French political economic interests in francophone Africa: Weighing the merits of dependency theory and modernist theory in the political and economic relations between France and her former African colonies

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French Political Economic Interests in Francophone Africa:
Weighing the Merits of Dependency Theory and Modernist Theory in the Political and
Economic Relations Between France and Her Former African Colonies

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Dedication

To my friends and family who have supported me throughout this entire endeavor, thank you.
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Abstract

This paper seeks to investigate France’s ongoing role in its former colonies. By assessing the practical application of Dependency Theory and Modernist Theory to two unique African states, Côte D’Ivoire and Gabon, I seek to provide a comprehensive analysis of the relative costs and benefits of French political and economic influence in these countries. An in-depth discussion of either case’s history and political ties with France will allow us to lay the groundwork for an investigation of French trade and foreign direct investment into both economies. To evaluate the costs and benefits I will consult key development indicators and democracy indices. This work finds that the political and economic ties that bind France to her former colonies can, as Dependency Theorists claim, undermine democracy and good-governance. However, we are also able to conclude that both cases have benefited from French multinational presence in their economies though there are limitations to the full modernist interpretation. Lastly this paper was unable to assert whether or not French multi-national presence has a significant effect on either case’s level of income inequality.
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I. Introduction

The age of empire permanently altered the course of history for the world. This work seeks to investigate whether modern African still remains in some way under “neo-colonial” control or whether long-standing commercial and political ties have had net benefits. Nearly all of Africa, Asia and the Americas were at one time or another, subjects of a European power. Motivated by mercantile ambition, religious proselytization or simply military prestige, Europeans planted their flags on every corner of the globe. The scramble for Africa was a remarkably peaceful time in Europe. A period sometimes referred to as the first era of globalization, the late 1800s saw remarkable amounts of international exchange (Tena-Junguito 2016). Instead of vying for dominance in Europe, global spheres of influence began to take shape. Once the world had been doled out to these powers, friction between them led to a war, one that would restructure the global order in 1918. Following that transformative conflict, what empires there were left, primarily Britain and France, though Portugal, Italy the Netherlands and the US had small empires, insulated themselves from the rest. Britain became reliant on its vast empire to sustain its manufacturing industry through the commonwealth (Rooth, 2010). France did the same with their African and Asian holdings creating the Franc Bloc. When France fell to the Germans in 1940, their colonial empire became the most important asset for the long-run survival of the Republic.

In 1941, the 3rd point of the Atlantic Charter, signed by Churchill and Roosevelt, cemented the principle of self-determination for post-war Africa and Asia. Organized anti-
imperial parties began to sprout and become more vocal in Africa, most adopting a leftist political ideology. De Gaulle made his intention clear that France’s African holdings would forever be a part of France, with the Brazzaville declaration of 1944 (De-Gaulle 1944). By the end of the Second World War however, amid a rapidly evolving bipolar global order Britain and France decided that direct administration of overseas territories was not sustainable; the colonized world was moving toward a mosaic of independent states. The question to what extent those countries are truly sovereign in terms of economic and diplomatic policy is a central query I aim to address.

The French colonial model is central to this discussion. The French, unlike their British counterparts ruled their colonial empire through a policy of assimilation. French was the only language that could be formally learned in colonially administered schools (Kamara 2005). French laws and customs slowly reached every corner of their African domains. The French preferred Frenchmen to local leaders to administer colonial territories unlike the British. This system, while successful in some regions, required significant budgetary resources To alleviate the financial burden of this type of administration, Africans whom the French deemed assimilated enough, had the freedom to migrate to France to further their education and seek political office back in their home colony. Most African anti-imperialists/independence advocates from the French domains, even those educated in France and within the political mainstream—members of the colonial administration or national assembly—had had long careers in Marxist political ideology (Coats 1994). Unlike the United States, socialist parities had been operating in French civil society since the collapse of the Second French Empire. The vast majority of these leaders were quick to drop all associations with socialist ideologies after
independence, opting instead to embrace Paris. This new class of ‘Francophile’ Africans would become the future leaders of independent African countries.

The decolonization process of French African colonies was uniquely peaceful when compared to the experience of the Portuguese and British with the exception of Algeria. Only Guinea completely severed ties with Paris, when in 1958 Seku Torré rejected the French decolonization plan and unilaterally declared independence two years before the rest (Pace 1984). The French were careful to remain friendly with the new leaders, partially because of the looming threat of communism and partially because the economic role the colonies had had in what was the French Empire. The policy of FrançaAfrique was born in the 1960s. Jaques Foccart, a French diplomat who became a de facto Minister of Africa in the Élysée palace under Charles De Gaulle. The man was renowned for developing the ‘Foccart Networks,’ a collection of life-long relationships between African leaders, French politicians, and businessmen. For decades it was believed that Gabon served as the hub of the Foccart networks, with Leon M’ba and Omar Bongo playing a pivotal role in representing French interests in neighboring countries (“The French Connection” 2014). Most commentators believed that these networks were strongest in the decades following independence and have since become less influential. Jaques Foccart set the stage for this investigation. This foreign policy secured newly independent countries firmly within the French sphere of influence.

By the mid-60s, nearly every single colonial holding in Africa or Asia had achieved independence. The degree to which these newly independent states are truly so is highly dependent on how one regards the presence of multinational corporations, military assets, trade balances and political authority and autonomy. This work seeks to define the relationship
between France and her former African domains. Has prolonged French presence in these countries led to economic growth, development, and strengthening of democratic institutions and governance? Or, has what hero of Ghanaian independence, Kwame Nkrumah calls ‘neo-Imperialism’ undermined democracy and innovation in African countries? Two competing economic development theories, Modernist Theory and Dependency Theory will be weighed for whether either applies to two former French colonies, Côte D’Ivoire and Gabon and their political and economic interaction with the French Republic.
II. Literature Review

Contemporary academia pertaining to economic and political relations between African states and their previous colonial patrons can be loosely grouped into two bodies. First, one that stems from traditional Marxism but is now known as Neo-Marxism and Dependency Theory and second, liberalism or Neo-Liberalism as it relates to economic interaction and economic growth in developing nations. Both observe these interactions in vastly different ways. Marxism underscores the negative exploitive practices of large capitalist countries and corporations in developing countries. Liberalism, on the other hand, approaches the issue with an emphasis on the economic benefits of multi-national financial and global trade interactions. Once we have established the theoretical framework for this economic interaction, we may examine contemporary scholarship that tests the efficacy of the theories in practical terms. Attention will be drawn toward empirical studies that weigh the relative benefits and costs of multinational corporations operating in developing economies. A brief look at scholarship pertaining specifically to political influence between former colonies and their European powers will help better uncover the diplomatic implications of personal ties between elite in both countries.

i. Marxism, Neo-Marxism and Dependency Theory and Empirical Evidence

In Karl Marx’s *Communist Manifesto* the political philosopher frames economic exploitation of the proletariat with particular attention paid toward the division of labor and factors of production. Though Marx famously never explicitly addressed imperialism by name,
the most well-known self-proclaimed Marxist who did was Lenin, who in 1917 published his book *Imperialism, the Highest Stage of Capitalism*. In it he decried that capitalists in Europe had ‘enslaved’ the masses of Africans and Asians for the sake of profit and economic growth in their home countries by way of establishing absolute monopolies and monopsonies. He effectively laid the foundation for Neo-Marxist schools of thought and made the opposition and criticism of imperialism a central premise of further scholars. Unlike conventional Marxism, Neo-Marxist academics emphasized resource plundering of colonies, social imperialism and, rather than a primarily labor based analysis. Self-proclaimed neo-Marxist Walter Rodney illustrates this perspective, “Many parts of the world that are naturally rich are actually poor and parts that are not so well off in wealth of soil and sun-soil are enjoying the highest standards of living” (Rodney 21, 1981). It was this premise that motivated the Marxist and Neo-Marxist approach.

Following the end of the Second World War, as colonial empires began to dissolve, traditional Marxist and Neo-Marxist thought developed into what is today Dependency Theory. The Singer-Prebisch Hypothesis established the central premise of Dependency Theory, asserting that over time, poor, resource rich regions in the developing world see their economies become more and more dependent on manufactured goods from the west and particularly, those country’s former colonizers (Toye, Toye, 2003). Singer believed that capital investment from rich countries would only flow into primary resource production in poor countries, hindering the prospects for developing domestic manufacturing. The implication is that when economies rely on primary resources to spark growth, they become price takers from large rich countries, which puts downward pressure on wages in poor economies. Ultimately, poor countries become dependent on foreign goods and capital. The economists, Singer and Prebisch championed
protectionism in trade policy and Import Substitution Industrialization (ISI)—a policy that promoted domestic production of goods rather than a reliance on foreign imports—for the developing world (Bloch & Sapsford 1998).

Another prominent dependency theorist, Baran provided additional foundation for the concept’s further development. Baran adopted Lenin’s conclusions related to monopoly and monopsony, using it to support his claim that western dominance of developing economies will continue unhampered because of the surplus of manufactured goods from the west and the change in consumer taste in former colonies. He also hypothesized that despite excess capital accumulation in the west, it would be forever unlikely that capital surplus would be invested in the developing world and the prospect of domestically generated capital was unlikely and that capital which was generated domestically would be invested in primary resource production due to infant industries in developing countries lack competitiveness. This accumulation of capital in rich countries would continue to grow leaving capital formation in the developing world reliant on initial capital from large rich economies (Baran 1957).

Nkrumah presents the number of ways that relations between the west and newly independent African states are exploitive in nature. As the first president of a former African colony (Ghana), Nkrumah frames modern imperialism within the post-WWII global order, where U.S. dominated international organizations and institutions have become the primary method to limit African development and sovereignty. Nkrumah is critical of the Breton Woods system believing that structural adjustment programs, sponsored by the International Monetary Fund have led to the most exploitive practices of western multinational organizations, through often abrupt and poorly thought through economic liberalization. He claims independent African states
will struggle for true independence unless Socialist revolution permanently severs exploitive ties designed to keep them reliant on the west (Nkrumah 1966). He concludes his work by asserting that colonialism is still alive in Africa, even after independence but ultimately appeals to Socialism as the best mode to combat exploitive European powers. He, like Singer and Prebisch, supports ISI and protectionism but notes some of its limitations.

Another notable proponent of Dependency Theory was Frank who discussed how much of the developing world, particularly in South and Central America had strong, effective agricultural and pastoral traditions prior to European arrival. The ‘feudal’ system introduced by the Spanish and Portuguese, he asserts, is the primary reason for food insecurity on the continent and countries’ long-term dependence on food imports from elsewhere. Frank notes similarities in Africa and Asia, charging European colonial powers of intentionally building a system of dependence (Frank 1966).

Neo-Marxist Dependency Theory has been championed by many in the development field, but the implications and proposed policies have had mixed results on developing economies, notably ISI and trade barriers. Liberals and Neo-Liberals, though they may accept some of the observations of Neo-Marxist economists, provide criticism of policy prescriptions proposed by them. Now that we have discussed what Dependency Theory is, a brief discussion of empirical evidence in support of the theory is necessary before assessing the Theory in either of our cases.

Krapohl and Fink saw asymmetric economic benefits of North-South trade agreements in the North’s favor. While this does not come as a surprise if you ascribe to Marxist thought, they
found that the west has backed out of trade negotiations more than developing nations have. He wagers that the west is able to offer up more during the negotiation period in terms of market access in their economies, however, he notes that developing economies seldom have goods that can be sold in western consumer markets. Krapohl and Fink believe that the relative size of western economies coupled with the relatively large number of individual developing nations gives the west significantly more negotiating power (Krapohl & Fink 2009). They pose the common “race to the bottom” idea where developing states, desperate for international trade must accept poor trade terms.

Lanagan investigates multilateral aid to Africa from the EU. Officially, this aid is given without any prerequisites; however, Lanagan found that when looking at Uganda, Ghana and Tanzania, this aid had several effects. The primary and most applicable effect that this aid had was to expand market access for European firms. Lanagan provided empirical evidence that aid-for-trade relationships exist and primarily serve to enrich the upper crust of a developing economy and limit domestic entrepreneurship (Lanagan 2014).

Mclean studied multilateral aid from the OECD to African states and increased market access. McLean’s data also includes statistics on market access for African firms in European economies. He found that not only did trade liberalization produce an influx of aid from the OECD; but also that African firm's share in European markets did not increase by any measurable degree after liberalization. McLean finds that the return on foreign direct investment is less if not accompanied by aid and subsequent liberalization and further, that most trade liberalization was not accompanied by any noticeable change in governance and that it generally contributed to increased income inequality (Mclean 2014).
Harvey observed economic relations between Africa and the rest of the world and was able to divide relations into three distinct periods of post-colonial imperialism. The first period is one in which the infrastructure developed by the colonizers was further used to exploit existing natural resources. Harvey differs in that he believed that the west continued this practice just after independence. The second phase of neo-imperialism came in the form of large multinational organizations tightening their grip on specific economies as opposed to more direct government influence. He noted that multinational firms were able to capitalize on already strong relationships between the west and African countries despite domestic barriers. The last phase, he suggests, is that of non-western states’ interests in investing into African economies (Hervey 2003). He investigates increased Chinese presence in developing countries’ economies and notes a similar story. His analysis is vital for the understanding of neo-colonialism in a more contemporary context generally adding evidence in support of Dependency Theory.

Kemp investigated the origins of colonialism through a Marxist paradigm. He analyzed initial motives for colonialism and found that the overwhelming catalyst for the establishment of colonies was, as Harvey postulated, resource “plundering” (Harvey 2003). He suggests that many states were willing to grant independence to their African colonies because the avenues for the west to continue to benefit from these natural resources cheaply would remain intact. Trade could be secured without the administrative burden of managing these territories (Kemp, 1967). These conclusions, while they mirror that of other political scientists are important to consider, as he purposefully downplays political motivations for imperialism.

To add to Kemp’s discussion of the Marxist view of colonialism, Warren asserts many of the same critiques of capitalism as does Lenin (1917). He argues that imperialism is the
penultimate phase of capitalism. He suggests that colonization is motivated by capitalism but effectively limits its existence in developing states. He draws links between forced resource extractions by colonizers to large multinational organizations in the 20\textsuperscript{th} century. His central claim is that imperialism gave control of African economies to foreign companies who subvert homegrown entrepreneurialism by diverting capital away from uncompetitive infant industries (Warren 1984). While most states allow for private ownership of land and capital, the vestiges of colonial rule remain in the form of foreign companies receiving favorable business environments.

Hargrave investigates the weaknesses of newly independent West African economies and the factors that lead to poor growth. He suggests that many African states had the infrastructure for development but lacked the physical capital to use it. He argues that these countries were often desperate for Western investment and often gave foreign countries considerable control of their economies so that their natural resources could be extracted. Beyond that, he argues that the French specifically did not develop a strong system for tax collection in their colonies and administration by locals, requiring new countries to develop complex administrative systems from scratch (Hargrave 1969). Many West African colonies were losing money for the French government so it was unsurprising that these countries would likely begin their independence in poor economic standing meaning that those newly independent African countries required substantial assistance from France in the form of military protection and economic investment.

Kamarck poses the argument that African economies can only be productive if they have ample amounts of capital. He notes that this capital eventually flowed into these countries but was not given for free and certainly did not benefit the average African. Because returns on
Literature Review

investment are notably smaller and risk considerably higher, capital generally shies away from African states (Kamarck 1967). Kamarck provides some empirical support for Baran’s claims made a decade before on how capital is distributed in these economies.

Giuliani and Macchi observed the impact of multinational corporations on human rights in recipient developing countries. The two concluded with a number of positive and negative impacts of private foreign corporations operations in developing nations, isolating technological, social, civil and financial factors. The political scientists, without claiming their findings applied to all developing states, concluded that a positive relation existed between multinational corporations domestic direct investment and social, state and civil economic and human rights capabilities. They found that institutions strengthened overtime as MNCs settled in putting them at odds with most neo-colonial political scientist. Despite this disagreement, the two also found that when host countries accepted MNCs, serious negative effects occurred in the level of domestic economic competitiveness of firms and were unable to find any positive technological spillover effects in advanced industries though some was found in those related to resource extraction and agriculture (Giuliani & Macchi 2013). Their work both fortifies traditional understanding of neo-colonial economic exploitation while refuting hypotheses that MNCs undermine host country's government institutions. They also investigated crowding effects of FDI in developing economies; specifically, direct "greenfield" investment. Discovering that FDI reduces domestically generated capital and limits its mobility through the domestic market.
ii. Liberalism, Neo-Liberalism, Modernist Theory and Empirical Evidence

There are few distinctions between liberalism and Neo-Liberalism in the context of neo-imperialism or neo-colonialism. Because Neo-Liberalism relates specifically to the globally interconnected character of modern international exchange, this will be the primary theory discussed in opposition to Marxist thought. However, it should be made clear that neo-liberals do not necessarily deny the central premise of Dependency Theory, they do however believe that liberal economic policy is the best method for development, which inherently supports western involvement in former colonies. The extreme theory in-line with the neo-liberal school is Modernism, a theory which champions Western exceptionalism but is often discussed within a sociological perspective more often rather than one grounded in economics.

Liberalism’s core premise is the efficient distribution of outputs and inputs such that there is a net welfare increase following economic exchange, thus the classical economists like Smith and Ricardo made clear that imperialism was inefficient and free trade between equal partners ought to be preferred. It was not until Europeans arrived in Asia when liberals and proponents of free trade began to use racial justification for empire thus, centuries of mercantile and imperial international economic systems followed.

Hobson is perhaps the first liberal economist that addressed the idea of empire from an economic perspective. Hobson observes the large British Empire at its height just prior to the First World War. Hobson’s argument centers on the strong bargaining power of colonial administrators and their ability to lobby for economic and financial investment into their
territories after monopoly of violence has been achieved. He suggests that productivity of a colonial territory is expanded tremendously with access to an international mercantile market, technology, law, god and military protection. He does not believe that capitalism is the primary motive for colonial expansion but it is instead driven by a desire for international prestige. He accounts for trade within and without the empire, asserting that mercantile exchange though unequal, is still mutually beneficial. He criticizes ‘Aggressive Imperialism’ which he believes to be misguided and too expensive for what it is worth to the economy. Perhaps the most novel conclusion Hobson reaches is, by allowing for colonial subjects to have their incomes rise and local economies to grow, the strength of the commonwealth as a whole will dramatically increase but he simultaneously suggests that such a policy would undercut cohesiveness of the empire as a whole (Hobson 1902). In the long run, however, Hobson harbored a suspicion that Imperial competition might lead to war between great powers. Hobson is often regarded, as an anti-imperialist because of his vehement distaste for coercive tactics of eliciting labor from indigenous communities.

Angell addresses imperialism in the world order just preceding the Second World War. Angell discusses the many moral criticisms of a colonial empire and notes the substantial rise in nationalism, particularly in India. He suggests that independence peacefully or by conflict is inevitable so to be proactive, economic self-rule should be a priority with the ultimate goal of complete political independence. Though he hesitates to claim that being under the British Empire had positive welfare effects on subjects, he outlines an image of a system of international exchange made up of former subjects. He notes the possibility of colonies forming raw resource cartels, which could attract ample investment to those new economies and could serve British
banking institutions, capital owners and insurance companies (Angell 1931). He subscribed to the view that free trade with partners who have full domestic control of factors of production would serve both exchanging parities best in the long-run, but still indicated that barriers should be erected between trade with countries outside of the group for long-run success. He, like Hobson, attributes the rise of empire to the yearning for prestige rather than a natural capitalist impulse.

A more contemporary liberal perspective of economic interaction between the developed and developing world comes from Wolf, who is a staunch supporter of globalism. Wolf observes the rapid growth in developing economies within the Breton Woods order, emphasizing the role of international institutions like the WTO and United Nations and to a lesser extent IBRD and the IMF. While addressing the many criticisms of globalization such as corruption and collapse of domestic agriculture, Wolf believes that embrace of the global market is the only way to see growth. He rejects the notion that multinational corporations have a net cost to developing countries, suggesting that FDI and any other sort of capital inflows may only have a net positive affect in the long-run, referring to corporate exploitation and the race to the bottom argument as “myth.” He takes his argument a step further and asserts that labor in developing countries is “under-exploited,” in that, the masses of idol labor in the developing world just need capital to “get to work”. Wolf rejects the “resource curse” argument and like his labor argument, believes natural resources have been “under-exploited” in the developing world (Wolf 2004). To tap those resources is the best way to provide domestic capital and increase the quality of life. Ultimately, to Wolf, intimate interaction with as few barriers as possible between the developed and developing world is the best method sustained economic growth.
Modernist Theory, which adds a social/political angle to the argument is based on the ideology that the western model of society is the best method of social organization. Though not an explicit economic concept, Modernist Theory has been used to support liberal policy in non-western economies. Parsons and Halpern are among the most vocal proponents of the theory. The sociologists believe that democracy and civil liberty precede economic growth. He strongly supports the concept that the model for human interaction is embodied in the economic model of capitalist Europe and North America. Parsons and Halpern assert that only after building democratic institutions, protecting of civil rights and liberties and building civil society based on western values may capitalism work. The best method for growth allows complete influence of western culture into a developing country (Parsons & Halpurn 1967). This theory of development has few economists that support it with the orthodoxy of Parsons and Halpurn but one should not discount their observations or conclusions. It should be noted that though modernism in an economic context might not have broad recognition, the theory is used to develop education policy in many parts of the developing world.

Other prominent proponents of liberal development theory are economists like Jeffrey Sachs and Paul Collier who argue for and embrace of international institutions and free trade just as Wolf does, but both emphasize different government policies for developing economies. Sachs defends a combination of market liberalization and ISI focusing on industries to which the country has a comparative advantage (2005). Collier, also believes that embrace of the international market is vital, specifically an open trade policy by the west toward the developing world. Collier recognizes the basic premises of Dependency Theory and especially what he calls the ‘export of values’, which unlike the Neo-Marxists, he believes, can be a positive phenomena.
Collier’s thesis revolves around the importance of preferential trade policy by the west, a system that would allow the developing world to trade with the developed without barriers while still retaining some barriers to trade from the west. Collier endorses some forms of military intervention as well as an embrace of western law (2007). Both development economists certainly would fall in the liberal category. Now that we set the stage for liberal and modernist theory, we will address several empirical investigations that support the theory.

D’Amelio, Garrone and Piscitello empirically investigated electricity access in sub-Saharan Africa. Their investigation observed FDI, both in the form of portfolio investment and in the form of Greenfield investment. The economists, contrary to many of the assertions from previously discussed political scientists, found that countries without strongly established government institutions (similar to those found in western democracies) saw the quickest and most broad electrification. They explain this phenomenon by suggesting that when cumbersome government regulatory institutions begin establishing rules and guidelines, dissuades foreign investment (D’Amelio, Garrone & Piscitello, 2016). Though the economists did not study to what degree environmental degradation occurred or what level of government corruption existed, they did suggest that these aspects of sub-Saharan countries would likely be made worse by lack of institutions and institutional oversight, ultimately agreeing on the same central premise that most scholars of neo-colonial exploitation do. Though their work refutes some claims made by modernists, it ultimately looks favorably toward MNC presence in countries, effectively supporting the modernist perspective.

An empirical study by Nwaogu and Ryan observed how aid, remittances and FDI contributed to economic growth in the developing world. The two found that Africa was unique,
in that, remittances and aid generally had no effect on the level of economic growth and, that FDI had the largest effect, however marginal. They explain Africa’s uniqueness among developing regions by suggesting that proximity to large markets and to other growing economies had the largest effect on whether or not a country had persistence positive economic growth (Nwaogu & Ryan 2015). Africa, without nearby markets and infrastructure to support large exportable industries, other than raw resources, sees meager growth but would, had large markets been geographically closer or transportation costs were declining.

Hinkle, Hope and Newfarmer empirically investigated Economic Partnership Agreements or EPAs. The political scientists analyzed the economic benefits of EPAs and how they contributed to complex relations between Europe, Africa, the Pacific and the Caribbean. They found that these trade arrangements gave newly independent states increased negotiating power with European countries on terms of trade. These EPA arrangements are trade relationships in which a group of nations in Africa, the Pacific and Caribbean have beneficial terms of trade with the European Union often in the form of favorable tariff deductions to the European market. Large groups of developing nations collectively have more leverage than they do if they negotiated bilaterally with a European country. The authors suggest that these arrangements led to the rise of “aid-for-trade” relationships. European countries are able to bypass these agreements and develop direct trade negotiations with specific governments, ultimately resulting in exploitive trade policies (Hinkle, Hope, & Newfarmer 2003). These political scientists posed a strong argument against both Dependency Theory and neo-Marxism, however their investigation was limited to complex trade agreements and with their conclusions related to aid-for-trade, they do suggest that neo-colonial exploitation persists through this method.
Carchedi moves that developing states benefit from many trade arrangements. He looks at trade competition between the U.S. and Europe in Africa. He finds that often, African countries, endowed with natural resources take advantage of American and European business interests to gain better terms of trade. He argues that this trade competition between the U.S. and Europe has, overtime, been overcome by establishing the Commonwealth and Francophone community essentially divvying up African countries between western powers (Carchedi 2009). While this has not stopped trade competition, it has allowed Europe and the United States to still reap the benefits of exceptional terms of trade with African countries while simultaneously improving the welfare of locals. Modernist and Dependency theory in many cases observe the same effects. They differ in what they emphasize and the proper policy prescription to spark growth.

iii. Pros and Cons of Multinational Corporations

After addressing empirical evidence both in support of, and contrary to Marxism and Liberalism, it is worth briefly discussing the presence of multinational corporations and their interactions with developing economies and the relative benefits and costs.

As suggested by a number of the previous authors discussed, multinational corporations have acted as the primary neo-colonial actor since the end of the cold war. This aspect of international economic interaction has been well researched but unlike the scholarship that addresses political neo-colonial interaction. Karnen and Paul outline to two primary methods of observing MNCs in relation to developing countries, the “Economic Development Model” and
the “North-South Model” (Karnen & Paul 1985). Their work emphasizes that differences between methods are a result of what is emphasized rather than what is observed, where Economic Development Model, championed by liberal western economists focus on positive growth effects to economies and the North-South Model which emphasizes the negative impacts, generally toward social and government institutions. They purpose that a healthy use of both is the best method to assess the impacts of FDI. Both methods find that FDI is generally has a positive net welfare effect to a developing economy.

Weinstein empirically investigated the effects of Multinational Corporations (MNCs) in the years following market liberalization in developing economies. He argues that developing nations are, and will always be, at a strategic disadvantage when negotiating for industrial investment in their economies. He suggests several reasons, emphasizing developing country’s level of need, suggesting their willingness to provide more concessions in the form of market liberalization. He notes that from this point, market liberalization serves to crowd out domestically owned industry and making the possibility for future development unlikely, a conclusion echoed by many dependency theorists (Weinstein, 1978).

Brown investigated MNCs presence in developing economies and their effect on domestic wages. His empirical test had several useful findings. First, that labor force participation in a developing economy did not rise after the presence of an MNC. Second, in conflict with previous authors discussed, Brown found a positive correlation between a civil-liberties index and the presence of MNC in the economy even given that these countries tend to have higher wages. Brown's third important finding was that MNC presence had a negative correlation with the degree to which a country represses collective bargaining and free
association (Brown, Deardorff & Stern, 2004). Brown's findings while they do not refute all claims made by critics of MNCs, do provide empirical evidence to refute the claim that MNCs are attracted to oppressive regimes.

Narula and Dunning, in their own empirical study, sought to identify the changes in the bargaining power of developing governments and MNCs operating in their country. Narula and Dunning found that as economic development policies have become more focused on attracting FDI, bargaining power has shifted into the hands of MNCs, particularly those extremely large firms from western economies (Narula & Dunning 2000). The authors did note a steady increase in competition overtime, but despite this trend, MNCs wield disproportionate bargaining power.

While there is little consensus on the benefits of MNCs or the merits of Dependency Theory or Modernist Theory, from here I may contribute a case study of two former colonies, Côte d’Ivoire and Gabon, and how foreign investment has strengthened (Modernist) or weakened (Dependency) economic growth and governance in both countries. Having a comprehensive understanding of specific industries, trade and history for each case and France will provide the evidence, both qualitative and quantitative, for either theory being closer to what the true nature of the relationship is.

iv. Political Influence In Former Colonies

Franco-Ivorian and Franco-Gabonese relations go beyond the realm of economics. Political imperialism is a real occurrence in the geopolitical interaction between the developed and developing world. The west is able to wield their influence to coerce developing countries to
mirror their political stance to that of the developed country. There has been research into this field and views and conclusions differ depending upon the cases they study.

Carter and Stone investigated voting behavior in the UN general assembly and its correlation with foreign aid between countries. The scholars found a positive correlation between how a developing country voted and an increase of foreign aid prior to or immediately after the vote reached the floor of the general assembly. Their research concluded with the fact that the developed world is able to influence the geopolitical positions of foreign aid recipients. Their work is an important step to understanding how political influence in the developing world manifests itself (Carter & Stone 2014).

The independence of colonies came at a complex time in the global scene. With the onset of the cold war, the new influx of independent nations were up for grabs in the new global order, as world powers rushed to expand their spheres of influence. Keese found, which ties with western countries was relatively limited initially, but as the Soviet Union began expanding its influence across the globe, the west began doing the same (Keese 2007). He asserts that in Africa, specifically in former French colonies, considerable influence was sought, as the risks for communist expansion increased. He notes this in France’s relationship to Ivory Coast as neighboring Marxist Ghana under Nkrumah developed close ties with the Chinese and Soviets (1966). He concludes by suggesting that despite the fact the cold war is over, the west had established a presence and will likely strengthen it as China becomes more influential on the continent.
While some newly independent countries looked for guidance from the west, others were coerced by western countries fearful of communist expansion. Most of sub-Saharan Africa remains under the sphere of influence of one global power or another. How African countries balance their own interests with that of their powerful commercial and political allies abroad, is what I aim to answer in the context of Côte d’Ivoire and Gabon. Now that we have addressed the prominent literature on the subject and provided the theoretical bedrock of the investigation, we can now discuss exactly what the aim of this paper is and what it seeks to contribute to the existing scholarship.
To address these questions I will closely investigate Côte d’Ivoire and Gabon. The two states differ in size, demographics, history and economic identity. First, Gabon has a population that dwarfs that of Côte d’Ivoire with only about 1.7 million to 22 million. Second, Gabon has had a relatively peaceful history, unlike Côte d’Ivoire, which has had two civil wars. Third, Gabon has a single resource based economy; oil, where Côte d’Ivoire’s is more diversified with a large cocoa and oil export market. Perhaps more important than their differences are their similarities. Both countries have seen rapid economic growth in the past few years, both partially if not fully fueled by a rise in crude oil extraction. Both had nearly 100 years of French direct rule where a system of assimilation was used to administer the territory. Both countries to this day retain very close political and commercial relationships with France. It is the commercial ties and their effects, which I aim to analyze by qualitatively investigating the nature of French multinational corporations operations in Gabon and Côte d’Ivoire’s economy. A comparison of two countries with vastly different population sizes and economies, both former French colonies, will allow us to see to what extent the dependency theorist’s interpretation or the Modernist perspective on growth better suits the true nature of their relationship.

Formally, we can make three broad hypotheses.

H1: French economic dominance through multinational corporations in its former colonies can undermine rule of law and good governance.
This hypothesis is a core premise of the Dependency Theorist’s critique of multinational presence in developing economy. If we find that governance and democracy are strengthened with foreign investment, we will provide support for the Modernist perspective. It is worth briefly noting that for many Dependency Theorists, the concept of liberal-democracy is not always a goal and that in fact, more authoritarian structures of government might be favorable in heterogeneous societies.

H2: The economies of Gabon and Côte d’Ivoire have benefited from French multinational presence.

This hypothesis recognizes the benefits of foreign economic presence, a central argument from the modernist perspective. Rapid economic growth, access to export markets, electrification and access to clean water has been made possible with foreign investment. If we prove this hypothesis we will be providing evidence in favor of the modernist perspective.

H3: The benefits of French investment are disproportionately distributed in favor of the local upper class.

This hypothesis supports the Dependency Theorist’s argument against foreign investment. If we find that the distributional effects are less concentrated and that foreign investment benefits large portions of the population, the modernist understanding is supported.

Before discussing the distributional and political effects, I will first address the political and historical relationship between France and our cases with emphasis placed upon personalities, followed by an in-depth investigation of foreign direct investment originating from France to specific economic sectors in either case. Both cases will have a discussion on the Utility,
Method

Finance, Telecom, Logistics and oil industries. Additionally, each country has one unique sector, which will be addressed, in detail, which for Côte d’Ivoire is cocoa, and for Gabon, uranium. Once I have outlined these industries, an analysis of the role of French corporations and their positive and negative effects on the civilian population will materialize.

In order to make judgments on the benefits and costs of foreign direct investment, extensive use of economic data will be utilized. Statistics on income distribution, GDP growth and other relevant economic indicators will strengthen conclusions about the adopted hypotheses. Data pertaining to country’s level of democracy will also be consulted to approach H1. Because no one index can fully account for the for all of the influences on a country’s democracy, I will consult three well-regarded metrics (Freedom house score, Polity Score, Democracy index-Economist) as well as assess past autocratic and democratic activities in each case.
Côte d’Ivoire

IV. Côte d’Ivoire

i. History and Political Ties

In order to effectively grasp the political and economic relationship between France and Côte d’Ivoire, a discussion of their long complicated history is warranted. For the purposes of this work, discussion will be limited to the colonial and postcolonial period though it should be noted that there were rich cultures and societies living in the region before French rule. By limiting our historical scope to the period after the people of Côte d’Ivoire had significant contact with Europeans; we are effectively adopting a structural-functionalist paradigm when observing the history of the West African State and effectively undervaluing the richness of pre-Colonial history.

Côte d’Ivoire did not have any permanent colonial presence until the 1840s and, even then, control over the full breadth of the region was not secured until the late 1890s. The shallow ports along the Gold Coast initially confined the French to the coastline, establishing a monopoly of power first in the coastal town of Grand-Bassam. From its establishment, the colony of Côte d’Ivoire was an economic enterprise. The French levied a number of taxes on the local population to pay for the region’s administration. While the French sought primarily to maximize economic output and profit, primarily derived from cocoa production at this time, the French also invested heavily in education, especially language education. Building infrastructure was also a French priority, which was made possible by the imposition of a local draft, compelling young men to perform hard labor in service to the French administration. This
practice was one expression of the larger ‘Code de l'indigénat’, which established and systematized the unequal relationship between the colonial French and the indigenous peoples. (Houphouet-Boigny 1957).

For all the commonalities among French sub-Saharan colonies in Africa, Côte d’Ivoire was and remains unique. At the height of French rule, around the end of the 18th century, the colonial administration facilitated the immigration of foreigners to buttress the economy. For instance, during the interwar period, the French facilitated the movement of 100,000 Lebanese to the region to serve partially as a merchant class (S. 2011). The French preferred to deal with immigrant Lebanese rather than allow local Africans accumulate capital lest increased wealth encourage anti-French sentiment ("Ivory coast profile"). There also was a relatively large French civilian population in the country, unlike most other sub-Saharan colonies. That population reached 80,000 in 1980 but had steadily grown from a small community along the coast in the early 1900s. Following the unrest during the second Ivorian civil war, the majority of the white population left for France (Xie 2014).

The French leaders and bureaucrats who governed, the French businessmen who ran the economy, and French civilians who sustained a French society and culture in Côte d’Ivoire dominated the country well into the 20th century. Assimilation was required of indigenous peoples who wanted to succeed; only by adapting to and embracing French culture, religion, customs, and language could locals thrive. During the first half of the 20th century, Côte d’Ivoire’s economic and trade ties and dependencies grew ever stronger with France, reducing some of the uncertainty that would accompany Paris’s “Loi Cadre” in 1956, which devolved
some political authority to locals and set the stage for political independence for all of French West Africa (Zartman 1976).

On the 3 November 1960, President Félix Houphouët-Boigny became the first president of Côte d’Ivoire. A French citizen and a member of the Assembly National who had also held various ministerial positions in Paris, Boigny was a dynamic leader who embraced the role as France’s economic and security arm in Sub-Saharan Africa. In 1961 the Franco-Ivoirian Technical Military Assistance Accord was signed, formalizing a special bilateral relationship with their former administrators. The agreement elevated the French ambassador to the country to a “Dean” position giving him more diplomatic clout in Paris and Abidjan (Yahya 1994). The Boigny regime gave the French the mandate to provide security, allowing the French to deploy military forces at will. He established one-party rule under his own ‘Parti démocratique de Côte d’Ivoire.’ He has been referred to as the poster child for Françafrique, surrounding himself with French advisors. The early years of Boigny’s reign marked an economic era known as the ‘Ivorian Miracle,’ noted for political stability and economic growth. After independence, Boigny opened the country was opened to capital investment from countries other than France (Tourgarra, 1986); Abidjan became a central economic hub for West Africa. Foreign investment into cocoa production rose sharply, quickly making the country the largest cocoa exporter in the world (“Ivory Coast: What Price Prosperity”, 1970)(Bovcon 2009). The country saw steady growth rates for two decades. Meanwhile, Boigny also enthusiastically supported French endeavors in their former colonies, by, for example, providing arms to anti-communist forces in neighboring countries (Akarue 2004). He was also willing to facilitate a number of covert operations in support of French interests in the region.
Despite Boigny's accomplishments over his 33-year reign, his legacy was mixed indeed. Before his death in 1993, he had amassed tremendous wealth, estimated at $11 billion (Hellweg 2014). He also oversaw Côte d’Ivoire’s economic decline, accelerated by population growth, as well as difficulties in the cocoa industry; and profligate spending. For instance, to sustain labor intensive cocoa production, Boigny had encouraged immigration from neighboring countries, specifically Mali, Burkina Faso, Niger and Mauritania (Schuerkens 2003), swelling the population. Cocoa production also decreased due to poor soil management practices and world cocoa prices also had taken a hit. The devout Catholic Boigny also poured millions into the construction of the world’s largest Cathedral in his hometown Yamoussoukro in central Côte d’Ivoire. Boigny made Yamoussoukro the country's seat of government though Abidjan still remains the country's de facto capital. After five years and $300 million that might have been spent elsewhere, the Cathedral was done but remained a white elephant, unused ("Ivory coast profile") (Toungara 1986). Perhaps Boigny’s greatest disservice to the country was not preparing the ground for a successor. Following his death in December of 1993, the country unraveled into turmoil.

Over the next 7 years, Côte d’Ivoire saw a series of short-lived regimes, all of which Paris supported either explicitly or otherwise (Bovcon 2009). Ascending to the presidency after Boigny’s death was Henri Konan Bédié. Former ambassador to the United States and Canada and a Finance minister under Boigny, Bédié announced that he was president on state television hours after Boigny's death. Educated in France Bédié was a Francophile just as his predecessor had been. After promising elections soon after taking power, in 1995 Bédié handily won the election with 96.16% of the vote in his favor. He was accused of being very corrupt, allegedly
skimming tens of millions of dollars from the coffers in Abidjan every year. Bédié’s rule also saw a steady rise of political imprisonment particularly students interested in transparency and democracy. It was also during Bédié’s reign that xenophobic sentiment in the country grew (Hellweg 2014) with the idea of ‘Ivoirité' becoming dominant during this period. Those immigrants from neighboring countries who had arrived in search of work under Boigny were seeing a major backlash from the ‘real Ivorians.’ The divide was at first ethnic, but developed into one of a sectarian nature, dividing Christians and the mostly immigrant Muslims, who originated in the mostly Muslim Sahel. (Zavis 2004). A weakening economy and anti-immigrant sentiment erupted in a military coup d'état ousting Bédié in December of 1999, catapulting General Robert Guéï to the presidency (Hellweg, 2014). Guéï would only rule for 10 months when our next major actor landed on the scene. On 26 October 2000, Laurent Gbagbo and his comrades in the military decided Guéï was wrong for Côte d’Ivoire, and, in a sort of soft coup, forced Guéï to abdicate in October of 2000 to Gbagbo (Essa 2011).

Although Paris forged working ties with Bédié and Guéï (Akarue 2004), their unstable tenures would usher in a new era that would see Paris assert itself in subsequent leadership changes later on flexing more direct influence than they had since Boigny's rule. Bédié, in particular, boasted strong relations with both French Presidents Mitterrand and Chirac, and Guéï was at least tolerated by Paris during his short tenure (Essa 2011).

Gbagbo’s rise to power, by contrast, was not taken particularly well in Paris, yet the French allowed him his shot in unifying the increasingly unstable Côte d’Ivoire (Djezou, 2014). Gbagbo received a Ph.D. from Paris's Diderot University and was cordial with French deputies in the Assembly National. In an effort to deflect blame for the failing economy due to a drop in
cocoa prices and several seasons of bad cocoa harvests, Gbagbo exploited growing xenophobia in the country, and, in essence, blamed the Muslim immigrants for the country's woes. He passed a law effectively disenfranchising all Ivorians unable to prove both parents were native Ivorian. Twenty-five percent of the country, mostly those living in the north, sons and daughters of Sahelian immigrants lost the right to vote. The backlash eventually fueled the armed struggle against Gbagbo's rule led by former Guillaume Soro who was also educated in France, in September 2002 (Akarue 2004).

This five-year guerilla insurgency would cement France’s direct role Côte d'Ivoire. The insurgency began in the north following a mutiny by mostly Muslim Ivorian military battalions (Essa 2011). The French were quick to deploy a reaction force to the country to protect French nationals and business interests. In 2004, Gbagbo, amid rising anger with the French community he saw as siding with the Soro-led insurgency, ordered an aircraft to strike a French barracks, killing 9 troops (Hellweg 2014). The French swiftly retaliated with airstrikes from jets stationed in Gabon. Despite the strain in Franco-Ivorian relations, the French stopped short of removing Gbagbo, likely due to the lack of a plan to transition power away from him (Busch 2008). Still, the French maintained their presence in the country. The civil war continued until March of 2007 when Soro and Gbagbo reached a peace settlement, leaving Gbagbo as President and awarding the position of Prime Minister to Soro (“Ivory coast profile”).

Instability continued, however. Gbagbo postponed scheduled presidential elections in 2008, relenting in 2010, holding them, as the 2007 cease-fire had demanded. Gbagbo won the election handily, but the legitimacy of the results was questioned immediately (Hellweg 2014). Alassane Ouattara, a Muslim from Northern Côte d’Ivoire and former Prime Minister under
Boigny and Deputy chief of the IMF, took the lead in this fight to remove Gbagbo, demanding a recount. When Gbagbo refused to recount, Ouattara's supporters in the military and in the streets armed themselves sparking a second armed struggle against Gbagbo’s regime. Unlike most Ivorian leaders, Ouattara was educated in the United States but married a French business mogul.

In November of 2010, the Second Ivorian Civil War, sometimes called the Ivorian crisis, broke out. The French this time made their preference known, favoring Alassane Ouattara over Gbagbo, who had by this time run out of friends and supporters in Paris and at home. After a month, most of the military was firmly behind Ouattara. At the end of March 2011, Ouattara's forces entered Abidjan with the intention of arresting Gbagbo. After days of fierce clashes and alleged skirmishes between the French troops Gbagbo loyalists, Ouattara's forces arrested Gbagbo in his residence outside the city, although some eyewitness reports suggested the involvement of French special forces in the arrest (Hellweg 2014).

On the 11th of April of 2011, Ouattara secured control of the presidency and was quickly recognized by Paris. Though Gbagbo claimed Ouattara was working on behalf of neo-colonial powers, whether or not French or American interests masterminded his overthrow is unknown (Smith 2011). Gbagbo would soon find himself in the custody of the International Criminal Court fighting charges of crimes against humanity for the actions he directed his supporters to commit before the Second Ivorian Civil War. During this period Gbagbo allegedly encouraged supporters to attack, rape, and torture those who weren't sufficiently Ivorian, that is, have Ivoirité. Gbagbo became the first world leader to be tried in the ICC (Smith 2011). Meanwhile, Ouattara since he assumed leadership, has had the difficult job of rebuilding the Ivorian economy
Côte d’Ivoire

(Djezou 2014). The French retain a military presence in the country has remained constant since their arrival during the first conflict.

The French military commitment has expanded and diversified since. Following the start of Operation Serval in 2013, which saw the deployment of 3,000 French troops in Mali to fight off advances made by Al Qaeda in the Islamic Maghreb (AQIM), the number of troops deployed increased by several hundred. Today, the French military presence grew bigger still following a terror attack at a resort in Grand-Bassam in 2016 that saw 14 civilians killed, including one Frenchman. As AQIM’s reach has expanded, so has that of the French, which now has a military presence in Senegal, Mali, Chad, Niger, Côte d’Ivoire, Gabon, Central African Republic, Djibouti, and Burkina Faso, in addition to the presumed deployment of special forces in Libya (Bender, 2015).

A comprehensive understanding of the history of this West African state is vital before fully delving into the complex economic relationship between the French Republic and Côte d’Ivoire. It goes without saying the French have tolerated authoritarian rule in Côte d’Ivoire, it appeared that only as French nationals were being explicitly targeted when military intervention was undertaken.

ii. Economic Overview

Now that we have set the stage, we are now able to discuss France’s complex economic ties with Côte d’Ivoire. Before we fully embark on this endeavor, reviewing Côte d’Ivoire’s
economic profile is essential. First, Côte d’Ivoire has a population of just over 21 million people. Its climate is tropical/equatorial in nature. This fact makes the country an ideal place for agriculture. The region is endowed with fertile soil making it the world’s largest producer of cocoa and among the top producers of palm oil and coffee. In 2015, Côte d’Ivoire produced 40% of world cocoa production, employing roughly 60 percent of the country’s labor force (Ford, 2016). Côte d’Ivoire also benefits from its substantial oil reserves off of the country’s southeastern coast, allowing the country to export 48,000 barrels of crude oil a day as of 2012 (“Ivory Coast” 2012). Using the CFA Franc as their primary currency, Côte d’Ivoire’s economy is monetarily tied to that of Senegal, Niger, Benin, Mali, Burkina Faso, Togo and Guinea-Bissau.

The country has a budding industrial sector that makes up about 20% of the nation’s GDP (“Ivory Coast Trade” 2014). Despite having this sector, only a fraction of its manufacturing produces finished products. The sector lacks proper or sufficient capital investment. Since 2012 the country has seen rapid growth. An influx of FDI contributed to the growth rate of 8.5 percent in 2014 (Table 1). Despite growing at a steady pace, 42 percent of the country lives below the poverty line, and the country continues to suffer from high infant mortality rate, low life expectancy, and high fertility, all of which have economic impacts (Figure VX, Figure XVI, Figure XIV, Table 5). In addition, less than half of the country is literate and an estimated 1.7 million children are thought to be in the labor force. Despite suffering from endemic poverty, the country is rapidly urbanizing and a growing service sector shows promise (“Côte d’Ivoire” 2014). While Ivorians are optimistic, modern Côte d’Ivoire’s economic indicators are not where they were during the height of the Ivorian Miracle decades ago.
iii. Trade

During the French colonial period, France tightly controlled the economy of Côte d’Ivoire, extracting its resources to support French industry, (Jackson, 1962), while creating a market for French exports. France also invested heavily in the agriculture sector and limited the country’s ability to trade outside of the francophone bloc. As imports from Côte d’Ivoire and other African colonies flowed in, French consumer goods and finished products flowed back out into her African colonial markets. Sixty-eight years of French colonial administration had established durable trade and economic links between the two regions.

After independence, however, it was up to the Ivorians to organize their new economy and political life with intimate help from French advisors whom Boigny surrounded himself. Côte d’Ivoire had to spark investment and increase production, while simultaneously shaping a new political system. (“Ivory Coast: What Price Prosperity” 1970). Their efforts to develop trade relations with the entire world were rather lackluster in these early days, ultimately leaving the French as the most important trade partner for the years to come.

A description of these two nation’s exchange is a necessary step before analyzing their trade arrangements. First, it should be noted that even today, France has a positive trade balance with Côte d’Ivoire. While French products account for about 12 percent of Ivorian imports, only about 7 percent of Ivorian exports are destined for France (“Côte d’Ivoire” OEC). Such a trade balance is relatively uncommon for developing and developed countries to share. The arrangement mirrors the era of direct French administration. Today, Côte d’Ivoire boasts diverse
trade ties with local partners, such as Nigeria and Morocco, and with increasingly influential countries like China and India (“Côte d’Ivoire” OEC).

It is not the rate of trade between the two countries that is so telling, but the type and nature of trade that binds the two countries. Over half of Ivorian exports to France are cocoa products. This is not surprising considering that cocoa remains Côte d’Ivoire’s most important agricultural product and the lifeblood of the Ivorian economy. While agriculture, including bananas and palm oil, is a major driver to trade, Côte d’Ivoire’s manufactured has grown over time too. For example, the country also produces armored vehicles for an Emirati company, which account for another 15% of exports to France (“Côte d’Ivoire”, OEC). As far as French exports to Côte d’Ivoire, wheat and medicines make up about 20 percent collectively with the rest being made up of a diverse array of finished products for consumers and industries. (“Côte d’Ivoire”, CIA).

Trade between France and Abidjan is not only bilateral; both countries also benefit from multilateral agreements, especially the free trade agreement between Abidjan and the European Union. The French are believed to have been the drivers of the agreement between the EU and Côte d’Ivoire, building on the Cotonou Agreements—negotiations on the reductions of tariffs—with the EU in 2000, and served as the negotiators on the EU’s behalf of the updated agreement with Brussels (Bovcon 2009). When the agreement was finalized in 2008, Côte d’Ivoire saw an uptick in trade with countries like Spain, Italy and Germany. Just as Abidjan benefitted from expanded trade ties with other EU states, France also made sure that the French ties would not suffer in the process. As a result, bilateral trade remains strong and an important feature of the larger relationship between the two countries.
The implications of this trade relationship are that the Ivorian economy is reliant upon French manufactured goods. The relationship mirrors that discussed by dependency theorists who worry about the effect this trade arrangement have. Still, with less than 15% of imports coming from France, the degree that the country is ‘dependent' upon that trade link is likely less than a vehement anti-imperialist might claim. Given the differences in income, most French products exported to Côte d’Ivoire are likely luxury goods consumed by the economic elite.

iv. Foreign Direct Investment

Historical relations served to solidify relationships between French diplomats, businessmen, and Ivorian politicians. Mutually beneficial agreements, often behind closed doors were and remain common across France’s former colonies, particularly those where leaders have long tenures. Côte d’Ivoire is no exception. A French capitalist looking to invest in Côte d’Ivoire will come across a network of French corporations and powerful capitalists who have been operating in the country for decades. Even so-called domestic industries are rarely owned by Ivoirians themselves; most are conglomerates controlled by large multinational French firms that have been in operation since independence (Busch 2008). The types of industries the French invest tell us a lot about broader French objectives in the region.

Very little foreign capital is directed to secondary goods production. The reason being, building manufacturing plants incur high starting costs. Lack of technology puts these countries at a disadvantage in operating costs. Because most foreign capital avoids manufacturing industry, so does domestically generated investment. Marginal returns on capital are higher in primary
Côte d’Ivoire

resource production than in secondary goods. This phenomenon is what Singer and Prebisch hypothesized, in Côte D'Ivoire it appears that their idea finds some practical support.

As far as general trends, we have seen fairly consistent amounts of French FDI flowing into the country from year to year as reported by the OECD. In 2012 there was an estimated $1.4 billion invested in the country of French origins (Table 3). The following section will detail the most prominent sectors and the amounts of French direct and indirect involvement. Côte D'Ivoire attracts foreign direct investment from all over the world including Germany and the United States.

1. Utilities and Logistics

Several French companies have historically run Ivorian utilities. Most road and rail infrastructure investment and the development of the port of Abidjan were financed by the French private sector. Today, Ivorian energy is produced and run by “Compagnie Ivoirienne d'électricité” (CIE). Water is provided by “Société de distribution d'eau de la Côte d'Ivoire” (SODECI) (“Notre Groupe”) (“Sodeci”). French utility giant Eranove owns and controls both water and electric firms, having taken them over from Bougyes in 2005. Eranove is a private company without any Ivorian ownership stake (“Our Stockholders”). This effectively limits Abidjan’s ability to manage these utilities. Access to clean water has improved in recent years. As of 2015, 81% of Ivorians had access to clean water, an increase of almost 10% in 1990 (FAO 2015). Meanwhile, CIE with French financing was instrumental in building four large hydroelectric dams on the Bandama and Sassandra rivers that together produce about a third of
the country’s total electricity (Wilson 2015). It is important to note that most of rural Côte d’Ivoire has yet be become electrified and to this day the country struggles with fulfilling the energy demand (“Notre Groupe”). This arrangement has some additional negative externalities. With private ownership of utilities, there is a difficulty with accountability when blackouts occur, which in Côte d’Ivoire are common. To whom do people complain? In terms of electrical connection, there is near endemic difficulties with people illegally connecting to the electrical grid without paying so companies lack the incentive to expand service to unplanned urban or rural areas (Wilson 2015). Lastly, because of the repayments are difficult to collect, utilities prioritize more affluent areas at the expense of poor communities. With only about 30% of rural Ivoirians and almost 90% for urban Ivoirians having access to electricity and with consumption per capita steadily rising the need for more electricity sources will rise in the coming years (World Bank-Côte d’Ivoire 2012)(Figure IX).

Two transportation firms dominate the country’s logistics industry, Leon Vincent and Bolloré, formerly SDV. Bolloré operates the Abidjan terminal that transits exports and imports to Côte d’Ivoire and other countries in West Africa such as Burkina Faso, Niger and Mali. Bolloré also received the rights to building a vital bridge in the capital city after negotiations with a Chinese logistics firm collapsed under unknown circumstances (“The French African Connection” 2014). Bolloré has virtually complete control of road and rail transit in the country and the links to neighboring countries (“Bolloré Logistics”). In 2014 Bolloré was contracted to build and operate a second import terminal in Abidjan despite an alleged lower bid offered by a Swiss company (“The French African Connection” 2014). Just as in the bridge construction, there were questions about a competitive bidding process that seems to advantage French firms
over others. Bolloré hailed their railroad project connecting Abidjan to Burkina Faso for its benefit to the local population despite 40 of the 52 weekly trains carry raw materials, like gold and zinc the (Bolloré Logistics). Côte d’Ivoire, with the help of French investment, has become a logistics hub for much of francophone West Africa, with Mali, Burkina Faso and Niger all using the terminals along the coast. This new role has provided economic benefits to the state and population as a whole.

With the country's transport and utilities in the hands of the French, Abidjan has been severely limited in its ability to impose regulations on these industries. Moreover, Ivorian leaders often have little to gain by aggravating the French on whose capital investment and business relationships, generally, they depend. Nationalizing utilities and logistics would be virtually impossible. Even while independent, Côte d’Ivoire remains very much dependent on France for investment and management of its utilities and infrastructure. The worry for the dependency theorist is to what degree is it possible for private enterprise to prioritize societal welfare over profit. Whether or not infrastructure is built for the populous or for the use of industry is questionable, we certainly have evidence to suggest the latter. Moreover, to what degree can a government influence private business decision-making? With such a rapidly growing economy, demand for utilities and infrastructure will likely rise in the future.
2. Telecom

Once the market for cellular technology opened in Côte D’Ivoire, French telecom giant, Orange, was quick to set up shop. Orange enjoyed a virtual monopoly in the market until competing South African Telecom Giant MTN joined the market several years later. Orange still slightly leads in the number of subscribers, estimated at about 8 million (Lancaster, 2008). The country is the third largest market for telecommunications in sub-Saharan Africa. Orange had gains of about $524mil in 2004 alone, leading the local market. The job was made easier in late 2015 when the minster of telecommunications decided to officially limit the number of local carriers to three (Bellamy, Williams, 2011). Orange and MTN were able to absorb business lost when the 3 smaller providers were forced to merge their local business. Orange, which invested heavily in the country's internet infrastructure early on, also managed to be the only provider of internet into Côte d'Ivoire as of 2008 (Lancaster, 2008). In 2016, Orange had the opportunity to merge with the country’s only landline provider, one owned and operated by Ivoirians, further strengthening France’s role in the critical telecom market (“Côte d’Ivoire”, Telegeography).

Today, the average Ivorian has 1.2 mobile subscriptions and is trending upward (Figure IIX). The country is only expected to see an increase in mobile users, especially as mobile banking proliferates the formal economy. Jeffery Sachs and other prominent development economists believe access to mobile telecommunications is a vital step in economic growth (Sachs 2005).
3. Oil

Some oil deposits had been tapped in Côte d’Ivoire in the 1940s. It was not until 1972 when reserves in the Gulf of Guinea were discovered. Quickly, a state-run corporation was formed with significant capital flooding into the industry from France. PETROCI became the official overseer of the various corporations that began permanently setting up shop in Abidjan's European quarter by the early 1980s ("Petroci – Holding"). Elf, then a French state-run oil institution, already with significant investments and interests in the Gulf of Guinea, was awarded a stake. Elf in Gabon had already been well developed and operations had expanded to the Republic of Congo by the time oil was struck in Côte d’Ivoire’s territorial waters. With the help of powerful Parisian banks like Société General and BNP Paribas (Soumahoro, 2007), Ivorian companies began to spring up to serve supporting roles in oil production and management. Elf, and what would later be bought by TOTAL, owned a 37% of GESTOCI, an Ivorian investment bank in the oil industry that managed a majority of assets in the oil industry ("History Of The Gestoci"). Unlike the transport and utilities industries, Ivorians have had a larger financial stake in the oil industry. French capital still drives local oil industry, but Ivorians over the years have been able to increase the local stake in oil in contrast to their involvement in utilities, major transport, and telecom industries.

TOTAL has had a stable relationship with Côte d’Ivoire, even through both civil conflicts. Despite the French government having poor relations with Gbagbo, once he took power he freed up much of the local oil market to further investment. Societe Ivorienne de Raffina (SIR) was a state-run oil company but once investment opened up, TOTAL quickly
secured a 25% stake in the company, though 45% of shares are still owned by PETROCI ("Petroci – Holding"). In 2004 the last year data is available, TOTAL’s net profits from their wells in Côte d’Ivoire's netted them $203mil. Needless to say, there has been ample investment by the French into the Ivorian oil industry ("Total in Ivory Coast", 2016). Interestingly the French import very few petrochemicals directly from Côte d’Ivoire, instead, most are destined for local countries not blessed with Oil reserves, like Togo, Burkina Faso and Mali. The industry is growing fast; by 2020 the country hopes to be producing 200,000 barrels a day (Parakova, 2016).

The French are heavily involved in oil production in Côte d’Ivoire, prospects for further privatization in the future are likely, which will necessarily benefit TOTAL. The oil industry is not a labor-intensive industry; as such it employs mostly French engineers. The oil industry has driven economic growth in recent years. With the cocoa industry vulnerable to supply shocks, the oil industry has become a stable sector in an otherwise sensitive economy. Legally, the state of Côte d’Ivoire has ownership of all hydrocarbons within its sovereign territory, thus a bidding system operates to reward companies with rights when bids are competitive. Even with this system, TOTAL receives the vast majority of licenses. Oil rents only make up a fraction of the country’s total GDP, so the government profits relatively little off this system.
4. Finance

Like much of sub-Saharan Africa, Côte d’Ivoire is in desperate need of foreign capital investment. At the time of independence, Boigny was particularly friendly to representatives of Societe General who made their way to Abidjan. Operating in the country since the 1960s, Societe General is firmly rooted. Domestic banks only account for about 20% of the banking sector, and the rest are foreign (“World Bank-Côte d’Ivoire” 2017). Another major player in the finance market in Ivory Coast is “Banque Internationale Pour Le Commerce Et L'industrie.” The firm is run by BNP Paribas another French bank, and like Socitete General has been operating in the country since the 1960s (Owusu, Odhiambo, 2012). Competition was made easier when banking regulations were modified in January 1995 when small investment banks were forced to merge their operations. APBEF was established to unify these smaller banks under an umbrella corporation (“APBF-CI”). A French firm was again able to capitalize on the restructuring of local business banks and attract further business from capital consumers in the country (Owusu, Odhiambo, 2012). By contrast, French banks operating in the country were not force to merge with any other corporation (Bellamy, Williams, 2011).

The banking sector in Ivory Coast has been and remains relatively weak. Borrowing in the private sector was stagnant for decades, especially during Gbagbo’s tenure. The financial sector in the country is able to provide credit to slightly over 30% of its GDP. To put that into perspective, France’s financial sector can provide credit of nearly 150% of GDP. Investment has been on the rise, much of that has been made in the growing telecom and energy industries. Geographically, southern Côte d’Ivoire has access to an estimated 75% of the country’s total
banking industry (“Can west Africa's jewel regain its shine?” 2012). The central and northern regions of the country, despite being where most cocoa production in based, see very little financial activity. Today, only about 200 people of every 1,000 citizens are depositors in banks, most rely on mobile banking (Figure V).

French institutions dominate the finance industry of Côte d’Ivoire. When looking for capital it is almost unavoidable to interact with some French bank or another (Darby, Zucker, 2006). Recent years have seen a rise in domestically generated capital but still only makes up a fraction of total capital in the economy. Ultimately, French financial institutions have benefited greatly from their position in the country. Because of the size of the informal sector of the economy, most people lack formal incomes and millions live without formal addresses, so for many, setting up a bank account is a difficult endeavor. Able to choose who and who not to provide credit, foreign financial institutions prefer to direct funds toward formal industries, whereas the majority of Ivorian citizens have not had access to that credit.

5. Cocoa

Cocoa production in Côte d’Ivoire is unique. Although the country is the largest cocoa producer in the world, small family operations, not large mono-crop plantations produce 90 percent of production employing nearly 1 million Ivoirians (Ibo, 1995). Like many agricultural products that serve as inputs to expensive food products abroad, Ivorian cocoa producers see a fraction of what European chocolate companies earn. The structure of the cocoa market in Côte d’Ivoire is unique. A government-owned firm serves as the only Cocoa buyer. This monopsony allows the government to set the price per kilogram that farmers sell for. As of 2015, producers
received $1.25 for a kilogram of cocoa (Mieu & Jha 2016). The government then sells those products to large candy companies like Nestle and Cargill reaping handsome profits. Among cocoa producers, Côte d’Ivoire consistently is able to underbid labor ("Cote d'Ivoire Human Rights Report" 2015). Unfortunately, this system allows for widespread child labor abuses, particularly in the northern region of the country forcing the government, in 2015, to enforce strict labor codes. Despite the measure, child labor remains prevalent as the country lacks the capacity to freely educate all citizens in primary schools, leaving students without prospects for education and forcing them into the labor force (Hailey, 2014). Millions of the migrants from Mali, Burkina Faso and Niger work on Cocoa plantations across the country. Between 2003 and 2008 annual outgoing remittances increased from $628M- $756M ("World Bank dataset- Côte d’Ivoire”) The industry has not only benefited Côte D'Ivoire’s economy but also the economies of its Northern neighbors.

As previously stated, Côte d’Ivoire is the largest cocoa producer in the world. Despite the French’s iconic sweet tooth, the country does not boast any major cocoa producers aside from Cemoi, who only recently began operating permanently in Côte d’Ivoire in 2015 (“French chocolate maker…”, 2015). In fact, the majority of investment into the cocoa trade comes from several very large cocoa commodity holders. The largest in Côte d’Ivoire is Cargill, an American agro-business giant. Other major investors into the cocoa trade in Côte d’Ivoire are commodity houses based in Switzerland and in the UK. This does not come as a surprise when one realizes that Nestle and Cadbury have significant interests in the industry. Just behind Cargill, in terms of the largest cocoa companies operating in the country, is SIFCA, a conglomerate of a number of western companies (Table 88). With assets around $1billion, SIFCA does have a number of
Côte d'Ivoire

French corporations listed under its umbrella, but the majority of partners are based in other European countries ("Sweet Dreams", 2010). Cocoa products do makeup 46% of French imports from Côte d'Ivoire. The European market imports over 60% of all cocoa exports for Côte d'Ivoire, with the Netherlands importing the largest percentage followed by France and Germany ("Côte d'Ivoire” OEC).

The cocoa industry in Côte d’Ivoire may be the only major economic force in the country that French firms do not monopolize, although other foreign firms dominate it. Still, the French earn much indirectly from cocoa production via French control of Ivorian financial firms and infrastructure that facilitates the export of cocoa abroad. Even without their hand directly in cocoa production, the French are the net gainer, with the Ivorian cocoa cultivators reaping relatively few benefits and remaining in poverty.

Now with the background on the degree to which French companies dominate various industries in Côte d’Ivoire, it is important to access how the French economic presence has affected Ivorian economic sovereignty has been reduced. French corporations have been operating in Côte d’Ivoire since independence, yet over time, the Ivorian state has pursued greater participation in vital industries. What are the future prospects for Ivorian ownership of industries like utilities, telecommunications, and finance?
v. Discussion

It would be incorrect to suggest that the government in Abidjan has no control over their own economy, nor would it be useful to assert that economic ties between Abidjan and Paris give the French government any direct authority over the domestic affairs of Côte d’Ivoire. This being said, there are several suitable conclusions to be made about Franco-Ivorian economic ties. Firstly, French monopolies over logistics and utilities are explicit. It can be inferred from that, that French companies receive special treatment from the Côte d’Ivoiran government, mostly in the form of favorable contracts. The logic follows that the mutually beneficial relationship between Côte d’Ivoire and French corporations serve to primarily benefit first the institutions themselves, second the leadership of Côte d’Ivoire and lastly, the average Ivorian consumer. The sorts of market conditions in Côte d’Ivoire are more favorable to French companies than the French market itself. With regulation imposing further restrictions on outside competitors from entering the market, the stage is set for the French to make major profits.

Given the favorable attitude toward French business, we may also conclude that interests of French businesses are often the same as that of those lawmakers and power holders in Côte d’Ivoire. The illicit funneling of money from corporations to powerful lawmakers in African countries is not a new phenomenon. That being said, given our information, we have no reason to suggest that such behavior is or is not happening. A further take away from this investigation is that sometimes the interests of the French government do not align with those of French businessmen. We saw supporting evidence during Gbagbo's reign when he privatized large portions of the state-run oil company. Further evidence supports this hypothesis, during both
civil wars, French companies did not leave the country in droves as the French expatriates did, instead, most continued operations or simply suspended them until the conflict ended. During both conflicts, corporations were hesitant to take sides, likely knowing full well that their investments were secured by either powerful Ivorian’s on both sides of the conflict or the French military which was deployed to protect those interests regardless of who came to power.

History suggests that Ivorian politicians have been willing to make generous concessions to French multinational corporations. After both conflicts business either became better or continued, as usual, suggesting that perhaps the underlying framework of French dominance in the Ivorian economy is the foundation that the Ivorian government is grounded in. It is a government’s duty to provide infrastructure and utilities to the populous, services that give a government authority and legitimacy. Given that these roles have been assumed by French business, undoing the framework might destabilize the nation beyond repair. As it seems today, Côte d’Ivoire cannot untangle France from its GDP. Despite the fact that the French are not directly involved in the cocoa trade, the industry is still operated by western traders. While prospects for growth are good in Côte d’Ivoire, the country’s economy is dependent upon cocoa and oil prices on the outside and giant French conglomerates on the inside. A further comparison to another country in West Africa with a similar history is necessary to make conclusions about neo-colonial practices in France’s former colonies.

In Côte d’Ivoire's case, does France's intimate position in the country lead to net benefits for the country as a whole? It would be instructive to consult relevant data on the country’s development. Like most sub-Saharan states Côte d’Ivoire is seeing decreasing infant mortality and fertility rates and rising life expectancy(Figure XIII, Figure XIV, Figure XV). The country is
steadily gaining access to clean water unities and to electricity. Despite that, we do not see significant positive changes in GDP per capita. The structure of the country's largest sector allows for the possibility of child labor exploitation and makes the state budget vulnerable to supply shocks. With nearly half the population still living in poverty, even seeing an increase of nearly 10% since 2008 (Figure X). Another metric worth addressing is the distribution of income. Today the top 20% of the population, about 4 million people, receive about 50% of total income a portion that has only deviated slightly since 1985 (Table 5). Accurate income data is extremely difficult to aggregate in countries with large informal economies so it given the large portion of the population living below the poverty line there is reason to believe that the distribution may be tilted even more toward the upper-income brackets. We might conclude that in Côte d’Ivoire’s case we have not seen drastic positive changes to the average Ivorian’s welfare in terms of income but has seen modest improvements in quality of life evidenced by a slight increase in HDI (Table 4). With rapid economic growth in the country it’s likely we will see future benefits to the economy and population as a whole.

We should also address the level of democracy or lack thereof in the country. It is difficult to access how democratic a state is, to do so we will observe several indices that attempt to do just that. Freedom House found that the country has been on a positive downward trend in the level of authoritarianism going from 6.0/7.0 in 2005 to 4.5 in 2015 (Table 4). The economist’s democracy index puts the country among the least free overall but is also trending towards more democracy. Recent legislative elections in the country have only attracted slightly over 25% of the total electorate. The most recent presidential election on saw about 52% voter
participation. If voter participation is an indicator of the strength of a democracy, Côte d’Ivoire is not an active democracy (IFES Election Guide 2017).

Lastly, the polity project came to some different conclusions, most notably that since the first civil war, the central government has consolidated more authority, making their assessment of the country the bleakest among our three indices (Figure ii.). If we accept the Economist and Freedom house’s assessment, economic growth seems to correlate with democratization so the modernist perspective may be supported. Alternatively, the dependency theorist might note that changes have been marginal and few explicit changes have been made in recent years.
V. Gabon

i. History and Political Ties

Nestled away in the heart of central Africa, a small state exists, although many have contended that the territory is less like a country and more like a village (“The French African Connection” 2014). With an area roughly the size of Colorado and about a fifth of the population, Gabon is a small, generally quiet state, which can boast a long and complex relationship with the French Republic. As the previous section, I will be adopting a structural-functionalist paradigm when observing Gabon's modern economic relations. I adopt this paradigm in an attempt to frame the comparison around modern international economic relations, not to suggest that the people living in Gabon had not had ample interaction with Europeans up until the point of permanent presence by them. By limiting our focus, we can delve deeper into the French and Gabonese economic exchange.

In the early colonial period, Gabon was a small area along the West African coast with a modest lumber industry comprising about 75 percent of the economic activity. Gabon had the reputation for being a hideaway for French government officials trying to lay low from bad media or scandal. The area was occupied by less than 500,000 people, most of whom where Christian (Benquet, 2014). The colonial administration ensured that the French language was dominant, replacing most local languages. It was not until independence that the country would become a vital point from which French policy in their former colonies could be directed.
Independence in 1960 brought about the regime of Léon M’ba. A close ally of de Gaulle, M’ba consolidated political power and enforced a single party system (“The French African Connection” 2014). M’ba was allegedly reluctant in accepting independence for his country and instead preferred to be a territory of France. His reign was challenged in 1964 when a coup attempt and popular uprising threatened to oust him. The French acted quickly by deploying troops to Libreville to quell the protestors and disarm and arrest the plotters (Benquet, 2014). It was widely believed at the time that the Americans plotted his overthrow, leading to a brief row between Libreville and Washington. M’ba was forced to change the country’s constitution, allowing a multi-party system. By 1967, M’ba had fallen ill. While being treated in Paris, M’ba and a gathering of several people of Gabonese decent living in the city appeared on television proclaiming a constitutional amendment creating the role of vice president. Omar Bongo was tapped for the job in Paris after receiving recommendations from powerful advisors to Charles de Gaulle in the executive office in the Élysée Palace, among them Jaques Foccart (Reed, 1987). By November of 1967, M’ba’s health had deteriorated and his death brought about a new dynasty in Gabonese leadership. Omar Bongo reinstated a single-party system just as M’ba had, effectively setting back any democratic process established after the coup in 1967 (Benquet, 2014).

Omar Bongo was a close ally of de Gaulle and was happy to facilitate clandestine French operations through Libreville. During the Nigerian Civil War, Bongo aided the French in their program to arm the rebels in Biafra. A coup attempt in Benin in 197 allegedly carried out by French proxies, originated in Gabon. Of the conflicts in both the Democratic Republic of Congo (DRC) and the Republic of Congo, Gabon was the staging point for French troops and mercenaries that were deployed for security and peacekeeping operations (Benquet, 2014).
By the 1980s, oil reserves in the country and just off the coast had finally begun producing large amounts of crude oil (Heilbrunn, 2005). The French state-run Oil Corporation ELF had capitalized on Gabonese, Congolese, Nigerian, Cameroonian and Angolan oil supply. In Gabon, Elf controlled all oil production but their real relationship would not be revealed until 1993 when allegations surfaced claiming that ELF was paying kickbacks to African leaders, especially in Gabon, and French politicians in the National Assembly (Benquet, 2014). It was estimated that $130 million was doled out each year between 1989 and 1993, an estimated two-fold increase over the yearly sums paid out over the previous decade (Heilbrunn, 2005).

When the scandal broke, French officials began to distance themselves from Elf's leadership. Several executives in the firm were fined and jailed, the CEO doing six months in prison himself (Heilbrunn, 2005). The investigation into the bribery and audit of the company was halted when French oil giant TOTAL bought the company and any evidence of corruption was buried under privacy laws (Benquet, 2014). With only a few businessmen publicly shamed and French politicians emerging virtually unscathed, business continued as usual. Omar Bongo himself claimed on live television that his personal relationship with French oil executives and politicians still remained intimate. This was perhaps the best example of neo-colonial coercion by a former colonizer. The scandal, to most, would be seen as a blatant case of corruption and bribery, but, to Bongo, it was nothing more than an inconvenience (Benquet, 2014, Yates, 1996). The French government did not once lay blame on Gabon’s government for their explicit acceptance of bribes and gifts.

In 1990, following a period of economic stagnation, unrest was brewing in Libreville, with Bongo arresting the leadership of the main opposition group opposed to his rule (Benquet,
Clashes between protestors and police ensued and again a Gabonese president appealed to the French to save his position. Initially reluctant to do so, the French caved to requests to quell the uprising when Omar Bongo allegedly threatened to give American oil companies more access to reserves in the country. Again French commandos protected the Gabonese president and again a multi-party system was established with a constitutional amendment decreed by Bongo himself (Dickinson, 2009). This was one illustration of a former colony wielded leverage over the former colonizer.

Omar Bongo was often described as the definition of a Parisian political insider. Omar Bongo allegedly provided financial support to rising stars in French politics and had the ear of close aides to the French President any time he wanted (Halvorssen, Gladstein, 2016). Owning several luxurious homes in Paris and several across France the president was as much of a Francophile as one could be. After 41 years in control, Omar Bongo died in 2009 leaving power to his son Ali Bongo. Jacques Chirac, Nicolas Sarkozy and ten other African leaders were at Omar Bongo’s funeral. To put that into perspective, Hollande was the only French president to go to Nelson Mandela’s funeral. Succession was smooth and endorsed by the French, despite the election results being contested. When Ali Bongo won his 2009 election Sarkozy received him in Paris with open arms. On the same visit, Ali Bongo bought a number of properties in the city as well as luxury vehicles and speedboats (Zaretsky, 2016). His lavish spending certainly drew some suspicion, but Ali Bongo would demonstrate that he was no caricature of a kleptocratic autocrat. In fact, there were signs that he was a savvier political actor than his father, open to questioning the French-Gabonese relationship and diversifying his international ties.
Ali Bongo embraced the United States far more than his father ever had (Halvorssen, Gladstein, 2016). He was the first African leader to stay in the Blair House, the president's official guesthouse, on a state visit to Washington in 2013. This was particularly puzzling considering Gabon has a population smaller than the State of Maine but does shed light on the growing importance of US-Gabonese ties ("Gabon's president is re-elected", 2016).

Building closer relations with Americans benefited the country with an influx of investment in desperately need infrastructure projects (Halvorssen, Gladstein, 2016). Following Ali’s ascension oil infrastructure expanded significantly, raising the country’s GDP per capita to over $18,000, while unemployment remained stagnant at 19% with the majority of citizens living below the poverty line (Table 1). This same period saw a rise in the country’s urbanization rate and a relative decline in the productivity of the country’s small lumber industry (Zaretsky, 2016).

Most recently, in Gabon’s presidential election in 2016, Ali Bongo won the election with only 42 percent of the popular vote, but with a 99.78% voter turnout in his home state nearly entirely going to him to deliver the election to him (“Gabon's president is re-elected”, 2016). His opponent, Jean Ping, claimed the election was fraudulent and contested the results, a claim echoed by some in Paris. A Supreme Court ruling ruled in favor of Ali Bongo, and he secured another term. Election-related violence persisted for weeks, ultimately leading to the torching of the country’s national assembly and the deaths of a number of protesters. Gabon struggled with low oil prices and a rising deficit, which too contributed to the discontent of many citizens ("Gabon's president is re-elected", 2016, Zaretsky, 2016). This time, the spate of violence did not result in the French deployment of troops to quell the unrest, leaving the task to the local security forces.
Some have speculated that the French decided not to intervene to help stabilize the situation in order to punish Ali Bongo for his outreach to other countries (O’Grady 2016). He has expressed interest in developing closer ties with the United States and China. His interest in other countries as potential partners has made some in France nervous, but efforts to delink both countries politically and economically would be both difficult and probably unwise. Ali Bongo has in the past exposed and convicted illegal behavior from foreign firms (Halvorssen, Gladstein, 2016).

Lastly, to put the role of the Gabonese presidency in perspective, when Ali Bongo's win was legitimized in Gabon's Supreme Court, congratulations came from Jean-Marie Le-Penn, and prominent Republicains and Socialists. French and American diplomats spoke publicly about the vast network of contacts the president of Gabon wielded and the many relationships the position has with those in Paris (Benquet, 2014). Needless to say, Gabon is a disproportionately powerful actor in the region and even wields some political leverage over Paris (Halvorssen, Gladstein, 2016).

ii. Economic Overview

Before looking directly at Gabon and France’s close economic relationship, it is important to provide a summary of the economic activity in the county. Gabon is heavily reliant on oil revenue to balance its annual budget and on French goods to supply to country’s consumer market. Today, oil exports account for over 90% of the country’s total exports (Figure II). The country has little industrial manufacturing and an underdeveloped service industry. Capital and
labor have gradually moved away from the lumber industry and toward oil production, and, more recently, uranium prospecting though that sector has slowed in recent years. With a rising poverty rate and few prospects for greater investment in any sector other than energy, the country's debts and assets are wholly reliant on the country's resource endowment ("Gabon | Statistics"). Gabon has been of particular interest to the French energy sector and their large, powerful, partially state-run, nuclear energy company AREVA, which, like TOTAL, has had a long presence in sub-Saharan Africa (Reed, 1987). Uranium deposits have been discovered in central Gabon, and, although prospecting has yet to begin, AREVA has already set up shop in Libreville (Heilbrunn, 2005).

Both Omar Bongo and his son have expressed interest in diversifying their country’s economy. Attempts have been made to develop tourism, palm oil and lumber industries, but, despite increased investment, the productivity of these sectors will not be able to catch up with the expanding oil industry. This effectively ties the country’s GDP and budget directly to often-volatile crude oil prices, making them susceptible to price shocks (Zaretsky, 2016).

iii. Trade

Gabon has a small economy to suit its small population. Despite its size, the country boasts strong trade ties with a number of European and Asian countries. Once reliant on its lumber industry, today, only a fraction of its exports are in any sector other than energy. Over 50 percent of its exports are destined for Asia. About 30 percent of its exports are imported by the United States, Australia or the European Union, leaving the rest destined for other African states.
Ninety percent of the exports involve crude oil or other hydrocarbons; of those, the majority is destined for Asia ("Gabon International Trade", 2014).

As far as imports go, the country is highly reliant on French goods. While only about 22 percent of those imports come from France itself, a further 25 percent originate in other European countries. Today, the European Commission is still working on an EU agreement on mutual tariff reduction with Gabon. Given Gabon’s colonial history French negotiators in Paris have played a pivotal role in negotiating the agreement (Benquet, 2014). The country adopted the Central African franc in 2013, tying its economy to five other states in Central Africa. Like the West African franc, its value is tied to the Euro and fluctuates in parallel fashion.

When Gabon's economy began to struggle in the late 1990s, the country was able to negotiate a sizable loan in return for a number of privatization policies in a number of sectors of the economy, notably the utility and logistics sectors (Yates, 1996). Other stipulations included both the levying of new taxes on the lumber industry while providing further exemptions to foreign companies involved in natural resource extraction. These policies allowed for more pervasive

More recently, with a dip in world oil prices in late 2014, the country's growth, highly reliant on oil exports, was stunted. The country struggles to keep its budget positive when prices of crude oil are so low, leaving the country to rely on its small timber and palm oil industries to lead export-driven growth (Benquet, 2014). As a consequence, Gabon, like many resource-rich countries, suffers from so-called "Dutch Disease," which distorts the economy drawing labor and capital away from other productive sectors to those that earn higher returns and leaves the country and its people economically vulnerable when oil reserves are exhausted and production slows.
iv. Foreign Direct Investment

Gabon does not attract significant amounts of FDI, other than in the oil sector. That being said, what market access Gabon provides to foreign firms is worth investigating. Despite being so small, infrastructure and services are highly reliant on foreign capital. Close ties with France, for instance, have allowed for capital to flow between both countries fairly easily. The relatively large French population also contributes a sizable portion of the country's GDP. Like much of former French Africa, French corporations operate in nearly all sectors of the economy to various degrees.

Today, Gabon is the second largest recipient of French foreign direct investment in sub-Saharan Africa. In 1990, Gabon held over $400 million more French capital invested in its economy than Côte d'Ivoire. Within 10 years French private ownership increased a further $350 million, over $600 million more than Côte d'Ivoire (Table 3). Put in perspective, Gabon’s population is 8% of Côte d’Ivoire’s. In 2000, Gabon’s GDP dwarfed that of Côte d’Ivoire by nearly billion (Figure XII). Though the majority of this investment was directed toward the oil industry, some were certainly directed toward other areas of the economy.

1. Utilities and Logistics

Gabon’s government managed the country’s utilities until 1998 when the IMF required Libreville to liberalize its markets in exchange for loans from the body. When Gabon’s utilities
were privatized, the multinational French corporation Violia achieved a 51 percent share in *Société d'Énergie et d'Eau du Gabon* (SEEG), which administers energy and water in the country. Two other large French corporations own minority shares in the firm, GDF Suez and SAUR International leaving Gabon’s own government owning about 30%. To Violia’s credit, access to clean water and electricity grew sharply after its ownership became official (“Historique”). Today, over 90% of the country’s total population has access to clean water (Figure XI). It is important to note that the current arrangement reached between the firm and the government in Libreville provides that SEEG maintain the exclusive right to (1) produce and distribute water to the country and (2) transport and distribution of electrical energy, all while the government and SEEG share the right to produce electricity (Bamou, 1999).

Between 1998 and 20015, about 670 million francs and euros were invested in Gabonese utilities by French corporations. This intensified investment and energy production has had some negative effects. Weak environmental protection laws allow French firms to engage in profitable but environmentally damaging practices (Arditti, 2015). In 2005, for example, millions of additional euros were required to clean up environmental damage caused by several energy production plants, a cost that Gabonese government had to bare. (Arditti, 2015). This case alone serves to support the hypothesis that French corporations assert more control over Gabon’s economy than does the government in Libreville. Because Gabon was forced to allow foreign ownership, the government contracts foreign companies rather than domestic ones, which would add some growth in the domestic economy. Despite the foreign ownership, over 95% of the country’s population has access to electricity, but with an urban population accounting for almost
90% of the country’s total population, concentrated in towns and villages make connecting communities to the electrical grid an easier endeavor (Figure X).

As far as logistics go, the primary goal for investment in infrastructure in the country is transportation and short-term storage of crude oil. The French logistics company Bolléré controls both the country’s major ports in Libreville and Port Gentille (“Port of Libreville”). TOTAL also has invested in the expansion of these ports as well. Almost all road infrastructure has been funded by foreign corporations and maintained by Gabon’s state apparatus. This has led to poor infrastructure conditions in nearly all other regions of the country not directly related to foreign companies (Arditti, 2015). This vital sector of the economy is almost entirely controlled by French firms.

2. Telecom

The government administered the telecom industry for decades but following IMF restructuring programs, the industry was liberalized. Quickly, a large Moroccan telecom company merged with the country’s former state-run provider and established market dominance (Lancaster, 2016). It is important to note that this Moroccan firm is a subsidiary of French mega corporation VIVENDI. South African telecom companies also compete in the Gabonese market. That being said, only about 10 percent of the population has access to Internet and only about 1 percent has land-based telephone access (Lancaster, 2016). Like much of Africa, mobile networks are extremely important and in that regard, nearly the entire population has access to a provider. Mobile subscriptions have grown rapidly, so much so that in 2014, of 100 citizens
there were 170 subscriptions (Figure IIX). Certainly, access to mobile technology has improved people’s welfare to some extent.

3. Oil

The most important sector of the economy is oil. Oil production has reached 12.5 million tons per year (Global Energy Statistics, 2013). As previously discussed, the oil industry props up the country’s economy, making the government profitable but the economy susceptible to price shocks (Global Energy Statistics, 2013). We have outlined past scandals related to the oil industry, but understanding the French presence in the country and in the oil industry requires a detailed outline of French investment. Elf Aquitaine had monopoly status in the country for several decades, but, as previously discussed, TOTAL absorbed the company following the scandal and production went uninterrupted in Gabon (Heilbrunn, 2005).

TOTAL owns the rights to Gabon’s largest oil reserves. The majority of these reserves lie in the Gulf of Guinea off of the South Eastern coast. It was not until the 1980s when oil production ramped up and truly began driving growth. Though TOTAL runs and operates all of their activities in the country, Gabon’s government receives about 25% of annual revenue from TOTAL’s 50 stations operating in the country (Arditti, 2015). TOTAL owns about 45% of shares in Société Gabonaise de Raffinage (SOGARA), the country’s domestic refining company that operates out of Port Gentille (“World Energy Council: Gabon”, 2011).

In 2010, an investigation within Ali Bongos effort to fight corruption found that TOTAL-Gabon had been evading cooperate taxes between 2008 and 2010. The company was fined $805 million as a result of the investigation. During the same period, the company net about $1.81
billion annually (Bozec, 2016). Since the fines were levied, TOTAL-Gabon has claimed to adopt strict ethics reforms. Of TOTAL’s many operations across the globe, its almost exclusive control over production in Gabon is one of their most profitable. TOTAL’s relationship with the government in Gabon has been tumultuous, to say the least, but the presence in the country is likely to persist for many years to come and the close relationships between TOTAL executives and government officials remain strong (Levine, 2011). In addition, TOTAL reportedly invested approximately $703 million into Gabon’s economy, contributing to the welfare of average Gabonese citizens (Global Energy Statistics, 2013). In 2010 fuel exports accounted for nearly 90% of the country’s total exports, that same year the government in Libreville collected rents equivalent to about 30% of their total GDP. Needless to say, the success of the country’s economy is tied to international prices of crude oil (Figure II).

Gabon’s government has been a vital partner for TOTAL for decades but the company has not enjoyed carte blanche in the country since Omar Bongo’s regime. Italian firm ENI and duel British-Dutch firm Shell have been granted rights to an increasing volume of crude reserves in the country in recent years (Levine, 2011). Ali Bongo has proven his willingness to embrace foreign investment in the highly profitable industry from elsewhere likely in an attempt to promote competitiveness between companies, making the central government more profitable in the long run (Levine, 2011).
4. Finance

Like much of sub-Saharan Africa, consumer credit is tight for Gabonese citizens. Rapid growth brought about by oil excavation attracted interest from some international financiers, but most of the capital goes directly to the natural/primary resource sector. The preeminent banking entity in Gabon is Banque Gabonaise et Française Internationale or BGFI (duel French and Gabonese institution) which, with Banque Internationale pour le Commerce et l’Industrie du Gabon or BICIG control about 70 percent of Gabonese finance (Pambou). French corporations and investors in part own both companies, and both have corporate offices in Paris (“Accueil – BGFI Bank, 2016”). BICIG expanded its operations to a number of neighboring francophone countries. In Gabon's case, only about 230 of every 1,000 citizens are depositors and Only about 10% of citizens are borrowers from commercial banks (Figure IV). High capital requirements and minimum income regulations limit the average citizen's savings ability further contributing to a lack of capital.

The Gabonese elite generally uses French banks like BNP and Société Generale, further diverting capital away from the economy. In 2009, Ali Bongo decided to audit both large financial institutions, which led to an investigation into BGFI, which resulted in charges of embezzlement (Pambou). Financial ties to French multinational corporations operating in Gabon were also exposed for illegal activities and fined. Ali Bongo’s regime did not enact any further financial regulation or impose any greater oversight over the finance industry after both investigations.
5. Uranium

The uranium industry in Gabon is in a slump. Today, the country does not report any exports in the sector, despite that fact that AREVA has operated mines in the country for several decades. With a presence in the country dating back to 1960, the French energy conglomerate is active in influencing mining regulations in the country ("AREVA Gabon"). The largest and longest operating excavation site, Mounana, was abandoned in 2006 following evidence of significant environmental destruction and negative health impacts to surrounding communities (Hecht, 2009). Since then, however, four new uranium sites have opened up, none of which are currently actively producing uranium ore. In 2016, six additional uranium-prospecting sites were discovered by AREVA ("AREVA Gabon"). Uranium ore prospected in Gabon is not particularly radioactive and contains less fissionable material than ore extracted from sites in Niger, making the industry less profitable than other countries (Hecht, 2009).

New sites have been identified and rights to those sites are firmly controlled by AREVA. Following the revelation of mismanagement of Mounana, the government in Gabon has been hesitant to allow the prospecting of ore but has been willing to grant excavation rights to AREVA (Hecht, 2009). The region surrounding Mounana still shows elevated radiation and locals still suffer from exposure (Hecht, 2009). To this day the investment into reclamation has been lackluster. The lack of government oversight in health and environmental protection is likely the reason that production has not resumed yet. Interest in establishing formal regulations has picked up momentum since 2006, but still, no such legislation has been codified.
v. Discussion

Gabon and France’s relationship has been controversial. Whether it is a true case of neo-colonial exploitation is to be determined. Certainly, in their long history, France has had an active role in government policy. The French have played a pivotal role in protecting long-time allies in the country like Leon M’ba and Omar Bongo. M’ba was a close ally of the French and was happy to allow the French to operate clandestine operations from Libreville. M’ba allowed French firms to continue operating in the country without much oversight. M’ba was an instrumental ally and facilitator for French policy in Africa. During the M’ba regime, few would deny that he was not an agent of the French government, noting that his rule preceded the rapid growth of the economy.

Decades of reckless and illegal behavior of French corporations operating in Gabon is a fact, and the true impact of the financial scandals and environmental damage may have been more than officially reported given that the investigation against Elf was shut down before it was fully resolved. Ironically, the effects of the Elf scandal rippled through the halls of the French National Assembly, but much less so in Libreville. Omar Bongo himself claimed that business continued as usual following the trials and convictions of Elf executives (Heilbrunn, 2005). Still, Omar Bongo remained in power, continued to amass wealth and visit Paris freely. Omar Bongo was able to exert a significant amount of leverage over his country's former administrators.

French corporations are vital for Gabon’s economic engine. With monopoly control over utilities and logistics, French corporations wield power over Gabon’s government. Officials in Libreville struggle to negotiate prices that these firms dictate. Finding alternatives to these
companies, specifically in the utility sector, is nearly impossible. In the telecommunications sector, competition exists. The relatively small size of the market, however, means that what competition there is, accounts for a fraction of the country’s GDP. French corporations are still big players in the sector, but certainly do not completely dominate the country. Alternative sources for the telecom investment are possible outside France and Africa. In the finance sector, the French maintain dominance. Most capital investment in the country’s economy originates from French banking institutions, making the country highly reliant on them. At the same time, Gabon’s elite generally parks their assets in French institutions. This two-way relationship is vital for economic growth in the country.

The largest sectors of Gabon’s economy have strong French presence in them. TOTAL enjoys dominance over oil production and thus is of vital importance to the country’s economic output. For years, TOTAL operated outside the county’s regulatory environment. Both M’ba and Omar Bongo allowed the company to operate freely, taking bribes and granting drilling rights without formal processes. Interestingly, once Ali Bongo ascended to power, the government tightened its grip on the company, forcing the firm to repay unpaid taxes to the state while exposing it to more government oversight (Dabanyort 2014). Once in power, Ali Bongo exercised leverage that neither of his predecessors had, signaling to them that business would be conducted differently under his regime. Neither TOTAL nor the French government was in a position to punish the new leader (Benquet, 2014). To this day, it appears that appeasing Ali Bongo is the policy that governs Franco-Gabonese economic relations. While Ali Bongo is in no position to ditch TOTAL altogether, inviting foreign competition may make the French even more willing to cooperate on Ali Bongo’s terms.
In the uranium industry, new investment by French corporation AREVA has arrived in Gabon in recent years, but production has not commenced since the closure of the primary site in the country. AREVA is the only company that has access to any uranium in the country and the only with rights to explore new deposits. When widespread environmental and health destruction resulted from poorly maintained uranium mining, it was AREVA and not Gabon’s government that halted production. The company was not forced to pay any reclamation costs nor did they have to pay any fines (Hecht, 2009). The stagnation in Gabon’s legislature in establishing mining regulations for the uranium industry will likely continue in the future.

So given this information, what have the distributive effects been to Gabon’s economy. Unfortunately, unlike Côte d’Ivoire data on income distribution in only available from 2005 but that year the highest 20% of incomes owned about 50% of total income and the lowest income only about 6% (Table 5). Given the country has a poverty rate of about 30% and a GDP per capita over $18,000 we have reasonable suspicion that the economy may be more unequal than the World Bank estimates suggest (Figure XII). Fertility and infant mortality rates have been steadily declining and the population is still urbanizing quickly and HDI has been trending upward for several decades (Table 4). A growing economy, even one that is subject to price shocks is still a sign of prosperity. We might conclude that economic growth facilitated by foreign actors has benefited most Gabonese in terms of quality of life but many still do not see direct benefits of this growth.

Gabon has been run as an autocracy for the vast majority of its time as an independent state. With a family dynasty, allegations of fraudulent elections it is far from embracing the French tenants of Liberté, Fraternité Egalité something that the French have been comfortable
with if not explicitly in support of. Freedomhouse found that the country has been trending toward slightly more authoritarian rule in recent years, however, the economist concluded that its democratic process was improving over the latter part of the same period. The country's polity score reports that the country has become more authoritarian since Ali Bongo's ascendance to power allowing us to question the country's democratic process as a whole (Figure i.). Given the controversy surrounding the recent election, we might have further evidence to support an argument to why the country is, in fact, a dynastic autocracy. Maintaining Gabon's role as an influential actor in the region is likely to remain in France's long-term regional political and economic interest. Democratic processes often threaten this in the long run.

Gabon and France's economic relationship is complicated. Unlike many cases of former colonizer to former colony relations, Gabon is an exception. The government has been able to use leverage against their colonial administrators whether through the exercising of existing law or with a threat of American companies entering the market. Libreville has successfully asserted authority over foreign banks and oil firms. The government in Libreville is able to use that wealth to position itself on a higher negotiating field with the French. The French may not be dependent on close economic relations with Gabon, but given the nature of Gabon’s economy, alternatives to French companies in the most productive sectors are certainly possible. It is in the interest of the French to keep the powerful in Gabon happy. While some refer to their relationship as “reverse colonization,” I hesitate to do the same. In many vital sectors of the economy, such as logistics, utilities and finance, Gabon appears to be the dependent partner. In this way, Gabon and France's economic relations are unique and durable. This case seems to support the dependency theorists arguments more than Côte d’Ivoire’s. With evidence of
exploitation, corruption and authoritarianism, one might conclude that France is a neo-colonial power.

The ways Gabon has wielded some negotiating power should not be understated, however. Rule of law has been exercised in Gabon over foreign, domestically operating businesses. Access to clean water and electricity have been made possible by foreign economic actors so some modernist ideas see some support nonetheless.
VI. Analysis

The central question remains, is France a neo-imperial power in West Africa? Why might French attitudes and interests differ between both our cases? Ultimately, is their relationship defined by dependency, exploitation and political mischievousness or by greater access to technology, global markets and increased political liberty?

i. H1: Evaluation of Democratic Governance

To address the specific French attitudes towards our cases, one must consider the stark differences between them. If we accept that France is a neo-colonial power we are in essence assuming that in some way, Paris governs these countries or wields considerable influence over those that do. Côte d’Ivoire is a large country with a multi-ethnic population, multiple urban centers, and a large diverse economy. Gabon, on the other hand, is a single resource economy with a population of less than 2 million (Table 1). Neither country has had experience with modern democracy since the French left in the 1960s. Both adopted French as their primary language and both model their education, law and administrative functions on France's system. Certainly, the French have influenced the structure of government in both cases but whether or not that translates into direct influence is still in question.

History has shown us that in Ivory Coast the French played an active, even aggressive role in political affairs. Both military interventions, culminating in the deposition of Laurent Gbagbo were made possible by the intimate relationship between the two countries. Critics argue
that these actions prove that France is still an imperial power despite both interventions being sanctioned by the UN. In Gabon, the French stepped in to protect, as chief advisor to DeGaulle on African policy Jacques Foccart called ‘our man in Africa,’ Leon M’ba from being overthrown ("The French Connection" 2014). In both cases, the French wielded their relatively powerful military might to protect their interests. Gbagbo was embracing an anti-French posture; in Gabon the coup plotters were thought to have had backing from American business interests. In both cases the French made sure that a Francophile maintained power. Following M’ba’s death, the French identified and selected Bongo to be his successor, something they had done when Gabon was truly a colony. The French helped draft both country’s founding constitutions. Boigy, Côte d’Ivoire’s first president, was a member of France’s Assembly National, Côte d’Ivoire’s second president Bédié, was educated in France just as Gbagbo and both Bongos had been. Ouattara is the only president in either of our cases not to have been educated in France; he received his education in the US. Likely by coincidence, Ouattara and Ali Bongo are both married to French women, both of whom are real estate magnates in their respective countries.

Unlike Côte d’Ivoire, the president of Gabon has shown some political power in Paris. This was certainly the case when Omar Bongo was in power. Ali Bongo successfully charged foreign French firms in the country. Perhaps the reason we do not see the same in the leadership and authority in Abidjan is because of the frequency of changes in leadership and lack of long-term stability. Omar Bongo was a political insider for 40 years in Paris, longer than most French politicians have in their own country. He and to a greater extent his son, are able to wield leverage over Paris by threatening access to oil reserves but they were nonetheless reliant on aid, protection, and imports from France. In Côte d’Ivoire the frequent changes in power meant new
actors to deal with from Paris. The French have had interest in who is in power in the country but it doesn’t appear that the same leverage over Paris exists in Abidjan. Côte D’Ivoire sends about 200 more college students to France for higher education than Gabon with 3,642 enrolling in 2015 (“OECD dataset”).

Despite France’s expressed desire for democracy in all of its former domains, the country still seems to be content with dynasty and autocracy. Omar Bongo had been a vocal advocate for French policy and also was never asked to hold an election or devolve power to the legislature. His son, after a highly contested election, which monitors in France claimed was rife with fraud, was not asked to hold a re-election and was even congratulated by the president of France (Maclean 2016). As previously alluded to, the French have actively worked to change the regime in Côte d’Ivoire following the 2nd Ivorian civil war but also supported Gbagbo in his conflict with Guillaume Soro in the first civil war. Both countries have moderate positive changes in their levels of democracy according to some metrics (Economist, Freedomhouse), their polity scores reported the opposite. Neither country is regarded as being uniquely free or democratic.

It has not always been obvious whether French economic interests have driven political actions in either country or whether political interest has preceded economic ones, (there is evidence for both). Regardless of which came first, it is certainly true that the French have tried to stay active in its former colonies and have seemed to place very little interest on the level of democracy in those states. The relative power and influence wielded by French multinationals has led to unaccountability in both cases, particularly in the utility, logistics, oil and telecom. Furthermore, with autocrats friendly with Parisian politicians regardless of their level of
corruption or harsh repressive rule, relations have remained warm. It was only when Gbagbo explicitly called for the expulsion of the French diaspora when the French supported full regime change. With permanent military deployments in both countries and the lack of an active enemy in either, the French have effectively pledged these countries military protection from foreign threat but also made their presence obvious, even showing their willingness to depose leaders when they see fit or protect those at risk of collapsing. In the context of Dependency Theory, this sort of dynamic breeds rent-seeking behavior and might undermine democratic institutions. Without accountability, dynastic states like Gabon can engage in corrupt behavior. Conversely, the modernist might posit that the close relations have allowed beneficial commercial agreements, protection, growth and even more democracy. The justice system in Gabon exercised some authority over foreign firms, unlike Côte D’Ivoire. The assertion that these arrangements have prioritized democracy can be found wanting. In our cases, it appears that the dependency theorist view is supported more than the modernist view.

ii. H2: Evaluation of Economic Benefits and Growth

The Singer-Prebisch hypothesis, the bedrock of Dependency Theory, is premised on negative balance of trade between developing and developed countries. Hobson discussed colonial territories as large markets for domestically produced manufactured goods. Both Côte d’Ivoire and Gabon run a negative trade deficit with France. Both are reliant on French made machinery, medicines and food as well as general consumer goods.
Neither country has a manufacturing sector to speak of. For a small country like Gabon, that might not be surprising, but for a country the size Côte d’Ivoire to be highly reliant on goods manufactured in Europe, is. Attempts to attract investment into manufacturing industries have been made in both countries to no avail, but investment into raw resource extraction has been consistent (. We do have some evidence to suggest that when France joined the common market with Europe, both cases gained both willing export and import partners in Europe. The EU signed preferential trade agreements bilaterally with both cases but neither reported any significant change in direct investment from any European power other than France. About 42% of Côte d’Ivoire’s exports head to Europe and only about 18% of Gabon’s (“Gabon International Trade”, 2014), (“Côte d’Ivoire International Trade”, 2014).

Rapidly growing economies are a welcome site for service exporters in developed economies. The longstanding French presence in Gabon and Côte d’Ivoire has situated financial, telecom, logistics and utility companies to make handsome return from raising rates of consumption and a widening middle class.

In the finance industry, African countries struggle to attract investment. Both Côte d’Ivoire’s and Gabon’s industrial and commercial sectors benefit from access to credit. This credit does not trickle down. The administrative state in both countries is such that doing proper credit checks is difficult, especially considering the size of either country’s informal labor market. Households only account for about 3.1% of total credit in Côte d’Ivoire and only about 5% in Gabon (“Gabon Data Set”, 2017), (“Côte d’Ivoire Data Set”, 2017). Domestically owned credit only accounts for 30% of Côte d’Ivoire’s total available with the rest coming from foreign financiers (“Côte d’Ivoire Data Set”, 2017). The microfinance industry, while still small, is
becoming more widely used in both cases and mobile banking has filled the gap in the lack
depositing institutions. Foreign credit has been vital for economic growth in developing
countries. The limitations to domestic banking are likely structural in nature. Local elites
notoriously park their assets in Western economies. Both Ouattara and Ali Bongo own multiple
multimillion-dollar estates in Paris, as do all previous leaders of Gabon and Côte d’Ivoire (Yahya
1994). Modernists would likely point to the benefits of credit access for industrial development,
dependency theorists would emphasize the inability for the average citizen to receive credit.
How, and to what extent a government is capable of enacting regulation to make credit
accessible to a broader proportion of the population is questionable.

Consistent access to electricity and clean water is vital for any developing country. In our
cases, as in many other sub-Saharan African countries, power generation and water treatment are
in the private control of foreign firms. French businesses built the primary power generating
stations in both Gabon and Côte d’Ivoire. We should take pause and consider the implications of
a single foreign enterprise controlling vital infrastructure. First, in Côte d’Iviore’s case, the
country is subject to daily power shortages and blackouts (Wilson 2015). Because there is a
shortage of power and one primary power provider, people who can afford to rent seek might do
so. Second, the central government has reduced negotiating power, whether for prices or
regulation, with the dominant utility company. With only one seller (small amounts of electricity
are imported from Ghana to Cd’I) and one buyer, the utility firm can charge the price they wish
to. This monopoly arrangement appears to be an artifact of the colonial era. Lastly, because the
utility company has no entity to compete with, they have no incentive to improve or upgrade.
Another factor limiting renewed investment into utility infrastructure is the issue of documenting
who is officially a part of the grid and who is stealing from it? Without a strong administrative state, keeping track of individuals is difficult. The Modernist would view such a problem as structural requiring closer embrace of the western method of governance; the dependency theorist would likely point toward the poor negotiating power as a reason to justify nationalizing the sector. Access to clean water and electricity are on the rise in both cases but problems persist and the uncomfortable relationship between foreign MNCs and the central government will persist.

The logistics industry is vital for Sub-Saharan countries, particularly those rich in natural resources. Bolloré Logistiques is among the largest firms of its type in the world and by far the largest in Africa. This mega corporation operates all major ports and railways in both cases. The firm has been underbid for infrastructure projects in Gabon and Côte d’Ivoire yet still constantly receive the contacts to begin construction (Bolloré Logistics - Bolloré). Needless to say, the company holds monopoly status in West Africa. Unfortunately, this market structure breeds rent-seeking behavior generally at the expense of civilians living without stable infrastructure. Certainly, industrial infrastructure does provide some positive externalities to communities located near projects, but infrastructure’s primary purpose remains the service raw material extraction. Countries in desperate need for roads and railways, could spend less of their annual budgets on expensive building contracts with Bolloré and instead redirect funds into other sectors of their economies. The dependency theorist would emphasize the previous point with Modernists asserting that the relative benefit of having access to global market though export infrastructure has benefited the country immensely. That being said, the sector is instrumental in export growth in Gabon and Côte d’Ivoire.
Africa has benefited immensely from the presence of the telecom industry. Both of our cases have seen rapid growth in the number of telephone subscriptions and users. The role of mobile banking cannot be understated, as it has become the primary banking tool used by tens of millions of Africans including millions from both cases. The introduction of large foreign telecom companies has crowded out some local providers but simultaneously allowed for cellular access large rural areas of Gabon and Côte d’Ivoire. Regulations have been passed in Côte d’Ivoire that allowed French telecom Orange to increase their market share making the country’s market a duopoly. This structure allows for some degree of price fixing but also for an economy of scale because once cellular infrastructure is in place making upgrades to accept more subscribers is relatively cheap. In Gabon, their telecom providers are not French, but there too, only a limited number of providers exist. Overall, the industry has been growing rapidly. Although there is a noted lack of competition, the effect that millions of people have a cheap, reliable method for communicating and banking which in the long run could promote further growth and even democratization. In this industry, the Modernist perspective seems to find its strongest support. Access to telecommunication technology and investment has had a net positive effect on millions of people in Côte d’Ivoire and Gabon.

Gabon’s uranium industry was never large enough to elicit much international attention but reckless care for the environment and health resulted in mining waste polluting ground water and soil in the country’s interior. Very few locals were employed in mining operations and of those that did, many suffered radiation related health issues (Hecht 2009). Fortunately, operations were halted but there is little evidence that any support was given to those communities affected. Because AREVA is allowed to operate without much oversight or
regulation and plan to open new mining sites, we should not expect net positive welfare effects for locals, now or in the future. Dependency theorists might point to this industry as being a textbook example of neo-colonial exploitation. To that point they have support but it is necessary to keep in mind that operations were halted when the worst abuses were revealed.

In the Oil Industry as in the Logistics industry, French West Africa has one primary player, TOTAL. The company’s operations in Gabon were wrought with corruption when ELF-Aquitaine ran offshore extraction. In Côte d’Ivoire, TOTAL received very generous rights to extract nearly 100% of its reserves. In Gabon’s case, oil exports were instrumental in driving with economy’s growth. Between 2000 and 2014 the Gabon’s GDP swelled from about $5bn to over $18bn (Figure XII). It is particularly difficult to follow the flow of oil revenue once the good leaves Gabon’s shores. It is unlikely that much of the revenues reach the lowest rungs of the socioeconomic scale. Considering 30% of Gabon’s population lives below the poverty line and with a GDP per capita over $18,000 (Table 1). Inequality is extreme in the West African country (Table 5). Omar Bongo was able to leverage his country's oil wealth to acquire influence in Paris. Unfortunately, the oil industry does not create as many jobs for the local population as one might expect. Other externalities, like improvements to infrastructure and social services, generally lie near oil operations or are only accessible to the local elite or expatriates. Moreover, with only one multinational controlling most production, the lack of competition makes industry oversight difficult and the risk of coercive behavior. Energy resources are notorious for failing to redistribute benefits from its production. An unintended effect of increased investment in a single sector takes away potential investment into others, a process called ‘Dutch Disease’. Although the notable increase in foreign capital arriving in the
host country is a benefit, we have not seen any clear evidence of positive distributive effects for the lower end of the income spectrum from oil extraction given our limitations. Dependency theorists often look at energy resources as a strong defense of their development perspective. For many of the reasons previously alluded to, dependency theorist’s are likely more justified in their criticism of western multinational corporation than Modernists are in their praise. Gabon did successfully recover millions in back taxes from TOTAL in 2009 giving us some hope that administrative checks on these large corporations are being used (Dabany 2011).

The evidence supports hypothesis 2 with some limitations. Both countries have benefited greatly from foreign investment. We should consider the crowding out effect of foreign capital undercutting domestic entrepreneurship. On that point, dependency theorists are correct but in aggregate, both cases have seen economic growth. Côte d’Ivoire’s economy, while real incomes have not risen dramatically, has provided millions of jobs to immigrants from neighboring countries aiding those countries’ growth. The modernist argument and liberal trade policies offered by economists like Sachs and Collier have attracted foreign investment in both cases. That investment does not tend to flow into secondary good production due to high starting costs and relatively lower marginal return on capital from new industries. This fact articulated in the Singer-Prebisch hypothesis seems to also hold up today. Manufacturing has been weak in both countries, and luxury goods consumed by the upper classes are imported from developed countries. The hope in 2017 is that African countries will be able to develop without a large manufacturing sector, which does not seem likely in the near future.
iii. H3: Evaluation of French MNC’s Impacts on Inequality

In our case’s sectors, we see both positive and negative effects on societal welfare. Côte d’Ivoire's cocoa industry employs millions of farmers whom can only sell to a government buyer. A kilogram of raw cocoa is sold for about 1,100 CFA, which is about $1.60 (Mieu, Jha 2016). The industry has attracted migrants from all over West Africa. Today the country is by far the largest producer of cocoa in the world. Large chocolate companies are willing to buy any stockpile of cocoa. The government run monopsony makes an estimated 44% profit from selling to firms like Cargill and Nestle (Mieu, Jha 2016). While exporting large amounts of cocoa has grown the economy, the country’s economy has become reliant on the global price for cocoa (Hailey, 2014). When poor weather damages a harvest, the entire country’s budget is negatively affected. Just as any other commodity, the price cocoa is subject to variability. When other African, Asian or South American countries expand their production or have a large yield, the global price of cocoa responds to the surplus and the bidding price is reduced. The majority of agricultural workers in the sector, particularly in the rural areas in the North of the country, live below the poverty line (Mieu, Jha 2016). Child labor is still rampant in the industry despite some attempts to enforce labor laws for minors. With the largest import markets in Europe and the largest chocolate companies hailing from the west, there are necessarily restraints to producers selling for market price in the international market.

The policy adopted by the government of Côte d’Ivoire would likely be hailed by some dependency theorists as being an effective way of preventing foreign exploitation of labor. The Modernist would criticize the market structure for unnaturally suppressing the true value of the
farmer's product, preferring instead an open competitive market with a large base of producers and a larger number of buyer firms. Cocoa farmers only receive a fraction of profit but in this case, the majority is earned by the government which, without pervasive corruption will redistribute those to government programs.

The true nature of our cases' labor markets is also difficult to quantify. Unfortunately, data related to the amount of labor employed in each sector is unavailable to us. We can make some comparisons of our GINI with other comparable countries in similar states of development. We find that among African states, either of our cases lies generally with the average African GINI, between 40-45 (“World Bank GINI dataset”). These estimates are better than the GNI for some South American countries that dwell closer to 50s. In terms of income distribution, interestingly, despite the stark differences in the composition of their economies, both have relatively similar distributions of income between brackets (Table 4). Most African and South American countries have a higher degree of income inequality than developed countries that tend to haveGINIs around 30-35 (“World Bank dataset”).

The distributional affects are hard to quantify in full however, there are facts that need to be addressed. First, growth in both cases has been rapid in the last few decades French capital has been instrumental to that growth. French multinationals receive special status in the utility, finance, oil, and logistics. The middle and upper-class urban population has seen improved access to well-paying jobs but there is a notable lack of welfare improvement for the lower income distribution. Rapid growth has occurred in both countries. A powerful elite exists in both cases, a group that tends to have close ties with MNCs particularly those French firms heavily invested in the country. We have seen the process of regulation both work and fail in both of our
cases, but importantly to note, the welfare of the majority of citizens are often left out of negotiations. Governments and MNCs both exercise exploitive practices so defining ‘good guys’ and ‘bad guys’ is an unnecessary exercise that will reveal little about the true nature of the problem. Luxury goods in these economies tend to be imported from abroad. For that reason, those goods tend to also be more expensive which prices out most low and middle-income people.

We can confidently make the assertion that French foreign FDI does have some negative distributive effects, however, countries of similar level of development have about the same income distribution. Although we cannot confidently argue that the dependency theorists are completely correct in their assertion that foreign FDI is a direct cause of income inequality, we have noted the ways in which FDI can worsen income inequality. Unable to fine definitive evidence in support of either the modernist or dependency theorist’s interpretation, hypothesis 3 was unsupported given the data limitations.
VII. Conclusion

“The essence of neo-colonialism is that the State which is subject to it is, in theory, independent and has all the outward trappings of international sovereignty. In reality, its economic system and thus its political policy is directed from outside” (Nkrumah 1966, ix).

Does Nkrumah’s definition of neo-colonialism apply to our cases? If we apply his definition at its face value, the degree to which policy in Côte d'Ivoire and Gabon are “directed” by France is not without limitations. Today the world is a different place than it was over 50 years ago when Nkrumah first discussed neo-colonialism. Neo-colonialism resembling what Nkrumah described does not manifest in Gabon or Côte d'Ivoire. We can confidently argue that the French do influence domestic economic policy in both of our cases. The complete distrust of foreign economic influence may be slightly misguided.

Having concluded that (1), former French colonies are tied to Paris in intimate ways, through personal and commercial ties, facilitating direct and indirect influence on the country's economy. (2) We have found that there are notable positive externalities associated with large amounts of foreign investment into developing economies, especially in the telecoms, utilities, and logistics, which is not to suggest that aspects of those sectors do not in some ways exploit or limit local capital formation or labor standards. (3) We have looked critically at natural and agricultural resource sectors noting their distributive effects on the economy and their history of corruption and unaccountability. In many ways, the modernist and dependency theorists are both
correct in some of their assessments. We were able to support H1 in both of our cases. Both have had decades of French multinational presence and neither has seen dramatic positive changes in levels of democracy, apparently supporting this premise of dependency theory. Imbalances in negotiating power and lack of government accountability due to power and influence of French corporations has allowed autocrats to remain in power. I do not mean to suggest that the French do not value democracy, what I assert is that economic interests trump calls for a democratic process. This is evidence in support of the dependency theorist ideas on economic development. Gabon has exercised more authority over foreign companies than Côte d’Ivoire has but nonetheless, neither country is free to act without the attention of Paris.

Ample evidence was provided to support H2. Both cases have seen fast GDP growth and attracted FDI. The orthodox modernist idea that democratic institutions precede economic development is unfounded in either case, but economic growth does not necessarily mean a stable or democratic political atmosphere. Access to large export markets has perhaps been the most important driver for growth but still, these countries have a trade deficit with the French and are mostly unsuccessful at attracting investment into manufacturing or heavy industry. French firms are often favored over other foreign firms adding unnecessary additional costs to the annual budget. Foreign capital also has a crowding out effect on domestic industries. Capital, even domestically owned, tends to flow where foreign capital does. Secondary goods find it difficult to attract foreign capital so neither country has been able to grow the sector in dramatic ways. Because industrialization was the path all modern industrialized countries took to development, this fact has future implications. Ultimately this hypothesis was confirmed with limitations, where the modernists are correct that liberal trade policy and allow foreign capital
has benefited the economy, the dependency theorists are correct in arguing the negative externalities of investment.

H3 was not fully supported by the evidence available. Perhaps the more dramatic inequality claims are due to the relatively frequent cases of corruption at the highest levels of governments. That said, both countries still have serious income inequality and poverty is to this day endemic. In Côte d’Ivoire we do see downward pressure on domestic labor in the cocoa industry however, the government is able to act as an intermediary and earn revenue on cocoa production. There are certainly ways inequality is worsened with FDI but to the extent that it makes the country better or worse off is a conclusion we cannot make. Without definitive data hypothesis 3, despite some incomplete data and anecdotal evidence, we are unable to make a conclusion in support of or against one theory or the other.

This investigation has several important policy implications. For the leadership of Gabon and Côte d’Ivoire, policies that promote the investment of foreign capital and those that maximize the amount of revenue collected by the state should be preferred. Limiting opportunities for government officials to interact directly with foreign commercial actors would be a worthwhile step to provide accountability for our case’s governments. To lessen income inequality, comprehensive census and formal addressing are necessary steps to maximize tax revenue. Attracting investment into secondary goods is a more difficult endeavor. Incentives for locals and foreigners should be provided for investors. Working diligently to address corruption will be a further necessary step. For French leadership, a continuation of this policy is the best method for sustained presence in either country. The French might continue to manage troop deployments in Africa. If France sees African countries as a potential market for luxury good
Conclusion

exports then they should make more investments into secondary industries in order to widen the middle class. While it is not in France’s interest to maximize welfare in their partner country, access to export markets is useful for French commerce. For an American leader, the policy implication is that more investment should be sent to African countries. If America is interested in expanding its sphere of influence, Africa is a continent where political influence is relatively cheap and returns on capital investment into primary products are high. A more engaged American economic, political and trade policy toward African countries will promote American interests but may in the long-run have similar effects to what we see with French multinational presence in sub-Saharan Africa.

We should address the limitations of this investigation. Perhaps the most effective information relevant to this study is the personal relationship between the local government officials and French political actors. Secondly, data on income distribution in both cases should be viewed with some pause. Countries with large informal sectors, child labor and incomplete census data make accurately gauging income groups and their distribution difficult. We cannot confidently attribute all inequality to foreign multinationals, the character of the economy might be such that inequalities are a part of the economy and are necessary for long-run growth. We cannot make conclusions about the interests of specific government officials, especially when negotiations and meetings happen outside the view of media sources. We have yet to see how widespread access to mobile technology has effected overall economic development, hopefully, further studies will approach this question.

We have no reason to think the bilateral relations between our cases and France will change much in the future. Because these countries are able to meet ambitious growth targets
Conclusion

with vital foreign capital largely originating from France, the governments are unlikely to become more exclusionary of foreign capital. French military presence in both countries has only grown in recent years and no presidential candidate seems to have a policy that deviates from the status quo. Perhaps as China becomes more influential to the extent that parts of Africa fall below their sphere of influence, we may see some friction between French interests on the continent. Though we have seen marginal improvements to the level of democracy in both countries, we have no reason to expect either country is immune to future authoritarian rule and as such we have no reason to expect the French to impose such a system on them.

Following this investigation, empirical investigations into specifically how FDI and economic development correlate would be the next step to better grasp to true costs and benefits. Further investigations into trade relations might also be fitting. Uncovering other relevant foreign economic actors present in both countries could reveal conclusions that might find another country also being uniquely influential. Perhaps the most useful further study would reveal a more about how income is distributed in these countries, an endeavor that would require a major commitment to surveying and aggregating. Fortunately, the special relationship that began in the late 1800s has changed over the decades as another replaces one leader, resources are discovered and economic crises occur. But, nonetheless, the core relationship stands and Gabon and Côte d'Ivoire will likely look toward Paris for years to come.


References


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References


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Appendix

IX. Appendix

i. Tables

Table 1

<table>
<thead>
<tr>
<th>General Info #1</th>
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<td>GDP$_{net}$ (SBillion)$^{10}$</td>
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Table 2

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<td>Number of hosted French nationals$^{10}$</td>
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Appendix

Table 3

French FDI to cases in millions USD

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<td>2002</td>
<td>409</td>
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<td>2003</td>
<td>534.2</td>
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<td>656.5</td>
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<td>449.5</td>
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<td>480.7</td>
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<td>939.2</td>
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Table 4

Democracy indicators

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<th>Democracy Index</th>
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<th>Freedom'</th>
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<td>1980</td>
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<td>0.633</td>
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Table 5

Inequality Statistics

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<th>Gabon</th>
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<th>Highest 20%</th>
<th>Second 20%</th>
<th>Third 20%</th>
<th>Fourth 20%</th>
<th>Lowest 20%</th>
<th>Lowest 10%</th>
<th>Poverty ratio at national poverty lines (% of population)</th>
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Inequality Statistics

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<td>Highest 10%</td>
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GINI index: 45.53

Poverty ratio at national poverty lines (% of population): 38.4 48.9 46

Table 7

Political Leadership

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<th>Term</th>
<th>Rise to power</th>
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<th>Education</th>
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<td>Leon M’ba</td>
<td>2/12/2961-11/27/1967</td>
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<td>10/16/2009- Incumbent</td>
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<td>2009 (41.73%) 2016 (50.66%)</td>
<td>PDG (multiparty)</td>
<td>Sorbonne (France)</td>
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<td>Félix Houphoët-Boigny</td>
<td>11/3/1960-12/7/1993</td>
<td>Assumed office at independence</td>
<td>1965 (100%) 1970 (100%) 1975(100%) 1980(100%) 1985(100%) 1990(86%)</td>
<td>PDCI-RDA (Single party 1960-1985) (Multiparty 1990)</td>
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<td>Henri Bédié</td>
<td>12/7/1993-12/24/1999</td>
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<td>12/24/1999-10/26/2000</td>
<td>Coup</td>
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<td>Military (multiparty)</td>
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Appendix

ii. Figures

Figure I

Côte d’Ivoire Export Composition

Figure II

Gabon Export Composition
Appendix

Figure III\textsuperscript{11}
Credit Provided as % of GDP to all sectors with exception of Gov

![Chart showing credit provided as % of GDP to all sectors with exception of Gov over time.]

Figure IV\textsuperscript{11}
Gabon Borrower/Depositors

![Chart showing Gabon Borrower/Depositors data over time.]

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Figure V

Côte d’Ivoire Depositors

Figure VI

Bilateral Aid from France
Appendix

Figure VII

Oil Rents as % of GDP (Real 2010)

Figure IIX

Mobile subscriptions per 100 people
Appendix

Figure IX$^{11}$
Electricity Access Gabon

Figure X$^{11}$
Electricity Access Côte d’Ivoire
Appendix

Figure XI
Improved Water access

iii. Key Development Indicators

Figure XII
GDP per capita
Appendix

Figure XIII\textsuperscript{11}

Fertility Rate

Figure XIV\textsuperscript{11}

Infant Mortality Rate
Appendix

Figure XV
Life expectancy

Figure XVI
Urban Population
Appendix

Figure XVII

Real GDP (pegged 2010)

iv. Polity Scores

Figure i.
v. Summary of Conclusions

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<td>Inconclusive (lack of data) Some evidence in support, some evidence to the contrary</td>
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Appendix

vi. Table and Figure Sources

2. https://freedomhouse.org
   http://www.doingbusiness.org/data/exploreconomies
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