

BTI 2010 | Cameroon Country Report

Status Index	1-10	4.40	# 101 of 128	
Democracy	1-10	4.02	# 97 of 128	➔
Market Economy	1-10	4.79	# 87 of 128	➔
Management Index	1-10	3.24	# 111 of 128	

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

This report is part of the Transformation Index (BTI) 2010. 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 128 transformation and developing countries are evaluated.

The BTI is a joint project of the Bertelsmann Stiftung and the Center for Applied Policy Research (C•A•P) at Munich University.

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Key Indicators

Population	mn.	18.5	HDI	0.52	GDP p.c.	\$	2128
Pop. growth	% p.a.	2.0	HDI rank of 182	153	Gini Index		44.6
Life expectancy	years	50	UN Education Index	0.63	Poverty ²	%	57.6
Urban population	%	55.9	Gender equality ¹	-	Aid per capita	\$	104.3

Sources: UNDP, Human Development Report 2009 | The World Bank, World Development Indicators 2009.

Footnotes: (1) Gender Empowerment Measure (GEM). (2) Percentage of population living on less than \$2 a day.

Executive Summary

Starting from a poor overall level, Cameroon has by and large made minimal if any progress in terms of political and economic transformation during the assessment period.

The ruling Cameroon People's Democratic Movement (Rassemblement Démocratique du Peuple Camerounais, RDPC) has reinforced its position with an overwhelming victory in the July 2007 legislative and municipal elections, although levels of participation were low, particularly in urban areas. This outcome was attributable both to the weakness of the opposition, and to a more general feeling in the population that government can not be changed via elections. President Paul Biya celebrated his 25th year in office the same year. He did not hesitate long before using the ruling party's two-thirds parliamentary majority to alter the constitution, allowing him to stand for another seven-year term of office in the 2011 elections.

In February 2008, price hikes for major goods of basic necessity in combination with frustration over political prospects led to widespread rioting by disillusioned youths. The authorities reacted with a disproportionate use of force, killing between 40 and 100 people, and arresting 1,600 demonstrators. The government was unable to prevent or to appropriately react to the upsurge of violence in the coastal area of the southwest province and the Bakassi Peninsula, including hostage-taking and a raid on all banks in the city of Limbe. To some extent violence, was imported from neighboring countries as both refugees and highway robbers from war-torn Chad and the Central African Republic were stranded in northern Cameroon.

The IMF lauded the government regularly for successes related to its macroeconomic reform program, especially those related to fiscal performance. However, some criteria remain unmet, and the population has little faith in meaningful reform. Prosecution of acts of embezzlement targeted individual members of the state elite, including former ministers, but will not wipe out a deep-seated culture of corruption.

History and Characteristics of Transformation

The discovery of offshore oil deposits in the Gulf of Guinea has affected a once-predominantly agrarian economy and society significantly. Specifically, oil exploitation since the mid-1970s has negatively shaped elite behavior. 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 a repressive hand for twenty years, agriculture, education, health care and transport improved under his rule. The Cameroon government did not have to ask the World Bank or IMF for a structural adjustment program for a relatively long time. After the onset of a severe economic crisis in 1985 – 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 paragonovernmental 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 one, 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 major parastatal companies were privatized, while others like the national airline (CAMAIR) failed to attract private investors and today remains unhealthier than ever.

Following the end of the Cold War, 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 had attempted to found a new political party. The subsequent trial before a military tribunal and accompanying reports in the private press galvanized pro-democratic forces and fueled efforts to establish the Social Democratic Front (SDF) in the English-speaking part of the country. Security forces, however, put a bloody end to protest activities related to the trial.

President Biya eventually acquiesced to the inauguration of a multiparty system at the end of 1990, but his 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 such as expansions in the freedoms of opinion and association, but which made no allowance for a change of control at the top. The opposition remained divided, failing to establish democracy within its own parties and dispersing throughout municipal offices. The National Assembly approved a change of the constitution in March 2008 that will allow Biya to stand for a further seven-year term in 2011.

A rhetorical fight against corruption was followed by the indictment of several “big men” beginning in 2006, and a wave of new indictments occurred in 2007 and 2008. Currently, Cameroon is among the countries with the lowest level of democratic progress on the continent.

Transformation Status

I. Democracy

1 | Stateness

Several non-governmental and parastatal actors can and do 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, where highway robbers operate increasingly openly. It does not control violence effectively on the shores of Southwest Province as recent events have shown (including the assault of the major town of Limbe by unidentified gunmen in September 2008, and the taking of oil workers as hostages in October).

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 the Francophone and Anglophone regions, with segments of the Anglophone elite calling for autonomy. Inhabitants of the once-disputed Bakassi Peninsula reportedly identify themselves more with Nigeria than with Cameroon. 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 de facto withheld from segments of the population, as in the case of the frequent discrimination against pygmies in the southeast, although this seems to rather be a problem with the rule of law. In addition, some reports describe labor relations 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, particularly 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-making is centralized in Yaoundé, and the process of decentralization has made only slow progress. Institutions are often ineffective, and the government has been losing ground to the increasing privatization of services such as electricity, and to the internationalization of formerly public goods such as health and education which are supported by developmental cooperation.

Basic
administration

2 | Political Participation

Universal suffrage and the right to campaign for election are provided to every citizen by the constitution. All elections held since the reintroduction of the multiparty system were seriously flawed, and all official results therefore remain questionable. Past elections were all characterized by unsatisfactory technical standards. In the last parliamentary elections in 2007, in four out of 10 provinces, all seats went to the ruling party. Only 5.3 million registered to vote out of a potential electorate of more than 8.5 million, and only 62% of those registered officially voted. New calls for an independent election commission were met with the creation of a formally independent management unit called “Elections Cameroon” (ELECAM). The nomination of Biya supporters to that body in late 2008 reinforces doubts as to the neutrality of ELECAM.

Free and fair
elections

The democratic value of past elections is very low, and the military is expected to play an important role in an eventual succession crisis. The influence of the military 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, and members of the president’s ethnic group are favored for promotion within the army. However, army leaders suffered a loss of prestige after the effective assaults of rebels and pirates in the southwest in 2007 and 2008. In the periphery, the power of traditional authorities frequently exceeds the power of state representatives.

Effective power to
govern

Constitutionally supported 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 to a split of the main opposition party SDF in 2006, the indictment of SDF leader Fru Ndi for allegedly ordering the assassination of a leader of an offspring party, which was followed by his exculpation in 2008 are indications that the regime prefers a weak main opposition party.

Association /
assembly rights

State media is heavily controlled. The government has consistently hampered the development of private radio stations, which were only permitted in 2003, 13 years after the basic legislation that allowed for their creation. During the period under review, editors and journalists employed by private newspapers were less frequently arrested and imprisoned for minor offences than in previous years, but two cases were recorded in 2007. Elements of the private press have accused government officials of asocial behavior and wrongdoings. The government suspended two private radio stations for more than four months in February 2008, after urban riots triggered severe repression, during which security services hindered journalists from reporting about protest actions. Cameroon continued to rank poorly (141st of 195 countries, no change as compared to previous year) in Freedom House's Global Press Freedom Survey 2008. By contrast, Reporters Without Borders described a steep decline in press freedom in 2008 (ranking Cameroon 129th of 173 countries, as compared to 111th in 2007).

Freedom of
expression

3 | Rule of Law

There are inadequate checks and balances among Cameroon's executive, legislative and judicial branches of government. 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 (153 out of 180 seats) held by the governing party ensures that the lower chamber, or 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 no elections to the upper chamber, the Senate, have yet been held. Administrative 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. Prison conditions in overcrowded cells are often life-threatening. Prison guards killed at least 17 prisoners during a June 2008 revolt at New Bell prison in Douala.

Independent
judiciary

Corruption is pervasive. Cameroon was twice designated the most corrupt country on earth in Transparency International's Corruption Perception Index (CPI), in both 1998 and 1999. However, it has made some progress since that time, at least with regard to a few spectacular cases. High-ranking former officials were indicted in 2007 and 2008, among them a former secretary general of the president's office, accused of acquiring a defective plane for President Biya.

Prosecution of
office abuse

Civil rights are frequently violated. The government restricts the freedoms of assembly, speech and association. During the period under review, leaders and supporters of the Southern Cameroons National Council (SCNC), an Anglophone secessionist group, were frequently arrested, mostly for only short periods of time. The majority were not charged with any crime.

Civil rights

4 | Stability of Democratic Institutions

Deficiencies in participation, the rule of law, efficiency, the inclusion of population groups, and social justice preclude the country from being considered structurally stable. Most institutions are formally democratic at best. When the chairman of the National Assembly's Foreign Affairs Committee opposed the recent constitutional amendments, he was threatened, and later resigned from his post in early 2008. The National Assembly speaker subsequently tried to curtail this legislator's rights.

Performance of democratic institutions

Cameroon does not qualify as a democracy that functions with the rule of law intact, but can be rather considered a superficially liberalized autocracy or a hybrid regime with many authoritarian features. The president weakens republican institutions by holding cabinet meetings only rarely and by undermining the independence of the courts. It is highly unlikely that any potential succession crisis would be dealt with constitutionally (compare with Guinea in 2008).

Commitment to democratic institutions

5 | Political and Social Integration

After the 2007 elections, five political parties are still represented in parliament, but the ruling RDPC has extended its hegemonic position (holding 85% of the seats). The party system thus shows low fragmentation, but the opposition is marginalized. Opposition parties are generally ethnic and regional in character, particularly the major opposition party, the SDF (9% of seats), which is based in the Anglophone part of the country. Patronage concerns take precedence 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

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. The interests of the rural population and women are underrepresented. The once-powerful GICAM business association has lost influence following an internal power struggle in 2008, and trade unions have real power only in certain areas, such as the educational sector.

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

Non-governmental organizations can be formed relatively freely under a legal framework established in 1999, and many have been created by members of the state elite to profit from external assistance programs. However, they face a potentially hostile reaction from the government if they become too vocal on government failures. Social trust is relatively low due to decades of authoritarianism, and does not cut across different, mostly ethnic and regional identity groups throughout the country.

Associational
activities

II. Market Economy

6 | Level of Socioeconomic Development

Cameroon's economic structure and performance do not meet the criteria for a socially responsible market democracy, and do not constitute a framework that allows citizens adequate freedom of choice. Growth rates have now been positive for a long period of time, but individual opportunities are heavily restricted, and the lower strata do not profit from growth. The 2008 riots served as an indicator for growing dissatisfaction among the urban poor. Cameroon was ranked 150th on the Human Development Index (HDI) in 2007/08, barely qualifying as a country with "medium human development," the fourth-last country in that category of 77. The country's HDI value of 0.514 was only minimally better than in 2003 (+0.001), signaling stagnation. GDP per capita has declined to \$2,043 and is very unevenly distributed. About 57 percent of the population is believed to live on or below \$2 per day, and the probability at birth of not surviving to age 40 is quite high (35.7%). In 2007/08, Cameroon ranked 64th out of 107 on the Human Poverty Index for developing countries, and 125th of 157 on the Gender Development Index (about average in the subregion). Cameroon has the socioeconomic prerequisites for an adequate freedom of choice status, but trails with respect to performance. Health-related indicators show particularly problematic trends. According to recent U.N. data, the state spends only 1.5% of GDP on health – an increase of 0.3% over previous survey data, but far from sufficient, with just 19 physicians available for every 100,000 people (as of 2000 – 2004; no newer data is available).

Socioeconomic
barriers

Economic indicators		2004	2005	2006	2007
GDP	\$ mn.	15775.4	16587.9	17957	20691.6
Growth of GDP	%	3.7	2.3	3.2	3.5
Inflation (CPI)	%	0.2	2.0	5.1	0.9
Unemployment	%	-	-	-	-
Foreign direct investment	% of GDP	0.5	1.5	0.1	2.1
Export growth	%	9.0	1.4	1.3	-12.1
Import growth	%	12.2	1.9	2.3	6.2
Current account balance	\$ mn.	-626.3	-777.2	-150.9	-547.1
Public debt	\$ mn.	8790.9	6085.4	2270.4	2204.2
External debt	\$ mn.	10367.5	7356.7	3363.6	3161.5
Total debt service	% of GNI	4.0	5.1	2.9	2.5
Cash surplus or deficit	% of GDP	-	-	-	-
Tax Revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	10.2	10.0	9.6	9.2
Public expnd. on edu.	% of GDP	3.3	3.1	3.3	3.9
Public expnd. on health	% of GDP	0.8	0.8	1.0	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.4	1.3	1.4	1.4

Sources: The World Bank, World Development Indicators 2009 | UNESCO Institute for Statistics | International Labour Organization, Key Indicators of the Labour Market Database | Stockholm International Peace Research Institute (SIPRI), Yearbook: Armaments, Disarmament and International Security.

7 | Organization of the Market and Competition

Uniform rules for market participants are provided by the Central African Economic and Monetary Union (Communauté Économique et Monétaire de l'Afrique Centrale, CEMAC) framework, but the state still intervenes. The institutional setting for free markets and competition is inadequate. Poorly functioning public institutions cannot prevent corruption or 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 117th place out of 157 countries ("mostly unfree").

Market-based
competition

Formerly intensive regulation of the economy was reduced with 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 the privatization of state enterprises. Chinese investment rose during the observation period. In November 2008, Chinese companies announced plans to build a fertilizer plant and a cement factory. U.S. and South African investors have also established themselves in the country. The state monopoly in the national oil market, with its SONARA refinery, was eliminated in 1998. Following the elimination of state monopolies, small, foreign-dominated oligopolies have risen (as in the telecom sector). These 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 types of timber in unprocessed form has been forbidden since 2002, with the aim of halting 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. Cameroon's trade partners are fairly diversified, with France remaining the main origin of imports (23.7% in 2007) and Spain the main destination of exports (20.2% in 2007).

Liberalization of
foreign trade

The legal underpinnings for the banking system and capital market exist under the supervision and control of the Central African Banking Commission (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. However, service quality, especially in retail banking and credit availability for medium-sized businesses, is steadily improving as mostly Nigerian banks such as Ecobank and the UBA Group expand across the continent. The microfinance system has also played a growing role.

Banking system

8 | Currency and Price Stability

Cameroon's inclusion in the CFA franc zone has given it a highly stable currency. Monetary policy is the responsibility of the BEAC, which tries to regulate monetary policies by modestly changing interest rates. The price hikes in consumer goods in February 2008 and government policies that have included public sector wage raises of 15%, an exemption from customs duties for basic commodities, a 20% increase in the minimum salary in the private sector and state subsidies to stabilize fuel prices have strongly affected inflation, helping to push it from a moderate 1.7% in 2007 to 4% in 2008.

Anti-inflation /
forex policy

The government's fiscal and debt policy has been oriented toward stability as a result of influence from the lending community since the mid-1990s. Since 2000, Cameroon has benefited from the Heavily Indebted Poor Countries (HIPC) initiative. Bilateral donors forgave substantial amounts of debt even before the "completion point" was reached belatedly in summer 2006. A sustainable level of indebtedness at about \$3 billion has since been maintained, with foreign-exchange reserves increasing steadily over the years and ultimately exceeding \$3.2 billion.

Macrostability

9 | Private Property

Property acquisition, and especially the purchase of land titles, remains problematic as conflicts persistently arise between competing "modern" and "traditional" concepts of law. Property rights are formally defined but cannot be considered satisfactorily safeguarded due to shortcomings in the rule of law, and especially corruption and a deficient judiciary.

Property rights

According to the World Bank's Doing Business 2009 report, Cameroon has become significantly more difficult to start a business (rank 171 of 181 countries, down from 162th place). The country stands at rank 172 when it comes to enforcing contracts. Privatization of state companies advanced only gradually during the observation period. The government disbanded the former state water company and created two new entities in a public-private partnership. Privatization strategies for CAMAIR, an air carrier, and CAMTEL, a telecommunications company, have been changed time and again. CAMAIR ceased operations in May 2008. Cameroonian firms have been granted licenses only in very rare cases. 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. In recent years, private international firms' investment in the mining sector has increased enormously (with a focus on iron ore, cobalt, and bauxite).

Private enterprise

10 | Welfare Regime

State measures designed to avert or alleviate social risk are minimal. The public social-insurance system (Caisse Nationale de Prévoyance Sociale, CNPS) was for a long time notoriously overextended, poorly managed and underperforming, and has often been treated as a slush fund for use by the government. Some progress in management practices has been made in recent years, however. The state health care system is similarly overextended, and has been significantly compromised 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, equivalent coverage exists through informal savings associations (tontines) or the activity of church congregations. Women have limited access to education and public office (25 out of 180 members of parliament are female, or 13.9%; this represents a substantial increase of 5% as compared to before the last elections).

Equal opportunity

11 | Economic Performance

The economy has performed reasonably well as measured by GDP growth, with growth rates estimated at 3.3% (2007) and 3.9% (2008). But while this is considerably higher than the 2005 – 2006 period, it remains far below the African average, or the level needed to support the rapidly growing population. Most Millennium Development Goals will not be attained. The national economy continues to be shaped by traditional agriculture. This sector generated approximately 44.3% of GDP in 2007. The secondary sector produced 15.9% 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. Oil production is expected to remain stable in the next years, with production of up to 90,000 barrels per day, but this is relatively low compared to Angola and Nigeria (around 2 million barrels per day) or even Gabon (around 200,000 barrels per day).

Output strength

12 | Sustainability

Timber exploitation has changed tremendously over time as investments in that sector have risen and donor-driven policies have taken root. The country has 70 timber processing units operating today, compared to about 40 at the beginning of the decade. This helps in reducing the share of exported unprocessed timber, which was seen as an unsustainable way of exploiting one of the country’s major export commodities (comprising about one-fourth of export revenues). However, timber exports fell by more than one-third in the first half of 2008. A limited oil spill due to a leakage at the oil terminal in the seaport of Kribi in 2007 showed that the Chad-Cameroon oil pipeline contains serious environmental risks. Oil still provides over one-quarter of fiscal revenue, and the country does not appear well prepared for a downturn in production expected in a few years.

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 receive their education at private schools. 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; these have been supplemented by a number of private initiatives. The appalling conditions at Cameroonian universities, along with the government's quick turn to repression, exacerbated violent conflicts at campuses in 2005 and 2006. Since that time, leading personnel has been replaced and an additional state university in Maroua launched, but without fundamentally changing the overall bleak situation. The literacy rate is 67.9% (1995 – 2005), 77% for men and 59.8% for women (2005), while the combined gross enrollment ratio for primary, secondary and tertiary-level schools in 2005 was 68% for men and 57% for women. Disparities in educational opportunities for men and women therefore continue to exist. Public expenditure on education stood at 1.8% of GDP in 2002 – 2005, representing 8.6% of government expenditure (down from 19.6% in 1991).

Education policy /
R&D

Transformation Management

I. Level of Difficulty

Structural economic and social constraints on governance are moderate, but the regime creates more constraints itself by thwarting democratic progress. Corruption is endemic, and is helped by a widespread culture of impunity despite a recent upsurge in corruption trials (ex-ministers Abah Abah and Olanguena Awono were both arrested in March 2008). Economic development provided rather positive conditions for the continuation of transformation during the evaluation period. Price levels for major export commodities have developed positively in aggregate, but may fall for some time due to the global financial crisis. Most other obstacles to transformation have been homemade, and are attributable mostly to the government.

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 (PRS) process, and self-help organizations are fairly strong in the southern half of the country. The chairman of a consumer's defense association, Bernard Njonga, was brutalized by policemen and kept in custody for some days in December 2008 after launching a new anti-corruption campaign.

Civil society
traditions

Society and the political elite are deeply split into ethnic and linguistic communities, with occasional violence occurring. 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, in part because Anglophone communities have been established throughout the country. Carlson Anyangwe was elected "head of state of the Southern Cameroons" in a Johannesburg meeting of the SCNC in November 2007, another sign of the hardening of positions. The largest ethnic group, the Bamiléké (a collective conception that conceals internal differences), were portrayed internationally as rebels in a late colonial guerrilla war. They view themselves as victims of the

Conflict intensity

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. Local conflicts persist in several regions, and violence escalates sporadically.

II. Management Performance

14 | Steering Capability

Although the political leadership claims it is pursuing long-term aims, it has only reluctantly shown commitment to the externally imposed reform agenda. Debt relief was a consequence of the HIPC process (completed in 2006), and the relative low level of indebtedness has been maintained since then. Domestic initiatives are rather rare and weakly supported. The Douala Stock Exchange, launched in March 2003, announced only three years later that the first shares would soon appear on the stock market. This was followed by a decision by a major mineral water producer to put 20% of its shares, 500 million CFA francs, in the DSX. During the period under review, only two additional issuances (by the agro-industrial companies SAFACAM and SOCAPALM) were launched. Given that the government supported the project initially for prestige reasons (the rival stock exchange in Gabon is faring even more poorly), it apparently was not supported strongly. In May 2008, a 10-year agreement worth 273 billion CFA francs was signed with China to construct 10 sports stadiums, in each of the country's ten provinces. It was questionable whether this represented an objective priority. No substantial new democratic reforms have been established since the 1991 – 1992 period, when basic reform laws regarding political parties and freedom of the press were adopted.

Prioritization

The prescriptions for economic reform continue to come from outside, and the government has had difficulties in implementing most of these. However, the Poverty Reduction Strategy was run in a satisfactory manner according to the IMF, which lauded the government for a balanced fiscal policy and the progress made in implementing structural reforms to strengthen public finance management. The government reacted swiftly to widespread protest following consumer price hikes in early 2008, in part by raising public-sector wages (by 15%). Government expenditure thus had to be raised. The IMF showed understanding for those measures, extending its PRGF arrangement by half a year to January 2009. The Fund continued to admonish the government to bring domestic fuel prices in line

Implementation

with international oil prices. Fuel subsidies to consumers had already cost the national budget 144 billion CFA francs by mid-2008. Cameroon is unlikely to achieve most Millennium Development Goals (MDG), but official statistics are not consistently updated. Only the prospects for achieving MDG 2 (universal primary education) are good; the United Nations' MDG monitor notes that available information is insufficient to evaluate most other goals. A new approach is under development in the context of a new Poverty Reduction Strategy. The official HIV/AIDS infection rate, affecting 5.1% of people aged 15-49 in 2007, is lower than in Gabon and the Central African Republic, but higher than in all other neighboring states. The absolute number of infected persons has nearly come to a halt, which indicates some success on the part of public health strategies. The government has not initiated any reforms aimed at establishing higher democratic standards.

The political leadership has shown limited willingness to learn, but has adapted to outside calls for reform. The PRS process continued during the observation period, and the sixth review of the PRGF, in January 2009, offered a positive assessment of government action. However, it acknowledged that authorities face a difficult challenge in preserving a sustainable fiscal position while at the same time protecting priority spending. The preceding review had issued clearer warning signals, arguing that authorities should pursue a prudent debt management strategy, and improve transparency in the use of budget resources. Those formulations show a certain degree of distrust by donor agencies. This uncertainty may not be better on the domestic front: By the end of 2008, the government owed 142 billion CFA francs to the SONARA national oil refinery, and was unable to pay those arrears. The business community has voiced concern that the government may accumulate more domestic arrears, with a negative effect on already weak business confidence. For its part, the government refuses to tolerate criticism. In January 2009, Amnesty International (AI) accused authorities of ordering, condoning or perpetrating massive human rights violations. The group also lamented that it has been hindered from conducting research in Cameroon for more than a decade.

Policy learning

15 | Resource Efficiency

The government uses only some of its available resources efficiently, and continues to pay for politically motivated sinecures. President Biya has reshuffled his government 29 times in 26 years in office. Currently, about 60 ministers and secretaries of state make up the cabinet, but most crucial decisions are taken by the president's office. Ministerial posts are considered part of the patronage system rather than a rational legal system. The cabinet often meets only twice a year.

Efficient use of assets

The tenacious nature of government control frequently precludes coordination of state action. Taking initiative may be considered inappropriate by many actors even if they wish to do so. Some high-profile ministers have learned painfully that it can be seen as overambitious to try to accelerate reform processes if there has been no “green light” from the president’s office, where Biya ultra-loyalists have the final say. This creates additional bottlenecks and delays, as every major decision has to be assessed at this level. Some coherence is driven from the outside, as the PRS process asks for a minimum of coordination.

Policy
coordination

Cameroon’s ranking in international rankings has improved (e.g., by Transparency International) but the reason for that might be that other countries included in the sample are now perceived as more corrupt. Some citizens may 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 in the late-1990, yet corruption continues to deter foreign investment, and places private property in danger of confiscation. It is difficult to safeguard legal rights, including contract and property claims, within the Cameroonian judicial system. Much worse is Cameroon’s overall ranking in the World Bank’s Doing Business 2009 report, which fell to 164th place out of 181 countries, from 158th place in 2008. In his 2009 New Years speech, Cardinal Tumi complained that billions of CFA francs that have been embezzled over the past several decades (and which the embezzlers would have openly admitted embezzling) have not been recovered. As shown by this example, corrupt office-holders attract negative publicity from time to time, and some are even indicted for corruption, but there is no consistent anti-corruption policy to speak of.

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 by favoring the president’s own ethnic group. Approximately one-third of cabinet members are from the Beti/Bulu group, while Anglophone Cameroon is represented by only two full ministers (plus the prime minister). The current government is a coalition of two parties (RDPC and the rather small National Union for Democracy and Progress (Union Nationale pour la Démocratie et le Progrès, UNDP)) although it had been expected that Biya would open up to other opposition parties after the 2007 elections. Instead, he fired long-serving ministers from two smaller parties.

Consensus on goals

The most important anti-democratic actors are those sitting in government. The last nationwide elections were held for the National Assembly in 2007 (on 20 July and 30 September), and translated into a further decline of opposition representation in parliament. Protests against the conduct of the election were suppressed. Rumors about President Biya's health problems surfaced persistently during the period of observation (Biya was absent from the country for 43 days in a row, and was absent during the national football cup final, which he usually attends), and a former mayor was questioned by the secret service for allegedly commenting on it in a radio interview. A coup would be the most likely outcome of any power vacuum at the top of the state. However, failures to deal with several threats to national or public security (pirates and highway robbers in particular) may have harmed the reputation of the military hierarchy during the course of the observation period. Some military commanders were replaced, and the defense minister was publicly criticized

Anti-democratic
veto actors

Violent riots have been on the rise in recent years, although the government has been partially responsible for the escalation in force. This trend also signals a generational cleavage, with unemployed youth increasingly ready to turn violent.

Cleavage /
conflict
management

For instance, protests against the conduct of the elections and the questionable neutrality of the electoral body were suppressed. In January 2008, the governor of Littoral province banned all public demonstrations until further notice. Spontaneous demonstrations in February 2008, in reaction to price hikes for essential goods, shortages of energy and water, and the planned change of the constitution (allowing Biya to stand for election again in 2011), were met with the widespread use of physical violence by the government (between 40 and 100 dead, and 1,600 arrests). Already in 2007, isolated demonstrations were disbanded by force (with at least 6 dead). Popular singer Lapiro de Mbanga received a three-year prison sentence, while protesters were pardoned by Biya. In addition, the major Francophone-Anglophone divide continues to be problematic. This cleavage is present even within the ruling party. In 2008, all nine RDPC legislators from the Anglophone Northwest Province expressed anger about the small spending allocations for their constituencies in the 2009 budget. Unable to reduce existing divisions, the government is igniting them instead.

The political leadership fails to promote social capital, and is largely indifferent to the role of civic engagement. The government frequently ignores civil society. This is also due to the generally weak mobilization capacity of respective groups, with some church-related groups and trade unions in the education sector being the most notable exceptions. Consultation with civil society groups throughout the PRS process selective and unsystematic.

Civil society
participation

There is rarely any effort to address past injustices or the violent events of contemporary history, such as the rebellion by the Union of the Peoples of Cameroon (Union des Populations Camerounaises, UPC) and the aftermath of the 1984 coup attempt. The political leadership does not address these issues and has not initiated a process of reconciliation. In 2007, Biya spoke out on the issue of returning the corpse of founding President Ahidjo from Senegal to his native northern Cameroon, declaring in an interview that this was entirely a family affair. Public opinion is split on the issue.

Reconciliation

17 | International Cooperation

Significant bilateral and multilateral international donors such as the World Bank and the IMF are present in Cameroon, as are many NGOs, in some cases because Cameroon is considered to be of strategic importance in a subregion lacking a clear leading nation. Many of these organizations have been disappointed by their Cameroonian counterparts' commitment to reform. There is a strong tendency to use development cooperation as a clientelist instrument for granting favors and privileges, a phenomenon tacitly acknowledged by most donor organizations.

Effective use of support

Cameroon enjoys disproportionate leniency as a result of its strategic position in Central Africa and its superficial stability. However, the credibility of the government in donor circles is limited. This is at least partly due to the fact that Biya rarely participates in international meetings and summits. In contrast to the subregion's other heads of state, Biya rarely expresses himself on important issues of national or international relevance. This makes it impossible to gauge what course the government will take in critical matters such as regional conflict management or national governance reforms.

Credibility

Within CEMAC, Cameroon is the most important market and production site. Cameroon's bilateral relationship with Nigeria, its most powerful neighbor, improved considerably over the course of the observation period. Nigeria's solemn handover of the Bakassi Peninsula to Cameroon in August 2008 serves as the best indicator of this thaw. Cameroon's late agreement to play a role in a subregional peacekeeping force in the Central African Republic falls short of the active diplomatic role expected for the nation by many of its international partners. Rivalry with Gabon persists. Relations with Equatorial Guinea were strained by two recent events. In December 2007 a bank robbery in neighboring Equatorial Guinea was at first attributed to members of the Cameroonian community. Subsequently, an alleged plotter who had been given political asylum in Cameroon was abducted in October 2008 by Equatorial Guinean security services, with the tacit help of some bribed Cameroonian officers. Cameroon's foreign policy is quite passive, and President Biya is regularly absent from regional summits.

Regional cooperation

Strategic Outlook

Political immobility is evident, and the decisive constitutional change of 2008 makes future change unlikely in the near term. The security apparatus is faced with new challenges in the periphery of the country, and lacks the capacity to deal with them. Cameroon will not achieve consolidated democracy or a socially responsible market economy in the near future. The following main aspects must be considered:

- The problem of succession is looming, and has become even more of a challenge with Biya's evident eagerness to remain as president for another seven years after the 2011 elections. The 2008 coup in Guinea shows that a failure to regulate succession in time can lead to a very dangerous situation. Cameroon's constitution stipulates that in the event of the president's death, the successor will 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.
- As expected, the main opposition parties lost further ground in the 2007 elections. New, socially more relevant organizations, potentially beyond the spectrum of political parties, may be formed soon. The expression of youth interests should be expected to be violent.
- After the recent leadership changes at most Cameroonian universities, substantial reforms must materialize soon if the potentially explosive atmosphere is to be defused.
- The Anglophone separatist movement will continue to pose challenges to the regime, at least in the Anglophone part of the country. A good part of the Anglophone elite will remain alienated if no effort to start a credible dialogue is offered.
- International cooperation in the security field will be fostered in order to curb violence by pirates and freedom fighters off the coast of Bakassi and of highway robbers in the north.
- Substantial investments in social sectors and more generally in public goods, particularly in alienated regions such as the North Province, the Northwest Province and the Bakassi Peninsula, still have not materialized. They are necessary to strengthen social cohesion.
- The transformation to a non-oil economy and the creation of jobs remain the biggest challenges on the socioeconomic front. Growth rates must increase further if desperately needed jobs are to be created. Economic growth, while steady, has been below expectations, and risks of a slowdown have increased due to declining oil prices and the deteriorating global economic situation.
- Cameroon is set to profit from Chinese investments in several sectors of the economy (agro-industry, infrastructure, mining). However, the growing Chinese presence is controversial and endangers local manufacturing and traders.
- A public debate on all questions of future sustainability, including health, corruption, citizenship and migration is needed, and cannot be credibly driven either by the government or opposition parties. Social groups, churches and intellectuals may become more prominent in such discussions, and may need sporadic financial and political support by donors.