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Does the Acronym FCFA Face a Kafkaesque Trial in the CEMAC Region?

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Abstract: *We are wondering about the challenges facing the acronym F CFA in the CEMAC region. These suggest the inevitability of his abandonment, in a context where absurdity, totalitarianism and alienated subjectivity reign: A Kafkaesque universe. For this, we include these challenges in the necessary social contract which binds the issuer of a currency to its users. This contract requires moving from the functional definition of money to its institutional definition. It then becomes possible to discuss the conjecture which sees in this acronym, a colonial vestige mainly in the service of the old metropolis. From analysis, it appears that its meaning has evolved twice; consistent with the evolution of the status of the territories in which the underlying currency was legal tender and liberating power. During the colonial era, it meant Franc of the French Colonies of Africa. With the transition from the French Union to the French Community, he became a Franc from the French Community of Africa. The wish for independence of the territories concerned and therefore the need for a new social contract materialized by the definition of an adequate monetary cooperation framework between the metropolis and its former territories has changed it into Franc of African Financial Cooperation. The breach of contract which is currently requested must, in order to be successful, be made by free choice and be based on factors capable of giving the underlying currency all its legitimacy and value. This is why, in order to depart from the Kafkaesque universe above, we mainly insist on the economic factors to be included in the agenda of this possible evolution, namely: structural transformations, competitiveness, resilience, as well as major reforms to succeed in the financial sphere. The resulting diversification of trading partners will identify and negotiate a currency basket that can reduce exchange rate risk and facilitate the underlying transactions.*

Keywords: *CFA Franc, Kafkaesque trial, social contract, structural transformation, competitiveness and resilience, financial reforms, basket of currencies.*

1. INTRODUCTION

The acronym FCFA means today, Franc de la Coopération Financière en Afrique. It is the acronym for the monetary unit used in the six countries of the Central African Economic and Monetary Community (CEMAC). This acronym which the underlying currency is pegged to the Euro by a fixed exchange rate, is regularly the subject of questioning, sometimes going beyond economic considerations following Vergès[1]. They can be summarized by: (i) a name without status outside the CEMAC area; (ii) recalling the colonial era and; (iii) reflecting the lack of institutional autonomy. This state of affairs suggests the inevitability of its abandonment and somewhat recalls the Kafkaesque environment where predominate the absurdity, the inhumanity of the modern world, totalitarianism and alienated subjectivity: what Marcuse [2] calls one-dimensional man. Like the main character in the unnamed Trial (Joseph K), the acronym FCFA would be insignificant beyond the borders of CEMAC. Likewise, as much the housewives, the priests and the painters judged Joseph K on facts unrelated to the reason for his arrest, this acronym would be called into question for reasons sometimes devoid of any consideration as to its historical development, that, without reaction of those who are at the top of it: the reign of the rational emptiness that induces others as underlined by Heidegger [3], Sartre [4] then Nietzsche [5].

To assess the relevance of these challenges, we must leave the functional definition of money, very restrictive to the economy, to move towards its institutional definition. In the first case, any object generally accepted as a medium of exchange, a measure of value, or a means of payment is considered to be money. In the second case, it is defined as any object accepted by all in exchanges (including its name). The second definition turns out to be broader than the first, because beyond the functions of money, it materializes the necessary social contract between the issuer of it and its users. This implicit contract according to Rousseau [6] stipulates that it is from its freely chosen acceptance that money gets its legitimacy and its value. It requires taking into account the elements likely to lead to its rupture, namely: its origins, its forms, the underlying economic theories, the major political quarrels around it and the crises it has experienced[1].

[1]In relation to its origins, it comes to solve the problem of the double coincidence posed by barter: to identify an individual having the good that one seeks and to be ready to accept that which one holds then, to agree with him on the quantities to be exchanged. According to the scientific consensus in force, the first coins were struck around the 7th century BC. J.C. in the kingdom of Lydia and several independent cities of Asia Minor.

With regard to quarrels, history has counted four, namely: (i) the quarrel between banking principle and currency principle on the rules to be applied to the issuance of banknotes; (ii) the quarrel over the demonetization of metal silver relates to the transition from bimetallism to monometallism and then to the return to bimetallism; (iii) the American quarrel over the renewal of the central bank's

This rupture reflects the transition from the social contract to social constraint; a loss of credibility which should not however be imposed by a minority but, arise from a majority.

The meaning of the acronym FCFA has evolved twice, following agreements likely to serve as a social contract between on the one hand France and the territories or states concerned and, on the other hand, between these states. Like the names of certain currencies such as the French Franc (FF), the acronym FCFA could be expected to disappear. This disappearance should not happen in a Kafkaesque universe as highlighted above. It must be thought through and start from a set of factors that have often prompted it, or even, that should be responsible for it. This is why we dwell on the social contract underlying each of the two changes in meaning of the acronym FCFA. More specifically, we question the inclusion of the current challenge in this logic. For that, we examine on the one hand the factors at the origin of the evolution of the meaning of the acronym FCFA and, on the other hand, the currency being the reflection of an economy, the economic factors on which this evolution could be based, beyond any administrative decision. This approach obliges us to examine the possibility of putting on the agenda of such an evolution, factors such as: structural transformations, competitiveness, resilience, as well as major reforms to be successful in the financial sphere. Such a dynamic would induce a diversification of the trading partners and would lead to identifying and then negotiating a currency basket that can reduce exchange risk and facilitating the underlying transactions.

2. THE FACTORS OF THE EVOLUTION OF THE MEANING OF THE ACRONYM FCFA

Analysis of the history of the Franc Zone to which CEMAC belongs reveals that it has undergone several changes, most often under the impetus of France and therefore the need for France to better control monetary creation in its colonies. This historical development has concerned both the name and the economic relevance of its underlying mechanisms, ranging today to affect the autonomy and even the independence of the central banks concerned. In connection with this article, we are interested in the factors responsible for the two changes that the meaning of this acronym has known.

2.1 The creation of the acronym and the status of the territories concerned

The name CFA Franc dates back to December 25, 1945 with the signing of the Bretton Woods agreements by the French parliament. It then meant Franc of the French Colonies of Africa. Before the Second World War (1939-1945), the Franc Zone, which did not have this name, existed de facto. Indeed, until the middle of the XIXth century, the French Franc was the currency used in the French Colonies. Gradually, in order to better take into account the need to adapt the distribution of credit to local conditions, France has entrusted the privilege of issuing banknotes locally to private banks (Banque de l'Algérie, Banque de l'Indochine, Banque de l'Afrique Occidentale...). These private banks were subjected to increasing control by the French administration as trade intensified between the metropolis and the colonies. The measures related to the declaration of war, in particular the inconvertibility of the French Franc and the introduction of exchange controls in 1939 formalized the existence of the Franc Zone within which the exchange controls was not apply.

In the aftermath of the World War, mechanisms were put in place allowing the exchange of banknotes from the colonies at par with those issued by the Banque de France, establishing the creation of the first Operating Accounts[2]. However, due to inflation caused by the imbalance in French public finances after the war, an adjustment of the French Franc was necessary. This devaluation was, however, differentiated due to the virtual stability of prices in the French colonies: which at the same time required a differentiation of the monetary units in circulation in the mainland and in the colonies. Thus, was born the CFA Franc. By way of illustration, in mainland France, North Africa and the Antilles, the parity has been defined such that one dollar is equivalent to 119.10 French Francs. It was one dollar for 50 francs in the Pacific colonies and one dollar for 85 Francs in sub-Saharan Africa. It thus appears that the value of the CFA Franc in this area was 1.7 times the French Franc. This will then change in 1948 with the revaluation of the French Franc which will increase a CFA Franc to 2 French Francs then, with the entry into force of the new French Franc in 1960, it will return to 1 CFA Franc for 0.020 French Franc[3].

From all of the above, it appears that the Franc of the French Colonies of Africa which had legal tender and

franchise and; (iv) the quarrel over the creation of a unified monetary area in Europe with the currency of the Euro.

Finally, the major monetary crises relate to: (i) banking panic and the underlying systemic risk; (ii) hyperinflation and its economic and financial consequences; (iii) the breakdown of the exchange system with the explosion of the currency board system; (iv) the rupture of the interbank market with the blockage induced by the collateralization of the real estate debt and (v) the gravity of the monetary crises which generally cause a general and immediate collapse of whole swathes of the economy.

[2]They were consolidated in 1955, with the creation of the Issuing Institute of the AOF and Togo and the Issuing Institute of the AEF and Cameroon, which are de facto central banks which replaced respectively to BAO and CCFOM and are linked directly to the French Treasury each by an Operations Account.

[3]This parity will be set at FRF 0.01 in 1994 due to the need to absorb the structural deficits in the balance of payments of the countries concerned.

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liberating power in sub-Saharan Africa[4] aimed to take into account the macroeconomic stability of these colonies compared to the mainland, while highlighting the fact that these colonies belonged well to this metropolis. Far from being derogatory, the meaning of this acronym comforted these colonies by giving more value to their currency. The conservation instinct and even protection that appeared there should rather be considered at that time, as a parameter of the social contract that was offered by the metropolis to these colonies. The value of the CFA Franc encouraged adhesion to the contract and, the acronym CFA made it possible to maintain the social link between the metropolis and its colonies this, until the beginning of the year 1958 with the transition to the fifth republic.

2.2 The transition from French Union to the French Community and the evolution of the meaning of the acronym FCFA

With the advent of the fifth republic[5], the constitutional law of June 3, 1958 entrusts to the government De Gaulle the mandate to establish a draft constitution allowing among other things "to organize the relations of the Republic with the people which are associated to him (...)". This mandate is embodied in Title XII of the French Constitution of October 4, 1958. This provides for the creation of a Community within which "the States enjoy autonomy [...], administer themselves and manage their own affairs democratically and freely". On the other hand, "foreign policy, defense, currency, economic and financial policy, that of raw materials, the control of justice, higher education, distant communications, will constitute a common domain". It is thus a federal institution. Going further, this new constitution in its article 76 leaves the latitude to the overseas territories to choose between: (i) to keep their statute; (ii) become an overseas department (that is, be integrated into the Republic) and; (iii) become a member state of the Community (i.e. gain autonomy).

This evolution is consecrated in terms of currency by that of the meaning of the acronym. The Franc of the French Colonies of Africa then becomes the Franc of the French Community of Africa. A new social contract has de facto been established which takes into account, in terms of acronym, the concern to materialize the political association between France and its colonial empire then in the process of decolonization. Socially, the colonies received a little more recognition and began to take charge of their own affairs. However, these responsibilities will be deemed insufficient by Africans who will, to signify it, refuse to give the Community a real life. Indeed, they believe that under the appearance of equality, it restricts the sovereignty of its members and reaffirms the primacy of France, by inscribing in the "common domain" fundamental sectors such as foreign policy, defense, currency, economic policy, and control of raw materials. These elements according to them should fall under the control of any State. The Community lapsed in 1960 as a result of the choice of the "independence" clause which had been proposed to the former colonies[6] and, therefore, the social contract embodied by the acronym FCFA was broken.

2.3 From the autonomy to the independence of the old territories and the evolution of the meaning of the acronym F CFA

As pointed out above, the former colonies did not accept the constraint of leaving the management of key areas of their economies to the community authority. Relying on the choice left to them to leave or stay in the Community, it was a question for them to decide on the terms of their departure, in agreement with the mainland. Indeed, this metropolis remained the main trading partner of the countries concerned, both for the export of raw materials from these countries and for the import of their finished or semi-finished products, and sometimes of basic necessity. It was therefore a question of defining a stable and secure framework for trade, by reducing its exposure to the uncertainties of foreign trade. In other words, it was necessary to guarantee the stability of the base of trade, namely money. Thus, the outlines of a new social contract are defined, which, if it aims to secure trade, concerns more money and, in general, financial operations. This is the subject of the signing of monetary cooperation agreements between France and the CEMAC States on the one hand, and between them on the other. Equatorial Guinea will join them in 1984. In the process, the acronym FCFA will abandon the meaning of Franc of the French Community of Africa to take that of Franc of Financial Cooperation in Africa.

The new social contract above includes two features never encountered in the context of anchoring to a strong currency. These are the Operating Account agreement and the consultation with France. The Operating Account is a current account opened with the French Treasury in the name of the BEAC, remunerated and offering the possibility of an unlimited overdraft. It operates according to the convention concluded between the French Minister of Economy and Finance and the representative of the BEAC. Its purpose is to make possible the implementation of the four principles on which monetary cooperation between France and the CEMAC States is based, namely: (i) the unlimited convertibility guarantee of the CFA Franc by the French Treasury (ii) the fixed parities, ensuring that the currencies of the Franc Zone to which CEMAC belongs are convertible to each other, at fixed parities, without limitation of

[4] In Saint-Pierre-et-Miquelon and in North America as well.

[5]he Fifth Republic is the republican political regime in force in France since October 4, 1958. It succeeded the Fifth Republic, established in 1946. It marks a break from the parliamentary tradition of the French Republic in the desire to strengthen the role of the executive.

[6] However, it was not until 1995 that the constitutional provisions concerning it were officially and definitively repealed.

amount; (iii) free transferability within the said zone and; (iv) the centralization of reserve assets[7] at two levels, with the BEAC and then, in the Operating Account.

An economic operator wishing to settle his transactions (imports / exports) with the outside can either use the foreign currencies he would have, or rely on his bank which has the choice between contacting his correspondent (correspondent account) or requesting a transfer via BEAC. In the first case, it is the balance of foreign currency assets with the correspondent which is hectic, while in the second, it is the Operating Account which is hectic at the request of transfer from the BEAC. In the latter case, the share of reserves in the Operating Account no longer meets the 50% constraint set since 2009; it is then a question of replenishing it via the Special Leveling Account. In short, the ceiling of reserves likely to be held in the Operating Account is 50%, beyond which, the excess is housed in the Special Leveling Account which can, when the share falls below 50 %, be eventful in compensation. The Special Leveling Account is, like the Operations Account, opened with the French Treasury for the BEAC. According to article 2 of the Operating Account agreement, it is intended to receive the additional reserves beyond the quota, if the BEAC cannot use them elsewhere. It also and above all, makes it possible to have a buffer enabling this quota to be reduced to 50%. Unlike the terms of remuneration of the Operating Account, his are less important.

However, the reserves centralized by the BEAC in the Operating Account are those held by this institution and not those relating to the accounts of correspondents. The share takes into account, in the denominator, all the reserves in the area. It thus appears that the conservation measures provided for in Article 11.2 can be triggered when individuals in the area have enough foreign exchange reserves. This is the case when in 2016, the Bank for International Settlements reported that the reserves held outside the Operating Account amounted to 4,000 billion, enough to distance the UMAC from the nominal anchoring constraint indexed to the coverage rate. This state of affairs ultimately raised the question of their availability and controllability. Article 2 of the Operating Account agreement provides for a combing procedure when the assets in the Operating Account fall below the quota, but the latter has proved ineffective due to numerous blockages encountered with public and private holders of reserve assets. This is, moreover, what justified the implementation of a new exchange rate regulation. This ensures the availability and controllability of reserves in Title I, Article 38. Thus, sanctions have been instituted with a view to avoiding the prolonged detention of large volumes of reserve assets, both by individuals and by local banks with their correspondents.

3. THE ECONOMIC FACTORS WHICH COULD IN THE LONG TERM STIMULATE AN EVOLUTION OF THE DENOMINATION OF THE CEMAC CURRENCY

Based on the principle that the currency of a country is more a reflection of its economy, we focus on economic factors which could induce a change of the denomination of the currency having legal tender and liberating power in CEMAC. In other words, long-term structural transformations. Competitiveness and resilience, structural reforms in the financial sphere and the identification and negotiation of a currency basket are thus analyzed.

3.1 Increased competitiveness and resilience of the economies concerned

Integration into the world economy presupposes the availability of reserve assets[8] allowing to settle transactions with foreign partners. These assets are the fruit of the country's international sales in a competitive environment. It is therefore a question for the long-term viability of this country, to maintain or even to improve durably its international market shares. Likewise, it must ensure that domestic sales are not foreclosed by external competition. Competitiveness since it is a question refers to the capacity of an economic sector, a territory (country, economic basin, etc.), a company, to sell and supply one or more goods or services in the long term. merchants on a given market in a competitive situation. It is assessed through the dynamics of market shares. It results from the ability to be attractive in terms of prices, to regularly offer innovations and additional services. It mainly depends on (i) production costs and logistics; (ii) the formulation of products and services; (iii) positive externalities and; (iv) favorable macroeconomic factors.

Concerning the CEMAC economies, it is difficult to consider these as being competitive [7]. The foreign exchange reserves which they accumulate result more from the exports of raw materials whose prices they cannot control as pointed out by Mvondo [8]. Better still, local consumption is more oriented towards imported products, helping to erode the stock of reserve assets. Faced with such an observation, the strategy aimed at increasing competitiveness should

[7]Ces avoirs sont composés des encaisses-or, des billets et monnaies Zone Franc, des billets déplacés non triés, du solde créditeur du compte d'opérations, du solde créditeur des comptes des correspondants, des autres créances et avoirs en devises, des avoirs en DTS et, de la quote-part en devises.

[8]According to the IMF's Sixth Balance of Payments Manual (2009), reserve assets are external assets intended to: (i) meet balance of payments financing needs; (ii) intervene in the foreign exchange markets in order to influence the exchange rate and; (iii) other related needs such as creating confidence in the currency and in the economy or, guaranteeing loans abroad. For this, they must be immediately available and under the control of the Monetary Authorities.

have two orientations: locally and internationally. At the local level, it would be advisable to move towards a diversification of the productive base, coupled with the creation of value chains, pledges of a diversion of trade and therefore a less erosion of reserve assets due to a rigid import structure. In the same vein, industries still in their infancy could consolidate and, beyond the price aspect of competitiveness, slip into the meshes of the quality aspect. This dynamic could only better integrate the economies concerned internationally, with the advantage of improving their resilience.

The resilience of an economy or economic zone is understood as its ability to quickly overcome economic shocks and disruptions. It can also be seen as its capacity to resist shocks, which supposes that economic agents are rational and can therefore anticipate these shocks before their occurrence. In the contemporary world and in relation to the CEMAC economies, four types of shock are often documented: (i) oil shocks; (ii) climatic shocks; (iii) social crises and; (iv) financial shocks. Oil shocks are those which suffer the most from the economies of the area, both for their regularity and their magnitude. This is due, on the one hand, to the importance of oil revenues in export earnings (84%) and, on the other hand, to the lack of control over the underlying prices. Climate shocks are slightly more predictable and generally only affect one country at a time. As for social crises, their origins are diverse, ranging from the political sphere to questions of well-being: this is the case with the hunger riots in 2008 and certain political transitions. Although sometimes having far-reaching effects, only one country is generally affected at a time. Because of the embryonic nature of its financial system, CEMAC suffers very much from this type of shock and only feels the effects indirectly, like the subprime financial crisis.

3.2 The implementation and success of major structural reforms in the financial sphere

Some studies (see Nubukpo [9] and Tinel [10]) on the exchange rate regime in force in the CEMAC[9] have indexed it as responsible for the low level of indicators of financial deepening in the area. This reasoning is based on rates of accumulation of reserve assets sometimes akin to currency board schemes, and postulates the use of these for the granting of credit in order to support growth in the zone. At first glance, using reserve assets to support growth may seem somewhat devoid of economic foundation. Indeed, these assets were the subject of credit in the accounts of those who sold them to the central bank on the one hand and, on the other hand, the financial intermediation activity (risk division and transformation of due dates) is the prerogative of commercial banks and not of the central bank. The latter is content with ensuring the refinancing of a proportion of the credit granted by the commercial banks, on the basis of the collateral presented by them and, over a generally short horizon. It is at this level that reserve assets can be mobilized indirectly. In fact, the variation of one item of counterparties to the money supply (in particular loans to the economy)[10] induces, under the assumption of the latter's consistency, a variation in the opposite direction from another item. Thus, an increase in credits to the economy could result in a proportional decrease in net foreign assets, due to the extrovert nature of the economies concerned [11].

However, the above mechanism is struggling to get started, mainly due to many pitfalls in the financial sector as pointed out by Mvondo [12]. Among other pitfalls: (i) banking segmentation with consequent excess liquidity induced by certain banks in the system; (ii) mistrust of the interbank which results in an insufficient volume of interbank transactions; (iii) the nature of the collateral which increases the risk premium and keeps the lending rates at very high levels, notwithstanding the low level of the central bank's key rate; (iv) the industry structure of the area with a strong dominance of small and medium-sized enterprises or industries that make more use of self-financing (70%) and; (v) the embryonic nature of the financial markets with a very low market capitalization (It is expected to 10% in 5 years) and a public securities market which needs to be boosted in certain countries. All these pitfalls, beyond the risks that they can induce (in particular inflation for excess liquidity) have as main consequence, the dilution of the impulses of monetary policy to the interbank. This is what justifies the reforms in this sector undertaken by the central bank and the states in the area.

On the strength of all of the above, the BEAC has reformed the system for developing and implementing its monetary policy. It was a question of providing it with a theoretical framework conferring more flexibility and in coherence with the current developments then, to take into account the endogenous character of the demand for money, induced by the impact of exogenous shocks on inflation: the autonomous factors of bank liquidity (FALB)[11] approach. This approach consists in

[9] It is a regime that is not like a standard fixed exchange rate regime, much less a floating exchange rate regime. It is a system of anchoring by the assets of reserves (see Convention of account of operations) from which the central bank draws its regulating power from the exchange regulations which induces an imperfect mobility of capital and the flexibility induced by the principle of the currency's external coverage rate.

[10] According to the identity M2 = AEN + CI + APN.

[11] This is a result of the finding of the break in the link between the key rate and inflation via the money supply, due to the instability of the cash holdings that economic agents want to hold for their transactions or even speculation. This instability is often the consequence of exogenous shocks that impact inflation, which in turn comes to vary the demand for money: it is said that money is endogenous because it is determined by inflation and therefore the entire system. In this case, it is recommended to abandon the control of the monetary base for the control of interest rates [13].

determining on a weekly basis, the amount of injection / liquidity drain capable of maintaining interbank rates around the key rate determined for three months, by preventing them from leaving a corridor defined by its marginal loan and deposit facilities. This action on interbank rates should then have repercussions on short rates, then long rates, driven by the arbitrations made by financial agents based on monetary policy guidelines: a tightening of monetary conditions announces future inflationary pressures and vice versa, hence raising / lowering short and long rates. Other measures concerned the information system with the setting up of risk centers and payment incidents, the credit bureau, the overhaul of the collateral (Negotiable debt securities and repo delivered). They will be complemented by actions aimed at defragmenting the banking sector and cleaning up the treasury of certain banks, as well as the merger of the two value exchanges in the area.

3.3 The ability to identify and then negotiate a viable currency basket

The gains in competitiveness and the impact of major structural reforms will undoubtedly impact the trade structure of the area with the outside world, and even within it. These changes will affect both the quality of the products exchanged, their quantity and the trading partners. It is therefore logical to envisage the appearance or the disappearance of certain currencies likely to integrate the currency basket that could currently adopt the area. This basket would be seen as a grouping of different currencies to produce a fictitious unit, which then constitutes a common reference value[12]. Its main objective is for the economic operator to reduce the exchange risk in transactions involving several currencies. For the zone, it would also be the ability to use it to influence the exchange rate with other currencies or even maintain confidence in the domestic currency.

The current trade pattern of CEMAC countries highlights three currencies, whether one considers transactions in goods and services or financial operations like capital movements or debt. These are the Euro, the Dollar and the Yuan. Thus, in terms of trade and, taking into account the country's weight in these, the Euro would weigh for around 45.24%, the Yuan for 31.56% and the Dollar for 23.2%[13]. In terms of capital flows, the Euro is estimated to be around 46.08%, the Yuan 14.46% and the Dollar 39.47% following Fya [14]. In any event, the Euro remains dominant and the Dollar would come in second. However, two pitfalls are worth highlighting: the robustness of the double weighting carried out and the optimal weight of each currency retained in the basket. Thus, the robustness of the weights obtained can be discussed, in particular with the structural changes that would result from a subsequent diversification strategy: this is perhaps why it is recommended that they be revised every five years. Similarly, in the presence of a persistent external shock and, taking into account the structural deficits in the area's balance of payments, the determined basket could only delay the realization of the constraint on external reserves. To guarantee the sustainability of the system, we must generate as much foreign exchange as we spend on imports, or act on the preferences of economic agents and the quality of products so as to divert consumption towards domestic goods.

It thus appears that the viability of the basket to be selected is dependent on the competitiveness and resilience of the economies concerned. However, the identification of an optimal basket is not sufficient in itself for the implementation of it. There is also and above all a political question concerning its negotiation. Indeed, the choice to go to a basket translates in other words the denunciation of the monetary cooperation agreements between France and the CEMAC countries. As these agreements therefore become obsolete, the unlimited convertibility guarantee would fall because the Euro would no longer appear as the only currency capable of recognizing the CFA and, in turn, the BEAC would keep stocks of other units in front of it currency. It would then impose negotiations at three levels: (i) with France to establish new agreements; (ii) with other countries for the same type of agreements and; (iii) with each of these countries to determine the conditions under which the new currency would circulate in these economies and vice versa. It is therefore understandable that the Franc of Financial Cooperation in Africa should give way to another name to materialize the agreements with the other three countries.

4. CONCLUSIONS

From all of the above, it appears that the currency having legal tender and liberating power in the CEMAC has changed its name twice. Better still, this change was driven each time by the metropolis for well-known reasons: Bretton Woods agreements, better organization of the relations with the associated peoples then, obtaining of the statute of independence by the old colonies. This development was made in connection with two major facts. The first fact effectively shows that money is a social fact because, encompassing both economic and sociological aspects; it thus becomes one with the institutional definition of money. The second reveals that the acronym FCFA has always been maintained during the name changes. Was it a real desire or an inability to agree on a new acronym? This is unfortunately what may be at the origin of the claims considering that it conveys elements of a past considered not very glorious. In any

[12]The external value, i.e. the conversion rate into other currencies, is no longer calculated separately for the individual currencies but for the basket of currencies as a whole.

[13]The data used come from the United Nations base on international trade and the double-weighting method was chosen.

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event, the abandonment of a denomination must be conceived as arising from a natural logic of the mutations around it and have a dynamic that can be read by all. This logic, different from the absurdity, totalitarianism and alienated subjectivity that could see the light of day with the FCFA today, give it all its legitimacy and value. Indeed, the impact obtained in the Kafkaesque case would be more a matter of pride than of the economic because, it is not said that the currency is more seen as the reflection of an economy than the reverse.

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