

BTI 2014 | Cameroon Country Report

Status Index	1-10	4.43	# 97 of 129	
Political Transformation	1-10	4.08	# 94 of 129	➔
Economic Transformation	1-10	4.79	# 87 of 129	➔
Management Index	1-10	3.32	# 114 of 129	
	scale	score	rank	trend

This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2014. It covers the period from 31 January 2011 to 31 January 2013. 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>.

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Key Indicators

Population	M	21.7	HDI	0.495	GDP p.c.	\$	2342.0
Pop. growth ¹	% p.a.	2.5	HDI rank of 187	150	Gini Index		38.9
Life expectancy	years	54.1	UN Education Index	0.534	Poverty ³	%	30.4
Urban population	%	52.7	Gender inequality ²	0.628	Aid per capita	\$	18.1

Sources: The World Bank, World Development Indicators 2013 | UNDP, Human Development Report 2013. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$2 a day.

Executive Summary

The ruling Cameroon People's Democratic Movement (Rassemblement Démocratique du Peuple Camerounais, RDPC) is expected to win a majority in the postponed legislative elections scheduled now for mid-2013, after incumbent President Paul Biya (now in office for thirty years) easily won reelection in 2011. A 1996 constitutional amendment which calls for a 100-member Senate – which the government failed to enact for the previous 17 years – is finally expected to take effect. Elections to the Senate may become the most interesting event to observe in 2013, as a fierce competition between parties and within the RDPC could take place in some constituencies.

Overall, Cameroon's political climate remains characterized by immobility and, with regard to the post-Biya era, to widespread uncertainty. Speculations abound on what would happen if Biya, who turns 80 in 2013, is not able to complete his seven-year term. Precedents from other African states are not homogeneous: succession crises have been handled smoothly, but only where the rules of succession are clear and accepted. This might not be the case for Cameroon. It is unclear whether the split opposition would profit from a presidential vacancy, as it is disorganized and only a few individuals in different parties claim some popularity. Ever since independence, the experience of Cameroonians is that the government cannot be changed via elections, which is a dangerous legacy.

During the review period a few major developments took place. For one, the government improved its capacity to appropriately react to violence in the coastal area of the Southwest Region, particularly the Bakassi peninsula. The presence of U.S. and French marine vessels in the Gulf of Guinea, along with stepping up training of security forces, contributed to this improvement. Second, some new challenges arose in a volatile area of northern Cameroon along the border within Nigeria. An Islamist threat is also perceived in Yaoundé, though no terrorist attack has been recorded yet. In addition, the crisis in neighboring Central African Republic (CAR), where a new rebel alliance made quick territorial gains in late 2012, has impacted Cameroon. Refugees escaping from violence continue to arrive in northeastern Cameroon and more small arms are

becoming available. The long term impact of the conflict on Cameroon is yet to be seen. Economically, the country received mixed reviews from international institutions. The IMF was significantly more critical of the government during the review period, citing a significant decline in both public expenditure and treasury management, while the World Bank acknowledged substantial progress has been made in promoting new business development by reducing procedures and costs.

Concerning the abuse of public office, the population expressed little faith in meaningful reform. While acts of embezzlement by public employees continued to be prosecuted and more former ministers were indicted and also convicted, the president's office allegedly meddled with the judicial proceedings. Furthermore, the much vaunted Operation Sparrow Hawk has been able to wipe out the deep-seated culture of corruption.

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 negatively shaped elite behavior specifically. Cameroon's process of economic transformation began in the late 1980s, with political processes of change following in the early 1990s. Although Cameroon's first President Ahmadou Ahidjo ruled with repression for twenty years, agriculture, education, health care and transport improved under his rule. The Cameroon government did not have to ask the World Bank and IMF for a structural adjustment program for a relatively long time. After the onset of a severe economic crisis in 1985-1986, 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 7-year term. Legislative elections were postponed from 2012, mainly to allow for technical improvements.

The rhetoric combat against corruption was followed by the indictment of several “big men” beginning in 2006, a wave of indictments of a good dozen 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.

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

Cameroon is certainly not a standard example of a “weak” or “fragile” state. Unlike some of its neighbors, such as CAR, Chad, Congo or Nigeria, it never went through a prolonged period of a breakdown of public order. But below the surface, the picture is less reassuring. The country underwent major challenges in maintaining security in 2010 and 2011, mainly in the coastal zones bordering Nigeria; though 2012 was more stable. However, some non-governmental and para-state actors are still able to use violence to pursue their goals, without government interference. Traditional leaders frequently control their own police forces and may even operate prisons. While these leaders may not be acting to enforce their own policies, the government must work to co-opt them to its agenda. The government continues to have difficulty guaranteeing public safety and order in the slums of Douala and the border areas with Nigeria, Chad and CAR where highway robbers operate openly. It is feared that members of the Nigeria-based Boko Haram movement are already operating in northern Cameroon, and the government is trying to curtail their movement.

The main dividing line of Cameroonian society is cultural with evident political roots: Cameroon is a bilingual country that was formed from two distinct United Nations mandate territories. The initial federal constitution was abolished in 1972, and Biya’s government changed the flag that had symbolized the two parts of the country. Calls for separatism started in the eighties following the discovery of oil offshore in the (Anglophone) Southwest Region. The power struggle was exacerbated when a multiparty system was authorized (1991-92). A division persists between Francophone and Anglophone regions, with segments of the Anglophone elite openly calling for autonomy. Some basic rights are withheld from Anglophone activists, and public demonstrations for more autonomy or separation are prohibited. Although “national unity” served as the government’s watchword from the 1960s to the 1980s, little progress has been made in that direction. Basic citizenship rights are frequently withheld from segments of the population. For example, Pygmies in the southeast

Question
Score

Monopoly on the
use of force

7

State identity

5

undergo frequent discrimination. (Somewhat better off are Mbororo nomads in the northwest.) It is now common knowledge that inhabitants of the once disputed Bakassi peninsula identify themselves more with Nigeria than Cameroon; this is only indirectly related to the so-called “Anglophone problem”.

The constitutional separation of church and state is enforced. While religion does not play a prominent role in political debate, some religious groups do wield discreet influence, particularly the Pentecostals and born-again Christians. The current leadership of the Catholic church is divided but mostly favors the current regime, including its divisive politics with regard to ethnicity. For example, the Catholic University in Yaoundé was recently involved in a scandal when it was discovered ethnic Bamilékés are intentionally over-represented in both the teaching staff and among the students. Recent attacks in neighboring Nigeria by the Islamist group Boko Haram have impacted Cameroon’s relatively liberal handling of religious affairs and Islamic movements are now more closely watched. Rosicrucians and Freemasons are believed to hold considerable influence within government circles.

No interference of religious dogmas
8

Decision-making is centralized in Yaoundé, and the process of decentralization, intended to bring government administration closer to citizens, has not progressed very far. President Biya has announced senatorial elections for 2013, which is 17 years after the body was established in a Constitutional amendment. Following the elections, the senators are expected to put more pressure on the provincial branches of administration. Until that point the central administration will maintain its strong position. While major ministries provide provincial- and sometimes district-level services, these frequently lack resources. Since 2010, 49% of the population has had access to improved sanitation and 77% to an improved water source, which would seem to indicate a medium level of government care. However, many state-sponsored institutions are ineffective, and many formerly public goods such as health and education are now administered in part by development agencies and NGOs. The government has also been shrinking due to the increasing privatization of services such as electricity.

Basic administration
5

2 | Political Participation

Universal suffrage and the right to campaign for election are provided for by the constitution. However, in practice, this has not led to free and fair elections. Presidential elections in 2011 resulted in a sweeping victory for incumbent Paul Biya with 78% of the vote, confirming Cameroon’s status as an electoral autocracy. All elections held since the reintroduction of the multiparty system have been seriously flawed. When the ministry of territorial administration handed over parts of its duties to a newly formed special body (ELECAM), the opposition immediately accused the latter of bias. All official results remain questionable, but particularly those on voter participation. While the official figure was 66%, electoral observers including

Free and fair elections
3

Transparency International estimated less than 30% voted. Past elections were also characterized by poor technical standards - and the government's lack of will to reform the system has been interpreted as a "strategy to putrefy" political engagement by opposition parties and civil society. The move to introduce biometric voter cards - a major reason for postponing legislative elections to 2013 - could bring about more transparency, but only the handling of the upcoming elections will tell.

When Biya was re-elected in 2011 for another seven-year term many discussed the likely scenario that the then 78-year-old would die in office. In recent years, presidents have died in the considerably more democratic African countries of Ghana and Malawi, and the transition of power has gone more or less smoothly in those countries. In the Cameroonian case, however, it is expected that the military would play an important role in a succession crisis. The influence of the military has been very strong since loyalists defeated a coup attempt against Biya in April 1984. The top echelons of the military are occupied by officers who should have retired many years ago, and the most influential positions are held by those with the same ethnicity as the President. However, in both 2011 and 2012 there were rumors of rising discontent within the security forces. In the periphery, the power of traditional authorities frequently exceeds the power of state representatives. Both the military (nation-wide) and some traditional authorities (in specific areas) can be considered veto players.

Effective power to govern

2

The regime encourages the formation of political parties, as this is a way to split up the opposition. Accordingly, Biya faced 22 candidates in the 2011 presidential election. Most opposition parties are also disorganized and tactically weak. Association rights are comparatively better guaranteed in practice than assembly rights, though both are part and parcel of constitutionally-guaranteed civil and political rights. SDF members, including members of parliament, are occasionally manhandled by members of the security forces; this happened to the vocal SDF coordinator for Littoral province, Jean-Michel Nintcheu, in February 2011. When opposition groups called for a protest march in the economic capital Douala against 30 years of Biya's reign on 6 November 2012, the government banned the march, but allowed jubilating regime supporters to hold their festivities. This application of double standards is typical of Biya's reign and continues to undermine citizens' assembly rights.

Association / assembly rights

5

State media is heavily controlled. The government has consistently hampered the development of private radio stations, which were only permitted in 2003, thirteen years after the basic legislation that allowed for them. Editors and journalists employed by private newspapers have been frequently arrested and imprisoned for minor offences, particularly when high-level state officials were targeted. In 2011, the owner of a weekly was convicted of defamation and not only received a six-month suspended prison sentence, but his newspaper was banned indefinitely. In December 2012, the government initiated a media forum in order to strengthen press freedom.

Freedom of expression

4

However, participants, such as the country's main journalist union, considered the event to be a failure. Cameroon continued to rank poorly in the Global Press Freedom Survey 2012 by Freedom House (153rd out of 197 countries, slightly worse than before), while Reporters without Borders recorded a surprisingly strong improvement in Cameroon's press freedom index, ranking the country 97th out of 179 countries for 2011 – 2012, compared to 129th out of 178 in 2010.

3 | Rule of Law

The legislative and judicial branches have little control over the executive. The 1996 Constitution provides for a powerful president who is elected for seven years, but the executive has rarely been criticized or held accountable by parliament, notwithstanding the National Assembly's short "revolt" in 2012 to not vote immediately for a government proposal on a new electoral law. The overwhelming majority (153 out of 180 seats) held by the governing party ensures that the lower chamber, or National Assembly, is largely subject to the wishes of the executive. 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 CPDM party. The upper chamber, the Senate, should eventually see the light of day in 2013 when Senators should be elected for the first time. Regions are not yet formally established. The prime minister comes from the Anglophone minority and his role is limited to coordination.

Separation of powers

4

The judiciary is plagued by corruption, lacks independence and adequate resources, and is considered in urgent need of reform. In 2011-2012 a series of trials against homosexuals attracted international attention. Those accused were reportedly maltreated in custody. In early 2013, two men accused of wearing women's clothes were acquitted as a result of international pressure, but the discriminating laws against homosexuality remained in place. Both men went into hiding out of fear of being targeted extra-judicially. At times, the Court of Appeals may overrule judgments of lower courts, including in politically motivated trials. This was the case for Eric Kingué, a former mayor of Lobé Pendja, considered by Amnesty International to be a prisoner of conscience. But the Court of Appeals opened a new trial on the same charges, and handed down the same sentence of 10 years imprisonment. Judges, who preside over elections, are appointed by the president and receive regular salary increases. Prison conditions in overcrowded cells are often life-threatening.

Independent judiciary

4

Corruption is pervasive, and prosecutions against offenders are typically politically motivated. For example, some formerly powerful officials in Biya's regime have been indicted over the last few years, as these figures were viewed as overly ambitious politicians who could position themselves as successors to Biya. A double standard is widely applied. For example, while former Minister of Territorial

Prosecution of office abuse

4

Administration Hamidou Marafa was convicted in a corruption trial and sentenced to in September 2012, President Biya's son Franck was not prosecuted when he was accused of profiting from insider information to buy treasury bonds at a cheap price. He resold them within a short while to the state at a higher price, allegedly pocketing around 100 billion CFA franc.

Civil rights are frequently violated. The government restricts freedom of assembly, freedom of speech and freedom of association. Like in previous years, leaders and supporters of the Southern Cameroon National Council (SCNC), an Anglophone secessionist group, were arrested. A SCNC meeting in Buea on 1 October 2012 was interrupted by a massive police raid and about 100 people were arrested and briefly held in custody. The government did not allow Amnesty International to conduct investigations in the country until 2010. The group reported in January 2013 that freedom of expression and association are both severely violated in Cameroon. Conditions in Cameroon's prisons remain life-threatening. Homosexuality is criminalized and gays face both institutionalized discrimination and homophobia within society. The government claims it is trying to stop the practice of female genital mutilation, but does not effectively implement such policies.

Civil rights
4

4 | Stability of Democratic Institutions

Cameroon is an autocracy with a facade of "republican" institutions that have not developed a life of their own. The National Assembly cannot be considered a democratic institution, though some cracks in the monolithic CPDM block became apparent in 2012 (see above). However, deficiencies in the rule of law, the social and economic exclusion of entire population groups (i.e., ethnic groups and people of a different sexual orientation), little esteem for social justice, plus the absence of participatory policies precludes the country from having "functional equivalents" to institutions of representative democracies.

Performance of
democratic
institutions
2

Cameroon is a strongly personalized electoral autocracy. Institutions are only democratic in name and the government does not seek respective change. The president can change the rules of the political game when it suits him. He weakens republican institutions by holding cabinet meetings only at random. It is highly unlikely that a succession crisis would be dealt with constitutionally.

Commitment to
democratic
institutions
2

5 | Political and Social Integration

Legislative elections planned for 2012 were postponed to 2013 leaving the National Assembly with its composition of 153 RDPC MPs and 27 from other parties. Both the major opposition party SDF, much weakened in comparison to the 1990s, and the second most important UDC, which only has significant support in the home area of

Party system
5

its chairman, are not willing to compromise with the ruling party. To this extent there is a fairly strong polarization of the party system. However, only five parties are represented in the Assembly, and the National Union for Democracy and Progress (UNDP) is a solid supporter of the ruling party. Voter volatility is not well researched but probably low. The ruling RDPC has slowly, but steadily, extended its hegemonic position (currently 85% of the constituencies). Opposition parties are generally ethnic and regional in character. Patronage concerns prevail over ideology, with the governing party offering the best opportunities for patronage. Opposition parties are primarily coalitions of personality-oriented election associations that come together to form ad hoc platforms, but remain unable to cooperate strategically to facilitate long-term power change.

Cameroon does not have a well-differentiated landscape of interest groups. With only a few organizations committed to the political transformation process, certain church-related institutions and human rights organizations have the most significance in this regard. Over the observation period public sector trade unions have become more visible than in the past. The interests of the rural population and of women are underrepresented not only politically, but also within societal organizations. The powerful GICAM Business Association continues to criticize government policies vocally. Consumer protection has become an important issue for newly formed associations during the observation period. Many associations defend their ethnic interests openly.

Given the authoritarian character of the regime, serious opinion polls cannot be conducted in Cameroon. As a consequence, it is not possible to provide an informed evaluation of the Cameroonian population's attitudes toward democracy. This is partly attributable to government hostility toward opinion polls in private newspapers during the 1990s. Many observers agree that the population has relatively little trust in government, but potentially also in opposition parties and the current political system as a whole.

Inter-communal trust is weak. When contacting state institutions, ordinary people frequently try to approach ethnic kinsmen somewhere in the hierarchy - and not the officially competent individual. The legacy of local conflicts, mostly over land, has made efforts to build up social capital in rural areas challenging. Solidarity networks in urban neighborhoods do exist, but mostly in ethnically homogeneous communities. The official slogan of "national unity" is therefore mostly void of any reality. NGOs can be formed relatively freely under a legal framework laid out in 1999, and many government officials have been established such organizations in order to profit from foreign aid. Also, NGOs are frequently made up of one ethnicity. In summary, social capital is generally strong within identity groups, but cross-culturally weak.

Interest groups
5

Approval of
democracy
n/a

Social capital
4

II. Economic Transformation

6 | Level of Socioeconomic Development

Question
Score

Socioeconomic
barriers
3

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 is set to attain one single Millennium Development Goal (on primary education, see below). During the review period, the incidence of poverty largely remained unchanged, and actually worsened in rural areas. Cameroon is ranked 150th on the HDI, and only qualifies as a country with "low human development". The calculated HDI value of 0.482 is slight higher than previously. GDP per capita stands at \$2,400 and is unevenly distributed, though the (somewhat dated) GINI coefficient of 38.9 (2007) is comparatively good. Thirty percent of the population are estimated to live on or below \$2 per day (again latest available figures are from 2007). Cameroon ranks only 101st of 113 countries in the Gender Development Index with a GDI given at 0.639 (in fact about average in the sub-region). Cameroon has the socioeconomic prerequisites for an adequate freedom of choice status, but lags behind with regard to performance. Literacy rates - generally cited at 70.7% are not gender-neutral (only 63% of women are literate, but 78.9% men are), the gross re-enrollment rate stands at 119.8% in the primary (Enrolled students who are older than the age group that officially corresponds to the level of education, e.g. repeaters, can cause enrollment to exceed 100%). Enrollment was 42.2% in the secondary and 11.5% in the tertiary education sectors. The female-to-male student ratio has also increased in recent years, from 81.5% to 86.2%.

Economic indicators		2009	2010	2011	2012
GDP	\$ M	22188.2	22488.4	25320.7	24984.0
GDP growth	%	2.0	3.3	4.1	4.7
Inflation (CPI)	%	3.0	1.3	2.9	2.9
Unemployment	%	-	3.8	-	-
Foreign direct investment	% of GDP	3.3	2.4	1.4	-
Export growth	%	-11.1	-1.2	11.5	-
Import growth	%	-3.2	8.3	14.9	-
Current account balance	\$ M	-1118.7	-856.3	-	-

Economic indicators		2009	2010	2011	2012
Public debt	% of GDP	10.6	12.1	13.9	14.9
External debt	\$ M	3238.5	3194.7	3074.3	-
Total debt service	\$ M	392.1	197.1	321.2	-
Cash surplus or deficit	% of GDP	-	-	-	-
Tax revenue	% of GDP	-	-	-	-
Government consumption	% of GDP	13.9	14.2	14.9	-
Public expnd. on edu.	% of GDP	3.6	3.5	3.2	-
Public expnd. on health	% of GDP	1.3	1.5	1.6	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.5	1.6	1.4	1.4

Sources: The World Bank, World Development Indicators 2013 | International Monetary Fund (IMF), World Economic Outlook 2013 | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database 2013.

7 | Organization of the Market and Competition

Uniform rules of the game for market participants are provided in the Central African Economic and Monetary Union (Communauté économique et monétaire de l'Afrique centrale, CEMAC) framework, but the state still intervenes. The institutional setting for free markets and competition is inadequate. Poorly functioning public institutions cannot prevent corruption and enforce rule of law in the economic arena. The informal sector plays a comparatively large role. Cameroon ranks very low on the Index of Economic Freedom 2013, at 133rd out of 177 countries ("mostly unfree"), but the downward trend underway since 2007 has now been reversed (+0.5). Potentially as a result of a growing interest by "newcomers" on the Cameroonian market, one can expect more active efforts to set binding rules for market competition.

Market-based
competition
4

Formerly intensive regulation of the economy has been reduced since the inauguration of the IMF's structural adjustment program in the 1990s. There have been complaints about privileged treatment of French companies, especially in the context of privatization of state enterprises. Chinese investments are on the rise including in the oil sector (and Australian and Indian investments in the broader mining sector). The state monopoly of the national oil market with its SONARA refinery was eliminated in 1998. Following the elimination of state monopolies, small, foreign-dominated oligopolies have arisen (e.g. in the telecommunications sector). However, they are regulated to some extent. The state telecom provider

Anti-monopoly
policy
5

Camtel has survived on state subsidies and Chinese technical aid. It has recently been allowed to monopolize access to the SAT-3/WASC international fiber optic submarine cable, apparently leading to extremely high prices.

Foreign trade is distorted by state regulation, special rules, and tariff barriers. However, Cameroon is visibly integrated into the world market. Foreign trade is liberalized to a large degree. The export of certain timber in unprocessed form has been forbidden since 2002 in order to stop the dramatic loss of rainforest due to uncontrolled and illegal logging. Cameroon's membership in CEMAC has facilitated the establishment of some common trade rules. Cameroon's trade partners are fairly diversified with the largest exporter to Cameroon being France (19% in 2011), while the main importers of Cameroonian goods are Spain, Netherlands, China, Italy and France.

Liberalization of
foreign trade
5

Good data on the banking sector are rare. The legal underpinnings for the banking system and capital market exist under the supervision and control of the Commission Bancaire de l'Afrique Centrale (COBAC), which is associated with the Bank of Central African States (Banque des États de l'Afrique centrale, BEAC). Political pressure has occasionally been misused to grant bad loans that are almost never repaid. The BEAC itself lost credibility after a broad-based embezzlement scheme implicating top administrators in 2009. The current finance minister, Alamine Ousmane Mey, is a highly respected banker with an excellent sense of the banking sector. However, among the IMF's few critical points in recent reports, is a concern about the vulnerability of Cameroon's banking sector. In addition, insufficient supervisory resources threaten the stability of the financial sector.

Banking system
6

8 | Currency and Price Stability

Cameroon's inclusion in the CFA zone has given it a highly stable currency. Monetary policy is the responsibility of the BEAC which tries to regulate monetary policies by modestly changing interest rates. Consumer price inflation was moderate in 2011 (2.9%) and may further decline to 1.9% in 2012. The real effective exchange rate stands at 100.8% and also reflects a rather healthy foreign exchange situation.

Anti-inflation /
forex policy
8

With total reserves standing at \$3.2 billion (2011), a public debt of 12.9% of GDP (external debt \$3 billion) and a strongly reduced debt service now standing at \$207.9 million, Cameroon's macroeconomic stability looks better than ever. However, the current account balance is slightly negative (-0.9% in 2010) and some essential information, for example on government consumption, is unavailable.

Macrostability
6

9 | Private Property

Property acquisition, and especially the purchase of land titles, remains problematic, as conflicts arise between “modern” and “traditional” concepts of the law. This has become more salient with regard to land rights in rural areas. A growing number of investors are interested in arable land, while the purchase of urban land titles has always produced disputes. Property rights are formally defined but cannot be considered satisfactorily safeguarded because of shortcomings in the rule of law, usually due to corruption. According to the World Bank, it takes 93 days to register a property (and five procedures); this places Cameroon amongst the worst countries in this category. Only eleven countries worldwide have more procedures.

Property rights
4

The World Bank’s Doing Business Report 2013 shows some losses and some gains in comparison to 2012. Starting a business is now comparatively easy and takes on average only 15 days. Cameroon still stands at a low rank of 172 when it comes to enforcing contracts, but truly problematic for private businesses is the workload associated with filling out tax forms and the sheer amount of individual transfers needed. (Cameroon ranked 176 on paying taxes in the 2013 report). The business association GICAM has pressed the government to simplify procedures. Private companies can act freely in principle, but in reality they encounter economic barriers to development. Cameroon’s attractiveness to domestic and foreign investors varies from sector to sector. In recent times, investment by private international firms in the mining sector has increased enormously (e.g. iron ore, cobalt, bauxite).

Private enterprise
5

10 | Welfare Regime

State measures to avert and alleviate social risk are minimal. The public social insurance system (Caisse nationale de prévoyance sociale, CNPS) was for a long time notoriously overextended, poorly managed and under-performing, and in the past has often been plundered as a slush fund for the government. Some progress in management practices have been recognized in recent years. The state health care system is similarly overextended, and has been compromised significantly by corruption. Family structures and other primary solidarity networks are the only viable options for reducing risk, and still function comparatively well. The World Bank has urged the government to spend more on social safety nets (the government spends just 0.2% of GDP on social safety nets—one of the lowest rates in Africa). Public expenditure on health stands at a low 1.5% of GDP, and translates into comparatively bad health services. Life expectancy at birth stands at just 51.6 years.

Social safety nets
4

Informal institutions exist to compensate for gross social differences, but they are limited in scope and quality. In rural areas, social risk is still largely absorbed by “traditional” family-based relationships of solidarity. This system is crumbling in the

Equal opportunity
5

cities. Sometimes there is an equivalent coverage through informal savings associations (tontines) or through the solidarity of church congregations. Women have a somewhat limited access to education and a strongly limited access to public office (25 out of 180 or 13.9% of all members of parliament are female). Only a few state enterprises are led by women. 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%).

11 | Economic Performance

According to the latest figures, Cameroon has a GDP of \$25.5 billion (2011), which is higher than Bolivia and Côte d'Ivoire. For years, Côte d'Ivoire was Cameroon's main economic rival within French-speaking Africa (likely because of similar sociopolitical and economic conditions), but that country has lost economic power due to a decade of turmoil and civil war. In the absence of such upheavals, one would have expected Cameroon to have fared much better. Over the past decade, Cameroon had on average a 3% growth rate, but the average for other oil-exporting countries was much higher, around 7.5%.

GDP per capita now stands at \$2,400. Over the last couple of years the GDP growth rates (3.8% for 2011, 3.2% in 2010) have slightly exceeded population growth, which should translate into better performance data. However, qualitatively, Cameroon is not performing as well as it could be. The IMF issued a document in 2011 titled "Time for the lion to wake up?" alluding to the name of the Cameroonian national football team, "The Indomitable Lions". The article title sums up the frustrated hopes and unmet expectations by many foreign partners. Expectations for 2013 are that the growth rate might rise to over 5%, which would be a substantial improvement. Official unemployment rates cannot be trusted. President Biya had a plan to create 25,000 jobs for young graduates in the public sector. About 300,000 candidates applied. Some other important indicators related to output strength cannot be explored due to the lack of recent data (e.g. on gross capital formation). While consumer prices are comparatively stable and the public debt figures are looking sustainable at 12.9% of GDP, some serious concerns remain, not least with regard to road, energy and telecom infrastructure. Foreign direct investments fluctuate from year to year, but stood at 0.0 in 2011, meaning that the net inflows were at the bottom of what could be expected, though the government had tried to reduce investment barriers.

Output strength

6

12 | Sustainability

Timber exploitation has changed tremendously over time as investments in that sector have gone up and donor-driven policies have taken root. A new trade agreement between Cameroon and the EU aims at ensuring the disclosure of all timber sales. Under the terms of the agreement wood products from Cameroon exported to the EU must now contain evidence that they were logged legally. This should help in reducing the share of exported unprocessed timber which continues to be seen as an unsustainable way of exploiting one of the major export commodities of the country (about one fourth of export revenues). Yet some negative developments also occurred. The Ministry of Forestry granted a U.S.-based firm, Herakles Farms, permission to remove rain forest in a declared protection zone (Mundang) in autumn 2012 to prepare the ground for a large-scale palm oil plantation. The government only suspended the project in May 2013 following international outcry and resistance by locals. Secondly, once the only noteworthy sea resort in Cameroon, Kribi saw the construction of a major oil-pipeline (with a subsequent leakage in 2007) and in 2011 work began on a deepwater port. Such developments indicate the government puts environmental issues on the back burner. Quite logically, Cameroon ranks low on the EPI (112nd) with a value of 43.

Environmental
policy
3

A relatively high number of Cameroon's primary and secondary schools are private institutions. About 50% of schools are run privately and one-third of all students receive their education at private schools. An acceptable level of education could not be maintained without church-supported schools. In addition to state universities, there is a Catholic university in Yaoundé. A scandal rocked this university in 2012: the archbishop of Yaoundé pinpointed an unjustified majority of ethnic Bamiléké among both the teaching staff and students, an example of widespread discrimination in Cameroon's public and private institutions. A number of private initiatives have been opened, most well-known the University of the Mountains in the Bamiléké heartland. The regime's lack of support for tertiary education is evidenced by the appalling conditions at the public universities and repression. However, in December 2010, Biya did open another university in Bamenda, the SDF heartland. The literacy rate has increased to 70.7%, while the gross enrolment rate for secondary- and tertiary-level schools remains modest (42.2 and 11.5% respectively). Disparities in educational opportunities for men and women continue to exist and are more serious the higher the level of education. Public expenditure on education represented 3.5% of GDP in 2011, which is significantly higher than spending on health.

Education policy /
R&D
4

Transformation Management

I. Level of Difficulty

Structural economic and social constraints on governance are moderate, particularly in comparison with some neighboring land-locked countries with lower literacy rates. Cameroon has a medium score on the UN Education Index (0.520). A number of typical features of African economies are present in Cameroon, including strong reliance on export production and a reduction of human resources as a result of exposure to tropical diseases. Oil production declined in 2011, but was set to increase again in 2012, as world market prices were favorable in this sector over the review period. There were major discoveries of oil deposits in northern Cameroon, which should maintain the country's status as a moderate oil producer. Production in the oil sector is expected to increase by 9% in 2013.

Structural
constraints

6

In the past, reliance on oil translated into a lack of transparency of state income and limited regard to business in other sectors. Although Cameroon still has reserves of arable land, it was only in 2011 that a once traditional agro-pastoral show was held after 24 years. Most obstacles to economic transformation are due to government policies rather than external factors.

The landscape of civil society organizations is somewhat varied, but not all groups are represented. Church-based NGOs are relatively strong and engaged in the Poverty Reduction Strategy (PRS) process, and self-help organizations are fairly strong in the southern half of the country. A couple of human rights organizations are active, and they do put pressure on the government. A consumer's defense association is involved in fighting corruption, and public sector trade unions have become more visible in the review period. However, social trust is extremely low and social capital exists rarely bridges ethnic divisions.

Civil society
traditions

7

Society and the political elite are deeply split into ethnic and linguistic communities, with occasional violence occurring between them. Many regional and ethnic groups, and particularly the Anglophone minority, consider themselves only conditionally, or forcefully, integrated into Cameroonian society. The government is dominated by French speakers, and measures to improve infrastructure in the English-speaking northwest and southwest provinces are continually stalled. It is difficult to assess what percent of the English-speaking population favors secession, mainly because

Conflict intensity

6

Anglophone communities are dispersed throughout the country. The largest ethnic group, the Bamiléké (an umbrella term for a group with internal differences), was portrayed as rebels in a late colonial guerrilla war and pro-government organizations sometimes use this stereotype against them. The Bamiléké generally view themselves as victims of the state's unfair resource distribution, and they have difficulty forming alliances with non-Bamiléké groups. Neglected regions in the extreme north and east of the country rarely organize to voice their grievances, and the marginalized pygmies have very little political voice. Local conflicts persist in several regions, and violence escalates sporadically, especially in the Northwest Region. The ethnic and the political cleavages run parallel to the political structure with main opposition party SDF receiving above-average results within the Anglophone and Bamiléké electorates. The last episode of nation-wide violent protests was in 2008, but there is potential for a recurrence of nationwide violence within a short time-span.

II. Management Performance

14 | Steering Capability

For a long time the government has shown little genuine commitment to reform. Most of the reform agenda has been driven by external actors, and likely as a result, it has been poorly implemented. The political leadership only turned to more sustainable economic policies due to international pressure. As a result of the new economic policies, though, public debt is under better control than it was at the turn of the millennium. The government completed the HIPC process in 2006, and a relatively low level of indebtedness has been maintained since then. Government initiatives are rare and weakly supported. There is an elite group of Western-educated technocrats and a handful of reform-oriented bureaucrats, but the majority of government is not reform-oriented. Still, some of the most pressing economic problems have been eased in recent years. The construction of some large infrastructure projects (including the Lom Pangar Hydropower Project, funded mainly by the World Bank) and efforts to improve agricultural productivity are in the works. Shortages of power and unannounced power cuts have long hindered industrial development. It appears that the Kribi gas station will help alleviate this problem. However, those ameliorations are piece-meal and do not translate into a genuine reform agenda. Worse is the situation in the political field: Among the blocking forces for any reform are the security forces and the judiciary. Only a handful of members of parliament could be described as reform-oriented, and they come from different political parties including the ruling RDPC. Overall, there are very few drivers of change in power positions and the political leadership lacks a political vision. The high degree of immobility is linked to the personalization of power in the president himself. Given the president's

Question
Score

Prioritization
3

old age, many are discussing, albeit discreetly, what the post-Biya era will look like. No substantial new democratic reforms have been established since 1991-1992 when basic reform laws regarding political parties and freedom of the press were adopted, but the standard of freedom has remained more or less unchanged since then.

The majority of prescriptions for economic reforms continue to come from international partners, and the government has not been successful in implementing most of them. So-called roadmaps were established for all ministries in 2011, but little progress has been documented. The introduction of program budgets for each ministerial department should, in principle, allow for better and more decentralized governance. The World Bank in its January 2013 Cameroon Economic Update notes that - despite increased economic growth - poverty rates have not declined, showing that growth could not be termed “pro-poor growth”. To the contrary, in the country’s poorest north and eastern regions, poverty and hunger have continued to rise. Some state-owned companies once singled out for privatization are now operating so poorly that they could not be sold if they tried. The finance minister is frequently changed. However, the current finance minister comes from outside the establishment and is not as likely to be influenced by the powerful office of the presidency. The IMF has been less severe in its criticism over the review period, but it has urged the government to develop a policy that tackles the structural constraints of the economy (e.g. lack of infrastructure) and to make growth more tangible to the lower strata of the population.

Implementation
3

The political leadership has shown limited willingness to learn from its mistake, but it has adapted to some outside calls for reform. By and large, the government is hostile to criticism. Though the government finally admitted Amnesty International delegations into the country to visit prisons and to conduct appropriate research in Cameroon, the government showed considerable rigidity in answering questions and reacting to critiques. Officials typically use their power extensively and ignore critical voices. Serious efforts to engage in dialogue on controversial issues are simply absent.

Policy learning
3

15 | Resource Efficiency

The government uses only some of its available resources efficiently and continues to pay for politically motivated sinecures. Most administrative positions are acquired through clientelistic relations and political allegiance, rather than on merit. President Biya has reshuffled his government 30 times in 30 years in office. Currently, about 60 ministers and secretaries of state make up the cabinet while most crucial decisions are taken by the president’s office, which demonstrates a great waste of resources. The prime minister (from the Anglophone part of the country) has a coordinating role, but can not impose his authority against ministers without backing “from above”. Persistent gossip of an imminent reshuffle weakens the prime minister in

Efficient use of
assets
3

particular, but other office-holders as well. Ministerial posts are considered part of the patronage system rather than a rational legal system. The cabinet often meets only twice a year. In summary, the government fails to guarantee, and sometimes actively sabotages, the efficient use of its human and organizational resources.

With both the president's office and the office of the prime minister playing a somewhat competing coordinating role, and with cabinet meetings held only occasionally, it is not surprising that governmental affairs are poorly synchronized. Newly appointed officials often learn early on that their careers will suffer if they are overly ambitious and seek to accelerate reform processes without a "green light" from the president's office. Because Biya's ultra-loyalists have the final say, and every major decision has to be assessed by an elite few, decision-making is routinely slow. In such a blocked environment, officials and citizen groups rely on informal channels and ethnic solidarity to pursue their interests. Horizontal forms of coordination between different ministerial departments are rare.

Policy
coordination
4

Corruption remains one of the main obstacles to meaningful development, despite the prosecution of some against former ministers under an initiative known as Operation Sparrow-Hawk. Some of the indicted or convicted personalities have chosen to go public and denounce the problematic circumstances of their arrests. Some citizens believe that things are changing with some 'untouchables' ending up in prison. Recipients of government contracts are no longer routinely obliged to relinquish 30% of their awards to the civil servants who process their vouchers, as in the late-1990s. However, corruption continues to negatively affect the attraction of foreign investment, and places private property in danger of being confiscated. Widespread cynicism also persists despite the government's anti-corruption efforts. It is difficult to safeguard legal rights, including contract and property claims, within the Cameroonian judicial system. A number of corruption-related trials related to Cameroon have been conducted elsewhere. For example, South Korean authorities investigated the allegedly fraudulent acquisition of a diamond mine by a South Korean firm. Likewise, investigations against Paul Biya and his son Franck for fraudulently acquiring goods were initiated in France rather than in Cameroon.

Anti-corruption
policy
3

16 | Consensus-Building

There is virtually no effort 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 some general goals of reform – namely a market economy and democracy – this is only partially true for the government. As a consequence, radical activists, especially those with Islamist tendencies, can exploit the apparent immobility. The government is unlikely to

Consensus on goals
4

establish social consensus, as it has remained in power by exercising a “divide and rule” strategy and by favoring the president’s own ethnic group. Approximately one-third of cabinet members are from the Beti/Bulu group, while Anglophone Cameroon is represented by only two ministers. plus the prime minister).

Given that Cameroon’s political system is essentially autocratic, the most significant anti-democratic actors are those sitting in government. The picture is not much better for the National Assembly. Postponing the legislative elections to 2013 meant that members of parliament elected in 2007 – in far from free and fair elections – could extend their mandates, and in four out of ten provinces all seats are held by the ruling party. The parliamentary opposition serves mainly a decorative function. The democratic standards of procedures within opposition parties are also questionable. Rumors of President Biya’s health problems have persisted during the review period with analysts predicting that a coup would be the most likely outcome of a power vacuum.

Anti-democratic
actors

4

The major Francophone-Anglophone divide continues to be the most problematic, long-term cleavage, but additional cleavages play a role: north-south, Christian-Muslim, urban-rural and rich-poor divisions. Within the Muslim community, there is overt competitions for influence between different movements and belief systems. The 2008 riots over rising food prices and fuel also signaled a growing generational cleavage with unemployed youth increasingly ready to revolt. The government does not address major grievances of either the youth or the Anglophone minority other than through repression. It is also silently watching the growing religious divisions in the country.

Cleavage /
conflict
management

3

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. This is also made possible due to the generally weak mobilization capacity of respective groups, with some trade unions in the education sector and church-related groups being the most notable exceptions. Consultation of civil society groups throughout the process of the poverty reduction strategy prescribed by the World Bank was not systematic and remained selective. In the framework of the new regulatory framework for rainforest protection in the Central African region (related to COMIFAC), there should theoretically be more consultation with indigenous people and the local majority population. However, it remains to be seen whether or not these norms will be implemented.

Civil society
participation

3

In its history, Cameroon has gone through several phases of widespread violence and state repression. These include the UPC rebellion and its repression in the early 1960s, a bloody coup attempt in 1984, and the so-called “years of burning embers” (“années de braise”) in the context of the opening towards multi-party elections and the ensuing manipulated elections (1991-93). In addition, parts of the population still

Reconciliation

3

feel Nigerian after the international ruling in 2002 handed over large parts of the Bakassi peninsula to Cameroon.

The government has not actively pursued a policy of reconciliation regarding those, or any other, cases. The closest Biya's regime has come to a reconciliation effort was the rehabilitation of figures like the mythical founder of the UPC, Ruben Um Nyobe, in Biya's early years. Plus, the regime carried out some limited acts to address grievances of the family of former President Ahidjo (implicated in the 1984 coup attempt and dying in exile in Senegal). However, in late 2012, a daughter of Ahidjo said that there were no negotiations between the government and her family to transfer the remains of Ahidjo from Senegal to Cameroon for a re-burial, contrary to media reports.

17 | International Cooperation

Cameroon is seen as the central pillar of regional cooperation within the Economic Community of Central African States (Communauté Economique et Monétaire de l'Afrique Centrale, CEMAC). Compared to many other countries in the region, Cameroon is internationally engaged. In fact, most significant bilateral or multilateral international donors, as well as many international NGOs, are present in Cameroon. This presence signals that the international community has a certain level of trust in Cameroon's political system. Many of the international partners have experienced disappointment, however, with their Cameroonian counterparts' weak commitment to reform. The tendency to use development aid as a clientelist instrument for granting favors and privileges is strong, and tacitly acknowledged by most donor organizations.

Effective use of support

5

The aforementioned strategic position and superficial stability of Cameroon provides the country with leniency by most donors. The credibility of the government in donor circles is nonetheless strongly limited. In contrast to other heads of states of the sub-region, it is rare for Biya to express himself on important issues of national or international relevance. This makes it impossible to gauge what course the government will take in matters of regional conflict management or national governance reforms.

Credibility

5

Within CEMAC, Cameroon is the most important market and production site. Cameroon's bilateral relationship with its powerful neighbor Nigeria has been maintained at a good level, at least between governments, during the review period. Nigeria's federal government continued to receive pressure from Nigerians living on the Bakassi island and in the border area to revoke Nigeria's agreement with Cameroon, but the countries maintained strong ties. In response to the Boko Haram threat, the border between both countries was temporarily closed in 2011 (by the Nigerian authorities). Minor border incidents between security forces from both

Regional cooperation

4

Cameroon and CAR were reported in the review period. Cameroon plays a secondary role in the sub-regional peacekeeping force for the Central African Republic. Yet tensions prevail in the region, as well. Rivalry with Gabon persists; a border incident was also reported when illegal gold miners were driven out of Gabon in June 2011. In addition, relations with Equatorial Guinea are far from friendly. In a further sign of the lack of regional unity, President Biya is regularly absent from regional summits.

Strategic Outlook

Immobility has marked the political landscape since Biya's re-election in 2011. Given that Cameroon's population is disproportionately young, a vast majority of Cameroonians cannot remember having been governed by someone else. After a bumpy start to his presidency (1982-84) with reform promises leading to coup plots, Biya followed a straight course, only slightly adjusting his policies over a thirty year period. Yet the apparent overall stability is superficial and veils a treacherous situation. The reported ill health of the President is a major source of concern. The ruling party, and in fact the entire elite, seems ill-prepared for a health-induced resignation or death in office. The constitution stipulates that in the event of the president's death, the successor be the president of the Senate. However, the Senate does not yet exist. This body should be finally elected in 2013, which will probably be the single most important event to observe in 2013. It is likely the competition will be fierce regarding the nomination for Senate president, and later regarding the chairmanship of the upper House.

Yet the nomination of a Senate president would not preclude a crisis. Unlike Mali, Cameroon was never a darling of the international community for its apparent democratic progress under dire socio-economic circumstances, but there are parallels with Mali. A coup by the Cameroonian security forces may not be an immediate threat, but during a succession crisis it is one of the most probable scenarios. The deep split between elite units and significantly less well-equipped, but more numerous, ordinary army units may contain the risk of fighting among different units if such a scenario develops.

Also looking ahead, elections will be held for the National Assembly in 2013. It is a foregone conclusion that the ruling RDPC will earn another overwhelming majority – with or without the manipulation witnessed during past elections.

One can expect the trust in the functionality of the political system - including the opposition parties – to remain very low. There were only a few new candidates in the 2011 elections, and their meager results indicate they will not have a decisive role in the case of a major state crisis. In fact, some high-profile NGOs and individual activists have already taken over the role of the opposition. More radical movements, including religious ones, stand a chance to step in the void left by largely discredited opposition parties.

Another concern in coming years relates to the frustration of the younger generation, which could become a major destabilizing factor, and particularly worrisome given 43.6% of the population is below the age of 15 (according to latest census figures).

Economically speaking, the discovery of oil deposits in the north may slow down the transformation to a non-oil economy. Foreign investments in agriculture may continue to rise, but it remains to be seen whether they can be beneficial. Environmental hazards and local resistance may result from them, but the balance could also be positive if such investments also create a

substantial amount of new jobs. GDP growth rates have been solid over the past years, but they must further increase if desperately needed jobs are to be created. The trickle-down effects of growth has not yet materialized. Cameroon is set to profit from Chinese investments in several sectors of the economy (agro-industry, infrastructure, mining). The growing Chinese presence is controversial, however, as it endangers local manufacturing and trade.

Looking at social factors, Cameroon needs a forum for public debate on all questions of future sustainability, including health, corruption, representation, taxation, citizenship (including minority rights) and migration. Social groups, churches and intellectuals may become more prominent in such discussions and may need sporadic financial and political support by donors.

The Anglophone separatist movement will continue to pose some small challenges to the regime, but only in the Anglophone part of the country. A good part of the Anglophone elite will remain alienated if not any effort to start a credible dialogue is offered. However, apparently the separatists are not armed or do not seek to resolve their grievances violently, at least for now.

Substantial investments in social sectors, and more generally in public goods, particularly in alienated regions (Bakassi Peninsula, Northwest, North), have still not materialized. They are necessary to strengthen social cohesion.

In short, Cameroon is very unlikely to achieve consolidated democracy or a socially responsible market economy in the near future. In fact, the country faces the risk of a major explosion along ethnic and generational lines if Biya should die in office.