STUDIES OF AFRICAN ECONOMIES

From Past to Future

Vol.8

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Studies of African Economies: From Past to Future - Vol.8

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C*hapter 1:* For decades crisis has been considered a major obstacle to socio-economic development of many African countries south of the Sahara. It is challenging because it affects all economic sectors and the population. The paper analyses the challenges of the causes of Anglophone crisis, and its consequences in Cameroon in general. Asystematic random sampling technique of one hundred and fifty (150) households, that is seventy five (75) town dwellers households and seventy five (75) food crops productionhouseholdsin the city of Kumba and Bamenda and its environ was adopted. The issues raised by the respondents were statistically analyzed by the use of Statistical Package for Student Survey, maps were produced by the cartographic software Arcgis, excel was use to realize figures and tables. Results from the findings are presented as follows; It was revealed that the Foumban Conference and decision taken by the former and present presidents constitute a major problem that will always escalate to conflict if federation is not implemented as accepted in the Foumban Conference. The finding also show that the city of

Kumba past glories and that of tired Cameroon have been damaged by the Anglophone crisis that escalated in 2016. Wanton destruction of farmlands, energetic youthful population that represents over 60% of labour force in agricultural sector killed, while others flight away to nearby areas modifying their demographic structure. These factors have pushed the population to develop four strategies to cope with economic insecurity in the area: the creations of garden and poultry farms besides residence, creation of spontaneous markets, temporal migration and the establishment of instant lists of vulnerable population.

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Chapter 7: The Banque de l'Afrique Occidentale was a Paris-based bank that operated in French colonies in West Africa and Equatorial Africa. From 1901 to 1955 it was a monopoly note issuer and so had one characteristic of a central bank alongside its commercial banking functions. This paper briefly reviews its history during that period, which apparently has not previously been done in English; collects the main legal enactments related to the bank, never done before for the whole period of its existence as a note issuer; and analyzes its balance sheet, which has never been digitized before and is available in an accompanying spreadsheet workbook. Through the balance sheet, the paper examines the composition of the bank's assets and liabilities and how they evolved over time. It concludes with some observations about the bank's role in French colonial Africa.

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06.06.2022
Douala, Cameroon

1 The "Anglophone" crisis in Cameroon and its socio-economic consequences: The case of Kumba?

By
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Paul MPake ***NYEKE***

Introduction

For decades crisis has been considered a major obstacle to socio-economic development of many African countries south of the Sahara. Because it involves destruction of properties, human lives, modifies political objectives of a given country. In some extends it generate revenue to others by producing war weapons, and distort the thinking of economic operator to orientate their businesses to adapt to crisis. The state of Cameroon is not exempted,today what can be called "Anglophone" and "Francophone" "problem" dates back to Cameroon's history has rendered the state in general and South West and North West Regions in particular to lost materials and lives. Today's crisis in Cameroon can be traced outsince after the First World War, Cameroonby then was a German protectorate, and later became under the trusteeship of France (eastern part) and Great Britain (western part). After the independence of French Cameroon on January 1, 1960, the situation in the western part remained uncertain. It was not until October 1, 1961 after the independence of the western part that we witness the creation of the Federal Republic of Cameroon. That is two federated states (the North-West and the South-West) in Cameroon “Anglophone.” In 1961, after the Referendum, part of Northern Cameroon claimed its attachment to Nigeria, while the other part of Southern Cameroon declared itself in favoured to attachment to French Cameroon. These two entities (French Cameroon and southern Cameroon) form the federal Republic of Cameroon from October 1, 1961. Later in 1972 Mr Amadou Ahidjo, then president at the time decided after consultation to fused the two federated states to a single State with a national assembly, finally the proclaims United Republic of Cameroon became inexistence (Bayart, 1979).

The vicissitudes of history is catching up with our country today, for the Anglophone problem which is currently troubling Cameroon at the outset has its roots in the turbulent political history of this country, which was first a German colony later to France and Great Britain. World War I. everything was ready, talking about federalism as an agreed agreement not respected. This pseudo "marriage" with West Cameroon had two causes:

- Southern Cameroon is geographically favourable to the creation of a state.

- The Referendum of February 11, 1961 had seen the victory of the "yes" for a reunification. It was after this that Mr Ahidjo called for a "round table" buzzword at the time. But to the greatest surprise of Cameroonians at the time, he organized a constitutional conference in Foumban from July 17 to 21, 1961. This masquerade called "constitutional conference" is to trigger the "Anglophone" crisis which since then hasalways feel wronged because of the non-respect of the decisions of the Foumban Conference. At the latter, we found the delegates from Southern Cameroon led by Prime Minister John Ngu Foncha and those from the French-speaking side led by Mr Ahidjo. From all expectations, when it was a question of discussing together the future of Cameroon no concrete attention was taken, hence the discussion was instead focused on the amendments made by the delegates of Southern Cameroon, Mr Ahidjo tabled on the negotiation table a draft constitution of a Federal Republic with the help of French jurists who went to Foumban with a well-developed constitution which the "Anglophones" did not expect and feel trapped because they had no other solution than to comply. Since then despite the silence observed in the state of Cameroon, Anglophones have always nursed some grievances for been manipulated. The masquerade conference had not even considered a single English-speaking amendment, and yet one evening of July 21, 1961 following the Amendment (about 11 amendment) Mr.Ahidjo implemented the word "indivisible" (Ahidjo 1964). This problem will remain in the throats of the English speakers who since then cried out for a hold-up and others who were satisfied with Mr. Ahidjo's largesse or even though more. In addition to this, in 1983 President Biya did also another modification from unitary state to the Republic of Cameroon and divides southwest region of Cameroon into two regions, another slap in the face of English-Speaking Cameroonian and in 2016 the accumulated grievance became the decisive turning point: it passes or it breaks.

Cameroon: Reality of chimera

Protesting the lack of significant financial resources, the then president "Ahidjo" refused the implementation of a bicameral parliament, but on the other hand the "house of chiefs" was maintained in Yaoundé designated as political capital and seat of non-constitutions of dual nationality. Federalism was therefore adopted without consensus in Foumban and the participants spoke of a consensual agreement and several historians agree with certain delegates that there was no consensus on the character of the adopted constitution in Foumban on July 21, 1961 according to Pierre Messmer then High Commissioner of the French Republic in Cameroon, Mr. Ahidjo was in a position of authority, this came from the fact that his project had been prepared beforehand with the help of Frenchjurists. The English-speaking delegates who came with their arms dangling and believing in the sincerity of the government put the scraps of knowledge acquired after some participation in the constitutional conferences in London and Lagos had only three days to thoroughly study the project presented by Mr. Ahidjo, much more the population of East Cameroon was therefore convinced to have the upper hand over the spokesperson for the majority.

According to Enoh Meyomesse, Ahidjo was in a weak position since he was actually under the orders of Paris because this project according to Pierre Messmer was not his. Knowing that he had made a hold-up to this minority, for Pierre Messmer, he had never ceased to comply with the slightest whims of Foncha which complained of the marginalization of English speakers in recruitment into the public service since they felt at ease in federalism since it granted to certain all kinds of pretends to the detriment of their French-speaking brothers. But Foumban's feeling of humiliation remained through their throats and he could not have peace in their hearts. Acquired being there although mediocre the evil remained deep. From the start everything had been skewed and the discomfort was indelible even if they remained in the republic can be until today irritated, the English speakers have been pushed for some extremists to separatism. According to Fernand Dehousse (1906-1976), professor of international law, the nature of the dictatorial regime of Ahidjo based its legitimacy on the centralization and the concentration of political power on one side and on the other of federalism decides in Foumban that it was therefore necessary at all costs to get rid of federalism in order to consolidate political power. Fernand Dehousse defines the federations that exist for more details as the states that live under federal regimes. The state is a diet that is born from history, appropriate to the needs of each people and which therefore presents a large number of variations.But there is always a common fund in all federalisms.

This fund serves the central power to solve certain number of attributions. This conception aims to demonstrate the reasons for the suspension of the federal state by Ahidjo. So if we worry about this definition; Cameroon is far from being a reality but a fabric of mending and it would be with reason that some of our brothers in western Cameroon can cry out for the marginalization or even the masquerade of Foumban.

According to writer Emoh Meyomesse, France is therefore behind this story of the suppression of federalism by Ahidjo which is resurfacing today in the North West and South West. Crying therefore treason following the abandonment of federalism by Ahidjo that President Biya will come to power in 1984 by removing "United", the writer Emoh Meyomesse in the face of what he describes as a policy of deception, of league with Ferdinand Detour, he evokes the will or even the hypothesis of the concentration of power by the centralization in Yaoundé which adopted the austerity policy in order to put Cameroonians in the English-speaking region aside. With the central state the English-speaking regions have gradually lost the favours and privileges which were granted to them in the days of federalism. We therefore believe that it is this feeling of marginalization accumulated over the years that push them in their claim that results in violence following the violation of the Foumban agreements.

We cannot limit ourselves to referendums and decrees on the modification of the state of Cameroon, there are also symbols like the flag which change according to the liking of Ahidjo and Biya. The flag at the opening of the Foumban conference only existed East Cameroon and its current starless version. The Francophone national anthem was performed without the presence of a single Anglophone delegate, Bernard Fonlon with the adoption of the green, red, yellow flag then two stars, then one. The two acts taken by Ahidjo by changing of the "Federal Republic of Cameroon," through a Referendum devoid of any meaning and countenance later followed by Biya who transformed the country from "the United Republic of Cameroon" to the Republic of Cameroon "following a presidential decree all of these actions were to totally destroy the idea of federalism. All this acts later accentuate the inclinations of federalism in the North-West and South-West by clinging to the problems of lawyers and teachers.

It is therefore risky to speak of the reality of an entity of Cameroon because one year after its independence, certain inhabitants and certain regions live with a feeling of having been considered themselves as second class citizens because they don't fully partake to the nation building. These are entitiesof Cameroon shaped by Ahidjo, then Biya. The corporatist demands are only one, facade in order to resurface the political problem that dates from the Foumban conference.

Geographical and methods framework

Geographical location

Kumba

The city of Kumba is the Divisional Headquarter of Meme Division. According to statistics from (BUCREP,2010),the cityof Kumba occupies a total surface area estimated at four hundred and sixty nine square kilometres (469 km^2). The population trends increase from fifty four thousand five hundred and seventy eight (54.578) inhabitants in 1976 to seventy nine thousand and forty three (79043) inhabitants in 2010. These statistics shows a significance increase of about twenty four thousand four hundred and sixty five (24.465) inhabitants without corresponding increase surface area. The said population is distributed into three Sub divisions that make up the city of Kumba. This includes Kumba 1 with Head quarter in Njuki, Kumba 2 with Head quarter in Fiango and Kumba 3 with Head quarter in Mambanda. The city is located between latitudes 4° 21' and 4° 97' north of the equator and between longitudes 8° 56'15'' and 9° 47'east of Greenwich Meridian. It shares boundaries with Konye Sub-division in the North, Mbonge Sub-division in the South and West, and in the East Kupe Manuagouaba and Mungo Divisions (Figure: 1). It has an estimated rural population of twenty two thousands and sixty three inhabitants (22063) distributed in ten villages that has been transformed today as sub-quarters of the city. They are: Mambanda, Mukonje, Malende, Mudame, Barombi Kang, Ediki, Mabonji, Diffa, Bokoko Kake 2, Bongwana Kake 1.

The city of Kumba is among the towns in Cameroon that had once served as important seat of colonial administration.

The Germans called it the Kumba division was a centre of Germans colonial administration with manyoffices. The favourableclimatic conditions and its geographical situation placed it in the front line among the areas where many cash crops like palm, coffee, cocoa wascultivated in Cameroon by the colonial masters Modika (2018).

Kumba hosted two Germans cocoa satellite plantations at Kombone Mission and Ikiliwindi (Champaud, 1966). Most of the offices that hosted German administrators have been transformed today to host the present sites of Kumba district hospital, the prison, Gendarmerie Region Office, Senior Divisional Office and many others. These are some of the elements that contributed to the transformation of the town of Kumba to a city.

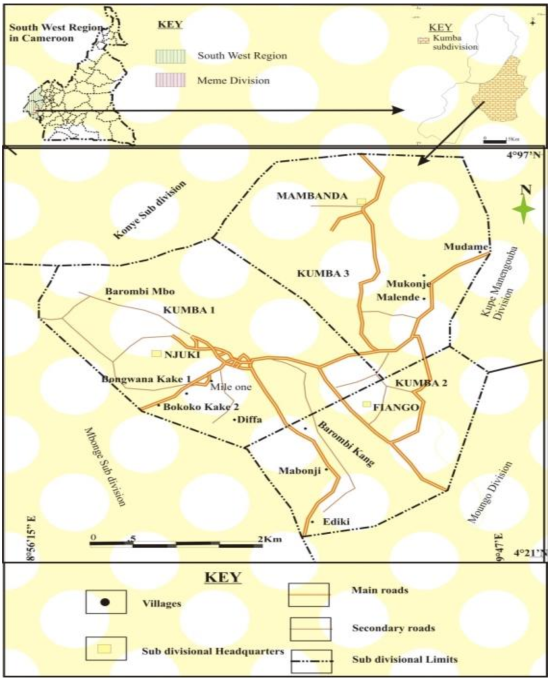

Figure: 1.Kumba Sub-divisions

Source: adapted from Administrative Atlas of Cameroon Cerdotola, 2012

Methods

The paper was guided by asystematic random sampling technique,a selection and stratification of targeted population. The targeted population was defined in function to their social, economic and political status. This targeted population was later stratified into two categories; urban and country-sides households.To make the results credible, sample frame of one hundred and fifty (150) households was chosen from the two categories of peoples as mentioned above. That is seventy five (75) town dwellers households'mostly civil servants and seventy five (75) food crops productionhouseholdsin the surrounding villages or sub-quartersin the town of Kumba. Questions in the questionnaire include; consequences of Anglophone crisis, strategies adopted to withstand the crisis, factors affecting food production, social conditions. Issues raised by the respondentswere statisticallyanalyzed by the use of Statistical Package for Student Survey, maps were modify by the use of cartographic software ArcGIS, excel was use to realize figures and tables.

Definition of terms and conceptual framework

Anglophones

The word Anglophone represents a population that occupies an area of Cameroon that consists of two of the country's 10 regions, the Northwest and the Southwest. It covers 16,364 sq. km of the country's total area of475,442 sq. km (Awasom 143–60) and has about 8.5 million of Cameroon's 24 million inhabitants (2010 estimate). It is the stronghold of the main opposition party, the Social Democratic Front (SDF) and plays an important role in the economy, especially its dynamic petroleum, agricultural and commercial sectors. Most of Cameroon's oil, which accounts for one-twelfth of the country's gross domestic product (GDP), is located off the coast of the Anglophone region. The return of the oil rich Bakassi Peninsula to Cameroon in 2002 meant increased revenue for state coffers that benefits mostly the Francophone ruling elite (Marius and Alex-Joel 2019, Nicholas and Baroni 2010).

Since 2017, the Biya government is engaged in a fratricidal war against the Anglophones over a problem that has always been there since the union of Anglophone and Francophone Cameroon in 1961.

Crisis

Crisis is a threaten situation brought in by changes at a given point of time.It represents both a danger to and opportunity to some.The phenomenon is seen as an integral element of personality growth since although they involve periods of increased vulnerability they also provide opportunities for the development of healthy adaptive reactions. Generally it can be characterised by:

a) The stressful event poses a problem which is, by definition, seen as inexplicable in the immediate future.

b) The situation is seen as a threat to the life goals of the individual, family or the state.

c) There is a generalized physical tension which is symptomatic of anxiety, and this tension mounts to a peak and then falls.

d) The crisis situation awakens unresolved key problems from the near and distant past.

This paper examines crisis as a major problem because it threatens the life of city dwellers and rural population, where many households are malnourished exposing them to diseases. When population is malnourished due to lack of food that can be cause by several factors, the situation is qualified a crisis one.

Consequence

Webster's dictionary 1969, defines consequence as something that is produced by a cause or follows from a form of necessary connection or from a set of conditions. Thus the semantically appropriate use of consequence accords with the first meaning above, events that produced systematic responses. This consequence produces a stimulus function for subsequent responses to the cause.

According to Hortcones, (1983), Vaughan & Michael, (1982), presented two types of consequences: intrinsic and extrinsic consequences. Intrinsic consequences are considered natural with automatic results of responding immediately or later to a given condition.They are structural and characterised by physical environment and the biological organism. The outcome can be positive or negative. The effects are produced naturally, meaning they are not programmed by other events to occur.

In contrast, extrinsic consequences are produced by actions of others; it is programmed external factors induced by our social environment. Example applied behaviour of analysts, researchers, teachers, and others. But they do not occur as a natural consequence of responding. Although intrinsic and extrinsic consequences are contingents upon responding in neither case they had a stimulus function for subsequent responding. It should be noted that the end result of consequences is crisis of diverse forms.

Results and discussion

Negative consequence of crisis

The destruction of properties and villages

Many villages were destroyed during the crisis by the Cameroonian military and separatist independence fighters. Examples: Kwa-kwa, Dipenda, Munyengue and host of others. These villages were the heartbeat of food production basins. Many activities are seriously affected especially, food sufficiency in the affected zones that has been compromise by the crisis. Plate 1 and 2; indicates the degree of the consequences. The images portrayed the magnitude of the crisis.

Photo 1: *The village of Kwa-kwa was burnt by the military in the month of March 2018 in relation to Anglophone crisis. Snapped by Modika*

Photo 2: *The village of Munyengue burnt by the military in the month of April 2018 in relation to Anglophone crisis. Snapped by Modika*

Photo 4: *The village of Bole burnt by the military in the month of May 2018 in relation to Anglophone crisis. Snapped by Modika*

Photo 3: The village of Dipenda burnt by the military in the month April 2018 in relation to Anglophone crisis. Snapped by Modika

Plate 1. *The burning of food production villages in Meme Division*

The disruption of agricultural and other economic activities

Crisis as everybody knows directly or indirectly affected others economic and social activities. All attentions are focused to it remedies. As such, Cameroon Development Cooperation (CDC), PAMOL oil Production Company, Brewery industry. Which are the main Agro-industrial Companies in the area were victim of the crisis. It caused structural unemployment within these companies. Social vulnerability emerged like hunger; illnesses among lay-off worker become the order of the day as well as knapping of civil servants.

Push migration of active population away from the crisis zones

Nonetheless, active and economically productive populations in the affected area of the crisis were directly or indirectly force to leave the area for safety. Mostly the youthful energetic populations to work on agricultural activities were the most affected. The continuous war in the area forced them to migrate to other towns like Douala, Yaoundé, Bafoussam and other part of Cameroon. This has modifies the demographic pressure of reception towns creating avenue for food insecurity and other social problems in urban area. Plate 2 and photos 1, 2 and 3 shows the rate at which people were leaving crisis zone in several occasions.

Photo 1: *People at Mondial Agency in Kumba the head quarter of Meme Division waiting for vehicle to escape from the crisis zone. Snapped by Modika February 2018*

Photo 2: *People at Mondial Agency in Kumba the head quarter of Meme Division waiting for vehicle to escape from the crisis zone. Snapped by Modika September 2018*

Photo 1: *People at Mondial Agency in Kumba the head quarter of Meme Division waiting for vehicle to escape from the crisis zone. Snapped by Modika August 2019*

Plate 2. *People migrating from Meme Division and other parts of South West*

Displaced populations, ransoms, kidnappings, vandalized factories... are the daily lot of the inhabitants of the region. Instability and violence affect several regions of the country, hampering economic activity and the state is paying a heavy price. Businesses have ceased production and unemployment is on the rise in English-speaking regions, underdevelopment is becoming the rule. About 45% of the cocoa produced in the country comes from the South-West, one of the Anglophone regions in crisis, 75% of Cameroonian Arabica coffee comes from the North-West (GICAM). The latter estimates in a report released in mid-September from the same year (2019), that the export earnings of these two commodities fell by 20% because of the conflict hitting the English-speaking area where a fifth of the population lives. For GICAM, the production of coffee and cocoa contributes to "insecurity and displacement of populations which are detrimental to agricultural activities and the maintenance of plantations". Alongside these two commodities, we have a large economic provider who before the crisis it employment was considered the second largest employer after the state with more than 6,000 employees. Today, the fields of bananas, palm trees, tea have been burned, the employees have left and there is nothing more than a heap of ruin, the State being unable to levy any tax or taxes on the companies. This crisis is not only affecting the state, but also the churches. The diocese of Buea would thus have approximately 20,000 displaced persons since the beginning of the escalation in November 2016. At least eight localities or communities of the diocese were set on fire, 70 were attacked and looted, 25 abandoned by their inhabitants who were forced to leave. Take refuge in the forest or in other areas. Many parishes have suffered from the insecure frescoes, in this case the deans of Muyuka and Muca, who were forced to suspend their pastoral activity and therefore the Catholic Church comes out economically reduced (schools, colleges, dispensaries) during clashes between the police and separatists or independence fighters on December 24, 2018 in Bolifamba and Muyuka for example, in Ekoma and Muéa on March 25, 2019, Christians lost their lives and a lot of property. The lives of the priests of the diocese are even in danger, as witnessed by the assistant of Father Alexander Sob, of the parish of Bomaka, on July 2, 2018 in Muyuka. Pastoral work and educational activities in the diocese have suffered from the harsh economic crisis affecting the entire diocese. 40 Catholic schools have closed since 2016. Others have been attacked and vandalized such as the Notre-Dame-De-Grace school (OLAGCO) in Muyuka and the Notre Dame Care School (OLMCC) in Muea on September 22, 2017. The St Joseph de Sasse College was also attacked by armed civilians. The students, the teachers are kidnapped, there were serious injuries, and the Diocesan health centers are not left out like Mont Mary in Buea, Regina Parish in Mutenguene, which considerably reduces the number of patients thus creating the exodus of populations to other regions.

Intrinsic factors

Cognizance of the climatic situation of the area characterized by heavy rains and the fragile nature of the soil affects drastically economic and other activities in the area. The state of Cameroon has fails and continues to fail to know the importance of roads infrastructure in economic development. The degree of deplorable road infrastructure is indicated in Plate 3; as a result of natural conditions aggravated by the crisis. It is virtually impossiblefor trucks to ply the roads rainy season.

Photo 1: *Private car trap in the mud driving from Mundemba to Kumba, field work 2019, Snapped by Modika*

Photo 2: *Lorry carrying twenty tons of cocoa driving to kumba for delivery sunk in the mud, spending over two weeks in the same spot. Field work 2019, Snapped by Modika*

Plate 3. *Effect of crisis to the state of farm to market Roads*

In addition, according to these reports, the fact that farmers are forced to leave their villages and farmlands is causing severe food shortages; a fall in prices and a shortfall in economic activities and currency. With the stagnation of the conflict, food security is threatened, resulting in the establishment of malnutrition and other health and psychological problems. On both sides, nobody wants to give up; the government authorities continue their *diktat* in this part of the country at large.

Coping Strategies to withstand the crisis

Difficult situations favours innovation, the persistent situation of food insecurity in Meme Division in general and the city of Kumba in particular has contributed to innovations.The city dwellers of Kumba have developed four coping innovatory strategies to fight against food insecurity during this period of crisis since it was more severed in villages than big towns: First is the creation of urban agricultural farming activities, second the creation of spontaneous markets, third temporal migration and theestablishment of instant lists for famine striking population for assistance from World Food Programme.

Creation of urban agricultural farming activities

The city dwellers of Kumba in order to ensure food security the situation has push them to develop innovatory strategy in the creation of urban agricultural farming activities.Plate 4 shows five photos of different agricultural activities to ensure food security in the city of Kumba. The population has noticed that Cameroon government policies have fail to ensure food security because of neglect of infrastructures in rural milieu and to give a lasting solution to the crisis in the two Regions. In response to this many town dwellers have created diverse gardens and poultry farms besides residenceto ensure food security among the population.

Photo 1: *Snail farm behind a household resident. A wooden wall is used to separate the snails for easy harvest Adapted fromMosima 2020.*

Photo 2: *Poultry farm behind a resident in the city of Kumba, the fowls are sold and other consumed. Field work Modika 2019*

Photo 4: *Plantains almost ready to be harvested cultivated behind private resident at the city of Kumba.. Field work Modika 2019.*

Photo 5: *Shows mix cropping, mixture of maize, groundnut and cassava planted beside private residence. These are crop with short live span harvest after three months. Field work 2019.*

Plate 4. *Diverse agricultural activities in the city of Kumba*

Creation of spontaneous markets

The population has also created spontaneous markets at city centres as well as at urban peripheries. Is a special agricultural exchange market different from regular market commonly found in the city of Kumba. They exist in temporal bases in function to given situations to permit city dwellers stock food in their homes. Another different with these marketsis that prices of food are relatively cheap and it involves game of chance. Plate 5, shows a summary of this, dispose food is covered and the person bargaining without seeing the content; plate 5, photo 1, while others whose contents are expose are relatively expensive. Many people prefer buying from those whose content is not expose because is cheaper than the ones whose contents is expose.

Photo 1: Foodstuffs expose for sale at the private resident without disclosing the content, the sales of this nature the price is relatively cheap.Fieldwork 2020, snapped, by Modika.

Photo 2: Temporal market with three shades foodstuff expose for sale, with this the content is known and price is relatively higher than the one in Fieldwork 2020, snapped by Modika.

Plate 5. *Spontaneous food exchange centres*

Temporal migration to hamlets

The hamlets or rural houses are situated in the country-side or in the farms where agricultural activities are practice. Findings have revealed that many city dwellers in Kumba practices agriculture both beside their private residence at the city and in villages. The farms located at the countryside acts as a reserve to sustain the households. As such, households in the city centre migrate temporally to their hamlet at the country side during peak periods of famine. This strategy is common among retired civil servants objective is to cut down the numbers of mouths fed in the city as well as to fight against food insecurity.

The establishment of instant lists of vulnerable population

The persistent situation of food insecurity caused by instability in most African countries rendered the population vulnerable to illnesses and economic activities. Recently some of the population of Southwest region during Anglophones crisis took advantage of situation and requested for assistance from World Food Programme, by establishing instant list especially vulnerable population. In response to these situational relief efforts including natural disasters and man-made disaster, food, shelter, and health care of the government of Cameroon and international bodies constantly assist. The primary objective is to save lives, alleviate suffering and maintain human dignity. The population benefit from the grants of FAO, World Health Organisation and NGO, indirectly fighting against food insecurity as well as vulnerable population.

Conclusion

No doubt, Cameroon as a legal and political entity is full of many mysteries. Only the current claimants, first comparative and then political, are actually concerned with re-establishing the spirit of Foumban's letter by recognizing two federated states where two systems of governance coexist. Injunctions of the latter which were violated by former president Ahidjo helped by the Elysium towards the establishment of a unitary state instead of a federal state then completed by the present President Biya with the creation of the Republic of Cameroon. The actual aim of the demand is that of a return to federalism to the Southern Cameroon. This needs to be examined from both a legal and political point of view to learn more about its relevance and legitimacy. Taking advantage of the dynamic created by such demands, the Cameroonian political class of today should support the extension of federalism very quickly to the whole country; this could constitute many opportunities in order to dismantle once and for all the Ultra centralized Jacobin regime which in our opinion is the real brake on the modernization and democratization of Cameroon. Let us learn to take into account the tears, the demands, and the discomfort of Cameroonians instead of minimizing them or treating them as un-patriots because they do not have the infused science that ruler's think they are the only holders. Let's face it, a constitution must be written and it will take into account all of Foumban's resolutions. The rights of the people must be felt in this new constitution and not the rulers or government must be done in a representative and democratic manner. The projects all announced must have substance before any implementation in all regions and have the real guarantees required for a society that wants to be democratic. Resource management (oil, wood, etc.) should no longer be managed in an impervious manner. We need a good distribution of resources and in a fair manner, this is the basic problem raised by the Anglophone crisis.

Findings revealed that the city of Kumba past glories have been damaged by the Anglophone crisis that escalated in 2016. This was followed by wanton destruction of farmlands, energetic youthful population that represents over 60% of labour force in agricultural sector killed, while others flight away to nearby areas. These factors have pushed the population to develop several innovatory strategies to cope food insecurity in the area: Among are the creations of garden and poultry farms besides residence, creation of spontaneous markets, temporal migration and the establishment of instant lists of vulnerable population.

Conclusion shows that the city of Kumba is the best sample to evaluate the effect of war on food security as well as local development. More negative impacts are still to be discovered in the affected regions in years to come.

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2 Kidney disease, donation, and transplantation in East Africa

By
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Introduction

Across the globe, End-Stage Renal Disease (ESRD), kidney failure[1], a non communicable disease, silently devastates numerous lives. Kidney failure has had a great impact on global morbidity (being diseased) and mortality (being susceptible to death)because it increases risks associated with other major killers: heart diseases, high blood sugar (diabetes), high blood pressure (hypertension), infection with Human Immunodeficiency Virus (HIV), tuberculosis, and malaria. Kidney failure, commonly described as persistent kidney damage accompanied by a glomerular filtration rate (GFR) of less than 15mL/min/1.73m^2 (compared to a normal range of 90-120mL/min/1.73m^2) and the presence of proteins in urine, is estimated to have caused 1.2 million deaths globally in 2015. Kidney failure can coexist with progressive chronic nerve damage in patients. It is associated with the inability to excrete waste, control serum

[1] Kidney failure in this article is used to mean End-Stage Renal Disease (ESRD).

minerals (electrolytes), handle daily dietary and metabolic acid load, and maintain fluid balance. It subsequently results in inadequate production of hormones by the kidneys,[2] deranged calcium and phosphorus metabolism, high blood pressure, and accelerated progression of heart diseases, cancers, diabetes and neurological disorders.[3]

Due to scanty epidemiological information, poor accessibility of laboratory and other diagnostic services, and the widespread lack of awareness, kidney failure remains a "silent killer," especially in low-income countries where many sufferers may not receive a diagnosis. And yet, medical technology has provided an efficacious intervention: kidney transplantation. Kidney donation and transplantation, a form of renal replacement therapy (RRT), is the most valued treatment for patients with kidney failure today. The prevalence of kidney failure is such that almost every country in the world faces the daunting task in supplying an adequate number of kidneys for transplantation (Randolph, David & Rigmar, 2013).

Successful kidney transplantation is common in developed countries, but rare or nonexistent in many low-income countries, including Uganda, where I live. The procedure poses severe challenges. Registries for would-be recipients and donors are non-existent. Many people have poor health habits and lack money or proximity to gain access to healthcare. Also, most sufferers from kidney disease show no symptoms at first. If kidney disease is detected, it is often in the few advanced health facilities available, and at the late stages of the disease. The true extent of kidney failure is

[2] Hormones: erythropoietin secreted by kidneys increases the rate of production of red blood cells in response to falling levels of oxygen; calcitriol (the active form of vitamin D) increases calcium levels in body in skeletal and tissues diseases; and renin raises blood pressure.

[3] The following references are pertinent to the discussion in this paragraph: Murry *et al.* 2015; Jiro & Yuji 2017; Seyid, Fetimah, Shokouh & Seyid, 2015; Leticia & Charlotte 2012; Jack, Corine & David 2020; Jinsoo, *et al.* 2018; Rashad, 2020; Geraldo, *et al.* 2017; Eriksen & Ingebresten, 2006; Elisabetta & Giorgina 2019; Oncohema Key, [Retrieved from].

actually unknown in most East African countries—a gap that must be filled.

Babau *et al.*(2015), in a study at a national referral hospital in Uganda, indicated that up to 51% of 111 patients attending the outpatient nephrology department had kidney failure. Unfortunately, no nation-wide data are available to confirm or dispute this one-site statistic.

It is estimated that about 2.62 million people received dialysis in 2010 globally and the need is projected to double by 2030. In 2017, age-standardized incidence of kidney failure treated with dialysis increased by 43.1%, while incidence treated with transplantation increased by 34.4% (Cockwell & Fisher 2020).[4] Analyses indicate that the total cost of treatment of milder chronic kidney disease (CKD) is much higher than the total cost of treating kidney failure by kidney replacement therapy (Randolph, David & Rigmar, 2013). This economic burden will be discussed later in this paper.

Brief medical background for those unfamiliar with kidney disease and transplantation

Before the firsts uccessful kidney transplantation was performed, the choice for patients with kidney failure was either kidney dialysis or death. In 1954, Dr. Joseph Murray and his team performed the first successful kidney transplant, using identical twins (Anthony, 2012).

Gradually, the transplantation procedure was established worldwide. The transplantation procedure still remained unsuccessful when an identical twin was not available, because of negative immunological reactions. Cyclosporine, a "wonder drug" discovered in the 1970s, suppressed adverse immunological reactions in patients and increased survival rates in transplant patients significantly. Kidney transplants subsequently became a much valued treatment for patients with kidney failure. In addition to increasing transplants

[4] The 95% confidence intervals of these two figures are 40.5%-45.8% and 29.7%-38.9%, respectively.

between living related individuals, cyclosporine made transplantation between living unrelated individuals a medically successful procedure. Success increased the demand for transplantation, but the shortage of organs has emerged as a major hindrance in reaping all the benefits of these advances (Thomas, 2011; Anthony, 2012; Barker & Markmann, 2013).

Risk factors for kidney failure

Risk factors for kidney disease include diarrheal diseases, HIV infection, low birth weight, pre-term birth, and malaria. These are leading causes of disability and cover lifestyle, infection, and environmental etiologies. Identifying risk factors early and taking steps to counteract them can help prevent acute kidney injury (AKI) and chronic kidney disease. Early diagnosis can help slow the deterioration of kidney function and therefore, avert chronic kidney disease by inexpensive interventions (Neema *et al.* 2019; Murray *et al.* 2015).

Poverty. Poverty compounds the problems of kidney disease. Poverty-related kidney disease is associated with infections, low education, poor maternal health, inadequate access to healthcare, and strenuous or hazardous work, among other factors (Norton *et al.*, 2016). Poverty is also associated with a lack of social protection, transportation, and unemployment, as well as poor housing. Lack of transportation alone can impede access to healthcare even in situations where treatment costs are not a major barrier. In most cases, the treatment costs are directly covered by the patients and it is an up-hill task to obtain out-of-pocket fees to cover dialysis and simultaneously pay for the monthly supply of medications required in kidney failure management, transplantation costs, and post-transplantation medications. Reducing the financial hardships faced by patients suffering from kidney failure in Uganda is paramount, and financial support is equally needed for patients preparing for transplants and those in post transplantation life. As a later section will discuss, Kenya and Tanzania have each instituted a National Health Insurance Fund (NHIF) that covers part of the cost for kidney transplants.

Diet. Healthy pre- and post-transplantation life requires that patients follow recommended diets. Some East Africans are malnourished, predisposing them to diarrhea, pneumonia, and other infections that are important risks for kidney disease. In adolescents, undernutrition results in underweight mothers, low-birth weight offspring, preterm births, pre-eclamptic pregnancies, gestational diabetes, and maternal obesity, all of which increase the lifetime risk of chronic kidney disease in mothers and children (Freudenberg, 2016).

Adequate nutrition is key in reducing chronic kidney disease, yet communities with low incomes at times have limited access to healthy foods. Community-based strategies, which include public sensitization and education about healthy food choices, fat reduction, salt reduction, legislation (taxes on high-sugar foods and soft drinks), and regulations on the provision of public meals (say, in parties, schools, and funerals, among other places) can help improve kidney health and are a much-needed intervention to save lives.

Sex. Women with chronic kidney disease in East Africa face greater challenges than men do. Their involvement in childcare, housework, small-scale agriculture, and low-income manual work explains why fewer women than men receive treatment for kidney disease when compared with men. Societal gender-based issues such as child marriage, poor access to family planning, and beliefs that women may not perform marital duties after transplantation are all factors for the shortage of organs for transplantation (Cobo *et al.*, 2016). Advocacy for equity aimed at betterment of women's health can decrease the burden of kidney disease.

Drinking water. Most of East Africa lacks access to safe drinking water. Hence, waterborne diseases that cause acute kidney injury and chronic kidney disease are far more common than in richer countries. Enteric waterborne diseases like diarrhea and non-enteric diseases caused by waterborne pathogens like schistosomiasis can cause kidney disease. Other water-related causes of kidney injury may include consumption of water contaminated with heavy metals, organic acids, or pesticides. Prolonged dehydration also contributes.

Environmental change. Climate change, land degradation, deforestation, degradation of biodiversity, and loss of marine life also significantly increase risk of kidney disease. These same factors also increase the risk that kidney disease will progress to a chronic condition through increasing human contact with vector borne diseases such as malaria, try panasomiasis, schistosomiasis, yellow fever, dengue fever, and increasing food insecurity (Johnson *et al.* 2016; Vonesch *et al.* 2016).

Influence of urbanization. There is limited information on the influence of urbanization in East Africa on kidney disease. However, changes in lifestyle, including a switch to high-calorie food, reduced physical activity, sodium-rich foods, higher environmental pollution, poor sanitation, poor waste management, and limited infrastructure resources all increase risks for kidney disease. Urban planning to improve hygiene and sanitation, reduce population densities, and reduce transmission of pathogens should decrease incidence of acute kidney injury and chronic kidney disease (Giles-Corti *et al.*, 2016). Other urban-related risk factors like road-traffic collisions causing kidney damage, natural disasters, and armed conflicts causing crush-injury-induced acute kidney injury, rural-urban migration and immigration all contribute to the burden of chronic kidney disease in East Africa (McPhee *et al.* 2015; Sever *et al.* 2012).

Problems with treatment of kidney disease in East Africa

In East Africa, there are enormous challenges in managing end-stage kidney failure. They include late diagnosis, as the condition is confirmed after worsening of kidney function, poor personal behavioral factors like physical inactivity, high salt intake, and tobacco use, improper drug therapies, lack of counseling, diabetes, and high blood pressure. When kidneys fail, kidney replacement through transplantation is the only option that allows patients to live normal lives. However, there is a great shortage of kidneys for transplantation due to the lack of legislation supported by the local community, lack of ethical and moral approval, scarcity of professional skill, lack of quality equipment, and institutions. Even where transplants occur, there are not enough kidneys for therapeutic purposes from deceased and uncompensated living donors to meet the supply. Consequently, thousands who cannot get transplants in time die.

Such circumstances have led economists, doctors, medical diagnostic scientists and other concerned personnel to call for compensating living donors to meet the supply of kidneys and other organs needed for therapeutic purposes (Frank, Phillip & Glenn 2018; Phillip *et al.* 2018; Sally 2016; Randolph, David & Rigmar 2013). However, laws established in Kenya and Tanzania stand in the way of doing so because they prohibit compensation. These laws are grounded in moral repugnance of paying organ donors and concerns that poor people will sell their organs for small sums inadequate to compensate them for the risks they are taking (Phillip *et al.* 2018). It is also worth mentioning that Uganda today has no laws to govern organs and kidney donation, transplantation, and compensation of donors.

Nearly global shortage of kidneys for transplantation

A kidney shortage exists nearly in all countries of the world because many potential free-will donors do not come forward. Costs associated with evaluation and donation, the risk of dying without life insurance, concerns about long-term healthcare without health insurance, lost wages while out of work for surgery and recovery, and the cost for travel to a transplant center for evaluation and surgery all hinder altruistic donation. Compensation would increase availability of kidneys for transplants. Transplantation remains the preferred therapy because the average total cost of kidney dialysis is considerably higher than estimates suggest would be the case if everybody who needed a transplant could obtain one. Transplantation also improves quality of life and health related outcomes compared to dialysis (Randolph, David & Rigmar, 2013).

In their paper on the global organ shortage, Randolph and his colleagues performed detailed analysis of literature on both organ shortage and potential solutions, and argue that compensating organ donors, both living and cadaveric, is by far the best way of increasing supply. Their evaluation is not restricted to compensation; they also look at changes in default donor rules (such as shifting to presumed consent), improved collection procedures (the Spanish model), organ chains and swaps, demand management, etc. They argue that even if compensation would add to the costs of a transplant, it is no objection because even a modest increase in the supply of kidneys would reduce the costs of dialysis by more than enough to compensate the kidney donor. Thus, net health care costs would decline, rather than increase, with compensation.

There are some countries where some forms of compensation to donors are allowed. In these countries, compensation is not robust and direct, and although it seems to have increased the number of donors, shortages of organs remain. Some observers have argued for systems of regulated incentives to encourage kidney donation (Sally 2011, 2016). The major reason to consider incentives for living kidney donation is that transplant candidates are suffering and dying while waiting for transplants (Matas, 2011). In addition, the longer the patient waits on dialysis, the worse the transplant results (David *et al.* 2018; Cosio, 1998). The other reason for considering incentives is that currently unregulated black markets exist globally. Only the wealthy receive kidneys in these markets, and there is little or no oversight for donor evaluation, no long-term donor follow-up, and no protection for the donor, or the recipient. In such black market arrangements, the donor at times does not even receive what was promised. Developing a regulated system of incentives may decrease the waiting list and eliminate these unregulated black markets (Schiano & Rhodes, 2010). Incentives could also be considered for donation by deceased persons, though it might be difficult to determine who would receive the incentives if family members disagree. In Uganda, for example, there is no clearly defined order for determining the next of kin. Different options for incentives could be provided. There could be a tax credit, college tuition, or a small direct payment with additional small amounts at each follow-up visit. These would minimize the risk of candidates donating for "quick cash" and help ensure long-term follow-up. Different incentives could appeal to different candidates and thus help increase availability of kidneys and save lives (Matas, 2011).

Iran—the only exception

There is one country where compensating kidney donors is legal: Iran, although it does not have kidney shortages. Iran began kidney transplants in 1967, but surgeries slowed down in the 1970s due to several factors. Through the 1980s, patients were allowed to travel abroad for transplants, but, because of high costs, an ever-increasing waiting list of patients, and Iran's eight-year war with Iraq, the country was forced to abandon the travel-abroad program. In 1988, Iran created the program it has today (Mitra, 2012).

In Iran, a person needing a kidney is referred to the Dialysis and Transplant Patients Association, which matches those needing a kidney with a potential healthy adult donor. The government pays for the surgeries, while the donor receives health coverage for at least a year and reduced rates on health insurance for subsequent years from government hospitals. Those who broker the connection receive no payment. They help negotiate the financial compensation the donor receives, usually an equivalent of $4,500, which is roughly 80% of GDP per person. They also help determine whether Iranian charities or wealthy individuals can cover the costs for those who cannot afford to pay for a kidney. Today, more than 1,480 people receive a kidney transplant from a living donor in Iran each year. Some 2,500 people undergo dialysis each year, but most do not seek transplants because they suffer other major health problems or are too old.

Iran says its system safeguards against black-market organ sales by having non-profit groups handle all arrangements and hold money in custody until after the surgery. The government's Health Department approves all surgeries, which must take place in licensed and monitored hospitals. Foreigners are largely banned from taking part, suppressing the possibility of medical tourism, though Iranians who are dual nationals can benefit from the program. This unique system has thus allowed those in need of a transplant to buy a kidney and has seen Iran's waitlist for kidneys effectively drop to zero (Mitra, 2012; Samuel, 2018).

East Africa has barriers to kidney donation that include lack of relevant policies and legislation, stringent cultural and religious taboos, supply shortages of essential medications, limited epidemiological data, lack of a relevant workforce capacity, lack of sufficient and standard infrastructure, poor research capacity in kidney failure, and low social economic status that cannot reliably sustain out-of-pocket payments needed for temporal management during dialysis and post-transplantation life. Despite these problems, a concerted effort by free-will advocacy groups, government leaders, researchers, educationists, politicians, and other well-wishers might help establish a kidney donation and transplantation system that alleviates the shortage of organs by ensuring that donors are compensated.

Treatment of kidney disease in East Africa: Dialysis

Kenya and Tanzania have many kidney dialysis centres and transplant facilities; the exact number for Kenya is unknown. In Uganda, there are few renal dialysis centres. There are no data available to estimate the number of people on renal dialysis in Uganda or the cost- a gap that needs to be filled. Most dialysis centres are located with-in Kampala (the capital city) and some others are scattered in upcountry towns. The government of Uganda has instituted one dialysis centre at the national referral hospital. It has 25 dialysis machines, which are too few to serve the whole population of 45 million

Ugandans. Some patients miss out on dialysis because they have to buy the supplies for the dialysis machine and pay a service fee of about $20 (60,000 Ugandan shillings) per session at the government-owned facility, which, for many Ugandans, is a substantial amount. Other renal dialysis centres are run under private-public collaborations or are fully private. Under private-public arrangements, a government-run regional referral hospital can house a renal dialysis centre, but the service is entirely private and has to be paid for directly by the patient. The cost of the service under this arrangement varies across facilities, but a typical amount is $100 (350,000 shillings) per session, a very high amount for many Ugandans. It is worthy to note that this also comes with the need to pay for drugs, the dialysis circuit, and other accessory expenses like transportation of patient and caregivers, accommodation, and feeding. The total monthly bill for patients comes to over $2,500 (8.75 million shillings) per month, equivalent to 390% of GDP per person. About 85% of this amount goes to cover dialysis and drugs. Even for formally employed Ugandans, $2,500 amounts to14-16 months earnings. For peasants, it is an even higher burden.

Picture 1. *A patient undergoing dialysis at a regional referral hospital in Uganda. According to the dialysis attendant, two more patients were expected to have dialysis on this day but were unable to make it because of costs.*

To illustrate the challenges dialysis patients face, Iinterviewed several. Rutahira Ram is a 21 year old man who was having his first dialysis session at Mbarara Regional Referral Hospital (MRRH) with hopes his kidneys can recover back to normal function. (To protect privacy, all names of patients and family members here and in later sections have been changed.)

> "I have had to sell some of my goats and ask some family members for financial help in order to manage the dialysis sessions required this month and with the COVID-19 lockdown, transport from my village was so expensive... I can only hope that I recover so fast."

Rutahira Ram is a Bachelor of Laws student. He expressed discomfort with his unpredictable future because of the labour some and expensive yet compulsory dialysis he has to receive thrice every week, as he wonders whether he will be able to complete his academics.

> "I hope I could complete my bachelor's. I only ask government to provide us more dialysis centres in our rural towns so that we do not have to cover long distances and lose a lot of time."

Kyobuzaire Evas is a student pursuing a Bachelor of Business Administration, a last-born child and a caregiver to her 55 year old mother, who has spent a year on renal dialysis services. She notes that renal dialysis expenses have had a great negative impact on their family as a whole.

> "The cost has been so heavy on us. We have had to sell off big parts of our family land, in order to care for our mother."

As a family, they have not tried to get a kidney donor because they think it is very expensive and know that a kidney transplant is not done in Uganda. She admits they are not so knowledgeable about kidney donation, compensation, and transplantation opportunities in Uganda, as they hail from one of the deep rural areas in Uganda.

> "Government of Uganda should step in to reduce the cost, equip hospitals with more dialysis equipment and create awareness in the population of existence of kidney failure. Many people are suffering and dying unknowingly, thinking they have been bewitched as

> they wonder why they seem not to pass out urine as usual. Many suffer a mild state of confusion which is why they call it witchcraft."

"We would as a family welcome a kidney donor and proceed to do a transplant but I request government to step in up and set standard requirements and guiding laws and put up a public fund to support poor kidney failure patients," she asserts, with a frown on her face.

Treatment of kidney disease in East Africa: Transplantation

Uganda currently refers all patients who require kidney transplants abroad. This practice continues even though Uganda has acquired the requisite high-tech equipment and teams of experts (Ministry of Health, 2017). There is no kidney donation or transplantation in Uganda because laws to govern the procedures have not been developed. However, neighboring Tanzania and Kenya have developed this capacity. Transplants occur at two hospitals in Tanzania (Muhimbili National Hospital in Dar es Salaam and Benjamin Mkapa Hospital in Dodoma) and seven hospitals in Kenya (including Kenyatta National Hospital, Aga Khan Hospital and M.P. Shah Hospital in Nairobi, while Moi Teaching and Referral Hospital and St. Luke Orthopedic and Trauma Hospital are located in Eldoret, western Kenya). In 2019, Kenyan hospitals conducted about 163 kidney transplants. Kenya does not have cadaveric organ donation and only uses living donors. Most donors (84.5%) are first-degree relatives such as mothers and brothers, while a further 14.3% are second-degree relatives such as cousins and nephews (Korir, 2020).

According to Kisanga *et al.* (2017), in Tanzania, most kidney donors were living donors (97.7%).Among the donors for the 44 transplants the authors studied, first-degree relatives (59.1%) of donors and second-degree relatives were a further 25%.Tanzaniacurrently has the capacity to conduct 200-240 transplants in a year.

Uganda refers about 20 patients per year to other countries for kidney transplants after thorough preparation of patients. Most referrals are to India; a few are to Kenya. The preparation process involves routine dialysis and monitoring, screening of the donor for kidney and blood compatibility, screening the donor and recipient for other secondary conditions like diabetes, hypertension, routine counseling, and referral to the Uganda Medical Council for authorization to leave the country for transplantation.

Cost of treatment of kidney disease in East Africa

In Uganda, pre-transplantation tests and activities cost $3,500-$5,750 (12 million-20 million Ugandan shillings). That figure does not included routine dialysis costs.

The costs of kidney transplant depend on the facility. Patients can be referred to hospitals in Tanzania at a total cost of $18,920 (about 66 million Ugandan shillings), while in Kenya the cost would be $21,530-27,000 (75 million-94 million Ugandan shillings).In India, the total cost of transplantation is $27,000-32,435 (94 million-113 million Uganda shillings), which is roughly 4,000-5,000% of GDP per person. It is estimated that transplants in Uganda would cost $5,000-6,000 (17 million-21 million Ugandan shillings), roughly 800-900% of GDP per person. In Uganda, the cost of dialysis and transplantation is entirely and directly the responsibility of the patient; the country has no National Health Insurance Fund.[5]

Kenya and Tanzania each have a National Health Insurance Fund (NHIF) that helps cover part of the costs for their citizens. Kenya's NHIF covers the costs of dialysis and the initial transplant surgery. However, the patient has to cover the costs of the post-transplant essential medicines (immunosuppressant drugs) that pacify the body's immune system's reaction to the new organ, reducing the chances of it being rejected (Thuo & Riro, 2019).

[5] Costs in this paragraph are rough estimates obtained by interviews of participants. It is not clear why the Uganda referral system prefers India, where costs are rather higher than in some other countries.

Funding for dialysis in Tanzania is through its NHIF, which was initially established to cover public servants but now enrolls members from the private sector. Tanzania's NHIF provides full reimbursements for dialysis services for its members. Tanzanians not covered by the NHIF must pay out of pocket for dialysis services. Thus, only members of this fund have guaranteed access to dialysis (Furia *et al.,* 2019).

Mrs. Kinyi Mbabali has been a widow for over ten years having lost her husband to kidney failure in 2009.

> "We got to know that my late husband had kidney failure when it was too late. The doctors told us about the operations, but we could not raise the money to have him taken for a transplant. It was such a hopeless situation. We lost our only 'bread winner' to kidney failure, and I had to be courageous and fend for our children. Some dropped out of school; they could not go far with their studies" says the 65 year old matriarch, who found at her village home.

Mrs. Mbabali seated on a traditional bench at her ancestral home during the interview

It was unfortunate for her in her situation and she represents a great number of people who painfully lose their loved ones without their voices being heard.

Different patients set up different strategies to raise the funds needed to cover the cost, as expressed by Mrs. Kanye Naomi.

> "My husband decided to list 100 close friends of his who could willfully contribute $150 (500,000 Ugandan shillings), he listed institutions to which he was a board member, he contacted all the schools where our children were at the time both primary and secondary schools, and also informed all the staffs he was working with. We also put up an advert in a daily newspaper to solicit for well-wishers' support, and luckily we were able to get all the money for the transplant in India."

She is grateful that she has been given a second chanceat life after a successful kidney transplant.

> "I thank my husband. I also appreciate my donor. I ask the Government of Uganda to sensitize communities about donor safety because there are so many communal based myths that had discouraged my donor and she almost backed out on me. They should tell people that kidney donation is less risky than people think, and both the recipient and the donor live normal lives after the process. Also the government should step into fully cover or help cover part of the costs of kidney transplantation and revamp the effort to institute a functional kidney transplant facility in Uganda because the patients suffer too much in the foreign countries where they are referred. Lastly, let there be an effort to institute a facility where we can get post transplantation medicines at a subsidized price because private pharmacies balloon the prices of the drugs."

Although other East African countries have fully implemented a kidney donation system and transplantation program, the issue of compensation to kidney donors remains silent, limited, and largely restricted and is an out-of-hospital agreement between the kidney recipient and the donor. Mrs. Kanye, the kidney failure survivor, notes this on kidney compensation:

> "There should be no sales for the kidneys or any other body organ. The government should maintain the current standing statutes or laws. However,

> compensation in kind should be allowed. In my case, we offered three in-kind helps to our donor and her family. After the transplant, I and my husband helped our donor start a small hotel business in the town where she lives and we also helped her husband get more markets for his coffee sales. Their son was at that time going into secondary school, we have since sponsored that child's education. He is at the University now. We treat the boy as our own child."

There remains a great desire to institute transparent kidney registries and allow a legally acceptable and public kidney donation and compensation program in most of the countries. Uganda has fallen behind other East African countries, though there is evidence of some gains towards this novel cause.

East African law concerning transplants

Tanzania, despite having a kidney transplantation program at two hospitals, still lacks a strong legal framework for organ donation. There is no legislation on the subject. Kidney transplantation services are offered in observation of the Istanbul declaration on organ trafficking and transplant tourism and the special guidelines in the Muhimbili National Hospital Establishment Act (Furia *et al.* 2019). The lack of a stronger framework may limit the ability to carry out more transplants in Tanzania.

Uganda's Mulago National Referral Hospital by October 2018 had acquired high-tech equipment and teams of expert nephrologists, physicians, surgeons and nurses to carry out the numerous tests before conducting kidney transplants. The greatest hindrance to the big leap forward has been the absence of an enabling law to facilitate kidney transplantation in the country. The enabling law still remains a policy (bill) paper, though, as of October 2020, the bill has been approved by the Cabinet and now awaits review and approval by the Parliament. The principles of this bill include:

- Establishing a legal framework for human organ, cell, and tissue transplants in Uganda by enacting the Uganda Human Organ Transplant Bill.

- Regulating donations and trade in human organs, cells, and tissues.
- Reducing government expenditure on referrals abroad for organ transplant procedures.

For the bill to become law, it needs approval by Parliament and then obtain Presidential assent. Once the bill is an act of law, it will enable and regulate the performance of organ transplants, donations, harvesting, exportation, and importation.

Kenya already has a functional and fully enacted law that governs organ transplantation. The lawis part of the larger Health Bill 2016 and builds on the Human Tissue Act, which was reviewed in 2012. It allows Kenyans, either in a written will or an oral statement before witnesses, to donate their bodies or body parts to persons or institutions of their choice upon death. In the absence of a will, however, the law states that "the spouse or spouses, elder child, parent, guardian, eldest brother or sister of that person, in the specific order mentioned, may, after that person's death, donate the body or any specific tissue of that body to an institution or a person contemplated in this subsection." According to the law, the Cabinet Secretary for Health can also step in and donate an individual's organs in the event that the relatives of the deceased person cannot be traced and no will is left behind. Donations may be made for training medical students in learning institutions, for research or advancement of health services, or for healing purposes, including the use of tissue in any living person.

The Kenyan law further provides that any transplant of tissues must be done in a duly authorized health facility after approval from a medical practitioner in charge of clinical services in that facility. The law ensures that doctors and other health professionals do not coerce patients into untimely removal of organs. It stipulates that a doctor who authorizes such a procedure shall not play a leading role in the transplantation to the other party. The law also comes with a hefty fine of up to $92,500 (10 million Kenyan shillings), about 5,400% of GDP per person in Kenya, or ten years in jail or both for anyone found selling life-saving organs for cash. The law in Kenya opens a way for a legal and regulated mechanism for donations from non-relatives (Thuo & Riro, 2019; Merab, 2017).

Kenya and Tanzania have made strides in instituting organ donations and transplantation laws. Other East African countries, including Uganda, Rwanda, Burundi, and South Sudan [6] lag behind in enacting laws and instituting transplantation services. Compensation to kidney (or organ) donors remains an omission of focus and largely a silent issue in all countries.

Table 1. *Summary of kidney disease data in East Africa*

No.	Key	Kenya	Tanzania	Uganda
01	People with kidney disease	4 million	Not available	Not available
02	Annual deaths from KD	About 10,000	4,704 patients[7]	Not available
03	Number of dialysis centres	Not available	17 centres	2 public hospitals
04	Number of dialysis machines	Not available	104 machines	45 machines
05	Number of dialysis patients	Not available	600 patients	Not available
06	Estimated cost of dialysis[8]	9,500=	250,000=	350,000=
07	Transplant hospitals	7 hospitals	2 hospitals	None
08	Annual transplants, latest	163 transplants	56transplants[9]	None
09	Living/ deceased donors	All living	All living	None
10	Cost of local transplant[10]	0.25-3 million=	21 million=	Not applicable
11	Cost out of country	Not applicable	Not applicable	100-150 million
12	Who pays for the transplant	NHIF,patient	NHIF	Patient
13	Government law on donation	Available	Not available[11]	Not available
14	Professional expertise	Available	Available	Available[12]

[6] Rwanda, Burundi and South Sudan are East African Community member states but are omitted from the discussion in the rest of the paper.

[7] As of 2014; no recent data available.

[8] Cost of dialysis per session, in units of local currency (Kenyan, Tanzanian, or Ugandan shillings).

[9] As of 2017; no recent data available. In some parts of this paper, I indicate 200-240 transplants. The reader must understand that this estimate demonstrates that Tanzania has developed capacity to conduct 200-240 transplants in a single year; this is not the number of transplants in the latest year.

[10] Expressed in units of local currency. Cost of transplant depends on facility ownership; government or private, and whether patient has NHIF coverage or not.

[11] Though Tanzania has no law, transplantation is conducted following the Istanbul declaration and the Muhimbili National Hospital establishment act.

Current efforts to improve treatment for kidney diseases in East Africa

In Uganda, the general perception is that, where it exists, the effort to improve treatment for kidney disease is not institutional, but individual. It arises mainly from key leading urologists who set up private dialysis centers and personally give counsel to their patients. The government has made minimal effort, setting up only one public centre for dialysis in the capital. At this public centre, the patients are charged a service fee per session and have to provide the dialysis circuit supplies themselves. In the future, the national referral hospital may start kidney transplants, but the fear remains that patients needing the service may have to first solicit large sums of money to pay for it.

In Kenya and Tanzania it is evident that gains have occurred regarding kidney transplantation. Tanzania has worked with the Tokushukai Medical Group, Tokyo Women's Medical University, and Nipro Laboratory Co. (Osaka, Japan) to institute kidney transplantation at Benjamin Mkapa Hospital in Dodoma. The effort included donating 161 dialysis machines with reverse osmosis and demineralization water clean systems to 15 Sub-Saharan countries, initiating kidney transplantation in Tanzania, educating medical staffs, and providing modern specialties in diagnostic and curative services (Shuzo & Shumi, 2020). After overcoming difficulties including poor electricity and water supply systems, bureaucratic delays over procurement procedures, constructing a state-of-the-art kidney transplant theater, training, and getting medical staffs accustomed to medical equipment, the Tanzanian team conducted a kidney transplant on 22 March 2018. It was the first kidney transplant by a Tanzanian staff, for a Tanzanian patient. This success was followed by another seven kidney transplants later that year at Benjamin Mkapa Hospital. This complimented kidney

[12] In Uganda, though professional resources are available, more training might be required.

transplant gains made at Muhimbili National Hospital in Dar es Salaam.

It is desirable to initiate similar efforts elsewhere in East Africa so that patients with kidney failure are not ignored, and to satisfy the goal expressed by the 2015 World Congress of Nephrology in Cape Town that "No one should die of untreated acute kidney injury by 2025" (Etienne *et al.* 2019).

Ideas for steps for the near future

Great gaps of information exist concerning kidney donation, transplantation, and compensation to kidney donors in East Africa. I hope that this paper will encourage other researchers to gather and publish data. Some of the outstanding questions include:

- How many people officially die of kidney disease in East African countries per year?
- How many patients are on renal dialysis in individual East African countries?
- What is the agreeable and affordable cost of dialysis and kidney transplants, and how many people can comfortably and privately afford this cost? If people cannot afford the cost of transplants, how do governments of countries without health insurance policies step in to support patients?
- How can costs to patients be reduced so as to improve accessibility to dialysis and transplantation services and thus improve the quality of life?
- Are living donors in East Africa at a high risk of developing complications after transplantation compared to non donors?
- Why is the issue of compensating kidney (or organ) donors a serious omission of focus, yet one that could solve the grinding scarcity of kidney (or organ) shortage?
- Are there peculiar medical characteristics of the East African population that would affect the question of compensation for organ donors, and how can

compensation be legalized to achieve availability of organs to save lives?

In developing a kidney transplant system in Uganda and other East Africa Community states, major areas still require public sensitization and education. They include ethical, religious, and cultural perspectives on organ donation and compensation. Laws should apply to organ transplants from living and deceased donors alike. Proper sensitization is also required in dealing with the contentious issues of who are "the rightful heirs," appropriate authorities to make decisions in the absence of a will, and the government's role in the case of unclaimed bodies. Governments also need to develop positions on how much of the cost of transplants they are willing to pay, negotiations for compensating kidney donors, and how they will punish organ traffickers or other law breakers. Physicians, medical laboratory scientists, biomedical engineers, nurses, and counselors all need appropriate training.

To evaluate the anticipated contribution of kidney transplants in Uganda, there needs to be a database for donors and recipients, greater capacity to offer dialysis and perform kidney transplants, and clarity about offering donor compensation. Taking those steps would reduce deaths from kidney disease and improve the quality of life for survivors. The healthcare system should monitor immunosuppressive protocols and follow up with donors and recipients to provide emotional, medical, and psychological support. It should not only be the patients' responsibility. All these are gaps that require thorough examination so as to reap the best outcomes. A survey to estimate the extent of kidney disease and assess public knowledge and attitudes towards it would provide the basis for more precise estimates of the costs of kidney diseases and the benefits of compensating organ donors, and would provide answers to other important questions.

Abbreviations and synonyms

AKI: Acute Kidney Injury

BMH: Benjamin Mkapa Hospital

CKD: Chronic Kidney Disease
ESRD: End-Stage Renal Disease
GDP: Growth Domestic Product
GFR: Glomerular Filtration Rate
HIV: Human Immunodeficiency Virus
NCD: Non-Communicable Disease
NHIF: National Health Insurance Fund
NR: Normal Range
RRT: Renal Replacement Therapy

Operational definitions

Acute kidney injury (AKI): Abrupt decrease in kidney function, resulting in the retention of urea and other waste, and in dysregulation of extracellular volume and electrolytes.

Chronic kidney disease (CKD): A kidney disease that has lasted a long time.

Comorbidity: The coexistence of multiple disorders in the same patient.

Glomerular Filtration Rate (GFR): A calculation that determines how well the blood is filtered by the kidneys, which is one of the ways to measure remaining kidney function.

Hemodialysis: The process of purifying the blood of a person whose kidneys are not working properly.

Kidney failure: Used to mean End-Stage Renal Disease (ESRD)in this article.

Metabolic acid load: Metabolic balance of acid-inducing foods and base-inducing foods.

Metabolism: Chemical processes that occur within a living organism in order to maintain life.

Morbidity: Having a disease or a symptom of a disease, or the amount of disease within a population.

Mortality: The state of being susceptible to death.

Neuropathy: A disease or dysfunction of one or more nerves, typically causing weakness, numbness, and pain.

Non communicable Disease: A noninfectious health condition (no person to person spread).

Normal Range (NR): A range of values deemed normal for physiologic measurement in health.

Risk factor: Something that increases a person's chances of developing a disease.

Serum electrolytes: Minerals present in the blood and body tissues, and essential for metabolism.

Transplant tourism: Overseas transplantation in which a patient obtains an organ through organ trade or other forms the organ trade may take.

Travel for transplantation: The movement of organs, donors, recipients, professionals across borders for transplant purposes.

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3 British imperialism and portfolio choice in the currency boards of Palestine, East Africa, and West Africa

By
Tal ***BOGER***

Introduction

As part of its imperial expansion in the 19th and 20th centuries, Great Britain set up currency board systems in many of its colonies. Establishing boards in colonies such as Palestine, East Africa, and West Africa, Britain sought monetary control over its colonies. Observers have questioned whether Britain organized the boards for its own good or for the development of its colonies. In his book *British Imperialism and the Makings of Colonial Currency Systems* (2016), Wadan Narsey cites changes in asset and security composition as proof that the boards benefited Britain at the expense of the colonies. Narsey categorizes the idea that the boards held securities in London "in order to maximize the income from... currency reserves, with complete safety" as a general misconception (Narsey 2016: 17). Rather, in his view, the securities served to ease Britain's balance of payments, finance British investment, and give Britain great authority over colonial finances. He describes a pattern whereby British colonial currency boards shifted their assets from higher-yielding, longer-maturity securities, often issued by other British colonies, into lower-yielding, shorter-maturity British government securities (Narsey 2016: 18). As a result, colonial governments received less revenue from the currency boards than they could have with a portfolio composition that could still preserve the fixed exchange rates of colonial currencies to the pound sterling.

Narsey points out that the London money market underwent several crises between 1890 and 1912, the period during which British officials established the template for colonial currency boards. The crises "had a central bearing on colonial currency policies... (in terms of) their holdings of undesirable British Government securities" (Narsey 2016: 158). In his discussion of academic writings on currency boards, Narsey concludes that "the evidence of our study supports that... while mercantilism was concealed or disguised in the nineteenth century, it had continued well into the twentieth century" (Narsey 2016: 209).

Narsey offers documentary evidence from unpublished government correspondence in Britain's Public Record Office (now the National Archives). He also shows the asset composition of several currency boards for select years. To make a more thorough test of the figures he calculates, this paper examinesfull annual data on the assets of the Palestine Currency Board, East African Currency Board, and West African Currency Board. They were among the largest British colonial currency boards, so their asset holdings were of particular importance for British policy regarding the "sterling area"—the colonies and independent countries that tied their currencies to the pound sterling, and that for most of the period from 1914 to 1972 had a common set of exchange controls against third currencies.

Methods

To test Narsey's claim, we first digitized the securities data from each currency board's annual report. Then, we classified each security into one of four categories: British Empire (other

British colonies, mandates, and dominions), British national (British war loans, treasury bonds, etc.), British subnational (counties or cities in England, British government-owned or government-guaranteed companies, etc.), and domestic (securities issued in colonies belonging to the currency board—for example, the East African Currency Board holding a Ugandan government or private security). The East and West African boards held domestic securities, while the Palestine Currency Board did not.

We copied the assets for each currency board from the digitized balance sheets published by Krus & Schuler (2014). Krus and Schuler digitized other balance sheet data, but not the details of securities holdings. We then analyzed the security and asset composition. For security composition, we used the four aforementioned categories. For overall asset composition, we used those four categories along with four other categories: deposits at banks, the Crown Agents,[1] etc.; British treasury bills; coin;[2] and other assets.[3]

We thenassessed the maturity and interest rate of the portfolio using two different methods. First, we calculated the average unweighted interest and maturity for different securities and classifications every year. Note that in some years, boards may not have held any securities of a certain security classification, so not all lines in our "by classification" charts span all years. Next, we calculated averages weighted by the amount of each security or asset held. The two methods show broadly similar results, so the graphs below show only the unweighted figures.[4] Some securities were callable, meaning that the issuer promised redemption at a

[1] The Crown Agents for the Colonies were a British government agency that offered fee-based financial management and other services to the colonies. Colonial governments were free to use private providers instead.

[2] We did not include every type of coin; we looked at coin in store at cost price and market value of coin in stock.

[3] For East Africa and West Africa, we added a domestic assets category in addition to the domestic securities category.

[4] Asset maturity for assets of zero or near-zero maturity, such as demand deposits, was weighted at 0.01 years. Securities with no explicit maturity, notably British consols, were assigned a maturity of 100.5 years – the .5 indicates that an assumption was made.

specified date but had the option redeeming them at an earlier date. We calculated the portfolio using both the earlier and later redemption dates. The graphs below show only the calculations using the later dates, which do not appreciably change our conclusions.

Because the overall portfolio of the currency boards determined the risk and return of their assets, the graphs focus on total assets, not just holdings of securities. We looked at assets both in terms of percentage of total assets and in terms of pounds, so as to contextualize the asset values (for example, British Empire securities made up most of the East African Currency Board's portfolio in some years, but in those years the overall portfolio value was small).

An accompanying spreadsheet workbook contains calculations of the securities portfolios alone, other calculations omitted from the graphs, and further data that will be of interest to readers who wish to explore the details behind our conclusions.

The charts included in the accompanying spreadsheets, but not in this paper are: weighted average interest and maturity, security composition (%), security composition (pounds), and average maturity by classification (unweighted).

Palestine currency board: Backround[5]

Let us now consider each currency board in turn, starting with Palestine. During World War I, British forces conquered Palestine from the Ottoman Empire. In 1922 the League of Nations granted Britain a mandate over Palestine (now Israel and the Gaza Strip) and neighboring Transjordan (now Jordan). Under the League's rules, the country which was granted a mandate promised to develop it for the benefit of its inhabitants and not to annex the territory.

The conquering British forces had come from Egypt -which at the time was a British protectorate- and had brought Egyptian currency with them to use in payments. Egyptian

[5] Background information for all three currency boards is from either the Johns Hopkins University Digital Archive on Currency Boards or Krus & Schuler (2014).

currency displaced Ottoman currency.[6] The seignior age (profit from issuing the currency) accrued to the note-issuing National Bank of Egypt -a privately owned commercial and central bank whose shareholders were British, French, and Egyptian- and to the Egyptian government, which issued the coins used in Palestine and Transjordan.

To enable the seignior age to accrue to the governments of Palestine and Transjordan, the British government founded the Palestine Currency Board on 15 June 1926. The board began issuing currency on 1 November 1927. Its currency was the Palestine pound, equal to the pound sterling, although subdivided into 1,000 mils instead of into 20 shillings or 240 pence like sterling. The board issued both notes and coins.

The initial members of the currency board were three Britons: P.H. Ezechiel, a Crown Agent for the Colonies; Leslie Couper, General Manager of the Bank of British West Africa; and A.J. Harding of the Colonial Office. The board was based in London.

The Palestine Currency Board's first annual report described its investment policy in these terms: "The Board may invest its funds in securities of the Government of any part of His Majesty's Dominions or in such other manner as the Secretary of State may approve. The extent to which investments may be made will be left to the discretion of the Board, whose duty it will be to hold, subject to any discretions which may be received from the Secretary of State, a proportion of its reserve in a liquid form" (Palestine Currency Board Annual Report 1928: 7). Observe that the board was not required by law to hold only external assets; the Secretary of State for the Colonies allowed it to hold domestic assets. However, in practice the board had no such holdings other than for petty cash for transitory purposes.

The Palestine Currency Board functioned without incident until 1947. In that year the proposed United Nations partition of Palestine into Arab and Israeli states led to a civil war when Arab leaders refused to accept the partition. Both the partition plan and the war raised the possibility that the new

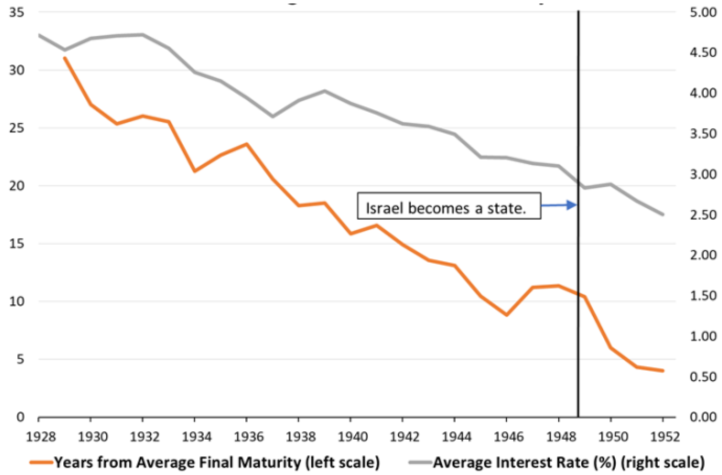
[6] The Ottomans ruled Palestine from 1517 to 1917.

state(s) might not want to continue to be subject to a currency board controlled by the British government.

Israel declared its independence on 14 May 1948 and began issuing its own currency on 17 August 1948 through the Anglo Palestine Bank, its largest local financial institution. The Palestine Currency Board continued to serve the West Bank, which had been absorbed by Jordan after the 1948 Arab-Israeli War, and the Gaza Strip, which was administered by Egypt. Jordan began issuing a separate currency to replace the Palestine pound under its own currency board on 1 July 1950. Egyptian currency replaced the Palestine pound in the Gaza Strip beginning in April 1951. Currency redemption ended on 9 June 1951, when the Palestine pound was declared no longer legal tender there. It ceased to be legal tender in Jordan on 30 June 1951. The board was liquidated on 17 June 1952.

Palestine currency board: Portfolio analysis

For Palestine, our results prove Narsey's claim correct. Over time, the currency board moved its portfolio into lower-yielding, shorter-maturity securities, which aligned with British interests. The graph below shows the unweighted average interest and years to average maturity each year. Aside from the years around 1936, the average interest decreased almost each year.



Prepared by Tal Boger. Source: Palestine Currency Board annual reports in Johns Hopkins University Digital Archive on Currency Boards.

Figure 1. *PCB average interest and maturity*

In the graph on the next page, notice that the interest rate of British national securities (orange line)decreased consistently. British subnational securities' average interest rate (grey line) fluctuated; this is the result of using an unweighted average. The board did not hold many subnational securities, so each new subnational security affected the classification's average interest significantly. Overall, the portfolio held many British national securities compared to Empire and subnational securities, giving the British national securities' average interest rate more statistical significance. The graph below shows the interest rates for each security class.

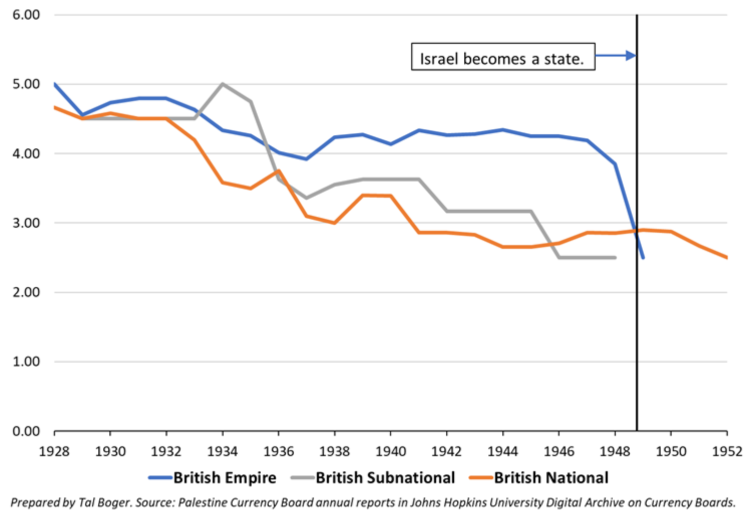
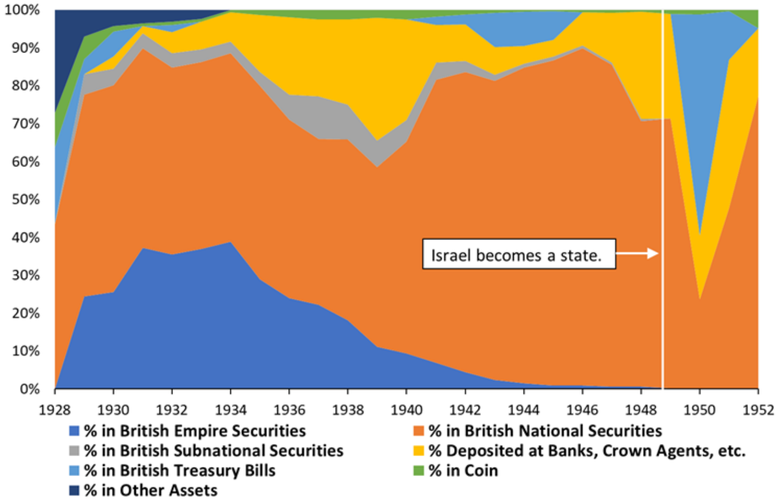


Figure 2. *Palestine currency borad average interest by classification (%)*

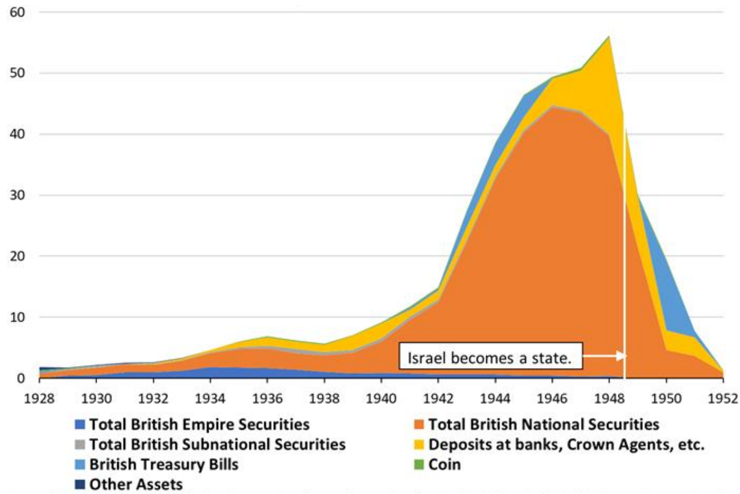
The asset composition shows the large holding of assets for British benefit. Deposits at banks, Crown Agents, etc. made up most of the assets until the liquidation phase; at that point, the board held a large portion of its assets in British treasury bills. In terms of securities, British national securities composed mostof the portfolio each year. The graph below shows the board's assets as a percentage of total assets.



Prepared by Tal Boger. Source: Palestine Currency Board annual reports in Johns Hopkins University Digital Archive on Currency Boards.

Figure 3. *Palestine currency board asset allocation (%)*

The graph below plots the same data in pounds to contextualize the assets in terms of total value. Notice that each year that the board maintained a large portfolio, it was overwhelmingly composed of British national securities, deposits, and British treasury bills.



Prepared by Tal Boger. Source: Palestine Currency Board annual reports in Johns Hopkins University Digital Archive on Currency Boards.

Figure 4. *Palestine currency board asset allocation (%)*

Our interest and maturity data support Narsey's hypothesis. The board increasingly held lower-interest, shorter-maturity securities over time. With its securities almost completely made up of British national securities, and its assets mostly composed of deposits and British treasury bills— both short-term securities for Britain —we conclude that the board's portfolio benefited Britain at some cost to Palestine and Transjordan.

East Africa currency board: Backround

During World War I, British forces conquered Tanganyika from the Germans. At the time, Kenya and Uganda were British colonies, and Zanzibar was a British protectorate. Kenya and Zanzibar had local currency boards, which only issued notes, not coins. Kenyan notes circulated to some extent in Uganda. Britain established a currency board to unify currency in its East African colonies and to enable Uganda and Tanganyika to share in the profits of issue.

The British government established the East African Currency Board as a legal body in December 1919. There is some question over when the board began issuing currency. Although it may have done so by about 22 May 1920, it is certain that it did so by 31 July 1920, when it took over the assets and liabilities of the Kenyan currency board. The official currency, the East African shilling, was equal to the British shilling at a 1:1 rate. However, there was also an informal yet widely used unit, the East African pound – 20 East African shillings equaled 1 East African pound, making the East African pound equal to the pound sterling. The East African shilling was a decimal currency divided into 100 cents.

Up until 1961, the board was headquartered in London. So, the securities data in the balance sheet were expressed in British pounds, shillings (20 per pound), and pence (240 per pound). However, on 22 August 1960, the board moved its headquarters to Nairobi, Kenya. Starting in 1962, the securities data were reported in East African currency, so the securities data were divided into cents.

The member countries of the board on the date of its establishment were Kenya, Uganda, and Tanganyika. In 1936, Zanzibar joined, ending its separate currency board. After World War II, the board further expanded, with Aden (later part of Southern Yemen, and now part of Yemen) and British Somaliland (now northern Somalia) joining.[7]

The initial governing members of the currency board were all Britons: W.H. Mercer, Senior Crown Agent for the Colonies; W.C. Bottomley, of the Colonial Office; and P.H. Ezechiel, Secretary to the Crown Agents).

The first annual report for the currency board uses the same terms later used for the Palestine Currency Board to outline its investment policy: "Subject to the provisions of paragraph 20 of these Regulations, the Board may invest their funds in securities of the Government of any part of His Majesty's dominions or in such other manner as the Secretary of State may approve" (East African Currency Board Annual Report 1920-1921: 8). No law required the board to hold only British assets. Although the board did end up holding domestic securities and assets, their value was negligible compared to that of the British assets.

On 10 April 1969, the board ceased issuing currency. It was liquidated and its notes were demonetized on 31 December 1972. The board had ceased being the monetary authority of its member countries earlier, as the member countries had established their own central banks and become independent. British Somaliland gained independence on 26 June 1960 as part of Somalia; Tanganyika became independent on 9 December 1961; Uganda became independent in 1962; Kenya attained independence on 12 December 1963; Zanzibar gained independence in 1963; and Aden attained independence on 30 November.

7 The East African Currency Board held securities issued by both Aden and Zanzibar after they became members of the board, so these securities are defined under our "domestic" classification. During World War II and for some time after the board also issued currency in Italian colonies in the region that were conquered by British forces.

East African currency board: Portfolio analysis

For East Africa, we reached similar conclusions as those for Palestine. The maturity and interest of the portfolio declined over time, and the board's assets and securities were invested such that they would benefit Britain. The first chart on the following page shows the average interest and years from average maturity for East Africa. Although the interest rose in the final years of the board, this was caused by holding more domestic issues (not British securities) and very short-term, high-interest British national securities.

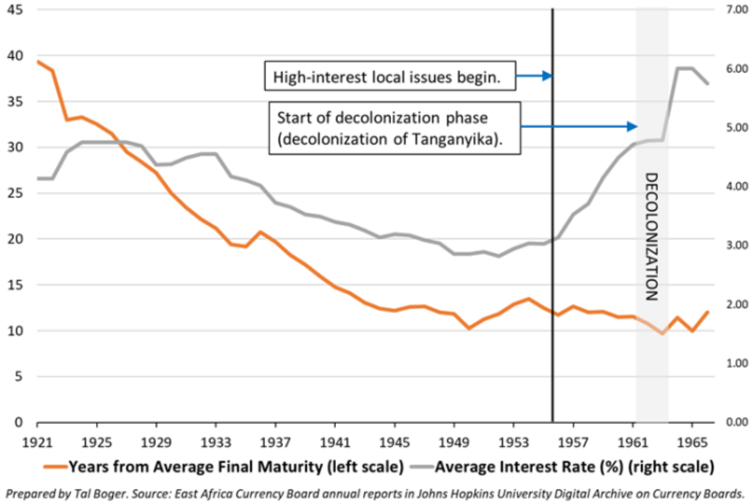


Figure 5. *EACB average interest and maturity*

The average interest rates on British Empire securities increased over time, while rates on British subnational and domestic securities remained relatively stable. The average interest of British national securities decreased until the board began holding high-interest conversion loans and treasury bonds. The chart below shows average interest rates by classification.

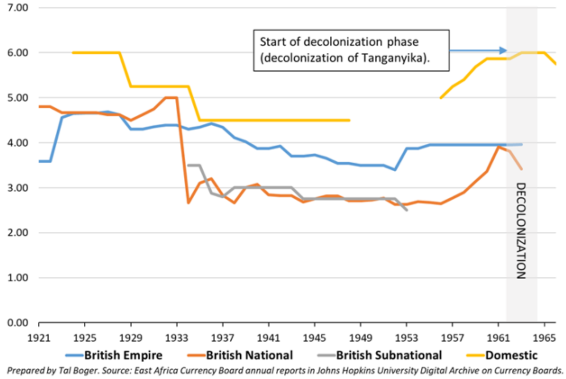


Figure 6. *East Africa currency board average interest by classification (%)*

In the first years of the board, most of the board's overall assets were in coin and other assets.[8] However, once the portfolio normalized, British national securities took over as the largest security class, and there was a large increase in deposits at banks, Crown Agents, etc. Near the decolonization dates of Tanganyika, Kenya, and Uganda, there was a sizable increase in British treasury bills. After the decolonization (essentially meaning that the board entered a liquidation phase)[9] the board maintained a large portion of its assets in deposits. The graph below shows the asset composition as a percentage of total assets.[10]

[8] Other assets in this period are mostly Indian coin and the balance of silver coinage profit and loss account.

[9] We describe this period after decolonization as the liquidation phase because after decolonization, most member countries established central banks. Also, the final year of securities data was 1966 (5 years after the first decolonization date).

[10] The white space at the top between 1931 and 1933 is due to the fact that the percentage of other assets was negative. During those years, the board held a large portion of its assets in coin; the coin and the total securities alone equaled more than the total assets, giving us a negative value for other assets.

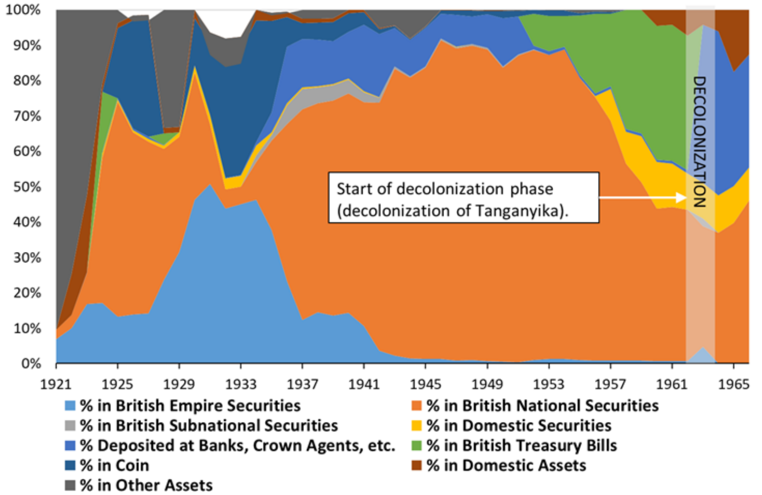


Figure 7. *East Africa currency board asset allocation (%)*

Like Palestine, during the period when the board managed a large portfolio, the portfolio was mostly composed of assets and securities for British benefit. Most notably, there were large holdings of British national securities, British treasury bills, and deposits. Both deposits and British treasury bills are short-term, low-interest assets.

Narsey further tests this claim; per his calculations, investments in the United Kingdom (excluding deposits and treasury bills) composed only 23 percent of securities in 1921. However, from 1946 on, they composed 99 percent of the portfolio (Narsey 2016: 277). The first graph on the following page shows the asset composition in shillings.

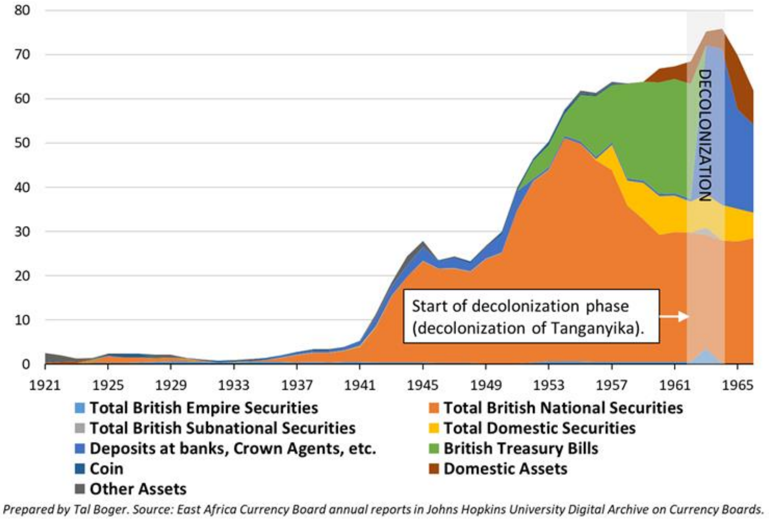


Figure 8. *East Africa currency board asset allocation (£)*

Our data for the East African Currency Board support Narsey's claim. Indeed, the average maturity and interest of the portfolio decreased over time (although, as discussed, the interest rate did rise after 1956 because of high-interest, short-term securities). Our portfolio analysis shows that British national securities, deposits, and treasury bills made up most of the portfolio almost every year. Therefore, we view the East African Currency Board as having benefited Britain at some expense to East Africa.

West African currency board: Backround

Unlike the Palestine and East African currency boards, the West African Currency Board was not established because of territorial gain in World War I. The British established a currency board so that they could provide a local currency for their colonies in West Africa. They worried that British silver coins, which were then used in West Africa but whose legal tender was limited to £2 in the United Kingdom, could cause financial embarrassment for the British government if a large, sudden demand for their redemption arose in Africa. Separating West African currency from British currency was a way of quarantining demands for redemption so that they did not undermine the credibility of the pound sterling.

The board was founded before World War I began. Members were appointed on 21 November 1912, and weeks later, on 6 December 1912, the board was established. It began issuing currency on 26 June 1913. Its currency, the British West African pound, was equal to the pound sterling at a 1:1 rate. Like sterling, it was divided into shillings (20 per pound) and pence (240 per pound).

Initially, the board covered Gambia, the Gold Coast (now Ghana), Nigeria, and Sierra Leone. After World War I, Cameroons (now divided between Nigeria and Cameroon) and Togoland (now part of Ghana) became British mandates supervised by the League of Nations. Cameroons was administered as part of Nigeria, and Togoland as part of Ghana, so both used West African currency. Liberia also used West African currency, but it was not a member of the board and did not receive a share of the profits.

The West African Currency Board was also headed by three Britons: G.V. Fiddes, from the Colonial Office; W.H. Mercer, Senior Crown Agent for the Colonies; and L. Couper, General Manager of the Bank of British West Africa. Further, the board was headquartered in London, and Mercer and Couper were later members of the East African Currency Board.

The provisions governing investment were very general: "The Board will maintain in London against the silver coinage a reserve of gold and securities, hereafter referred to as the 'gold standard reserve'" (West Africa Currency Board Annual Report 1914: 7). There were no guidelines stating that the board could not hold a certain type of security, or that it must hold British securities.

In his exploration of the history of the West African Currency Board, Narsey also finds two other characteristics defining its investments: the local currency would be backed 110 percent by gold and sterling reserves in London, and 10 percent of the currency reserves would be kept as a Depreciation Fund to guard against the depreciation of the sterling securities (Narsey 2016: 146). These terms seem overly strict to him, especially the requirement of keeping 10 percent of currency reserves in a depreciation fund. He adduces these condition as evidence that Britain leveraged the colonial currency to help the sterling and British securities.

Because of the independence of the West African colonies, the board ceased issuing currency on 31 May 1968, and was fully liquidated on 31 October 1973.The Gold Coast became independent on 6 March 1957; Nigeria became independent on 1 October 1960; Sierra Leone gained independence on 27 April 1961; Gambia obtained independence on 18 February 1965. Each country established a national currency authority around the time of its independence.

West African currency board: Portfolio analysis

For our third and final currency board, our results were similar to the other two. The board over time shifted its portfolio to shorter-maturity, lower-interest securities for British benefit. Like East Africa, West Africa's average interest and maturity steadily declined until the final years of the board, at which point the interest rose dramatically.

For West Africa, this rise in interest was mostly caused by high-interest Exchequer loans[11] and treasury stock (all of which had over 6 percent interest), and British subnational securities. In 1969 there was a group of loans called the "local authority bonds," composed of 11 subnational securities, with the lowest interest rate among them being 8.375 percent. The graph below shows the average interest and maturity.

[11] The Exchequer was the department of the British Treasury responsible for taxes and accounting.

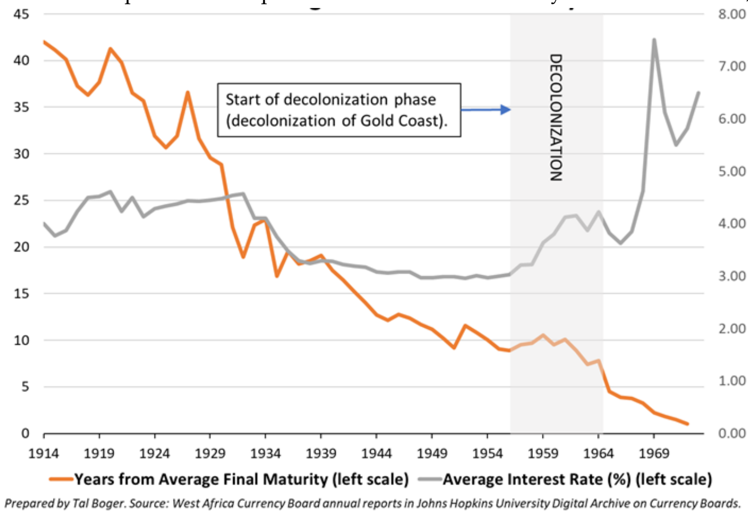


Figure 9. *WACB average interest and maturity*

Examining the interest by classification helps explain the large rise in interest. Notice how after 1968, the average interest for British subnational securities is about 9 percent because of higher inflation. Also, in the middle of the decolonization phase, the average interest of British national securities begins to rise. The graph below shows the average interest by classification.

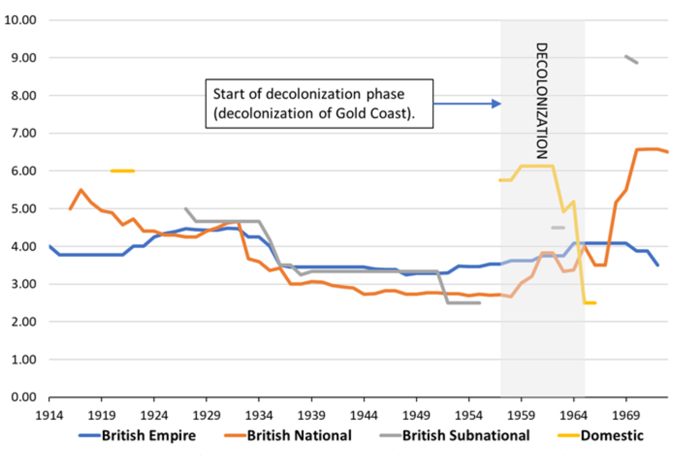


Figure 10. *West Africa currency board average interest by classification (%)*

After the first years of the board, during which other assets made up most of the portfolio, the highest-valued assets were British treasury bills and deposits at banks, Crown Agents, etc. Along with the British assets, most of the portfolio's securities were British national. The graph below shows the asset composition as a percentage of total assets.

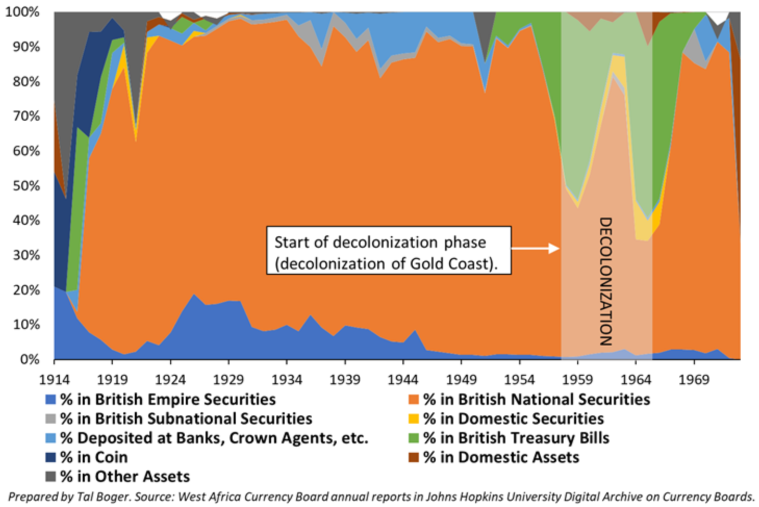


Figure 11. *West Africa currency board asset allocation (%)*

The asset composition in pounds further shows the large holding of these short-term assets, especially British treasury bills. The graph below shows the asset composition in pounds.

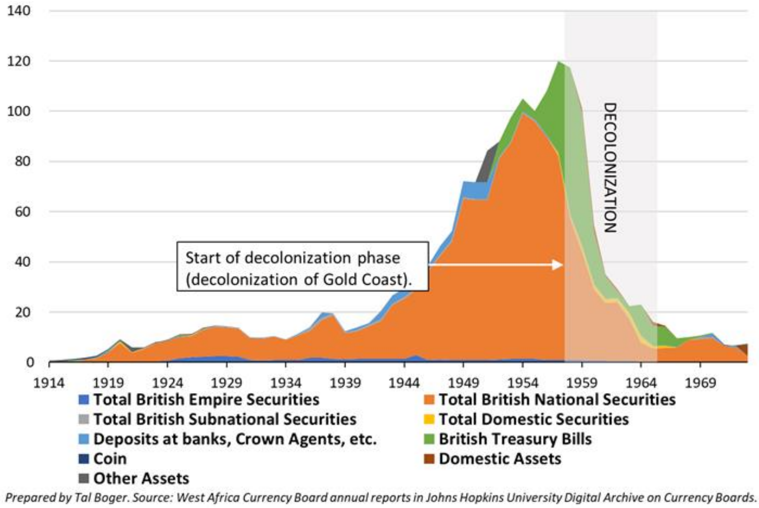


Figure 12. *West Africa currency board asset allocation (£)*

Our analysis of West Africa's currency board proves Narsey's claim correct. Furthermore, West Africa's currency board was a model to other British currency boards, so its shift of securities and assets for British benefit might well be seen in other boards too.

Conclusion

The results from our statistical analysis of three different British colonial currency boards (Palestine, East Africa, and West Africa) prove Wadan Narsey's (2016) claim correct. Each board shifted its assets to lower-yielding, shorter-maturity securities over time, which benefited Britain at some expense to the colonies. Even when the boards could invest in other securities, they continued to compose their portfolios and assets of British national securities and assets. Furthermore, initially no representatives from British colonies had a seat on the governing board; all three members on each board at its inception were in the British government. As such, we conclude that the policies of the currency boards enabled Britain to manipulate its colonies' monetary systems for its own benefit.

To examine the extent to which the portfolios benefitted Britain, we created a model portfolio. The model portfolio held 75 percent of its assets in Empire securities (we used Australian bonds for this), 15 percent national securities (10 year British Treasury bills), and 10 percent deposits. We compared this to the weighted interest of the actual portfolio. Even with deposits weighing down on the model portfolio – while they were not included in the real one – both East and West Africa's model portfolios outperformed their real portfolios. The graph below shows the difference in value of the model and real portfolios (with the initial year equal to £100 for both portfolios).

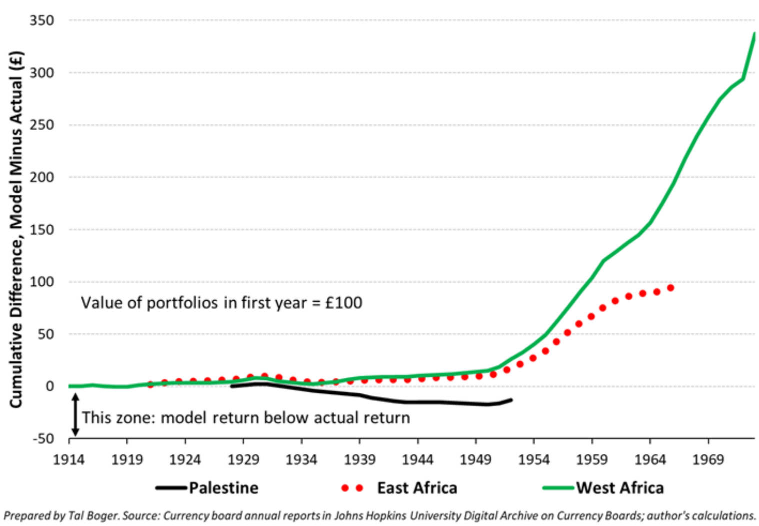


Figure 13. *Currency board model portfolio vs. actual portfolio*

The portfolio policies of the currency boards this paper has examined were more concentrated in low-yielding British assets than they needed to be, benefiting Britain and reducing income for the currency boards and the colonial governments that belonged to them. As for the broader question of whether the monetary policy of the currency boards themselves was disadvantageous to the colonies, this is not the place to address it, but both a study by Schuler (1994) using simple statistical techniques, and a more sophisticated study by Wolf *et al.*, (2008) indicate that currency board systems have tended to have less currency depreciation and lower average inflation rates than central banking system in emerging market countries. For instance, of the countries that belonged to the currency boards analyzed here, only one, Jordan, has a currency that has kept its value against the pound sterling; the Jordanian dinar is currently worth about £1.10. All the other currencies have depreciated against sterling by a factor of at least 10. In Nigeria, for instance, the factor of depreciation is about 230. In Israel it is more than 40,000, adjusting for the changes of currency since independence.

Great Britain set up currency boards in colonies aside from Palestine, East Africa, and West Africa. These included major colonies such as Malaya, Iraq, Burma, and the British Caribbean, and many smaller colonies, such as British Honduras, Malta, and Zanzibar. These currency boards could also be tested using our methods to see if they, too, show a pattern of asset holdings that benefited Britain at the expense of the colonies.

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4 The Covid-19 and holistic innovation of African Ports Metropolis: the case of Douala Sea Port-Cameroon

By
Modika ***JOHNSON***
Edimo Francois A. ***EPANDA***
Oliver Sunjo ***JIFON***

Introduction

Covid-19 has reshaped the organisation and functioning of socio-economic activities of many countries. The most affected sectors of the economy were those that deal directly with strangers and foreign countries. As a result of this Cameroon government as many other countries to fight against the spread of the pandemic put in places several measures; social distancing of at least one meter, avoiding of mass gathering, constant hand washing, greeting with elbows. Similarly, the Douala seaport authority as a business establishment also defined its own measures that suit it institution. Such as the electronic business transaction, shift works, constant cleaning and disinfection of work places and cargo ships. These holistic changes are new innovation that has reshapes the organisation and functioning of the Douala seaport. Despite the fact that Covid-19, has brought in more damage than blessing, on the other hand it has awaken many business institution to implement new innovations.

This doesn't mean that since the creation of Douala port by the German administrators in about 1884, no changes have been done; there are many sectors of the port that received gradual or rapid changes. Little was done in electronic business transaction, constant disinfection of work places and ships.

Challenges were remarkable in the rapid increase in traffic flow of goods and services from Cameroon and other landlocked countries like Chad and Central African Republic. Increase in seaport space from 227 to 400 hectares at present out of a total surface area of about 1000 hectares, the extension space can contain about 7,5 million tonnes of cargo output; 10 km of quays (including wet dock outlines); 11 million tons of storage capacity; 13 multipurpose warehouses with total area of 50,000 sq, km. 20 hectares of land yard initially destined for the traffic of landlocked countries, but which are now partly allocated to the free, trade zone. These are challenges and organizational functioning of the port before the advent of covid-19.

The holistic challenges of the port of Douala above is a potential of modern seaport, that does not only attracts several industrial establishment but also other tertiary services like banking, administration, and secretariat workshops. Is not an over statement to say that health pandemic (covid-19) the glorious development of businesses in the seaport of Douala is a new dynamics in the business structure and functioning. This new dynamics started at the eve of 2020 where many sector of the economy were affected. As such, a new form of structural organisation, operation and delivery of services was put in place at the seaport of Douala. Similarly, other sectors who were unable to adopt structural organisation to adapt to the present challenges of the health pandemic suspended their operations for sometimes, some lay-off their workers. All these made many companies and small businesses to register a great lost in their productions, operations, revenue and services delivery. What are the measures put in place by business operators to withstand the negative impacts of covid-19 on economic activities in Douala Seaport?

Methods and approaches of data collection

Data collection was based on business transaction statistics of the port; before and during health pandemic. The information was gotten from documents on the organisation and functioning of the port and commercial activities since its creation.

The second aspect concerned a sample frame of 100 questionnaires, out of which 50 were addressed to stakeholders' operationing at the seaport as well customers and visitors and 50 to the administrators. The questions asked were all about what measures put in place by business operators and port authority to withstand the negative impacts of covid-19?

It was framed in this nature because visiting was highly controlled. The two sets of questionnaires were quantitative and qualitative. The qualitative questions were addressed to administrators who work at GICAM, Douala port and the custom authorities while quantitative questionnaires were addressed to visitors and customers of the port that is importer and exporters as well as visitors. The administrators were interviewed on telephones given the present situation of social distancing while customers and visitors were interviewed directly.

Collected data from the field were analysed manually and the use of Microsoft excel for production of table and ArcGIS to realised map of port evolution.

Definition of concepts

Ports metropolis

The simplest definitions of port metropolis can be equated with port city. Simply mean a city exerting port and maritime activities. It is also considered as a communication node between land and maritime networks developing auxiliary activities and having a strong influence on the spatial organization of the outlying region (Brocard, 1994). This led to the overlap made between port city and gateway city, the latter concept being originally defined by Burghardt (1971) and further applied to the port city case by Bird (1977; 1983) in order to insist on its fundamental difference with the central place whose influence is limited to the adjacent region, whereas the port city has the uniqueness of connecting long-distance maritime forelands (Pearson, 1998). Indeed, the concept of Port-city relations in fact cover a wide range of themes related with industrialisation, logistics, tourism, tertiary activities, and planning, as in proposed classifications by (Bienfait & Delsalle, 1989; Amato, 1999). Another possible definition insists more on the intensity degree of port-city relations and the imbalanced direction of the mutual socio-economic influence between port and city. The port city can be considered as a "system" on its own (Forno, 1985): it is a city where port and maritime activities have such a strong influence on the local economy that the city indirectly depends on the port to exist. Such a conception is often found in the work of historians, in the case of Marseille (Borruey, 1992; Borruey & Fabre, 1992). In most cases port city or metropolis is translated to the spatial and economic symbiosis between port and city. Such port cities are influenced by the mutation of commercial activities. The port metropolis of Douala exerts such characteristic of socio-economic mutation of activities which are today been modified by covid19.

Holistic innovation

Holistic innovation is an extensive concept applied in many sectors of economy which undergoes fast or gradual changes in the ways of doing things. The concept is a driver of reimaging business. Companies that innovate are able to set the organization in a different paradigm in order to identify new opportunities and the best methods to solve current problems. Innovation in other words is significant positive change. It's something you work towards achieving on a project. The theory was first developed by E.M. Rogers in (1962), is one of the oldest social science theories. The outbreak of coronavirus pandemic urges many business operators to develop new methods to keep their businesses moving during sanitary period. Individual states and business stakeholders laydown a series of measures to cope with the pandemic today most of the measures are considered as models of economic development. Such as financial/economic adjustments, sanitary protocols and processes, adjustments to working practices and organizational aspects, digitalization of data and information, video conference. These innovative measures were lacking in some companies operation in Douala.

Corona virus pandemic (Covid-19) has pushed many business operators to revisit their organograms.

Corona virus pandemic (Covid-19) in Cameroon

Is a type of virus which can infect humans and cause several diseases? Is from a family of various viruses (coroviridae) which can infect humans as well as animals, their name means "crown virus" and comes from the fact that they all have a crown-shaped appearance when they are observed under a microscope.

In December 2019, an epidemic of coronavirus (covid-19) was declared in Wuhan Province in the People's Republic of China. Over time, it gradually spread to Asia, Europe and Africa. The World Health Organization (WHO) and many literatures declared it pandemic because of it wide spread across the world. Cameroon like many states in the world is not spared by this pandemic. The first officially recognized case of covid-19 in Cameroon was announced in Yaoundé on February 24, 2020. The silence of President Paul Biya at the start of 2020 as the covid-19 pandemic strikes Cameroon the second worst affected country in sub-Saharan Africa draws criticism. For economist Albert Ze said "there is a clear lack of coordination in the response against covid-19" in November 2020, doctor Elisabeth Carniel, director of the Laboratory Pasteur Institute in Yaoundé declares "in Cameroon, very few people had to be hospitalized, few died, from the covid19 and bed occupancy rate was 1%. The confinement was little respected and today everyone goes on with mask or participates at sporting gatherings without wearing masks."

Cameroon inevitably joined the group of the first countries in Africa affected by the disease; a series of strong measures was defined that became applicable on the Wednesday March 18, 2020. The table 1 summarizes the cumulative cases from March 06 to July 06, 2020. The rate of infection in Douala and Yaoundé was alarming because of their economic status as well as political. It is evident that many stakeholders were obliged to adopt new methods in operating their businesses.

Table 1. *Summary of covid19 cumulative cases from March 06 to July 06, 2020*

Regions	Covid19 cases	Dead	Recovered	Locality in %
Adamaoua	139	3	39	2,2
Centre	7885	103	6743	1,3
East	935	23	532	2,5
Extreme North	118	6	74	5,1
Littoral	3436	88	2972	2,6
North	128	11	98	8,6
North West	328	31	197	9,5
West	868	54	444	6,2
South	501	13	285	2,8
South West	578	27	141	4,7
TOtal	14916	359	11525	45,5

Source: CRTV News July 06, 2020.

According to Franck Ale, all of the first cases of coronavirus in the Regions of the country were imported by travelers returning from countries already affected by covid-19. Then we started to see more local transmissions to identify "community" cases laboratory-confirmed cases from which we have not yet arrived not to reassemble the chain of transmission.

According to Yap Boom, more than 14,000 positive cases for covid-19 have been identified in the 10 Regions of Cameroon. Transmission was high in Yaoundé, the capital, where Doctors without Borders (MSF) take care of patients with the disease to the hospital.

Brief history and structural evolution of the Douala port

The quantitative increase of economic activities led to the spatial development of the seaport as well as the town of Douala.

This is confirmed by the fact that, during the German colonial administration from 1884 to 1915 the seaport of Douala had a surface area of only 47 hectares. Subsequently, from 1915 to 1946, when the economic activities increased the Seaport surface area was also increases from 47 to 102 hectares during the French mandate. This was because there was the increase of trade capacity between 300 to 400 tonnes per year.

Thus, importation constituted 35% increase in relation to exportation in 1947; it increases from 50% to 80%. By 1948, the volume of traffic constantly increased, as such space expansion moves from 102 to 227 hectares by1952 during the Trusteeship period.

After independence in 1960, the rapid increase in traffic flow of goods and services from Cameroon and other landlocked countries like Chad and Central African Republic, thus increased the seaport space from 227 to 400 hectares at present out of a total surface area of about 1000 hectares, the extension space can contain about 7,5 million tonnes of cargo output; 10 km of quays (including wet dock outlines); 11 million tons of storage capacity; 13 multipurpose warehouses with total area of 50,000 sq, km. 20 hectares of land yard initially destined for the traffic of landlocked countries, but which are now partly allocated to the free, trade zone. The spatial evolution of the port is illustrated on figure 1 and 2.

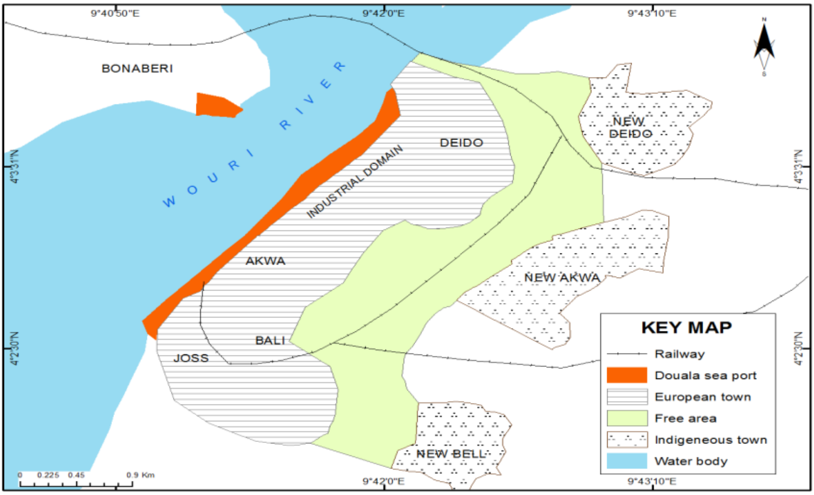

Figure 1. *The evolution of the Douala seaport in the German period*

Figure 2, presents the actual physical state of the Douala seaport evolution in terms of investment and extension. The surface area has move from 47 hectares to about 74 hectares. This is as a result of successive investment of several activities. Among these are: the modernization of the container terminal, controlled by Bollore, under the management of PAD.

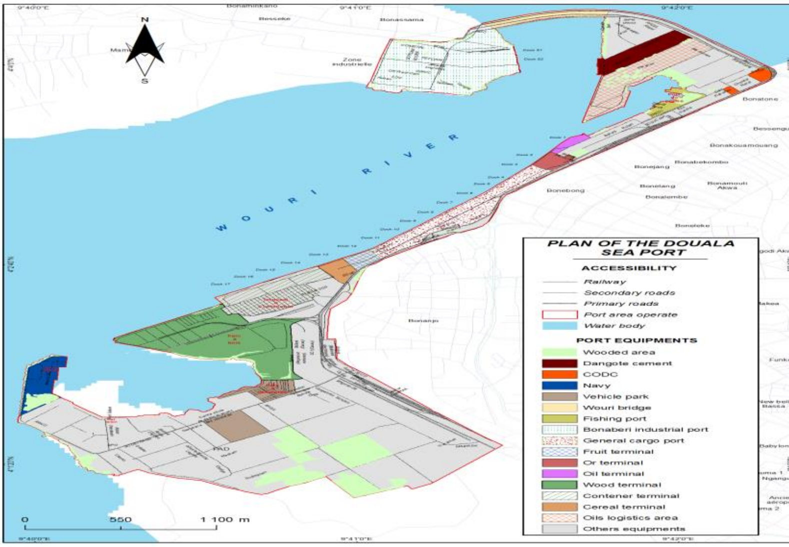

Figure 3. *Present Evolution of the Douala Seaport*

Results

Holistic measures developed by the Douala Seaport authority during health pandemic

Adjustment of Business operations

Covid 19 influence several business operators to reorganize their work into shifts. This was followed by implementing social distancing and constant cleaning of equipment. At the Douala sea port equipment's constantly cleaned are ship-to-shore cranes, vans, side and front loaders used by workers before each shift change. The organization of operational teams also alternated on a weekly basis.

Adjusting working conditions

Adjustments to working conditions were introduced across many business activities in Douala. Especially at the Douala sea port, terminals, depots, warehouses, trucking, rail and barge activities, which continued their operations during the crisis as permitted by governmental rules.

Beyond the adjustment of working practices, crisis management involved another group of decisions regarding personnel. Hiring plans were frozen; non-critical training activities were cancelled. In developed countries like France rotation or part time working programs whenever temporary unemployment received social wage support was allowed by national or local labour laws.

As regards the administrative personnel in the Seaport of Douala, like in several Seaports across the world assigned home office to their entire relevant workforce while others adopted a case-by-case approach.

Another approach required "working for home for all vulnerable people such as employees over a certain age, pregnant employees, and employees with small children, or underlying health issues are entitled to work from home following assessment by an in-house committee.

Treatment of suspected Covid-19 cases

The treatment of personnel with suspected contamination cases by many industrial establishments especially those at the sea ports were done in special centres. Many industrial establishment, Ports, ships, and crew had to comply with all the recommendations in the pandemic's protocols and preventive measures issued by the competent.

The increase in the number of ships that face longer stay at anchorage implies some additional safety concerns to be addressed by ports and terminals authorities. These include higher probability of exposure to extreme weather conditions and associated grounding and collision risks. In response, ports had to formulate and proactively communicate their policies on the use of anchorage areas.

Crew changes

Many sectors of activities came with another innovation of crew changes especially at the Air Port and Sea Port. In the early days of the pandemic in the month of March 2020, even transporters implemented preventive measures to reduce exposure to risks at Seaports and terminals. Example of measures includes temporary suspension of crew changes and prohibiting crews from disembarking at Seaport terminals. In few cases, sanitary corridors were set up to allow the return of seafarers back to their countries of origin and conveniently supply new crew members to ships. Yet, with the crisis lasting more than a year, restrictions on crew changes became a major concern for the shipping community, for humanitarian, safety and employment-related reasons.

Humanitarian actions

It should be noted that, many sector of economic activities before sanitary crisis were not implementing humanitarian actions. Covid19 has brought in another innovation in this domain. Many companies under the framework of their corporate social responsibility activities, especially the Seaports of Douala and Kribi have continued to support ongoing projects and further develop initiatives tackling current Covid-19 related challenges. Port practices include the direct purchasing, distribution and donation of medical supplies and cleaning products for use by the port community.

Digitalization

Digitalization is another innovation brought by covid-19, this has been crucial for the continuity of the maritime supply chain during the pandemic. Seaport Community Systems (PCS), Single Windows (SW) and other electronic exchange platforms, for example, have played a critical role during the Covid-19 crisis. Digital infrastructure has facilitated trade and cross border logistics by simplifying administrative and regulatory processes. During pandemic electronic platforms were able to do online operations from office to home and still provided quality services as trusted third parties. Stakeholders that are highly dependent on their digitalization expertise of the supply chain have underscored this importance.

Discussion

It should be noted that not only the covid-19 which has brought about quantitative rapid changes in imports and exports of goods which account for organizational functioning. There are also a number of political measures earmarked by the state of Cameroon that have been advanced to ameliorate the business atmosphere at the seaport of Douala. Although is not an over statement to admit that covid-19 has contributed to reshape the organisation and the functioning of the Douala Seaport to equate to international standard. The use of modern innovations such as electronic transaction of business and the creation of Single Window for Foreign Trade (GUCE), so as to simplify procedures in serving clients during imports and exports of goods. This move also reduces related costs and clearance time through the physical or virtual grouping of all stakeholders.

The increase of numbers of industries around the seaport is in-line with good government policies; it has also attracted spatial development of the town in terms of infrastructures around the port. The employment capacity of the port and its various branches amounted to 150.000 in 2019; the port alone employs 12.876 people, while the industrial sector around the port generates 3.243 direct jobs. Tertiary jobs are mostly found in wholesale and retail trade of products of various kinds; food stuff passing through the port (rice, pasta, drinks, etc). For informal jobs, the port contributes to the flourishing of trade in second-hand clothes (thrift store) and several other products passing through its facilities, their estimate by the statistical services is evaluated at 124.000 jobs distributed in the city markets. The port has equally provided a number of social facilities to the population notably in the health and educational facilities apart from its role in territorial dynamism.

Conclusion

Covid-19 came with mix blessings different business stakeholder in Douala seaport have developed several innovations: Operational adjustments; financial, economic adjustments; sanitary protocols and processes; organizational aspects, prioritization of essential services; reorganization of operations and working conditions due to sanitary protocols; advancement of digitalization and communication strategies

Similarly; many Port Metropolis have registered same changes and most of these changes is the wanton loss of workers, revenues, closure of some companies, as well as commercialization of industrial product. On the other hand coronavirus has helped many business operators at the sea port in particular and Cameroon in general to improve their research on innovations and inventions on traditional models.

The paper therefore report that, the seaport of Douala throughout its long history of evolution has encountered a number of problems and challenges that make the port less competitive in the face of increasing international transactions. It is in this context that the work proposes that the good performance and socio-economic development of the seaport of Douala is based on the recommendations related to health pandemic and port efficiency.

The port should develop mechanism which ensured good business operational adjustments so that in case of any further health pandemic the sector will not be affected. In the same line the port should develop policies which envisage adjustments to working conditions. The seaport of Douala should also develop politics which ensures crew changes so that when such health pandemic incident happens in future it will not affect the port activities, corporate social responsibility activities should be reinforced.

As regard to efficiency, operations should be digitalized to reduce dwell time in operation. There is also the need to replace old and out-dated equipment such as cranes, construction of additional quays and berths as well as removal of abandoned ship wrecks.

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5 Before entering the East African currency board: The case of Zanzibar (1908-1935)

By
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Introduction

Prior to joining the East African Currency Board in 1936[1], Zanzibar had established a local Board of Commissioners of Currency to issue government notes beginning in May of 1908. A few prior accounts on the subject and period exist, such as Ferguson (1989), yet none present the note issuance statistics of the period in a machine-readable, high-frequency form necessary for further quantitative analysis.

We provide annual and monthly statistical data of the balance sheet of the Board of Commissioners of Currency. An analysis of the balance sheet data and of legislative history of the period suggests that the Board worked like an orthodox currency board in many respects but not in all.

[1] The currency board existed between 1908 and 1935. However, because of a lag in publication data, the relevant dates for the *Zanzibar Gazettes* and colonial reports stretch into the year 1936.

We mainly focus on determining the extent to which Zanzibar's Board of Commissioners of Currency operated like an orthodox currency board. We do not address broader issues such as whether a different monetary arrangement might have resulted in greater economic prosperity. The statistics and legislative history that we provide in the companion spreadsheet workbook should, however, be useful to any further analysis of the Zanzibar monetary system of the period.

Origins and workings of the government note issue

Economic and political relations between Great Britain and Zanzibar extended as far back as the early nineteenth century. During the period that followed, British involvement in Zanzibar escalated, finally culminating into formalized British protection over Zanzibar in 1890. A combination of the loss of the Sultan of Zanzibar's possessions on the East African mainland to the Imperial British East Africa Company and pressures to end the export of slaves and slave markets resulted in the rapid deterioration of the Sultan's sovereignty in Zanzibar (Shelswell-White, 1949, 2-3). This paved the way for the official establishment of the Zanzibar Protectorate by Great Britain on November 1, 1890 (Crofton, 1921, 3; Morris, 1979, 1).

The following year, in 1891, a regular government was constituted with a British Representative as First Minister (Colonial Report, 1928, 3). While the Sultan retained his title, presided over the Executive Council in important decision-making, and issued legislation in his name, the British Resident "in actual fact, exercised on the Crown's behalf an extensive and all-pervading authority in [Zanzibar]" (Morris, 1979, 2). Now in control of the administration of the Zanzibar Protectorate, Great Britain had command over the country, including its currency.

The British Indian rupee had been in use and had been for a long time in Zanzibar before Great Britain's establishment of the Protectorate (Mwangi, 2011, 767). The currency had been "used irregularly by merchants during the slave era to facilitate commodity circulation" (Ferguson, 1989, 27). In fact, the Indian rupee was used throughout British East Africa (now Kenya), Uganda, German East Africa (Tanganyika, now the mainland of Tanzania), and Zanzibar. German East Africa was under German rule at the time, and its currency was the German rupee, made of silver, and the subsidiary coin was the Heller (1/100 of the Rupee). In Zanzibar, the local rupee would take the form of notes, while the Indian silver rupee and its subsidiary coins would continue to form the coinage (Bank of Tanzania, 2015).

On March 11, 1908, the Zanzibar Currency Decree (No.3 of 1908) established a government currency note issue and provided that currency notes were to be issued by the Board of Commissioners of Currency "in exchange either for current coin or notes previously issued under this Decree" (Government Gazette, March 11, 1908, 1). The currency board arrangement ensured that the local currency was fully backed by sound Indian rupee securities. Additionally, the issue of currency notes provided a means for the government to earn additional revenue. In fact, C.E. Akers[2], Financial Member of the Council of Zanzibar, in a report on the financial, commercial, and economic situation in Zanzibar, advocated an investment in Indian government securities bearing 3.5 percent interest and recommended the issue of Treasury notes to replace "the existing clumsy currency of silver rupee coins," since "profit would accrue to the Government from such a financial operation" (Throup *et al.*, 1995: 176). The report stated that he made these currency control recommendations on December 23, 1906. Akers made similar recommendations once again on February 8, 1907 – just one year before the official establishment of the local currency board in Zanzibar.

[2] We credit C.E. Akers for the idea of establishing a currency board in Zanzibar. The Financial Member apparently had powers like those of a minister of finance.

The 1908 decree also established the silver rupee[3] of British India as the standard coin of the Zanzibar Protectorate (Government Gazette, March 11, 1908, 4; Colonial Report, 1919, 6). The rationale was the "close commercial ties with that mighty British colony and the powerful role of its merchants in the Zanzibar economy" (Ferguson, 1989, 27).

The decree authorized the issue of notes in 5, 10, 20, and 100 rupee denominations and in any multiple of 100 rupees. The number of notes of each denomination was to be fixed by the Currency Board, with the approval of the Financial Member of Council (Government Gazette, March 11, 1908, 2). The silver rupee of British India became exchangeable with the local Zanzibar rupee on demand (Crofton, 1921, 3; Government Gazette, March 11, 1908, 3; Colonial Report, 1919, 6). The British sovereign was made legal tender at 15 rupees to the pound sterling. Legislation specifies no commission fee or minimum transaction size.

The decree also provided that the Board of Commissioners of Currency (also known as the Currency Board) should consist of the Financial Member of Council, the Treasurer, an officer in British public service, and a member of the commercial community to be nominated by the Financial Member of Council. The Board of Commissioners of Currency became the body responsible for the issue of currency notes. The Currency Board did not issue coins, which were issued by the government (Krus & Schuler, 2014, 257). The particular denominations of the currency notes from among those specified by the law, and the designs of notes, were to be decided by the Currency Board and approved by the Financial Member of Council (Currency Decree, 1908, Government Gazette, March 11, 1908, 2). The Zanzibar rupee was divided into 100 cents, like the rupees of the British Indian Ocean colonies of Mauritius and Seychelles, but unlike the Indian rupee, which was divided into 16 annas, 64 pice (paise), and 192 pies. The government of Zanzibar only issued coins of 1,

[3] The Currency Decree, 1908 states, "The silver rupee of British India of the standard weight and fineness enacted in the Indian Coinage Act, 1906 is made the standard coin of Zanzibar."

10, and 20 cents. In 1911, old local Seyyidieh copper pice became legal tender at 64 pice per rupee for payment of amounts not exceeding one rupee (Currency Decree, 1911; Government Gazette, April 11, 1911, 1).

On April 5, 1911, the Currency Decree, 1911 (No.2 of 1911) was passed, repealing and replacing the 1908 decree. The 1911 decree contained a provision that removed certain doubts with regard to legal tender of coin within Zanzibar. Gold coins, whether coined at the Royal Mint in England or at any mint in the British Empire established as a branch of the Royal Mint, were made legal tender at the rate of 15 rupees for one sovereign (the British £1 gold coin) (Currency Decree, 1911; Government Gazette, April 11, 1911: 1). We infer that, as with similar Indian legislation of the time, this measure was intended to promote the use of gold coins as a step toward an eventual full-fledged gold standard. Zanzibar had an Indian rupee exchange standard, and India in turn had a sterling exchange standard, and sterling was itself pegged to gold, so the Zanzibar rupee was *indirectly* linked to gold. Zanzibar did not, however, define the local rupee in terms of gold or hold a gold reserve. Silver coins of British India other than the rupee were legal tender for the payment of amounts not exceeding five rupees; the Indian rupee remained unlimited legal tender.

The Commissioners of Currency had control over the invested securities of the Note Guarantee Fund, which was invested wholly in Indian rupee and sterling securities. The invested portion of the Note Guarantee Fund was to be invested in government securities of any part of the British Empire or in other securities such as the British Secretary of State for the Colonies might approve (Currency Decree, 1916).

On July 1, 1913, control of Zanzibar was transferred from the British Foreign Office to the Colonial Office, legally taking effect the following year (Colonial Report, 1919: 6). The transfer involved a number of changes within the administration. Chief among them was the newly created post of a British Resident in Zanzibar, which replaced the offices of the prior consul general and first minister. An advisory body, formally known as the Protectorate Council, was led by the British Resident and included a chief secretary and an assistant chief secretary (Bissell, 2011, 106; Colonial Report, 1928, 5).

Due to this administrative change, the Currency Decree, 1916 provided a new arrangement for the Board of Commissioners of Currency. The decree provided that the Board should now consist of the Chief Financial Secretary, the Treasurer, and a member of the commercial community to be nominated by the British Resident (Currency Decree, 1916; Red Book, 1922). It continued to require that currency notes of each denomination be fixed by the Currency Board, but now with the approval of the British Resident rather than, as formerly, the Financial Member of Council. Currency notes were also now to be printed, kept, issued, and cancelled under the regulations of the British Resident.

The official exchange rate was set at 15 rupees to the pound sterling; this rate held from the time of the currency board's establishment in 1908 until August 1917. From August 28, 1917 to March 31, 1927, however, the Indian rupee officially had a fluctuating exchange rate against the pound sterling, initially because of financial pressures related to World War I and later because of a postwar boom and slump in the price of silver. The Zanzibar rupee followed the Indian rupee, preserving its one-to-one exchange rate with that currency. In practice, the Indian rupee stabilized at about $13^1/_3$ rupees to the pound sterling starting in September 1924, and on April 1, 1927 the rate became official. The Zanzibar rupee likewise maintained the same exchange rate to the end of Zanzibar's currency board in 1935.

The year 1935 marked a turning point for the monetary arrangement in Zanzibar, as there were murmurings of an intention to change from rupee currency to East African (shilling) currency, and join the East African Currency Board (EACB) (Bartlett, 1936, 4). The EACB, already consisting of Uganda, Kenya and Tanzania, was originally established in 1919. The EACB's original establishment came from the British desire to issue a currency *specific* to East Africa and to exclude other currencies from that area—namely, the Indian rupee (Mwangi, 2011, 767-768).

On May 29, 1935, J.P. Jones, the Chief Secretary to the Government of Zanzibar, by direction of the British Resident, approved the substitution of the East African currency for the Indian rupee currency (Government Gazette, June 1, 1935, 216). Passed on December 12, 1935, the Currency Decree of 1935 provided that Zanzibar abandon its local currency board and join the East African Currency Board on January 1, 1936 (Currency Decree, 1935, 112).

East African shilling notes and coin became legal tender, replacing Zanzibar Currency Board rupee notes, Indian rupee silver coins, and Seyyidieh copper pice, which ceased to be legal tender on and from April 6, 1936 (Colonial Report, 1936: 28). The exchange value of the currency was controlled and maintained at par with sterling by the operations of the East African Currency Board, London, which was represented in the Protectorate by a Currency Officer (Colonial Report, 1936, 28). The exchange rate for conversion to the new currency was 1.50 East African shillings per Zanzibar rupee (EACB Annual Report, 1936, 4). This rate reflected that the exchange rate of the Indian rupee with the pound sterling, and therefore the cross rate of the Zanzibar rupee, was 13.33 per pound, while the East African shilling was worth one British shilling, or 20 per pound.

The rationale for why Zanzibar ultimately joined the EACB is not explicit in official publications. We assume that because of Zanzibar's proximity to the African mainland, the British government wished to incorporate Zanzibar into the regional economic grouping it was developing in East Africa. Nevertheless, we *do* know that little objection was encountered in exchanging the East African shilling note issues or silver coins, once introduced in the Protectorate. However, subsidiary copper coins were *not* readily accepted at first, and an "unknown but not inconsiderable number of pice were still in use at the end of the year," – that is, the end of 1936 (Colonial Report, 1936, 39).

Prior to Zanzibar joining the EACB, local Zanzibar currency notes were fully covered by external reserves and yielded a small annual surplus from the interest earned on investments. The EACB, on the other hand, had far less than

100 percent reserve cover as a consequence of decisions it had made at its founding about the exchange rate for converting Indian rupees and German rupees into East African shillings. (British forces had conquered much of German East Africa during World War I, and after the war the territory had become the British mandate of Tanganyika.) Because Zanzibar was receiving profits from its note issue while the EACB was retaining all net earnings until its external reserves reached 100 percent of currency in circulation, the EACB agreed to pay Zanzibar £2,700 "apart from any contribution to the member Governments out of the Board's surplus income" (Blumenthal, 1963, 3; Lomoro, 1964, 3).

Zanzibar and Tanganyika united in 1964 as the Republic of Tanzania. The East African Currency Board arrangement lasted until 1966, when the establishment of central banks in Kenya, Uganda, and Tanzania came to fruition. On June 13 of that year, the government of Zanzibar founded the People's Bank of Zanzibar, a commercial bank in Tanzania that is licensed by the Bank of Tanzania. The Bank of Tanzania issued the Tanzanian shilling in place of the former East African shilling (Bank of Tanzania, 2015).

To what extent was the board of commissioners of currency a currency board?

A currency board's key characteristics are a fixed exchange rate with an anchor currency; unlimited convertibility between its notes and coins and the currency to which it is pegged; and at least 100 percent net foreign reserves against the whole monetary base (Hanke, 2002; Imam, 2010). To what extent did the Board of Commissioners of Currency of Zanzibar actually operate with these characteristics in the years 1908 to 1935, prior to Zanzibar joining the East African Currency Board?

Zanzibar currency notes issued under the Zanzibar Currency Decree of 1908 were fully backed by British Indian rupee securities. These funds were held in the Note Guarantee Fund, kept in the custody of the Currency Board or the National Bank of India (Zanzibar branch), as the Currency

Board directed (Currency Decree, 1908, Government Gazette, March 11, 1908, 2).

The Currency Decree, 1908 specified that the Note Guarantee Fund "[should] *not* be invested in any securities of the Government of Zanzibar, but may be invested in such securities of the Government of any part of the dominions of His Britannic Majesty, or in such other securities as the Currency Board may select, subject to the approval of the Financial Member of Council" (Currency Decree, 1908, Government Gazette, March 11, 1908, 3; emphasis added). This provision implies that there could be no domestic assets and only foreign assets. A fixed proportion for foreign reserves is not explicit in the Decree, nor is it in subsequent legislation (East Africa Further Correspondence, 1908, 3). However, our data and analysis show that the Note Guarantee Fund held assets consisting of at least 100 percent foreign reserves against notes in circulation. Such findings are consistent with the implications of the 1908 decree.

The 1908 decree also provided for full conversion of Zanzibar currency notes into Indian rupees on demand. The Board maintained unlimited convertibility between its notes and coins and the Indian rupee against which they were pegged at a fixed exchange of 15 rupees to 1 pound sterling. This provision of convertibility was critical to build the public's confidence in the local currency.

Before entering the East African currency board: The case of Zanzibar (1908-1935)

We have digitized annual and monthly balance sheet data on the Currency Board from 1908 to 1935, the years in which Zanzibar's local currency board was in operation. The main source was the *Zanzibar Government Gazette*, including a few of the gazette supplements. The balance sheet monthly data are not reported for September 1914 to March 1919, nor for some other scattered individual months, and we could not find balance sheet annual data for some years, since the currency board did not publish statements for certain years for unexplained reasons[4]. We performed tests on the balance sheet items of the Board of Commissioners of Currency.

Test One: Domestic assets, foreign assets, and the monetary base

We first measured net foreign assets as a share of the monetary base, in Figure 1. Figure 1 is a "continuous" version showing only the available data and omitting gaps. We provide a "discrete" version showing gaps in annual data for the years 1914, 1915, 1916, and 1917 in the accompanying spreadsheet workbook (see Figure 1a in the workbook). From 1908 to 1935, net foreign assets hovered in the range of approximately 100 to 137 percent of currency notes in circulation. Total assets ranged from approximately 100 to nearly 138 percent, a practically identical range to net foreign assets. This makes clear that the currency board's Note Guarantee Fund exclusively consisted of foreign assets, and suggests that the Board operated in a highly disciplined, rule-like manner. It is unclear why the reserve ratio was so far above 100 percent in 1926-1928 and 1930. Prices of British securities do not seem to have rallied sharply in 1926.

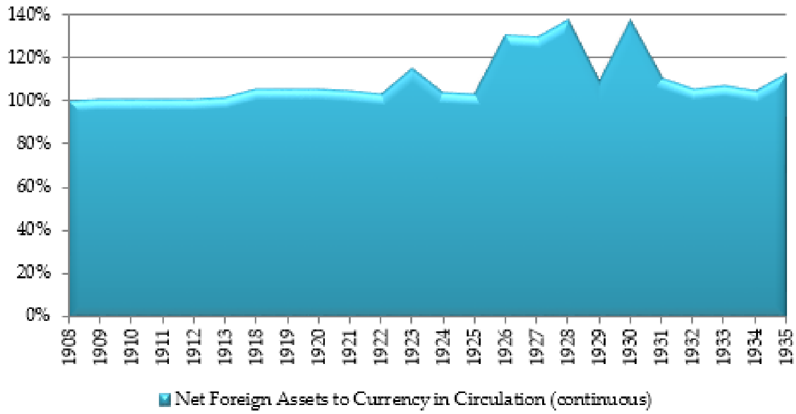

Figure 1. *Net Foreign Assets (% of Monetary Base; Currency Board Orthodoxy = 100% or a bit more) (Continuous)*

[4] See Appendix B for a detailed discussion of balance sheet monthly and annual missing data.

Although not pictured, it is worth mentioning the composition of net foreign assets held in the Note Guarantee Fund. During the period 1908 to 1935, net foreign assets consisted of both Indian rupee assets and sterling assets. The percentage of the investment portion that was Indian rupees versus the percentage that was sterling varied throughout the period, but never did one dominate the other (refer to the accompanying spreadsheet to see calculations). Especially in the early years, Indian rupee securities represented the majority of the investment portion (about 65 percent Indian rupee versus 35 percent sterling), while later sterling securities became the larger portion (about 70 percent sterling versus 30 percent Indian rupee). These fluctuations in the respective proportions of the securities reflect Zanzibar's politico-economic situation during the period in which the currency board operated. Zanzibar had strong trade relations with India, but was itself a British colony, with other links to England. Its asset holding pattern is evidence of both Indian and British influence on Zanzibar.

Figure 2 lends some insight into how net domestic assets (namely, Zanzibar government securities as well as a deposit at the National Bank of India, Ltd. in Zanzibar) were 0 percent, if not very close to 0 percent, of the whole monetary base (equal to currency notes in circulation, in this case). This metric shows the drastic contrast between net foreign assets and net domestic assets as respective components of the monetary composition. Figure 2 is a continuous version, showing all available data. This again highlights the highly disciplined policy practiced by the Board of Commissioners of Currency.

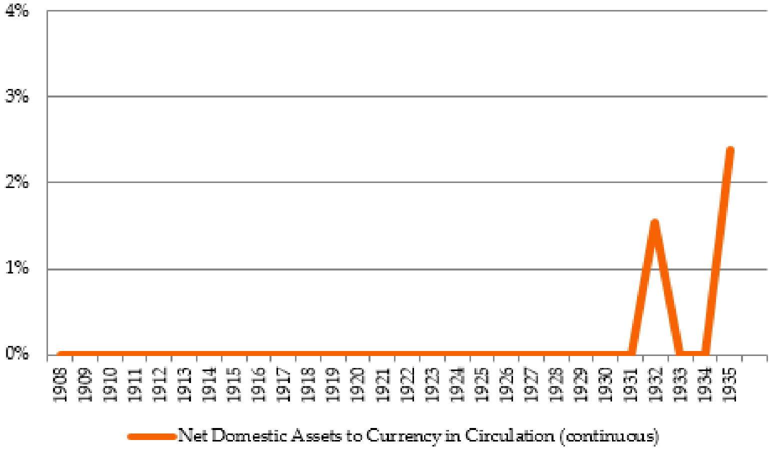

Figure 2. *Net Domestic Assets of Monetary Composition (%)*
Main Sources: Zanzibar Government Gazette; calculations.

Test Two: Reserve pass-through

So far, the legislative history and our data indicate that the Board of Commissioners of Currency may have followed currency board orthodoxy during the period 1908 to 1935. Now, we conduct a second crucial test: the "reserve-pass through", which measures year-over-year change in the monetary base divided by year-over-year change in net foreign reserves. Measuring on a year-over-year basis tends to eliminate any seasonal effects and diminish the importance of one-time events (such as extraordinary distributions or retentions of profit). An orthodox currency board normally has a reserve pass-through rate that is "close to 100 percent" but in practice, "within a range of 80 to 120 percent" (Hanke, 2008, 280). A reserve pass-through of 100 percent means that if net foreign reserves rise (or fall) by a certain amount, then the Zanzibar monetary base should also rise (or fall) by that same amount (Hanke, 2008).

We have measured reserve pass-through, in Figure 3. Figure 3 is a continuous version, showing only the available data. We provide a discrete version showing missing annual data in the years 1914, 1915, 1916, and 1917 in an accompanying spreadsheet workbook (see Figure 3a in the workbook). The year 1908 is also not shown since it was the first year of the currency board's operation; hence, the year-over-year calculation required by the reserve pass-through test is not applicable to 1908. The reserve pass-through was moderately volatile between 1908 and 1935, indicating that the currency board of Zanzibar is in some way unorthodox. The data ranges from a ratio as low as approximately -555 percent to a ratio as high as approximately 121 percent, in 1926 and 1935 respectively. Despite the rather erratic jumps as displayed by the figure, there are some periods in which the reserve pass-through is steady at or near the 100 percent currency board orthodoxy level. In the early years, between 1909 and 1912 and between 1918 and 1921, the ratio hovered just below this threshold at roughly 99.5 percent. The years 1913, 1922, and 1935 have corresponding reserve pass-through ratios that are higher than the orthodoxy mark, averaging at about 114 percent. However, there are definitely volatile jumps in between these seemingly orthodox couplets of years, especially in the middle years of the currency board's operation. For instance, the ratio of -555 percent in 1926, -81 percent in 1929, -462 percent in 1930, and -84 percent in 1931 bring about wild fluctuation, which does indicate unorthodoxy. Even so, Figure 3 suggests that the reserve pass-through ratio loosely held at around 100 percent, despite the volatility in the years of the late 1920s and early 1930s.

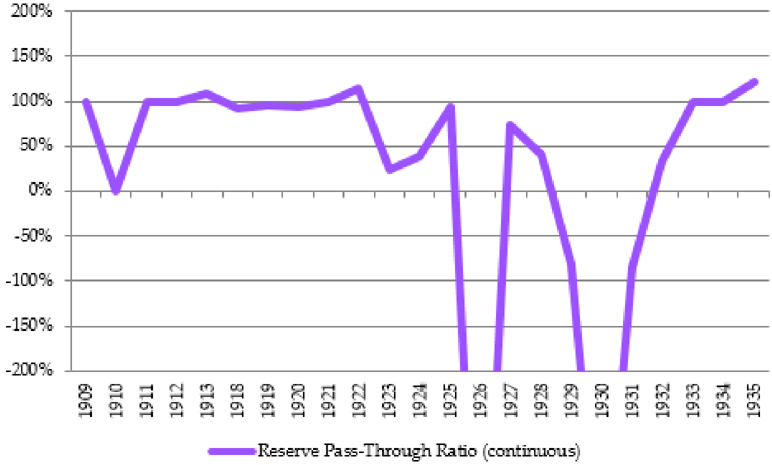

Figure 3. *Year-Over-Year Reserve Pass-Through (%) (100% = currency board orthodoxy) (Continuous)*
Main Sources: Zanzibar Government Gazette; calculations.

Test Three: Changes in monetary base and net foreign assets

We also measured annual changes in the monetary base and changes in net foreign assets, in Figure 4. Figure 4 is a continuous version, showing only the available data. We provide a discrete version showing missing annual data in the years 1914, 1915, 1916, and 1917 in the accompanying spreadsheet workbook (see Figure 4a in the workbook). The year 1908 is again not shown since this was the first year of the currency board's operation; hence, the year-over-year calculation required by the changes in the monetary base and changes in net foreign assets is not applicable to 1908. A tight linkage between the two metrics means that when net foreign reserves rise (or fall) by a certain amount, the monetary base should also rise (or fall) by that same amount (Hanke, 2008). In Figure 4, we observe a fairly close correlation between changes in notes in circulation and changes in foreign reserves. From 1909 to 1913 as well as from 1918 to 1922, the relationship holds, as changes in the monetary base produced identical, if not, nearly identical changes in net foreign assets. The correlation finds itself again in 1933, where changes in the monetary base directly correspond to changes in net foreign reserves; this relationship holds from 1933 to the end of the currency board's operation in December of 1935.

However, the marked deviations in a few years between 1923 and 1933 do indicate some degree of unorthodoxy. For instance, in 1923 there was a great rise in net foreign reserves (of approximately 730,000 rupees) while only a slight expansion in notes in circulation (of approximately 170,000 rupees). Similarly, in 1924, net foreign reserves significantly dropped (to approximately 866,000 rupees) whereas the monetary base witnessed only a relatively minor contraction (of approximately 337,000 rupees). In 1926, we observe the currency board's first dramatic deviation where a contraction of the monetary base was matched with an expansion of net foreign assets. While net foreign reserves rose by approximately 110,000 rupees, currency notes in circulation contracted by nearly 611,000 rupees. This dramatic deviation explains the significantly low and deviant reserve pass-through ratio of -555%. In 1929, the currency board showed yet another deviation. Net foreign reserves dropped by 389,000 rupees while the monetary base expanded by 314,000 rupees. The year 1930 witnessed an even more dramatic deviation: notes in circulation plummeted by 518,000 rupees while foreign reserves rose by 112,000 rupees. This deviation explains the reserve pass-through ratio of -462%. In 1931, we see another divergence, where the monetary base expanded by 282,000 rupees while foreign reserves fell by approximately 335,000 rupees. Finally, in 1932, we see that both the monetary base and net foreign reserves contracted; however, the small change in notes in circulation (of approximately 70,000 rupees) and the large change in foreign reserves (of approximately 206,000 rupees) generated the anomalous reserve pass-through ratio of 33%.

Despite the tight correlation between changes in the monetary base and changes in net foreign reserves in the first decade and in the final few years of the currency board, the dramatic deviations between 1923 and 1933 suggest that Zanzibar's currency board was unorthodox to some extent. From the bare statistics, the source of the deviations is unclear. The Indian rupee, which fluctuated against the pound sterling starting in August 1917, returned to a rigid exchange rate with sterling de facto in September 1924 and officially in April 1927, so the cause of divergences between the monetary base and net foreign reserves after 1924 cannot be the effect of changes in the rupee-sterling exchange rate on the currency board's sterling securities. It is possible that there was some difference in accounting practices between the middle period and the beginning and end, such as valuing securities at market value rather than at cost. There may also be some connection with the jump in the currency board's reserve ratio in 1926, noted above. We leave it as a puzzle to be resolved by future research.

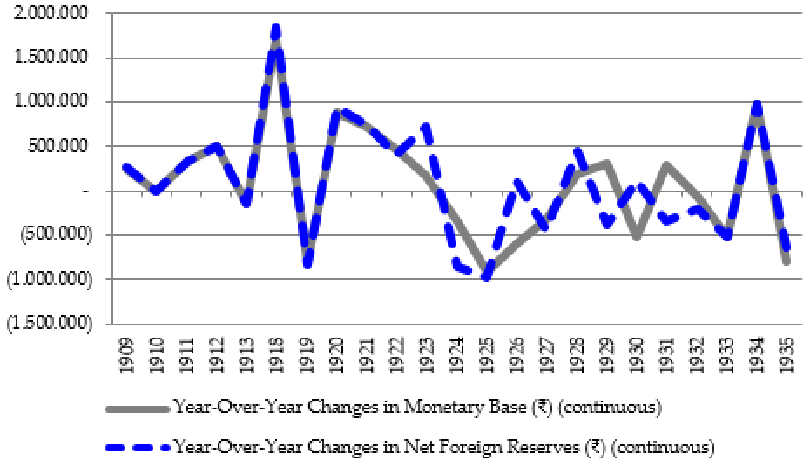

Figure 4. *Changes in Monetary Base and Net Foreign Assets (₹) (Continuous)*

Main Sources: Zanzibar Government Gazette; calculations. "₹" is the symbol for rupees.

Fiscal discipline, trade statistics, and broad money supply

Beyond the three tests that measure currency board orthodoxy, we also analyze Zanzibar's level of fiscal discipline, trade statistics in relation to changes in the monetary base, and currency board share in the overall money supply.

Countries that have adopted currency boards tend to have respectable growth rates, price stability, and, above all, fiscal discipline (Hanke, 2002: 92). Zanzibar's government budget was largely in balance from 1908 to 1926, with a few years in deficit. However, from 1926 to 1931, the budget was in a clear deficit, year 1926 marking the period's largest deficit. The 1926 Colonial Report and other sources we consulted do not provide an explanation for the deviation in this year; hence, the happenings in 1926 remain a subject for future researchers to investigate[5]. From 1931 to 1935, the government budget seems to balance out once again, as it had in the early years of the currency board. Because the government budget was predominantly in balance during its twenty-eight year period, we infer that Zanzibar's currency board enforced high fiscal discipline.

Some scholars have contended that currency boards require a trade surplus to generate funds to expand the monetary base. In other words, changes in the monetary base often connect to the trade balance—notes in circulation increase when there is a trade surplus and decrease when there is a trade deficit. We performed a test to examine Zanzibar's trade statistics in relation to changes in its monetary base. We measured the trade balance (exports minus imports) against changes in the monetary base, in Figure 5. Here, we see that only the early years of the currency board show a correlation between the two metrics, and a loose correlation at best. By contrast, the bulk of the period shows no apparent relationship between the annual trade balance and changes in the monetary base. Between 1909 and 1913, a trade surplus where exports exceeded imports produced an increase in currency notes in circulation. However, from 1914 onward, a trade surplus or trade deficit in any given year did not imply a respectively corresponding expansion or contraction in the monetary base. For instance, in 1916 and 1918, there were trade deficits of 3,120,000 and

[5] The source of the unusual deviations for 1926 requires further investigation, but may be related to the effects of poor revenue from the clove harvest during that year (Colonial Report, 1926: 7).

3,089,700 rupees, respectively, contrarily matched with expansions in the monetary base of 323,495 and 1,698,570 rupees, respectively. Similarly, in 1919, exports exceeded imports by approximately 5,105,300 rupees while the year-over-year change in the monetary base rapidly dropped by nearly 801,500 rupees. In 1923, there was a trade surplus that was, in fact, matched with an increase in notes in circulation; however, the monetary base expanded by merely 169,550 rupees whereas exports greatly exceeded imports by 4,974,260 rupees. In Figure 5, the wide gaps in the years 1916, 1918, 1919, and 1923 reveal these stark deviations. This lack of a correlation suggests that currency boards may not require a trade surplus to generate funds to expand the monetary base.

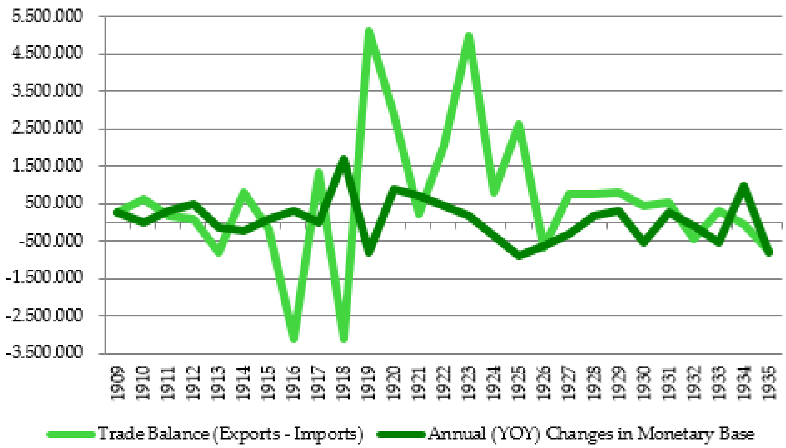

Figure 5. *Trade Balance and Changes in Monetary Base (₹)*
Main Sources: Zanzibar Government Gazette; calculations.

We performed a final test that looks at the currency board's share in the overall money supply, shown in Figure 6. Figure 6 is a continuous version, showing only the available data. We provide a discrete version showing missing annual data in the years 1908, 1909, 1910, 1911, 1912, 1913, 1914, 1915, and 1916 in the accompanying spreadsheet (See Figure 6a in the spreadsheet). The figure is a stacked representation of the money supply, where the bottom layer represents the monetary base and the layers stacked above represent broader measures of the money supply. The second layer includes both savings bank deposits and currency notes in circulation. The third layer includes savings bank deposits, bank deposits, and currency notes in circulation. Indian coins circulated extensively and some other foreign coins likely circulated as well; however, no statistics for Indian and other foreign coins exist. Thus, we characterize the overall money supply as the sum of the monetary base, savings bank deposits, and bank deposits. In Figure 6, we observe a close relationship between currency notes in circulation and broader measures of the money supply. Specifically, there was a tight correlation between the monetary base (labeled in black) and savings bank deposits (labeled in green), and bank deposits (labeled in red), respectively. Although not apparent at first, there is indeed a correlation between the monetary base and bank deposits. By disregarding that bank deposits significantly increased the overall money supply, and solely observing the trajectories of the two metrics, we do see a close correspondence between the amount of bank deposits in any given year and the amount of currency notes in circulation in that year. In other words, the trajectories of these two metrics did tend to align with one another. The figure therefore elucidates the tight relation between the monetary base and other broad measures of the money supply (namely, savings bank deposits and bank deposits). The correlation between currency notes in circulation and bank deposits plus savings back deposits is 0.3326 (see accompanying spreadsheet).

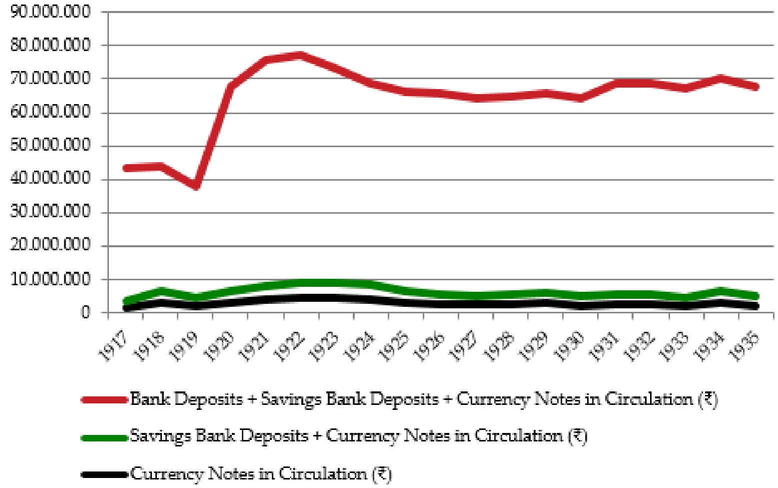

Figure 6. *Monetary Base as a Share of the Money Supply (₹) (Continuous)*
Main Sources: Zanzibar Government Gazette; calculations.

Conclusion

The data tests and the overall legal framework suggest that Zanzibar's currency board was definitely orthodox in its early and late years, and quite possibly though not indubitably so in its middle years. The data tests and the overall legal framework suggest that Zanzibar's currency board was definitely orthodox in its early and late years, and quite possibly though not indubitably so in its middle years. The Currency Decree, 1908 provided that the local Zanzibar currency was fully backed by sound foreign assets, those being Indian rupee securities, and established the Board of Commissioners of Currency as the small overseeing body in control of issuing the currency notes (Government Gazette, March 11, 1908: 2). Additionally, the invested securities were to consist of strictly Indian rupee and sterling securities, and government securities that had to be approved by the British Secretary of State (Currency Decree, 1916). Such provisions imply that the currency board distanced itself from the Zanzibar local government and was thus able to efficiently perform its primary function: to supply a stable, convertible currency that facilitates market exchange (Hanke, 2002:

88). These legislations embody the features of and are consistent with currency board orthodoxy.

Some of the statistical tests also suggest orthodoxy. Net foreign assets ranged from approximately 100 to 137 percent of currency in circulation, and total assets ranged from approximately 100 to nearly 138 percent of currency in circulation between 1908 and 1935, remaining at or above 100 percent, suggesting that during the period the Board of Commissioners of Currency acted in a highly rule-like manner. Moreover, the rather flat index showing net domestic assets as a percent of the monetary composition also suggests orthodoxy.

However, the volatile reserve-pass through ratio seems to indicate a degree of unorthodoxy during the currency board's middle years. Because of these conflicting results, whether Zanzibar's currency board operated with orthodoxy is a question that remains to be more fully answered by further study of currency board balance sheet data and the development of other statistical tests to measure currency board orthodoxy. The slightly volatile reserve pass-through metric does suggest the Board of Commissioners of Currency were rather unorthodox. Yet, there may be circumstances in which reserve pass-through is not as good an indicator.

Although this study gathered and digitized mass data from 1908 to 1935, it is prudent to note that there are several months when data are incomplete. This might not affect the significance of the statistical tests, but possible future studies might want to gather the missing data and hence confirm the reliability of the current study. (See Appendix B, Missing Data)

Postscript: Companion Spreadsheet Workbook and Source Documents

The companion spreadsheet workbook to this paper contains the underlying data, calculations, and original versions of the graphs. The workbook also contains some data not used in the paper, notably annual data of revenue and expenditures, trade statistics, banking and savings deposits, and some miscellaneous data such as population.

Appendix

Appendix A. *Legislative History of the Zanzibar Currency, 1908-1935*

Here, we provide a brief discussion of the legal framework of the Zanzibar currency and legislation that relate to the Board of Commissioners of Currency.

- Legislation consisted of the Decrees of the Sultan, and certain Imperial Statutes of general application (Colonial Report, 1931, page 4).
- The British Resident and his staff controlled legislation enacted in Zanzibar, but this legislation took the form of decrees put into effect in the name of the Sultan and countersigned by the British Resident (Morris, 1979: 21). Until 1908, these decrees were only enforced in Her Britannic Majesty's Court for Zanzibar set up by the Zanzibar Order in Council of 1897; in the Sultan's courts the only law enforced was Islamic law (Morris, 1979: 21). After the currency board's establishment in 1908, however, while Islamic law remained the fundamental law in civil matters, the Sultan's decrees were also applicable in all courts.
- Note also that the entire legal system in respect of Her Britannic Majesty's Court was based on that of India.
- *The Currency Decree, 1908*. No. 3 of 1908, Assented March 11, 1908.

Currency Notes: Government currency note issue established. Currency notes issued were set with the British Indian rupee on demand.

Board of Commissioners of Currency: Board arrangement and organization specified.

Denomination: Currency notes may be for any of the following denominations, 5, 10, 20, 100 rupees, and the number of notes of each denomination respectively shall be such as may from time to time be fixed by the Currency Board with the approval of the Financial Member of Council.

Legal tender: Currency notes made legal tender under the Zanzibar Government for the amount named therein

Coin: Silver rupee of British India, of the standard weight and fineness enacted in the Indian Coinage Act, 1906, is made the standard coin of the Protectorate and British sovereign made legal tender at Rs.15 to the pound

Note Guarantee Fund: Comprised of two components: Coin portion and Investment Portion. The coin portion could not be less than a fixed proportion of the notes in circulation (at a given time); the proportion was set at two-thirds (66 2/3%). Included a provision stating that the invested portion should be invested in securities of Government of any part of dominions of his Britannic majesty and *not* invested in any Zanzibar Government securities.

Depreciation Fund: Fund established as part of the portion of the Note Guarantee Fund.

- *Assented Currency Amendment Decree: The Currency Decree, 1909*. No. 21 of 1909. Assented December 2, 1909.

In section 5, subsection (1), after the figures and word "20 rupees," the following figures and word shall be inserted: "50 rupees," and after the figures and word "100 rupees," the following words and figures shall be inserted, "and any multiple of 100 rupees as from time to time shall be determined by the currency board."

- *Assented Currency Amendment Decree: The Currency Decree, 1911*. No. 2 of 1911. Assented April 5, 1911.

Gold: Gold coins whether coined at the Royal Mint in England or at any mint established as a branch of the Royal Mint were made legal tender in payment or on account at the rate of 15 rupees for one sovereign (Currency Decree, 1911: 1)

Coin: All other silver coins of British India (apart from the British Indian silver rupee) were legal tender for the payment of an amount not exceeding five rupees, but for no greater amount

- *The Zanzibar Currency Decree, 1916*. Cap. 51, No. 3 of 1916. Assented February 14, 1916

Control of Zanzibar transferred from Foreign Office to Colonial Office in 1914

Newly Created post of British Resident, which removed the offices of the prior consul general and first minister. With the newly created post of British Resident, the Currency Decree of 1916 includes changes to the Decree of 1908 with respect to the British Resident. Affected areas of the decree include, Acting Member, Regulation as to preparation, Coin portion of the Note Guarantee Fund, Application of Income of Depreciation Fund, Deficiency in Note Guarantee Fund

Office: The Currency Board shall have an office at Zanzibar, and may employ such officers and persons as may from time to time be required (replacing the prior 1908 provision that that such persons were subject to the approval of the Financial Member of Council)

Denomination: The number of currency notes of each denomination shall be as such as may from time to time be fixed by the Currency Board with the approval of the British Resident

Note Guarantee Fund: The coin portion could not be less than a fixed proportion of the notes in circulation (at a given time); the proportion was changed to one-half, 50% (formerly, in 1908, the proportion was fixed at two-thirds, 66 $^2/_3$%)

Prohibition regarding dealings in Legal Tender: No person shall sell or purchase or take or receive in exchange, or offer to sell or purchase or take or receive in exchange, any coin or currency note which is for the time being legal tender in the Protectorate for an amount other than its face value, or accept or offer to accept any such coin or currency note in payment of a debt or otherwise for an amount other than its face value.

The remainder of the 1916 Currency Decree was a comprehensive restatement of the basis of the government note issue (established in the Currency Decree, 1908)

- *Government Notice No. 20 In re: The Zanzibar Currency Decree, 1916*. Assented February 26, 1916

In pursuance of the provisions of the Decree above-named, the members of the Currency Board give notice that the fixed proportion of the coin portion of the Note Guarantee Fund shall be 50% of the notes for the time being in circulation.

- *The Zanzibar Currency Amendment Decree, 1920*. No. 7 of 1920. Assented July 5, 1920

Made revisions to the 1916 Decree

- *The Zanzibar Currency Amendment Decree, 1922* (should be read and construed as one with "The Zanzibar Currency Decree, 1916."). No. 1 of 1922. Assented January 2, 1922.

Made revisions to the 1916 Decree Prohibition regarding dealings in legal tender: "No person shall sell or purchase or take or receive in exchange or offer to sell or purchase or take or receive in exchange any coin or currency note which is for the time being legal tender in the Zanzibar Protectorate for an amount other than its face value, or accept or offer to accept any such coin or currency note in payment of a debt or otherwise for an amount other than its face value

- *The Zanzibar Currency Decree, 1935*. No. 21 of 1935. Assented December 16, 1935

British East Africa shilling to be standard coin: The British East Africa shilling coined under the provisions of the Order-in-Council shall be the standard coin of the Protectorate.

Ratio of shillings and cents of a shilling to pounds, rupees, and annas, pice, and cents of a rupee*:* Where any sum due to be paid after the coming into operation of this Decree is payable in pounds or pounds sterling, whether the obligation to make the payment was incurred before or after the coming into operation of this Decree, the payment may be made in shillings at the rate of twenty shillings to the pound or pound sterling.

Legal tender*:* (i) Currency notes issued by the East African Currency Board shall be legal tender in the Protectorate of the amounts respectively expressed therein. (ii) It shall be lawful for the East African Currency Board to pay the bearer of a currency note the amount named therein, and the amount required for such payment shall be a charge on the monies and securities in the hands of the Board and failing them on the general revenue of the Protectorate

Note and Coinage Redemption Fund: (1) There shall be established a Fund to be called the Note and Coinage Redemption Fund and there shall be transferred to or paid into the said Fund - (a) all monies, securities, and investments standing to the credit of the Note Guarantee Fund and the Depreciation Fund established under the provisions of the Currency Decree hereby repealed; (b) all monies held by the Currency Board established under the provisions of the said Decree; and (c) the proceeds of the sale of all coins declared to be legal tender under the provisions of the said Decree. (2) There shall be charged against the said Fund: (1) the cost of all currency notes and coins of the East African Currency Board paid by the Treasurer in exchange for the notes and coins declared to be legal tender under the provisions of the Currency decree hereby repealed until 6 months after all such notes and coin shall have ceased to be legal tender; and (b) all costs and expenses incurred by the Treasurer in connexion with the exchange for

the currency of the East African Currency Board of the currency declared to be legal tender under the Currency Decree hereby repealed.
Repeal of Cap. 94: The Currency Decree is hereby repealed.

Appendix B. *Missing Data*

To repeat, we performed tests on the balance sheet items of the Board of Commissioners of Currency. However, some balance sheet monthly data as well as annual data are not reported for some years.

The balance sheet annual data are apparently not reported for these years: 1908, 1910, 1912, 1914, 1915, 1916, 1917, 1923, 1928, 1929, 1931, and 1933. Annual data for any given year can be found in the Statement of Assets and Liabilities, reported for December 31 year end, often found in the last December issue of the subsequent year's government gazette. For example, annual data for the year 1921 appear in the Statement of Assets and Liabilities in the last December issue of the 1922 Gazette. For the years listed above, though, the corresponding government gazettes in the following year contained no annual data in a Statement of Assets and Liabilities. For some years in which annual data were missing, we used the corresponding December 10 monthly data in place of the missing December 31 annual data for calculations and statistical analysis. Those years were 1908, 1928, 1929, 1931, and 1933. For 1910, we substituted October 10 data, and for 1912 and 1923 we substituted November 10 data for missing December 31 data. No monthly data for any calendar month was provided for the years 1914, 1915, 1916, and 1917 in the Official Gazettes, Colonial Reports, or Blue Books that we consulted; therefore, we were not able to use any substitute annual data for these years. It is unknown as to whether this data is truly missing.

The Commissioners of Currency apparently did not publish monthly balance sheet data for January-April 1908; February, April, May, November, and December 1910; April, June, September, October, and December 1912; January, May, and July 1913; June and July 1914; the long period September 1914-March 1919; November, and December 1919; December 1921; December 1923; October 1925; and December 1926. Our main source for monthly balance sheet data was the *Zanzibar Government Gazette*, which published abstracts of notes in circulation on the tenth of each calendar month. Although we were able to obtain the gazettes published for each of the years mentioned above, the libraries (namely, the Library of Congress and the Center for Research Libraries) we consulted were missing some gazette issues. We presume these issues contain the monthly balance sheet data we are missing here. For the years 1914 through 1918, we were able to obtain the gazettes for each respective year; however, the *Gazettes* (including the supplements) during this period contained no currency board data for any calendar month during the year. We examined every issue of the *Zanzibar Government Gazette* from 1908 to 1935; however, the currency board did not seem to have published monthly statements for the following dates: 1914, 1915, 1916, 1917, and 1918.

The Zanzibar Government published brief summaries of the note issue in only several of its annual reports on the financial state of the country.

The Board of Commissioners of Currency did not publish an annual report, but did publish monthly abstracts of notes in circulation on the tenth of each calendar month in the *Zanzibar Government Gazette*. Even in these publications, official narrative detail about the currency note issue is extremely scarce.

Appendix C. *Zanzibar Principal Events of Economic Importance (1890-1935)* (Bartlett 1936:7-9)

- 1890: Assumption by Great Britain of Protectorate over Zanzibar
- 1895: Assumption by Great Britain of Protectorate over mainland between Uganda Protectorate and coast, and between River Juba and northern frontier of German sphere
- 1908: Silver rupee of British India, of the standard weight and fineness enacted in the Indian Coinage Act, 1906, is made the standard coin of the Protectorate and British sovereign made legal tender at Rs. 15 to the pound Government currency notes issue
- 1913: Control of Protectorate informally transferred from Foreign Office to Colonial Office
- 1914: Control of Protectorate formally transferred to Colonial Office. Protectorate Council and Offices of High Commissioner, British Resident, and Chief Secretary constituted
- 1917: Owing to rise in price of silver rate of exchange raised by Government of India to 1s 5d.
- 1918: Rise in sterling value of rupee. Rate of exchange raised to 1s. 6d.
- 1919: Rate of exchange raised by successive steps to 2s. 4d.
- 1920: Exchange value of rupee fixed by Government of India at 2s. gold Exchange after rising to 2s. 10d. In February fell to 1s. 4 3/4d. in December. British sovereign demonetized in the Protectorate.
- 1921: Exchange rose to 1s. 6 1/4d. In January, fell to 1s. 2 7/8d. In March and closed at 1s. 3 7/8d.
- 1922: Exchange ruled fairly steady in neighborhood of 1s. 4d.
- 1923: Exchange opened at 1s. 4d. And rose to 1s. 5 1/4d. In December
- 1924: Exchange opened at 1s. 5 1/8d. And after many fluctuations closed at 1s. 6 1/8d.
- 1925: Office of High Commissioner abolished. Exchange ruled steady around 1s. 6d.
- 1926: Executive and Legislative Councils constituted Exchange kept in neighborhood of 1s. 6d.
- 1927: Exchange value of rupee fixed by Government of India at 1s. 6d. gold
- 1930: Gold bullion standard suspended by Government of India
- 1935: Intimation of intention to change from rupee currency to East African (shilling) currency as from January, 1936

(Note: Recall that under the old British monetary system, £1 = 20 shillings (s.) = 240 pence (d.).)

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6 Islamic religious fundamentalism in Africa, elsewhere in the world and its socio-economic consequences

By
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Introduction

The religious fact in the 21st century remains an important fact of various civilizations, diplomatic relations, political power relations within many States. Many people believed in its inevitable weakening in the 1970s. The armed conflicts beginning in the late 1970s resoundingly demonstrated the fallacy of their preaching. It therefore remains important to have a good knowledge of the great religions and their relationship with modern political societies. Unlike the missionaries who made the effort by coming to try to translate the gospel to produce prayer (Dia, 1981) books and hymns in African languages, nothing of the sort has been done for the Koran. The latter is the same in Saudi Arabia as in Africa in general and in particular in North Africa. Muslim fundamentalists claim that the Muslim religion having been revealed in the Arabic language, Arabic is, and must remain the liturgical language "Arabic language, language of the Koran, language of the verb" writes Mamadou Dia. Moreover, Hampaté Bâ in his time thought: “Arabic letters are numeral values; The body of the Muslim must geographically write the name of God; the Arabic language responds to a need for rhythmic and mystical unity. Arabic is a sacred language; spoken Arabic varies from country to country. Religion influences the formation of political parties in Africa, its economic and even social development. It is therefore an element of national integration, even of tension. Speaking of the latter, exacerbated fanaticism takes place and precedes religion. The 20th and 21st centuries are the deadliest when it comes to religions, people kill their fellow human beings for religious opinions or impose their view on religious matters. We will therefore first see the practice of Islam in North Africa, the contagion of Islamism, from fanaticism to terrorism and finally the socio-economic consequences.

Islam in North Africa

The period of 1946 was marked by the political emancipation of most Muslim countries. The confrontation of the modern world arises for the Muslim with more acuteness than Islam cannot dissociate itself from daily behavior and that all the Islamic countries belong to the category of under-equipped countries, the stake of the struggles of influences between major political blocs. Internationally, the search for unity of action and the influence of the Muslim world goes beyond mere political ambition. It is also a witness to the order willed by God. The requirements of orthodoxy and that of the modern spirit, the relationship between religion and the state, the distinction between the religious and the profane, the development of non-Koranic instruction, the impact of observances on the economic activity are problems that contemporary Islam cannot outline. If certain reformist movements such as the Salafiya and the Muslim Brotherhood in Egypt, the Ulema in the Maghreb, advocate both a return to the sources of Islam and its integration into the modern world. Elsewhere, and following in the footsteps of Moustafa Kemal Atatürk, it is the triumph of the secular solution: also by evoking social progress such as the ban on polygamy

(Indonesia, Senegal, etc.), the governments declare themselves to be respectful of authentic Islam. The Western model, however, exerted a deep fascination on the Muslim elites. As early as the 19th century, and aroused two opposing regrowths, some advocating a return to the sources of faith, others striving to modernize Islam by integrating Western philosophical and technical ideals, from the principles of 1789 to Marxisms, and by putting them at the service, as elsewhere in the colonized world, of nationalist demands. Thus comes to power in North Africa the Neo-Destour in Tunisia with Bourguiba who tries to adapt to modern Koranic rules, by making Ramadan more flexible. In Egypt, the arrival of Nasser eliminated the Muslim Brotherhood, he became a champion of revolutionary pan-Arabism: it was indeed less Islam than Arabism that was supposed to unite the different peoples of the region. This is how the Arab League was born in Cairo in March 1945.

At the same time, however, movements or states refused any decline in Islamic law: such as the Ulemas or doctors of law active in the struggle for independence in Algeria. The Sherifian kingdom applies the Koran such as comes from Saudi Arabia. The Arab masses, especially Egyptians, for their part, will find in the return to religious roots the failure of the dream of Arab unity and the disarray linked to the 1967 disaster against Israel. In May 1971, then in February 1974, the first two Islamic conferences met. All North African countries participate. The Libyan Gaddafi then seems to be the leader that some would later call "Islamism", and who found his first theoretical formulations in Egypt, within the association of the Muslim Brotherhood founded in 1928, later doubled by an organization that will use terrorism to make itself heard. Their master thought was executed on the orders of Nasser in 1966 in the name of Sayyid Qutb, author of under the aegis of the Koran and especially of signs of Islam, the jahiliyya (the word normally designates the world prior to the preaching of the prophet), and the establishment of an Islamic social and political order, which his disciple Shukni Moustapha is trying to achieve in the form of a counter-society in Egypt itself, and the experience was decapitated in 1977. Currently, in almost everyone Islamic, the tendencies of hard and soft Islam coexist in a delicate balance. The leaders are convinced of the need to modernize their respective countries, which implies a certain upheaval of traditions firmly established in the collective memory for centuries. But at the same time, it cannot be denied that with the decolonization and political independence of many North African countries, with Islam there is a resurgence of religious fervor and proselytism. This is particularly the case of the demographic explosion that we are witnessing in Muslim countries without them being able to cope with it. In Egypt, for example, the population was seven million at the beginning of the century. It now has fifty million and is experiencing a Thus, contemporary Islam is more than ever torn between its traditionalism and the demands of the modern world that it encounters both in Europe and in Africa, where the number of Muslims has increased significantly. In North Africa, the Shiite current (the majority in Iran) faces the tougher Sunnis. But the Sunnis are the most numerous in Egypt via Tunisia and call themselves "people of the Sunna community and tradition" and for an ideal Islam, a realistic and reasonable Islam (Sunnis). In North Africa, Shiite Islam, although a minority, is mystical, exalts martyrdom and is fiercely independent of politics. But the seduction of the regimes goes beyond the Shiite world. His rejection of the American Islamic model marked by the cult of profit and pleasure, earned him admiration throughout the Muslim world, hence his official atheism with his slogan (neither west nor east). As everywhere in the Islamic countries, the countries of North Africa adopted the constitution of the Islamic laws which recognizes in the political power a divine origin and the submission of the people to the Koran, to the tradition and to the Ulemas. Those guilty of theft or adultery are punished in the same way in North Africa as in Asia. The wearing of the veil (tchador) has resumed service. The non-alignment of the African peoples specific to the young Nations offered the poor Muslims stricken by poverty, non-development a form of radicalization.demographic increase of approximately 1.2

million individuals per year, which represents an average of one birth every twenty-seven seconds.

The contagion of Islamism

Followed by intense Iranian propaganda which relies on the mullahs, the ayatollahs and an armed militia, the whole of the Iranian people is swept away by the revolution, the totalitarian traits of which are rapidly becoming apparent. Lebanon torn apart by civil war, Islamism these days is on the rise. The events follow one another: the fight against the "great satan" the "United States", whose embassy was the great theater of a spectacular hostage-taking in November 1979, the Iraqo-Iranian war which went from 1980 -1988, the capture of the mosque of Mecca in November 1979, the assassination of Egyptian President Anouar El-Sadat on October 6, 1981 by the Muslim Brotherhood, also shake Syria from 1979 to 1982, the death sentence of Salman Rushdie (February 1989) then a writer, more recently the rise of other branches such as Al Qaeda, Daesh, the Taliban, Boko Haram... not to mention the emergence of radicals in Tunisia and Algeria from 1990-1991. In some countries of North Africa and elsewhere, terrorism is practiced which targets government political actions and expatriates who, according to them, are the cause of the misfortunes of the poor, their ill-being, intellectuals and Western tourists. are not left out: this is the case in Egypt and Algeria since the interruption of the electoral process in 1991. In Algeria, FIS (Islamic Salvation Front) and in Egypt the GIA (Armed Islamic Group) respectively confronted the governments in place. Today, we observe a kind of lull with the beheading or even the death of the leaders of the terrorist movements. Elsewhere it has taken on civil war proportions; the Hezb-è-Islami of Gulbuddin Hekmatyar, then the Taliban (religious students); the clashes since then have made more than 35,000 dead in Kabul (the departure of the Soviets) in 1992. Does this mean that Islamic fundamentalism will prevail as the West fears? First of all, the movements, the Sunni revolutionary radicalist movements have all failed in their confrontations perhaps because of the allegiance of the doctors of the law in North Africa as in Asia and the West.

The Sunnis (Ulémas), contrary to the traditional independence of senior Shiite dignitaries. The last attacks in Paris in 2013 those in Somalia and Kenya a few years later sounded the death knell for Islamic radicalism. Already in 2001 with the attacks of September 11, the West went to war against Islamic extremists Terms such as the war between "good" and "evil" were born. The ephemeral triumph of Islamism, however, lies in the growing importance recognized for religion in most Muslim states, from Indonesia to Africa, and in political Islamization and even legislation (penal code in force in Sudan since 1983); we also observe in conservative regimes such as in Saudi Arabia, Pakistan with the radicals, in Libya (before the death of Gaddafi), Iraq...

In these conservative States, poverty is ambient and the latter is at the origin of the rise of fanaticism which results in extremism. Ill-being, underdevelopment put the poor masses who have only Allah's promises to be fooled or in search of change.

Fanaticism to terrorism

Religious zeal leads some followers and practitioners to a radicalization that leads them to religious extremism. The composition of the crowds won over to Islamism shows that it is in North Africa (the case of Algeria) and in Palestine via Iran that it is a question of the left behind. evolution of the last fifty years, and that Islam seems to give them a certain identity and legitimacy, as offered by Christian sects in South America. In India, Muslims consider themselves second-class citizens while the dominating Hindu nationalist party Bharatiya Janata accused them of having always sought to dominate the country, despite the demographic balance of power playing against them (seven Hindus for one Muslim). Meanwhile, minority Islam in Western Europe appears to be divided. By reflex, we observe that the “ghetto” in Europe, Asia and Africa is synonymous with poverty; in Europe, France was the first to encourage the Islamic movement by creating a representative council of Muslims on French soil. Moreover, the construction of the Lyon mosque, the wearing of the veil in schools and universities have animated the debates within the French class, thereby fueling the rise of extremism in France and its fanaticism with the attacks of Paris in 2013. Little by little, Islamic terrorism resulting from exacerbated fanaticism was deported to the United States: 1965 Malcolm x was assassinated and became an emblematic figure of American Islam, on September 11, 2001, the twin towers of the Wall Street center collapsed, more than 5,000 dead and missing claimed by AL QAIDA...

Islamic fanaticism thus became sexist, hostile to whites and Jews who for them are the source of their misfortunes. Despite the efforts made, the world is still struggling to control and stem this terrorist Islamization which is gaining ground over the years. Mosques are multiplying all over the world to the point of becoming a matter of state, like the great mosque of Morocco. In 1970, France had 33 mosques, in 1986 there were 912.... Arabs and Muslims should not be confused: in the Middle East, there are Christian Arabs, active in the Palestinian movement (such as Georges Habash, the wife of the late Yasser Arafat before his conversion to Islam). The largest Muslim countries are not always populated by Arabs: Indonesia more than 200 million Muslims, 80% of the population, Pakistan about 120 million, Egypt more than 50 million is only seventh Muslim country , Nigeria about 45 million, as for China, less than 45 million Muslims. The Muslim religion since its arrival in Africa has been a conquering religion, which has established itself through arms, ill-being and poverty are only there to reinforce the primary objective. The unitary attempts of the Arab world carried out between 1950 and 1980 were all doomed to failure, leaving the way open to fanaticism which leads to the ambient terrorism that we have been experiencing for decades.

These conditions of a new Islamic order, totally denying the autonomy of the State in relation to religion. Ulemas and Mullahs formerly removed from civil tasks ask to govern without any other law than that of Allah. In thirty years, we went from Nasser to Khomeini. The Muslim Brotherhood born in 1928 in Egypt by the teacher Banna does not hesitate to advocate a hard Islamism as in Algeria where pressure from the street got the better of politics to install change. The Wahhabism of the Saudis founded in 1932 imposes Sharia in all its rigour, including corporal punishment. In the meantime, let's add this to what has been said above

1980: Sharia becomes the basis of Egyptian legislation;

1982: bloody repression of the Muslim Brotherhood in Hama in Syria; 1983: Sharia is applied in Sudan with its entire rigor;

1985: the hardline wing of Senegalese Muslims obtains the cancellation of the visit of Pope John Paul II to Senegal;

1987: clashes between Shiites and law enforcement in Mecca, death toll 400 This attitude, even this radicalization of Islamism, puts the world in a spiral of fear, because attacks in the name of the Islamic religion were perpetrated in all corners of the world, despite the semblance of calm that we are experiencing at the moment.

The socio-economic consequences of Islamic fundamentalism

The socio-economic consequences are enormous in material, economic and human terms. Since the attacks in Hama in Syria, those in Paris (Bataclan 2013), in Egypt, in Somalia, in Kenya, in the United States on September 11, 2001… the material losses are enormous and to be deplored. Buildings are collapsing and being destroyed, people are dying, losing their belongings, no more economic return because tourists refrain from entering the affected countries for their survival. As a result, the expected economic windfall can no longer enter the budget. Psychosis and panic traumatize the survivors of the attacks and sometimes psychologists and psychiatrists are called in to help the victims. If in 1992 during the Kabul attacks, there were 35,000 deaths (including clashes), how many can we count everywhere in the world because governments often do not give exact figures. How many deaths in Syria, Lebanon, France, Somalia, Kenya…? Contacts between cultures are often a source of enrichment. Islam has acculturated its followers, faced with it, the agents of the dominated culture have allowed another culture to be imposed on them, which has distorted them for several generations. An overly demanding acculturation can lead to the destruction of the dominated culture, its customs and religions of yesteryear not being outdone, and in extreme cases it leads to ethnocide: this is what Islamic fundamentalist extremists do. They commit cultural abuses in the name of Allah with weapons. The sociological consequences are therefore serious because we convert out of fear and nowadays under the spiral of psychosis, we adhere to it according to a machinery established since then. The situation of acculturation is anxiety-provoking and weakens the individual: devoted to a cause, acceptance of authority… The acculturated often oscillates, hesitating between solidarity with the group to which they belong and the appeal to external obediences. The choice for him is painful, because if he does not obey, he pays for it with his life or socio-economically. It is therefore fashionable that we can eradicate with the rise of extremism which causes a lot of damage on the socio-economic level.

Conclusion

Religion is considered a springboard to appease hearts, but cannot be a device that drags death. It is a way of responding to these concerns. The religious revival that is spreading in the Third World and the poor suburbs of the North (Islam…). The religious 21st century is being born, breaking with the secularism of the last century and ecumenism after Vatican II. The conservative turn led religions to become involved again in political life and action. The religious revival is now accompanied by a return to violent intolerance; Doesn't Henri Tincq evoke "the religious chaos of the world? This politicization inevitably leads to an instrumentalization of religions in the context of the “clash of civilizations”. Religion cannot therefore be a bait for men, free adherence is sine qua non instead of being a shield. When politics does not aspire to the wishes of fundamentalists, radicalism and terrorism must in no case be used to weaken the positions of each other.

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7 A balance sheet analysis of the Banque de l'Afrique Occidentale

By
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Introduction

By the early years of the twentieth century, the French gained control of what became eight West African territories: Mauritania, Senegal, French Sudan (now Mali), French Guinea (now Guinea), Côte d'Ivoire, Upper Volta (now Burkina Faso), Dahomey (now Benin) and Niger. French administration in the territories was highly centralized and operated through a governor-general based in Senegal (an older colony), who reported to the Minister of Colonies in Paris (University of Pennsylvania African Studies Center, 2016).

The first banking institution established in French West Africa was the Banque du Sénégal, in 1855. It was established primarily to solve the problem of compensation for some former slaveholding colonists after the abolition of slavery and to provide short-term financing to local businesses (Albert, 1983, 17). The initial shareholders were mainly Bordeaux merchants involved in African trade. The bank was small, never spreading beyond Senegal. However, by locating its headquarters in Saint-Louis, at the mouth of the Senegal

River, it obtained a role in financing trade with the basin—more than half the size of France—through which the river flowed. The bank had a monopoly of note issue in Senegal, although it was not a central bank as we now understand the term. No other commercial banks were established in Senegal during its life, apparently because the field was so small.

Aiming to establish a banking institution that could conduct a wider range of activities and utilize less limited monetary instruments, the French government replaced the Banque du Sénégal with the Banque de l'Afrique Occidentale (BAO) (Albert, 1983, 57).[1] On the night of 30 July 1901, BAO took over the assets and liabilities of Banque du Sénégal. The balance sheet had 900,000 francs in net assets. The 1200 shares of the Banque du Sénégal were changed into 1800 shares of BAO stock. The headquarters of the bank moved from Senegal to Paris.

The bank was a "banque d'émission, de prêt et d'escompte" (bank of issuance, lending and discount). It was empowered to conduct banking operations in Senegal, French Guinea, Côte d'Ivoire, Dahomey, Congo (Congo-Brazzaville) and all French colonies on the west side of Africa. The French Ministry of Finance and Ministry of Foreign Affairs also authorized BAO to issue banknotes in the colonies. The bank was intended to adopt a liberal spirit and to play an international role in Africa. It also would operate according to a vision that would prevent the French government from apparent interventions in the management of the bank. A French decree of July 4, 1904 bestowed on BAO the further power of participating in creating and constituting financial, industrial and commercial enterprises (Albert, 1983, 59).[2]

BAO combined features of central, commercial, and investment banking. Its central bank-type functions were limited, though. It was a monopoly note issuer but did not

[1] The Banque du Sénégal was also encumbered with a large bad loan to Gaspard Devès and his son François, who were prominent merchants in Saint-Louis, Senegal. See Penant (1902, 184-188).

[2] See the Appendix for a list of many of the legislative enactments affecting BAO during the period of this study.

have power to alter the exchange rate. There was for many years no sharp distinction between the local franc in French West Africa and the French franc. Neither the Banque du Sénégal nor BAO issued coins. French coins circulated, and there was no distinctive local coinage until World War II.[3]

According to the bank's first constitution (charter), the bank's corporate life was set at 20 years. The shareholders were represented by the bank's general assembly. The general assembly consisted of shareholders owing at least ten shares. However, non-French shareholders who had not resided in France or in a French colony could not be part of the general assembly. The bank was authorized to perform the following specific operations (BCEAO, 2000, 309-310):

1) Issue notes at sight to bearers under conditions determined by its constitution.
2) Discount promissory notes the maturity of which did not exceed six months.
3) Create, trade, discount or buy bank drafts, money orders, directly payable checks or checks payable to third parties in the colonies, metropolitan France, and foreign countries.
4) Discount marketable bonds and non-marketable collateral.
5) Purchase or sell gold, silver, or copper.
6) Extend advances on ingots, coins, gold, silver, and copper.
7) Receive voluntary deposits in any amount, with or without interest, of any form, in new currencies or gold, silver, or copper.
8) Act as a trustee for handling securities.
9) Receive, with the authorization of a French minister or colonial governments, profits from bank operations and open public sales.
10) Issue promissory note, bank drafts or money orders.
11) Deliver letters of credit against warranties.

[3] During World War I there was a shortage of coins because of difficulties shipping them from France, and in response the government of Senegal issued one-franc notes as substitutes.

12) Lend against bills of exchange.

For this paper, the original balance sheet data of BAO were obtained from paper copies of the annual reports. We were able to collect all semiannual balance sheets from 1901 to 1955, and they are presented in an accompanying spreadsheet workbook. The source for balance sheets through June 1919 was the *Journal officiel de la République française*. The source for later balance sheets was BAO's annual reports, collected from the library of Princeton University, the Library of Congress, the Bibliothèque nationale de France, and the library of the United Nations Office at Geneva. We gained a significant amount of information from the book *De la vie coloniale au défi international: Banque du Sénégal, BAO, BIAO; 130 ans de banque en Afrique* by a former officer of the bank, Jacques Alibert (1983). The book presents the opening balance sheet of BAO on the night of July 1, 1901, which is listed below. The majority of BAO's initial assets and liabilities came from Banque du Sénégal and its branch in Saint-Louis.

Table 1. *Opening Balance Sheet of BAO, July 1, 1901 (francs)*

Assets		Liabilities	
1800 shares from Banque du Sénégal	900,000.00	Capital: 3000 shares of 500 francs	1,500,000.00
Annuity registration	1,358,748.00	Shareholders	835,500.00
Comptoir National d'Escompte	1,336,028.65	**Banque du Sénégal in liquidation**	
Account of Saint-Louis branch		Profits and losses	115,986.52
Cash	1,090,585.46	Net Surplus assets on June 30	1,491.59
Receivables	200,804.60	Provisions due	1,516,876.78
Advances	126,670.00	**Account of Saint-Louis branch**	
Stock-linked bonds	21,290.00	Notes in circulation	1,032,930.00
Loans in Saint-Louis	79,172.68	Current accounts	82,505.81
Loans in Rufisque	15,000.00	Remainder of sold deposit notes	4,523.50
Furniture	14,171.54	Dividends payable	712.50
Buildings	50,000.00	Bearer share	27.85
Expenses to be adjusted	94.05	Non-classified revenues	14,526.37
		Various correspondents	87,484.06
Total Assets	5,192,564.98	Total Liabilities	5,192,564.98

Asset and liability composition

To better understand the balance sheet, we consolidated the original balance sheets into a standardized balance sheet of the following format. There are numerous alterations in the original balance sheet categories throughout the years. The original balance sheet categories that appeared in each asset and liability category of the standardized balance sheet are shown in the bullet point list below.

Table 2. *Standardized balance sheet for BAO*

Assets	Liabilities
Foreign assets (gold, silver, assets outside of France and colonies)	Foreign liabilities (including Bank of France gold coin deposit)
French assets: French government securities and deposits	Liabilities in France (other than rediscounts of loans)
French assets: other (including "cash")	Notes in circulation
African assets: credit to governments	Deposits other than of government
African assets: credit to financial sector	Government deposits (French African governments)
African assets: credit to nonfinancial private sector	Dividends and other payments owed to shareholders
African assets: credit to public nonfinancial enterprises	Capital
Buildings and furniture	Statutory and other reserves
Uncalled capital	Other or unclassified liabilities
Other or unclassified assets	

Mapping of standardized asset categories to original asset categories

- Foreign assets: foreign correspondents, sight deposits abroad, foreign currency, gold coin (deposits at Bank of France)
- French assets (French government securities and deposits): Treasury bonds, war bonds, treasury deposits, French rentes, public treasury deposits, compensation by the Treasury caused by the new exchange rate parity of franc
- French assets (other, including "cash"): cash in Paris, Libreville and other branches, cash in Comptoir Nationale d'Escompte, cash in Bank of France
- African assets (credit to governments): special advances to colonies and territories, advances without interests to the colonies, contractual advances to colonies,

advances to colonies for reimbursements of Banque Français de l'Afrique debt

- African assets (credit to financial sector): null
- African assets (credit to nonfinancial private sector): loans, loans covered by 12 April 1932 decree, equity holdings, payments overdue, current accounts of advances, current accounts and sundry debtors, accounts receivable
- African assets (credit to public nonfinancial enterprises): null
- Buildings and furniture: buildings and furniture in Paris and in the branches
- Uncalled capital: shareholders, uncalled payments
- Other or unclassified assets: suspense accounts, float

Mapping of standardized liability categories to original liability categories

- Foreign liabilities: Bank of France gold coin deposit
- Liabilities in France (other than rediscounts of loans): null
- Notes in circulation: bearer notes in circulation
- Deposits other than of government: current accounts and sundry creditors
- Government deposits (French African governments): current accounts of colonial treasurer-cashiers, colonies and territories without mandates (cash of reserve)
- Dividends and other payments owed to shareholders: divisible surplus, dividends payable
- Capital: statuary and other reserves, statutorily required contingency funds, statutory reserve, supplemental reserve, special reserves, property reserve, reserve for war risk, provisions for repayment of notes overdue, provision for redemption of missing banknotes
- Other: provisions for the creation of branches, provisions for renewal and replacement of commercial notes (bills of exchange) payable, notes receivable, clients and correspondents (collection accounts), claims on collateral, suspense accounts, rediscount of loans, profits and losses, retained earnings

The two charts below demonstrate the change in nominal magnitude of BAO's assets and liabilities. From 1901-1955, the whole life span of BAO, BAO's balance total assets rose from roughly 4 million francs to 107 billion francs. Its total assets amounted to over 1 billion francs for the first time in 1936. From 1901 to 1940, total assets rose from roughly 4 million francs to 2 billion francs. The nominal value of BAO's assets grew 2,451,100 percent during the time it existed. For comparison, over the same period nominal bank deposits in France grew 2,218 percent (Villa, n.d.; Series DEPBQ).

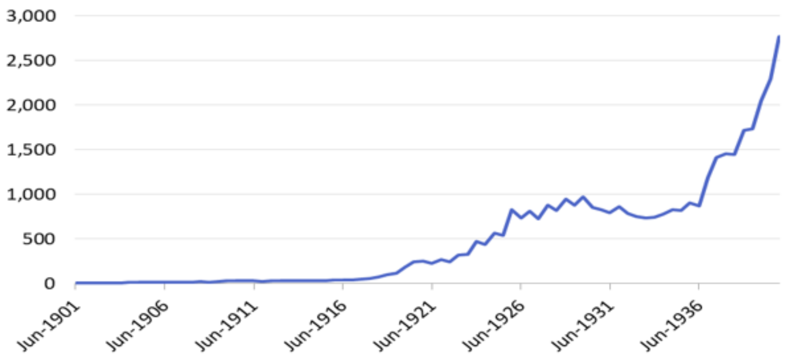

Figure 1. *BAO assets/liabilities, 1901-1910 (mn French francs)*

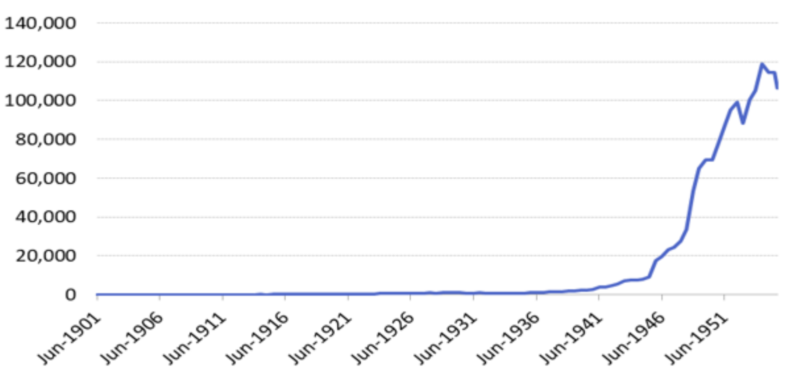

Figure 2. *BAO assets/liabilities, 1901-1955 (mn French francs)*

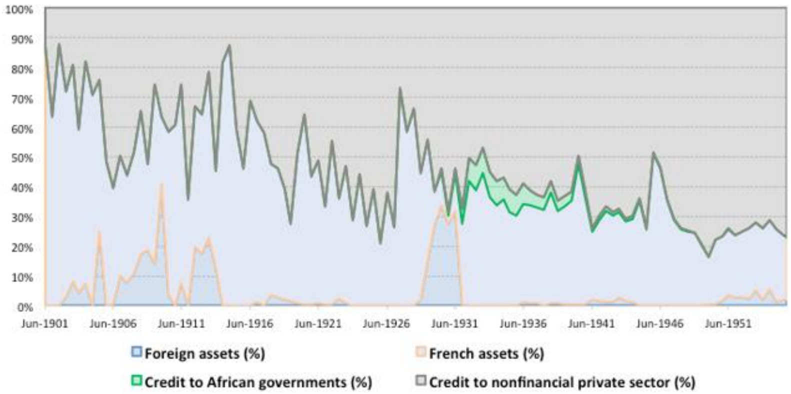

Figure 3. *BAO, composition of major assets 1901-1955 (mn French francs)*

BOA's asset composition

The dominant asset categories of BAO were French assets and credits to African nonfinancial private sectors. They demonstrated an inverse relationship throughout the time with credits to the African nonfinancial private sector, surpassing French assets most of the time. After 1945, the end of World War II, the amounts of these two assets categories started diverging and eventually went through a stable phase from 1950 to 1955. It is noticeable that foreign assets (those outside of France and French Africa) surged in 1929, around the time of the start of the worldwide depression, and quickly returned to negligible levels in 1931. There was also a surge in credits to African governments from 1931 to 1936.

As a French colonial central bank, the majority of BAO's reserve assets were French assets, composed of French government securities as well as cash deposited in the Banque de France (central bank) and the Comptoir National d'Escompte de Paris (CNEP, a leading French commercial bank and a BAO shareholder). BAO holdings of foreign assets, which consisted mainly of a Bank of France gold deposit, were less than 5 percent of total assets throughout its existence except in 1929 and 1930, while French assets accounted for the majority of its assets (over 50 percent) before December 1928 and continued to be a major asset category after.

No lending to the financial sector or public nonfinancial enterprises was observed from the balance sheet. BAO's lending to the African colonial governments stayed minimal throughout its existence (near 0 percent of total assets most of the time and only 8 percent at the peak). From these facts, we conclude that BAO was not in the habit of being a banker of banks or a lender of last resort. Rather, its lending to the private sector was the dominant asset category.

Colonial banks sometimes are accused of reducing the supply of funds available for lending in the economies they operate in by holding substantial foreign assets. This criticism does not apply to BAO. As shown in the above analysis, it held few foreign assets, whereas its lending to the private sector grew at both greatest speed and greatest magnitude.

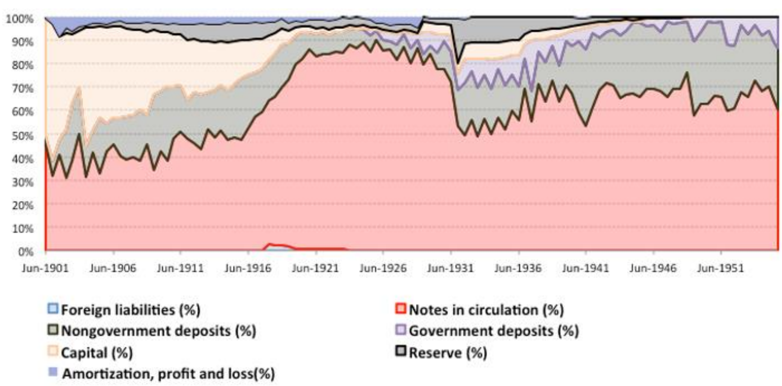

Figure 4. *BOA, Composition of major liabilities, 1901-1955*

BOA's liabilities composition

According to the liability composition chart above, notes in circulation and nongovernment deposits were the two dominant liability categories. The two also demonstrated an inverse relationship. During the second decade of the bank's establishment, notes issuance accounted for more than 80 percent of its total liabilities. We can conclude that BAO was practicing its privilege as a note issuer to a large extent, establishing its role as a colonial central bank. Notes in circulation went through a sharp downturn in 1929. At the same time, private deposits increased. The convergence of these two liability categories seems to implicate a decrease in economic activities during the crisis. The same pattern appeared again during World War II but to a smaller extent.

BAO lent little to colonial governments but held significant amount of French government securities. It rarely lent to other financial institutions. It held minimal foreign assets (they are so tiny as to be invisible in the chart) and hardly controlled foreign exchange. However, it did play a significant role in issuing banking notes and providing credits for the private sectors.

Except during the 1930s and early 1940s, BAO operated with what seem to be quite low levels of capital and reserve, making for high leverage ratios. The sources we have consulted have not discussed the reasons. Possibly the bank's status as a monopoly note issuer, and the increasing tendency in French Africa to use notes and deposits in preference to barter and coins, made the bank's managers and shareholders confident that high leverage ratios were appropriate.

The economy in French West Africa

The economy of French West Africa was heavily dependent on exports of agricultural products such as groundnuts, palm oil, rubber, bananas and cocoa. The French government built railway networks to connect the interior territories to the seaports to facilitate exportation (British Museum, n.d.). The economic situation of French West Africa was tightly correlated with the fluctuating prices of the agricultural products as well as with the amount of production, which was vulnerable to bad weather during harvesting seasons.

Because of the seasonal pattern of production, BAO assets and liabilities often were lower in June than in December. The rainy season typically starts in July in West Africa, lasting three months in the drier areas and longer in the wetter areas. Harvesting typically starts in October. The harvest season often saw a surge in demand for credit to pay agricultural workers, drivers, warehouses, shipping lines, and other parties involved with moving crops from the countryside to local or foreign consumers.

1901-1914

Because no summary of BAO's history exists in English, we will briefly discuss its history period by period along with an analysis of its balance sheet. The appendix lists many of the legal enactments related to the bank. Because it operated across many colonies, actions which would have been purely a matter of internal business decision-making for an ordinary bank operating in one jurisdiction only, required government approval for BAO. The charter was repeatedly extended for periods of six months while the French government decided on new regulations for colonial banking generally or the government and BAO engaged in negotiations about the terms of its charter.

During the initial years, the administrators of BAO observed that the actual amount of notes in circulation was far below what the bank was authorized to issue, given that the Comptoir National d'Escompte provided sufficient funds for drawing. The administrators aimed to improve the cash flows.

In an extraordinary assembly on October 9, 1902 called to increase the bank's capital, the administrators decided to conduct a stock split, with a share of 500 francs split into four shares of 125 francs. The lower price made shares affordable for more small investors. The bank also brought in more capital by issuing 6 million francs of new shares in the following years.

In addition, the bank started expanding its reach in the territories, establishing branches in Conakry, Guinea; Porto-Novo, Dahomey (now Benin); Grand-Bassam and Grand-Lahou, Côte d'Ivoire; and Monrovia, Liberia (the only territory that was not a French colony).

Alibert remarks that from 1901-1911, BAO brought 107 million francs of notes to Africa (Alibert, 1983, 63). Despite the administration's efforts to boost note circulation, the circulation stayed well below the level of notes BAO imported from France. The circulation was merely 14 million francs on July 30, 1911.

From 1911-1914, the bank's operations were disrupted by an abnormally short harvesting season of groundnuts and a 50 percent price decrease in cocoa. As a result, colonial governments started efforts to diversify agricultural production.

World War I

In response to World War I, BAO subscribed to 25 million francs of national war bonds at Bank of France, which is registered on the balance sheet from the second half of 1919 to the first half of 1922. At the end of 1919, the face value of Bank of France-sponsored war bonds subscribed by BAO accounted for 13 percent of its total assets.

Aside from the subscription of national war bonds, the most significant influence brought by World War I was the massive issuance of five-franc notes. The five-franc silver piece was approximately equal at the time to the silver U.S. dollar and was widely used in Africa. During the war, exports became difficult because of German submarine operations against French ships. People started hoarding cash since it was also hard for them to procure imported goods. In response, BAO started ordering large amounts of five-franc notes from its printer, the Banque de France. On July 30, 1919, 5- and 25-franc notes comprised 37.4 percent of total notes in circulation.

In general, World War I did not hurt BAO much. During the war, dividends were paid to shareholders on a regular basis.

1919-1929

The 1919-1920 financial year was much better for BAO and the colonies it served than the previous years due to substantial price increases for agricultural products. Groundnuts reached 1,200 francs per metric ton compared to 250 francs before the war; palm oil sold at 3,300 francs per ton, compared to 450 francs before; and palm nuts were 2,000 francs per ton, compared to 250 francs. The demand for currency surged as a result. As we can see in the balance sheet, notes in circulation from 1919-1920 grew 37 percent. At first only small-denomination notes were available. Eventually the Bank of France provided BAO with 25 million francs of 100-franc notes, overstamped with BAO's name, to satisfy demand for a larger denomination (Alibert, 1983, 67).

The balance sheet shows that notes in circulation surpassed 200 million for the first time in December 1920, which was disproportionate to the cash and reserve held by BAO. Foreseeing this in 1919, BAO felt the need to reach an agreement with the Minister of Finance of France to solve the problem. A French government decree of March 4, 1920 authorized BAO to make a deposit with the French Treasury equal to the difference between the amount of reserves it held in the colonies and the amount of notes in circulation.

Assets under the headings of buildings and furniture kept growing during this period as more branches were opened in the French African territories. As a result of World War I, Cameroon and Togo, which had been German colonies, became French mandates under the League of Nations. BAO expanded its operations to them as well as opening additional branches in the prewar colonies.

This period also features unusual changes in foreign assets. Foreign assets decreased to zero in December 1923 and remained zero until December 1927. They then surged to an unprecedented level in 1928.

From June 1928 to December 1929, foreign assets jumped from around 1.27 million francs to 253.41 million – more than 19,800 percent. The foreign assets during that period were mainly composed of sight deposits abroad. Further analysis on the balance sheet data during these two years reveals that the bank was moving large amount of cash and cash equivalents it held in its own account and in metropolitan France to accounts abroad.

In the December balance sheet in 1923, foreign assets and foreign liabilities disappeared were wiped to zero. In the same period, BAO started receiving deposits from African governments. Dividends also went down sharply.

The first rival commercial bank to BAO, the Banque Commerciale Africaine, was established in 1924. It was not a success and the French government rescued it in 1931 with BAO's help.[4]

In January 1929, a new law governing BAO was passed. The law renewed BAO's note-issuing privilege and stipulated that in return, BAO had to subject itself to a series of new obligations. The new obligations affirm the French state's control over the bank by limiting the magnitude of money transfer between colonies and the French state, allowing the state to claim profits from the bank's liquidation activities, and bestowing the state the right to nominate the president and three administrators of the executive board. The new regulations also aimed for BAO to play a bigger role in the economic development of the colonies. The law permitted the participation of more shareholders from the colonies and required the bank to provide interest-free cash advances for medical and agricultural assistance and for the development of agricultural credit.[5]

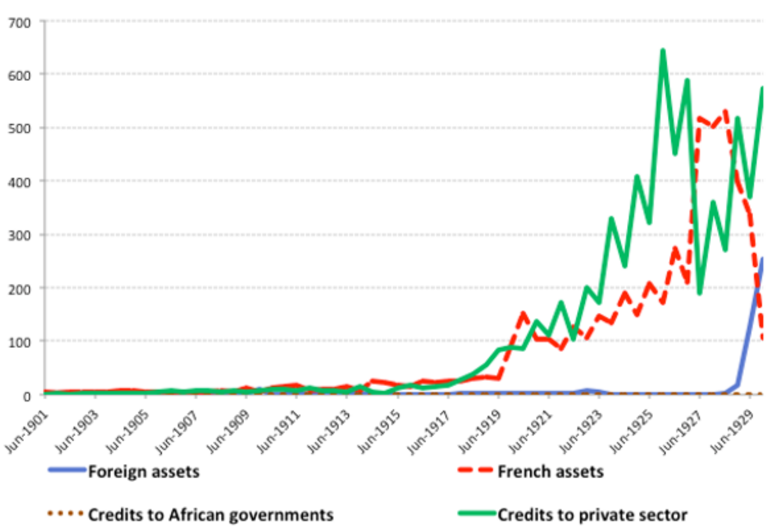

Figure 5. *BAO major assets, 1901-1929 (mn French francs)*

[4] Les entreprises coloniales (Web site), "Banque commerciale africaine (1924-1963)."

[5] France, law of January 29, 1929.

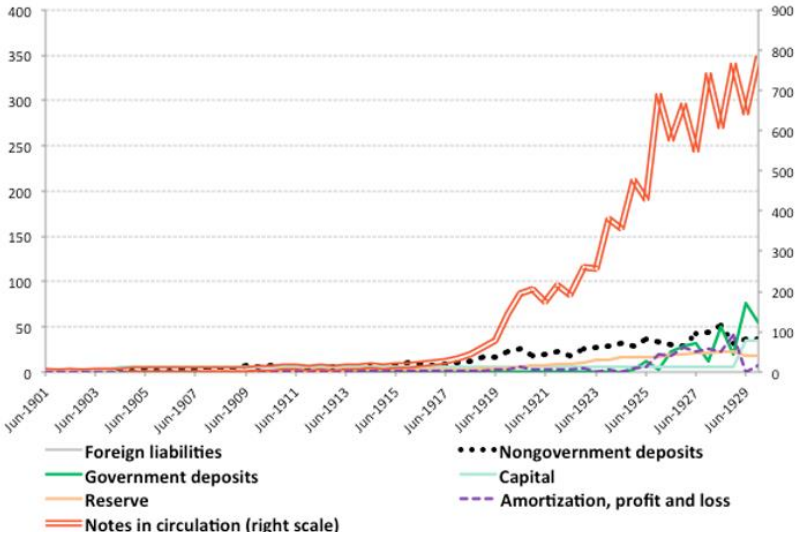

Figure 6. *BAO major liabilities, 1901-1929 (mn French francs; all items expect notes in circulation use left scale)*

1929-1939

The early years of this period were those of the Great Depression. Note circulation fell by half, bumped along a low plateau, then rose substantially in the second half of the decade, accelerating after France ended deflationary pressure on the franc by reducing its gold content by approximately 25 percent on October 1, 1936. During the late 1930s the increase of the note circulation was mainly caused by the development of discounting transactions. The rediscounting of loans translated into the development of the bank's operations and the extension of its activities in the commercial life of West Africa, which went beyond the old standard terms. The distribution of dividends was increased. It also largely increased its expense on printing bank notes and expanding its staff to face the increasing volume of operations.

In the first half of 1929, BAO's lending to African governments increased from zero to 10 million francs. In the second half of 1929 and the first half of 1930, French government securities and deposits fell all the way to zero. In contrast, foreign assets decreased drastically to near zero after the first half of 1930. They remained low for the rest of BAO's existence as a note issuer, generally below 3 percent of total assets and only for one semiannual statement rising a little above 5 percent.

During the 1930s, France was one of the last countries to devalue against gold. The devaluation of the franc on September 26, 1936 had the unexpected result in West Africa that the growth of imported goods was more rapid than that of exported goods. Inventories were piled up and the balance of trade had a 145 million franc deficit in 1937, as against a 45 million franc deficit in calendar year 1936 (Alibert, 1983, 105).

Commodity prices rose exponentially in 1937. Nominal prices of coffee, palms and cotton almost doubled in a year.

At the start of 1938, exports decreased in volume but increased in value. The financial year 1938-1939 fell under the looming shadow of World War II. France's National Defense Department started denying issuance of loans for private capital equipment in the colonies, to channel more financial support into France's defense preparations. Trade volume fell in 1938-1939 under the influence of political events in central Europe.

The asset and liability composition graphs for 1929-1939 show that credits to the private sector and notes in circulation, as the dominant asset and liability, fluctuated roughly together, while other asset and liability categories remained relatively flat. With information drawn from the background reading we can conclude that private credits and notes in circulation increased in times when prices of products increased.

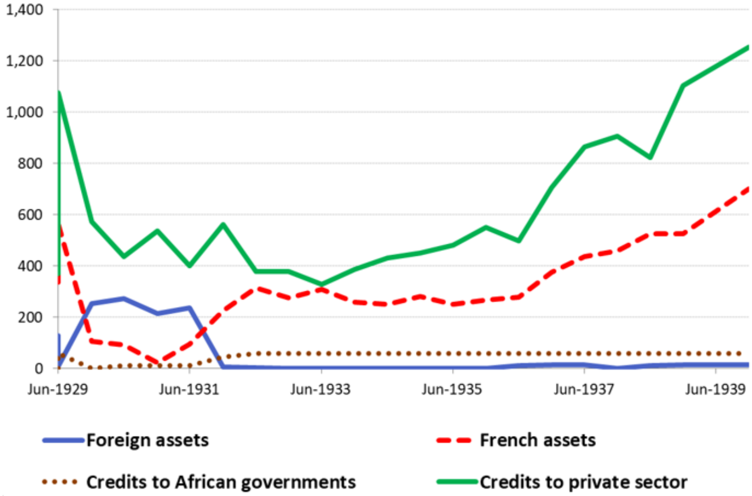

Figure 7. *BAO major assets, 1901-1929 (mn French francs)*

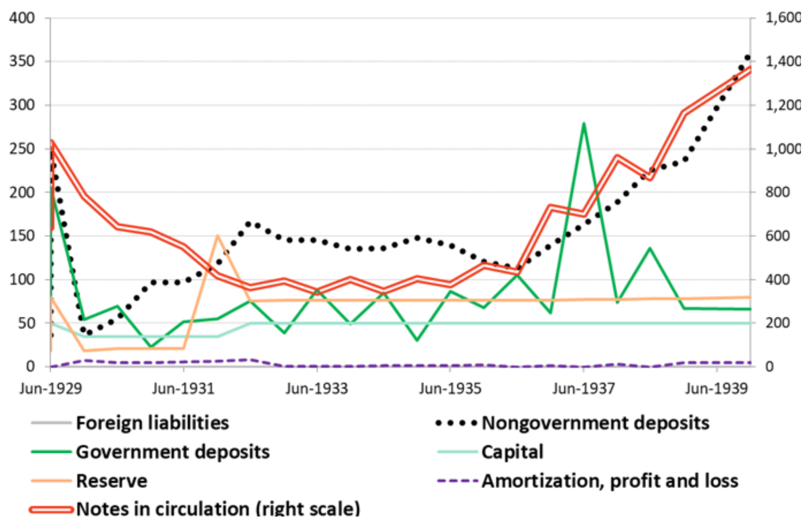

Figure 8. *BAO major liabilities, 1901-1929 (mn French francs; all items expect notes in circulation use left scale)*

1939-1945

World War II had a great impact on the bank. The colonial economy was affected by the disruption to transportation on land and sea. The system of importation collapsed and the inventory of agricultural products diminished. The bank struggled to maintain its relationship with all its branches and clients. At the shareholders meeting on April 10, 1941, the bank could not give information about its agencies in Cameroon or French Equatorial Africa (Chad, Ubangi-Shari [now the Central African Republic], Gabon, and French Congo [Congo-Brazzaville]) (Alibert, 1983, 109-110).

Recall that the bank's headquarters was in Paris. German forces occupied Paris on June 14, 1940. Germany occupied northern and western France, leaving southern France to be governed by the Vichy regime, which officially retained control of France's colonies. A number of colonies, however, decided to side with the exile Free French government headed by Charles de Gaulle. The colonies of French Equatorial Africa were among them. In August 1940, Cameroon, Chad, French Congo, and Ubangi-Shari sided with Free France, joined by Gabon in November. The governor-general of Free French Africa, as he was styled, authorized government notes called *bons de caisse* or *bons Larminat*. This was a step towards establishing a note issue separate from that of French West Africa, which remained attached to Vichy. Notes of BAO continued to circulate because it was impractical to replace them all immediately.[6]

The Free French government stripped BAO of the power to issue notes in French Equatorial Africa and Cameroon by an order of July 24, 1942. Previously, an order of December 2, 1941 had created the Caisse centrale de la France libre (CCFL) as the financial arm of the Free French government. It was given note-issuing privileges by the 1942 order. BAO notes ceased to be legal tender in French Equatorial Africa and Cameroon on October 1, 1942. A Free French order of February 2, 1944 created the Cassie centrale de la France d'outre-mer (CCFOM) as the successor to the Caisse centrale de la France libre.

[6] The notes were technically illegal, but were legalized after the fact by a Free French order of 24 July 1942 (Mazard 1953: 107 n. 4). (In the French legal system, orders *[ordonnances]* are regulations issued by the cabinet that have the force of law. They are typically intended to be of short duration.)

By an Anglo-Free French agreement of February 2, 1943, in many of the areas under its control, Free France devalued local francs from the prewar rate of 176.625 francs = £1 (43.80 francs = US$1) to 200 francs = £1 or 50 francs = US$1. Following the liberation of most of France by the Allies in late 1944, the metropolitan French franc was devalued to the level of the overseas francs under Free French control, restoring the parity of the metropolitan franc with the francs in BAO's area of operation.

French West Africa joined French Equatorial Africa in switching its allegiance from Vichy to Free France on November 23, 1943. For almost a year, then, BAO headquarters in Paris was cut off from all the branches in Africa.

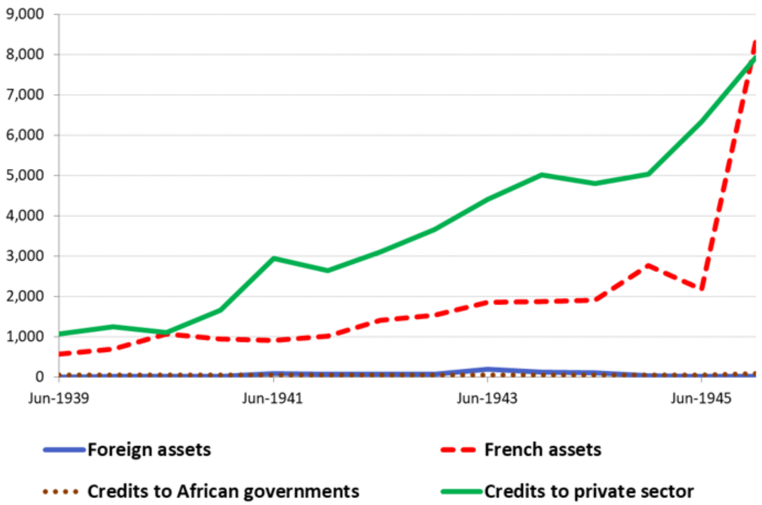

Figure 9. *BAO major assets, 1939-1945 (mn French francs)*

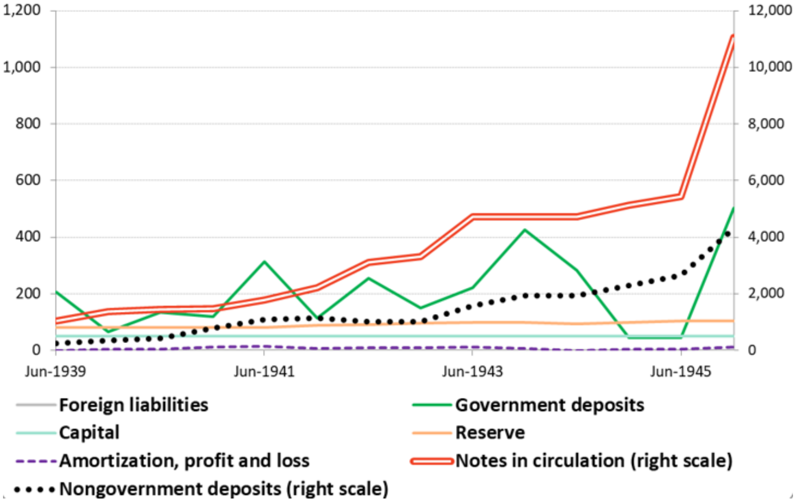

Figure 10. *BAO major liabilities, 1939-1945 (mn French francs)*

As the above graphs show, both credit to the private sector and notes in circulation maintained steady growth till the early 1940s and then started growing at a faster speed after going through a short period of fluctuations.

It is interesting to notice that unlike the 1929-1939 period, when the spread between credits to the private sector and French government deposits and securities was constant, during 1938-1945 the spread first expanded as the war progressed and then diminished to the end of the war.

Private deposits surpassed government deposits for the first time and became the second-largest liability category after notes in circulation. They demonstrate a growth pattern very similar to that of notes in circulation. BAO resembled an ordinary commercial bank to a larger degree as time passed.

1945-1955

Three noteworthy events happened during this period. First, a ruling of August 15, 1945 established the solidarity tax in France. This increased the tax duties local residents paid on their import and export activities. Second, a decree of December 25, 1945 created the CFA franc as a distinct currency because of the weakness of the French franc after World War II. The decree established the exchange rate between CFA franc and French franc at 1: 1.7, a premium from the former 1-to-1 rate of local francs with the French franc. The premium offset much of the French franc's devaluation from 50 to 119.10699 French francs = US$1 on December 25, 1945. The revaluation reflected lower wartime economic destruction in the colonies than in France. The new cross rate with the pound sterling was 300 CFA francs = £1.

The creation of CFA francs brought many problems to BAO. The bank had to think of a way of dealing with the change in the value of francs created before December 26, 1945 and held by residents in the colonies.

Changes in the balance sheet occurred in response to the creation of CFA francs. New asset items started appearing since December 1945: a debt obligation by the Treasury resulting from the new parity of CFA franc, an indemnity payable by the Treasury following the new parity of CFA franc, and losses resulting from the new parity of CFA franc.

A further exchange rate adjustment followed on October 17, 1948. The French franc was devalued from 214.392 to 264 per U.S. dollar. The CFA franc was revalued to 2 French francs to offset most of the devaluation against the dollar. In just a few years, the CFA franc had doubled in value against the French franc. The exchange rate established in 1948 would continue until January 12, 1994, when the CFA franc was devalued back to 1 French franc.

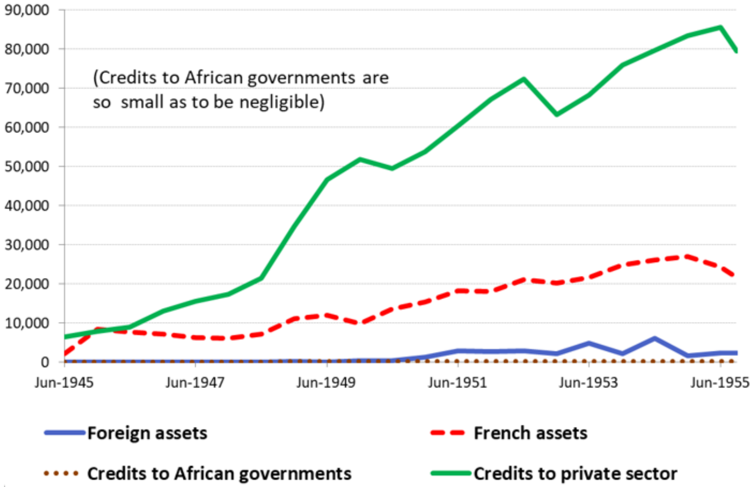

Figure 11. *BAO major assets, 1945-1955*

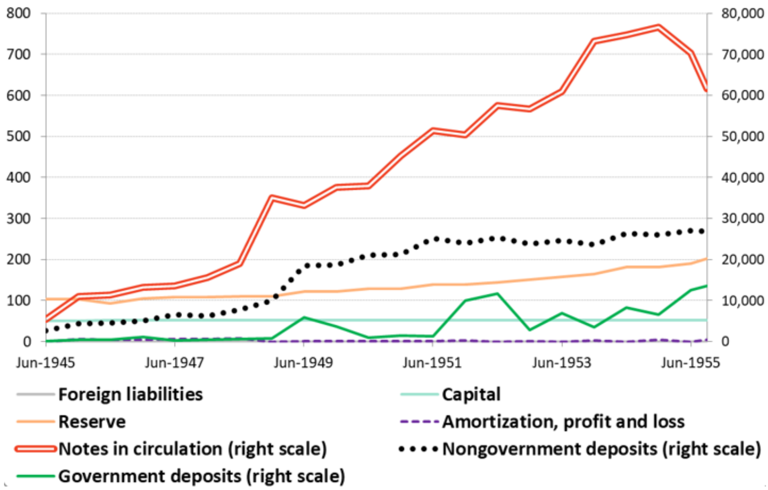

Figure 12. *BAO major liabilities, 1929-1939 (mn French francs; items use left scale expect as noted)*

As has been mentioned, BAO had lost its note issue privileges in French Equatorial Africa during World War II. The final noteworthy event in the decade after the war was that effective October 1, 1955 BAO became an ordinary commercial bank and lost its privilege of note issuing in French West Africa as well. The successor note issuer in

French West Africa was the Institut d'Émission de l'Afrique Occidentale Française et du Togo (IEAOFT). The change was part of a general post-World War II trend, in French colonies and elsewhere around the world, to end private involvement in note issue where it still existed. It also marks the end of the period this paper covers.

The asset and liability composition graphs for 1945-1955 demonstrate patterns that are similar to those for the previous period. One difference is the spread between private credits to French government deposits and securities as well as the spread between notes in circulation and non-government deposits were consistently expanding.

Table 3. *BAO's Closing Balance Sheet on September 30, 1955 (French francs)*

Assets		**Liabilities**	
Cash, CNEP and French correspondents	1,080,624,334	Capital	52,629,500
Sight deposit abroad	2,252,845,403	Reserves	
Loans	34,820,184,427	– Statutorily required contingency funds	17,500,000
Equity holdings	78,338,528	– Statutory reserve	36,720,592
Current accounts and sundry debtors	27,229,490,526	– Supplemental reserve	73,441,184
Buildings	1,165,556,675	Settlements payable	579,929,948
Suspense accounts	1,873,566,960	Current accounts and sundry creditors	26,777,509,737
		Colonial treasurer-cashiers	13,628,289,312
		Dividends payable	65,275,791
		Clients and correspondents	1,579,494,129
		State	20,595,587,074
		Suspense accounts	4,888,896,284
		Rediscount of loans	205,333,202
Total Assets	68,500,606,853	Total Liabilities	68,500,606,753

Note: At this time the CFA franc was worth 2 French francs. Notes and their corresponding assets had apparently already been transferred to BAO's successor as a note issuer by this time.

Conclusion

The Banque de l'Afrique Occidentale served in the French colonial territories as a hybrid of central bank, commercial bank and investment bank. Although it was not a lender of last resort for other financial institutions in the territories, it did bail out the Banque Commerciale Africaine during the 1930 crisis and it was the main note issuer in French colonial Africa. It performed all functions of a commercial bank including taking private and public deposits as well as issuing and discounting credits. As an investment bank, it was also granted to acquire shares in commercial companies. Throughout its existence, BAO's operations were mainly influenced by the agricultural production in the African territories and the macroeconomic environment in France and the rest of Europe. It facilitated the export of local agricultural products by providing lending for seed purchases and transportation infrastructure construction. As a result, the colonial economy transformed from one that relied on subsistence crops to cash crops. Whether the existence of BAO benefited local African colonial residents remains a question. Non-French citizens were not allowed to be shareholders of the bank and although the bank built a channel for capital inflows into the colonial territories, colonial residents had to pay tax duties on their imports and exports to the French state.

Appendix

Appendix: BAO legislation

This list is not exhaustive, but it gives an idea how detailed government involvement in the BAO's affairs was. Often there were implementing decrees in the French colonies corresponding to metropolitan legislation, plus local decrees on a multitude of minor matters connected with BAO. Important legislation is in **bold.**

In the French legal system, a law is a statute issued by the Parliament; an ordinance (*ordonnance*) is a statutory instrument issued by the cabinet to help implement a law; a decree (*décret*) is an executive order issued by the cabinet; and an *arrêté* is a decision by a cabinet minister, usually in this case the Minister for the Colonies. A decree-law (*décret-loi*), which no longer exists under the Fifth Republic (since 1958), was a statute issued by the cabinet in an area normally reserved for the Parliament. In French colonies, the governor-general of several colonies or the governor of a single colony had the role played by the cabinet and its members in France.

For some legislation, parentheses list the date and page on which it can be found in the *Journal officiel de la République française* (JORF).

* * * * *

France, law of 13 December 1901 – A general law on the organization of colonial banks.

France, decree of 29 June 1901 – Established the Banque de l'Afrique Occidentale (BAO). (See also JORF, 6 July 1901, page 4117, for corrections to the original text.)

France, arrêté of 5 July 1901 – Entrusted the regulatory oversight of the BAO branch in Senegal to a local official.

France, decree of 11 December 1902 – Created a branch in Porto-Novo, Dahomey (now Benin).

France, decree of 21 December 1901 – Made a minor change to BAO's statutes to make them like the corresponding provision of the statutes of another French colonial bank, the Banque de l'Indochine.

France, decree of 4 June 1904 – Modified BAO's statutes and raised its authorized capital from its original level of 1.5 million French francs to 5.895 million francs.

France, decree of 9 June 1904 (another decree) – Created an agency in Monrovia, Liberia (not a French colony).

France, decree of 13 January 1906 – Created a branch in Grand-Bassam, Côte d'Ivoire.

France, decree of 28 January 1906 – Raised BAO's authorized capital to 5.9865 million francs.

France, decree of 24 April 1906 – Closed the agency in Monrovia, Liberia.

France, decree of 7 July 1910 – Raised BAO's authorized capital to 6 million francs.

France, decree of 4 August 1914 – Allowed governors-general or local governors in French West Africa and French Equatorial Africa to relieve BAO of its obligation to redeem notes in specie if they judged it necessary, and to impose an upper limit to local note issue or a maximum ratio of notes to metallic reserves. This was a World War I emergency measure.

France, decree of 2 September 1914 – Transferred the headquarters of BAO from Paris to Bordeaux (to move it farther from the front lines during the early days of World War I).

France, decree of 1 January 1915 – Returned BAO's headquarters to Paris.

French West Africa, governor-general's decree of 16 December 1916 – Increased BAO's note issue limit from the old ratio of three times its metallic reserves to four times. There was also a later decree by the governor-general, by 1918, increasing the limit to seven times the metallic reserves.

France, arrêté of 1 November 1917 — Personnel change to the government regulator (commissioner) for BAO.

France, decree of 19 December 1917 – Transferred the Senegal branch of BAO from Saint-Louis to Dakar; transferred the Senegal agency of BAO from Dakar to Saint-Louis.

France, decree of 31 January 1919 – Suspended for the duration of the war the application of Article 9 of the decree of 29 June 1901 (under which the combined amount of notes in circulation, current accounts, and the bank's other debts was not to exceed three times the amount of authorized capital plus reserves). (Although hostilities had ceased in November 1918, technically World War I was not over until a peace treaty had been signed, which had not yet happened.)

France, decree of 19 November 1919 – Extended the effects of the decree of 31 January 1919 until further notice.

France, decree of 17 December 1919 – Made changes to the Commission de surveillance des banques coloniales, which supervised BAO.

France, decree of 17 December 1919 (another decree) – Created an agency in Douala, Cameroon. The decree became effective in May 1921.

France, decree of 4 March 1920 – Repealed the decree of 4 August 1914.

France, decree of 31 December 1920 – Created an agency in Lomé, Togo.

France, decree of 20 May 1921 – Made BAO notes legal tender in Cameroon and Togo, which before World War I had been German colonies.

France, decrees of 18 June 1921, 22 June 1922, 24 May 1923, 25 June 1924, 19 June 1925, 9 December 1925, 26 June 1926, 17 July 1926, 16 December 1926, 18 January 1927, 19 February 1927, 19 March 1927, 20 May 1927, 24 July 1927, 14 December 1927, 9 February 1928, 28 March 1928, 14 June 1928, 23 August 1928, and 26 December 1928 – Extended the charter of the bank. (The bank's initial 20-year charter had expired. The extensions ranged from months to a year. The French government would finally approve a new long-term charter in 1929.)

France, decree of 6 May 1922 – Concerned relations between BAO and colonial treasuries in French West Africa.

France, decree of 6 May 1922 – Authorized the French commissioner (chief official) in Togo to relieve BAO of the obligation to redeem its notes in specie.

France, decree of 21 May 1924 – Created an agency in Bamako, French Sudan (now Mali).

France, decree of 22 June 1925 – Created a branch in Brazzaville, French Equatorial Africa (now Republic of the Congo).

France, decree of 9 December 1925 – Extended the charter of the bank for six months and created agencies in Port-Gentil, Gabon; Pointe-Noire, Frennch Equatorial Africa (now Congo-Brazzaville); and Libreville, Gabon.

France, decree of 10 February 1927 – Concerned relations between BAO and colonial treasuries in French Equatorial Africa.

France and Banque de l'Afrique Occidentale, agreement (*convention*) of 24 February 1927 – Among other things, this agreement required BAO to make exchanges between France and West Africa without transaction fees other than the actual post office or telegraph costs.

French Equatorial Africa, arrêtés of 20 October 1926 (two) and 19 March 1927 – Modified the tax on BAO note circulation in French Equatorial Africa (*Journal official de l'Afrique equitoriale française,* 1 September 1927).

France, decree of 29 June 1927 – Confirmed the arrêtés of French Equatorial Africa listed just above on taxing BAO note circulation.

France, decree of 30 December 1927 – Created an agency in Kaolack, Senegal.

France, decree of 10 January 1929 – Created an agency in Cotonou, Dahomey (now Benin).

France, law of 29 January 1929 – Extended BAO's charter for 20 years and introduced minority government ownership. (See also JORF, 16 février 1929, page 1938, for minor corrections to the original text.)

France and BAO, agreement of 26 June 1931 – Concerned BAO's rescue of the Banque Commerciale Africaine and the Banque Française de l'Afrique, which had failed as a result of the depression of 1929. The French government agreed to a 15 million franc guarantee for their financial resolution.

France, decree of 24 November 1931 — Personnel change to BAO administrator.

France, law of 12 April 1932 — Approved the agreement of 26 June 1931.

France, decree of 10 June 1933 — Closed the agency in Rufisque, Senegal.

France and BAO, agreement of 26 July 1934 – Allowed BAO to set a tax on transfers between France and Africa (as a means of influencing capital movements).

France, decree of 1 May 1935 — Created an agency in Abidjan, Côte d'Ivoire.

France, decree of 8 August 1935 – Approved the agreement of 26 July 1934.

France, arrêté of 3 September 1935 — Set the tax on transfers of funds from France at 0.35 percent for French West Africa and Togo and 0.25 percent for French Equatorial Africa and Cameroon. (Apparently the tax applied only to movements of funds from France, not to France.)

France, decree of 14 December 1935 – Approved French West Africa, governor-general's Arrêté No. 2460 of 29 October 1935, imposing a tax on BAO notes in French West Africa.

France, arrêté of 2 May 1936 — Reduced the tax on transfers of funds from France to 0.10 percent for all the African territories BAO served.

France, arrêté of 23 May 1936 — Personnel change to the government regulator for BAO.

France, decree of 29 May 1936 — Personnel change to BAO administrator.

France, decree of 4 June 1936 — Closed agency in Saint-Louis, Senegal.

France, decree of 18 September 1936 — Personnel change to BAO administrator.

France, law of 1 October 1936 – Allowed colonial banks to include French francs (meaning franc notes and coins) as part of their reserves (article 7).

France, arrêté of 7 October 1936 — Raised the tax on transfers of funds from France to 0.35 percent for all the African territories BAO served.

France, decree of 4 October 1936 — Personnel change to BAO administrator.

France, decree of 15 December 1936 — Personnel change to BAO administrator.

France, decree of 22 December June 1936 — Closed the agency in Pointe-Noire, French Equatorial Africa (now Congo-Brazzaville).

France, arrêté of 17 June 1937 — Reduced the tax on transfers of funds from France to 0.10 percent for all the African territories BAO served.

France, decree of 3 September 1937 — Created an agency in Bobo-Dioulasso, Côte d'Ivoire.

France, decree of 8 December 1937 – Set maximum note issue at 1.2 billion francs.

France, decree-law of 24 May 1938 – Authorized colonial banks of issue to make loans for public supplies and public works.

France, decree of 19 June 1938 – Established a retirement fund for BAO employees.

France, decree of 18 January 1939 – Set maximum note issue at 1.4 billion francs.

France, decree of 4 February 1940 – Set maximum note issue at 1.6 billion francs.

French Equatorial Africa, governor-general's decree-law of 9 October 1940 – Following French Equatorial Africa's decision to side with the Free French government during World War II, the governor-general authorized government notes called *bons de caisse* or *bons Larminat*. This was a step towards establishing a note issue separate from that of French West Africa, which sided with the Vichy French government. Notes of the Banque de l'Afrique Occidentale continued to circulate because it was impractical to replace them all immediately. The notes were technically illegal, but were legalized after the fact by the Free French ordinance of 24 July 1942 cited below.

France (Vichy), decree of 19 October 1940 – Set maximum note issue at 2 billion francs.

France (Vichy), law of 9 November 1940 – Concerned the administration of BAO.

France (Vichy), arrêté of 20 November 1940 — Personnel change to the government regulator for BAO.

France (Vichy), law of 9 December 1940 – Changed various provisions for BAO and other large colonial note-issuing banks about government appointees on their boards of directors (JORF, 12 décembre 1940, page 6075).

France, arrêté of 13 January 1941 — Raised the tax on transfers of funds from France to 0.25 percent for all the African territories BAO served.

Anglo-Free French financial agreement of 19 March 1941 – This agreement preserved the prewar exchange rate of the French franc with the pound sterling (and later with the U.S. dollar, when the United States entered World War II). French West Africa remained aligned with the Vichy regime.

France (Vichy), decree of 4 July 1941 – Set maximum note issue at 2.2 billion francs.

Free France, ordinances of 2 December 1941 and 24 July 1942 – The Free French government stripped BAO of the power to issue notes in French Equatorial Africa and Cameroon (ordinance of 24 July 1942). The ordinance of 2 December 1941 created the Caisse centrale de la France libre (CCFL) as the financial arm of Free French government. It was given note-issuing privileges by the ordinance of 24 July 1942.

France (Vichy), decree of 9 February 1942 – Set maximum note issue at 2.4 billion francs.

France, (Vichy) decree of 5 March 1942 – Set maximum note issue at 2.6 billion francs.

France (Vichy), decree of 15 March 1942 – Set maximum note issue at 2.8 billion francs.

France (Vichy), arrêté of 17 April 1942 — Eliminated the tax on transfers of funds from France for all the African territories BAO served.

France (Vichy), law of 12 May 1942 —BAO's maximum note issue could be increased by a decree of the Minister Secretary of State for Finance and the Secretary of State for the Colonies.

France (Vichy), Law No. 521, 23 May 1942 — Allowed BAO's note issue to increase through decrees signed by the minister of finance plus the minster for the colonies, rather than only by the head of the government (JORF, 29 mai 1942, page 1902).

France (Vichy), decree of 27 May 1942 – Set maximum note issue at 3 billion francs.

Free France, Decree No. 297, 1 June 1942 – Stripped certain functions from BAO in Cameroon and gave them to the Crédit agricole mutual du Cameroun Français.

France (Vichy), decree of 20 July 1942 – Set maximum note issue at 3.5 billion francs.

Notes of the Banque de l'Afrique Occidentale ceased to be legal tender in French Equatorial Africa and Cameroon on 1 October 1942. The first local coins there were issued in 1943, being a Free French issue for French Equatorial Africa.

France (Vichy), arrêté of 24 December 1942 — Set the salary of BAO's president at 200,000 francs a year, plus 25,000 francs of allowance (JORF, 1 janvier 1943, page 16).

Anglo-Free French agreement of 2 February 1943 — By this agreement, in many of the areas under its control, the Free French government devalued local francs from pre-World War II rates based on 176.625 French francs = UK£1, or 43.80 French francs = US$1, to new rates of 200 local francs = UK£1, or 50 local francs = US$1.

French West Africa switched allegiance from the Vichy French government to the Free French government on 23 November 1943.

France (Vichy), arrêté of 19 April 1943 — Personnel change to the government commissioner for BAO (JORF, 12 juin 1943, page 1607).

France (Vichy), ordinance of 2 May 1943 – Set maximum note issue at 7 billion francs.

France (Vichy), arrêtés of 5 June 1943 and 10 June 1943 — Personnel changes to the government commissioner for BAO (JORF, 12 juin 1943, page 1607; JORF, 2 juillet 1943, page 1792).

Free France, ordinance of 2 February 1944 and France, Ordinance No. 45-1356, 20 June 1945 – Created the Cassie centrale de la France d'outre-mer (CCFOM) as the successor to the Caisse centrale de la France libre.

Anglo-Free French agreement of 8 February 1944 — Following the liberation of most of France by the Allies during the Second World War, the metropolitan French franc was devalued to the level of the overseas francs under Free French control (200 local francs = UK£1, or 50 local francs = US$1). Doing so in effect restored the French franc as the anchor currency.

France, arrêté of 20 January 1945 — Personnel change to the government regulator (commissioner) for BAO.

France, decree of 3 March 1945 — Personnel change to BAO administrator.

France, arrêté of 4 April 1945 — Personnel change to the government administrator for BAO. (JORF, 16-17 avril 1945, page 2140).

France, decree of 23 August 1945 — Personnel change to BAO administrator.

France, decree of 23 August 1945 (another decree) — Created an agency at Bangui, Ubangi-Shari (now Central African Republic).

France, arrêté of 19 November 1945 — Personnel change to the government administrator for BAO (JORF, 30 novembre 1945, page 7948).

France, Decree No. 45-0136, 25 December 1945 — France created the CFA franc at a premium from the former 1-to-1 rate of local francs with the French franc. The rate was 1 CFA franc = 1.70 French francs. The premium offset most of the French franc's devaluation from 50 to 119.10699 French francs = US$1 on 25 December 1945. The revaluation reflected lower wartime economic destruction in the colonies than in France. The new cross rate with the pound sterling was 300 CFA francs = UK£1.

France, arrêté of 10 January 1946 — Set salaries for auditors (*censeurs*) at various BAO offices.

France, decree of 30 March 1946 – Set maximum note issue at 9 billion francs.

France, law of 21 March 1947 — Concerned denominations of notes (article 81).

France, Decree No. 48-107, 7 January 1948 – Set maximum note issue at 11 billion francs (JORF, 18 janvier 1948, page 581).

France, Decree No. 48-848, 18 May 1948 – Set maximum note issue at 12 billion francs (JORF, 21 mai 1948, page 4858).

France, Decree No. 48-1326, 25 August 1948 – Set maximum note issue at 16 billion francs (JORF, 27 août 1948, page 8455).

France, Ministry of Finance and Economic Affairs, Avis No. 352 de l'Office des Changes, 17 October 1948 — The CFA franc had followed the French franc's devaluation on 26 January 1948, but this time it was in effect revalued against French franc to offset almost all of the French franc's devaluation from 214.392 to 264 French francs = US$1 on 17 October 1948. The new exchange rate was 1 CFA franc = 2 French francs.

After BAO's charter expired in 1949 it was temporarily extended a number of times by the French government while awaiting a more comprehensive reform (Comité monétaire de la zone franc 1953: 77).

France, Decree No. 49-206, 3 February 1949 – Set maximum note issue at 20 billion CFA francs (JORF, 16 février 1949, page 1736).

France, arrêté of 22 March 1950 – Named an administrator for BAO (JORF, 30 mars 1950, page 3459).

France, decree of 27 March 1950 – Set maximum note issue at 23 billion CFA francs (JORF, 6 avril 1950, page 3739).

France, decree of 12 February 1951 – Set maximum note issue at 29 billion CFA francs (JORF, 2 mars 1951, page 2178).

France, decree of 22 September 1952 and arrêté of 1 June 1954 – Personnel changes to the government regulator for BAO (JORF, 26 septembre 1952, page 9310; JORF, 13 juin 1954, page 5541).

France, Decree No. 55-103, 20 January 1955 – Established the capital of the Institut d'Émission de l'Afrique Occidental Française et du Togo (IEAOFT), which was to succeed BAO as the note issuer in French West Africa and Togo (JORF, 25 janvier 1955, pages 910-911).

France, Decree No. 55-104, 20 January 1955 – Created the Institut d'Émission de l'Afrique Équatoriale Française et du Cameroun (IEAEFC) to succeed the Caisse Centrale de la France d'Outre-Mer as the note issuer in French Equatorial Africa and Cameroon (JORF, 25 janvier 1955, pages 911-912).

France, Decree No. 55-938, 15 July 1955 – Approved the statutes of the IEAOFT (JORF, 16 juillet 1955, pages 7094-7096).

France, Decree No. 55-939, 15 July 1955 – Established the capital of the IEAOFT at 1 billion French francs (JORF, 16 juillet 1955, page 7096).

France, Decree No. 55-940, 15 July 1955 – Approved the statutes of the IEAEFC (JORF, 16 juillet 1955, pages 7097-7098).

France, Decree No. 55-941, 15 July 1955 – Established the capital of the IEAEFC at 1 billion French francs (JORF, 16 juillet 1955, page 7099).

France, interministerial arrêté of 29 September 1955 – Set the date for transfer of BAO's note issue to IEAOFT as 30 September 1955 (JORF, 1 octobre 1955, page 9655).

France, two decrees of 4 October 1955 – Approved the agreements of 26 September 1955 between the French minister of finance and economy and the minister of overseas affairs on the one hand and the Institut d'Émission de l'Afrique Occidental Française et du Togo and the Institut d'Émission de l'Afrique Équatoriale Française et du Cameroun on the other hand concerning the transfer of BAO's note issue (JORF, 6 octobre 1955, page 9815).

Sources: Alibert (1983); BCEAO (2000, v. 1, especially pages 219-233, 301-303, 378-383; 2012); France, Commission de surveillance des banques coloniales; France (1950: 4, 61); *Journal officiel de la France libre; Journal officiel de la République française* (including its annual *Tables du Journal officiel de la République française);* Mazard (1953); France (Vichy), Ministère de l'intérieur, *Informations générales*. Almost all of the legislation cited is available through Gallica or Legifrance.

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