pigeaud and Samba Sylla (2018, p 143) have argued that those data do not reflect other realities, and therefore could be misleading. For example, CFA members paid 20 to 30% more for imported products originating from France This occurred while France imported at prices often less than half of the international prices, moreover the imported goods were in majority *Strategic Natural resources* (See 3.1.b. And 4.1.b.). Therefore, for example, if French importations of Uranium only represent 0.12% of the total of French importations Uranium originating from Niger covers 30% of French civil needs and 100% of its Military needs (Sources, CNUCED France Niger; in Pigeaud, Samba Sylla, 2018, p 143).

Finally, the CFA Franc also gives France a certain kind of 'justification', due to its 'expertise' in Africa and therefore to have a privileged role in the international political arena such as in the IMF and the World Bank, the UN system as a whole, including the sustainable development goals Summits (SDGs). France is the state which encourage or recommend the policies conducted by these institutions, notably when negotiations are conducted for one member country to receive a loan from the IMF, or for the entire monetary zone to conduct monetary reforms or readjust the foreign debt, France will definitely be an important and influential actor of the negotiations. Giving France even more room to "cooperate" with the CFA member countries in ways benefiting its state power.

Now that the reader better understands the stake behind the CFA Franc for France, the

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following section turns the focus to the analysis of the effects of the CFA Franc on both case studies, Congo Brazzaville and Côte d'Ivoire.

5.2. Morgenthau's (1962) Bribery and Subsistence aid applied to the CFA franc.

5.2.a. The promotion of the economic development of recipient countries as a justification for the use of Bribery aid.

Morgenthau's (1962) Bribery aid defined

Morgenthau (1962) understood most of Aid spending as *Bribery* aid, however, here, the understanding of bribery aid differs from what has been understood in Chapters three and four. The author argued that donor countries could not simply resort to bribery aid' without a legitimate justification. For the reason that the international community and institutions were highly focused on promoting the "economic development" of developing countries since the end of The World War II, this justification increasingly became one of the most praised and legitimated in international institutions.

The author understood the promotion of the economic development of recipient countries as a mere justification for the use of bribery aid, as being different from traditional types of bribery in two respects. First, they were justified to be conducted to genuinely promote the economic development of developing nations, and second, money and services were transferred throughout highly complex mechanisms, but, due to the complexity of these mechanisms, such type of bribes are less effective tools for the purpose of 'buying political advantages' than traditional bribery aid. (Morgenthau 1962, p 302). In this understanding, a country 'A' purchasing political services from a country 'B' using bribery aid, cannot only pretend to promote economic development, it must; *"Act out in elaborate fashion the pretense, that what it is actually doing is giving aid for economic development to the government of nation B"*(Morgenthau, 1962, p 302).

Therefore, in order to provide a convincing justification, France created the CFA franc in 1945. Ever since its creation, the monetary community and the currency's very existence have been legitimized by the ways in which it favored economic development and provided

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monetary stability of CFA member states. Nevertheless, given the realist nature of French foreign policy, is this justification legitimate?

Contrary to Morgenthau (1962), the evidence provided in section 5.1.b., suggests that if the CFA franc do not allow France to "purchase" political favors, it allows France to "purchase" unprecedented economic advantages, and exercise control over monetary policies with a minimum cost. (I.e. 5.2.b.). After more than 70 years of provision of such an unconventional aid, CFA member States, do not seem to have made significant progress in terms of unemployment, poverty and socioeconomic inequalities reduction. And therefore, for the reader to fully comprehend the use of the CFA Franc as bribery aid, important is to explain in detail its mechanisms, principles and decision-making process. Morgenthau argued that economic development as a justification for bribery aid is characterized by the complexity of its mechanisms, as such, it can be argued that given the complexity of the mechanisms of the CFA Franc, the currency falls into this categorization. In order for the reader to be able to comprehend the analysis of the CFA Franc on the economic development and democratic practices of both countries, essential is to first describe the mechanisms of the monetary system and its functioning.

The four principles, basis of the French-African monetary cooperation in the Franc zone.

Pigeaud and Samba Sylla (2018) have shown that four principles set the foundations of the cooperation between France and each monetary community, of which *the fixed exchange rate, the free transfers, the unlimited convertibility and the centralization of the foreign currency exchange reserves.* (Pigeaud, Samba Sylla, 2018, pp 38-40).

The first principle, *the fixed exchange rate*, refers to the fact that the CFA Franc must be tied to an anchorage currency. Meaning that the CFA's exchange rate is tied to that of the French Franc from 1945 until the creation of the euro in 1999. Therefore, the value of the CFA Franc is fixed, only French authorities have the prerogative to modify the value of the currency by devaluing or re-evaluating it. It also implies that when the exchange rate of the euro varies, the CFA Franc varies in the exact same proportions. Therefore, since 1999, 1 euro worth 655.957 FCFA for both CEMAC and UEMOA unions. (Pigeaud, Samba Sylla, 2018, p 38).

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The *Free Transfers* principles consist in the fact that each transaction, payment of imported or exported goods, the repatriation of profits and dividends, as well as all kinds of investments or disinvestments must circulate freely within the Franc zone. (Between France and the UEMOA and France and the CEMAC). Which means that each transaction conducted between UEMOA and CEMAC members, Comoros and France are not subjected to restrictions in terms of exchange rates nor tariffs. However, this does not apply for inter-community exchanges. (Pigeaud, Samba Sylla, 2018, p.38). The third principle of *unlimited convertibility* refers to the fact that the CFA Franc can be converted to euro without restrictions (It was French Franc until 1999). Such convertibility is provided by *the French Treasury* through the monetary accords signed with CFA member states in 1972 and 1973.

The last principle on which French and African governments base their cooperation upon refers to *the centralization of the foreign currency exchange reserves*. After the independence, the totality of the foreign exchange reserves possessed by each zone's member had to be deposited into the French National Treasury (excluding the funds immediately needed). This amount was reduced to 65% of the total reserve of each central bank in 1970, and to 50% in 2005 for the BCEAO and 2007 for the BEAC. This centralization, as seen earlier is the condition under which France provides two guarantees, it allows the creation of a common pot, which serves the entire zones, from there the French Treasury guarantees the convertibility of the currency and the monetary stability of the currency. However, it appears important to mention that, if France is a member of the Franc zone, its reserves are placed elsewhere. (Pigeaud, Samba Sylla, 2018, p 40).

As pointed out earlier, the 1972 (CEMAC) and 1973 (UEMOA) cooperation accords signed with France had modified the status and role of the organizations of both Monetary Communities and increased the African responsibility in it. The two following subsections describe both zones decision making organs.

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The functioning of the West African monetary system (UEMOA): The organs of the Western Monetary Union.

The UEMOA [52]is composed of four Direction organs. The supreme authority of the monetary union is the *Conference of heads of states and governments,* it is held once a year. The conference nominates the presidents of each organ of the union, defines the major monetary policy orientations of community, decides on the accession of new members or the expulsion of members from the Union and officially acknowledge the withdrawal of members from the Union. The Conference also determines the location of the head office of the Central Bank and settles any matters that the Council of Ministers of the Union was unable to resolve by unanimous agreement. Decisions are taken by vote on unanimous consent. Since January 2016, Alassane Ouattara (I.e. Chapter three) is the president of the conference[53]. (Guillaumont Jeanney, 2006, p47). *The Council of Ministers* [54]handles the management of the Monetary Union. Each of the member States is represented in the Council by two Ministers and has a single vote cast by the Minister of Finance. The Council elects one of the Ministers of Finance of the Union to enact as its President. The President holds office for a term of two years. French representatives hold seats in both organs and therefore are able to vote[55]. (Guillaumont Jeanney, 2006, p47).

The Commission was founded in Ouagadougou, on April 24th, 1990 after the signature of an agreement signed by the Ministers of Finance of the member States of the Union. It consists in the executive power of the Union, it gives recommendations to the Council and the Conference, applies the budget policy, or for the case that a member fails to respect one of the agreements, can bring authorities before the judiciary organ of the Union. This organ was created in an attempt to perform a control of the financial and banking institutions of the monetary zone. Therefore the commission performs a control on the credit institutions and decentralizes financial systems notably by approving or refusing granted credits by banking institutions; takes administrative measures and disciplinary sanctions against liable institutions or responsible executives; and appoints interim administrators or liquidators of credit institutions.(source, UEMOA website, visited May 29th 2019).

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[52] BCEAO Website, https://www.bceao.int/en/content/conference-heads-state-and-government

The Regional Council for Public Savings and Financial Markets is an organ of the Union in

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charge with the mission of organizing and controlling public offerings and for authorizing and supervising operators on the regional financial market[56].Three organs affiliated to the *Council of Ministers* perform a Judiciary and Democratic control of the Union. *The justice court*, and *the court of auditors* (Judiciary control) as well as *the inter-parliamentary committee* (Democratic control). Finally, two organs have a special status, in the sense that they are independent from member countries; *The West African Bank of Development* (BOAD) aims at promoting a proportionate development amongst the members and promotes the regional economic integration. On the other hand, *The Central Bank of West African States* (BCEAO) diffuses the currency throughout the community. Since January 2007, the BCEAO status had been modified, the Central bank became independent from member States governments, yet the BCEAO's main decision making organ is the *Administration Council* is composed of a governor nominated by Côte d'Ivoire, and of 15 members (2 per state excluding the governor) and a special member is nominated by "the State guaranteeing the convertibility of the common currency" (Being France) (Guillaumont Jeanney, 2006, p47; Nubukpo, 2007, p84).

The functioning of the Central African monetary system (CEMAC): The organs of the Central African Monetary Union.

The 1972 cooperation accords signed with France had modified the status of the Union and created the *ECCAS* Economic Community of Central African States (CEMAC from its French Acronym), increasing the African responsibility in the decision making, therefore, the CEMAC is composed of two sub unions, the Central African Economic Union (CAEU) and the Central African Monetary Union (CAMU). Both *the Conference of Heads of State* and *the Council of Ministers* (3 Ministers per state) consist in the legislative power of the monetary community. They are in charge of defining the monetary and loan policies. French representatives hold seats in both of them.

[53]UEMOA Website, http://www.uemoa.int/fr/taxonomy/term/344
[54]French National Treasury Website, The Council of Ministers, https://www.tresor.economie.gouv.fr/Articles/tags/Zone-Franc
[55]Idic.
[56]UEMOA website, visited May 29th 2019 http://www.uemoa.int/fr/presentation-de-luemoa

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The Executive Secretariat and t*he Inter State Committee* both perform the executive power of the community. The first one applies and controls the application of legislations decided by the legislative body. While the *Inter-State Committee* prepares the deliberations of the Council of Ministers[57]. Two control organs being *the Communitary Justice court* and the *Communitary Parliament* perform the judiciary and democratic control of the monetary community.

Finally, two independent organs are in charge with the monetary policy as well as the economic integration of member states. The Development Bank of Central African States (BDEAC) [58], operates the same missions of promotion of the regional economic integration and economic development as the BOAD. The second independent organ is the BEAC, it performs the same role as the BCEAO for the Central African States. BEAC's role has been defined by the article 21 of the new convention of the Central African Monetary Union (CAMU), the BEAC has the role to guarantee the monetary stability of the currency as well as help applying the general economic policies conducted by the Union member states. Notably, France holds 3 seats at the BEAC administration council while Cameroon 4, Gabon 2, and the other states only 1. (Avom, Bobbo, 2013, p.130).

The Operations Account

In 1955, from their creations, each central bank BEAC and BCEAO separately signed a convention with the French Minister of Finance regarding the creation of an operations account. The operation account refers to a "*special account*" affiliated to the French National Treasury. Therefore, each central bank possesses an operations account in which each transaction involving a foreign currency must transit in. The latter transactions include, payments conducting during exports and imports, international loans, interbank wire transfers, foreign investments, development aid etc...

[57] CEMAC website, http://www.cemac.int/institutions_organes

[58] BDEAC website, https://www.bdeac.org/jcms/ess_5041/fr/actionnariat

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It is only at the occasion of the 1972 and 1973 treaties modifying the BCEAO and BEAC status (independency from African governments) and locations that African Central Banks stopped placing the entirety of their foreign exchange reserves in the French National Treasury (operations account), they now had to deposit 65% rather than the entirety of their reserve, the rest of it could be placed wherever they chose without the control of French institutions. Later on, in 2005 and 2007, it has been decided to readjust the deposit to the French National Treasury to 50%. (Pigeaud, Samba Sylla, 2018 pp 40-45; Shraeder, 1995, p. 543; Guillaumont Jeanney, 2006, p47).

Pigeaud and Samba Sylla (2018, p.42) provided an example of the functioning of the operations account, for example, if Côte d'Ivoire exports 400 million euros worth of cocoa and coffee towards France, this amount is credited to the BCEAO's operation account. Conversely, if the state imports 400 million euros worth of products, the BCEAO's operations account will be debited by the exact same amount. Therefore, the French National Treasury must provide the account status to the BCEAO on a daily basis in order for the central bank to respect the 50% rule. Therefore, when the central banks are in creditor status, (above the 50% of foreign exchange reserves into the Operations Account) they finance the French National Treasury, in the sense that there is a surplus of funds in the account which is not being used, the funds will therefore be placed into a "leveling" account and will be subjected to interest rates. (Pigeaud, Samba Sylla, 2018, pp 40-45). *The Franc zone 2005 report* has estimated the reserve stocked into both operations account to be of 6 300 billion of CFA franc[59]. (Approximately 10 billion of euros), including 3000 Billions of CFA Franc for the BCEAO and 3300 Billions of CFA Franc for the BEAC. According to Nubukpo (2007), the amount is somewhere around 110% above the 50% minimum requested by the principles three and four. (Nubupko, 2007, p78) Pigeaud and Samba Sylla (2018) have also noticed that around 90% of the BCEAO gold reserve representing 36.5 tones is stocked by the French Central Bank, in Paris. (Pigeaud, Samba Sylla, 2018, p 130).

[59] Ghardbi, S., La zone franc croule sous l'argent - The Franc zone money surplus, *Jeune Afrique.* (September 18, 2006)
https://www.jeuneafrique.com/94179/archives-thematique/la-zone-franc-croule-sous-l-argent/

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Conversely, when the account is under the 50% level, an interest rate comes into play, if the African central banks are unable to repay the margin, the French National Treasury is supposed to fill in the gaps and borrow to both banks the funds necessary to maintain the 50% minimum. In order to avoid the Operations Account from being in a debtor situation, the French National Treasury can conduct several adjustments. It can provide emergency loans. However, this is considered to be the very last resort, therefore, it was in the context of the unpayable debt of both unions that the 1994 devaluation had happen. (Kodia, 2011, p 111).

Moreover, the operations account provides the stability of the value of the currency. The same way the stock market does, prices on the foreign exchange market fluctuates daily. Therefore, the CFA Franc being anchored to the euro, if for example 10 billion euros are in the BCEAO Operation Account, after fluctuations, two euros becoming 1 US dollar, then those 10 billion would transform into 5 Billion. Thus, the guarantee provided by the French Treasury prevents the value of the assets in the Operations Accounts from dropping. (Pigeaud, Samba Sylla, 2018, pp 40-45)

Hypothetically, France is providing sets of *'services'* around the CFA Franc (understood as bribery aid using the promotion of the economic development of recipient countries as an excuse) throughout various kinds of complex and "*elaborated*" mechanisms in order to credibly "act out" that what it is doing is promoting economic development, monetary and financial stability in recipient countries while enjoying economic advantages.
Secondly, the complexity of the mechanisms and the duration of the "act" has not only 'tricked' international instances (European Union and IMF) into thinking that CFA franc is somewhat necessary, but it went to the point which French authorities may no longer be able to make the difference between what is acted out from what is reality. Making French political elites, 70 years after its creation, actually believe in the virtues of CFA Franc. This is when Subsistence aid comes into play.

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5.2.b. - …and Subsistence aid to maintain the CFA Franc.

Morgenthau's (1962) definition of Subsistence aid.

Morgenthau (1962) argued that Subsistence aid is provided by a Government in order to fulfill a somewhat humanitarian role, by guaranteeing that the minimal public services are provided in the recipient country. The donor Nation *"makes up the deficit in the budget of the recipient nation."* (Morgenthau, 1962). Nonetheless, the goals of Subsistence aid to maintain CFA Franc differs from the goals set by subsistence aid to maintain an incumbent in office. While bribery aid put the economies of member countries on the verge of collapse, subsistence aid prevents the breakdown of order and the organized society but maintains its member states in the latter state. By maintaining the status quo, aid reduces the chances of an alternative to materialize itself and therefore creates a dependency on Subsistence aid. (Morgenthau, 1962, p 302).

The services provided along with the CFA Franc (The convertibility guarantee, the operations account, counseling, the provision of unlimited funds in case of debt of the operation account, secretariat providing statistics, intermediate in the international instances, print the bills and produce the coins etc.…) are all provided in order to "prevent" the collapse of the economies of its members and in that sense performs a basic public service (to provide a functioning currency) without which member country's economies would collapse, which in turn creates a dependency and prevents any more suitable alternative from materializing. A vicious circle in sum.

More importantly, the CFA Franc as Subsistence aid allows France to maintain the advantages which it benefits gained from the use of foreign aid for economic development as a justification for bribery aid. Both types of aid allow France to extract strategic natural resources as well as possess exclusive market opportunities, all of which are necessary for French State power and status in the International system.

As such, this hypothesis would be wrong if one observes that CFA Franc is a factor of sustainable economic development, poverty and socioeconomic inequalities reduction, and more importantly has positive effects on democratic accountability and monetary sovereignty for both or one of the case study countries, Côte d'Ivoire and Congo Brazzaville.

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5.3. - The CFA Franc: An aid provided for the economic development? An analysis of the effects of the CFA-Bribery aid in Côte D'Ivoire and Congo Brazzaville.

5.3.a. - The effects of the 1994 devaluation

As seen above, the decision to devalue wasn't made by African decision makers, In fact, it was French President Mitterrand and his Prime Minister encouraged by the IMF and the World Bank who took the decision. Ouattara and Frobl (2008) have argued that given the incapacity of the CFA members to refill their Operations Account and respect the 50% rule since the 1980's, only one choice was left for them to regularize their financial situation, it was to devalue the currency. Consequently, on January 12th, 1994, the foreign currency rate of the CFA Franc was devalued by 50 percent. On average, the real GDP averaged 5 percent (annual) between 1995 and 1998, while the inflation rate, which reached 33 percent in 1994, decreased to 3.5 percent by 1996. The budget balance, which was negative in 1993 and 1994 turned into a surplus by 1995. (Ouattara, Frobl, 2008, p.41).

Nevertheless, Pigeaud and Samba Sylla (2018, p 112) have pointed out that, if the devaluation increased the economic indicators (GDP per capita) of most countries of the region and had a long term advantage for countries specialized in exporting highly profitable agricultural products such as Côte d'Ivoire (cocoa, coffee or wood), mostly due to the increase of the international prices of cocoa and coffee in the 1990's, it didn't favor countries like Senegal, Congo and Togo. It significantly decreased the purchasing might of populations, and increased poverty and unemployment rates. (Pigeaud, Samba Sylla, 2018, p 112).

Pigeaud, Samba Sylla (2018) showed that, after the devaluation, the exchange rates went from 1 French Franc = 50 FCFA to 1 French Franc = 100 FCFA. Not to mention that the impossibility to convert CEMAC francs to UEMOA Francs had resulted in blocking country's trade as well as the circulation of the CFA Franc in countries outside of the monetary zone. Pigeaud Samba Sylla (2018, p 107) argued that products exported to CFA members from non CFA member states ceased to export towards the monetary zone for the reason that the devaluation had increased by 90% the prices of imported goods from the West (medicines, food, technological products).

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Clark (2002) pointed out that the devaluation had provoked an immediate inflation which reached record levels in the Congo. Congolese observers claimed that the prices for food like bread, manioc, and rice more than doubled immediately after the devaluation, provoking the discontent and the indignation of both the common people and intellectuals as well government elites, (Clark, 2002, p 184).

Guillaumont Jeanney (2006) pointed out that in general inflation was significantly lower in UEMOA and CEMAC countries than in developing countries worldwide, at least except for the 1994 devaluation period. (Guillaumont, Guillaumont Jeanneney, 1988; Elbadawi, Majd, 1996; in Guillaumont Jeanney, 2006). From 2002 to 2004, inflation rates averaged 1.9 percent for UEMOA while it was 16.4 percent for Subsaharan Africa, (excluding Nigeria and South Africa). (Guillaumont Jeanney, 2006, p 54).

5.3.b. Monetary stability and controlled inflation: The goals of decision-making organs of UEMOA and CEMAC.

Since 1960, French authorities have argued that the CFA Franc is providing stability to the economies of Francophone African countries, mainly due to the fixed exchange rates of The CFA Franc and the euro. Stability of the exchange rate of the CFA Franc and the slowed inflation. (Pigeaud, Samba Sylla, 2018, p54). Scholars have agreed that the use of a fixed exchange regime (which is being guaranteed by France, tying the currency to the euro and preventing its exchange rate from fluctuating) was a good means by which developing countries monetary policy of desinflation could gain in credibility (Devarajan, Rodrik, 1989; Ghosh, Ali, 1995; Sachs, 1996; Fielding, Bleaney, 2000; in Guillaumont Jeanney, 2006, p 53).

Paradoxically, if organs were relatively successful in promoting monetary stability, slowing down the inflation rate in both unions (for the UEMOA it averaged 0.8% in 2017, and 0.3% the previous year)[60], their monetary and budgetary policy had never taken into consideration the economic development, the reduction of poverty rate, unemployment rates, nor encourage local productions via loans. (Nubukpo, 2007, p 76) Decision making organs are obsessed with inflation and the monetary stability (inflation is fixed to 2%). (Avom, Bobbo, 2013). Mainly for the fact that if unions fail to respect the 50% rule of the Operations Accounts, French

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authorities will most likely, like in 1994, devalue the currency in order to refill the account. An inflation which increased significantly the prices of goods and therefore decreased the consumption might of the populations and increased the public debt.

The adoption of the 2% inflation target has been considered by scholars as a brake to the economic development for economies which need a yearly 7% of GDP per capita growth in order to reach the MDG and SDGs goals. (Nubukpo, 2007, p 76).

Moreover, there is an astonishing lack of investments and loans granted by both BOAD and The BDEAC (Development Bank of Central African states) 2007 annual report showed that for the year 2007, a 109 loans were granted representing 135 986 million FCFA (Approximately $229 million US dollars current prices).[61] The BOAD 2017 report, shows that among all development loans granted by the bank, only 24.6% were granted to private companies. Which illustrates the lack of confidence institutions have in local entrepreneurs, mainly for the reason that the CFA Franc is tied to the Euro, and because of *the free transfer principle*, which allows European companies to invest massively in member countries using Euros. To put it in simple words, from 1999, it was asked to local entrepreneurs to compete with European multinationals. Moreover, the CFA Franc tied to the euro is considered to be overrated, which decreased the prices of imported goods while it increased the prices of locally produced goods, and therefore decreased the demand, and thus the exports. Therefore, the demand for imported goods increased while it destroyed local productions, except in natural resources sectors (oil, uranium, coffee and cocoa). Which would explain why, Pigeaud and Samba Sylla (2018, p 182) have observed that loans are blocked by both central banks. This competitiveness with European multinationals and the lack of protectionism encouraged by the *free transfer principle* had resulted in giving up local entrepreneurs' competitiveness. It has been pointed out that, the loss of external competitiveness had generated budgetary deficits and led to excessive debt ratios, trade deficit (more imports than exports), and high unemployment rates, which in turn considerably limited the panel monetary policies, and slowed down the economic development (N'Kodia, 2011, p 111; in Pigeaud, Samba Sylla, p 182).

60 BCEAO 2017, Annual report, p 43.

61 BDEAC, (2007), Annual report. https://www.bdeac.org/upload/docs/application/pdf/2015-09/bdeac_rapport_annuel_2007.pdf

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5.3.c. - The *unlimited convertibility* of the CFA Franc operated by the Operations Account: an obstacle for inter-regional trade.

According to some scholars and French authorities, the stability provided by the CFA Franc *"helped prevent inflationary pressures, and secondly, the common currency facilitated trade transactions among the countries."* (Ouattara, Frobl, 2008, p40). Currencies integrated into the international exchange market are directly convertible into other currencies, for example, the euro or US dollar can be exchanged in any exchange bureau worldwide. However, it would be impossible for someone to exchange its FCFA bills anywhere in the world, a citizen of one country of the CFA Franc zone wouldn't be able to find any foreign exchange office to convert his bills into euros while on a trip in Europe neither, if it is more costly an interbank wire would be a better option. (Pigeaud, Samba Sylla, 2018). Importantly, each monetary zones' currencies aren't intra-exchangeable. Thus, it would be impossible to convert the UEMOA CFA Franc into that of the CEMAC, the currency is first converted into euros throughout the operations account and only then can it be converted into the other currency. (Pigeaud, Samba Sylla, 2018, p.39). This barrier partly explained the low level of intra-community trade in the entire Franc zone. In 1996, trade between the two unions represented 9.6% of their total trade, while it represented 16.1% in 2018[62].

Moreover, the fact that economies within the CFA Franc zone are all specialized in the production of one specific product (Petroleum, Cocoa and Coffee, etc.…) also explained this lack of intra-regional trade, since African countries import in majority manufactured products. In 2016, 19% of all imported goods originated from China while 14% originated from France while imported goods originating from Senegal, Burkina Faso and Mali altogether represented 5.2% of all imports[63].

[62] Alassane Ouattara, 2019, Ouagadougou speech, http://www.uemoa.int/sites/default/files/bibliotheque/discours_du_pr_-_25e_anniversaire_de_luemoa_-_le_10_janvier_2019.pdf

[63] The Observatory of Economic Complexity, (2016) Where does Côte d'Ivoire import from? https://atlas.media.mit.edu/en/visualize/tree_map/hs92/import/civ/show/all/2016/

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In terms of export destination, 59% of all Ivorian exports were destined to Europe. The top three destinations were the Netherlands (12%), France (8.3%) and Germany (7.7%), while each CFA member (including both UEMOA and CEMAC) represented less than 8%.[64]

The *free transfer* principle (I.e.5.2.a.), implies that European companies are able to buy and sell in euros and therefore, by doing so, European countries are able to save on their foreign exchange reserves, it also increases the demand for natural resources. Moreover, after investing and making profits using euros, European companies can repatriate all their profits without barriers and therefore are minimizing costs. (i.e. 5.2.a.). In return, obvious becomes the loss and the negative effects caused by this principle in African countries.

5.3.d. The Free transfer principle legalizing Capital flight,

To tie the CFA Franc to the Euro has been considered as a major mistake by most economists, since it has been asked of the African nations to be as competitive as the most developed European nations. (Pigeaud, Samba Sylla, 2018, p 122, Nubukpo, 2007). Nubukpo (2007) pointed out that, first, the CFA Franc would be aligned to the Euro, which was already overvalued according to most scholars, would even more increase its value, without taking

into consideration the needs of African members of the Franc zone. Moreover, African nations weren't part of the discussions around the transition at the moment of the EU construction. And finally, it increased the dependence of UEMOA and CEMAC member countries to the European Union since when euro interest rates increase, Capital invested in both unions will tend to return to Europe in order to get more revenues out of the interest rates. And in order to avoid this phenomenon, BCEAO and BEAC must increase interest rates. As a result, externalities become a priority while internal aspects become secondary in the considerations of African organs. (Nubukpo, 2007, p75). Therefore, the four principles, as well as this observed focus on the euro fluctuations by the CFA Franc monetary authorities had implications for both Côte d'Ivoire and Congo Brazzaville's socio economic development.

[64] The Observatory of Economic Complexity, (2016), Where does Côte d'Ivoire export to? https://atlas.media.mit.edu/en/visualize/tree_map/hs92/export/civ/show/all/2016/

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In Côte d'Ivoire

French authorities and sympathizers of the CFA Franc agree that its monetary stability and *the free transfers principle* are factors of attractiveness for foreign investments and therefore of economic development. This observation would explain how Côte d'Ivoire was generally benefiting from the CFA Franc currency, in 2018, Côte d'Ivoire ranked 10th recipient country of investments in Africa, the country's Gdp per capita growth between 2011 and 2016 was in average of 6.4% per year. (Pigeaud, Samba Sylla, 2018, p 161). The country has one of the lowest unemployment rates in Africa with 2.6% in 2016[65]. The government debt was in average of 26.12% from 2012 to 2016 (which is relatively low[66]). World Bank data accessed on April-30-2019).

However, if French authorities would argue that this was possible greatly thanks to the CFA Franc, its stability isn't a factor taken into account by investors, rather, natural resources, geography (access to littoral), political stability and security, market size and trade openness, are more important factors of attraction of investments in Africa (Asongu, Akpan, Rabiu Isihak, 2018; Pigeaud, Samba Sylla, 2018). Avom and Bobbo, (2013, p.132) have pointed out that unemployment rates of all the CFA Franc zone member countries was completely absent of each annual report conducted by the BCEAO, BEAC, BDEAC, BOAD, French treasury and French Central Bank, while it displays that of France in the Franc Zone annual report[67]. Extreme poverty related rates was also absent in each report.

Despite such economic growth, the state's extreme poverty rate was estimated to be of 28.2% in 2015, (The World Bank, 2018), meaning that 6.5 million individuals is living under extremely poor conditions, Côte d'Ivoire's life expectancy is also concerning, in 2015 on average Ivorian people lived until 53 years, in 2016, its Human Development Index value was of 0.486, Côte d'Ivoire ranked 170th on 189 countries in 2016. Finally, its infant mortality rate was 104.1 in 1990, 83.4 in 2007 at the end of the first war and 66 in 2016. If both civil wars in 2002-2007 and 2011 could explain the high rates until 2012, the lack of redistribution of the produced wealth would be a better argument for its rates in recent years.

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[65] Trading economics, https://tradingeconomics.com/congo/unemployment-rate. Accessed on June-1-2019,

[66] Trading economics, 2019. https://tradingeconomics.com/ivory-coast/unemployment-rate. Accessed on June-1-2019,

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The current health expenditure in % of the GDP was 4.477 in 2002 and had significantly increased under Gbagbo to reach 6% from 2007 to 2011, yet under Ouattara's rule, spending[68] returned to original levels and reached 4.404% of GDP. (UNDP, 2018). While GDP is used to display the economic development of Côte d'Ivoire which would have been promoted by the CFA Franc, if French authorities and UEMOA decision making organs were serious enough about the socio economic development of the country and reach the SDGs, these data should be in each annual report and prioritized in the policy making, yet this isn't the case.

All these negative aspects of the Ivorian socio economic development was essentially observable due to three factors, the two civil wars, the policy conducted by *the compliant incumbent* favoring French interests (I.e. Chapter 3) and most importantly the flight of capital towards the European Union, allowed by the *free transfer principle* (I.e. 5.2.b.).

In Côte d'Ivoire illegal capital flight (money laundering, tax fraud, etc..) from 1970 to 2008 represented 66.2 Billion US dollars (USD 2008 prices), Which is 527% the price of the debt. Only for the year 2015, the total capital flight (legal and illegal altogether) represented half of what had been taken away from Côte d'Ivoire in 38 years with 32.0 Billion of US dollars (2015 prices) which is 97.3% of the state's 2015 GDP. In 2008, Côte d'Ivoire was the third African country victim of Capital flight. (Pigeaud, Samba Sylla, 2018, p 185; Ndikumana, Boyce, 2018; The World Bank, 2018). Therefore, capital flight represent a considerable loss of funds which would be used by the state to further invest in infrastructure, education, health care, reduce the poverty rate, better handle the regional migration and reduce the needs of the state to contract loans with the IMF, France and other donors.

Scholars have found empirical evidence that Capital flight had negative effects on the economic growth (Lawal et al, 2017) and the poverty reduction of African countries (Geda, A., Yimer A., 2017; Nkurunziza, 2014).

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[67] The Bank of France, 2016, Annual report, https://publications.banque-france.fr/sites/default/files/medias/documents/zf2016_web_v3-2_avec-signets.pdf

[68] World Bank, Current Health expenditure (%of GDP), https://data.worldbank.org/indicator/SH.XPD.CHEX.GD.ZS?locations=CI

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Therefore it is safe to say that Capital flight which is allowed by the Franc zone's *free transfer principle* contributes to slowing down the economic development of Côte d'Ivoire and has negative effects on socio economic development by preventing the poverty reduction (Other factors of poverty rates include the corruption of economic and political elites and civil wars described in Chapter 3).

In addition, contrary to the inference that the CFA Franc allows the state to attract investments which explains the GDP per capita growth observed above, in 2016, 50% of the total of foreign investments received in Africa were located in South Africa, Egypt, Nigeria, Morocco, Angola, while the entire UEMOA attracted around 3% only, the CEMAC union attracted 7.1% of the total FDIs, in the meantime the Congo ranked 20th of the investment destination in Africa. France itself didn't invest much in the CFA Franc zone, 60% of all French investments in Africa were sent outside the monetary zone, in Morocco, Angola, Nigeria, Egypt. (Pigeaud, Samba Sylla 2018). Rather, Pigeaud and Samba Sylla (2018) have convincingly argued that the increase of the prices of cocoa and coffee and its specialization in this sector, better explain Côte d'Ivoire's successful economic growth since the 1994 devaluation (Pigeaud, Samba Sylla, 2018, p 112). The cocoa and coffee sector represented 21.99% of the GDP in 2007 and 20.94% of the GDP in 2016. In the meantime, the Ivorian Industrial sector represented only 23.27% in 2007 and 27.52% in 2016, and the Service sector represented more than 40% of the GDP from 2007 to 2016 (54.73% in 2007 and 40.85% in 2016[69]).

If the agricultural sector had an important role in the Ivorian economic growth, especially during Houphouët-Boigny, Konan Bedié and Gbagbo's rules, the leading sector being the Service sector is dominated by French and European companies (bank, insurance, transport and logistics, public construction). Yet, the majority of the wealth produced was repatriated to Europe. Despite the state's encouraging economic development, capital flight is a major issue which must be overcome if Côte d'Ivoire wants to reach a sustainable economic development and effectively reduce poverty, infant mortality and other socio-economic indicators. Therefore, if capital flight has such effects on a rather 'successful economy', what does it mean for less fortunate economies?

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… In the Congo Republic (Brazzaville).

Congo's GDP per capita growth was under 0% from 1987 to 2002, it then averaged 2.6% from 2002 to 2016 with a top in 2014 with 5.9%, the GDP went back under zero twice in 2009 (-0.5%) and 2016 (-0.903%)[70]. The unemployment rate averaged 52.07 percent from 1999 until 2013. Yearly, the unemployment rate was of 60.8% in 2009, 50.1% in 2010, 51.4% in 2011 and 46.1% in 2013[71]. .The poverty rate was estimated to be around 34.9% in 2011. The same year, 40.90% of the population was estimated to have no access to electricity, 47.29% didn't have access to sanitation and 20.23% was deprived of drinking water. Finally, if the infant mortality rate halved since 1990, it remained among the highest rates in the world. The infant mortality rate was 58.8‰ in 1990, 72.5 ‰ in 2000 and 35.8‰ in 2016[72].

Pigeaud and Samba Sylla (2018) have shown that from 1970 to 2008, in Congo, Capital flight represented 26.9 Billion US dollars (2008 levels) which is 490% of the public debt. (Pigeaud, Samba sylla, 2018 p 185). On the other hand, only for the year 2015, legal and illegal Capital flight altogether represented 59.9 Billion of US dollars (2015 prices). (Ndikumana, Boyce, 2018), which is 705.9% Congo's 2015 GDP and 33 Billion dollars more than what had been observed in 38 years, which suggest that the share of legal capital flight, legalized by the *free transfer principle* of the Franc zone may be the major factor causing this outcome. And of course, impacting negatively all the poverty correlated data described above. As argued by the Economist Makhtar Diouf (2002, p110), the CFA Franc has no active role in the economy and only perform a stabilization role. If they want to finance their socio economic development, Francophone African countries belonging in the CFA Franc zone must turn themselves to foreign actors. (In Pigeaud, Samba Sylla, 2018, p 55). Diouf (1998) argued that what BCEAO - the Western African central bank - actually promoted was consumption of imported products, while destroying domestic production. (Diouf, 1998)

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69 Statistica, 2019, Ivorian sectors in percent of GDP, https://www.statista.com/statistics/452068/share-of-economic-sectors-in-the-gdp-in-ivory-coast/ (accessed on June 5, 2019).

70 The World Bank data, https://data.worldbank.org/indicator/NY.GDP.PCAP.KD.ZG?locations=CD, (Accessed on June 1, 2019)

71 Trading economics data, (2019), https://tradingeconomics.com/congo/unemployment-rate (accessed on June-1-2019)

72 The World bank database, https://data.worldbank.org/indicator/SP.DYN.IMRT.IN?locations=CG. The World Bank, 2018, Piecing together the poverty puzzle: Poverty and shared prosperity 2018, *The World Bank*. https://openknowledge.worldbank.org/bitstream/handle/10986/30418/9781464813306.pdf.

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Which further increase the public debt and therefore the focus of decision-making organs to meet the expectations of foreign creditors, which further aggravates the lack of autonomy. In sum, the legalization of capital flight, the *unlimited convertibility* and the *free transfer principles* as well as the anchorage currency [73]had all negative effects on both Monetary unions, monetary sovereignty, international competitiveness, granted loans, economic growth, and poverty.

This section has shown how aid (CFA franc) has undermined the economic development of CFA members, while benefiting European companies by providing an exclusive access to the market, the right to repatriate profits. In the light of the negative effects on the economic development of members analyzed in this section, [74] how come there has never been any attempt by the African Central banks as well as member states to modify the four principles, the treaties signed in the early 1970's or to conduct a general CFA-exit to create a or new monetary community or several national currencies independent from France and the E.U?. The following section shows how the CFA Franc is self-sustained, which allowed France to enjoy the benefits provided by the currency for more than 70 years.

5.4. The effects of the CFA Franc as Subsistence aid In Côte D'Ivoire and Congo Brazzaville: The dependency of the CFA members on France.

5.4.a. Damaged monetary sovereignty and democratic accountability in each decision-making organs the 1994 devaluation and the EU

French representation in the institutions of both monetary unions (UEMOA, CEMAC).

Nubukpo, (2007) argued that the CFA Franc enabled France to preserve its economic and political interests inherited from the colonial-era, and did so through the voluntary servitude of both Central Banks.

72WHO, (2007). Health action in crises: Republic of Congo, *World Health Organization.* https://www.who.int/hac/crises/cog/roc_aug2007.pdf

73 with the euro from 1999

74 Section 5.2.a

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If the 1972 and 1973 treaties performed the Africanization of each central bank also making them independent from its member countries, French representatives hold seats at each *administration council*, *the heads of state conference* and *the Council of Ministries*, and hold seats in the *Monetary Policy Committee of the Central Banks*. Moreover, according to the cooperation accords signed between France and the UEMOA member countries, any decisions to modify the Euro-CFA parity (modifications of the foreign exchange rate of the CFA Franc) it is the UEMOA member countries prerogative, however African states must first consult France[75]." (Guillaumont, Jeanney, 2006, p 50).

As argued by Pigeaud, Samba Sylla, (2018, p 47), If according to the accords mentioned earlier, France has no longer veto rights in each institution voting and implementing the monetary policy of each zone, no decisions can be made without French representatives' consent. (Pigeaud, Samba Sylla, 2018, p 47).

Pigeaud, Samba Sylla (2018) have also argued that many monetary questions couldn't be answered by Ministries of Finance of each member due to the fact that they do not possess the information. Mainly for the reason that, since 1960, it is the French Central Bank which provides the monetary zone with a secretariat in charge of providing each African central bank with "*annual reports of the CFA Franc zone*" providing statistics, as well as organizes each conferences, meetings and councils. The Central Bank and the National Treasury both supervise the bi-annual Ministry of Finance meeting.

Moreover, it is essential to remind the reader that if France no longer possess any veto right, the African decision making organs have to consult France if they decide to devalue their currency, however, it may never go that far since, such a decision must be first voted by unanimous agreement in the *Heads of State Conference*. However, since France has votes in each decision-making organs, France could easily block the decision. Therefore, between 1958 and 2016, six devaluations had been decided, all of which were decided by France without African governments consent or prior notification (Pigeaud, Samba Sylla, 2018), if the 1972 and 1973 treaties have performed the "*Africanization*" of the instances of both monetary unions BCEAO and BEAC.

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[75] Article 5 of both treaties (1972, 1973).

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Important is to stress that, the production of the currency and the choice of its exchange rate aren't in the prerogative of the BCEAO and BEAC, rather bills and coins are produced in the French Central Bank factories located in Chamalière, region of Puy-de-Dôme, while the coins are manufactured in the *Coin Factory of Paris* in Gironde region of France. France also can take the decision to devalue the currency (Pigeaud, Samba Sylla, 2018, p 129). African Central Banks BCEAO and BEAC, are in charge of providing the monetary regulations [76]of the zone during the administration council and the ministry conference. For the reason that France, is in charge of the production of the currency as well as provides the monetary stability of the CFA Franc, actively participates in each meeting and conferences. It could be argued that since France is a member of the Franc zone and provides all these "services" for the CFA members, it is only normal and legitimate that France holds seats in the monetary community legislative organs.

Nonetheless, if the legitimacy of French presence in African Central Banks rests on the *monetary stability guarantee* and the *unlimited convertibility* (one of the four principles) which the French Treasury provides, important is to show that France had never any intention in providing unlimited convertibility. Indeed, each transaction transit through the *operations accounts*, if African Central Banks fail to respect the 50% rule, the French Treasury is in charge of adding the necessary funds into the account in order for it to maintain the 50% level, and that in an *unlimited* fashion. The moment the reserve goes under the 50% required, African Central banks have to pay interest rates in addition with refilling in the gaps.

Pigeaud and Samba Sylla have importantly argued that, if the French Treasury is in charge of providing funds to both Central Banks, it cannot possibly be in an *unlimited* fashion since the budget of the National Treasury is very limited, as a matter of fact the surplus of funds in the operations accounts contribute to finance it. Moreover, upon entrance in the EU zone, The 1999 Maastricht Treaty centralized each monetary related matter under the jurisdiction of the European Central Bank, therefore if the French Central Bank has a special status allowing it to handle the CFA Franc related matters (I.e. 5.1.a.), The French Treasury cannot be funded by the French Central Bank.

[76] Including setting up the interest rates, the foreign value of the currency, and to devalue it.

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Therefore, the French Treasury, not being able to print the currency, cannot provide unlimited funds in the event of the incapacity of one or both the central banks to maintain the 50% rule, hence the funds of the French Treasury are by definition limited. Despite that, it is Striking to notice that, since the creation of the Operations Accounts, the French National Treasury never once used funds to help Central Banks respect the Operations Accounts requirements, rather, French authorities always recommended African Central Banks to contract loans or development aid with the French government or IMF notably, for central banks to regularize their operations accounts which further increased their public debt. (Pigeaud, Samba Sylla, 2018, p 56).

Finally, Pigeaud and Samba Sylla (2018) pointed out that it is the French annual budget declaration which defines the actual number which will be provided for the next year to guarantee the convertibility of the CFA Franc. Yet, in the 2017 budget declaration for 2018, France dedicated **0 euros**[77], and the previous documents show the same number. (Pigeaud, Samba Sylla, 2018, p 57). Therefore, France do not perform its role to guarantee the convertibility of the CFA Franc, and therefore it is safe to say that the argument stating that France has to attend to each decision-making meeting due to its role in the monetary community falls apart.

The 1994 devaluation of 50% of the CFA Franc of each union is a good example of how this played out. As mentioned earlier it was President Mitterrand and his Prime Minister, Edouard Balladur and the IMF's decision. Both unions operations accounts were way under the 50% rule and rather than to provide the Unlimited funds the French National Treasury is supposed to provide, The IMF and French authorities came to an agreement and decided to devalue the currency by 50% in order to make the operations account go back to the 50% minimum. Yet, it was only after the decision was made that African heads of state were notified. Most of them protested, yet it was too late, the next day they would have to publicly announce the devaluation. (Verschave, 2004; Pigeaud, Samba Sylla, 2018, pp.103-7).

77 Decree n° 2017-1837 of December 30, 2017 of Budget for 2018, *Journal officiel de la République française*, December 31,2017.

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It has been argued at the time by French authorities that, due to the fact that it was overvalued, CFA Franc had to be devalued in order to produce economic development, however scholars have shown that, except for Côte d'Ivoire due to the inflation of the prices of Cocoa and Coffee, the 1994 devaluation failed to produce economic growth in the region (Fouda Owoundi, 2001; Pigeaud, Samba Sylla, 2018).

An implicit Veto Right

As mentioned in the previous sub-section, since 1972 and 1973, France legally no longer possess any veto rights in the organs of both zones, yet, it's representatives can effectively block any votes modifying the status of the currency, the nature of the cooperation with France or the institutions of the monetary zones, since such decisions must be voted by unanimous consent. France possessing votes is then capable to block such decisions. Therefore, French presence in the *Heads of State Conference*, *Council of Ministers* and the Central banks *Administration Councils* is an issue and suggest that a veto remains in possession of France.

Since 2007, for the BEAC and 2010 for BCEAO, Central Banks are independent from member countries; however, France still remains in the new monetary policy committee as well as the Ministry council. Article 68 of the Status of the BCEAO stipulates that the State providing the guarantee (which is France) as well as the *Ministry council* (In which France has representatives) are the ones choosing the *Monetary policy committee* members (In which France has representatives too). While article 69 and 53 of the same document, indicates that committee members [78]and the governor of the central bank can be revoked only if they have committed a serious crime, yet, under no other circumstances can they be revoked. As a result, if the choice of the members of the committee is greatly influenced by France, the chosen representatives are not being held accountable. (Avom, Bobbo, 2013, p .133).

[78] Elected for five years

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The governor of the central bank, in both union, determines and supervises the executive organs of the monetary policy of the union, The Administration Council used to have these prerogatives, Avom and Bobbo, (2013) have argued that this evolution was conducted in an attempt to further the independence (ability to reform) of the Central Banks vis-a-vis African Governments. (Avom, Bobbo, 2013, p.133).

Pigeaud and Samba Sylla (2018) have observed that governors of the BCEAO were 'placed' in office by Côte d'Ivoire upon France approval, which suggests that, like compliant Presidents (I.e. Chapter 3 and 4) governors have become more accountable to France than member countries. Moreover, as observed for bribed and sustained compliant Presidents, many scandals of corruption have perturbed the mandates of several governors. (Pigeaud, Samba Sylla, 2018). It can therefore be argued that, the reform had made governors independent from member countries as well as non-revocable, from there, only severe crimes could cause the revocation of governors, however any impeachment would be impossible. As a result, if the independence of central banks from member countries had increased the room for reforms, it had simultaneously destroyed the democratic accountability of governors and committee members in the process. Moreover, the "independency" vis-à-vis member states was only conducted in order to aggravate the dependency on France through the use of the Operation Account of each union. The following sections describe this mechanism and the effects on both countries.

5.4.b. The Operations account creating dependency on France: Cultivating the debt.

The effects of the surplus of funds in the operations accounts.

Regarding the 10 Billions of euros stockpiled in the Operations account not being used[79]. Nkupko, (2007), pointed out that economists generally agree on the fact that Central Banks should avoid accumulate excessive surplus in their foreign exchange reserves for three major reasons, of which, *The opportunity cost*, being directly of interest for this research.

[79] See section 5.2.a. Operations Account

[80] Bank of France, (2016), Franc zone 2016 report. https://publications.banque-france.fr/sites/default/files/medias/documents/zf2016_web_v3-2_avec-signets.pdf (Accessed on May-30-2019).

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The opportunity cost refers to the cost represented by the surplus of the foreign exchange reserve. Since funds being stocked and accumulated could be used to reduce the public debt and therefore reduce the payment of interest rates, liberating the annual budget to other activities such as to finance investments, poverty and unemployment reduction programs amongst other things.

The debt of the entire franc zone in 2016 represented 16.7 Billion USD (approximately 15 Billion Euros). While 10 billion of euros (around 11 billion USD) and 36.5 tons of gold (for the UEMOA community alone) were being stocked by the French Treasury and the French Central Bank, and those funds are subjected to interest rates[80] (Pigeaud, Samba Sylla, 2018; Nubukpo, 2007, p 79). Meanwhile, the West African Bank of Development (BOAD) had granted, 131.1 Billion FCFA in average in the 2008-2012 period for the entire Western union (approximately $222 million US dollars current prices) and 315.5 billion FCFA in average for the 2013-2017 period (Around $535.6 million US dollars current prices).[81]

The *unlimited convertibility guarantee* performed by the French Treasury, can only be operated by the French National Treasury. It was in August 2nd, 1993, that African Central Banks ceased to buy the CFA Franc outside of the monetary zone, moments later, the BEAC had put an end to the inter-convertibility of the CFA Franc between each zone (UEMOA, CEMAC). Therefore, the UEMOA CFA cannot be converted into the CEMAC CFA and conversely, to convert the CEMAC CFA bills into bills of the West African Economic and Monetary Union, bills must first be converted by the Operations Account into euros and then converted again into the other currency. This creates additional costs and consist in a brake for the regional trade integration.

[81] BOAD website, https://www.boad.org/en/la-boad-en-chiffres/

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Hypothetically, the CFA Franc as Subsistence aid is provided in order to maintain the monetary system intact and therefore to complement and maintain the advantages that France enjoy through *promoting economic development as a justification for Bribery aid*[82], notably by creating conditions by which CFA members become dependent on both the currency and French authorities, reduce to the maximum any chances that member countries will attempt a CFA-exit. Notably by making each central bank independent from African governments in order to increase the bureaucracy as well as by impeaching "non-compliant governors"[83] of the Central banks and if needed, manipulates the CFA Franc through the Operations account as a last resort. These mechanisms were best observed during the Ivorian crisis of 2011.

The manipulation of the operations account during the Ivorian Crisis of 2011

Pigeaud, Samba Sylla, (2018) and Pigeaud (2015) pointed out how the CFA Franc had been instrumentalized in order to push Laurent Gbagbo to step down in 2011. First, Paris encouraged the BCEAO to prevent the government from accessing its resources in its account in the BCEAO and closed every BCEAO office in Côte d'Ivoire. Yet, the Ivorian government replied by confiscating the BCEAO offices and personnel and managed to access its funds. After that, the BCEAO deleted the computing application allowing each agency to conduct operations. Moreover, the members of the administration council impeached the Central Bank Governor, Henri-Philippe Dacoury-Tabley (of Ivorian nationality) accusing him of cooperating and of being too friendly with Gbagbo's regime after the decision taken at the Heads of States conference of the UEMOA in January 22rd 2011. After facing pressures from France, each party agreed to block Gbagbo's access to Côte d'Ivoire's account in the BCEAO. He was then replaced by Burkinabe Jean Baptiste Compaoré. (Pigeaud, Samba Sylla, 2018, p 151; Pigeaud, 2015, p209; Naudé, P.F., February 11, 2011).

[82] See 5.2.a.
[83] See the following sub-section

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Nonetheless, these actions weren't enough to make Gbagbo leave office, thus, France had used its most effective weapon, the operations account of the BCEAO. In February 2011, French Minister of Economy and Finances had the French commercial banks to stop their operations temporarily in Côte d'Ivoire, as a result, the BICIC, a subsidiary of BNP Paribas and the SGBCI subsidiary of Société Générale ceased operating in Côte d'Ivoire. In the meantime, the BCEAO threatened to sanction each commercial bank co-operating with Gbagbo's regime[84] (Pigeaud, Samba Sylla, 2018, p 151).

Yet, not being able to prevent foreign commercial banks from co-operating with Gbagbo's government French Minister of Economy and Finance as well as the BCEAO administration council agreed on blocking Côte d'Ivoire's access to its Operation accounts, blocking every operation conducted with foreign countries outside of the UEMOA community. As a result, Ivorian companies could not import or export, Diplomats' budgets were frozen, and the Government couldn't receive any aid or loans from any donor country (Pigeaud, Samba Sylla, 2018, p 151-152). Thus, this episode illustrates how CFA members are dependent on France and how France may interfere in the democratic process of the monetary decision-making organs (Notably by playing a role in the impeachment of the Ivorian governor). This example also illustrates how France may use the CFA Franc as a tool to force non-compliant regimes within the Franc zone to comply.

Yet, Gbagbo resisted and remained in office, mainly because his administration managed to pay public servants and to make public services function while the central bank stopped providing liquidity. Moreover, Gbagbo benefited from the support of the Ivorian population during the crisis, which allowed him to remain in office despite such attacks on the government's monetary sovereignty and the Ivorian economy. At that time, realizing how France was blocking the economy using the CFA Franc, Gbagbo's government increased its diplomatic and economic relations with China and other countries in order to diversify its economy and reduce the dependency on France and European countries and the cocoa & coffee sector.

84 Naudé, Côte d'Ivoire : la BCEAO menace de sanctions les banques collaborant avec Gbagbo. Côte d'Ivoire: The BCEAO threatens to sanction commercial banks collaborating with Gbagbo. Jeune Afrique, February 11, 2011. https://www.jeuneafrique.com/182423/politique/c-te-d-ivoire-la-bceao-menace-de-sanctions-les- banques-collaborant-avec-gbagbo/ (Accessed on June-2-2019).

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But more importantly, from March 2011, the government had no other choice but to engage in procedures in order to exit the Franc zone and create an Ivorian currency, the new currency would be available starting on May 15th 2011. The then Ministry of Budget, Justin Koné Katinan had argued that there was no other choice since the BCEAO had ceased the distribution of bills and coins, the country's monetary mass was critically decreasing and would be soon running out of bills and coins in circulation. Such a situation would have led to an unprecedented economic and humanitarian crisis in the country. Thus, the Government had no other choice but to create its own currency (Pigeau, 2015 p 216). Subsequently, the Chief-Executive of Noble group (a Hong Kong based company in the sector of cocoa and coffee) declared in March 2011, that they would be ready for re-cooperation with Gbagbo's government if he remained in power in March 31st. (Farchy, Blas, 2011; In Pigeaud, 2015, p 216)

If the European and UN sanctions as well as the use made of the CFA Franc were successful in weakening Gbagbo's presidency, they failed to remove Gbagbo from office, which had left France with only one card to play, military intervention[85]. On March 30 and 31st, Ouattara's troops marched towards Abidjan city. In the meantime, on March 29th, the Security Council of the United Nations had adopted the *resolution 1975* and, France intervened militarily on April the 11th 2011, in support of Ouattara's troops, France bombed governmental army positions as well as the presidential palace where Gbagbo was located and, subsequently arrested Gbagbo the same day. (Pigeaud, 2015; Pigeaud, Samba Sylla, 2018, p156; UNSCR-1975, 2011).

After Gbagbo's arrest, Ouattara immediately took office and the project of creation of the national currency was abandoned. Still in office, in February 2019, after meeting French President Macron, in a context of controversial debates around the CFA Franc in the entire Franc zone, (Okello, 2019) Ouattara had declared that the CFA Franc *"is solid, appreciated and well managed"* currency using the economic growth of the UEMOA countries as a proof of his claim (Diplomatic Times, February 13, 2019; Nouvel Obs, 2019).

[85] France has military bases in Senegal and Côte d'Ivoire

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Therefore, fake news and allegations around the *colonial nature* of the CFA Franc had no empirical basis and had to cease (L'Obs, 2019). In sum, this chapter showed that France and the E.U. members benefit from the CFA Franc by providing cheap access to natural resources and exclusive access to African domestic markets with the possibility to repatriate all the profits made. As a result, the CFA Franc also promotes capital flight which slows down the economic development of CFA members, and most importantly prevents them from tackling poverty and extreme poverty related issues and therefore, blocks the socio-economic development.

The CFA Franc's mechanisms prevent any attempts of country members to exit unions or modify France's role in it. Finally, the CFA Franc and the Operations Accounts complement Subsistence and Bribery aid to remove or sustain a non-compliant incumbent as seen in this subsection. As such, the CFA Franc negatively affects the economic development and democracy in both Côte d'Ivoire and Congo Brazzaville and potentially the entire Franc zone as a whole. The complementarity of the CFA Franc, Subsistence and Bribery aid is further assessed in the concluding chapter.

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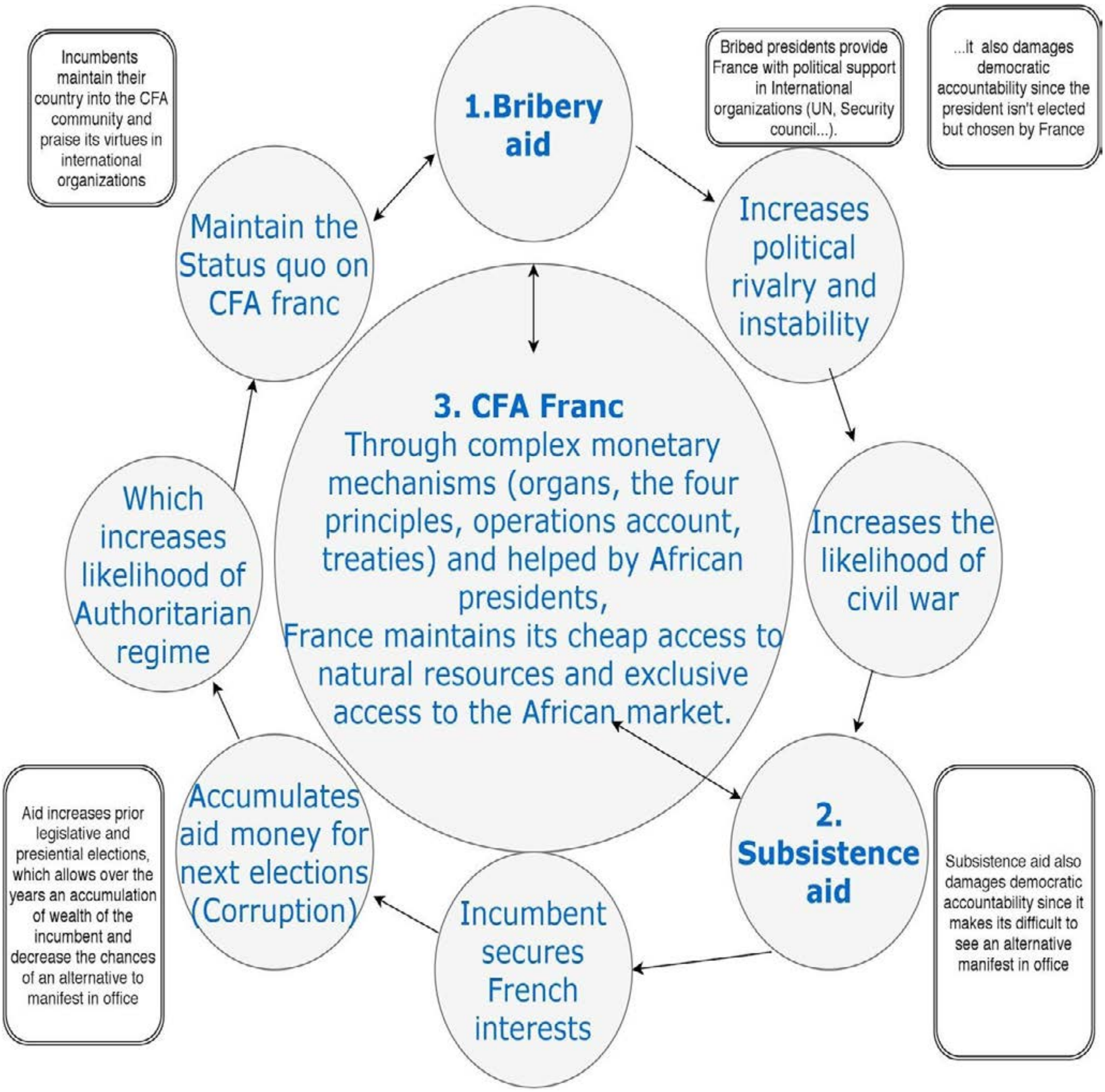
Chapter six: Conclusions

A vicious circle undermining democracy



It has been observed in chapters three and four that France sends bribery aid prior or during important political events (presidential and legislative elections, civil war) to support leaders of opposition parties when it wishes to overthrow a non-compliant incumbent in both Côte d’Ivoire and Congo Brazzaville. Such a support increases the frustration of incumbents who had probably been supported by France in the past and fear of being overthrown while it simultaneously increases the confidence of the opposition leader that she/he has chances to

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reach office. Therefore, the president will use every tool in his power, (arrest opposition leaders, use the police and army repression) to remain in office, yet because she/he is supported by France, the opposition leader will reply rather than appease tensions, and instrumentalized the political violence used by the president to further legitimize his candidacy. Therefore, in the two case studies, aid aggravates political tensions as it consistently led to civil war in 1993-4 and 1997 in the Congo and 2002-2007 and 2011 in Côte d'Ivoire.

Once in office, the Bribed incumbent who got elected using French bribery aid funds was "chosen" by France rather than democratically elected, therefore, the president acknowledges that he has a 'debt' that needs to be repaid. As a result, the newly elected incumbent will be more focused on protecting French interests, (by remaining in the CFA Franc, providing public contracts to French multinationals, favoring their access to natural resources, etc..) rather than answering the demands of his citizens who elected him. Therefore, bribery aid highly increases political rivalry and tensions which in turn increases the likelihood of civil war, damages the free and fair nature of elections (presidential and legislative) as well as the democratic accountability in both case studies.

After the civil war is won by the bribed incumbent, Subsistence aid comes into play. Subsistence aid is disbursed by France in order to maintain a bribed incumbent in office and refers to each increase in aid prior or during political events under the presidency of a supported president (presidential, legislative elections, civil war). It is meant to further consolidate the presidential power, as such, aid money is accumulated over the years, and in addition, the incumbent uses corrupt and undemocratic practices in order to make sure he will remain in office at the occasion of the next elections. Therefore, Subsistence aid highly decreases the chances of an alternative to reach office and therefore allows France to maintain

its interests intact. Despite an unpopular policy and well-known corruption, the President is reelected and not being held accountable and repressing any attempts of rebellion with the support of France. Supported incumbents often modify the constitution in order to accumulate more mandates (I.e. Houphouët-Boigny, Sassou Nguesso). Long authoritarian regimes notably enable France to maintain stability in both countries and to protect more efficiently its interests (remaining in both Franc monetary unions and providing French companies with

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exclusive access to strategic natural resources and domestic market). In that sense, subsistence aid increases the likelihood of authoritarianism as well as corrupt practices and also damages democratic accountability, since aid is accumulated over the years which increases the chances of the incumbent of being reelected, preventing any alternatives to reach office.

Finally, the CFA Franc zone has been created and justified as a source of monetary stability and economic development for member countries. Yet, its complex mechanisms are designed by France in order to trick international instances and the international community into thinking so, yet it is, a way for France to increase its state power. If Côte d'Ivoire has a GDP higher than the average on the African continent, nothing suggests that it has been the result of members in the CFA Franc zone; rather it was mostly due to the country's specialization in cocoa and coffee. In the meantime, Congo's GDP growth has always been slow and at times negative. Extreme poverty rates, access to electricity and clean water rates were very low in both countries. The CFA Franc cannot be considered a determinant factor of socio-economic and other factors. Moreover, in chapter five, it has been seen that the CFA Franc is actually slowing down the economic development of both observed countries.

France uses *bribery* (the CFA Franc) *disguised as aid for economic development by* producing the bills and coins of the currency, guaranteeing the monetary stability and its convertibility into other currencies (except between both unions). But to do so, each central bank (BCEAO and BEAC) must deposit 50% of their foreign exchange reserves, and if they fail to meet this requirement, an interest rate is applied which aggravates the debt of both countries, conversely, if the reserves exceed the 50 percent requirement, an interest rate is applied, yet both Central banks have never used the funds accumulated over the years. Moreover, France has seats and votes in each decision-making organs of the zone, meaning that, no decision can be made without French authorities' approval.

The CFA Franc is a tool which enables France to access strategic natural resources and commercial markets without spending on its own foreign exchange reserves allowing France and European countries using the euro to save money. However, the CFA Franc cannot be considered to increase France's liquidity since the funds stocked into the operations accounts can still be used by African countries, and, the funds in the accounts represent a negligible

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share of the foreign exchange reserves France possess. Indeed, the French foreign exchange reserves reached 160 Billion US dollars in 2016 and reached an all-time high in January 2012 with 186.62 EUR Billion[86] while the assets in both operations accounts of the Western and Central African unions represented in total 10 Billion US dollars[87] (Pigeaud Samba Sylla, 2018). Rather, the assets "sleeping" in these accounts could be used to decrease the public debt, invest in the public and private sectors, and diminish poverty. Nonetheless, decision making organs resent to do so for the reason that the 1972-73 accords making central banks independent from governments have from then, different goals than governments. In addition, the changed status of 1972 and 1973 writes that central banks remain under the control of the *"State guaranteeing the convertibility of the common currency"*, which is France (Pigeaud, Samba Sylla, 2018, pp. 98-99).

The goals of the monetary policies conducted in each African organ (BCEAO, BEAC) are actually set by France and, the main goal is to maintain the monetary stability of the currency and a controlled inflation, therefore the assets must be maintained in the accounts in order to accomplish such a goal. Increasing the needs for loans and aggravates dependency on the IMF and France. Therefore, France isn't *'stealing'* African countries assets in the operations accounts, rather, CFA monetary unions and their mechanisms and organs (including the operations accounts) create a monetary and economic dependency on France, which enable the extraction of capital (Capital flight) and of strategic (Petroleum, uranium etc...) and highly profitable natural resources (coffee and cocoa, wood, diamonds) which explains the longevity of the currency (already 74 years of existence). For the reason that member countries have a legal right to exit the CFA franc community and create their own sovereign currency, both conventional bribery and subsistence aid are additional tools meant to protect the currency and maintain member countries' adhesion to it. It is a possible explanation of how French colonial privileges were maintained in both countries since the independence[88].

[86] Versus 10 Billions in the operations accounts of both BCEAO and CEMAC combined
[87] Also see, Trade economics, France foreign exchange reserves (2019) https://tradingeconomics.com/france/foreign-exchange-reserves
[88] And arguably in the entire CFA zone (CEMAC, UEMOA, Comoros)

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As a result, the CFA Franc damages the democratic accountability and democratic process of the monetary policy decision making organs, creates dependency on France[89], and slows down the socio-economic development of both Côte d'Ivoire and Congo Brazzaville (I.e. 5.4.). After 74 years of existence, and due to the complexity of its mechanisms, some scholars and the majority of French politicians do not see in this monetary zone, a failed project. Its record is not worse than that of other developing countries and is significantly better than any other African currencies in lowering rates of inflation. (Ravenhill, 1995). It can also be argued that some French and African leaders genuinely believe that this currency provides economic development, monetary stability and helps slowing down the inflation.

Finally, as pointed out earlier, Diskin et al (2005) finds that social cleavages, unfavorable history (such as being under a colonial rule or an authoritarian regime), poor economic performance, governmental instability (short-duration coalitions or cabinets), and foreign involvement in domestic politics were all solidly correlated with democratic collapse.

Moreover, Diskin et al (2005) argued that if "*four of these negative factors simultaneously operate, the democratic regime is almost doomed to collapse*." (Diskin et al 2005, in Miller et al 2012, p 19). Therefore, this research pointed out that in the case of Bribery aid each of these factors are observable in Côte d'Ivoire and Congo, while regarding Subsistence aid, except government instability three factors are observable. Regarding the CFA Bribery and the CFA Subsistence, except for government instability in the decision making organs[90], three of these factors are observable. Consequently, democratic transition initiated in the early 1990's in both countries had resulted in a complete failure in the Congo (strong authoritarianism) and a weak democratic transition in Côte d'Ivoire (Aboa, January 27, 2019).

[89] See section 5.4. Operations accounts, Veto rights and convertibility guarantee,

[90] Administration Council governors are not revocable, only once a governor was revoked, being Philippe-Henri Dacoury-Tabley, during the 2011 events, the Ivorian governor were accused of providing funds to Gbagbo despite the sanctions implemented by the UEMOA organs, and the Heads of States conference, he was then forced to resign.

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The opportunistic political stance of presidents and opposition leaders to gain French support

However, to argue that African leaders working within the UEMOA and CEMAC organs would genuinely believe that African countries benefit from the CFA franc cannot be convincing. Essentially due to the shifting and opportunistic positions that African leaders have on some controversial topics involving France. The CFA franc has often been used in speeches and political narrative in order to show allegiance to France or to oppose France, depending on French positions.

To provide an example, Laurent Gbagbo, the Ivorian President who opposed the currency in 2011, had completely different positions regarding the CFA franc prior the crisis. Opposed by France which manipulated the CFA Franc to overthrow Gbagbo (I.e. 5.4.b.), the previous Ivorian President was left with no choice but to create a new national currency, a project which he failed to accomplish. And to this day, Gbagbo surf on the CFA Franc controversial debates by declaring the CFA Franc to be a colonial currency which African countries must get rid of. However, interestingly, in a book written by Gbagbo himself and published during the 2010 electoral campaign, Gbagbo had affirmed that the CFA franc was a good, solid currency which needed to be expanded to other countries of the region. (Fofana, December 20, 2018; Gbagbo, 2010, p 198). On the other hand Alassane Ouattara, former Governor of the BCEAO and President in office (Compliant incumbent), after meeting with French President Macron in Paris in 2019, had publicly declared that the CFA franc was "*a solid and well managed currency*" and urged Africans and private owned African medias to stop propagating fake news around the so called "colonial currency". (L'Obs, February 15, 2019).

On the other hand, in 2010, the NGO Transparency International sued Denis Sassou Nguesso and his family members for corruption, the NGO specialized in denouncing corrupt practices affirmed that the family Nguesso as well as Bongo (of Gabon) and the president of Equatorial Guinea, all have illegally obtained million dollars' worth of real estate properties. The French justice department had opened a case known as "l'affaire des biens mal acquis". It is only under French President François Hollande's mandate that perquisites and arrests had been conducted. In February 2013, a hotel owned Sassou Nguesso's daughter, Julienne Nguesso Johnson had been searched by the police. (Brinon, April 8, 2013). In July 2017, Sasou Nguesso's nephew and former sister in law had also being investigated for "money

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laundering of public funds.” (Jeune Afrique, July 13, 2017).

As a result, Sassou Nguesso, since 2013, increasingly denounce France interference and urges the French justice system and French authorities to stop interfering with Congolese affairs. (Perelman, May 13, 2017). While the President had tremendous relations with former president Mitterrand, Chirac and Sarkozy, his relations with French presidents deteriorated since François Holland took office. (Radio France International, April 8, 2013).

These anecdotes suggest that depending on their own interests, presidents of both Côte d’Ivoire and Congo Brazzaville used political discourse in order to show their ‘allegiance’ to France, and therefore attract French support. On the other hand, anti-CFA speeches or Anti-French interference discourses suggest that France no longer (if it was the case before) supports the incumbent. In sum, for France to identify them as “compliant” incumbents and therefore enjoy France’s support prior elections, political elites may switch positions, but despite that, opportunistic discourses may not result in French support if they were previously perceived as threats by France.

Final conclusions & recommendations

Ouattara and Strobl, (2008) have argued that *” In terms of aid allocation, French aid represents more than one third of the total aid to the zone, on average, where the IMF and the World Bank constitute the other two main donors of the zone “* (Ouatarra, Strobl, 2008, p 40). Hence, if one third of the total of aid is sent by France, France is an active member in the IMF, the World Bank and U.N. systems and uses its position in Africa in order to influence decisions within international institutions, (Villaibre Fernandez, 2009; Kuziembo Werker, 2006). Henceforth, our conclusions on French aid effects on Côte d’Ivoire and Congo Brazzaville still hold convincing power, which would may have not been the case if other bilateral donors were involved.

What is striking to observe is how the CFA franc of both monetary zones, justified as being “*aid for economic development*” is undermining the socio-economic development of both observed countries and still, ironically, while France is the middleman in the IMF and World Bank when negotiations around debt relief or poverty reduction programs and loans are in

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discussion, which makes little sense if one doesn't understand the mechanisms of dependency explained earlier. Arguably, by becoming the middleman, France further aggravates the dependency.

This research potentially provides tools to analyze the entire CFA franc region. Pigeaud and Samba Sylla (2018), Verschave (1999, 2004) and many scholars as well as journalists have notably suggested that the question of the CFA Franc led France to contribute to overthrow or assassinate, non-compliant incumbents who refused to adhere to the monetary union, affirmed their will to exit the CFA franc or provoked controversial debates around it. Of whom, Thomas Sankara (1983-1987), President of Burkina Faso assassinated in 1987, Sylvanus Olympio (rule dates) President of Togo assassinated in January 1963, Gbagbo of Côte d'Ivoire (I.e. Chapter 3). (Pigeaud, Samba Sylla, 2018; Verschave, 1999, 2004). As a result, if Côte d'Ivoire and the Congo Brazzaville want their economic and political autonomy and put an end to colonialism once and for all both countries will have to find ways of excluding France of the Franc zone and create new communities independently, or create national currencies, however given the mechanisms of Bribery, Subsistence and the CFA Franc described in this thesis, it is easier said than done.

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Appendix:

Table 1: French aid disbursements to 14 CFA member states. In 2016 $U.S. million dollars (current prices). From 1990 to 2000. (Source: OECD database).

	1990	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**
Benin	66.69	83.89	35.79	45.57	56.4	54.27	44.26	26.58	28.77	27.58	74.25
Burkina Faso	85.32	115.95	120.6	118.94	99.32	111.31	100	56.32	64.15	55.47	82.23
Cameroon	171.76	175.72	407.27	425.71	308.55	265.16	176.01	199.84	152.77	134.8	86.22
Central African Republic	71.02	69.73	70.02	87.7	61.99	52.5	66.58	31.08	30.67	30.67	18.71
Chad	125	83.9	90.26	88.73	65.5	72.09	73.49	48.18	42.19	34.85	24.66
Congo	169.31	88.99	67.34	95.86	**227.18**	87.36	**211.38**	**242.44**	20.55	20.73	9.81
Côte d'Ivoire	**416.29**	**309.65**	**446.08**	**584.99**	**649.72**	**515.97**	300.3	133.65	190.91	201.33	156.26
Equatorial Guinea	16.09	8.78	9.93	8.82	6.12	7.97	8.76	5.18	4.35	4.74	7.88
Gabon	113.35	126.4	54.82	87.23	150.27	107.27	102.44	20.65	31.63	29.01	-14.52
Guinea-Bissau	9.34	7.11	6.11	5.74	7.01	8.28	11.25	6.03	4.36	1.9	6.71
Mali	129.14	92.45	89.66	80.16	90.73	81.7	82.3	63.17	59.69	58.24	98.1
Niger	80.09	115.83	103.08	86.78	136.07	73.44	86.84	94.58	66.11	44.85	41.33
Senegal	230.31	255.97	229.15	193.41	280.76	228.12	177.61	142.23	142.28	226.39	147.19
Togo	91.04	71.67	57.63	44.42	36.54	67.95	35.98	32.63	31.62	19.54	28.77

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Table 2: French aid disbursements to 14 CFA member states. In 2016 $U.S. million dollars (current prices). From 2000 to 2007. (Source: OECD database).

	2000	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Benin	74.25	42.52	40.49	36.76	62.86	42.72	73.75	56.4
Burkina Faso	82.23	44.02	53.86	66	83.63	79.35	131.43	114.76
Cameroon	86.22	59.28	119.01	290.59	129.13	16.78	243.61	596.23
Central African Republic	18.71	20.9	16.46	23.91	36.58	32.99	26.83	54.19
Chad	24.66	39.52	34.82	57.31	46.33	1.07	42.14	47.85
Congo	9.81	11.18	23.73	18.08	36.1	998.73	123.38	18.52
Côte d'Ivoire	156.26	110.4	531.29	116.47	62.16	54.9	106.82	50.69
Equatorial Guinea	7.88	3.73	4.52	4.33	4.72	4.17	3.52	3.78
Gabon	-14.52	-13.99	40.97	-48.85	13.73	16.52	30.07	32.15
Guinea Bissau	6.71	3.85	3.95	3.61	5.38	2.96	9.92	3.38
Mali	98.1	60.82	63.57	69.89	81.52	83.61	81.62	214.02
Niger	41.33	36.95	34.42	155.92	195.8	70.22	88.79	56.72
Senegal	147.19	102.37	104.47	119.5	509.77	156.99	287.47	176.66

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Table 3: French aid disbursements to 14 CFA member states. In 2016 U.S. million dollars (current prices). From 2007 to 2016. (Source: OECD database.)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Benin	56.4	66.41	50.39	48.79	41.54	41.41	37.89	36.51	27.86	27.62
Burkina Faso	**114.76**	**142.01**	77.42	63.83	78.54	65.34	62.33	58.68	66.69	65.53
Cameroun	**596.23**	113.19	90.59	82.08	**148.93**	88.51	172.04	167.11	162.23	237.89
Central African Republic	54.19	26.35	25.91	24.53	21.43	18.54	22.54	44.84	37.98	29.88
Chad	47.85	39.48	41.03	40.65	35.54	36.37	36.69	28.22	77.61	31.64
Congo	18.52	**367.98**	93.15	**909.4**	61.31	16.41	52.12	27.62	25.86	21.53
Côte d'Ivoire	50.69	39.49	**1199.06**	138.52	**553.21**	**1279.02**	81.05	67.92	22.19	15.83
Equatorial Guinea	3.78	4.21	2.55	3.14	3.68	3.23	3.2	2.71	2.24	1.95
Gabon	32.15	37.42	53.95	58.13	51.39	**56.56**	63.75	88.06	72.29	17.23
Guinea-Bissau	3.38	5.57	6.1	1.84	14.39	1.35	0.99	0.89	0.54	0.57
Mali	**214.02**	81.9	74.72	77.56	73.45	41.16	81.89	96.25	148.33	59.99
Niger	56.72	67.83	57.4	49.98	47.28	**101.97**	67.02	52.84	51.18	73.22
Senegal	176.66	189.03	140.88	157.23	177.32	**304.33**	189.57	**293.96**	110.22	87.39
Togo	33.67	**127.68**	40.51	**168.02**	36.78	22.55	25.25	31.93	29.12	21.42

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Chart 1: French aid disbursements to Côte d'Ivoire from 1990 to 2016. (In 2016 U.S. million dollar current prices. Source: OECD database).

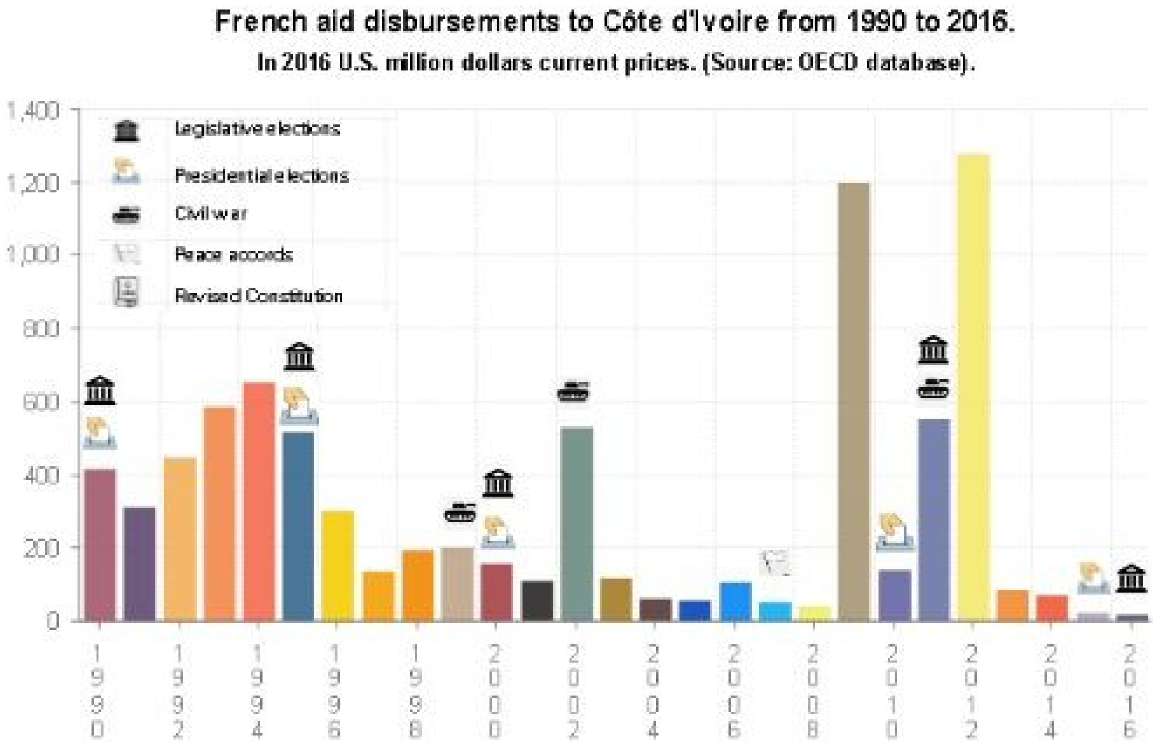

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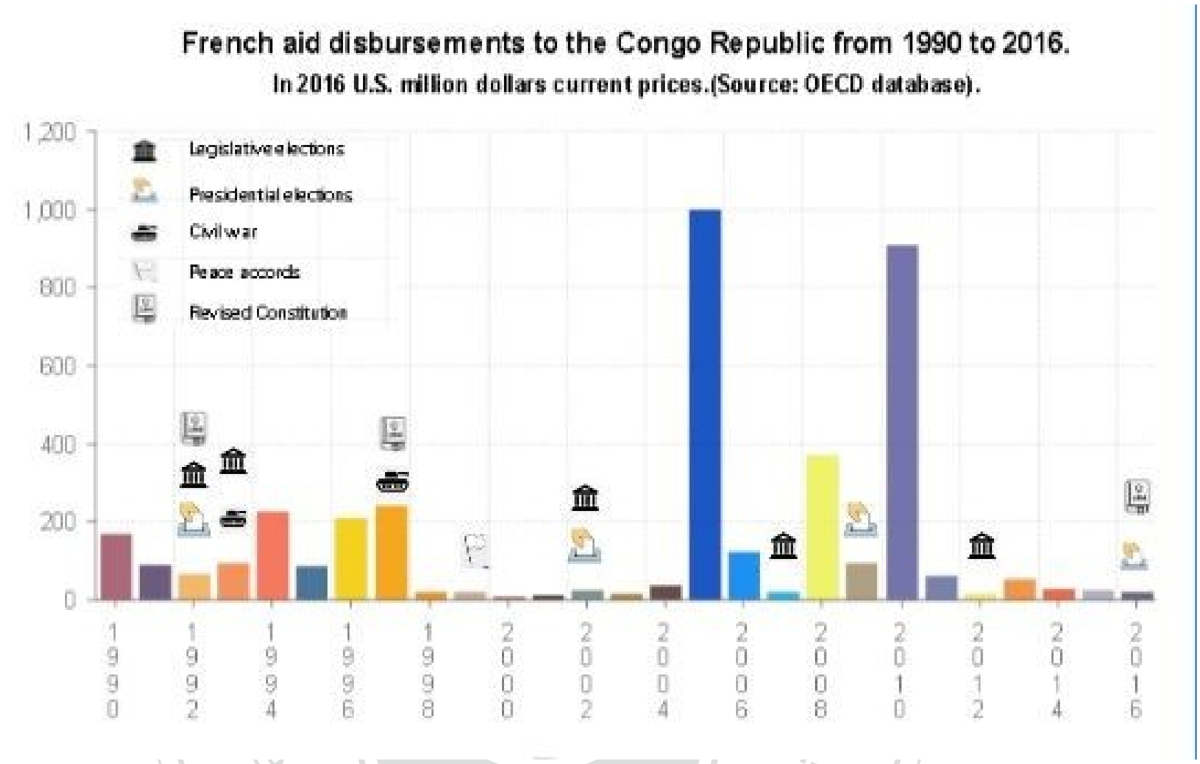
Chart 2: French aid disbursements to the Congo Republic from 1990 to 2016. In U.S. million dollar current prices. (Source: OECD database).



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