French Support for Structural Adjustment Programs in Africa

ERNEST J. WILSON, III*
University of Maryland, College Park

Summary. — The French government's support for economic reforms in Africa has differed in the past from the programs of the United States and the World Bank. France's interventionist past and its socialist policies of the 1980s meant resistance to forcing market solutions on African countries. By the end of the 1980s, however, most donors converged in their support for structural adjustment, including France. Some key differences do remain, especially in privatization, agricultural policy, and in attitudes toward aid conditionality. The article includes an appendix describing the main agencies of French foreign assistance.

1. INTRODUCTION

This article analyzes French bilateral economic assistance to sub-Saharan Africa. It concentrates on France's attitude toward and use of structural adjustment lending, and how the French approach to adjustment lending differs from or resembles those of the World Bank and the United States. While our focus is on economic liberalization, these reforms are thrown into high relief by the popular pressures for political liberalization now resurgent in so much of francophone Africa. The combination of economic and political liberalization is radically challenging France's traditional ties to its former colonies.

While some factors pressed France to embrace the new international orthodoxy of economic reform and structural adjustment, others prompted it to resist. Certainly, the long-standing French tradition of rigorous state intervention into the economy, combined with a socialist government under François Mitterand, are two reasons to expect France to resist forcing economic liberalism on its client states. On the other hand, by the early 1980s the former empire was increasingly expensive on its own terms as budget deficits worsened, and in light of the costs of supporting poor Africa while perhaps missing opportunities to advance French economic and strategic interests in Eastern Europe and Asia. This article will demonstrate how these contradictory imperatives — a strong desire to maintain traditional French ties to Black Africa, versus the growing expense of the old empire — were worked out in practice. Moreover, by directly analyzing French economic development assistance in a time of great change, we hope to make a contribution to the increasingly important debates on the future of the French–African relationship.

2. FRANCE'S LONG-TERM INTERESTS IN AFRICA

The general facts of France's relationship to Africa are well known. France was the colonial master of 16 countries in sub-Saharan Africa, and it retains extremely close ties with them today. France has also extended its influence to other African countries, particularly former Belgian and Portuguese colonies.

*The author wishes to thank Michael Aliber and Richard Romero for their research assistance in the preparation of this article. I also wish to thank the many colleagues who shared with me their insights and information, including colleagues in the Ministère de Coopération, the Caisse Centrale and the Trésor in France; US Agency for International Development; The World Bank and the International Monetary Fund in Washington; and the officials in French and American assistance offices in West Africa, as well as numerous African officials. The following were especially helpful with comments on the article: Daniel Bach, Jean François Bayart, David Gordon, Patrick Guillaumont, Zaki Laïdi, Carol Lancaster, Pierre Landell-Mills, Nicolas van de Walle and Crawford Young. I alone am responsible for any errors of fact or interpretation. Final revision accepted: April 29, 1992.
France's economic links with African countries occur on several levels. In 1987, for example, African countries collectively accounted for $5,725 m of French exports (constituting 18.8% of exports to developing countries, and 3.9% of exports overall) and $4,201 m of imports (15.9% and 2.6% respectively).  

Second, Africa is an important target of French foreign private investment, though levels have fluctuated (generally downward) over the course of the 1980s. Estimates of direct investment flows for 1987 range from 469F m, comprising 11% of France's global direct investment, to 1F bn.

Third, sub-Saharan Africa is by far France's largest aid recipient, and France is Africa's largest donor. Estimates of France's assistance to sub-Saharan Africa as a share of all of its development assistance range from about 49.7% to over two-thirds. Meanwhile, in 1985–86, 16% of all (bilateral and multilateral) aid flows to sub-Saharan Africa originated in France, while France provided almost 30% of bilateral flows from Organization for Economic Cooperation and Development (OECD) countries.

Fourth, France is actively engaged in shaping the fiscal and monetary policies of most former colonies by means of the franc zone, which comprises the seven states of the West African Monetary Union (UMOA) and the six states of the Banque des Etats de l'Afrique Centrale (BEAC) grouping. Among its many functions, the franc zone assures the free convertibility of the CFA franc with the French franc at a fixed rate (see section below).

Finally, the whole is greater than the sum of these parts. In the post-war years France has constructed its modern strategic identity and global power position around two salient elements. One is the independent nuclear “force de frappe” that it maintains autonomously from (but coordinated with) NATO. France's second strategic factor is the influence it continues to enjoy with the francophone African countries, which that its own economic weight would suggest. These economic and strategic ties between France and Africa, in addition to their cultural links, render the relationship quite complex and intense.

3. THE CURRENT FRENCH POLICY SYSTEM FOR FOREIGN ASSISTANCE

There is a remarkable absence of English language scholarship on the organization and functioning of the French foreign assistance system. This puts the reader at a disadvantage as we try to analyze and evaluate the French system and contrast it with others. Understanding changes within and between institutions as the Mitterand government slowly shifted its strategy toward Africa, is essential. Therefore in Section 5 we provide a description of the institutional arrangements and responsibilities of the leading agencies. It provides both a general baseline and a sense of the institutional dynamics that occurred in this crucial area during 1980–90.

In brief, the major actor in the French foreign assistance system has traditionally been the Ministry of Cooperation and Development (Ministère de la Coopération et du Développement). It usually takes the lead in formulating and implementing French political, cultural and diplomatic policy toward Africa. Under the Ministry is the Aid and Cooperation Fund, the principal instrument through which Ministry policies are implemented. Somewhat autonomous from the Ministry, it is guided by an interministerial committee.

The two leaders on the strictly economic development side of French assistance, which especially interests us here, are the Central Bank for Economic Cooperation (the Caisse Centrale de Coopération Economique, or CCCE) and the French Treasury (Tresor). The CCCE is a unique kind of development bank with no US or UK parallel, that funds both public and private sector projects. The Treasury is the cornerstone in the overall French national economy with growing influence in the development assistance area. When the French government discusses debts, subventions and private sector aid, the Treasury is present. The Treasury also manages the French monetary zone, or franc zone, in which African members' currencies are backed by guaranteed convertability to the French franc. As economic issues grew in importance in the 1980s, so did the authority of the CCCE and the Treasury just as the power of the Cooperation Ministry declined. Indeed, much of the development of French policy in the 1990s is reflected in and partly caused by the shift in influence among a variety of French public and semi-public institutions.

4. FRENCH POLICY AND PROGRAM ORIENTATIONS

(a) Origins and evolution of french adjustment lending

“Structural adjustment” has become over the course of the 1980s the premier concept and professional code word in the practice and
analysis of economic development. Originally popularized by the World Bank and the International Monetary Fund (IMF), this term refers to efforts by countries to adjust their domestic structures of production and distribution to become more efficient and more consonant with the current international division of labor. Initially viewed as a way to rebalance a country's international disequilibria (trade imbalances and debt obligations especially), it now refers to a two-step package of interrelated reforms. In the first step, stabilization, government tries to get proper price signals in place through such means as reducing price controls, cutting government spending, and reforming the exchange rate. Once these measures have been taken and the economy is more responsive and flexible, government can begin reallocating resources from non-directly productive uses to activities that are directly productive, i.e., from consumption into production. In effect this means shifting sectoral priorities and reforming and privatizing public enterprises.

This two-step policy package was widely and correctly viewed as the preferred remedy of the Bank and the Fund for the highly statist, inflationary, low growth economies of the Third World, and especially those in Africa. This package evolved in the late 1970s and early 1980s. We argue that like the United States and the World Bank itself, France moved from a general orientation unfamiliar with and often opposed to reform and structural adjustment, to one that openly embraces reform in Africa as a new imperative. The French opposition was especially strong because of France's traditional statist orientation and because of the policy preferences of the government in power — the socialist government of François Mitterrand.  

What was the pace and sequence of the acceptance of structural adjustment as an element of French foreign assistance? The eventual acceptance of adjustment and reform was halting for the country as a whole, and uneven across French assistance institutions. It is widely accepted in France that the first institution to embrace reform was the Treasury and the Ministry of the Economy and Finance (and thus the President's Office i.e., the Elysée) as the preferred channel to dispense political and economic support to their friends in Africa. According to interviews in Paris, Cooperation as a whole was quite wary of the political repercussions of imposing structural adjustment.

The Ministry's staff nonetheless did not have homogeneous views. There were some longstanding advocates of reform and adjustment lending even here. Many technocrats were of the opinion that adjustment lending could serve to distance French aid flows from the political and commercial interests that compromised or diluted them.  

It is not possible, as it might be with the World Bank, to assign a precise date when France fully bought into the idea of adjustment and reform. Some, such as Zaki Laidi, argue that the Ministry of the Economy and Finance (and thus the Treasury) was already on board in the late 1970s and into 1980. Laidi notes that one of the first structural adjustment loans was made to Senegal in 1980. He argues that by 1980 African countries' poor economic performance had already convinced Economy and Finance that basic reforms were needed. On the other hand, one could argue that the shift did not fully occur until later, perhaps 1983-84. This seems to be the period by which Cooperation had evidently endorsed adjustment lending at the rhetorical level, and was to begin shifting its spending accordingly (see below). These unsynchronized
but eventual shifts can be recognized in communications and speeches by ministers and other senior officials to their French colleagues, and in their presentations in international forums, including addresses to World Bank and European Economic Community (EEC) meetings.

Part of the difficulty, of course, rests on differing choices of the indicators — does one take the first admissions of the Treasury, or the last ditch efforts of Cooperation or others to oppose the economic reform framework of the World Bank and the Americans? Another problem is that agencies may mean different things by adjustment lending, and may alter their own definitions over time. The data reveal the growing use and importance of adjustment financing overall, but are somewhat ambiguous when used to compare one agency to another. While the CCCE devoted 3% of its loans to structural adjustment in 1978 and 1979, by 1983 its allocation to structural adjustment was already close to 17%. After 1983, this share remained more or less constant (if one includes also the so-called “prêts spéciaux”). On the Cooperation side the Concours Financiers, which are ostensibly the grant counterparts to structural adjustment loans, showed no discernible trend during 1981–86 — averaging around 15% of Cooperation’s total development assistance — but increased thereafter to about 20% by 1989. The question one must ask is whether, particularly for the early 1980s, these transfers are appropriately described as adjustment financing. They were largely used simply to subsidize client state bureaucracies and pay civil service salaries, without any reforms or adjustments necessarily required or performed. The higher initial values of the share of “adjustment financing” in the Ministry of Cooperation versus the CCCE’s (14 versus 9%, for 1981) should therefore not obscure the probably more rapid acceptance of “true” adjustment financing by the latter.

The Treasury’s acceptance of structural adjustment is even less revealed by the data, since its only direct intervention in this area (10% of its loans to nontraditional countries) is relatively unimportant. Its “indirect interventions”, however, through its advisory role in other agencies, through its guarantees on the CCCE adjustment loans, and through its balance-of-payments support vis-à-vis the franc zone, are quite important.

(b) Comparisons with the World Bank and the United States

We would argue that by 1985 the imperatives for reform were widely recognized in the assistance systems of France and the United States, and that new programs were being developed and new monies set aside in both Paris and Washington. By the end of the decade there was probably 80–85% agreement on the broad outlines and many of the specifics of structural adjustment lending. We identify four key elements of agreement. (The following analysis is based largely on interviews in Paris, Washington and in Africa.)

(i) Points of agreement

First, the extremely poor economic performance of Africa warranted a new and innovative approach to economic assistance. For France, this was especially acute due to the concentration of its assistance to Africa — much of which was in loans. Second, there was also a special and urgent need for a new macro perspective and framework to complement the more micro-level approach of the CCCE and the Ministry of Cooperation. It was now judged insufficient to look only at project design or the rehabilitation of a single enterprise without considering the broader economic policy environment in which it would operate. The assistance experts saw that excessive ministerial controls and warped price signals would doom even a well-designed project.

In addition, the bilateral aid agencies began to accept the lead position of the IMF and the World Bank in setting the framework and many of the conditions for economic reform in less developed countries (LDCs). Bilateral reform programs would be designed, more or less, in concert with the Fund and the Bank. This implied more of a “united front” of donors than had existed heretofore. This “united front” has been more and more frequently manifested in UNDP-sponsored “Roundtables” and Bank-led “Consultative Groups,” which bring donors and a recipient country together for policy dialogue.

Fourthly, the need to impose some conditionality on the aid and loan recipients to get governments to implement reform measures was a critical point of agreement. Foreign assistance would now be used to gain leverage over African government economic policy, particularly so as to make them liberalize their economies. Despite the frequent public declaration of their opposition to conditionality, the French have often, and for several years, made their structural adjustment loans contingent upon prior arrangements with the IMF or the World Bank, as suggested above.

Finally, bilateral donors recognized the need
to develop new kinds of expertise and (to a lesser extent) organizational adjustment within their assistance institutions in order to design effective programs to achieve goals outlined above.

These major points of agreement constitute, we would argue, roughly 80–85% of the core elements of structural adjustment lending and reform.

(ii) Points of disagreement

Beyond these important points of convergence, there remain today important points of disagreement between the French and other donors (especially the Bank and the United States). We want to stress here that the differences we identify occur at the margin of a broad area of shared agreement. We want to suggest different nuances of interpretation, project design and, especially, the evaluative criteria employed by France and other donors. Our findings suggest that different actors bring different "standard operating procedures" (SOPs) to the same kind of situation. These different SOPs relate to the a priori predispositions of how the analysts and policy makers choose to define a problem, or the unit of analysis, or the set of feasible actions.

These differences lead to different policy orientations, different policy preferences, and different policy outcomes, and thus have led to occasional conflicts between the French and other donors. In some instances differences are reconciled; sometimes, the differences persist, but are tolerated, even as one donor's policy may undercut another's; or at the extreme, France, the World Bank or the United States will back out of a program or a project altogether.

While it is impossible to fully separate policy conception from policy implementation, it is useful to try to distinguish between the two as we compare and contrast French and non-French approaches to policy reform in Africa. Differences at the level of policy conception include the following elements.

Not surprisingly, French foreign assistance officials remain skeptical of the automatically salutary effects of the market. World Bank and US officials are much more likely to assume that markets have an automaticity, that they will work in practice as in principal, and that macro-changes will probably have the desired impact at the micro level, and vice versa. Reforms through price increases will draw out new production. "Getting the exchange rate right" will enhance exports. French analysts and practitioners seem less convinced that cetera are always pariba in African economies.

These differences are revealed in the kinds of "war stories" that the two groups like to tell. Bank and US officials will often tell stories of market successes, of liberal reforms that worked, and of quaint if exaggerated French opposition to them. French officials are more likely to refer to cases where the Bank recommended a price increase and the desired demand or supply effect failed to occur. According to several CCCE officials, government price increases in Madagascar did not automatically lead to higher export earnings because the local infrastructures (especially the ports) were so poor that products could not be moved effectively.

The conventional wisdom is that French economists excel in microeconomic analyses but are less well versed in macro. Interviews in the assistance agencies on both sides of the Atlantic seem to confirm this popular conception. The World Bank conversely is seen as an agency that relies heavily on macroeconomic analyses. French aid officials admit that over the past several years they have had to build up the macro side of their organizations (as did USAID). At the same time, the CCCE staff criticize their World Bank counterparts for their lack of detailed understanding of the nuts and bolts of particular development projects.

The Bank's predisposition for macro adjustments is revealed in its initial preference for undertaking structural adjustment loans (SALs) before proceeding to sector adjustment loans (SECALs). The Bank's rationale is that SECA Ls in questionable macroeconomic environments are not appropriate.

For its part, the World Bank has also shifted a bit in the direction of the French, if not in redefining the "starting point" of adjustment, then in the amount of relative attention to sectoral reform once macroeconomic reform is underway. Taking all regions together, SECALs now outweigh SALs. Moreover, the Bank now engages in "hybrid" loans, which are essentially sectoral loans which target particular domains in preparation for investment in those domains, or which incorporate an investment component. These hybrid loans strongly recall the original French conception of adjustment interventions, which were explicitly designed to complement existing or future investments.

French staff in the field and in Paris stress the importance of mastering the economic, political and institutional details of the local context well before trying to design a structural adjustment program. This holds for a particular institution — for example, an industrial enterprise in a given country; and for the country as a whole. The CCCE feels that, within the francophone subgroup of countries in which it is active, it has the best technical expertise for project work.
ior to that of the Bank. They complain that the Bank practice of flying in a team of “experts” to prepare a quick report, and then flying them out again, does not permit them to gain the kind of profound understanding needed to design an effective and realistic adjustment program. This criterion of “knowing the local context” in order to do structural adjustment plays well to France’s advantage in francophone Africa. The French have been in francophone Africa longer than the Bank, and they maintain sizable teams of experts in-country.

One of the major points of disagreement between French and “Anglo-Saxon” policymakers is the advisability, rhythm, hardness, and sustainability of aid conditionality. By conditionality we mean tying foreign assistance or loan disbursements to recipient government performance on criteria established by the donor. Recipients must meet the criteria or the donors may block future disbursements.

As a general proposition the French express considerable skepticism about the approach the Bank takes to conditionality. They insist that the long shopping list, or “Christmas tree” method of tying disbursements to as many as 100 performance measures is both unrealistic and counterproductive. Better a few well-chosen and unambiguous conditions, than 100 smaller, less visible ones.

Respondents report that initially there was major resistance to the very idea of conditionality in Paris; it was felt that pressure bordering on blackmail might prove counterproductive, risking damage to France’s amicable relationship to its partners, and to the very spirit of “cooperation.” One official cited with some pride France’s previous record of assistance to Marxist-Leninist and liberal governments alike. The French have also been more sensitive to (and did much to publicize) the “ownership” question, that is, the idea that reforms are likely to succeed only if recipient governments take part in designing them, rather than having the reforms designed and imposed from without.

Nonetheless, there has been considerable convergence from both sides as to the proper use of conditionality. Today, the French engage in some tough conditionality of their own, as with their agreement to help restructure the airline Air Afrique. If not elaborating its own set of conditions, the French government frequently makes its adjustment assistance contingent upon the recipient country having a prior arrangement with the Bank or the Fund.

The Bank staff, for its part, seems less certain today of the need for or desirability of hard and detailed conditionality provisions. It was not however, the force of French ideas and rhetoric that persuaded the Bank to relax somewhat its conditionality terms. Instead, it was the press of adverse circumstance, the failures of many of the original Bank adjustment programs, that led to a kind of independent discovery of the limits of hard conditionality. It appears that the impact of French thinking on the international debate about the merits and demerits of structural adjustment and reform has been surprisingly modest. UK, US, Latin American, and other scholars have been much more influential than the French.

The role of the franc zone continues as a source of friction. French assistance officials continue to deny that a devaluation of the CFA franc is necessary, while many World Bank and IMF staff maintain their conviction that in the absence of a devaluation adjustment is many times more difficult. The resistance to devaluation is predicated on the rationale that the bulk of Africa’s exports is either initially priced in dollars or is price inelastic. Therefore, a devaluation would fail to stimulate foreign demand either because prices would remain unchanged, or because demand is unresponsive to lower prices. Another consideration is that debt servicing would be more burdensome with a devalued currency. The arguable weaknesses of these claims has only helped to fuel the suspicion that the resistance to devaluation is largely to protect French political and business interests. The French, nonetheless, have contributed to some doubt about the future of the CFA franc (and thus the franc zone) by their companies’ massive capital flight out of the zone.

While the official statements of support for the existing franc zone arrangements have not abated, it has simply become less and less possible for French officials not to acknowledge that questions and problems do exist. The prospect of a European monetary union and Côte d’Ivoire’s “cocoa crisis” of the late 1980s have been among the factors prompting the increase in frank discussion, more so perhaps than the urgings of the Bank and Fund. Beyond these rather different starting points for French and non-French conceptions of economic reform, there are also several contentious issues of project design and implementation that are relevant to our discussion.

In addition to having different penchants on the macro versus sectoral question, the French and the “Anglo-Saxons” have rather different orientations to sectoral adjustment itself. These different orientations manifest themselves, for example, in the contrasting preferences that the French, the Bank, and the Americans have for
the scale and methods of interventions in the agriculture sector. The Americans tend to stress smaller scale, “grassroots” approaches to agriculture projects, whereas the general tendency of French projects (as reported by respondents, and as manifested in support for massive river basin projects) is to prefer larger scale ones.

A source of much heat and criticism between the French and others is the appropriate role of extension services in agricultural development. The Americans are very enthusiastic about extension services, while the French are more conscious of their limits, with the Bank somewhere in the middle but closer to the Americans. The French seem to feel that the Bank’s approach to extension is a waste of resources, since peasants will find their own way to do what is best for them. They insist that the Bank’s approach is too formulaic. A second interesting difference is the choice of the most appropriate unit of analysis. The Bank and Americans seem to take the individual production unit (i.e. the farm) as the primary focus. By contrast, the French seem more inclined to begin their analysis with the “filière,” that is the vertically integrated chain of production and commercialization, each linked to the other, of which the production unit is only one part. At the same time, however, the French have traditionally preferred a separate, parallel “filière” for each major crop or crop group, while the “Anglo-Saxons” favor the integration of the various activities, or at least of the extension services that are comprised within them.45

The French foreign assistance establishment is also divided from its counterpart in Washington over the privatization of publicly owned enterprises. Faced with a nonperforming enterprise in Africa, should the government sell, liquidate or rehabilitate it instead? When French policy makers are queried about the relative merits of privatization and other forms of public enterprise reform, they are far less likely than US or Bank officials to support privatization.46 Whereas the latter have put privatization centrally in the pantheon of preferred policy options, the French tend to see it very much as a last resort, after other options have failed. Their preference by contrast seems to lie first with enterprise rehabilitation and restructuring.

An often-cited example of policy divergence is the case of the sugar industry in Côte d’Ivoire. During the glory days of high export revenues the government of Houphouët-Boigny invested considerable sums in constructing six sugar refineries to process locally grown sugar. Problems of location, supply, capital structure, and management ran down the refineries such that sugar in Côte d’Ivoire became extremely expensive in global terms, reportedly among the most expensive in the world. The World Bank saw these complexes as a serious misallocation of resources, and insisted in the early 1980s that they be sold off to private buyers or simply shut down. The Ivorian government and the French objected, saying that they could be refurbished and retained, but the Bank continued to object. Finally, negotiations reached an impasse and the Bank refused to put more money into the industry. The French sided with the Ivorians and contributed, through the CCCE, to the rehabilitation of the sugar industry. In the end, two of the six complexes were shut down, and the rest subjected to demands from the World Bank for privatization. Here was a classic example of French support of enterprise rehabilitation and Bank preference for privatization.

At the implementation end of the spectrum, there are also disagreements between the CCCE and the Bank over the organization of their foreign assistance and investment services. The CCCE has its own large resident staff in-country upon which it relies heavily for project design, monitoring and policy dialogue. The Bank traditionally did not maintain a staff presence in all countries, but relied on visiting missions of staff and consultants. While it has recently added a “Resident Representative” to most countries, in part to promote policy dialogue, it does not keep technical teams on the ground. Some in the CCCE criticize the Bank’s technical work because it lacks the close surveillance needed to ensure adequate donor information. In addition, CCCE staff also fault the use of consultants in the design and implementation of so many projects, which leads, they argue, to a lack of analytic consistency and decline of quality control. The staff insist they have a much more structured and rigorous methodology for project preparation and evaluation. The management provides its staff a standardized form for each project that must be adhered to. The organization thereby tries to ensure that staff and consultant reports follow the same methodology.

The strong French presence, however, has itself been the target of criticism, especially from the Bank. The allegation is that methodology notwithstanding, having a strong country presence serves to foster the development of clientelism, which in turn is partially responsible for poor program choice, design, and execution.47

It is worth noting, however, that all the major donors were forced by circumstance and their new strategy of promoting reform and structural
adjustment to change their organizations. Structure had to follow strategy. The World Bank created and then greatly expanded Public Sector Management units in its East and West Africa sections, later united into an Africa-wide Public Sector Management unit with a large staff after the Bank’s reorganization in 1986–87. It created and expanded a similar staff unit for the Bank as a whole. The US Agency for International Development (USAID) also created several new units, including a Bureau of Private Enterprise, and a new arms-length but fully US AID-funded organization called the Center for Privatization. In France, the Cooperation Ministry created a new unit to follow structural adjustment issues in Africa and to coordinate policy with the other donors, which in 1988 had seven staff members. The French have also permitted some degree of the long-promised “Africanization” to take place, mostly in response to pressure from the Bank. Thus during 1979–87, technical assistance fell from 60 to 40% of total bilateral overseas development assistance (ODA) to Africa.48

The new policies nonetheless continued to create problems for the donors. First, there were real and understandable problems of staffing these new units. The Bank, the French and the Americans found that traditional economists were not interested in or professionally trained to tackle many of the management, organizational and political problems that arose with structural adjustment programs. New kinds of staff with training in business administration, investment banking, political science and public administration were brought on board. A second and related problem for the Bank and USAID especially is that their corporate cultures emphasized project-level activities and not “policy dialogue.” USAID especially was home to many agricultural economists who, after spending years working on animal husbandry or crop rotation, were now asked to consider macroeconomic issues and structural adjustment. The enthusiasm for dialogue and economic reform was far greater in Washington than in Ouagadougou. Privatization was seen by some field staff as yet another imposition from Washington, and they also resented the heavy-handed ideological content of some of the early privatization promoters at headquarters.49 US AID had to beef up its analytic capacity in the field and its support staff in Washington. The French were in a slightly better position since the semi-autonomous CCCE had much more experience with investment decisions and microeconomic analyses in everything from public infrastructure to semi-private companies.

5. FRENCH FOREIGN ASSISTANCE POLICY REFORM

In this essay we have analyzed the basic structure and content of the French foreign assistance establishment, and its changing orientation toward structural adjustment and economic reform in francophone Africa. We tried to do so by pointing out certain similarities and differences with the structures and orientations of the World Bank and USAID.

We argued that the various donors began the decade with very different systems and approaches to development programs but by the end of the decade there was remarkable convergence. The French became more convinced of the need to promote economic reform in Africa, and to do so with greater insistence and conditionality, even as they retained a fair amount of skepticism about key aspects of structural adjustment. The Americans and the World Bank became less strident and more realistic about the limits of structural adjustment, privatization, and economic reform. They began to behave more like the French (more modest conditionality; more attention to institutional issues; a greater appreciation for the long-term nature of structural adjustment). This was less because of French intellectual leadership and more because they were confronted with the limited results of their own initial ambitious programs, and began to learn from their experiences. In other words, policy convergence among the three donors occurred as they all altered their policies through a combination of learning in the field and learning by observing the experience of others.

To what can we attribute the adaptations and adjustments of the French foreign assistance system? We want to be modest in our claim to account for each of these changes across every relevant institution. The individual activities and orientation of the Treasury, Cooperation, the CCCE, the Prime Ministry and the Presidency are difficult enough to discern on their own; their mutual interaction is even more difficult to fathom for French and for non-French observers alike. Nevertheless, let us present a straightforward list of the relevant factors that promoted the French policy reforms.

First is the growing cost of an African preserve. By the early 1980s the stagnation and decline of Africa was visible. By 1985 the financial burdens on France began to pinch as the costs of the existing system of French-African relations rose. The fundamental weaknesses of the banking system, including private banks and state development banks, also emerged clearly around this time.
A second factor is the failure of conventional techniques to reverse the decline. In the face of such substantial and sustained challenges all large organizations attempt to muddle through with the old standard operating procedures, the tried and true way of solving problems. But by the early 1980s, the project orientation of donors was clearly not working and donors sought new directions through program-type loans and grants.

Third is the demonstration effect and learning from the World Bank. The Bank has far more analytic capacity than any bilateral agency, and its ideas, backed up with prodigious amounts of research and public relations, have had major impacts on all the bilaterals’ thinking. The Bank and the Fund were also the only donors with the resources even to try to stave off the economic disaster of Africa through their programs.

Fourth, Africa is a financial channel back to France. The French also realized that any foreign assistance to their former colonies from other donors would probably end up in Paris, either through the repayment of loans, or the purchase of goods and services. Moreover, to the degree that the other donors could help prevent the collapse of French client states, so much the better for “common front” donor coordination.

Finally, the rapid decline in French investment in Black Africa has had an impact on French policy reforms. Taking private bank loans and direct investments together, private capital flows fell from a high of 10.8F bn in 1982, 0.6F bn in 1985. Direct investment itself appears to be steady at about 1F bn annually, but net private flows are now negative. Such a decline undercut one of the two or three major French claims for international power and status — the country’s special relationship with and role as an interpreter or go-between for Africa. Carefully guided economic reform is needed to keep Africa attractive to French firms.

Let us turn to three policy considerations. First, how does the African leadership feel about these changes in French policies? Most are nervous about a French withdrawal. African elites are in a very poor negotiating position to demand much, given their economic weaknesses. So far, with the possible exception of the African Development Bank, there are not the same kinds of innovative economic policy alternatives and suggestions for Africa that have been proposed and acted upon by the Latin Americans or by East Asian countries such as Malaysia or Thailand. After Houpouhèt-Boigny, however, the first generation of founding fathers will have completely passed away, men with close and intimate personal ties to Paris. Will their succes-

sors respond to contemporary changes with more political daring and intellectual independence? Certainly the African popular classes are pressing for immediate and substantial change.

Second, now that “structural adjustment” has been incorporated into the conventional wisdom of major donors, two relatively new entrants into the field will be interesting to watch — the European Economic Community (EEC) and the Japanese. Some EEC development officials insist that their adjustment assistance will be more flexible, for example, targeted to promote and support multi-country, regional adjustment. Japanese assistance to Africa now surpasses UK and US aid. This author’s recent interviews in Tokyo found institutional dynamics at work among Japanese ministries of Finance, Foreign Affairs, and Trade that are very similar to their US and French counterparts. On the other hand, for historical and perhaps cultural reasons Japanese ODA officials are loathe to press strict conditionality.

Finally, all policies, bilateral and multilateral alike, are kept in place so long as they are judged to solve particular problems. In the short to medium run, the economic performance of African countries that have undergone structural adjustment is still modest if not disappointing. If not quite a failure, structural adjustment is not yet a great success. We can ask therefore, whether “structural adjustment” can be retained by any of the donors if its achievements on the ground in Africa remain so modest.

FRENCH FOREIGN ASSISTANCE ESTABLISHMENT

(a) Ministry of Cooperation and Development

The premier agency in France responsible for assistance to sub-Saharan Africa is the Ministère de la Coopération et du Développement. It coordinates many of the economic, political, cultural, and even certain military aspects of French assistance policy, and roughly parallels USAID.

Cooperation’s area of responsibility was temporarily enlarged on the initiative of socialist Cooperation minister Jean-Pierre Cot (1981–82), who hoped to distribute Cooperation’s assistance more evenly among traditional and nontraditional countries in Africa and beyond. This attempt largely failed, and Cooperation’s attention has mostly returned to its traditional “champ,” or field. Cooperation nonetheless retained some of its programs with new countries, and gradually expanded the “field” further since 1985, parti-
cularly to several former Portuguese colonies.\textsuperscript{54} The total number of countries with which Cooperation has cooperation agreements (known as the “Zone FAC”) is now 36.\textsuperscript{55} While Cooperation contributes only 17% of France’s official development assistance overall, it contributes 42% of that to sub-Saharan Africa, and 49% to the traditional recipients within sub-Saharan Africa.\textsuperscript{56} The principal instruments wielded by Cooperation are: Assistance Technique (28%), project investments through the Fonds d’Aide et de Coopération (24%), Concours Financiers (13%), Cooperation Technique Militaire (13%), support to overseas cultural centers and schools (4%), and scholarships (4%).\textsuperscript{57} Over the course of the decade, Assistance Technique has come under considerable fire for failing to adapt to the changing circumstances of African economies.\textsuperscript{58}

The Fonds d’Aide au Développement, or FAC, is Cooperation’s vehicle for administering projects and programs. Though juridically part of Cooperation, it is steered by an interministerial committee, and thus has some degree of autonomy from Cooperation. It is discussed more fully in the following section.

The Ministry’s traditional instrument for providing nonproject assistance is the Concours Financiers. It is one of the more rapidly growing instruments of French aid, having risen by 38% during 1986–87, and 21% during 1987–88.\textsuperscript{59}

(b) \textit{Fonds d’Aide et de Coopération (FAC) (Aid and Cooperation Fund)}

The Fund has two main functions: first, it provides grants for projects and programs in each of the 36 “Zone FAC” countries; second, it performs functions which are of general interest, such as various kinds of research and support for nongovernmental organizations (NGOs).\textsuperscript{60} The latter category of assistance tends to be between one-third and two-thirds as great as the former.\textsuperscript{61}

The sectoral emphases of the Fund have traditionally been on rural development and infrastructure development. In recent years the share of other sectors has increased, particularly to support sectors and groups hardest hit by structural reforms.\textsuperscript{62} In 1987 a special evaluation unit was created in order to perform studies and continually monitor project implementation.

Real flows from the Fund declined steadily from the late 1960s, but stabilized and then grew in the mid-1980s. The authorization for 1989 was 1,584Fr bn, roughly one-fourth of the Ministry of Cooperation’s total budget for that year.\textsuperscript{63} The CCCE operates as the disbursing agency for the fund, and also manages its loans and equity participations.

(c) \textit{Caisse Centrale de Coopération Economique (CCCE) (Central Bank of Economic Cooperation)}

The Caisse Centrale de Coopération Economique (known as the “Caisse”) is the French government’s own investment and development bank. There is virtually no US counterpart; it is a kind of mini-World Bank \textit{à la française}. The CCCE has operations in 40 countries, of which 35 are in Africa or in the Indian Ocean.

What distinguishes the CCCE from other French financial institutions is its autonomy,\textsuperscript{64} though it is officially under the auspices of the Ministry of the Economy, Finance, and the Budget. It borrows its funds from the Treasury and on national and international financial markets, and thus does not require legislative authorization on how it chooses to use those funds. The Conseil de Surveillance, or oversight committee, however, from which the Director General must seek program approval, is composed of members from several different ministries and agencies.

The Director General supervises the CCCE central administration and its over 35 local agencies in foreign countries, territories, and possessions. The central administration consists of the Direction Générale, four regional bureaus (roughly ex-French West Africa, ex-French Equatorial Africa and the Caribbean, North and East Africa and Madagascar, and Polynesia), and several technical and administrative bureaus.\textsuperscript{65}

The Africa operations in 1987 amounted to 3,038Fr m, constituting 27% of France’s official development assistance to Africa, or 70% of France’s investment assistance in Africa.\textsuperscript{66}

The CCCE has two “traditional” windows or channels, plus the newer structural adjustment facility. The first window offers funds for public projects at a long-term interest rate of 3–5%; the interest rates on these loans, called “ordinary condition” loans, are subsidized by the Treasury. The first window also provides “special condition” long-term loans at even lower rates of interest. In a typical year, ordinary loans exceed these “special condition” loans six to one. The second window offers loans at market interest rates, and has fallen in relative volume over the last several years as a consequence of Africa’s economic straits. Third, the structural adjustment loans, which have spiralled from 0.25Fr bn in 1980 to 1.3Fr bn in 1987, carry concessional rates due to interest subsidization undertaken by the Ministry of Cooperation.\textsuperscript{67} About one-half of
the CCCE loans go to the so-called “productive sectors” (of which the rural development sector takes by far the largest share), and one-third to investments in public utilities. A third category, comprised of “special loans, structural adjustment loans and various loans,” makes up the balance. Moreover, as a general guideline, countries that receive CCCE assistance are ineligible for direct assistance from the Treasury. The CCCE has also been interested in supporting the private sector in Africa for a long time, but has intensified its efforts in recent years. For the most part, its support to the private sector is mediated through central, state, and commercial banks, but it can also make loans directly to private enterprises. Another means is through its subsidiary PROPARCO (see below), which buys stock in private African enterprises. Most recently, the CCCE (in conjunction with Cooperation) has created a special guarantee fund to facilitate lending by local African banks to small and medium-scale enterprises. The initial capital for the fund is 50F m. In the future, the CCCE will assume leadership among the French assistance agencies for the promotion of private sector development in Africa.

Formerly, Cooperation had more or less filled this role, such as its sponsorship of private sector-related conferences (for example, the 1987 conference in Libreville). As suggested above, the CCCE also manages the finances of several other agencies, most notably the FAC. In the years shortly after African independence, this constituted by far the CCCE’s major responsibility, but by the mid-1980s, the volume of funds annually disbursed for its “own” operations was more than twice that for these “managed operations.” It also manages the finances for various programs under the Ministry of Foreign Affairs in several North African and lusophone countries.

Finally, the CCCE provides some of its own technical assistance, mostly in the form of seminars and training sessions for public sector employees in LDCs.

(d) Treasury

The Treasury is the most powerful economic player in the system, but until recently of only modest importance in the deployment of assistance to sub-Saharan Africa. Treasury has a number of foreign aid functions, including: the provision of loan and grant assistance, which is often matched with commercial funds; the subsidization and/or guarantee of loans originating in other French agencies; supervision of aid packages and debt servicing generally; and management of the franc zone.

The Treasury, located within the Ministry of the Economy, Finance and Budget (Ministère de l’Economie, des Finances et du Budget), also guarantees structural adjustment loans made by the CCCE, and subsidizes interest rates on loans made by its “first window.” As such, it is involved in the evaluation of projects and programs which are not its own.

In recent years the Treasury has gained importance relative to the other aid-related agencies. One estimate is that, despite appearances, it is currently responsible for the allocation of almost 70% of total French public assistance. This change in the French assistance system is due in part to the growing need to support economic reform in the client states, the responsibility for which has fallen disproportionately on the Treasury. In addition, Treasury officials serve as the main representatives for France in negotiating capital increases to multilateral institutions and debt reschedulings, and manage the so-called Paris Club debt negotiations.

(e) President and Prime Minister

The roles of the president and prime minister in determining French aid policy are unquestionably of critical importance. These roles, however, are especially elusive and unpredictable. Moreover, the relative importance of the president relative to the prime minister (denoted in common parlance by the location of their offices, the Elysée and Matignon respectively) in this area is often in flux.

When the Socialists assumed office in 1981, they were anxious to sanitize French-African relations of what they saw as their overpersonlization and clientelism. As part of this offensive, the Socialists also wanted to expand France’s aid beyond the group of traditional recipients, and to reorganize the aid bureaucracy such that francophone African clients were not handled separately from other clients. During the brief period before the Socialist initiative was aborted (1981–82), much authority was transferred to the Ministry of Cooperation, where Jean-Pierre Cot was to administer the necessary changes. When francophone African leaders protested against what appeared to be the imminent dissolution of their privileged ties to France, Cot was essentially invited to leave his post, and the Socialist aid reform project was dropped. Mitterrand took up the management of French-African relations with all of the paternalistic zeal of the Gaullist
presidents, plus an even greater measure of personal involvement. The primacy of the president's office was restored, though the semblance of coherence in presidentially inspired aid policies was damaged. The cohabitation period during the second half of Mitterand's first term (1986-88) brought a conservative, Jacques Chirac, to the prime minister's office. Having presidential ambitions, Chirac jockeyed for his own share of influence in France's relationship to Africa. Among other moves, he brought back an earlier Africa hand (Foccart) as his own advisor. Though Chirac's bid for the presidency failed, and the successor to the prime minister's office, Michel Rocard, was a moderate socialist rather than a conservative, the increased stature of Matignon vis-à-vis the Elysée — at least in terms of managing the French-African relationship — seemed to have survived. Rocard's commissioning of an in-depth study of the entire French assistance system (the Hessel Report) and sponsoring of a new advisory agency, the Haut Conseil de la Coopération au Développement, are indications of the prime minister's ambitions. But the balance is maintained, since the president with his long personal ties to Africa, has in effect quashed the Report.

No one has ever quite replaced Foccart as a focal point and manager of the diffuse assistance system. The discontent within the National Assembly about the incoherence of the aid system is a reflection of this, as is the creation of the Haut Conseil.

(f) Franc zone

The franc zone is the group of 14 African states and France (together with its dependencies and territories) which, together or separately, use either a currency pegged to the French franc, or the French franc itself. Within Africa, the zone encompasses two monetary unions, each of which is established by its own agreements with France, and one other country which has its own agreement with France. The two monetary unions (for West and for equatorial Africa) are among the only two surviving structures from the regional colonial arrangements of French Africa. The franc zone's formal objectives are to assure macroeconomic stability, to promote commerce, to encourage foreign investment in the member countries, and perhaps, more fundamentally, to confer upon France a major role in its partners' political economies.

Currently, the most salient feature of the franc zone is the alleged overvaluation of the CFA franc, and the dogged refusal of the French to admit that a devaluation could even be seriously considered. Since IMF stabilization programs and World Bank structural adjustment programs typically prescribe devaluations for overvalued currencies (if not complete liberalization of the exchange regime), the inflexibility of the franc zone represents a main point of ideological and practical contention between the multilaterals and France vis-à-vis adjustment.

(g) Private and semi-public institutions

In addition to the main institutions described above, there are a variety of smaller, private sector-related institutions. These latter institutions are designed either to encourage French involvement in Africa, to foster indigenous private sector development in Africa, or to promote joint French-African ventures. These institutions are both governmental and private, though in practice the latter work closely with the former. They include COFACE, the Compagnie Francaise d'Assurance pour le Commerce Extérieur (French Insurance Corporation for Foreign Trade) comparable to the US Export-Import Bank and the Overseas Private Investment Corporation. In addition, the Ministry of Cooperation and Development subsidizes a private enterprise group, the Centre Français de Promotion Industrielle en Afrique (French Center for Industrial Promotion in Africa). It was created in 1972 and has financed over 400 industrial projects in Africa since its creation.

PROPARCO, a subsidiary of the CCCE, is designed to invest in private enterprises and to promote their creation in developing nations. It also offers businesses support through its consulting services and presentations. In the near future it will be authorized to make its own loans, thus greatly enhancing the Caisse’s ability to offer support to the private sector. Finally, this category also includes the Comité ACP du Conseil National du Patronat Français (ACP Committee of the National Council of French Employers) and the CIAN, Conseil des Investisseurs Français en Afrique Noire (Council of French Investors in Black Africa).

On the whole, interviews in Paris tend to suggest an interesting picture: the French governmental (COFACE, PROPARCO, etc.) and nongovernmental (CNPF, CIAN) institutions are attempting to block the exit door, while French capital squeezes by on its way to more hospitable, promising places in Eastern and Western Europe or in Asia. While the French government may despair at the shrinking private sector attention to Africa (which, perhaps, the government perceives as increasing its own share of the "burden"), the mood of cautious pessimism
among French private interests is not likely to be reversed by government-led rallies. The call for joint ventures has not proved to be especially fruitful. While there is an expansion of French investment in anglophone countries such as Nigeria and Kenya, many French concerns have left or have considered leaving Africa, being drawn particularly to the investment possibilities in the EEC and other industrialized nations, to the newly industrialized countries (NICS), and to France itself. The opening up of Eastern Europe may present French businesses with a whole new frontier of attractive alternatives to Africa.

NOTES

3. See Coste (March 1990), pp. 63-64.
4. As reported by Coste (January 1990), pp. 37-38.
6. According to the most recent Proutere report, 11% of the French expatriates left during 1987-88 alone; however, the new Proutere report reveals some significant signs of recovery of French business activity among those remaining. Refer to Coste (April 1990) and Rapport patronal 1988 France-Afrique (1989). p. 11.
8. According to their preelection document, the Socialists coming to power in 1981 felt that the purpose of assistance was to relieve human misery, regardless of the political hue of the recipient country. The Socialists felt that the assistance policies of their predecessors were geared too much to serve the commercial interests of French business; this reflected an acknowledgement of the customarily high degree of France’s aid “tying,” but also perhaps a disaffection with private enterprise overall. See Chipman (1989), p. 202.
9. Caution must be used in interpreting the compte’s deficit as the “cost of the franc zone,” since (among other reasons) the compte’s deficits can also be incurred (or compensated) by other mechanisms, such as debt forgiveness.
10. McNamara suggests that the Treasury was a principal proponent of the debt forgiveness scheme announced by Mitterrand at the Toronto summit in 1988. The rationale was that by encouraging other creditor countries to follow suit, the amount of hard currency that the French Treasury would have to provide to franc zone members for debt servicing would be considerably reduced. See McNamara (1989, p. 213) and Adda and Smouts (1989, pp. 278-279).
12. See Adda and Smouts (1989), p. 277. For this reason and others, in fact, the Treasury wanted to encourage the IMF to step up its activity in francophone Africa: “To bring the IMF into the African crisis provides France with several advantages, such as imposing socially costly economic reforms that she would find difficult to do for obvious political reasons. And by hiding behind the IMF, France doesn’t have to reschedule her African debts bilaterally, and hence avoids a political problem” (Laidi, 1989, p. 320).
13. The same could fairly be said of the United States, where the Treasury favored adjustment before USAID, and some parts of USAID (i.e. the Science and Technology Bureau) were slower to embrace adjustment than others.
15. In 1988, the share of France’s assistance expenditure devoted to nonproject aid (of which most was structural adjustment aid) was 20%. See Ministère de la Coopération (1989), p. 53. This is comparable to the World Bank group’s structural adjustment allocation for the late 1980s.
18. See Ministère de la Coopération (1989), pp. 41, 91. These percentages would be considerably smaller if one were to include Coopération’s nondevelopment items in the total, such as military assistance.
20. Calculated from Ministère de la Coopération (1989, p. 41) and Caisse Centrale (1987, p. 22). These percentages must be interpreted with caution as they are calculated not on the basis of commitments for the Caisse, but on the basis of actual disbursements for Coopération.
21. This process of steady but incomplete confluence is suggested by a passage in Coopération’s own report: “This effort at financial adjustment goes along with very close collaboration with the IMF and the World Bank . . . In spite of the persistence of certain differences, over the last several years we have seen a clear convergence of views as well as the development of joint operations.” See Ministère de la Coopération (1989), p. 53.
22. See for example, World Bank (1981).

23. Though not agreeing with the prescriptions of the World Bank and IMF, the reforms sought by the Socialists were in part based on their perception that French assistance policy had too little to do with economics and development, and too much to do with commercial interests and “family matters.” See McNamara (1989, p. 209) and Chipman (1989, p. 202). In fact, it was Cot who appended the “au Développement” to the name of Cooperation.

24. “Structural adjustment, so criticized several years ago has today become the basis of all economic policy in Africa. To come to grips with this fundamental evolution, and to respond to new needs, the donors have had to substantially adapt their methods of policy intervention.” See Ministère de la Coopération (1989), p. 52.

25. See Wheeler (1988, p. 90) for descriptive summaries of recent Consultative Group meetings. Laidi suggests that the World Bank’s 1986 agreement with the UNDP was designed to fortify the Bank’s leadership role over the bilaterals, by making the convocation of UNDP Roundtables contingent upon Bank approval. See Laidi (1989), pp. 191–192.


27. See Wilson (1989c).

28. The World Bank and the United States are also much more inclined to assume that only the private sector can harness the virtues of the market. Before Reaganism, both the United States and the Bank were sensitive to this distinction. See Lewis (1988), pp. 75–76.


32. See Le Monde (June 9, 1988).

33. See Wilson (1989b). In addition, Laidi (1989, p. 161) states that the Bank’s incomparable macroeconomic capabilities are due to its immense country databases and its ability to make sophisticated statistical projections. He asserts that, “Cet avantage, la Banque l’exploite admirablement pour imposer son hégémonie face au ‘bilatéraux.’”


38. “Une longue pratique de la cooperation bilaterale dans ces pays a permis à la France de mettre son expérience au service d’une approche plus réaliste de l’ajustement, soucieuse des contraintes spécifiques des économies africaines et des délais qu’elles imposent . . . (“Our long practice in bilateral cooperation in the countries means that France can put her experience to good use through a realistic adjustment policy that is more sensitive to the specific constraints of the African economies and the delays they can impose.) See Ministère de la Coopération (1989, p. 35). This sentiment appears to be shared by many European officials. Said Dieter Frisch, head EEC negotiator for Lomé III and Lomé IV, “we have long experience of the countries. We do not have such sophisticated economists as the World Bank, but sometimes you need just a good dose of common sense to see the problems of a country . . . and not overload it in term [sic] of performance conditions.” See West Africa (February 26–March 4, 1990), p. 321.

39. As a condition for saving the airline from bankruptcy, the Caisse made several forceful demands, not the least of which was the replacement of the existing top management with its own staff, the laying off of some 1600 workers, and having participating governments limit the access of other airlines to their airports. See Coste (May 1989, p. 59) and Barrin (1990, p. 8).


41. At the same time, the Bank “is increasingly relying on more specific tranche conditions rather than more general statements of intentions . . . .” See World Bank (1988, p. 57). This is a mixed blessing: the improvement in the realism of targets is being accompanied by greater ease in halting disbursement of loans, since the loans are broken up into two or more disbursements, or “tranches.” While almost all tranches are eventually disbursed, some three-fourths are delayed for reasons of noncompliance. See World Bank (1988), p. 64. According to Guillamont (1989), for France, by contrast, disbursement is typically made in one lump sum “up front.”


44. During the period during which Houphouët-Boigny refused to lower the producer price for cocoa, the former governor of the central bank of UMOA relayed the message from Paris that there existed only two escapes from the mounting crisis: either the producer price would in fact be adjusted, or the CFA would have to be devalued. See Le Monde (October 14, 1988), p. 33. More recently, the Côte d’Ivoire’s private creditors announced that they would only agree to a rescheduling of Ivorian debt on the condition of a 90% devaluation. See Africa Analysis (June 8, 1990), p. 12.
45. An alternative explanation of the French-Anglo discord in the agriculture sector is simply that the French resent having the Anglos destroy the structures which they, the French, had worked so long to create. See Wilson (1989e).

46. After a major international conference on privatization in 1985, the US government established and funded a Center for Privatization in Washington DC as a resource center for USAID and others. Initially, it was quite ideological in orientation.


50. The small magnitude of figures for 1984 and 1985 probably reflects net transfers from African debtors to their private creditors as much as or more than the flagging interest of private French investors, but no breakdown by type is given. See Perspectives (1988), p. 68.

51. That is, for 1987 and 1988, repayment to private French banks exceed the sum of new loans to and investments in Africa. See Coste (April 1990), p. 70.

52. See David (1990).

53. The original "champ" consisted of 14 countries of what had been French West Africa (seven), French Equatorial Africa (four), plus Cameroon, Togo, and Madagascar. Refer to McNamara (1989, pp. 198-202) and Hayter (1988, p. 141)

54. Responsibility for many of the "hors champ" countries was not in fact returned to the Ministry of Foreign Affairs until 1986. See Marches Tropicaux (1986), pp. 3002, 3007.


58. "As for technical cooperation various reports have underlined its inadequacy in meeting the Third World's needs. . . . French support is often too literary, too abstract, and not well integrated into production activities." See Adda and Smouts (1989), p. 243.

59. In 1988, the allocation for Concours Financiers came to 875F m. See Premier Ministre, p. 16.

60. Interestingly, France has no grant-providing counterpart for countries outside of the FAC zone. See Adda and Smouts (1989), p. 243.

61. Allocations for "Opérations d'intérêt général" were 349, 402, and 397F m for 1984-86, versus 825, 942, 1057F m for "Aide aux programmes des Etats" for the same years. See Caisse Centrale (1987), p. 60.


66. The other two contributors to "investment aid" (as distinct from cultural and technical assistance, and economic support) are the FAC and the Trésor. See Marches Tropicaux (1988), p. 3216.


68. Upon coming to power in 1981, the Socialists complained that the assistance policies of their predecessors placed too much emphasis on private sector support from the Caisse, and too little emphasis on FAC credits. See Chipman (1989), p. 202.


74. See McNamara (1989), pp. 204-206.

75. According to one source, the prime minister commissioned the "Hessel" Report "... apparently without prior approval from President Mitterrand..." See Africa Analysis (June 8, 1990), pp. 6-7. All the less surprising that the Elysée "buried" the Hessel Report, without benefit even of an eulogy. See Jeune Afrique (June 11, 1990), p. 20.

76. According to McNamara (1989, p. 231), "The French are well aware that the backing afforded the CFA is at the heart of their relationship with their African friends."

77. "Twice a year the French Cooperation and Finance Ministers meet with their 14 counterparts from Finance Ministries of the zone, and insist that there is no question of touching this unique and irreplaceable instrument of cooperation. In this way they cut short any rumors of CFA devaluation, even though it is obviously overvalued." See Le Monde (May, 1990).

REFERENCES


Africa Analysis, "Banknote blizzard which could end France's special relationship with Africa" (June 8, 1990a), pp. 6-7.

Africa Analysis, "CFA: The end is nigh" (June 8, 1990b), p. 12.


Coste, Christine, Jeune Afrique Economie, "Retombées du rapport Hessel," No. 129 (March 1990), pp. 63-64.


Guillaumont, Patrick, Interview (Clermont-Ferrand, June 1989).


Jeune Afrique Economie, No. 1536 (June 11, 1990), p. 20.


Lewis, John P., "Government and national economic development," Daedalus (Spring 1988), pp. 75-76.

Le Monde, "Le rôle chef du franc CFA" (May 1990).

Le Monde, "Les orientations de M. Pelletier nouveau ministre de la coopération" (June 9, 1988).


Premier Ministre, Service d'Information et de Diffusion, La Coopération: Une Priorité (Paris: Lettre de Matignon, no date).


Wilson, Ernest J., Interview with Caisse official (Paris, August 1989b).
Wilson, Ernest J., Interview (Côte d'Ivoire, 1989d).
Wilson, Ernest J., Personal correspondence (November, 1989e).