

BTI 2012 | Cameroon Country Report

Status Index	1-10	4.29	# 103 of 128	
Political Transformation	1-10	4.02	# 93 of 128	➔
Economic Transformation	1-10	4.57	# 92 of 128	➔
Management Index	1-10	3.25	# 111 of 128	

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

This report is part of the Bertelsmann Stiftung’s Transformation Index (BTI) 2012. The BTI is a global assessment of transition processes in which the state of democracy and market economy as well as the quality of political management in 128 transformation and developing countries are evaluated.

More on the BTI at <http://www.bti-project.org>

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Key Indicators

Population	mn.	19.6	HDI	0.482	GDP p.c.	\$	2290
Pop. growth ¹	% p.a.	2.2	HDI rank of 187	150	Gini Index		44.6
Life expectancy	years	51	UN Education Index	0.520	Poverty ³	%	30.4
Urban population	%	58.4	Gender inequality ²	0.639	Aid per capita	\$	33.3

Sources: The World Bank, World Development Indicators 2011 | UNDP, Human Development Report 2011. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$2 a day.

Executive Summary

President Paul Biya, head of the ruling Cameroon People's Democratic Movement (Rassemblement démocratique du peuple Camerounais, RDPC) and in his 28th year in office, was expected to win presidential elections scheduled for 2011 due both to the weakness of the opposition and to the populace's general belief that elections do not bring governmental change. While 2009 was a comparatively quiet year, in 2010, campaigning for the presidential elections began. The regime ensured that in addition to the new, yet pro-Biya elections office, Elections Cameroon (ELECAM), the state administration would also be able to influence the outcome of the election as it has in past contests. The government was again not able to prevent or appropriately react to violence, which included the taking of hostages, in the coastal area of the southwest province, particularly in the Bakassi peninsula, but also in the port area of the economic capital, Douala. The volatile situation in neighboring Central African Republic affected Cameroon with refugees pouring across the border in northeastern Cameroon to escape violence. During the period under review, the IMF was significantly more critical toward the government and complained that public expenditures and treasury management had worsened, while the World Bank acknowledged substantial progress in limiting procedures and costs in starting a private business. In general, however, citizens saw little progress toward meaningful reform. While individual members of the state elite, including former ministers, were prosecuted for embezzlement, such efforts were seen as but small gestures in the larger task of wiping out Cameroon's deep-seated culture of corruption.

In sum, Cameroon neither can be considered a liberal democracy operating under the rule of law nor as a socially responsible market economy. Shortcomings in political transformation are pronounced in all areas, with the possible exception of stateness which is relatively developed, at least in the sub-Saharan context. The country's market economy is also poorly developed, with

low inflation rates putting a positive gloss on the larger dim picture. Regarding management performance, there is great potential to improve in all areas.

History and Characteristics of Transformation

The discovery of offshore oil deposits in the Gulf of Guinea significantly affected this once predominantly agrarian economy and society. The exploitation of oil since the mid-1970s has negatively shaped the behavior of the governing elite. Cameroon's process of economic transformation began in the late 1980s, with changes to the political scene following in the early 1990s. Although Cameroon's first president, Ahmadou Ahidjo, for 20 years ruled a repressive regime, agriculture, education, health care and transport services improved under his rule. For some time the Cameroon government did not have to request from the World Bank and IMF a structural adjustment program. After the onset of a severe economic crisis in 1985-1986, the country tried to survive on its own saving programs 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 phases had been distributed 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 fully materialize. Hit hard by the 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 para-state companies were privatized, and others such as the national phone company (CAMTEL) failed to attract private investors. The ailing national airline (CAMAIR) has since ceased operations.

Democratic transformation began in 1990 at the end of the Cold War and following the arrest of the former chairman of the Cameroon Bar Association, Yondo Black, and nine of his associates who attempted to organize 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. The administration used every means possible to manipulate the presidential elections of October 1992. According to several different sources, SDF candidate John 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 expanding freedom 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. The National Assembly approved a change of the constitution in March 2008 allowing Biya to stand for a further seven-year term in 2011.

The rhetorical combat against corruption was followed by the indictment of several “big men” beginning in 2006, a wave of new indictments occurred in 2007-2008 and again in 2009. Currently, Cameroon is among the countries with the lowest level of democratic progress on the continent.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 10 (best) to 1 (worst).

Transformation Status

I. Political Transformation

1 | Stateness

Several non-governmental and para-state actors use violence to pursue 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 own agenda. The government is not able to guarantee public safety and order in the slums of Douala or in 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 the southwest province or even in the littoral province (with Douala as the economic capital) as recent events have shown (including two attacks on ships in the port area of Douala in 2010).

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. Inhabitants of the once disputed Bakassi peninsula reportedly identify themselves more with Nigeria than Cameroon. Although “national unity” served as the government’s watchword from the 1960s to the 1980s, little progress has been made in this 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 that labor relations similar to slavery still exist in northern Cameroon.

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. After the resignation of former Cardinal Christian Tumi, one of the most outspoken critics of the regime has disappeared from the scene. The visit of Pope Benedict XVI was

Question
Score

Monopoly on the
use of force
7

State identity
5

No interference of
religious dogmas
9

seen as supportive to President Paul Biya who is also a Christian. The pope did not address any of the real grievances existing in the country.

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 proceeded slowly. 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.

Basic
administration
5

2 | Political Participation

Universal suffrage and the right to campaign for election are provided by the constitution to every citizen. Elections held since the reintroduction of the multiparty system were seriously flawed and thus all official results remain questionable. Past elections were all characterized by unsatisfactory technical standards. A new electoral body established in 2009, Elections Cameroon (ELECAM), is led by handpicked President Biya supporters and has little influence. Biya issued a decree in March 2010 curtailing ELECAM's power by reinforcing prerogatives of the administration.

Free and fair
elections
3

The United Nations has urged Cameroon to speed up the electoral process given the short time to the 2011 election.

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 President Biya in April 1984. Army personnel, for example, did not suffer the salary cuts that were 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, army leaders have suffered a loss of prestige with the effective assaults of rebels and pirates since 2007-2008. The top hierarchy retains officers who should have long retired. In the periphery, the power of traditional authorities frequently exceeds the power of state representatives.

Effective power to
govern
2

Candidate selection by the ruling party is based on 100% loyalty to presidential policy.

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. President Biya met Social Democratic Front (SDF) leader John

Association /
assembly rights
5

Fru Ndi in 2010 after years of mutual ignorance, a sign that the regime prefers a weak main opposition party and that the SDF appreciates small acts of mercy.

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 to profit from external assistance programs. However, NGOs face stiff reactions from the government if they become too vocal over government failures.

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 them was passed. Editors and journalists employed by private newspapers have been arrested and imprisoned for minor offences. One publication director died in prison in 2010 and another editor was seriously beaten by fellow inmates. Both were accused of forging the signature of Laurent Esso, the president's secretary general. Cameroon continued to rank poorly (146th of 196 countries, no major change in the period under review) in the Global Press Freedom Survey 2010 by Freedom House while Reporters without Borders recorded 2009 as a good year, followed by another steep decline of press freedoms in 2010 (129th of 178 countries, and 109th in 2009).

Freedom of
expression
4

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 (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 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 coordination function.

Separation of
powers
4

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. A major Amnesty International (AI) report was issued in 2009 and dealt with a whole range of human rights violations including unlawful killings of regime opponents over the last decade. AI officials remained barred from visiting the country. Prison conditions in overcrowded cells are often life-threatening.

Independent
judiciary
4

Corruption is pervasive. Cameroon has received very unfavorable assessments by international observers on corruption. Corrupt office holders receive unfavorable publicity at times and are, selectively, prosecuted. High-ranking former officials in 2009 were indicted again for embezzlement of funds, among them the former head of the state-owned petroleum distribution company, Jean Baptiste Nguini Effa. However, generally, anti corruption activities are not impartial and such indictments of (formerly) leading regime representatives such as the case against Nguini Effa are seen as politically motivated rather than being part of comprehensive anti-corruption policies.

Prosecution of
office abuse
4

Civil rights are frequently violated. The government restricts the freedom of assembly, freedom of speech and freedom of association. During the observation period 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. Some leading trade unionists were arrested in 2010 when they wanted to hand over a memorandum on grievances of public sector employees to the prime minister.

Civil rights
3

Cameroon has a particularly bad record in protecting rights of homosexuals.

4 | Stability of Democratic Institutions

Deficiencies in participation, the rule of law, efficiency, the inclusion of population groups, and social justice precludes the country from being considered democratic. Cameroon's parliament has not taken any significant initiative in decades. When Ayah Paul Abine, the chairman of the foreign affairs committee of the National Assembly, stood against recent constitutional amendments, he was threatened and later resigned from his post in 2008. The National Assembly speaker subsequently tried to curtail his rights. Fearing for his life, Ayah decided to quit the ruling party, Cameroon People's Democratic Movement (RDPC), in January 2011.

Performance of
democratic
institutions
2

Cameroon is not a democracy, but at best a hybrid regime with many authoritarian features. The president weakens republican institutions by holding cabinet meetings only rarely and undermining the independence of the courts. It is highly unlikely that a potential succession crisis would be dealt with constitutionally. There is a risk that such a succession struggle will result in major political turmoil as, for instance, in Guinea after the death of the long-standing ruler Lansana Conté in 2008. In general, the ruling elite in Cameroon are not committed to democratic institutions.

Commitment to
democratic
institutions
2

5 | Political and Social Integration

After the 2007 legislative elections five political parties were still represented in parliament, but the ruling Cameroon People's Democratic Movement party (RDPC) has extended its hegemonic position (85% of the mandates). Opposition 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
4

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 powerful GICAM Business Association has regained some weight in 2010 (after a power struggle at its head in 2008) and continues to criticize government policies. Trade unions have real power only in certain areas, such as the educational sector.

Interest groups
5

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.

Approval of democracy
n/a

Though non-governmental organizations can be formed relatively freely under a legal framework laid out in 1999, there is no large number of such organizations. Many have been created by members of the state elite to profit from external assistance programs. Numerous socioeconomic and cultural barriers negatively affect self-organization in civil society. The level of trust is difficult to assess due to the lack of survey data. However, there is little trust in the government and decades of authoritarian rule have hindered the emergence of higher levels of social trust.

Social capital
4

II. Economic Transformation

6 | Level of Socioeconomic Development

Cameroon's economic structure and performance do not meet the criteria for a socially responsible market democracy. Growth rates have been positive now for a long period of time, but individual opportunities are heavily restricted and the lower strata of society do not profit from growth. The incidence of poverty has remained unchanged, and has actually worsened in rural areas. Cameroon is ranked 131st on

Question
Score

Socioeconomic
barriers
3

the Human Development Index, and only qualifies as a country with “low human development.” The newly calculated HDI value of 0.460 cannot be compared with older reports. The United Nations Development Program (UNDP) ranks Cameroon 73 in terms of HDI improvement since 1980, a medium position. GDP per capita stands at \$2,216 (Economist Intelligence Unit estimate) and is very unevenly distributed. Some 57% of the population are believed to live on or below \$2 per day, and the probability at birth of not surviving to age 40 is high (35.7%). In UNDP terminology, 55% of the population suffer “multiple deprivations” while an additional 18% are “vulnerable to multiple deprivations.” Cameroon ranks 125th of 157 in the Gender Development Index (or about average in the sub-region). 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 1.5% of GDP on health, an increase of 0.3% but far from sufficient, with 20 physicians available for every 100,000 people (as of 2004; no new data available).

Economic indicators		2007	2008	2009	2010
GDP	\$ mn.	20685.9	23735.5	22186.0	22393.5
GDP growth	%	3.5	2.9	2.0	2.6
Inflation (CPI)	%	0.9	5.3	3.0	1.3
Unemployment	%	2.9	-	-	-
Foreign direct investment	% of GDP	0.9	-0.1	3.0	0.0
Export growth	%	-12.1	0.7	-4.8	-0.3
Import growth	%	6.2	5.8	-5.2	4.6
Current account balance	\$ mn.	285.7	-449.7	-1118.7	-856.3
Public debt	% of GDP	11.9	9.5	9.6	12.9
External debt	\$ mn.	3003.7	2755.6	2945.6	2964.2
Total debt service	\$ mn.	512.4	477.5	394.6	207.9

Economic indicators		2007	2008	2009	2010
Cash surplus or deficit	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	9.2	-	-	-
Public expnd. on edu.	% of GDP	3.3	3.0	3.7	-
Public expnd. on health	% of GDP	4.9	5.3	5.6	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.5	1.5	1.6	-

Sources: The World Bank, World Development Indicators 2011 | International Monetary Fund (IMF), World Economic Outlook 2011 | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database 2011.

7 | Organization of the Market and Competition

Uniform rules of the game for market participants are provided in 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 2011, as 136th out of 179 countries ("mostly unfree") and has lost 0.6 points during 2010 (declines in freedom from corruption, fiscal freedom and labor freedom, against some noteworthy gains in business freedom). This represents a constant decline since 2007.

Market-based
competition
4

Formerly intensive economic regulations have been reduced since the inauguration of the structural adjustment program in the 1990s. There have been complaints about the privileged treatment of French companies, especially in the context of privatization of state enterprises. A subsidiary of the French post office will manage the state's postal services company after signing a contract in March 2010. Chinese investments are on the rise, including in the oil sector (as are Australian and Indian investments in the broader mining sector). The state monopoly of the national oil market with the Société Nationale de Raffinage (SONARA) refinery was eliminated in 1998. Following the elimination of state monopolies, small, foreign-dominated oligopolies have arisen (as in the telecommunications sector). They are regulated to some extent.

Anti-monopoly
policy
5

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 an 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 the Central African Economic and Monetary Union (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 (21.1% in 2007) and the Netherlands the main destination of exports (13.9% in 2009). China is now the second most important supplier of goods imported and the fourth most important destination of export.

Liberalization of
foreign trade
5

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 BEAC itself lost credibility after a broad-based embezzlement scheme implicating top administrators in 2009. The IMF in 2010 warned that the banking system could become instable with loans tending to be concentrated on a small number of large debtors, mainly public enterprises.

Banking system
6

Noteworthy is the expansion of foreign banks, namely from Nigeria, into Cameroon.

8 | Currency and Price Stability

Cameroon's inclusion in the CFA franc zone has given it a highly stable currency. The CFA franc is pegged to the euro and monetary policy is the responsibility of the Bank of Central African States (BEAC) which tries to regulate monetary policies by modestly changing interest rates. This leaves Cameroon with little room to maneuver but has produced a good record in anti-inflation policies. Inflation rates have been moderate over the last years (around 3%). According to Economist Intelligence Unit (EIU) estimates, inflation stood at 3% in 2009 and dropped to 1.3% in 2010.

Anti-inflation /
forex policy
8

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. 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. The level of indebtedness has roughly been maintained and reached \$3.4 billion in 2010, with foreign-exchange reserves exceeding constantly \$3 billion in the observation period (varying between \$3.1 billion and \$3.7 billion). The IMF pointed to protracted

Macrostability
4

delays by the government in settling its payment obligations, putting banks in a difficult situation with regards to their exposure to some borrowers.

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. Recent events including the purchase of land by Chinese investors in the south and local conflicts involving a French fruit plantation point to a problematic situation of land rights in rural areas (while the purchase of urban land titles was always conflict-prone). Property rights are formally defined but cannot be considered satisfactorily safeguarded because of shortcomings in the rule of law, especially corruption.

Property rights
4

According to the World Bank’s Doing Business Report 2011, it has become significantly easier to start a business in the period under review (Cameroon rose 34 ranks between 2010 and 2011 on this sub-indicator, making it 131th worldwide, with an overall rank 168th of 183). Yet Cameroon still stands at a low 173th when it comes to enforcing contracts. The business association GICAM had considerably pressed the government to simplify procedures. Privatization of state companies has not advanced, with a new attempt to privatize the telephone company CAMTEL announced in January 2011. 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 times investment of private international firms in the mining sector have increased enormously (iron ore, cobalt, bauxite).

Private enterprise
5

10 | Welfare Regime

State measures to avert and 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 under-performing, and in the past has often been plundered as a slush fund for the government. Some progress in management practices have been recognized in recent years. 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
4

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

Equal opportunity
5

the cities. Sometimes there is equivalent coverage through informal savings associations (tontines) or through the solidarity of church congregations. Women have a somewhat limited access to education and a strongly limited access to public office (25 out of 180 or 13.9% of all members of parliament are female). Only few state enterprises are lead by women. The ambitions of Kah Walla to run for president in 2011 could represent the country's first female presidential candidate. Equal opportunity is also partly denied because of ethnicity, as exemplified by frequent discrimination against Pygmies in the southeast.

11 | Economic Performance

As a result of the global financial crisis, the economy experienced a significant downturn to 0.9% of GDP growth in 2009 (though lower than expected), recovering to an estimated 2.8% in 2010. According to the IMF, real GDP in per capita terms stagnated 2005-2009, but the impact of the financial crisis was less severe than anticipated. While moderate inflation accounts for a slightly better picture (3.0% in 2009, 1.3% in 2010), calculations by the Economist Intelligence Unit (EIU) suggest that it would take a "millennium to double GDP per head" given a high population growth rate of 2.74%. In line with this, most Millennium Development Goals will not be attained. The national economy is more and more dominated by services generating about 50% of GDP in 2009 (estimate). The secondary sector produced 29.7% of GDP, while the primary sector 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
5

12 | Sustainability

Timber exploitation has changed tremendously over time as investments in that sector have gone up and donor-driven policies have taken root. A new trade agreement between Cameroon and the European Union aims at ensuring the disclosure of all timber sales. Under the terms of the agreement, by 2012 wood products from Cameroon exported to the European Union must contain evidence that they were logged legally. This should help in reducing the share of exported unprocessed timber which continues to be seen as an unsustainable way of exploiting one of the major export commodities of the country (about one-fourth of export revenues). Generally, environmental concerns receive little attention. In the Environmental Performance Index, Cameroon scores below average and ranks 133th out of 163 countries.

Environmental
policy
4

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 in addition to the rapid return to repression measures remain characteristic in the attitude of the regime to students. For example in 2010 an elite security unit beat students at the Soa campus. In December 2010, President Biya opened another university in Bamenda, the heartland of the opposition Social Democratic Front party. The literacy rate is 68% (2003-2008), 77% for men and 59.8% for women (2005), while the combined gross enrolment 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 represents 17% of government expenditures (2007).

Education policy /
R&D
4

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 has become “systemic and routine” according to an independent report for the Ministry of Economy, Planning and Regional Development (2010). The report ranks different state services and finds that the Ministry of Finance was the most corrupt followed by the Ministry of Justice and the national security services. Economic development has provided slightly negative conditions for continuing transformation during the evaluation period. Price levels for major export commodities have developed negatively in aggregate, a steep decline for the world market price on natural gas in and crude oil in 2009 was followed by a steady recovery. Most other obstacles to transformation have been homemade and are thus attributable mostly to the government.

Structural
constraints

6

After decades of (quasi) authoritarian rule, civil society traditions are diverse but, on the whole, weak. The landscape of voluntary organizations must be considered 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. A couple of human rights organizations maintain pressure on the government. A consumer’s defense association is active and credible in pursuing anti-corruption campaigns.

Civil society
traditions

7

Society and the political elite are deeply split into ethnic and linguistic communities, and violent flare-ups do occur. 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. Carlson Anyangwe was elected “head of state of the Southern Cameroons” in a Johannesburg meeting of the Southern Cameroons National Council (SCNC) in November 2007, another sign of the hardening of positions. As the largest ethnic group, the Bamiléké (a collective conception that conceals internal differences),

Conflict intensity

6

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. In 2010, a new anti-Bamiléké campaign spread in Douala. 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

While 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 Heavily Indebted Poor Countries (HIPC) process (completed in 2006) and a relative low level of indebtedness has been maintained since then. Own initiatives are rather rare and weakly supported. The low level of public investment execution rate estimated by the Economist Intelligence Unit (EIU) at only 50% (2006-2009) shows a serious lack of implementation capacity. No substantial new democratic reforms have been established since 1991-1992, when basic reform laws regarding political parties and freedom of the press were adopted.

Prescriptions for economic reforms continue to come from outside the country, yet the government still has difficulties in implementing most reforms. In 2009 the government concluded a new agreement with the IMF; yet in 2010 the IMF reported that public expenditure and treasury management had significantly worsened. "The legacy of poor fiscal management in 2009 and uncertainty about the availability of financing" would jeopardize the 2010 budget execution. Cameroon is unlikely to achieve most Millennium Development Goals (MDG), but official statistics are not updated constantly. Only the prospects to achieve MDG 2 (universal primary education) are good, while the United Nations' MDG monitor notes insufficient information for most other goals. A new approach is under development in the context of a new Poverty Reduction Strategy. The official HIV/AIDS rate of 5.1% in people aged 15-49 in 2007 is lower than in Gabon and 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 with respective prevention strategies. Separately, the government has not initiated any reforms aimed at establishing higher democratic standards.

Question
Score

Prioritization
2

Implementation
3

The political leadership has shown limited willingness to learn, but has adapted to outside calls for reform. The Poverty Reduction Strategy (PRS) process continued during the observation period, with the introduction of a new PRS paper (November 2009) that recognized the country's disappointing growth and poverty reduction record. Severe formulations show a growing degree of distrust by donor agencies. The business community continuously voiced concern that the government may accumulate more domestic arrears with a negative effect on already weak business confidence. What's more, the government reacts harshly to criticism. In January 2009, Amnesty International accused the authorities of ordering, condoning or perpetrating massive human rights violations; the organization then reported that it had been hindered from conducting appropriate research in Cameroon for more than a decade.

Policy learning
3

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 his 28 years in office. Currently, about 60 ministers and secretaries of state make up the cabinet while most crucial decisions, however, are made by the president's office. Ministerial posts are considered part of the patronage system rather than part of a rational legal system. The cabinet meets often only twice a year.

Efficient use of assets
3

Recruiting for high-ranking positions in the various parastatal organizations only serve crony considerations.

The tenacious nature of government control frequently precludes the coordination of state action. Taking the initiative may be considered inappropriate. Newly appointed officials often learn at their own expense that they may be perceived as over-ambitious if they push reform processes without a "green light" from the president's office, where President Biya ultra-loyalists keep the final say. This creates additional bottlenecks and delays, as every major decision has to be assessed at this level. Some coherence is drive from the outside, as the Poverty Reduction Strategy process asks for a minimum of coordination.

Policy coordination
4

Cameroon's ranking in international corruption indices has improved in recent years. Some citizens may have the perception that things are gradually changing, but in reality not much has been achieved to curb corruption. Recipients of government contracts may no longer be routinely obliged to relinquish 30% of their award to the civil servants who process their vouchers, as was the case in the late 1990s. However, corruption continues to negatively affect the draw of foreign investment, and places a shadow of possible confiscation over private property. It is difficult to safeguard legal rights, including contract and property claims, within the

Anti-corruption policy
3

Cameroonian judicial system. Much worse is Cameroon's overall ranking in the World Bank's Doing Business Report 2009, where the country fell from 158 (2008) to 164 (2009) out of 181. In his New Year's speech, 2009 Cardinal Tumi complained that the billions of francs that have been embezzled over the past decades (and which the embezzlers would have openly admitted to embezzling) are unrecoverable. Formerly high-ranking officials, including government ministers, have been brought before the courts on corruption allegations, but these trials are believed to be politically motivated (and are targeting over-ambitious challengers to the core figures of the regime).

16 | Consensus-Building

Although most actors in Cameroon agree that a market economy and democracy are the goals of reform, this belief is at best partially true for the government. Decades of (more or less) authoritarian rule have proven that the government is not committed to substantial democratization of the political scene. Ongoing shortcomings in economic reform indicate a limited commitment to the transformation toward a socially responsive market economy. The government is unlikely to establish a social consensus, as it has remained in power by exercising a "divide and rule" strategy and favoring the president's own ethnic group.

Consensus on goals

4

With no serious democratic credentials, the most important anti-democratic actors are those sitting in government. The most recent nationwide elections were held for the National Assembly in 2007 (20 July and 30 September) and resulted in a further decline of opposition party representation in parliament. In four out of 10 provinces, all seats went to the ruling party. Only 5.3 million people registered to vote out of a potential electorate of more than 8.5 million; and only 62% of those registered officially, actually 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 President Biya supporters to that body in late 2008 reinforced doubts as to the neutrality of ELECAM. In January 2008, the governor of littoral province banned all public demonstrations until further notice.

Anti-democratic actors

4

As detailed elsewhere, the government does not address existing cleavages but rather exacerbates them, often resorting to "divide and rule" strategies and favoring the president's own ethnic group. Approximately one-third of the president's cabinet hail from the Beti/Bulu ethnic groups, while Anglophone Cameroon is represented by only two ministers (plus the prime minister) within the cabinet. Additionally, Cameroon's youth remains alienated. The 2008 riots over rising food and fuel prices signaled the growing importance of the country's generational split, with unemployed youth increasingly ready to turn their frustrations into violence. In

Cleavage / conflict management

3

general, the government has not addressed major grievances from either young people or the country's Anglophone minority other than through repression.

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 trade unions in the education sector and church-related groups being the most notable exceptions. Consultation of civil society groups in policy-making was sought within the process of the development of Cameroon's Poverty Reduction Strategy (PRS). This, however, was imposed by the IMF and the inclusion of civil society was not systematic and remained selective.

Civil society
participation
3

Generally, the government fails to address past injustices and does not make any attempts at reconciliation. There is rarely any effort to work to address past injustices or contemporary violent events, such as the Union of the Peoples of Cameroon (UPC) rebellion in the 1950s before independence and the aftermath of the 1984 coup attempt. The efforts to mobilize the "nation" when the country celebrated its 50th anniversary of independence and the "reunification" of the Anglophone and Francophone part of the country in 1960 was almost exclusively driven by top politicians close to President Biya.

Reconciliation
3

17 | International Cooperation

The government formally collaborates with many countries and organizations. Most significant bilateral or multilateral international donors (e.g., the World Bank and the IMF) as well as many NGOs are present in Cameroon, in some cases simply because Cameroon is considered of strategic importance in a subregion devoid of a clear leading nation. Many of these organizations are disappointed by their Cameroonian counterparts' commitment to reform. The tendency to use development cooperation as a clientelistic instrument for granting favors and privileges is strong and tacitly acknowledged by most donor organizations.

Effective use of
support
5

Cameroon enjoys disproportionate leniency as a result of its strategic position in central Africa and its superficial stability. The credibility of the government in donor circles is however limited. In contrast to other heads of states of the subregion, it is rare that President Biya expresses himself on important issues of national or international relevance. This makes it impossible to gauge what course the government will take, for example, in matters of regional conflict management or national governance reforms.

Credibility
5

Cameroon's bilateral relationship with its most powerful neighbor, Nigeria, has improved considerably in recent years. The solemn handing-over of the Bakassi peninsula to Cameroon in August 2008 is its best indicator. The late acceptance to

Regional
cooperation
4

play a role in a subregional peacekeeping force for Central African Republic is not yet sufficient proof of an active role in diplomacy that is expected by many of Cameroon's international partners. The country's rivalry with Gabon persists. Relations with Equatorial Guinea were again strained when security forces arrested and incarcerated three Cameroonian fishermen in January 2009, while the Cameroonian navy retaliated by arresting three members of the Equatorial Guinean army. During 2009, hundreds of Cameroonians were expelled from the neighboring country. Cameroon's foreign policy is quite passive, and President Biya is regularly absent from regional summits.

Strategic Outlook

Political immobility continues to be the norm for Cameroon, yet the 2011 elections may offer an occasion for mobilization of a different kind. In fact, the absence of meaningful reform is growing more and more dangerous with regard to the country's overall stability. Yet it is clear that Cameroon will not achieve consolidated democracy or form a socially responsible market economy in the near future.

President Paul Biya is likely to be elected in 2011 for another seven-year term, yet his re-election will certainly not resolve any of the major problems of the political system. One prominent issue however is the reported ill-health of the president. The 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, and the stability of the country is at stake.

Trust in the functioning of the political system, even by opposition parties, is very low. New faces may turn up in the 2011 elections, but these individuals will have little chance of being elected. Some high-profile NGOs or activists may take over the role of opposition parties.

The frustration of the younger generation is a major destabilizing factor, given the very high percentage of the population below the age of 15 (43.6%, according to the latest census figures). Similarities with Tunisia should be taken into account, such as the endurance of a personalized political system, constant repression by police, limited capabilities of the political opposition and sensitivity to food price hikes. In contrast to Tunisia, however, the Cameroonian army is not believed to hold a republican ethos.

The Anglophone separatist movement will continue to pose challenges to the regime, at least in the English-speaking part of the country. Much of this group's elite will remain alienated if not any effort to start a credible dialogue is offered.

Substantial investments in social sectors and more generally in public goods, particularly in alienated regions (the Bakassi peninsula, the northwest and in the north), have still not materialized. Such investments are necessary to strengthen social cohesion.

The transformation of Cameroon to a non-oil economy and the creation of jobs remain the biggest challenges on the socioeconomic front. Growth rates must further increase if desperately needed jobs are to be created. Brain drain has been an important issue over the last decade. According to a 2010 report from the International Organization of Migration, 42% of the 57,000 Cameroonians working Europe are highly qualified; about 17% of all Cameroonians with higher education have emigrated in 2000. This trend may continue and leaves the country with little human capital to face the challenges of globalization.

Cameroon is set to profit from Chinese investments in several sectors of the economy (agro-industry, infrastructure and mining). The growing Chinese presence is, however, 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 by either the government or the opposition parties. Social groups, churches and intellectuals may become more prominent in such discussions and may need sporadic financial and political support from donors.