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PHASES IN THE DEPRECIATION OF AFRICAN CURRENCY

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Abstract

The paper examines the pattern of currency depreciation that characterized the African countries overtime Data on Africa was extracted from the World Bank Treasury Report of Currency Exchange Rates. Data for Dec. 31 1980, Dec 31 1990, Dec 31 2000, Dec 31 2010 and Dec 31 2020 for the 54 independent countries were extracted. Currency exchange formula was used to get the percentage values. The percentage values were later juxtaposed with the raw values in order to accurately construct the currency depreciation table. The table was then used to classify African currencies into phases of depreciation. Summarily, as at 2020, 14 (25.93 %) countries were with strong currencies. Other were; 8 countries (14.81%) with fairly strong currencies, 16 (29.63%) countries were with fairly weak currencies, 01 (0.85%) country was with weak currency, 09 (16.67%) countries were with very weak currencies and 04 (07.41%) countries operates worst currencies. Regional and colonial influences were later examined. The south and northern Africa enjoyed strong currencies, while the sub Sahara Africa was battling with different dimensions of currency inconsistencies.

Key Words; Currency, African Currency, Currency Depreciation, Depreciation Scale, Depreciation Phases.

Introduction

A currency is money, in the forms of bank note and coin that is in circulation as a medium of exchange within a particular geographical region. Currency is a system of money in common use by people in a nation. It is money in any form when in use or circulation as a medium of exchange for goods and services (Investopedia 2019). African currencies were originally in forms of shell, ingot, gold, iron, salt among others. As from the 17th century, the colonial powers introduced their own monetary systems like Italian lira, France franc, British pound and the likes in Africa. After independence, some African countries retained their colonial monetary heritage while others renamed their currencies (Wikipedia 2017).

Currency act as store of value and is one of the most important determinants of a countries level of economy health. It plays a vital role in a country level of trade (Alexandria Twin and Thomas Brock 2021). It is the most important and closely watched price in any country because the value is generally linked to and affects the performance of the economy.

When trading currency, one is sold to buy the other. In essence currency is sold in pairs; one is exchanged for another at a given price, depending on the dictates of the market. A currency pair is the quotation of two country currencies with the value of one being quoted against the other, like USD and Naira. Relative to Africa, the first is called base currency or the currency to be bought, and the second is called quote currency or the currency to be sold (Federal Point 2011). Currency exchange rate, by implication, is the price at which one currency exchanged for other currencies in the foreign exchange market (Chen and Scott, 2021, Ageto Reng and Mayai 2016).

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Currency depreciation is the fall in the exchange value of a currency in comparison to other currencies. Currency depreciate (weaken) when its value went down in comparison to its pair in the foreign exchange market (Galina Hale 2020). When a decrease in value is peculiar to one currency relative to other currencies, the currency is said to be weak. A weak currency is a currency that is diminishing in value in comparison to other currencies (James Chen and Charles Potter 2021). Currency exchange rate is a standard for illustrating the competitiveness of domestic industries in the world market, It is one of the most important determinants of a country's relative level of economic health, and plays a vital role in a country's level of trade (Twin and Brock, 2021)

Africa as a name is derived from an ancient area in modern day Tunisia knows as "Ifriqiya" or "sunny place". The continent is the world's second largest, having covered six percent of the earth's total surface area, and 20.4 percent of the total land area. The continent is politically subdivided into 54 sovereign states, and five dependent territories. The average size of the continental countries is 620,000 km^2, while the average size of the island nations is 86,000km^2. It is located between latitude 37°27' North (Bizerte in Tunisia) and 34°37' South (Cape Agulhas in South Africa). The longitudinal boundaries are 18°08' West (Cape Blanc in Cabo Verde), and 51°35' East (Cape Guardafui in Somalia). The continent was colonized by different European and American interests who are still having their imprints and influences on African countries (Mariam Websters, Southern Illinois University, Afolayan 1992)

Currency depreciation as a monetary instrument was first used against African countries by France. Franc of the French Colonies in Africa (CFA) was created in 1945 for all France colonies. African CFA was devalued for the first time in 1948 when these colonies were never independent (BCEAO 2017). The idea was introduces to the British colonies in Africa around 1980.

Statement of the Problem

The value of African currencies are increasingly been relegated through international policies that are less understood and very much unfriendly with Africa social economic and spatial circumstances. The target of any independent country is how to develop from an agrarian to an industrialized economy, improve the standard of life of the citizenry, and establish infrastructural networks. Objects needed for all these multifarious aspects of development are however not locally available in Africa, they have to be imported from the developed part of the world with the local currencies.

With the introduction of Structural Adjustment Programmed around 1980, the value of African currencies had suffered a continuous depreciation relative to the US dollar. The immediate effect manifests in terms of local industries inability to pay for their foreign inputs. This led to their closure and the disengagement of workers. The price of goods and services continue to increase, leading to a rise in poverty level and unending demand for wage increase. It is now over 40 years that African economies had been re-colonized through monetary instrument and the monetary crisis that started with the introduction of SAP is still at work in most countries. Today some African currencies are not that valuable. And this had created a lot of setbacks for these countries in term of foreign exchange earnings, economics, infrastructure, capital and human developments. The major focus here is how Africa currency has suffered value depreciation overtime relative to the US dollar. As such, attempt was made to depict the periods as well as the magnitude of currency depreciation along the affected economies.

Core-Periphery Model

Core-periphery model is a spatial metaphor describing the structural relationship between the advanced 'center' and the lagging 'periphery' regions of the world. The core region of the world economy is characterized by standard facilities, industries, high financial capital, rich and elite population, among others, which adduce to its prosperity. The periphery, on the other hand refer to the outlying regions with poor population, where the development of facilities, industry, human and financial capital are just at their infancy (Oxford Reference 2022, Sag Pub. 2020)

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The model was developed at the world level by Wallerstein in 1974, where he tried to explain the genesis and functioning of capitalism while also seeking to explain the phenomenon of globalization. The model explained the world economic system in which some countries benefit while others are exploited (Sage pub. 2022).
Wallerstein divided the Capitalist system into three levels of states. These are the core, peripheral, and the semi peripheral states. The core states are dominant capitalists associated with high levels of industrialization and urbanization. They are capital intensive, pay high wages, possess high production technology and are known for lower levels of labour exploitation. Core countries owned most of the world's capital and have succeeded in world trade and economic agreements. As cultural centers, they exploited the peripheral countries by attracting their best artists, professional's, special talents and intellectuals, extract raw materials at lowest costs, set favorable prices for agricultural and mineral products irrespective of local market prices (Libre Text 2022).
Semi peripheral countries are those that had made an impact towards development, and as such shared the characteristics of both core and peripheral countries. They exploit peripheral countries just as the core countries.
The peripheral countries are known for underdeveloped industries, poor infrastructural development, low literacy rate and inconsistent internet access. They depend on core countries for financial capital and technology. They specialized in the provision of labor and materials required by the core countries. The wealthy in peripheral countries benefit from the labor of poor workers and from their own economic relations with core country capitalists. Summarily, the way a country is integrated into the capitalist world system determines how economic development takes place in that country.

Methodology

The target populations are the African countries, who are largely described as underdeveloped economies. Data for the 54 countries in Africa were extracted from the 'Treasury Reporting Rates of Exchange' containing the exchange value of all the world currencies relative to the US dollar. Data for Dec. 31 of 1980,1990,2000,2010 and 2020 were sampled - ten years intervals Analysis was carried out in two stages. In the first, the percent change in currency depreciation was calculated using the formula for determining the percentage change in currency depreciation of the dependent territories as exemplified by Obadan (2006) and Sekirin (2019). It is given by;

$D_1 = E_1\text{-}E_o \times 100/E_1$

D_1 = Rate of Currency Depreciation

E_o = Previous Exchange Value

E_1 = Current Exchange Value

Data were analyzed in relative and absolute terms. Relatively, exchange rate of African currencies as at December 31th 1980 were used as the base year for the calculation of the percentage change in currency depreciation for 1990, 2000, 2010 and 2020. In absolute term, one African currency was assumed to be equal to one US dollar as at Dec.31 1980. This assumption was then used to calculate the percentage change in currency depreciation for 1980, 1990, 2000, 2010, and 2020. Absolute values appeared to give realistic results in the long run and were used to categorize currency depreciation overtime.
The second step is a little complicated. A study of the results got through the technique used to calculate the percentage change in currency depreciation clearly reflected the characteristics of an ordinal measurement. Percentage values reflected the order of values and not the magnitude between each of the values. Figures are according to an order or rank but without a degree of the difference between categories (Learn Alberta 2018). The technique was designed for instance, to carry more value at the initial stage and hide higher levels of currency depreciation through a continuous repressive effect.
Closer juxtaposition of the percentage values and the raw depreciation data clearly revealed six continuous and closely fitted levels of currency depreciation. It started with changes in decimal points in the first three phases, there was a change in percentage range value in the forth, there was a change in the range of currency

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units amounting to a percentage value in the fifth and percentage value became relatively stagnant, not reflecting further depreciation in the sixth and final phase This idea was developed and presented as Currency Depreciation Scale in table I below.

Table I; Currency Depreciation Scale

	Exchange rate (Currency Unit)		Exchange rate (%)		No. of Countries	Value Rating
	One USD Equivalent	Range	Percentage	Range		
1.			9.09 – 47.37			Strong Currency
	2.0 – 9.0		50.00 – 88.89		03	
	10 – 19		90.00 – 94.99		08	.
	20 – 24		95.00 – 95.83		03	
	25 – 49		96.00 – 97.96		03	
	50 – 99	99	98.00 – 98.99	89.9	04	
2.	100 – 199	99	99.00 – 99.49	.49	05	Fairly Strong Currency
	200 – 299	99	99.50 – 99.66	.16		
3.	300 – 399	99	99.67 – 99.74	0.7	01	Fairly Weak Currency
	400 – 499	99	99.75 – 99.79	0.4	01	
	500 – 599	99	99.80 – 99.82	0.2	14	
	600 – 699	99	99.80 – 99.82	.02	02	
	700 – 799	99	99.86 – 99.87	.01	01	
4.	800 – 899	99	99.88	–––––	01	Weak Currency
	900 – 999	99	99.89	–––––		
	1000 – 1099	99	99.90	–––––		
	1100 – 1199	99	99.91	–––––		
5.	1200 – 1399	199	99.92	–––––		Very Weak Currency
	1400 – 1599	199	99.93	–––––		
	1600 – 1899	299	99.94	–––––		
	1900 – 2299	399	99.95	–––––	03	
	2300 – 2899	599	99.96	–––––		
	2900 – 3999	1099	99.97	–––––	02	
	4000 – 6999	2999	99.98	–––––		
6.	7000+	–––	99.99	–––––	02	Loose/Worthless Currency.

Table I; Currency Depreciation Scale

Scale Developed by the Authour, 2022.

The first stage of currency depreciation started from 09.09 percent (1.1 currency units) to 98.99 percent (99 currency units) as equivalent to one US dollar. Percentage values involved two digits whole numbers. Currency depreciation was at its lowest, highly minimized and effectively controlled. The currency is deemed to be strong at this level.

The second level of currency depreciation falls between 99.00 percent (100 currency units) and 99.66 percent (299 currency units) per one US dollar. Starting from this phase, percentage depreciation was expressed as a fraction of one (**0.1**). Here additional depreciation by 200 currencies produces **.66** percent. The phase attracted the highest fractional percentage values. On the table, currency units were categorized at an interval of 100 currencies but due to the design of the technique employed for calculation, the percentage

values decreases from .49 for the first 100 currency units to .16 in the second. Currency is rated to be fairly strong at this level.

The third level of currency depreciation is observable from 99.67 percent (300 currency units) to 99.87 percent (799 currency units) per one US dollar. Here further depreciation by 499 units of currency was expressed with **.20** percent. This gave an average depreciation of **.04** percent per 100 units of currency. However, the represive cumulative effect of the technique used gave **.07** percent range value per 100 units of currency at the start and **.01** percent per 100 units of currency at the end. The phase marks the limit of where further depreciation by 100 units of currency resulted in more than one **(.01)** percentage values which made it possible to calculate the range in percentage values. Currency is judged to be fairly weak at this level.

The fourth level started from 99.88 percent (800 – 899 currency units) to 99.91 percent (1100 – 1199 currency units) per one US dollar. Here, depreciation by 100 currency units is represented by **0.01** percent. There was nothing like a range in percentage values as in phases I, II and III. The currency is rated as weak at this level.

The fifth stage started from 99.92 percent (1200 – 1399 currency units) to 99.98 percent (4000 – 6999 currency units).. The amount of currency units resulting in additional **0.01** percent depreciation increases exponentially**;** 199, 299, 2999, giving the character of hyper depreciation. Currency is rated as very weak at this level.

The sixth and final stage of currency depreciation started from 99.99 percent (7000:00 currencies and above). Here further increase in depreciation would continue to give 99.99 percent. This suggests that currency depreciation is no longer valued on fixed or ranged percentage scale but rather become stagnated**;** the price of one USD depends on what a particular exchange market operator is willing to offer. Currency is worthless at this level

The currency depreciation scale above was, at this point, applied to depict the situation in African countries and this is exemplified on table II below. Arrangement was based on the worth of national currencies in the exchange market overtime.

Table II; Performance of African Nations on the Currency Depreciation Scale between 1980 and 2020

No	Countries	Strong Currency	Fairly Strong Currency	Fairly week Currency	Weak Currency	Very Weak Currency	Worthless Currency	Sub-region	Colonial Origin
1.	Libya (Dinar)	1,4,5						North	Italy
2.	Tunisia (Dinar)	1,2,3 4,5						North	France
3.	Morocco (Dirham)	1,2,3 4,5						North	Spain
4.	South Africa (Rand)	1,2,£ 4,5						South	Britain
5.	Botswana (Pula)	2,3 4,5						South	Britain
6.	Swaziland (Langeni)	2,3 4,5						South	Britain
7.	Namibia (Dollar)	3,4,5						South	Britain
8.	Eritrea (Birr)	3,4,5						North East	Britain
9	Egypt (Pound)	1,2,3,4,5						North	Britain
10	Seychelles (Rupee)	1,2,3,4,5						East	Britain

11	Mauritius (Rupee)	1,2,3,4,5						East	France//Britain
12	Ethiopia (Birr)	1,2,3,4,5						North East	
13	Gambia (Dalasi)	1,2,3,4,5						West	Britain
14	Lesotho (Loti)	2,3,4,5						South	Britain
15	Kenya (Shilling)	1,2,3,4	5					East	Britain
16	Algeria (Dinar)	1,2,4,3	5					North	France
17	Sudan (Pound)	1,2,4,5	3					North East	Britain
18	Liberia (Dollar)	1,2,3,4	5					West	USA
19	Mauritania (Ouguiya)	1,2,5	3,4					West	France
20	Cabo Verde (Escudo)	1,2,4,5	3					West	Portugal
21	Djibouti (Franc)		1,2,3,4,5, 5					North East	France
22	South Sudan		5					Central	Britain
23	Nigeria (Naira)	1,2	3,4	5				West	Britain
24	Comoros (Franc)			3,4,5				East	France
25	Benin (CFA)		1,2	3,4,5				West	France
26	Burkina Faso (CFA)		1,2	3,4,5				West	France
27	Cote Devoir (CFA)		1,2	3,4,5				West	France
28	Niger (CFA)		1,2	3,4,5				West	France
29	Senegal (CFA)		1,2	3,4,5				West	France
30	Togo (CFA)		1.2	3,4,5				West	France
31	Cameroon(CFA)		1,2	3,4,5				Central	France
32	CAR (CFA)		1,2	3,4,5				Central	France
33	Chad (CFA)		1,2	3,4,5				Central	France
34	Congo Republic (CFA)		1,2	3,4,5				Central	France
35	Gabon (CFA)		1,2	3,4,5				Central	France
36	Equatorial Guinea (CFA)	1	2	3,4,5				Central	Spain
37	Angola (Kwanza)	1,2,3,4		5				Central	Portugal
38	Rwanda (Franc)	1	2	3,4,5				East	Belgium
39	Malawi (kwacha)	1,2,3	4		5			East	Britain
40	Uganda (Shilling)	1		2		3,4,5		East	Britain

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41	Mali (CFA)	3	2	4,5		1		West	France
42	Guinea Bissau (CFA)	1,3		4,5		2		West	Portugal
43	Tanzania (Shilling)	1	2	3		4,5		East	Britain
44	Burundi (Franc)	1	2	3		4,5		East	Belgium
45	Ghana (Cedi)	1,4,5		2		3		West	Britain
46	DR Congo (Zaire)	1			4	2,3,5		Central	Belgium
47	Madagascar (Ariary)		1			2,3,4,5		East	France
48	Zambia (Kwacha)	2,5				3,4		East	Britain
49	Guinea (Syli)	1		2	4	3	5	West	France
50	Sierra Leone (Leone)	1	2			3,4	5	West	Britain
51	Sao Tome and Principle (Dobra)	5					3,4	Central	France
52	Mozambique (Metical)	1,5			2		3,4	South	Portugal
53	Zimbabwe (Dollar)*	1,2,5						East	Britain
54	Somalia (Shilling)*	1				2		North East	Italy/ Britain

1 = 1980. 2 = 1990. 3 = 2000. 4 = 2010. 5 = 2020. Source; Authour 2022.

Discussion

Currencies are strong where countries successfully managed the exchange value of their national currencies relative to the US dollar overtime. These started with Libya followed by Tunisia, Morocco, Egypt, South Africa, Lesotho, Swaziland, Namibia, Botswana, Mauritius, Seychelles, The Gambia, Ethiopia and Eritrea. The countries have successfully sustained strong currencies over the last 40 years.

Countries with fairly strong currencies maintained a relatively low level of currency depreciation between 1980 and 2020. Kenya, Algeria and Liberia currencies were strong between 1980 and 2010, before they got depreciated to the fairly strong category between 2010 and 2020. Djibouti currency had already depreciated to the fairly strong category before 1980 and was still successfully managed within it over the last 40 years South Sudan gained independence in 2011 and its currency had depreciated to the fairly strong level within nine years. Of note here is that Sudan and Cabo Verde revalued their currencies while at fairly strong phase around year 2000 while Mauritania did the same after 2010. This allowed the three to have strong currencies by 2020.

All African countries with fairly weak currencies are bearing the burden of continuous repressive effect since 1980 because none of them succeeded in revaluing its currency over the last 40 years. Of note however was that 12 of the CFA countries were already having fairly strong currencies before 1980, their currencies got depreciated and became stabilized as fairly weak around year 2000. The currencies of Comoros, Rwanda and Equatorial Guinea depreciated sharply between 1980 and 2000; before they became stabilized as fairly weak currencies between 2000 and 2020. Nigeria currency depreciated consistently from a strong level in 1980 to the fairly weak status around 2020.

Malawi is the only country with weak currency by 2020. The country sustained strong currency from 1980 to 2000.The currency slides to fairly strong around 2010 and became weak by 2020.

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African countries with very weak currencies were those that experienced a very high level of currency depreciation at different periods between 1980 and 2000. Countries like Uganda, Tanzania, Burundi, and Madagascar were still under a continuous repressive effect because they have not succeeded in getting their currencies revalued overtime. Countries that successfully revalued their currencies were Mali (1980), Guinea Bissau (1990), DR Congo (2000), Ghana (2010) and Zambia (2010). However, only Ghana and Zambia were able to maintain their revalued status till 2020, others have suffered another round of currency depreciation.

Guinea Bissau currency for instance, depreciated from the strong category in 1980, to the very weak level in 1990. The country revalued its currency back to the strong category in 2000 before it got depreciated (recycled) back to the fairly weak category again in 2020. Likewise DR Congo currency was very weak around 1990; the currency was revalued only to become weak again around 2010 and very weak by 2020.

Countries that experienced worthless currencies by 2020 were under a cumulative repressive effect. These are Guinea and Sierra Leone. They never enjoy any form of currency revaluation. However Sao Tome & Principe and Mozambique successfully broke the repressive cumulative chain by revaluing their currencies around 2010. This allowed them to possess strong currencies by 2020.

Zimbabwe and Somalia were not with adequate data.

Table III; Regional Pattern of Currency Depreciation.

	West	East	Central	North	South	North East	Total	%
Strong	01	02	00	04	05	02	14	25.93
Fairly Strong	03	01	01	01	00	02	08	14.81
Fairly Weak	07	02	07	00	00	00	16	29.63
Weak	00	01	00	00	00	00	01	01.85
Very Weak	03	05	01	00	00	00	09	16.67
Worst	02	01	01	00	00	00	04	07.41
Undecided	00	01	01.	00	00	01	02	3.70
Total	**16**	**14**	**10**	**05**	**05**	**06**	**54**	**100.00**

Source; Authour 2022

On regional basis, strong currencies mostly operate in the South and North African sub regions. All South African Countries, four (80%) North African Countries, and two of the five North Eastern Countries enjoyed strong currencies between 1980 and year 2020. Eritrea gained independence in 1998 and its currency was successfully managed over its 22 years as a nation. In the East, two (15.38%) of 13 countries succeeded in sustaining strong currencies overtime. It was indeed just one (06.25%) out of 16 countries in West Africa. No Central Africa country was with strong currency between 1980 and 2020.

Fairly strong currencies were less felt compare with strong currencies. The figures include three in the west (18.75%), two in the north East (2.40%), one (20%) in the north, among others. When considered with the strong currencies, all North Africa countries were within the strong and fairly strong categories.

Fairly weak currencies are peculiar to the West and Central African countries. It was 43.75% and 70% in the west and the central regions respectively. Two (15.38%) of East African countries were also involved. Only one East African state was with a weak currency in year 2020.

Very weak Currencies were most felt in the East (38.46%), West (18.75%), and Central (10%) Africa. The Worst currencies were equally experienced in the West (12.50%), the East (07.69%) and Central Africa (10.00%)

Generally, currency depreciation was effectively controlled in the south and the north sub regions and moderately checked in the North East. It remains unstable in the West, East and Central Africa.

Colonial Origin and Currency Depreciation in Africa

	Britain		France		Belgium		Portugal		Spain		Italy		USA		
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**	
Strong.	10	45.45	2	09.52	0		0		01	50	01	100	01	100	**14**

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Fairly Srong.	03	13.64	03	14.29	0		01	25	0		0		01	100	**08**
Fairly Weak	01	04.55	12	57.14	01	33.33	01	25	01	50	0		0		**16**
Weak.	01	04.55	0		0		0		0		0		0		**01**
Very Weak	04	18.18	02	09.52	02	66.66	01	25	0		0		0		**09**
Worst	01	04.55	02	09.52	0		01	25	0		0		0		**04**
Others	02	09.09	0		0		0		0		0		0		**02**
	22		**21**		**03**		**04**		**02**		**01**		**01**		**54**

Source; Authour 2022.

Ten (45.45%) of the 22 former British colonies enjoyed strong currencies between 1980 and 2020. Others were the only Italy Colony (100%), one (50%) out of the two Spain colonies, and two (9.50%) of the 21 France colonies. Fairly strong currencies operates in the only USA ex-colony (100%), one (25%) of the four Portugal ex-colonies, 3 (14.29%) of France ex-colonies and three (13.64%) of Britain ex-colonies.

Fairly weak currencies operate in 12 France ex-colonies (59.14%). Others were one Britain ex-colony (04.55%), one Belgium ex-colonies (33.33%), one of the four Portugal ex-colonies (25%), and the last Spain ex-colony (50%). Weak currency existed in one of the Britain ex-colonies (04.55%).

Very weak currencies operated in two (66.66%) of the three Belgium ex-colonies, four (18.18%) of Britain 22 ex-colonies, two of France 21 ex-colonies and one of the four Portugal ex-colonies.

Worst currencies were experienced in two (09.52%) of the France 21 ex-colonies, one (4.55%) of Britain former colonies and one (25%) of the four Portugal former colonies. Two of the Britain former colonies were ravaged and destabilized monetarily at different periods between 1980 and year 2020.

Summarily, the former colony of Italy enjoyed strong currency, followed by USA ex-colony. Spain colonies came third. Good numbers of Britain ex-colonies (59.09 percent) were with strong currencies, this was 23. 81 percent among the ex-colonies of France. Portugal former colonies were spread between fairly strong and very weak currencies while Belgium former colonies were between fairly weak and very weak categories.

Conclusion

African countries are not independent, at least in term of monetary autonomy. African nations are striving to harness resources and save sufficiently to purchase objects of development. The current wave of currency depreciation had seriously frustrated their efforts because the cost of imports (objects of development) from the developed world had risen beyond what many African currencies can fetch.

Going by Wallerstein 1974 theory, there is no core state in Africa. The semi peripheral African nations are the major strongholds like South Africa, Morocco, Egypt, Ethiopia, and the investment enclaves like Seychelles and Mauritius. All other African countries are completely peripheral.

African nations need to address the roots of their developmental obstacles and seek for ways of addressing them. One of these obstacles is the worth of their currencies. Possibly by employing national and international strategies, nations would be able to make necessary institutional reforms which would improve national purchasing power, improve human welfare, and the capacity of nations to develop.

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