

BTI 2008 | Cameroon Country Report

Status Index	1-10	4.46	# 90 of 125	
Democracy	1-10	4.13	# 84 of 125	➔
Market Economy	1-10	4.79	# 87 of 125	➔
Management Index	1-10	3.39	# 105 of 125	

scale: 1 (lowest) to 10 (highest) score rank trend

This report is part of the Bertelsmann Transformation Index (BTI) 2008. The BTI is a global ranking of transition processes in which the state of democracy and market economic systems as well as the quality of political management in 125 transformation and developing countries are evaluated.

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Key Indicators

Population	mn.	16.3	HDI	0.51	GDP p.c.	\$	2,045
Pop. growth ¹	% p.a.	1.8	HDI rank of 177	144	Gini Index		44.6
Life expectancy	years	46	UN Education Index	0.66	Poverty ³	%	50.6
Urban population	%	54.6	Gender equality ²	-	Aid per capita	\$	25.6

Sources: UNDP, Human Development Report 2006 | The World Bank, World Development Indicators 2007 | OECD Development Assistance Committee 2006. Footnotes: (1) Average annual growth rate 1990-2005. (2) Gender Empowerment Measure (GEM). (3) Percentage of population living on less than \$2 a day.

Executive Summary

In office since 1982, President Biya will remain in power until 2011 – with no successor in sight. The opposition is split and will not come up with common candidates for the legislative elections to be held – theoretically – in 2007. Since Cameroon's return to a multiparty system, not a single election has been held on schedule or without irregularities. Stagnation characterizes Cameroon's prospects for transformation toward democracy. Severe deficiencies persist in the rule of law, political participation and representation, and in the protection of human rights. The leadership also fails to ensure sustainable development. As most reforms implemented have been imposed largely by outside actors, Cameroon's transformation process is hardly autonomous. Thanks to its geography and rich resources in wood, petroleum, water, cocoa, coffee, cotton and palm oil, Cameroon has the material basis upon which transformation can build. However, the country has failed to undergo transformation. A recipient of debt relief under the IMF and World Bank's enhanced HIPC Initiative, Cameroon did reach its completion point, albeit belatedly, in 2006. No progress toward democratic transformation has been made whatsoever. Public institutions have grown increasingly informal over the last two decades, which is undermining state sovereignty.

History and Characteristics of Transformation

The discovery of offshore oil deposits in the Gulf of Guinea powerfully affected a once predominantly agrarian economy and society. Its exploitation since the mid-1970s has negatively shaped elite behavior specifically. Cameroon's process of economic transformation began in the late 1980s, with political processes of change following in

the early 1990s. Although Cameroon's first president, Ahmadou Ahidjo, ruled with repression for twenty years, agriculture, education, health care and transport improved under his rule. The Cameroon government did not have to ask the World Bank and IMF for a structural adjustment program for a relatively long time. After the onset of a severe economic crisis in 1985 and 1986, the country tried to survive on its own saving program for two years. This policy changed in 1988, when the IMF accepted Cameroon's letter of intent.

In May 1989, the World Bank approved an initial structural adjustment loan, to be disbursed in three phases. By spring 1994 only two of the three had been disbursed because of the sluggish pace of reform. The program was comprised largely of components typical for the early 1990s, including reforms in the banking sector, administration and para-governmental enterprises, the deregulation of trade and marketing organizations for raw agricultural materials, and the control and reduction of government expenditures. This program did not include monetary policy intervention, as Cameroon is a member of the CFA franc zone, which at that time had fixed rates of exchange against the French franc (as it now does against the euro).

The devaluation of the CFA franc against the French franc in January 1994 affected Cameroon as it did other African states in the monetary association. The intended boost in exports failed to materialize fully. Hit hard by a crisis, conventional agricultural export production could not respond quickly. Meanwhile, the buying power of government institutions dropped dramatically, as they had to cope with budget cuts. By the early 1990s, according to the World Bank, Cameroon was one of the most disappointing "adjusters." The IMF, for its part, set up a staff-monitored program in 1996, emphasizing its lack of confidence in the government. The pace of economic reform did not pick up significantly until 2000. Some progress in privatization was made, as seen with the examples of CAMSUCO in sugar, Camtel Mobile in mobile communications, Regifercam in railways, and Sonel in electric utilities. In 2005, the government committed itself to accelerating the pace of the privatization program. Set for rapid restructuring and privatization were the national airline (CAMAIR), the national telephone company, Cameroun Télécommunications (CAMTEL), the national water utility, Société Nationale des Eaux du Cameroun (SNEC), the Cameroon Postal Company (CAMPOST), the oil refinery, Société Nationale de Raffinage (SONARA) and the agro-industrial enterprises Cameroon Development Corporation (CDC) and Société de Développement du Cotton (SODECOTON). None of those privatizations materialized during the observation period.

Democratic transformation began in 1990 following the arrest of the former chairman of the Cameroon Bar Association, Yondo Black, and nine of his associates, who attempted to found a new political party. The subsequent trial before a military tribunal and accompanying reports in the private press accelerated the democratization process, as did the founding of the Social Democratic Front (SDF) in the English-speaking part of the country. Security forces put a bloody end to these activities. President Biya

acquiesced and permitted a multiparty system at the end of 1990, but steadfastly resisted the opposition's principal demand: to establish a sovereign national congress based on the Benin model. To do so would have inevitably led to a loss of power for the president. The administration used every means possible to manipulate the presidential elections of October 1992. According to several different sources, SDF candidate Fru Ndi won the election. However, Biya was the declared winner. He subsequently established a "showroom democracy" with slight improvements to civil liberties (i.e., expanding freedoms of opinion and association), but made no allowance for a change of control at the top. The opposition remained divided, failed to establish democracy within its own parties and dispersed throughout municipal offices.

Against substantial resistance from his party apparatus and following a ten-month delay, Biya implemented a "national program of good government" in mid-2000. The program included plans for action in five sectors: public administration, the judicial system, decentralization, socioeconomics and finance, and civil society participation. However, the program vanished from public discourse shortly after it was introduced. Some progress has been observed since 2006 in the program aimed at combating corruption as several "big men" have been indicted. Nevertheless, Cameroon is still among the countries with the lowest level of democratic progress on the continent.

Transformation Status

I. Democracy

Political transformation in Cameroon has made progress in only a few of the areas under evaluation. Severe shortcomings persist in political representation, participation, the rule of law, and the implementation of government decisions, which preclude the existence of stable democratic institutions.

1 | Stateness

While a state monopoly on the use of force exists de jure, in reality several non-governmental and para-state actors use violence in pursuing their goals. Traditional leaders frequently control their own police forces and may even operate prisons. While these leaders may not be acting to enforce their own policies, the government must work to co-opt them to its agenda. The government is not able to guarantee public safety and order in the slums of Douala or the border areas with Nigeria, Chad and the Central African Republic.

Monopoly on the use of force

Cameroon is a bilingual country that was formed from two distinct United Nations mandate territories, and a division persists between Francophone and Anglophone regions, with segments of the Anglophone elite calling for autonomy. There is also dissatisfaction in the north. Although “national unity” served as the government’s watchword from the 1960s to the 1980s, little progress has been made in that direction. Basic citizenship rights are frequently withheld from segments of the population, as in frequent discrimination against Pygmies in the southeast. In addition, there are reports of labor conditions similar to slavery in northern Cameroon.

State identity

The constitutional separation of church and state is enforced. While religion does not play a prominent role in political debate, some religious groups do wield discreet influence, such as the Essingan and Laakam secret societies, the Rosicrucians, and increasingly the Pentecostals and born-again Christians. Cardinal Christian Tumi is one of the most outspoken critics of the regime, but this does not exacerbate religious cleavages, as President Biya is also a Christian.

No interference of religious dogmas

State infrastructure is differentiated. While major ministries provide provincial- and sometimes district-level services, these frequently lack resources. Decision-

Basic administration

making is centralized in Yaoundé, and the process of decentralization has only recently begun. Institutions are often ineffective, and the government has been losing ground to the increasing privatization of services such as electricity, as well as the internationalization of formerly public goods such as health and education through developmental cooperation.

2 | Political Participation

Universal suffrage and the right to campaign for election are guaranteed by the constitution for every citizen. However, elections held since the reintroduction of the multiparty system have been seriously flawed. Therefore, all official results remain questionable. Past elections were all characterized by unsatisfactory technical standards. Major opposition parties boycotted the 1992 parliamentary elections and the 1997 presidential elections following signs of impending manipulation, thereby limiting the competitiveness of the electoral process. The 2004 presidential elections were considered less problematic, though only 4.6 million voters registered from an eligible population of eight million. President Biya garnered 70.9% of the vote, with 17.4% going to the primary opposition Fru Ndi. The election process lacked transparency, with polling dates announced only a month before the election, and local and international observers were divided over the quality of the election. New calls for an independent election commission were met with the creation of a formally independent management unit called “Elections Cameroon.” The circumstances surrounding the creation of this unit led to a walkout of opposition members of parliament, because the law was voted in as a result of the government’s strong majority in the National Assembly.

Free and fair elections

The influence of the military – as a possible veto actor – has been undisputed since loyalists defeated a coup attempt against Biya in April 1984. Army personnel did not suffer the salary cuts administered in the 1990s to all other civil servants, while members of the president’s ethnic group are favored for promotion within the army. However, the military is monitored closely for signs of discontent among its ranks. A group of 100 soldiers stormed a police station in 2006 to free a comrade from custody, seriously injuring the opposing policemen. Tensions in the security apparatus are a serious concern. In the periphery, the power of traditional authorities frequently exceeds the power of state representatives.

Effective power to govern

The constitutionally endowed rights to political organization are in practice subject to restrictions. Consistent with its “divide and rule” policy, the government tends to encourage rather than hinder the registration of new parties, but has often forbidden party conventions. The volatile reaction in 2006 to a new split in the main opposition party, SDF, is one example. In the end, the

Association / assembly rights

administration favored Fru Ndi's section over a reformist wing under Ben Muna. Non-governmental organizations can be formed relatively freely under a legal framework laid out in 1999, and many have been created by members of the state elite as a means of profiting from external assistance programs.

State media is heavily controlled. The government has consistently hampered the development of private radio stations, which have been permitted only since 2003, thirteen years after the basic legislation allowing for them was passed. Editors and journalists employed by private newspapers have repeatedly been intimidated, arrested and imprisoned for minor offences. Freedom of information and opinion are restricted concerning the president's family, corruption within the inner leadership circle, or the military. State repression of private media was documented in 2005 and 2006, and Cameroon ranked poorly (141st out of 195 countries, "not free") in the 2006 Global Press Freedom Survey by Freedom House. However, the press has become increasingly rebellious, accusing government officials of anti-social behavior and wrongdoings.

Freedom of
expression

3 | Rule of Law

There are inadequate checks and balances among the executive, legislative and judicial branches. The 1996 constitution provides for a powerful president who is elected for seven years, and the executive has rarely been criticized or held accountable by parliament. The overwhelming majority held by the governing party ensures that the lower chamber, the National Assembly, is subject to the wishes of the executive. Investigative commissions demanded by the opposition have been blocked by these parliamentary majorities. Almost no legislative initiatives originate in parliament. In principle, there should be a bicameral parliament, but the upper chamber, the Senate, has still not been elected. Regions are not yet formally established. The prime minister comes from the Anglophone minority and provides a limited coordinating function.

Separation of
powers

The judiciary lacks independence and adequate resources, and is considered in urgent need of reform and anti-corruption policies. Judges, who preside over elections, are appointed by the president and receive regular salary increases. No major report by international human rights NGOs was issued during the observation period. The government continued to deny Amnesty International access to the country, as it has done for over a decade. However, much national and international attention focused on a wave of homophobia which is forbidden by law in Cameroon. In 2006, a series of arrests were made and a group of seven were found guilty of practicing homosexuality and then sentenced to 10 months' imprisonment. The detainees were held in harsh conditions at Kondengui Prison. In January 2005, prisoners in the New Bell maximum security prison in Douala staged a riot to protest poor prison conditions and harsh treatment by prison

Independent
judiciary

guards, leading to five deaths and several wounded prisoners. In mid-2005, parliament passed a bill to harmonize the criminal code in the French- and English-speaking parts of the country.

Corruption is pervasive. Cameroon was twice designated the most corrupt country on earth in CPI findings published by Transparency International in 1998 and 1999. Corruption is still rampant at the political level. However, since 2005 a growing number of well-known representatives of the political elite have been arrested on charges of corruption, amongst them former ministers and acting members of parliament.

Prosecution of
office abuse

Civil rights are violated frequently. The government restricts the freedom of assembly, freedom of speech and freedom of association. Two groups of prisoners held since the late 1990s were considered political prisoners. During the observation period, about 100 supporters of the Southern Cameroons National Council (SCNC), an Anglophone secessionist group, were arrested, mostly for only short periods of time. The majority were not charged with any crime. During the observation period the harsh treatment of protesting students at five universities was particularly noteworthy. Violent battles with security forces led to the killing of two students at the University of Buea and the destruction of university and other property. In September 2005, the government replaced the rectors of three of the universities where protests occurred. However, strike actions continued and were met with repression. Twenty four students were arrested, including some leading members of a student association. More strike actions and use of physical violence by the government were to follow in 2006.

Civil rights

4 | Stability of Democratic Institutions

While no immediate threat to Cameroon's institutions is apparent, deficiencies in participation, the rule of law, efficiency, the inclusion of population groups, and social justice precludes the country from being considered structurally stable or democratic in essence.

Performance of
democratic
institutions

Cameroon is not a democracy, but a hybrid regime with many, if not mainly authoritarian features. The president weakens republican institutions by holding cabinet meetings only rarely and undermining the independence of the courts. The Cameroonian regime is ill-prepared for succession (similar to Togo in early 2005 after the death of the Togolese President Eyadema). New rumors of President Biya's health problems spread in 2006 when the head of state had to leave a Central African Economic and Monetary Union (CEMAC) summit in Bata earlier than planned. In 2004 a rumor of his death abroad caused panic in Cameroon.

Commitment to
democratic
institutions

5 | Political and Social Integration

Five parties are represented in parliament, but the ruling Cameroon People's Democratic Movement (Rassemblement Démocratique du Peuple Camerounaise, RDPC) holds a hegemonic position. Political parties are generally ethnic and regional in character. Patronage concerns prevail over ideological preferences, with the governing party offering the best opportunities for patronage. Opposition parties are primarily coalitions of personality-oriented election associations that come together to form ad hoc platforms, but remain unable to cooperate strategically to facilitate long-term power change.

Party system

The interests of the rural population and women are underrepresented. Cameroon does not have a well-differentiated landscape of interest groups. With only a few organizations committed to the transformation process, certain church-related institutions and human rights organizations have gained significance. While the GICAM Business Association freed itself from government domination, trade unions have real power only in certain areas, such as the educational sector. The single-party-controlled union has given way to an increasingly fragmented system of individual unions organized under competing umbrella associations. A new attempt to federate these unions failed in 2006.

Interest groups

Evaluating the Cameroonian population's attitudes toward democracy is impossible due to a lack of survey data. This is partly attributable to government hostility toward opinion polls in private newspapers during the 1990s. Numerous socioeconomic and cultural barriers affect self-organization in civil society. The population has relatively little trust in government.

Consent to democratic norms

Social trust, which cuts across different segments of society, is generally underdeveloped. Many regional and ethnic groups, and particularly the Anglophone minority, consider themselves integrated only conditionally or by force. The state is dominated by French speakers, and measures to improve infrastructure in the English-speaking northwest and southwest provinces are continually deferred. It is difficult to assess what percentage of the English-speaking population favors secession, however, not least because Anglophone communities have been established throughout the country. As the largest ethnic group, the Bamiléké (a collective concept that conceals internal differences), were portrayed internationally as rebels in a late colonial guerrilla war. They view themselves as victims of the state's politics of unfair resource distribution and have difficulty forming alliances with non-Bamiléké groups. Neglected regions in the extreme north and east of the country rarely organize to voice their grievances, and the marginalized pygmies have very little political relevance.

Associational activities

II. Market Economy

Cameroon's economic structure and performance do not meet the criteria for a socially responsible market democracy. Growth rates have been positive for a long period of time, but individual opportunities are heavily restricted.

6 | Level of Socioeconomic Development

Cameroon is ranked 144th on the HDI, and marginally qualifies as a country with “medium human development” as the third-last country in that category of 83. The value of 0.506 is the same as in 1985, meaning that it took 20 years of crisis to attain this point again. GDP per capita has reached \$2,174, but is very unevenly distributed. Seventeen percent of the population are believed to live on or below \$1 per day, which is considered a comparatively good result, but the probability at birth of not surviving to age 40 is elevated: 43.9%. This is higher than in Burkina Faso, Mali or Niger, which are among the poorest nations on earth. In 2004, Cameroon ranked 61st out of 102 in the Human Poverty Index for developing countries, 109th out of 126 in the Gender Development Index (about average in the sub-region), and scored 0.66 on the United Nations Education Index. Cameroon has the socioeconomic prerequisites for an adequate freedom of choice status, but lags behind with regard to performance. Health-related indicators show particularly problematic trends. The state spends only 1.2% of GDP on health, with 19 physicians available for every 100,000 people (1990 – 2004). Cameroon was one of the first countries in Africa where the bird flu was reported. This represents a potential major threat. Apart from its population having access to improved water sources, Cameroon is unlikely to achieve the other Millennium Development Goals. According to the World Bank, the mortality rate for children under five years is increasing, representing a contra-cyclic trend relative to the Millennium Development Goal. Births attended by skilled personnel are likely to remain on trend. The official HIV/AIDS rate of 5.4% of people aged 15 – 49 in 2005 is lower than in most neighboring states. The proportion of married women using contraception is increasing, but at a lower rate than expected, which outlines the danger of increasing HIV/AIDS prevalence and other diseases.

Socioeconomic
barriers

Economic indicators		2002	2003	2004	2005
GDP	\$ mn.	10,880	13,622	15,775	16,875
Growth of GDP	%	4.0	4.0	3.7	2.0
Inflation (CPI)	%	2.8	0.6	0.2	2
Unemployment	%	-	-	-	-
Foreign direct investment	% of GDP	5.5	1.6	0.0	0.1
Export growth	%	-1.8	-0.1	9	-3.9
Import growth	%	-7.6	3.6	12.2	23.1
Current account balance	\$ mn.	-444.8	-675.2	-	-
Public debt	\$ mn.	7,557.6	8,372.4	7,492.2	5,521.3
External debt	\$ mn.	8,762.3	9,675.2	9,069.7	7,150.7
External debt service	% of GNI	3.4	3.5	4.3	4.9
Cash surplus or deficit	% of GDP	-	-	-	-
Tax Revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	10.2	10.0	10.2	10.4
Public expnd. on edu.	% of GDP	3.2	3.5	3.5	1.8
Public expnd. on health	% of GDP	1.2	1.4	1.5	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.3	1.4	1.4	1.3

Sources: The World Bank, World Development Indicators 2007 | UNESCO Institute for Statistics | Stockholm International Peace Research Institute (SIPRI), Yearbook: Armaments, Disarmament and International Security

7 | Organization of the Market and Competition

Uniform rules of the game for market participants are provided in the CEMAC framework, but the state is still intervening. The institutional setting for free markets and competition is inadequate. Poorly functioning public institutions cannot prevent corruption and enforce the rule of law in the economic arena. The informal sector plays a comparatively large role. Cameroon ranks very low on the Index of Economic Freedom, at 119th out of 157 countries (“mostly unfree”).

Market-based
competition

Formerly intensive regulation of the economy has been reduced since the inauguration of the structural adjustment program in the 1990s. There have been complaints about privileged treatment of French companies, especially in the context of privatization of state enterprises. U.S. and South African investors have established themselves in the country as well. Prime Minister Inoni has recently appealed for more Chinese investment in Cameroon. In 2006, China's Shaanxi province reached an agreement with Cameroon to invest 60.5m dollars in projects linked to rice growing, cassava processing and ostrich farming. The visit of President Hu Jintao in late January 2006 may boost Chinese investments. The notoriously unprofitable airline Camair is still in deep crisis. A consortium including Belgian carrier SN Brussels was supposed to take over in mid-2006, but prospects are still unclear as the Cameroonian partner, First Delta Air Services, which is related to ethnic Bamiléké business circles, is not held in high regard by the regime's inner circle. The state monopoly in the national oil market of the SONARA refinery was eliminated in 1998. Following the elimination of state monopolies, small, foreign-dominated oligopolies have arisen (as in the Telecom sector). They are regulated to some extent.

Anti-monopoly
policy

Foreign trade is distorted by state regulation, special rules and tariff barriers. However, Cameroon is visibly integrated into the world market. Foreign trade is liberalized to a large degree. The export of certain timber in unprocessed form has been forbidden since 2002 in order to stop the dramatic loss of rainforest due to uncontrolled and illegal logging. Cameroon's membership in CEMAC has facilitated the establishment of some common trade rules.

Liberalization of
foreign trade

The legal underpinnings for the banking system and capital market exist under the supervision and control of the Commission Bancaire de l'Afrique Centrale (COBAC), which is associated with the Bank of Central African States (Banque des États de l'Afrique centrale, BEAC). Political pressure has occasionally been misused to grant bad loans that are almost never repaid. The Douala Stock Exchange (DSX), launched in March 2003, announced only in 2006 that first shares will soon appear on the stock market. This followed a decision by a major mineral water producer to put 20% of its shares, worth CFA franc 500 million on the DSX.

Banking system

8 | Currency and Price Stability

Cameroon's inclusion in the franc zone has given it a highly stable currency, which is illustrated by relatively low rates of consumer price inflation. Monetary policy is the responsibility of the BEAC.

Anti-inflation /
forex policy

The government's fiscal and debt policy has been oriented toward stability as a result of influence from the money-lending community since the mid-1990s.

Macrostability

Since 2000, Cameroon has benefited from the HIPC Initiative. Bilateral donors forgave substantial amounts of debt even before the “completion point” was reached belatedly in summer 2006. According to the IMF, the government had fulfilled necessary conditions including satisfactory implementation of the poverty reduction strategy, maintenance of macroeconomic stability, social sector and structural reforms, as well as actions to improve governance and reduce corruption.

9 | Private Property

Property acquisition, and especially the purchase of land titles, remains problematic as conflicts arise between competing “modern” and “traditional” concepts of law. Property rights are formally defined but cannot be considered satisfactorily safeguarded because of shortcomings in the rule of law, especially corruption.

Property rights

Privatization of state companies has advanced only gradually during the observation period. Some of the biggest state companies will probably not be sold in the upcoming years. Privatization strategies for CAMAIR (air carrier) and CAMTEL (fixed telephone lines) were adopted, however. Cameroonian firms have been granted licenses only in very rare cases. Privatization has not always led to better service, especially in the case of electrical power, where the new U.S.-based company was unable to supply sufficient power. Private companies can act freely in principle, but encounter economic barriers to development. The attractiveness to domestic and foreign investors varies from sector to sector.

Private
enterprise

10 | Welfare Regime

State measures to avert and alleviate social risk are minimal. The public social insurance system (Caisse nationale de prévoyance sociale, CNPS) is notoriously overextended, poorly managed and under-performing, and in the past has often been plundered as a slush fund for the government. The state health care system is similarly overextended, and has been compromised significantly by corruption. Family structures and other primary solidarity networks are the only viable options for reducing risk, and still function comparatively well.

Social safety nets

Informal institutions exist to compensate for gross social differences, but they are limited in scope and quality. In rural areas, social risk is still largely absorbed by “traditional” family-based relationships of solidarity. This system is crumbling in the cities. Sometimes there is an equivalent coverage through informal savings associations (tontines) or through the solidarity of church congregations. Women have limited access to education and public office (8.9% of members of parliament are female).

Equal opportunity

11 | Economic Performance

The economy has performed reasonably well according to the main indicator of GDP, with growth rates estimated at 2.4% (2005) and 3.8% (2006), considerably lower than in 2002 and 2003. However, because significant steps in poverty reduction would require a growth rate above 7% for a couple of years, most Millennium Development Goals will not be attained. The national economy continues to be shaped by traditional agriculture. This sector generated approximately 41.5% of GDP in 2004. The secondary sector produced 28.6% of GDP, while the tertiary sector – essentially public administration – represents the remainder. However, estimates suggest that approximately 35% of GDP is generated in the informal sector. The government does not seem to be in a position to determine the country's economic performance.

Output strength

12 | Sustainability

The wood sector has undergone serious reform efforts. Timber is now only the fourth source of foreign-exchange earnings (after oil, cocoa and coffee). Volumes of harvested wood have declined steadily. In 2003, 93% of official timber exports by value consisted of sawn wood. The continuing reliance on petroleum is an example of the disregard for sustainability. The country is just beginning to appreciate its natural resources, though oil production has been falling almost continuously, from 186,000 barrels per day in 1985 to 82,500 barrels per day in 2005, before rising again to 94,600 barrels per day in 2006. Two factors explain the recent reversal of a long-term trend: New oil fields came on stream and the high oil prices prevalent in the market created incentives for higher production. In the long term, it is doubtful whether petroleum products will hold such a prominent position in the export structure. The Chad-Cameroon pipeline project supervised by the World Bank and legislative procedures for municipal forest management have generated rudiments of environmental awareness. Numerous environmental and social standards have been ignored in the construction of the pipeline. In January 2007 an accidental oil spill was reported at the marine terminal of the pipeline in the sea resort of Kribi. Oil leaked for seven hours uncontrolled into the sea. Officially, the oil spill response plan was implemented and contamination was contained or dispersed to the high seas. This was the first big accident at the pipeline and may bring more attention to the management of environmental hazards. Local and international environmental NGOs as well as the local mayor reacted sharply to the pipeline management's nontransparent information policy.

Environmental policy

Cameroon has a mixed state and private system of primary and secondary education. About 50% of schools are run privately; one-third of all students

Education policy / R&D

receive their education at private schools. During the period under study, the educational system continued to be characterized by low performance, with several scandals and numerous teacher strikes occurring. A level of education acceptable by African standards could not be maintained without church-supported schools. In addition to state universities, there is a Catholic university in Yaoundé; they have all been supplemented by a number of private initiatives. The appalling conditions at Cameroonian universities and a quick resurgence of repression exacerbated violent conflicts at campuses in 2005 and 2006 (see 3.4). The literacy rate is 77.0% for men and 59.8% for women (2004), while the combined gross enrollment ratio for primary-, secondary- and tertiary-level schools in 2004 was 69% for men and 56% for women. Disparities in educational opportunities for men and women therefore continue to exist. Public expenditure on education stood at 3.8% of GDP from 2002 to 2004, representing 17.2% of government expenditure (down from 19.6% in 1991).

Transformation Management

I. Level of Difficulty

Structural economic and social constraints on governance are moderate to high, but the regime itself creates more constraints by helping corruption to become endemic and by thwarting democratic progress. Economic development has provided mixed conditions for continuing transformation during the evaluation period. The spread of pandemic HIV/AIDS infections is increasingly becoming a burden. Price levels for major export commodities have developed positively overall. Most other obstacles to transformation have been man-made.

Structural
constraints

The tradition of civil society is weak, but diverse. The landscape of voluntary organizations is incomplete. However, church-based NGOs are relatively strong and engaged in the Poverty Reduction Strategy process, and self-help organizations are fairly strong in the southern half of the country.

Civil society
traditions

Society and the political elite are deeply split into ethnic and linguistic communities, with occasional violence occurring. Some segments of the English-speaking population are advocating secession, or at least autonomy. Some of the Bamiléké supported a guerrilla war and remain “negatively integrated” into society. Mistrust still surrounds the northern elites who supported a bloody coup attempt in 1984. Local conflicts persist in several regions, and violence escalates sporadically.

Conflict intensity

II. Management Performance

14 | Steering Capability

While the political leadership claims it is pursuing long-term aims, it has only reluctantly shown commitment to the externally imposed reform agenda. The fact of having reached the completion point in 2006 under the HIPC Initiative

Prioritization

means that the room for maneuvering will grow with large debt relief in sight and more flexibility in running the state budget. No substantial new democratic reforms have been established since 1991 and 1992, when basic reform laws regarding political parties and freedom of the press were adopted. There is little doubt that the government is not aiming at transformation toward liberal democracy.

The prescriptions for economic reforms came mostly from outside. And the government had difficulties in implementing most of these. However, the Poverty Reduction Strategy was run in a satisfactory manner according to the IMF – at least during the last observation period. The Cameroonian authorities were commended for program implementation including the areas of fiscal policy and public finance management. The government published information on budget execution and the oil sector. However, in the area of public enterprise reform, performance was considered to be mixed. The government has not initiated any reforms aimed at establishing higher democratic standards.

Implementation

The political leadership has shown limited willingness to learn. The PRS process was initiated and led to the submission of full PRSP in April 2003 that were subsequently accepted by the IMF and the World Bank. Additionally, the IMF agreed to run a new PRGF loan in 2005. The whole process went off track several times. However, a second review of the PRGF in late 2006 gave a positive assessment while issuing some warning signals: authorities should pursue a prudent debt management strategy. Improved transparency in the use of budget resources would remain a priority.

Policy learning

15 | Resource Efficiency

The government uses only some of its available resources efficiently. President Biya has reshuffled his government 28 times during his 24 years in office, and in his most recent move, increased the number of ministries from 32 to 35, appointing 60 ministers and secretaries of state. Ministerial posts are considered part of the patronage system rather than a rational legal system. The cabinet meets twice a year at most. Embezzlement of public funds at high levels of the state hierarchy is expected to continue.

Efficient use of assets

The tenacious nature of government control frequently precludes coordination of state action. Intra-governmental friction, redundancies and lacunae are therefore significant. Coherence exists largely as a result of pressure exerted by the PRS process, though the regime's inner circle does try to coordinate the conflicting objectives and interests of major elite groups.

Policy coordination

Cameroon's ranking in the CPI improved further as 25 countries included in the sample are now perceived as more corrupt (Cameroon's rank in 2006: 138). Some citizens might start to believe that things are gradually changing, but not much has been achieved. Recipients of government contracts may no longer be routinely obliged to relinquish 30% of their awards to the civil servants who process their vouchers, as was the case in the late-1990s. However, corruption continues to negatively affect the attraction of foreign investment, and places private property in danger of being confiscated. It is difficult to safeguard legal rights, including contract and property claims, within the Cameroonian judicial system. Cameroon's overall ranking in the World Bank's Doing business report 2007 fell from 147th (2005) to 152nd (2006).

Anti-corruption
policy

16 | Consensus-Building

Although most players in Cameroonian society agree that a market economy and democracy are the goals of reform, this is only partially true for the government. The government is unlikely to establish social consensus, as it has remained in power by exercising a "divide and rule" strategy and favoring the president's own ethnic group. Approximately one-third of the cabinet members are from the Beti/Bulu group, while Anglophone Cameroon is represented by only one full minister. The Northwest Province, an opposition stronghold, currently holds no ministerial positions.

Consensus on goals

Because the era of large-scale mobilization by the opposition is clearly over, the military is the only group the government is under pressure to appease. Resistance to the reduction of special privileges is voiced on a regular basis from within the governing clique itself. Individual "barons" of the regime have considerable material and political resources to hinder reform. Unable to reduce existing divisions, the government is igniting them instead.

Anti-democratic veto
actors

The government largely fails to bridge political and other societal cleavages. Distinctions between social classes are of secondary importance in political debate. The economic and social council formed to reconcile conflicts of interest between unions, diverse business associations and the state has proven completely ineffectual, since major cleavages do not divide along these lines, but exist instead between the regime and its opponents, and between French speakers and English speakers. Both unions and business associations include supporters and opponents of the government.

Cleavage / conflict
management

The political leadership fails to promote social capital, and is largely indifferent to the role of civic engagement. The government frequently ignores civil society. Consultation of civil society groups within the PRS process is not systematic and remains selective.

Civil society
participation

There is rarely any effort to address past injustices and violent events of contemporary history, such as the Union of the Peoples of Cameroon (UPC) rebellion in the 1950s and the aftermath of the 1984 coup attempt. The political leadership does not address these issues and has not initiated a process of reconciliation. The transfer of the corpse of former President Ahidjo from Senegal, which could be a strong symbol of reconciliation, is still not on the agenda.

Reconciliation

17 | International Cooperation

While the political leadership does not refuse to work with bilateral or multilateral international donors, these organizations are frequently disappointed by their Cameroonian counterparts' commitment to reform. The tendency to use development cooperation as a clientelist instrument for granting favors and privileges is strong, and acknowledged by most donor organizations, though rarely publicly. The government tries to present itself as a credible partner, but is not trusted. The disappointing results of the PRS process to date have further tarnished the regime's image.

Effective use of support

Cameroon enjoys disproportionate leniency as a result of its strategic position in Central Africa and its superficial stability. Cameroon's bilateral relationship with Nigeria fluctuates, and is not free of irritations. Following a low-intensity armed conflict with Nigeria in the 1990s called the Bakassi Affair, the government agreed to accept the ICJ's ruling without reservation, even before the court decided in its favor. Nigeria at first failed to hand over the Peninsula but has finally accepted the outcome and drew back its troops after high-level mediation by UN Secretary General Kofi Annan on 12 June 2006 between Presidents Biya and Obasanjo.

Credibility

Within CEMAC, Cameroon is the most important market and production site. Rivalry with Gabon persists. Relations with Equatorial Guinea are considered poor, following the expulsion of approximately 1,500 Cameroonians in 2004, after a coup attempt by mercenaries who may have been trained in Cameroon. Cameroon's foreign policy is quite passive, which is inconsistent with its relatively large economic importance in the region. For example, the government refused to play a constructive role in the neighboring Central African Republic when most other CEMAC nations sent peacekeepers. President Biya is regularly absent from regional summits.

Regional cooperation

Strategic Outlook

Economic reforms may be expected to continue in the upcoming two years, but democratic development will remain stagnant on the whole. Given its past record, the government will not drive reform processes, but may accept to be driven by the donor community on some issues. Stateness, political participation and the rule of law have not changed significantly during the observation period, and all will remain problematic. Cameroon will not achieve consolidated democracy or a socially responsible market economy in the near future. The following main aspects need to be considered:

The problem of succession will remain salient, as President Biya continues to suffer health problems. Recent events in both Togo and Guinea show that a failure to regulate succession early-on can lead to very dangerous situations. The constitution stipulates that in the event of the president's death, the successor be the president of the Senate. However, this body has yet to be elected. The ruling party and in fact the entire elite seems ill-prepared for such an eventuality. The overall stability of the country is at stake.

The upcoming legislative elections may contain risks of some local flare-ups of violence just like in past elections. A major change in the composition of political forces is not expected. The main opposition parties are mostly in bad shape and may lose further ground. The hitherto main challenger to the leading Cameroon People's Democratic Movement (RDPC) party, the Social Democratic Front (SDF), is split and has few opportunities for recovery any time soon.

The Anglophone separatist movement may gain further strength if the crucial decentralization dossier should remain of secondary importance to both the government and the donor community. The Southern Cameroons National Council (SCNC) will continue to pose challenges to the regime at least in the Anglophone part of the country.

The state of affairs at Cameroonian universities leaves much to be desired. The capacities are far too insufficient to absorb students streaming into institutions of higher education. The quality of services is another matter of concern. The growing general frustration of the youth adds more conflict potential. Student movements are expected to become more and more violent.

The effects of debt relief as a consequence of the HIPC Initiative will create more maneuvering room for the government. Investments in social sectors and more generally in public goods – particularly in alienated regions such as the

Bakassi Peninsula, the northwest and north, have to be considered.

Transformation to a non-oil economy and the creation of jobs are the biggest challenges on the socioeconomic front. Growth rates must increase if desperately needed jobs are to be created. Agricultural production must be modernized and expanded. Donors should support smooth economic transformation aimed at a future independent of major gains from oil.

Cameroon may profit from Chinese investments in several sectors of the economy (agriculture, infrastructure). Chinese influence may however undermine efforts to push the government to respect human rights and foster transparency.

Establishing a mid-level technocratic elite in parallel with an independent university could help further transformation by mobilizing the debate and energy needed for fundamental change. Clearly, this must be accompanied by political reforms to facilitate desperately needed public debate on all questions of future sustainability, including health, corruption, citizenship and migration.