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## Debt Cancellation To Generate an African Renaissance

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*Subheads have been added.*



Schiller Institute

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On behalf of our organization, I would like to thank the Schiller Institute for inviting me from Congo to participate in this moment of reflection and sharing. I would also like to thank all the speakers for the quality of their interventions before I take the floor. Our intervention is entitled, "Alternatives to African Odious and Illegitimate Debts."

After a brief historical reminder of the origins of the fatal debt that plagues the destiny of African populations, we will then see the true/false solutions of international powers, to end on the alternatives to the odious and illegitimate debt.

### Origins of the Debt

African debts have their origins in the mechanisms of domination and exploitation developed mainly by the former colonial powers, with the complicity of a minority African elite. Indeed, two major challenges preoccupied the former colonial powers at the turn of African independence in the 1960s, namely: to keep control of the former colonies by preventing by all means the rise to power of pan-Africanist nationalist figures; and, at the same time, aided by the United States, to prevent the USSR from having allies in Africa, and thus from gaining access to minerals and other strategic resources.

Having succeeded in these two challenges, despite some exceptions of countries supposedly allied in the East, such as the emblematic assassination of Patrice Lumumba in 1961 and his replacement by Joseph-Dé-

siré Mobutu, the conditions for the odious and massive indebtedness of Africa were met.

As everyone knows, there were three historical phenomena that allowed the West to have colossal financial means to achieve its takeover of Africa:

1. The private banks and the Eurodollar phenomenon: characterized by a massive dumping in Africa of American dollar loans that should have been sent back to the United States following the Marshall Plan, and favored by complacent, aligned and interested regimes to the detriment

of their people.

2. The 1973 oil shock and the phenomenon of petrodollars: characterized by a sudden quadrupling of oil prices, whose revenues were deposited in Western banks. Thus, added to the Eurodollars, the Oil Dollars were poured into Africa, naturally with the complicity of the complacent and interested African regimes.

3. Debt of a bilateral nature and the phenomenon of tied aid: characterized by a form of indirect subsidy of large Western companies whose interests are paid by the African people. It was a question of finding outlets for goods that no longer found takers in the West because of the drop in purchasing power at the end of the thirty glorious years.

After the nominal independences, the turnkey development to which the West predestined Africa was accompanied, nurtured and framed by huge columns of soldiers who were called technical assistants. These technical "assassins," superbly paid, filled the ministerial cabinets and the African presidencies like development magicians. Given the state of Africa, it goes without saying that their massive failure speaks for itself.

We will spare you the litany of true/false solutions of the 60 years of post-independence, to take only two of them over the last two decades:

1. Chirac Tax on Airline Tickets: What is it about?

To fight against AIDS, malaria and tuberculosis—three pandemics that kill millions of people in the world and in Africa in particular—in 2006, Jacques Chirac (French President, 1995-2007), accompanied by the UN Secretary General Kofi Annan, took up a proposal from the French Association for the Taxation of Financial Transactions and Citizen Action (ATTAC) to tax each plane ticket between €1 and €40.

This contribution would raise 200 million Euros per year. It is enough to look at the tragedies caused by these three pandemics in 2023, that is to say, 17 years later, in order to realize the patent failure of such a measure.

2. Public Private Partnership (PPP): In May 2021, Emmanuel Macron brought together 21 African heads of state, as well as the heads of major international financial and trade organizations, to respond to the shock of COVID-19 on African economies. The French President announced a sort of African “New Deal.” One of the tools of choice for this initiative was public-private partnerships (PPPs), agreements by which the financing and management of public services are entrusted to private providers.

Although decried in Europe, notably by the European Court of Auditors (ECA), for whom they “cannot be considered an economically viable option for the provision of public infrastructure,” and in France, where the Court of Auditors criticized their cost and “financial unsustainability”—leading Emmanuel Macron’s government to abandon them—PPPs are still widely promoted, including by France, through the French Development Agency (AFD), to African countries.

Why is what is decried in Europe and France promoted in Africa, where governments are creating entire ministries dedicated to the famous Public Private Partnership?

### **Alternatives to Odious, Illegitimate Debt**

As paradoxical as it may seem, the question of debt, and therefore of development, is first and foremost a fundamentally political question. We are not going to list all the alternatives to the odious and illegitimate debt, but let’s take a few examples, if only for Franco-

phone Africa and in particular for the countries of the franc zone.

1. Put an end to support for dictatorships: Indeed, as we have just indicated, the question of debt is fundamentally political. Dictatorial political regimes, far from being enlightened, maintain themselves by selling off national wealth and thus depriving public policies of sufficient financing. Consequently, recourse to illegitimate debt, without control by democratic institutions, becomes the rule.

2. Fight against tax havens: In the revelations of the Panama Papers published by the investigative website *Mondafrique* in May 2018, appear six Congolese (five members of the Political Bureau and the Central Committee of the Congolese Labor Party, and a collaborator of the head of state), [who] alone hold in offshore accounts, about 5,500 billion CFA francs, or 68% of the 8,130 billion of the Congo’s debt and 79% of the GDP as of December 31, 2021. And it is worth noting that this is not the totality of the fortunes accumulated by these Congolese figures.

Return monetary sovereignty: It is appropriate to return monetary sovereignty to the former French colonies, by putting an end to the CFA Franc. The alleged end of the CFA Franc (only for the eight member states of the UEMOA—West African Economic and Monetary Union), which was passed by the French National Assembly and Senate in January 2021, has not convinced African opinion.

Moreover, the change of name [from CFA Franc] to ECO in an attempt to make people believe that the two provisions most denounced by Africans, namely, French representation in decision-making bodies, and the operating account, are not enough either.

In conclusion: The alternatives to the odious and illegitimate debt are numerous. We could also have talked about the Citizen Audit, an instrument of state sovereignty.

In any case, the current context, dominated by claims of sovereignty, will undoubtedly affect all aspects of the sovereignty of African peoples, including debt. For the question of African Debt is an eminently political question!

I thank you.