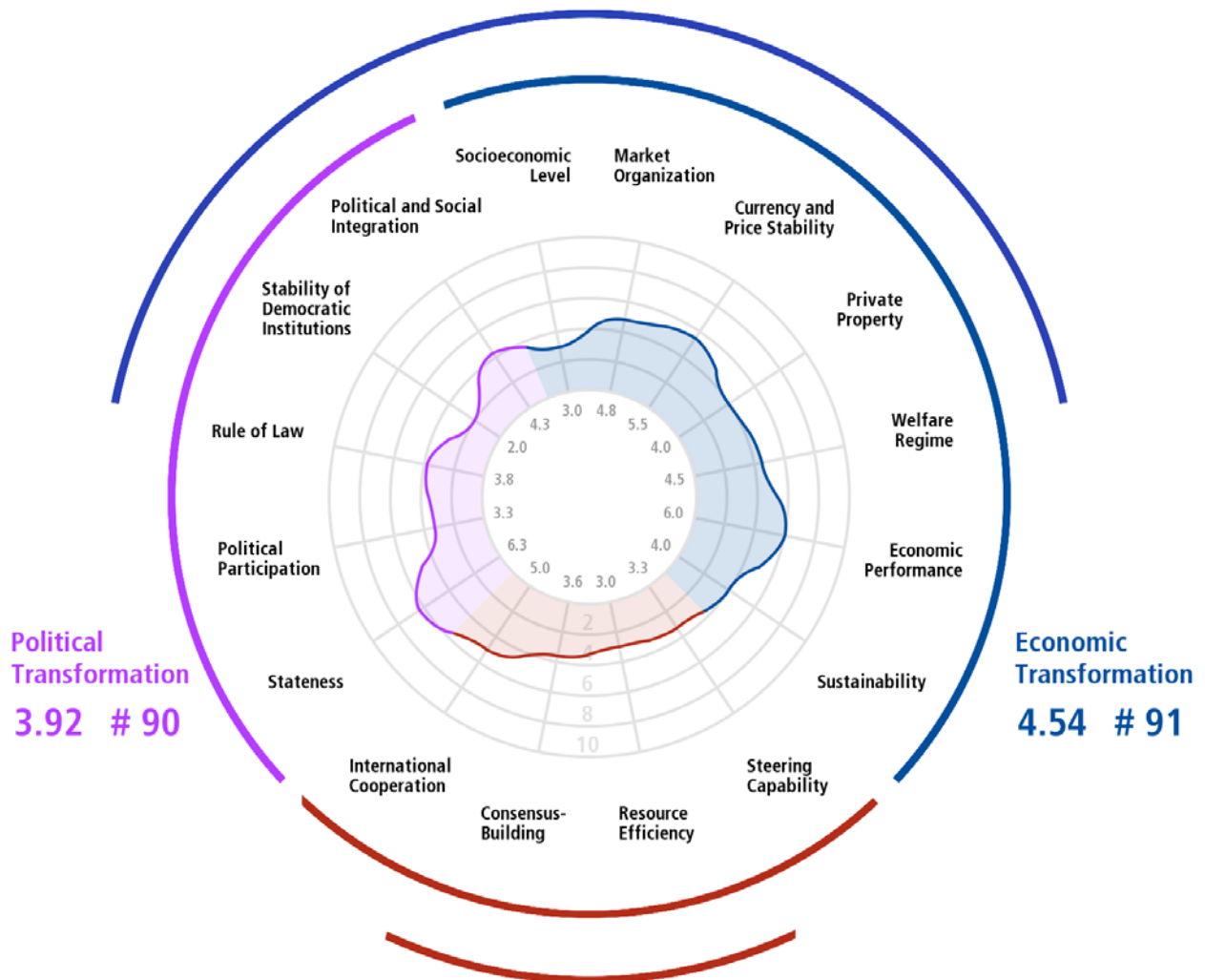


Cameroon

Status Index

4.23 # 98

on 1-10 scale out of 129



Governance Index

3.46 # 109

on 1-10 scale out of 129

This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2018. It covers the period from February 1, 2015 to January 31, 2017. The BTI assesses the transformation toward democracy and a market economy as well as the quality of political management in 129 countries. More on the BTI at <http://www.bti-project.org>.

Please cite as follows: Bertelsmann Stiftung, BTI 2018 Country Report – Cameroon. Gütersloh: Bertelsmann Stiftung, 2018.

This work is licensed under a [Creative Commons Attribution 4.0 International License](https://creativecommons.org/licenses/by/4.0/).

Contact

Bertelsmann Stiftung
Carl-Bertelsmann-Strasse 256
33111 Gütersloh
Germany

Sabine Donner

Phone +49 5241 81 81501
sabine.donner@bertelsmann-stiftung.de

Hauke Hartmann

Phone +49 5241 81 81389
hauke.hartmann@bertelsmann-stiftung.de

Robert Schwarz

Phone +49 5241 81 81402
robert.schwarz@bertelsmann-stiftung.de

Sabine Steinkamp

Phone +49 5241 81 81507
sabine.steinkamp@bertelsmann-stiftung.de

Key Indicators

Population	M	23.4	HDI	0.518	GDP p.c., PPP \$	3286
Pop. growth ¹	% p.a.	2.6	HDI rank of 188	153	Gini Index	46.5
Life expectancy	years	57.6	UN Education Index	0.517	Poverty ³	% 45.0
Urban population	%	54.9	Gender inequality ²	0.568	Aid per capita \$	29.1

Sources (as of October 2017): The World Bank, World Development Indicators 2017 | UNDP, Human Development Report 2016. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

Executive Summary

Over the past two years, Cameroon has shown a relatively high level of resilience by weathering significant economic and security challenges. Though none of this has had a sizable impact on the country's blocked political and economic transformation. Cameroon remained firmly autocratic, a status quo that prevented even minor political and economic reform.

In contrast to many other Central African countries, notably Chad, Cameroon maintained positive economic growth (around 5%) despite an unfavorable global context marked by economic stagnation in OECD countries, slower economic growth in China and a fall in global oil prices. The government pushed on with its capital-intensive infrastructure investment program, which aims to address critical infrastructure bottlenecks (e.g., ports and energy). This has driven economic growth, but also increased public debt.

The weathering of the difficult economic context was even more remarkable in light of the threat posed by the Nigeria-based terrorist organization Boko Haram, which continued to launch relentless attacks on Cameroon's northern regions. However, by mid-2016, improved military cooperation between Cameroon and several neighboring countries (e.g., Chad, Nigeria and Niger), Western military assistance, and a more effective posture by Cameroon's security forces had put Boko Haram on the defensive. Yet, numerous suicide attacks and the continued displacement of large numbers of Cameroonians indicated that the challenge was far from resolved. This was all the more problematic as the densely populated Far North Region was Cameroon's poorest region by a wide margin before the onset of the conflict (74% of the population are defined as poor compared to a national average of 38%). There were no promising signs during the review period that the government was addressing the situation effectively beyond the military response, leading some observers to warn of the increasing threat of radicalization among the region's marginalized youth.

Regarding its impact on domestic politics, the conflict with Boko Haram rallied the population around the national flag, which has strengthened the power and authority of President Biya, who has been in office since 1982. At the end of the review period, it was unclear whether Biya would run for re-election in 2018. The president and his ruling party retained a tight authoritarian grip on the country, lacking any incentive or desire to liberalize either the political system or the economy. Opposition parties remained weak and disorganized.

The superficiality of Cameroon's stability was highlighted in late 2016, when the historical "Anglophone problem" dramatically resurged and gained significant political momentum. Spearheaded by lawyers and teachers in the northwest and southwest regions, the protest movement articulated deep-rooted political grievances among the Anglophone minority, which quickly bypassed linguistic and cultural concerns. As so often, the government responded with a combination of violence, denial and political manipulations, including an internet shutdown. By the end of the review period, the eventual outcome of the protests was still far from predictable.

History and Characteristics of Transformation

The discovery of offshore oil deposits in the Gulf of Guinea affected a once predominantly agrarian economy and society significantly. Its exploitation since the mid-1970s has shaped elite behavior in ways that increased rent-seeking and corruption. Cameroon's process of economic transformation began in the late 1980s, with political processes of change following in the early 1990s. Although Cameroon's first president, Ahmadou Ahidjo, ruled with repression for twenty years, agriculture, education, health care and transport improved under his rule. Cameroon even experienced one of the few peaceful transfers of powers seen in Africa before the 1990s. The Cameroon government did not have to ask the World Bank and IMF for a structural adjustment program for a relatively long time. After the onset of a severe economic crisis in 1985 to 1986, the country tried to survive on its own saving program for two years. This policy changed in 1988, when the IMF accepted Cameroon's letter of intent.

In May 1989, the World Bank approved an initial structural adjustment loan, to be disbursed in three phases. By spring 1994, only two of the three had been disbursed because of the sluggish pace of reform. The program was comprised largely of components typical for the early 1990s, including reforms in the banking sector, administration and para-governmental enterprises, the deregulation of trade and marketing organizations for raw agricultural materials, and the control and reduction of government expenditures. This program did not include monetary policy intervention, as Cameroon is a member of the CFA franc zone, which at that time had fixed rates of exchange against the French franc (as it now does against the euro). The devaluation of the CFA franc against the French franc in January 1994 affected Cameroon as it did other African states in the monetary association. The intended boost in exports failed to materialize fully. Hit hard by a crisis, conventional agricultural export production could not respond quickly. Meanwhile, the buying power of government institutions dropped dramatically, as they had to cope with budget cuts. By the early 1990s, according to the World Bank, Cameroon was one of the most

disappointing “adjusters.” The IMF, for its part, set up a staff-monitored program in 1996, emphasizing its lack of confidence in the government.

The pace of economic reform did not pick up significantly until 2000. Some major para-state companies were privatized, others like the national phone company (CAMTEL) failed to attract private investors. The ailing airline CAMAIR ceased to exist. 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 attempted to found a new political party. The subsequent trial before a military tribunal and accompanying reports in the private press accelerated the democratization process, as did the founding of the Social Democratic Front (SDF) in the English-speaking part of the country. Security forces put a bloody end to these activities. President Biya acquiesced and permitted a multiparty system at the end of 1990. The administration used every means possible to manipulate the presidential elections of October 1992. According to several different sources, SDF candidate Fru Ndi won the election. However, Biya was the declared winner. He subsequently established a “showroom democracy” with slight improvements to civil liberties, such as expanding freedoms of opinion and association, but made no allowance for a change of control at the top. The opposition remained divided, failed to establish democracy within its own parties and dispersed throughout municipal offices. The National Assembly approved a change of the constitution in March 2008 allowing Biya to run again for elections in 2011, winning easily a further seven-year term. Postponed legislative elections were held in 2013, and again were not devoid of doubts on their regularity. 2013 also brought the indirect elections and presidential nominations that finally created the long-awaited senate. Rhetoric against corruption was followed by the indictment of several “big men” beginning in 2006, a wave of indictments of a dozen or so formerly high-placed personalities occurred and led to severe penalties including long prison terms. Currently, Cameroon is among the countries with the lowest level of democratic progress on the continent, a situation that substantially affects the country’s reform capacity.

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

Transformation Status

I. Political Transformation

1 | Stateness

Armed incursions by the Nigerian Islamist group Boko Haram into northern Cameroon since autumn 2014 have challenged state security more than any previous development. The movement was already operating in northern Cameroon for about two years and the government did little to contain it until an escalation of violence finally forced the government to consider the seriousness of the crisis. This coincided with the violent conflict in neighboring Central African Republic. After an initially ineffective military response, the armed forces and special units, together with allied neighboring governments (Chad) and foreign partners (the United States, France), have managed to push Boko Haram back over the past two years. The government has invested heavily in the recruitment of security forces. At present, Boko Haram is not a serious threat to the state, but remains nonetheless a major human insecurity factor in terms of its kamikaze attacks on public spaces (e.g., mosques and markets) and due to its disrupting impact on the local economy. As of January 2017, the Far North Region hosted some 150,000 internally displaced persons.

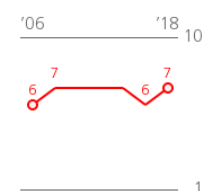
In contrast to some other states in the region (notably the Central African Republic), Cameroon is a relatively strong state in term of its coercive and repressive capacities even though this does not preclude that areas bordering neighboring countries (Nigeria, the Central African Republic, Chad) and some neighborhoods in major cities are not permanently and effectively controlled by the state.

The large majority of the population accepts that Cameroon is a legitimate nation-state. But there is one obvious and major caveat, which is linked to the country's unique set up as a bilingual (i.e., Francophone and Anglophone) African country. Since the government abandoned federalism in the 1970s, turning Cameroon into a typical copy of the centralist French state, the sentiment among Anglophones has become virtually universal that they are victims of discrimination and thus second-class citizens. While most Anglophones do not support the smallish secessionist movement, the Southern Cameroon National Council (SCNC), which was formally

Question
Score

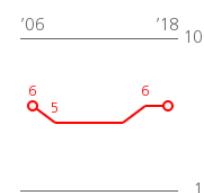
Monopoly on the
use of force

7



State identity

6



outlawed in January 2017, a large majority are certainly in favor of political autonomy for the two regions (Southwest Region and Northwest Region) that harbor the bulk of the Anglophone population (estimated to represent 20% of the total population).

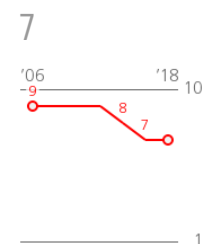
In November 2016, protests erupted in the Anglophone city of Bamenda and continued to the end of the reporting period, initiated by lawyers' associations and teachers' unions. While articulations of Anglophone grievances are not uncommon, open protests are less common. The protests even spread from Bamenda to most major Anglophone towns. The government responded with repression and intransigence, deriding the protesters as separatists and refusing to even acknowledge "the Anglophone problem." At the same time, the attitude of the government (denial and repression) very much corresponded to its usual way of responding to criticism and grievances, whatever the source.

The constitutional separation of church and state is generally enforced. Salafist movements within Cameroon have been monitored with greater attention since the massive attacks by Boko Haram on villages in the Far North region. The government's relatively liberal handling of religious affairs is set to change. Some religious groups do wield discreet influence. Rosicrucians and Freemasons are believed to hold considerable influence within government circles. A crackdown against some of the Pentecostal churches in 2014 proved short-lived. The current leadership of the Catholic Church is divided but mostly favors the current regime as President Paul Biya is a practicing Catholic.

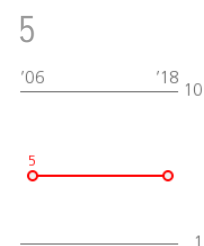
Government agencies and administration are present in most parts of the country, but largely ineffective in terms of performance or the provision of public services. Decentralization has been ineffective, as the government lacks the political will to implement the reforms or transfer the requisite financial resources. Access to public services remains scarce, especially in rural areas where roughly half of the population lives. Overall, 46% of the population have access to sanitation (a largely stagnant figure over the past decade), although the proportion is certainly significantly lower in rural areas.

All levels of government are eroded by corruption. According to a 2015 public opinion poll, corruption is increasing. It is particularly pervasive among the police, judiciary, and tax and customs officials, and it is hardly ever investigated. Cases of high-level corruption are frequently prosecuted, but public opinion tends to regard these cases as a smokescreen to undermine political rivals of President Biya.

No interference of religious dogmas



Basic administration



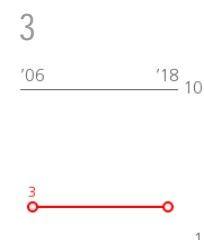
2 | Political Participation

Multiparty elections have regularly been held since the early 1990s. Universal suffrage is ensured although turnout at elections has been under 40% since the 1990s (2013: 37.6%). Poor voter turnout reflects both declining popular support for opposition parties as well as the belief that a change in government through the ballot box, which has never occurred in Cameroon, is all but impossible. Past frustrations with the integrity of the electoral process is also responsible for low voter turnout. There is no level playing field as the state administration and the ruling party have effectively merged. The ruling party uses the state media and there is no level playing field in this regard. The overwhelming use of the state's resources means that outright and large-scale electoral fraud is not even necessary anymore because more subtle forms of manipulation are sufficient.

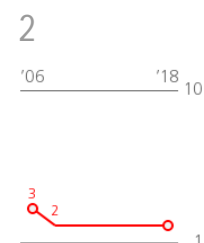
Due to the electoral schedule, no elections were held during the reporting period. In April 2013, the country held its first Senate elections. The ruling CPDM won 54 out of 70 elected seats, while an additional 30 senators were appointed by the president, in accordance with the constitution. According to the U.S. State Department, the elections were peaceful, and generally free and fair. In September 2013, the country organized simultaneous legislative and municipal elections. The CPDM won 148 out of 180 parliamentary seats and 305 out of 360 municipal council positions. In preparation Elections Cameroon (ELECAM), whose members were appointed by the president, recompiled the electoral roll using biometric technology and issued biometric voter identification cards that were required at polling stations. Irregularities included the inconsistent use of identification cards due to lack of expertise of local polling station officials. However, opposition parties generally accepted the results. The next election will be the 2018 presidential election.

Given the authoritarian and repressive nature of the centralized regime, it would be misleading to state that decision-makers are democratically elected. Arguably worse, the ruling elite is not subject to the law. Decision-making is exceedingly opaque and often contradictory. President Biya systematically appoints personalities who have no political base of their own as government ministers (locally, in parliament or in the party), which means that government ministers are entirely dependent on his favor. What will happen after Biya's exit (most likely his death in office) is unclear. It is very uncertain that the procedure foreseen by the constitution (a transition to fresh elections organized by the president of the Senate) would be respected. In this regard, the possibility of a coup d'état cannot be excluded, either from inside the army, the presidential guard or the elite unit Brigade d'intervention rapide (BIR).

Free and fair elections



Effective power to govern



In principle, the constitution guarantees the freedom of association and assembly. Citizens are usually free to create associations and political parties. Though the state often does not register political parties, which enables the government to declare opposition parties illegal later. However, freedom of assembly is restricted if activities run against the interest of the government. In the wake of the fighting against Boko Haram, the government issued a 2014 law that substantially restricted civil rights and freedoms. In 2016, as in most previous years, political parties and trade unions critical of the government saw press conferences and other activities suppressed. The most violent incidents happened during the repression against Anglophone demonstrations in the Anglophone parts of the country in late 2016 and early 2017.

The constitution provides for the freedom of expression and speech. Regarding actual conditions, the state's propensity for repression and control is not always obvious. Thus, threats and intimidations, often indirect, libel suits and other instruments ensure that most journalists and media outlets exercise maximum self-censorship. Breaking red lines is quickly sanctioned. For example, in 2016, three radio stations in the West and Northwest regions, and one TV station in Douala were shut down. A Radio France Internationale (RFI) correspondent has been in prison since 2015, while his trial over alleged terrorist activities has been postponed no less than nine times.

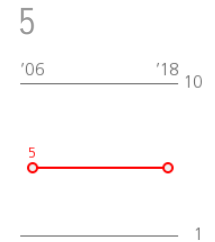
The Conseil National de Communication (CNC), which is the state's regulatory media body, issued threats against several media outlets during the 2016 to 2017 protests in the Anglophone parts of the country. Courageously denounced by the national trade union of journalists, these threats were directed against media outlets for even discussing the topics of federalism and secession.

The government's political paranoia has since 2015 also extended to social media, although only a fringe of the population has access to internet. The government has recently launched a vigorous campaign against social media, declaring it a threat to peace and an instrument of terrorism. In connection with the Anglophone protests, the government cut the internet in the two Anglophone provinces for several weeks.

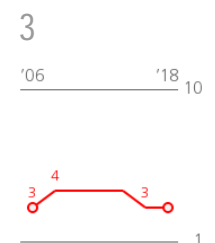
3 | Rule of Law

The legislative and judicial branches have little control over the executive and it is practically unheard of that either one would challenge the government. Due to the fact that the ruling regime has penetrated every public institution over the past decades, neither parliament nor the judiciary holds the government accountable. In parliament, this is further guaranteed by the ruling party's overwhelming majority (148 out of 180 seats). The Senate is composed of 82 RDPC members (56 elected). President Biya made sure that no SDF or UDC member was among the 30 appointed senators, although he did not only choose close associates, but also four members of parties that had only recently claimed support for him. The current Senate is

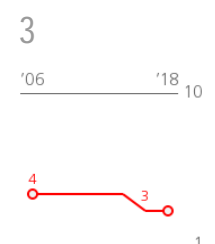
Association /
assembly rights



Freedom of
expression



Separation of
powers



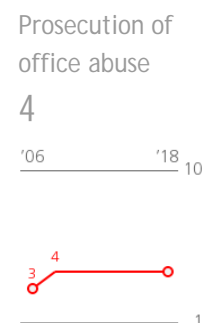
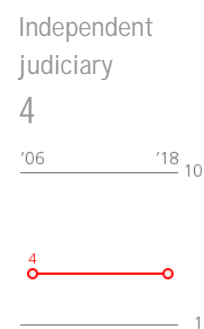
composed primarily of elderly former ministers and traditional chiefs. Niat Njifendji is the Senate speaker. He is a member of biggest ethnic group, the Bamiléké, which is not believed to be the most loyal group to the regime. But for a long time, he has been an RDPC heavyweight. The opposition's demands for investigative commissions are routinely blocked by these parliamentary majorities. Given that the opposition is so weak, any serious contestation must come from within the ranks of the ruling RDPC party. Prime Minister Philemon Yang, whose role is limited to government coordination, comes from the Anglophone minority. This could serve as an informal separation of powers between identity groups. However, Philemon Yang has little authority among Anglophones and his attempt to soothe Anglophone protesters failed. The judiciary has been a poor institutional check to the executive branch of government.

The judiciary is plagued by corruption, arbitrary decisions and lacks independence as well as adequate resources. The Supreme Court exercises the powers that the 1996 constitution confers on the Constitutional Council, a body that has yet to be established. This (like the creation of Senate in 2013, which was also stipulated by the 1996 constitution) is evidence of the discrepancy between formal institutions of law and order, and political reality.

Biya formally “guarantees” the independence of justice. He nominates and sanctions the magistrates – including those judging the validity of elections - assisted by the Superior Council of Magistracy (Art. 37). Since 2011, a series of trials against homosexuals attracted international attention. According to Human Rights Watch, no other sub-Saharan country prosecutes more gay people than Cameroon. Those arrested are reportedly maltreated in custody.

High level prosecutions in the framework of the anti-corruption drive Operation Epervier, launched in 2006, are a key example of the lack of judicial independence. On a wider level, a majority of Cameroonians believe that judges are one of the most corrupt groups of civil servants in the country.

Corruption is pervasive, and prosecutions against offenders are typically politically motivated. A double standard is widely applied. For example, the former Minister of Territorial Administration and ex-Secretary of the Presidency, Hamidou Marafa Yaya, has been sentenced to a 25-year term for embezzling money in a deal to buy a new plane for the president in 2012. Marafa was a potential challenger to Biya in his own party and now is considered a political prisoner by the U.S. State Department. Ephraim Inoni, a former prime minister, was sentenced to 20 years in prison for the embezzlement of public funds. In 2014, the director general of the country's oil refinery SONARA was charged with corruption. Despite these high-profile convictions, corruption persists at every level of the administration. A recent high-profile case involved Yves Michel Fotso, the former CEO of the national airline Camair (2000-2003). Imprisoned since 2010, he was convicted in April 2016 and sentenced to life in prison for financial fraud, which cost the Cameroonian state



nearly €50 million. Flimsy as the evidence for these cases has been, the cases do not seem to have an impact on the high level of corruption that pervades all levels of government and public administration. Even more, these high-profile cases are in many ways politically motivated as they are personally initiated by the president. In any case, the cases hardly address the systematic nature of petty corruption that characterizes every Cameroonian's interaction with police, judiciary, tax, customs and state administration in general.

On paper, citizens enjoy the right to seek redress for alleged wrongs through administrative procedures or through the legal system. However, according to an assessment by the U.S. State Department, both options involve lengthy delays and there are problems enforcing civil court orders due to bureaucratic inefficiency.

Civil rights are frequently violated as the government restricts freedom of assembly, freedom of speech and freedom of association. As in previous years, leaders and supporters of the Southern Cameroon National Council (SCNC), an Anglophone secessionist group, were harassed before it was finally prohibited in early 2017.

Basic rights of some groups of society are not well protected by the government, the LGBTI community being an obvious example. Since 2011, a series of trials against homosexuals attracted international attention. According to Human Rights Watch, in no other sub-Saharan country are more gay people prosecuted than in Cameroon. The murderers of a well-known LGBT activist, Eric Lemembe, who was atrociously killed in 2013, are still at large. The anti-terrorism law, promulgated on December 23, 2014, infringes basic rights and freedoms. As documented by Amnesty International, the fight against Boko Haram has led to numerous human rights abuses in the north, where around 200 people, including many minors, were either imprisoned without charge or were unaccounted for.

Women are the single largest group that suffers from judicial and de facto discrimination in terms of inheritance, employment and property rights. In addition, domestic violence is believed to be widespread. The government claims it is trying to stop the practice of female genital mutilation, but does not effectively implement such policies.

Prison conditions in overcrowded cells are often life-threatening. Officially, Cameroon's prisons have a maximum capacity of 17,000 inmates, but the prison population was 26,702 in early 2016.

Civil rights

4

'06 '18 10

4 3 4

1



4 | Stability of Democratic Institutions

Cameroon is an autocracy with a facade of democratic republican institutions that have not developed a life of their own. The National Assembly cannot be considered a democratic institution, nor can the newly created Senate (see above). Deficiencies in terms of democracy and the rule of law are deep-rooted. They are structural features and inherent elements of a political architecture on which the rule of President Biya rests. This bleak picture resonates with popular attitudes towards Cameroon's pseudo-democracy. According to a recent Afrobarometer survey only 26% of Cameroonians consider the country to be a democracy and are satisfied with its "democratic" performance (see also "approval of democracy"). It is highly unlikely that anything substantial will change in this pseudo-democratic architecture as long as President Biya remains in power.

Cameroon is a strongly personalized electoral autocracy. Institutions are only democratic in name and are geared towards regime survival. The president can change the rules of the political game when it suits him. He weakens institutions by holding cabinet meetings only at random. The ruling party, the RDPC, does not even convene regular party congresses as even these are decided by the party's national chairman, President Biya. Scheduled for September 2016, the RDPC's fourth congress since its creation 31 years ago, was cancelled without explanation.

Given the irrelevance of formal institutions and the predominance of patterns of personal authority, it is highly unlikely that a succession crisis would be dealt with constitutionally. Among the wider population, support for democratic institutions is strong in principle, but there is widespread discontent with the extent to which the country's alleged democratic institutions perform.

5 | Political and Social Integration

Given the huge majority of the ruling party in the legislature (holding 148 out of 180 seats in the National Assembly at present), Cameroon qualifies as a dominant party system. The second and biggest opposition party gained only 18 seats in the last elections.

Cameroon's political parties are institutionally weak and have very limited social roots, although the four to five politically relevant parties are reasonably known in the country's urban centers. By and large, political party life is dormant outside of election periods. The fact that most parties do not bother to have programs or to articulate positions on specific issues (e.g., the Boko Haram conflict, corruption, the Anglophone question or inadequate access to public services) explains their poor standing with the population. In addition, most parties display no or limited internal democracy, considering that all of them have been ruled by the same individual since

Performance of democratic institutions



Commitment to democratic institutions



Party system



their inception, typically in the early 1990s. As a result, clientelism is pervasive within the political parties. The once powerful opposition party, the SDF, led by the Anglophone John Fru Ndi, has been plagued by internal factionalism. Finally, the government is not sparing efforts to make life for the opposition as difficult as possible. For example, in 2016 as in previous years, press conferences were forcefully dissolved. Meanwhile, public media coverage of the parties is extremely limited and biased towards the ruling party. Around 60% of the population thinks that the government is intimidating the opposition to various degrees.

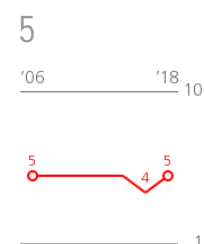
Cameroon has two very different types of interest groups. One is informal, and made up of networks and associations that revolve around markers of identity (notably in terms of local and ethnic origins, but also religion). Depending on how well these groups are connected to patronage networks of the state, these groups can be quite influential when it comes to safeguarding the interests of their members and communities. Some of these groups (tontines) wield substantial financial weight. With regard to more formal organizations, Cameroon has a broad range of groups (NGOs, civil society groups), which could be described as interest groups. However, this type of organization has two major deficiencies. First, they often have no substantial roots in society, and are unable to represent the interests of the wider population. Consequently, they have little influence in the public sphere or on government. Second, this sector is relatively weak and fragmented, and is often engaged in competition over outside funding.

Cameroonians are generally in favor of a democratic system. According to the 2016 Afrobarometer, 82% of respondents approved of free and fair elections and 73% of respondents approved of multiple political parties. However, 56% of respondents stated that they were not satisfied with the way the Cameroonian democracy is currently working. For example, the same proportion (56%) of respondents do not think that parliament is representing the interest of citizens. Likewise, more than half of all respondents do not trust the electoral commission (Elections Cameroon, ELECAM) to organize fair and free elections. Only 26% think that the government never intimidates the opposition.

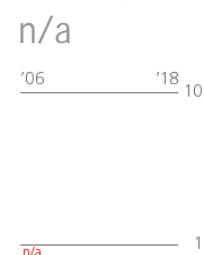
However, and somewhat surprisingly, trust in major institutions is not insignificant, considering that 66% trust the president and 70% trust the army (compared to only 50% for the police).

Public opinion surveys on the sense of solidarity and trust among citizens do not exist, but it seems fair to state that trust among Cameroon's communities is relatively low. This is demonstrated by the fact that most organizations in the country are by and large mono-ethnic or dominated by an ethnic group, or are perceived as such. The alleged under- or over-representation of certain groups in state structures, universities or churches is the subject of heated discussions. Regional and ethnic balancing (i.e., government-led distribution of benefits and posts) for the purpose of national unity is in fact a divide-and-rule strategy, which reinforces primary identities. In the

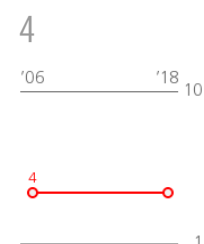
Interest groups



Approval of democracy



Social capital



absence of effective national institutions, political and economic insecurity is compensated for through the recourse to primary identities. In a sense, the Anglophone protests since late 2016 are typical of this pattern in that they revolve around valid grievances which are not first and foremost linguistic or cultural, but political and identity-based. They are also typical to the extent that the government's divide-and-rule political strategy is successful, as there are few signs of solidarity between diverse groups. The latter criticize Anglophones for fighting for specific, identity-based rights and not for a better governance system in the whole country.

The conflict with Boko Haram has brought to the fore similar fault lines, as RDPC politicians from the Central Region have accused northern elites of supporting Boko Haram, allegedly to destabilize the Biya regime. Whether these allegations are fictitious or not is secondary. The salience of these issues not only determines inter-communal relations, but also relations between groups and the state. They are a major source of concern in regard to the uncertainty surrounding the post-Biya succession process, which could initiate a fierce power struggle between various groups.

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. This is particularly true with regard to poverty alleviation; Cameroon has met only a single Millennium Development Goal (MDG2: net school enrolment).

With a per capita GDP of \$1,429 in 2014, Cameroon is a lower middle-income country. Yet, many social indicators reflect those of a low-income country. For instance, life expectancy is only 54 years, while 43.5% of the population lives below the national poverty line of \$3 a day. Cameroon is ranked 153 out of 188 countries in the 2016 HDI and only qualifies as a country with "low human development." The calculated HDI value of 0.512 is slightly higher than previous years. However, the overall picture is one of severe stagnation over the past decade, considering that population growth (2.5%) outpaces the reduction in poverty incidence. As a result, the number of poor increased between 2007 and 2014 by 12% to 8.1 million people. Even before the outbreak of the Boko Haram conflict, poverty was increasingly concentrated in the two Sahelian northern regions where more than half of Cameroon's poor, predominantly rural population lives. Gender inequality has increased over the past five years, reaching a new low in 2014 (0.587 in the Gender Equality Index). In other words, huge disparities prevail and are even growing inside Cameroon between regions as well as between genders (Cameroon's Gini Coefficient

Question
Score

Socioeconomic
barriers

3

'06 _____ '18 10

3

_____ 1

was 46.5 in 2014). Take the example of education for which the state allocates just 3% of GDP (compared to an average of 4.3% across sub-Saharan Africa). While it is true that access to education has improved over the past decade, the quality of education has not only deteriorated while entrenching regional and gender imbalances as well as high rates of informal work. According to the World Bank, the percentage of children completing primary school is just 68%, compared with 91% in urban areas. Worse, adult illiteracy in rural areas is three times higher (57%) than in urban areas (17%). By the same token, rural girls are far less likely to be enrolled in school than boys.

Economic indicators		2013	2014	2015	2016
GDP	\$ M	29567.5	32050.8	28416.0	24204.4
GDP growth	%	5.6	5.9	5.8	4.5
Inflation (CPI)	%	1.9	1.9	2.7	-
Unemployment	%	4.1	4.1	4.4	4.5
Foreign direct investment	% of GDP	1.9	2.3	2.4	0.5
Export growth	%	26.0	10.0	8.9	2.6
Import growth	%	18.3	14.4	6.8	3.6
Current account balance	\$ M	-1127.8	-1400.1	-1173.2	-
Public debt	% of GDP	19.0	26.2	34.2	35.2
External debt	\$ M	4915.4	5162.3	6611.9	7283.2
Total debt service	\$ M	208.2	437.1	433.3	818.6
Net lending/borrowing	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	11.6	11.8	11.8	15.1
Public education spending	% of GDP	3.0	-	-	-
Public health spending	% of GDP	1.0	0.9	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.3	1.3	1.2	1.6

Sources (as of October 2017): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

Central Africa is the least integrated region in sub-Saharan Africa. However, 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. Cameroon is a member of L'Organisation pour l'harmonisation en Afrique du droit des affaires (OHADA), a set of laws and regulations to streamline business regulations in 14 African countries. Some view it as more effective and robust than earlier Cameroonian law, for example, with regard to dispute resolution mechanisms.

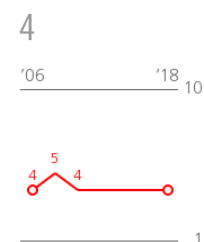
In Cameroon as in most other countries of the region, conditions for a free market economy are scarcely fulfilled. The business environment is dominated by an intrusive, inefficient public sector as well as state intervention, though this is often more a function of predatory and corrupt behavior than anything else. Deficiencies in the rule of law characterize an environment in which investments and property rights are not safeguarded by competent state agencies, nor are they reliably protected by the courts. This explains why Foreign Direct Investment into Cameroon is relatively modest (2015: \$620 million) in spite of the size and strategic location of the country, and the ample investment opportunities it offers. On the positive side, dividends, interest and capital returns can be freely remitted abroad.

In the World Bank's Doing Business Report 2017, Cameroon ranked 166 out of 190 countries, scoring particularly poorly for cross-border trade and the registering of property. All of this undermines the government's stated aim to turn Cameroon into an emerging economy by 2035. By and large, little indicates that the government is actively pursuing an economic strategy to reach this goal. The informal sector is the real economy of the country, absorbing an estimated 70% to 90% of all workers, both in rural and urban areas. The formal private sector accounts only for 4% of all employment, suggesting that the main reason for the large informal sector is not only poor education but a small job market linked to a hostile business environment. Overall, it is estimated that 70% of the workforce is affected by underemployment.

The state continues to exercise price and import controls on certain goods, such as primary foodstuff as well as petrol and gas.

The National Competition Commission (NCC) in the Ministry of Commerce is the national authority, which in theory enforces competition rules. In reality, competition in many sectors is restricted, not least due to the pervasive presence of over 120 state-owned companies. For example, Cameroon Telecommunications (CAMTEL) has a monopoly over all national telephone and internet infrastructure, including fiber optic cables and the telephone network. The oil and gas sector is likewise in the hands of state-owned companies, which control extraction, refinery, storage and distribution. According to a 2015 IMF report, the performance and profitability of these entities is

Market-based competition



Anti-monopoly policy

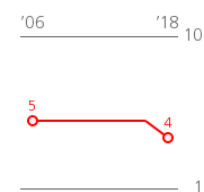
4

deteriorating due to weak corporate governance, which is a significant public debt burden and drain on the government budget. The national airline Camair is a notorious example. Even so, the Cameroonian state has expanded its role in key sectors of the economy. Whether it does so in order to emulate state-led development is doubtful given the massive governance problems, corruption, policy incoherence and the pervasive lack of policy implementation.

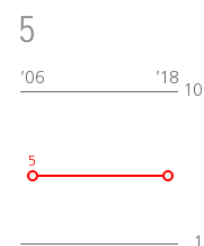
Given the export-oriented nature of Cameroon's economy (oil, gas, timber and agricultural products, such as cocoa and coffee) foreign trade is the lifeline of the country. Cameroon adheres to the multilateral trade system, in particular the agreements of the WTO and other international trade mechanisms, as well as the agreements of the World Customs Organization (WCO). In reality, non-tariff barriers, such as arduous customs procedures stemming from corruption and limited cooperation between national administrations, is a major strain on trade. According to the IMF, there is no applicable agreement for Cameroonian customs to collect import tariffs and redistribute the proceeds on merchandise transiting through the region's main sea port in Douala. In addition, the Douala port itself is a bottle neck, as its capacity and infrastructure is no longer adequate for processing the goods that leave and enter the country. Though the new deepwater port in Kribi should improve this situation.

After a long period of hesitation, Cameroon finally decided to agree a bilateral trade deal with the European Union, which came into force in August 2016. The so-called Economic Partnership Agreement (EPA) succeeds the Cotonou Agreement under which African countries were able to export goods to the European Union duty free (and which was deemed to be in violation of WTO rules). The EPA offers Cameroonian exports duty- and quota-free access to European markets, but it also means that the country will have to gradually reduce its tariffs on EU imports over the coming years, raising fears that local producers of goods and services will no longer be able to compete. The latter aspect was the source of significant resistance against the EPA among some civil society groups in Cameroon. Moreover, according to one report, the dismantling of tariffs on imports will lead to a reduction in customs revenue of an estimated 600 billion XAF (\$1 billion) per year. Cameroon's signing of a bilateral trade deal with the European Union happened without consultation with regional partners (CEMAC countries), unlike previously planned.

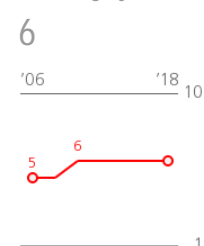
Cameroon has 13 banks and over 600 micro-finance institutions. The banking sector is regulated by the Central Africa Banking Commission (COBAC). The legal underpinnings for the banking system and capital market exist under the supervision and control of the COBAC, which is associated with the Bank of 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. BEAC lost credibility after an embezzlement scheme that implicated some of the organizations most senior administrators became public in 2009. Biya has supported the finance



Liberalization of foreign trade



Banking system



minister, Alamine Ousmane Mey, who was appointed in 2011. Mey is a highly respected banker with an excellent sense of the banking sector. The IMF had repeatedly voiced concern about the vulnerability of Cameroon's banking sector. However, in 2014, it noted significant improvements. The balance sheets of two banks were restructured and are now deemed sound. The IMF also applauded the COBAC for becoming more active in its supervision of the financial sector. However, according to the Heritage Foundation, foreign investors may face bureaucratic hurdles, and state-owned financial institutions dominate the sector and influence lending. By and large, banking services are poorly developed and not readily available, notably credit availability to retailer and small enterprises, which has a negative effect on investment. Although small-scale saving and borrowing needs are met by micro-finance institutions and the informal sector, only 11% of Cameroonians had a bank account in 2014. Nevertheless, this fairly weak rate surpasses the average percentage of people with a bank account in the CEMAC region, which is around 8%. According to the latest figures (2015), non-performing loans account for 10.5% of all loans and the bank capital to assets ratio stands at 8.7%.

8 | Currency and Price Stability

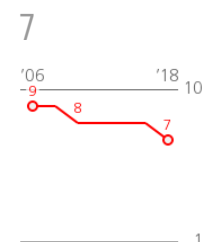
Monetary policy is managed by the regional central bank, the Banque des Etats de l'Afrique centrale (BEAC), which seeks to limit inflation. Overall this task is facilitated by the continued peg of the Central African CFA franc to the euro, providing Cameroon and the rest of the CEMAC region with a stable currency. Consumer price inflation was low at 1.9% in 2013 and 2014, and reached 2.7% in 2015. This was allegedly due to rising domestic fuel prices, which were the result of a 40% cut in subsidies to oil products in July 2014. However, the inflation rate still remained below the CEMAC convergence criteria of 3% inflation.

The real effective exchange rate stands at 97.8% and also reflects a rather healthy foreign exchange situation.

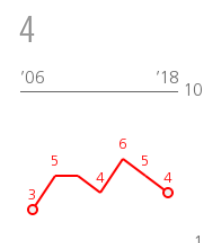
Over the past couple of years, the government has sought to drive economic growth by making large infrastructure investments, notably in the energy and transport sectors. This expansionary policy, in the midst of a security crisis, a global economic downturn and lower oil prices, has put a strain on the government. Overall, however, Cameroon has shown a degree of resilience with economic growth estimated to be 5.1% in 2016, because its economy is more diversified than those of many neighboring countries. Oil revenues contributed just 13% of total government revenue in 2016, down from 25% in 2014.

However, lower revenues, the cost of fighting Boko Haram and the government's continued investment drive have widened the fiscal deficit to an estimated 5.4% of GDP in 2015, which could reach 5.6% in 2016 and 2017. To finance its investment expenditure, the government has relied on foreign financing, including on non-

Anti-inflation /
forex policy



Macrostability



concessional terms, which has in turn sharply increased public debt from 26.6% in 2014 to an estimated 36.8% in 2016, according to the IMF. Consequently, Cameroon is now a country with a high potential for debt distress, as the sustainability of its debt management strategy may not be guaranteed.

9 | Private Property

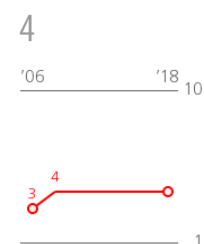
Private property is recognized, but its protection in disputes is lengthy and uncertain, mainly due to the inefficiency and corruption of the courts. An especially problematic aspect, which affects citizens and investors alike, is the purchase of land titles. According to an often-cited figure, only 2% of the land is registered or titled, which implies that the rest of the land belongs to the state. Land is mostly subjected to locally specific land tenure regimes which may be useful at times, but which are certainly also a source of uncertainty and conflict. Land is a highly contentious issue, not only in rural areas, where large-scale agriculture investments have increased pressures on local communities, but increasingly in and around the quickly expanding cities. In 2015, 13 million people lived in the cities compared to 11 million people in rural areas.

Overall, registering and protecting property continues to involve cumbersome and costly transactions with highly uncertain outcomes. According to the 2016 World Bank's Doing Business Report, it takes 86 days to register property in Cameroon (sub-Saharan Africa average: 60 days) and costs nearly 19% of the actual property value (sub-Saharan Africa average: 8%). No notable improvements have been registered in recent years. As such, it is further evidence of the gap between the government's rhetoric of change and the reality of inertia.

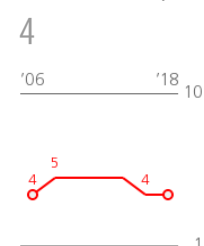
In the World Bank's Doing Business Report 2017, Cameroon fell from 158 out of 189 countries in 2015 to 166 out of 190 countries. The biggest difficulties concern the registration of property (see previous section), paying taxes and trading across borders.

The business association Groupement Inter Patronal du Cameroun (GICAM) continues to pressure the government to simplify procedures. Improvements are registered with regard to the protection of minority investors, rising 13 positions to rank 117 out of 190 countries. Private companies can act freely in principle. However, in reality, they encounter economic barriers to development. Paul Biya's regime has always been wary of any substantial private capital formation that it cannot control. Over the last two years, the supply of electricity has added to problems facing investors. Cameroon's attractiveness to domestic and foreign investors varies from sector to sector. In recent times, investment by private international firms have expressed significant interests in the mining sector (e.g., iron ore, cobalt, bauxite), but few investments have been actually injected.

Property rights



Private enterprise



State companies occupy some strategic positions, most evidently in the hydrocarbons sector, but also in the agro-industry. In fact, Cameroon Development Cooperation (bananas, rubber, palm oil), a parastatal, is the second largest employer after the state itself. Privatization of state-owned companies has slowed down and past privatizations were not uniformly well-prepared. Particularly contested is the 2003 privatization of the state electricity company SONEL (now ENEO).

10 | Welfare Regime

State measures to avert and alleviate social risk are limited. The public social insurance system (Caisse nationale de prévoyance sociale, CNPS) covers just 10% of Cameroon's workforce, that is to say those in the formal sector. The 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. In 2016, it ran a deficit of 16.5 billion XAF.

Some progress in management practices have been recognized in recent years, and the CNPS is now reaching out to the informal sector, including retail traders (bayam-sellam) and offers voluntary insurance schemes. Since the inception of this scheme, the CNPS has registered 110,000 new members.

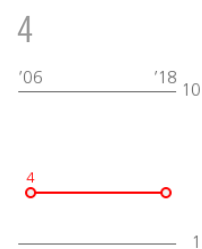
However, family structures, church structures and other primary solidarity networks remain for most citizens the only viable options for reducing risk, and these function comparatively well. However, even CNPS-beneficiaries are relying on these networks as social insurance benefits for average workers are insufficient.

The famous informal credit and savings associations called "tontines" remain very popular in Cameroon and are becoming increasingly sophisticated. They serve as a vehicle for investment and savings for the population given the low banking penetration rates. The state health care system is overextended and has been compromised significantly by corruption, including at the top level of government ministers. Public expenditure on health care is one of the lowest in the world with only 0.9% of GDP, which translates into poor health care services. Life expectancy at birth stands at 55.5 years, on par with South Sudan (55.7) and Somalia (55.4). The mortality rate of under children under 5 is still high, with 95 deaths per 1,000 births in 2012.

Cameroon has ratified many international conventions and relevant accords to eliminate all forms of discrimination against women. In practice, however, women continue to encounter barriers to economic, cultural, educational and political participation.

Equal opportunity is also limited in terms of identity groups, with Anglophone citizens increasingly complaining about discrimination.

Social safety nets



Equal opportunity

5

Women have limited access to education and to public office. Women make up one-fifth of the Senate, and their share of National Assembly seats rose to 31%. Only a few state enterprises are led by women. Women held nine of 66 cabinet posts (13.5%) and a few of the higher offices within the major political parties, including the CPDM. Opposition activist Kah Walla was the first vocal female candidate to run for president in 2011, and she earned 0.7% of votes (a second female candidate earned 0.3%). Women also continue to be severely underrepresented in among diplomats, public administrators and magistrates. Disadvantages for women are reflected through other indicators as well.

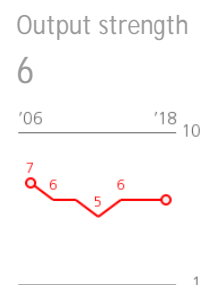
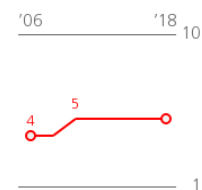
The literacy rate stands at 75.0% (male: 81.2%, female: 68.9%); the ratio of female to male enrollment is similarly unfavorable for women (primary sector: 0.9, secondary sector: 0.9, and tertiary sector: 0.7).

The U.S. State Department reports that the Baka people, commonly known as Pygmies and who are often discriminated against, took part as candidates in the municipal and legislative elections in 2013. However, none were represented in the Senate or National Assembly, or in the higher offices of government.

11 | Economic Performance

Cameroon's GDP was estimated to \$29.6 billion in 2015, roughly the same it had been in 2013. This reflects a stagnating economy, which is performing far below potential. At the same time, Cameroon's economy has proven relatively robust during the review period, despite a global economic downturn and security concerns in the north. The economy grew 6.2% in 2015 before dropping to 5.6% by the end of 2016. The economy's resilience was mainly due to the fact that the government continued its expansionary policy, investing in infrastructure and public works, which it financed through a combination of domestic debt issuance and bilateral borrowing. The necessity for this sort of financing increased with the slowing of oil production and the weak international oil price, which reduced oil revenues. The 2016 budget projected that oil revenue would account for only 20% of national income. The rapid expansion of external borrowing at increasingly non-concessional terms to fund the public investment program and the deteriorating public debt burden were reflected in the 2017 budget. Of total public expenditure in 2016, XAF 4.3 billion (around €6.6 million), a fifth was devoted to debt servicing. The government has created or re-instated over 40 new taxes to improve domestic revenue. The extent to which this will have an effect is difficult to assess, given the absence of data. Unemployment levels are unlikely to have declined, while official figures (4.3%) have to be considered fictitious.

On the positive side, GDP per capita has grown to \$3,123 in 2015 (up from \$2,983 in 2014), slightly above Kenya but below Ivory Coast. FDI stood at 2.1% of GDP in 2015, roughly in tune with data obtained over the past five years, minor fluctuations



notwithstanding. It remains to be seen if the high levels of investment on road, energy and telecoms infrastructure will unlock investments in the future. A major challenge for the economy remains its lack of transformation, given its bias towards raw materials (66% of exports), which makes it vulnerable to price shocks. In addition, added value is lost and produced outside of the country.

12 | Sustainability

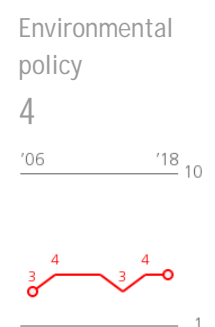
The government's economic growth policy is based on public investment in infrastructure and the exploitation of the country's considerable natural resource wealth (agro-industries, timber, oil and minerals). Environmental sustainability concerns are rarely taken into consideration. A notorious case involves Herakles Farms, an American firm which was to obtain a vast land lease for a palm oil project. While public outcries over alleged human rights abuses and environmental protection violations finally forced the government to revoke the lease, the Cameroonian subsidiary of Herakles Farms finally received, from the forestry ministry, the right to cut down 2,500 hectares of forest, which included several endangered tree species. According to Greenpeace, the company paid the local community compensation 17 times less than average. These kinds of deals demand serious skepticism with respect to the government's environmental commitment. Forest coverage in Cameroon declined from 52.4% in 1990 to 42.6% in 2011. Local NGOs question the government's policy in attracting foreign investors for boosting agricultural export, when the country has to import food.

On a positive note, it was unusual that President Biya, who rarely attends diplomatic summits, participated in the COP21 in Paris in 2015. Equally surprising was the rapid ratification of the Paris agreement. Both steps were probably the result of intense lobbying by the French government.

Cameroon has made some progress in education policy over the last couple of years. This resulted in an increase of the literacy rate to 75%, roughly on the same level as Egypt, Ghana and Kenya. Public expenditure on education has been relatively constant over the past ten years (averaging 3% of GDP). Though data for the most recent years are missing and no data at all exist for expenditures on research and development. It is important, however, to point out that the contribution of private households to national expenditures on education is enormous, amounting to 40% in 2011 and thus significantly higher than in most other countries in the region.

Disparities in educational opportunities for men and women persist and are more serious the higher the level of education (ratio of female to male enrollment in the primary sector: 87.6%; secondary: 85.6%; tertiary: 73.5%).

Major problems persist: the three northern regions (Far North, North and Adamawa) and the East, all now hardest hit by insecurity originating in Nigeria and the Central



African Republic, lag behind in education; the accumulation of grievances in those regions is politically, socially and economically perilous. Education in Anglophone Cameroon, and its place and legitimacy in the national setting is another enduring problem. Since 2016, this situation once more come to the fore when teachers joined striking lawyers to protest against the marginalization of the English-speaking minority (although the education level is not necessarily lower in the Anglophone part). Finally, corruption remains a pervasive problem on all levels (i.e., from the administration down to the schools, where teachers frequently extort money from students to pass exams).

Governance

I. Level of Difficulty

Structural economic and social constraints on governance in Cameroon are moderate, particularly in comparison with some neighboring land-locked countries with lower literacy rates. Cameroon has a medium score on the U.N. Education Index (0.486). A number of typical features of African economies are present in Cameroon that can be regarded as structural constraints. This includes a strong reliance on natural resources as a source of export revenues and national income. However, the share of oil revenues as part of the national income (20% to 25%) is relatively modest in comparison to many other oil-exporting African countries. In other words, the economy is more diversified than many others in the region, but this has not proven to be as advantageous as one may have expected. By and large, it is unlikely that structural constraints have hampered good governance and development in a country which has so many assets, such as a relatively large and educated population, a vast endowment of various natural resources, favorable geographical and climatic conditions, access to the sea, a strategic location straddling Central and West Africa, and a relatively high degree of political stability since the 1960s. To stress the importance of structural constraints in Cameroon, which no doubt exist (e.g., the impact of climate change on the densely populated northern regions), downplays the agency and capacity failings of a political leadership. Having been in power since the 1980s, the political leadership has had ample time to overcome obstacles to development. Instead, and despite progress in some domains, Cameroon has undergone a period of persistent stagnation that does not reflect the country's vast economic potential. Most obstacles to economic transformation are due to government policies rather than structural constraints or external factors. Structural constraints are in the case of Cameroon mostly artificial. Even some of the more recent security challenges are by and large a consequence of political choices rather than fate. Boko Haram, for example, has had a foothold in Cameroon at least since 2009, but the political authorities chose to tolerate the group rather than fight it.

Compared to some of its neighbors, Cameroon's civil society is varied and numerous civic associations exist. Civil society can trace a strong engagement with public affairs to the early 1990s. Most opposition to the government was remarkably peaceful, which may be taken as evidence of a more than moderate degree of civic culture. However, since the late 1990s, civil society has undergone a process of

Structural
constraints

6

'06 _____ '18 10

6 ———— 1

_____ 1

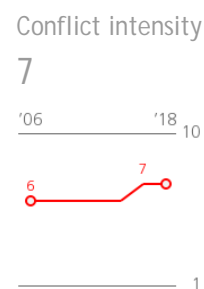
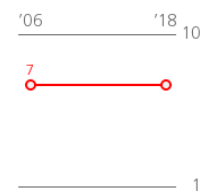
Civil society
traditions

7

fragmentation and political demobilization, which has hampered collective action and effective representation. Repression and co-optation by the regime have become more and more sophisticated, leading to a situation where withdrawal from the public sphere has been increasingly notable. In the search for funds, many NGOs and civil society groups have partnered with international donors to provide technical services. However, distrust between civil society groups has aggravated parochial interests involving ethnic or regional interests rather than common causes. For example, there is no longer an effective national civil society platform that is willing or able to shape public debates or hold the government to account. Major problems or events (e.g., the railway disaster in Eseka in 2016 or the persistent problem of access to water and electricity in the cities) that could be expected to mobilize civil society have had little effect in recent years. However, the recent surge of the Anglophone question in the national political debate was mostly articulated by civil society organizations. But their lack of representation nationwide makes it easier for the repressive government machine to brand their grievances as marginal.

For the last three years, Cameroon has been confronted by the Boko Haram insurgency, which emerged in Nigeria but progressively expanded across borders. In Cameroon alone, the crisis has killed 1,500 people, while displacing some 155,000 people across Cameroon's northern regions. To make matters worse, the region most affected by Boko Haram, the Far North Region, is also the poorest region in the country, as it has long been neglected by central state authorities. In addition, insecurity in Cameroon's border regions with the Central African Republic, induced by the conflict there, has affected Cameroon since 2014. In both cases, the social and economic costs of the crises have been considerable, although the government has managed to mobilize international partners to support it through aid and military assistance.

In strictly domestic terms, political, social and economic conflicts in Cameroon have not taken a violent turn in most instances. However, the potential for violence is arguably significant given pervasive structural problems (e.g., poverty, inequality and a high level of polarization across society). Ethnic, regional or religious identities are salient and are often evoked in private and public discourse, for example, to evoke alleged marginalization or favoritism. The practice of scapegoating certain groups to mobilize support or secure legitimacy for would-be leaders is not uncommon. Some groups are persistently "framed." For example, the West Cameroonian Bamiléké are widely believed to be extremely entrepreneurial and intent on capturing state power. As a result, they are often accused of being overly ambitious. Similarly, every round of recruitment into the state (bureaucracy, army or elite administrative graduate schools) is a highly contested exercise where the ethnic and regional origins of the recruited are carefully scrutinized as evidence of favoritism or marginalization. This is all the more dangerous as the state is not only incapable of managing these tensions



(except with repression), but it actually stokes them to reinforce clientelism and social fragmentation.

Since late 2016, the lingering tensions in Anglophone parts of Cameroon have found popular expression across society in the Anglophone regions. The ensuing crackdown and ill-handled political management by the government has only reinforced the sense of marginalization among the population there.

II. Governance Performance

14 | Steering Capability

The government's strategic priority and that of President Biya is to stay in power. Considering the duration of his leadership, Biya is extremely skilled and successful in reaching this goal. This capacity is not in evidence when it comes to other priorities, to the extent that such priorities exist. In fact, it would be a mistake to conceive of the government as the political core which sets priorities and requisite policies to pursue certain goals. This is system of government which has few if any ambitions as far as the public interest is concerned. It is very rare indeed that a priority can be discerned through rhetoric and actions. One example is the fight against corruption which has been declared a priority in 2006, but which, a few high-profile cases notwithstanding, has not been pursued seriously. Likewise, attracting foreign investments has been declared a priority in 2014. But there is in fact little evidence that the government has implemented requisite measures to turn this plan into reality.

Arguably the only priority in recent years that can be said to have been implemented is its infrastructure investment plan since 2014. Though it is debatable whether this series of heavy investments is part of a grander design to turn Cameroon into an emergent economy. It may well be that the attendant massive injection of public expenditure has a more immediate political affect in terms of patronage and redistribution, poor public accounting permitting. The pockets of technocratic expertise that do exist inside the top-down hierarchy have limited steering authority. Decisions have almost always narrow political objectives and are often at odds with the idea that Cameroon is steered towards a transformation that has as its end point democracy and a free market economy. The reason is that both are in contradiction with the regime's strategic imperative, namely regime survival.

Such priorities that are said to exist are often appropriated at the behest of donors, but are reluctantly and at best partially implemented. Recent examples include the stagnating decentralization process; Cameroon's participation in the EU-driven Forest Law Enforcement, Governance and Trade (FLEGT) agreement; and the

Question
Score

Prioritization

3

'06 '18 10



Kimberley Process for conflict diamonds. As far as the latter is concerned, efforts by Cameroonian authorities to stop illegal trafficking from the Central African Republic need to be improved as traffickers still find ways of smuggling their goods through Cameroon that they use as transit point.

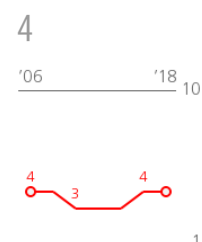
The government is, by design, not intent on implementing policies that are likely to lead to economic or political transformation. Its main interest is the status quo, which is the preferred outcome not only for the president, but for thousands of politicians and public administrators from the national to the local level. This and the closely related state intervention in the economy comes at a price, which illustrates the contradictions between the government's rhetoric and practice. The alleged goal to attract investors is a prime example of these contradictions. The distribution of economic opportunities to political clients trumps any desire to attract new business investors to invest in Cameroon. As a 2016 World Bank report noted, high levels of corruption and economic inefficiency, limited transparency and accountability, an unusually fragmented bureaucracy, a bloated public enterprise sector, and inertia in decision-making limit the scope for economic growth and poverty reduction. In terms of implementation, Cameroon has since 2007 introduced program-based budgeting. As of 2016, according to the World Bank, the "intended benefits of the reforms have yet to materialize."

The political leadership has shown limited willingness to learn from its mistakes, but it listens to advice and adapts to some outside calls for reform. By and large, the government is hostile to open criticism. One example is human rights: Though the government finally admitted Amnesty International delegations into the country to visit prisons and to conduct appropriate research, the government is not giving in to critique. On the contrary, even the mildest form of critique unleashes harsh reactions. Again, the problematic excesses in the fight against Boko Haram were evident in 2016. Officials typically use their power extensively and ignore critical voices. Serious efforts to engage in dialogue on controversial issues are extremely unusual and unfortunately not in evidence on the occasion of the Anglophone protests that emerged in late 2016. Committing to a reform program by its own initiative is rarely observed. Willingness to learn is probably one of Cameroon's biggest policy weaknesses. Therefore, Cameroon should be considered an ineffective authoritarian regime.

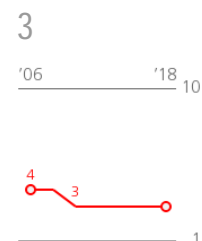
15 | Resource Efficiency

The efficient use of resources and Cameroon's neo-patrimonial system are a contradiction in terms. In Cameroon as in other countries, the use of resources follows exclusively a political logic in which resources serve the political purpose of ensuring regime stability. While pockets of administrative efficiency certainly exist, the overall picture is one of inefficiency and corruption. The more than 120 state-owned

Implementation



Policy learning



Efficient use of assets



enterprises are a case in point. They are wasteful organizations that serve political purposes rather than public, let alone economic purposes.

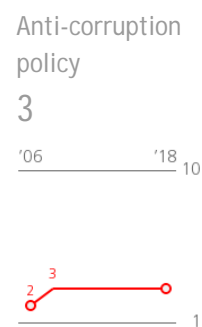
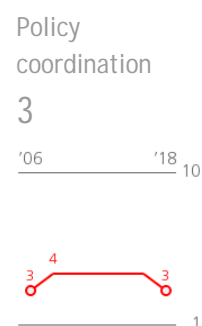
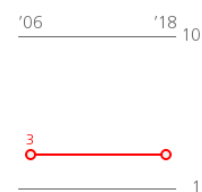
Public spending on health care and education is another tragic example of inefficiency as far as the regional distribution of qualified health care professionals, teachers and public spending are concerned. The Centre Region (with the political capital of Yaoundé) and Littoral Region (with the commercial hub of Douala) account at present for 18% and 15% of the national population, but 38% and 24% of the total number of qualified health care professionals. By contrast, the regions with the highest child mortality rates (the North Region and Far North Region) receive the least in terms of per capita government spending on health care. This is particularly surprising as Cameroon has relatively high-levels of tertiary educated populations, compared to the CEMAC countries. Though people with a tertiary education in Cameroon often chose to emigrate in search of a better quality of life.

The increasing debt burden also points to the severe challenges in the efficient use of resources.

The government often fails to come to decisions, waiting for the president to decide who may or may not do so. In the over-centralized political system of Cameroon, coordination and implementation of policy decisions is poor. In the absence of the president, the prime minister does not enforce cohesion or coordination. He is a weak political figure who is often ignored by government ministers. The multitude of ministries and cross-sectoral committees does not help either. As of 2016, Cameroon had 63 members of government for 36 line ministries. According to the World Bank, the government is characterized by institutional fragmentation and overlapping responsibilities that lead to conflicting decisions, lack of accountability, policy indiscipline and poor cohesiveness. It is safe to assume that this state of affairs is an obstacle to structural reform, but it is also important to note that this situation is politically intended. It permits the sharing of power and resources between competing elites under the supervision of the president. It is noteworthy that this state of affairs is deteriorating, not improving, which may be related to the “fin de règne” climate and Biya’s attempts to manage or rein in his potential successors (and conflicts between them).

Structurally speaking, the government has no dedicated policy to contain corruption. However, to some extent government employees are tried for corruption, embezzlement, and mismanagement. According to the U.S. State Department, the Cameroon Tribune reported in 2014 that as of June 2014, 42 cases had been filed and 11 court decisions issued at the Special Criminal Court (in French, Tribunal Criminal Special, or TCS) since the beginning of the year.

Audits on public finance management are rare and not public. Cameroon has two audit institutions. One, the Audit Chamber, is said to have a relatively high level of independence from government, but its audits concern only accounts and not actual



public spending performance. A second body, the Ministry of State Oversight reports to the president. Public expenditure surveys are rare but those that exist portray a devastating picture, showing significant “leakages” in terms of resources. The 2013 shift to program budgeting is making slow progress and the intended benefits of the reforms have not yet materialized as standard budget procedures are frequently not respected by ministries. Procurement processes remain problematic even after they were assigned to a specific ministry (the Ministry of Public Works). In view of the massive infrastructure expenditure program that the government is currently implementing, these deficiencies are highly problematic.

Cameroon has no access to information law, and officials tend to hide information from citizens and the media.

The 1996 constitution stipulates in article 66 that the president, members of government and senior officials have to declare their economic and financial assets. It took another 10 years to draft a requisite law. However, since 2006, the president has not signed the necessary decree to implement the law. Both the lack of transparency and the absence of functional integrity mechanisms are intended features of Cameroon’s governance model presided over by the president.

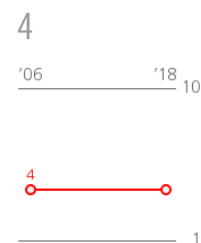
16 | Consensus-Building

There is virtually no effort by the government to seek consensus with major political and economic players on major reform issues, although this could be done rather easily. The hunger for public debate on major issues, including employment, taxes, the environment and minority rights, is strong, but government never addresses these issues. Although most players in Cameroonian society would agree on general goals of reform, namely a market economy and democracy, this is only rhetorically so for the government. Most surveys relating to public attitudes towards democracy indicate a strong desire for democracy in the society. But although the government rhetorically adheres to democracy, its practices remain those of an autocracy. Consequently, radical activists can exploit this apparent immobility.

It is not in the political interests of the government to establish a fully functioning market economy. Strong state interference in the economy is a key tool of disbursing or preventing access to patronage. The high number of state-owned companies, allegedly not unlike the level in China, is one important example. Other actors outside of government such as entrepreneurs may well be in favor of a market economy, but do not have the influence to trigger change.

In Cameroon’s tightly controlled autocratic system, few obvious reformers can be detected. Moreover, these few reformers do not have the clout to rein in non-democratic actors, who constitute the vast majority of government and public administration personnel. In fact, because of the nature of the political system, the

Consensus on goals



Anti-democratic actors

3

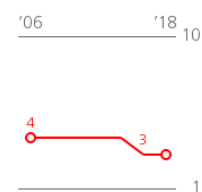
government should be considered the most substantial obstacle to reform in Cameroon. Maintaining the status quo requires the suppression of democratic actors and practices. Because of the weaknesses of civil society and political parties, reform will ultimately be decided by regime insiders. There has been no notable change regarding this situation over the past decade. As long as Biya is alive and in office, it is safe to assume that potential reformers will be hesitant to act for fear of repression. This is particularly true in a context where some well-known self-proclaimed reformers (among others Atangana Mebara and Marafa Hamidou Yaya) have been accused of corruption and are now serving long prison sentences.

Although pretending to work in favor of national unity, the government and its politics do not prevent societal and political fragmentation. The policy of “regional balancing” (i.e., public sector appointments respect regional quotas) has been poorly implemented and has not prevented several identity groups from claiming that they are under-represented in government and public administration. The Anglophone crisis partly rests on such grievances. The inefficient implementation of this policy has fostered competition between regions and groups in society. In reality, these policies are not respecting equality or any criteria other than political ones. A recent analysis of the Biya governments since 1982 has shown that the Centre Region has had the highest number of ministers by a wide margin (84 since 1982), followed by the West Region (42), the Littoral Region (29) and the Far North Region (28).

The Boko Haram attacks are externally induced. Therefore, addressing domestic cleavages will not reduce the threat from Boko Haram.

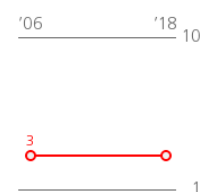
The political leadership fails to promote social capital, and is largely indifferent to the role of civic engagement. Likewise, the government frequently ignores civil society, which it considers an oppositional force. This is also made possible due to the generally weak mobilization capacity of respective groups, with public sector trade unions and church groups being the most notable exceptions. The government generally snubs civil society groups and thereby ignores the potential expertise some of civil society groups may have on specific issues (climate change, poverty reduction, economic transformation). Consultation of civil society groups throughout the process of the poverty reduction strategy prescribed by the World Bank was not systematic and remained selective. In early 2015, the Economy and Planning Minister promised to strengthen participation of elected representatives and of the civil society at all levels (local, departmental, regional and national) in the execution of the budget, but this signifies only that it was weak.

Cameroon has gone through several phases of widespread violence and state repression. These include a bloody coup attempt in 1984, and the “years of burning” (“années de braise”) in the context of the opening towards multi-party elections and the ensuing manipulated elections (1991-93) and the 2008 nationwide protests against the change of the constitution. Historically and politically, the most significant case was the UPC rebellion in the early 1960s, which was violently repressed by the



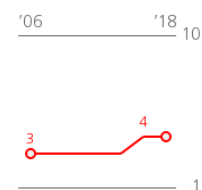
Cleavage /
conflict
management

3



Civil society
participation

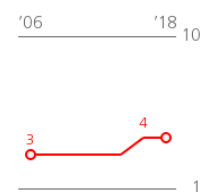
4



Reconciliation

4

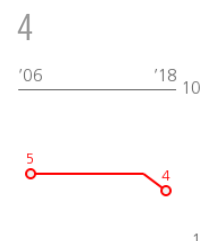
Cameroonian and French governments. Until today, this liberation movement is disparagingly referred to as a “rebel” movement, if government officials refer to it at all. When, in 2015, Francois Hollande became the first French president to break the taboo of speaking about this period (i.e., 1958-1962) during a short visit to Yaoundé, President Biya is not reported to have responded to Hollande’s comments. The government fails to deal with historical acts of injustice and resorts to official amnesia in the hope that such episodes will be erased from the public conscience. In reality, the resurgence of the Anglophone problem in the national political debate is a consequence of this tendency to neglect the need to initiate suitable reconciliation processes.



17 | International Cooperation

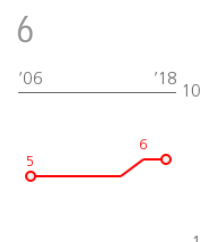
Many of the major aid donors are present in Cameroon, targeting a range of sectors. None is prepared to provide budget assistance except for France and the European Union. At present, Cameroon receives outside aid for its two major priorities: the fight against Boko Haram and infrastructure investments. To a large extent, these are domains where donor-recipient controversies are less likely than in realms that seek to engineer structural reform and which have often led to serious disappointments as far as donors are concerned. Even so, donor concerns, especially from the Washington institutions, have significantly increased since 2015 due to Cameroon’s escalating public debt. A second major concern remains the fragility of the country’s political stability, both in view of a lack of reform-mindedness and in regard to the uncertainties of the Biya succession. As of 2016, China was Cameroon’s most important partner, followed by France and the World Bank.

Effective use of support



Cameroon’s superficial stability as well as its strategic position in a restive region provides the government with an enormous amount of leniency of international partners. With the spill-over of Boko Haram since 2014 and the Central African Republic crisis diplomats and international aid workers have even found further justification to argue that Cameroon should benefit from outside assistance, politically, economically and militarily. Yet, this narrative of stability is at odds with the fact that the same outsiders are under no illusion about the reasons for Cameroon’s alleged stability. The stability is due to an authoritarian regime and once the country finds a successor to President Biya, a period of substantial instability is likely.

Credibility



On the regional and international level, Cameroon is not punching according to its weight. Despite being the natural heavyweight of the CEMAC region, Cameroon often does not live up to its status as President Biya shies away from summits and other public expressions of his country’s positions. On global issues, Cameroon is hardly an active player. To be sure, Cameroon is moderately active at times. For example, when it quickly ratified the Paris agreement on climate change in 2015 or regarding its contribution to U.N. peacekeeping missions (1,146 soldiers in 2016, the

vast majority of which served in the U.N. mission in the Central African Republic - MINUSCA). In many cases, however, it keeps a low profile, for instance, in regard to the African controversy over the International Criminal Court (ICC), to which it is not a state party.

Cameroon is member of many regional organizations such as the African Union (AU), the monetary union of the CFA franc zone and the Economic and Monetary Community of Central Africa (Communauté Économique et Monétaire de l'Afrique Centrale; CEMAC). Within CEMAC, Cameroon is the most important market and producing economy.

While sheer necessity has forced Cameroon into closer cooperation with Chad and Nigeria since 2015 in the fight against Boko Haram, the government is not a leader of regional integration in Central Africa, which remains poorly developed in comparison to other regions in sub-Saharan Africa. President Biya's indifference to regional issues is also evident in regard to the fact that he is never participating in regional summits. In December 2016, Cameroon hosted an extraordinary CEMAC summit which was also attended by IMF chief Christine Lagarde and the French Finance Minister Michel Sapin. The six heads of states rejected the devaluation of their common currency in the face of a severe financial crisis triggered by falling oil prices and high inflation.

Cameroon has had international disputes over the delimitation of boundaries with Chad, Niger and Nigeria, which have partly been resolved. The International Court of Justice (ICJ) ruled that Cameroon owns the Bakassi peninsula.

Regional
cooperation

5

'06 '18 10

4 5

1



Strategic Outlook

Its reputation as an “island of stability” in a restive region notwithstanding, Cameroon is in the midst of a period of heightened uncertainty. Cameroon is approaching the day when President Biya will leave office, either stepping down (in 2018) or passing away in office (the more likely scenario). Politically and institutionally, Cameroon is ill-prepared for this event and the subsequent transition, not least because it is de facto prohibited to publicly discuss this issue inside the country. Even so, the succession is on everybody’s mind. Uncertainty about the intentions of key actors (regime insiders, the various and possibly competing security branches, political parties, and organized civil society groups) and mutual distrust is heightening the risk of instability and violence, at least in the short term. The danger is even more acute in view of the fact that social cohesion and trust in society is weak, while inter-group competition is strong, partly as a result of the regime’s successful divide-and-rule tactics.

Additional challenges concern the weak legitimacy of corrupt state institutions that, for most citizens, cannot be trusted to manage political competition in a fair and even manner. Group grievances, such as those of the large Anglophone minority, are pervasive and remain salient.

Moreover, poverty and misery affecting large groups of citizens add another layer of problems that pose long-term challenges to social, economic and political development across the country, not only in the disproportionately poor north. Statistically, Cameroon appears to be a lower- to middle-income country that is enjoying a long period of robust economic growth. However, in reality, wealth is very unequally distributed and many social indicators reflect those of a low-income country.

In the long run, the economic returns on Cameroon’s current infrastructure investments will be limited without policy reforms and equal investments in human capital. State expenditure on health care and education remains exceedingly low and inefficient. Policy reforms will need to encourage a more business-friendly environment to enable the emergence of the private sector and job creation. Containing bureaucratic overreach and inefficiencies, cracking down on corruption, and investing in the rule of law should be key government priorities.

Unfortunately, all of this is extremely unrealistic within the current political context of a ruling elite that directly benefits from the status quo. Reform-minded individuals and groups, even inside the regime, will only take risks after Paul Biya’s eventual departure, which may provide an opportunity to establish a more liberal political and economic system. Cameroon’s stagnation is also affecting the region. The weak regional economic environment in CEMAC would have required bolder leadership from Cameroon, given the country’s resilient economic performance. But inertia and over-centralized decision-making processes inhibit implementation of policy decisions that could advance transformation.