

Economic Analysis, Political Economy and Camerounian
Development

Professor Francois Perroux observed in conversation during a 1961 economic seminar in Tunis that human nature and aspirations as well as technical and economic principles are everywhere basically the same. It is specific institutions and histories as well as the particular environmental problems and economic structural patterns which vary widely.

That proposition has very definite implications in regard to the nature and relevance of economic analysis and political economic formulation designed to elucidate and assist in the task of overcoming the problems of development. This study can best be summarized as an effort to begin such analysis and formulation in the context of the economy and the development of the Cameroun Federal Republic.

The possibility, usefulness, and interest of applying modern economic analysis to developing economies has been challenged on a variety of counts.** Certainly the structural nature of economies with poorly developed internal linkages, limited secondary sectors, and heavy external dependence requires thought as to the selection and use of analytical tools and, even more, careful scrutiny of implicit assumptions. Equally the limited and fragile nature of the statistical base renders many sophisticated methodologies and elegant models non-operational or - when fed with quite inappropriate materials - counter-productive.

However, the evidence of parallel studies in other African economies* is in support of four contentions underlying the analytical approach of this study:

- 1) The Cameroun economy is an entity both worthy of and susceptible to economic study in its own right not mere treatment as a peripheral segment of the world (or franc cone) economy nor simple verbal description;

* See, e.g. Tony Killick, E.N. Omaboe, and R. Szereszewsk; in Birmingham, Neustadt, and Omaboe (Editors), The Economy of Ghana, Allen and Unwin, London, 1966. Admittedly both the array of statistical information and the body of previous economic studies is larger for Ghana than for the Cameroun Federal Republic.

** See Hla Myint "Economic Theory and Underdeveloped Countries" Journal of Political Economy, October 1965, and Dudley Seers, "The limitations of the Special case" Bulletin of the Institute of Economics and Statistics, Oxford, May 1965 for a fuller presentation and evaluation of these criticisms.

INTRODUCTION

This study flows from the context of seven years of research and thinking on the economies, opportunities for and obstacles to economic development, and socio-political aspirations of the economically small, per capita income deficient, primary export dependent economies of Africa and South East Asia. Over half of that period has been spent in Africa, the rest at the Economic Growth Center and Economics Department of Yale University and in South East Asia.

The analytical approach and line of argument developed in this study have been greatly influenced by the writings of - and personal discussion with, albeit briefly in two cases - Professors U Hla Myint, now of the University of London, Francois per roux of the College de France, and especially Dudley Seers then of the Yale Growth Center and now of the University of Sussex. They have also been tested and modified in long and often spirited dialogues with Drs. Brian Van Arkadie and S.H. Hymer of Yale University, Frederick Clarimante of the Economic Commission for Africa, and Mr. G.B. Kay of the City University, London. None of the above, like those cited below who have assisted in providing materials for and comments on this study should be held responsible for the views, conclusions, aberrations or errors of the author.

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Special debts are owed to Jean Claude Bourellis and Robert Gurney who undertook the laborious translation of the study into French and to Beth Esther Rhude whose abiding faith in the author was a constant challenge and stimulus to completing the study at times when this appeared in doubt.

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August, 1966.

- 2) Modern macro-economic and sectoral techniques of presentation and of demonstration of economic relationships are both theoretically relevant and practically applicable to the Cameroun economy;
- 3) Particular facets of the Cameroun economy and of both Camerounian and Franco-Camerounian economic policy can be studied with greater effectiveness within such a macro-sectoral quantitative framework;
- 4) Despite the limitations of Camerounian statistics, their full and imaginative use does provide the base for quantitative presentation of most critical magnitudes, relationships and rates of change;
- 5) Such an approach is the most effective means of testing - and in most cases rejecting or drastically modifying - the host of stock assumptions about the orational or unique nature of African economies and the economic responses of Africans. The well worn "conventional wisdom" of backbending supply curves, undifferentiated labour force pattens, negligible non-external trade related monetized consumption, dominance of food and of self-produced items in consumption patterns, absence of capital in agriculture can only be challeged by empirical presentation of the actual situation. In the case of the Cameroun, none appears to survive such scrutiny.

The central concern of economic policy and understanding - and therefore logically of economic analysis - in Africa is that of economic growth and change. One of the most effective ways of regarding this process, whether historically or in terms of projections, pedagogically or as a guide to policy formulation, is that of formulating and analysing the structure of the economy and its alteration over time.*

* For fuller presentations of the structural approach to development analysis and strategy see: Francois Perroux, L' Economic Des Jeunes Nations, Presses Universitaires de France, Paris, 1962; Gustav Ranis, "Planning for Resources and Planning for Strategy Change", Weltwirtschaftliches Archiv, Heft 1, 1965; R. Szereszewski Structural Changes In the Economy Of Ghana 1891-1911, Weidenfeld and Nicolson, London, 1965; Dudley Seers, "The Stages of Economic Development of a primary producer in the Middle of the Twentieth Century", Economic Bulletin of Ghana, 1963, No.4; and R.H. Green Stages In Economic Development : Changes In The Structure of Production, Demand, and International Trade, Bank of The Sudan, Khartoum, 1966.

TABLE XI - A - 1

GROWTH PROJECTIONS 1962/63 - 1975

A. EAST CAMEROUN - VALUE ADDED (₦000,000)

	Primary	Secondary				Const- ruction (b)	Tertiary		Production	
		Mining (a)	Industry	Energy	Total		Transport	Total	Total	Growth
1962-63	201.7	0	36.5	4.1	18.2	58.8	23.9	185.9	446.4) 7.8%
1965	210.9	0	51.3	4.4	20.9	76.6	42.9	229.7	517.2	
1970	266.8	5	101.0	5.3	31.0	142.3	60.7	350.2	759.3	
1975	321.5	25	198.8	6.4	46.4	276.6	85.9	533.9	1132.0	
Change 1962/62/1975	119.8	25	162.3	2.3	28.2	217.8	62.0	348.0	665.6	-
% 1962-63	45.2	0	8.2	.9	4.1	13.2	5.3	41.6	100	-
% 1975	28.4	2.2	17.6	.6	4.1	24.4	7.6	47.2	100	-

B. EAST CAMEROUN SECTORAL GROWTH RATES

	Primary	Secondary				Const- ruction	Tertiary		G.D.P.
		Mining	Industry	Energy	Total		Transport (c)	Total	
1959/1962-63	2.4	-	18.6	4.7	7.4	18.6	26.4	11.5	7.4
1960-1965	1.8	-	14.5	3.6	5.7	14.5	26.4	8.8	6.7
1965-1970	3.8	-	14.5	3.6	7.7	16.7	26.4	8.8	8.0
1970-1975	3.8	35	14.5	3.6	7.7	16.0	26.4	8.8	8.3

C. FEDERAL CAMEROUN - VALUE ADDED (₦000,000)

	East	West (d)	Total
1962-63	446.2	66.0	512.2
1965	517.2	89.7	606.9
1970	759.3	117.2	876.5
1975	1,132.0	168.6	1,300.6

D. FEDERAL CAMEROUN G.D.P. (₦000,000) (e)

	East	West	Total
1962-63	498.5	70.9	569.4
1965	478.4	96.2	574.6
1970	843.7	130.4	974.1
1975	1,257.8	187.3	1,445.0

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The Setting: Geographic, Demographic, Historical, Political

The area of the Cameroun Republic is 475,000 square kilometers with its 640 km (425 mile) base at 2°N and irregularly narrowing to a point offshore in Lake Chad at 13°N 1,050 km (700 mile) away. About 60% of the area lies in a roughly 400 by 640 km quadrilateral at the base and the rest in a 700 km long triangle rendered irregular by the westward projection of Chad between the Logone and Maya Krebi rivers.

In the southern quadrilateral the main rivers are the Sanaga, Wowi and Nyang all major potential power sources (actual for the Sanaga at Edou) at several points on their courses but of limited use for navigation. In the north the Logone drains into Lake Chad while the Maya Krebi-Benoue system leading through Nigeria to the sea is navigable to Garoua for six weeks (July 15 - September 15). Douala is the major eastern and Victoria-Bota-Tiko the major western ports.

Five ^{major} ~~rough~~ geographic zones can be distinguished in the Federal Republic:

- (a) the mountain area of the south and west running from Mount Cameroun (4,070 metres) through the Manengouba, Bambouta and Mbam massifs (including most of the Bamenda, Mambilla, and Bamileke uplands) and north into the Mandara hills near the Benoue;
- (b) the coastal forest plain, a hot humid belt of 15 to 80 km between the coast and the forest plateau;
- (c) the forested central plateau rising precipitously from the plain to an altitude of 500-700 m. and extending from the base 300-400 km north at which distance the tropical rain forest merges into savannah and the plateau is interrupted by the Adamawa highlands - an extension of the mountain system;
- (d) the 80-200 km deep (N-8) Adamoua zone of savannah scrub, bush, and grass with an average elevation of 1200 m. and a dry temperate continental climate;

- (e) the northern scrub-grass plateau stretching to Lake Chad and marked by increasing heat and aridity as it progresses toward the Sahara. The Lake Chad coastal area - especially the Logone estuary - is marshy

Demographic Features

The population of the Federal Republic lies between 4.25 and 6 million. No complete census has been taken and "official" and "semi-official" estimates, even from the same source, vary widely e.g. a 1961 UN Statistical Bulletin figure of 4.9 million and a 1965 ECAFE estimate of 4.3. Between 20 and 25% of the population is Cameroun Occidental (10% of the area) and between 75 and 80% in Cameroun Oriental. On the whole a population figure of 5 million - based on ECA estimates but adjusted for under-reporting especially of children - seems the best working hypothesis. (See Table II - B.)

No one tribal group is numerically dominant in the Cameroun. Political power rests in the hands of the interior savannah populations in both states. Economically the Bassa, Beti-Pahouin (Yaounde area), and - above all - the Bamileke. Over 100,000 Bamileke are migrants especially, to Yaounde and Douala where they are coming to dominate African commercial, and, increasingly, public sector posts.

Urbanization is limited (8%) and largely a product of the modern economy not the pre-colonial society. 500-600,000 Camerounians

which, however, is not a strictly Camerounian

This zone

B

n

70

10-12%

500-600

85-100,000

are in cities of over 5,000 (~~300-400,000~~ over 10,000) with Douala (130-150,000), Yaounde (70-80,000) and the Victoria-Buea-Tiko combination (50-60,000) the largest. For the country as a whole population density is less than 10/km. However, for the West Cameroun the density exceeds 20/km. The range by department is from over 100/km in Wouri (which includes Douala) to .6/km in Boumba Ngaro in the northeast. In certain of the south and western highlands - especially the Bamileke - population density and land tenure patterns have combined both to encourage migration and to create growing discontent.

With a crude birth rate estimated in the low or middle 40's - relatively low for West and Central Africa - and a life expectancy in the low or middle 30's, the Cameroun population structure is 40% under 15, 54 1/2% 15-59, and 5 1/2% 60 and over. The rate of population growth, has been variously estimated from 1.0 to 2.1%, the latter appearing in the interim plan report. Considering that Cameroun nutrition and health standards are comparable to Nigeria's and the low birth rate, doubtful accuracy a 2-2.25% present rate rising to 2.5 by 1970 ~~appears probable~~ *soon after 1970 appears probable* annual population growth *appears probable.*

Historico-Economic Notes

The Camerouns' first sustained contacts with the world economy came in the early sixteenth century with the emergence of the slave trade. For three centuries the Gulf of Biafra was a major source of supply both to the plantations of the New World and to those of the offshore Gulf Islands which also served as bases and collecting points for the traffic. Trans-Saharan trade via Kano, Agades, and Darfur - ~~probably~~ including east bound slaves - was much older than the coastal contact with Europe but its lasting impact has been on the Islamic socio-political patterns of the North not on the growth of the economy. *Pilgrims to Mecca and caravans still head North and East across the Sahara but their*

Following the post 1825 collapse of the slave trade the Douala-Victoria areas languished. British, French, and German missionary and trading interests sought to interest their governments in acquiring the coast with Germany acting in 1884 one week ahead of the United Kingdom. German rule to 1914 saw the "protectorate" extended to Lake Chad, port facilities established principally at Douala and Victoria, railroads built from Douala to Nkongsamba and almost to Yaounde, ~~and~~ *the narrow gauge Victoria* Plantation line, administrative and commercial buildings constructed in the major centres. Equally a framework of administration and of education were set up as were the plantations and the initial small farmer crops which have sustained the modern sector of the Cameroon economy. The price of German colonial efficiency was repressive rule, forced labour, and brutal suppression of revolts (especially in the Bamileke Country). *was divided between*

Economic significance is negligible today.

The Cameroun ~~was~~ mandated to the U.K. (20% - about half of which represent the present Cameroun Occidental, the other - northern - portion having voted in 1961 to join Nigeria) and to France. As noted earlier France pursued the Sarrant "mise en valeur" policy vigorously marking up a fine bold trade increase for 1922-1938. French plantations - while still dominant in rubber and palm oil - decreased in overall importance many failing in the 1930's. The price of this policy - including public works maintenance and road construction - was high poll taxes (to force cash crop production) and forced labour (for public works and, to a limited extent, private plantations). *(80% - present Cameroun Orientale).*

The British administration - responsible to Lagos unlike the French which reported direct to Paris - remained passive. West Camerounian bitterness at British inaction was expressed in the 1961 vote to join the Federal Republic not Nigeria and has been increased by what are regarded as niggardly aid provision and retaliatory increases in tariff barriers (especially on bananas). *The basic economic realities underlying the attitude are that the West Cameroun declined from being far more...*

While Eastern Nigerians - often with overt British support - came to be dominant in the small business, government clerical, and state plantation sectors.

received

Camerounian self government ~~Receive~~ serious thought only after the succession of UN Trusteeship for League Mandates in 1946. Rapid advance to independence (as opposed to semi-autonomous association) probably begins as recently as President Ahidjo's accession to power as Prime Minister in 1958. Independent on January 1, 1960, the Cameroun Republic concentrated on securing the adhesion of the West and North (British) Camerouns. In October 1961 the former voted for union in the Federal Republic, the latter for continuation of its status as a Northern Nigerian Province.

Political Patterns*

Camerounian politics are integral to an understanding of Camerounian economic policy and of certain of the barriers to development. As in almost all Francophonic African states political power leads to the good life and to success in economic activity much more often than the reverse. Further concern for breaking the circle of limited resources - limited output and growth - limited resources is seen to lie in a strong centralized state. Thus whether on the individual, the communal, or the national level economic concern is seen to lead logically to the primacy of politics.

Today the Cameroun Federal Republic is a one party state (viewing Vice President John Foncha's Western Kamerun National Democratic Party as de facto a branch of the Union Camerounais) with one dominant leader - President Ahmedu Ahidjo. A one party state has been created partly because those in power cannot afford to lose its fruits and the (many) "carpet-crossers" are unable to resist accepting a share but also because, in the absence of an extensive skilled buresucracy, the parti unique is seen as means to using less technically trained men to further national union both by appeals to Camerounian solidarity and distribution of benefits.

Ucam is the survivor of three political tendencies. It was a party of the Northern "new modern elite" - the young men (perhaps in their 30's and with six to ten years of school) who were junior officials, small merchants, primary teachers, shop assistants and, as such, opposed to the "traditional elite" (hereditary rulers and favoured French appointees to middle official posts). It was in no sense radical-Islamic, bourgoise, and nationalist are adjectives which come to mind.

In the South the "old modern elite" of officials, teachers, merchants and intellectuals formed a bevy of parties some regional, some semi-confessional, some personal. These were determined to guard themselves against the "new elites" of both the North and South and were eager allies of the French administration. Once Ahidjo assumed power, they tended to splinter with increasing numbers joining Ucam but never able to play a dominant (or probably even major) role in it. The remnants at last (1962) allied themselves with the third (radical) remnants and were suppressed with them.

The Union des Peuples Camerounais (UPC) was also a "new modern elite" party but its hard core lay in the Bamileke and Bassa cash crop farmers (who opposed official and traditional tenure and exaction patterns)

* For a similar but more detailed analysis of the elite political pattern in Francophonic Africa cf Immanuel Wallerstein "Elites in French-speaking West Africa: the Social Base of Ideas" Imas 3-1, 1965. Journal of Modern African Studies,

Initially dominant they made up the core of pre-1958 Camerounian governments,

and the urban workers and smaller merchants (often Bamileke migrants). Inherently radical in aims, the UPC was suppressed by the French leading to a revolution more or less quelled by 1960 but still leaving a live heritage of rural violence and repression today. The UPC also split by 1960 with the majority of its middle level leaders joining Ucam, some temporarily serving as a "loyal opposition", and others maintaining a militant revolutionary position at home or in exile. Since 1960 the role of the Ucam joiners has been gradually eroded and the "loyal opposition" pushed first into union with the Southern "old elite" remnants and then forcibly suppressed.

The Cameroun political pattern is one of a semi-open elite with political power concentrated in Northern hands but civil service and technical positions held largely by expatriates or Southern Camerounians (especially Bamileke). Political loyalty is a prerequisite for public employment (non-KNDP/Ucam civil servants were removed in the spring of 1965); ability is, however, apparently critical in promotion.

→ Injection

Control by a Northern party and by one not the original French backed "parti d'administration" (albeit not the mass nationalist movement either) has influenced Camerounian politico-economic decisions. Technically and educationally weak, vis a vis the South, Ucam's Northern leaders have been forced to rely on Southern civil servants using both political means (e.g. breaking alternative Southern parties) and a continued French technocratic presence to maintain control. Coming from a poor area with few opportunities for economic advance Ucam's leaders are deeply committed to retaining office and to making political power yield personal economic gain. At the same time they wish to see their area catch up, a goal relevant to Transcam and road construction and education-health expansion.

As both a modernizing and-increasingly - a national elite, Ucam has pursued policies of building Cameroun oriented elites throughout the country and of seeking to increase freedom of manoeuvre vis a vis France through broader foreign contacts and the Central African Regionalism formalized in UDEAC. In the South Cameroun the policy of loyal modern elite education and employment has been paralleled by reinforcing particularist local notables as a short run measure with a resultant need to use continued repression of dissidence tracing back to the UPC rebellion. In the West a much more permissive line has been followed and the new civil service and educational elite are, in fact, enthusiastic Camerounian Federal nationalists. Internationally, the Cameroun is distinctly limited in her freedom of choice by a series of dependencies on France and EEC - e.g. 80% of state investment is foreign aid and 80% of that comes from FAC (French aid) and FED (EEC's European Development Fund). Regionally she faces some difficulties in that Camerounian dominance of UDEAC is seen as a potential danger by all the other members and, more seriously, Congo (Brazza) interests are almost certain to be injured by the combination of UDEAC and the Transcam's making Douala not Brazzaville the regional centre of gravity.

UNC is only in theory and aims a mass party. It does not appear to have broadly-based involvement or effective branch organisation. As a channel for inspiring, informing and engaging the population in national development it is distinctly inadequate. Given the lack of planning technicians in the field, the limited rural civil service and technical cadres, and the emphasis on investment human and rural development these are serious weaknesses (to)

In 1966 a series of political shifts resulted in the renaming of the Ucam - KNDP alliance now Union Nationale Camerounaise which at the same time absorbed the (legal) Cameroun Occidentale opposition parties. At the same time reshuffling on the Federal level took place with Victor Kanga, ex-Finance and planning minister the major casualty.

Both moves were designed to strengthen UNC control and Ahmedu Ahidjo's dominance within it, but in somewhat different ways. In the West the old pro-Nigerian Cameroun Peoples National Convention had lost its basic raison d'être and drive with reunion. However, in the context of growing resentment at continued economic stagnation and rising rumours of public corruption the CPNC and the new KNDP splinter group Cameroun United Congress could have represented real threat to the governing alliance in the 1967 Cameroun Occidentale elections. At the same time Vice President John Foncha - often in Yaounde and no longer controlling the Western governmental machine - was losing his once dominant position. While useful to President Ahidjo in establishing his own preeminence in the West,

this situation encouraged jockeying for influence within the KNDP (and CUC - as well as between them - by appeals to "states rights" and to confederations, both dangerous not only to the President and Ucam but to the entire fabric of the Federal Republic. The rather forced unification of the KNDP-CUC-CPNC and their incorporation (or submergence) within the UNC is seen as a way to surmounting these problems.

First while other parties are theoretically legal the whole weight of the government would be thrown against their success rendering their effectiveness or even appearance highly unlikely. Second the unified party gives far better channels for disciplining both corrupt politicians or officials in the West (now no longer requiring overt Yaounde intervention) and any who raise the cry of Western quasi-separatism. Presumably a high turnover of Western political figures is to be expected now that they are to be chosen by the (Cameroon Orientale dominated) UNC executive.

Victor Kanga was the last of three "Independence Cabinet" ministers with the ability, ambition, and political base to be a potential challenge to President Ahidjo. The other two had already disappeared from politics (probably into detention). A Bamileke with student UPC involvement subsequently elected on a non-Ucam ticket, Kanga was an able man - thus his rise to Finance-Planning. However, at that post his ability to build support for any personal ambitions was high and with the decline in Bamileke unrest and the presence of other Bamileke in the Ucam (UNC) higher levels he became politically dispensable as well as potentially a political threat. The corruption charges - against him and apparently by him - linked with his demotion, dismissal and arrest are a pretext or occasion, not a basic cause. By and large the Ahidjo government is not tolerant of corruption, Kanga was a known supporter of financial probity.

economically as well as socio-politically.

III. Structural Patterns in the Cameroun Economy:
Production, Consumption, Capital Institutions

At first glance, the Camerounian economic structure appears to validate the standard comments on low output per capita economies. The primary sector is large, manufacturing is small, a high proportion of output goes directly to final users, intersectoral linkages are limited, imports and exports play a central role, a substantial portion of output-consumption is own use production in food and ~~household~~ *household*. However, on closer examination this rather simplistic formulation is seen to be inadequate, not so much because its elements are untrue as because they are incomplete and over-aggregated *to an extent rendering such a presentation grossly misleading.*

Capital - both "modern" and "direct labour investment" - is far from negligible, indeed the $\frac{K}{Y}$ ratio of over 2.5 is not particularly low. Primary sector value added has fallen below half of production and barely exceeds two fifths of produit, while the secondary sector is now at least an eighth of production and a ninth of produit. Including government, at least half of the service sector is basically modern (in value added, not employment, terms). While exports plus imports are slightly under half of G.D.P., exports represent less than one third of estimated commercialized G.D.P. - *70% though is directed to Camerounian markets.*

Intermediate consumption of goods and services - an approximation of input-output intermediate transactions including those within sectors - is substantially over one third of total production giving a final to total transactions ratio of under 75%. In the case of the secondary sector, the ratio is about 35% giving a total to final transactions ratio of about 2.7:1.

Non-commercialized production has fallen rapidly as a share of G.D.P. from about 40% in 1951 to 31.5% in 1959 and 26.5% in 1962-63. Only in domestic food (e.g. 60%), construction (30%) and domestic fuel and power (70% - firewood and charcoal) it is significant. Even in these sectors there is some reason to suspect the non-commercialized share is over-estimated because local rural sales of food and firewood among farmers and the use of hired labour and traditional construction craftsmen *are seriously* under-estimated.

Equally significant the "non-commercialized sector" does not represent a non-commercialized enclave either in a population or a geographic sense. The typical family unit which is a self-use producer of food, firewood and ~~home~~ *home* is normally also a commercial producer of domestic and/or export cash crops (including livestock) and often of commercial services (e.g. *small scale* trading), craft products, and wage labour. It is distinctly unlikely that more than 10% of the population can properly be described as outside the commercial economy (under 10-15% cash to total unit income). Only in the extreme North and some of the more isolated hill areas would this segment approach a majority of the population.*

Given this pattern, it is not self-evident that comparisons with commercialized product are necessarily more revealing than with total product so far as the Cameroun is concerned. To the extent that self-use production represents only a part of any class of production or consumption, it is possible to shift income use patterns substantially in response to tax or price changes without running into the "non-transferability" barriers normally associated with "semi-subsistence" economies.

A constraint does exist in regard to "direct labour investment" - especially in tree crops, although a significant proportion of the labour is probably hired rather than self or family - a sector on which no flow data are available. A major aim of the - to date only marginally successful (see Section VI) - investissment humain programme was to raise the volume of this

* This is not to minimise the problem or challenge this group presents. Especially in the Chari-Logone-Chad *border* area, they have the lowest non-commercial incomes per head and most deficient diets as well as little cash income beyond that needed for tax, salt, and rather limited clothing.

rural
Capital/output

Construction

For the typical household unit

being technologically

investment flow while increasing the range of uses to which it could be put. Again such investment - which is dominantly directed toward commercial production - is not a "problem" flowing from a "subsistence" economy but an active response to commercial economy possibilities subject to technological and transferability constraints whose relaxation represents the genuine problem.

The importance of "non-cash" investment in cash production has been obscured because neither tree Data have been prepared on "modern" and "traditional" production but these are of ~~very~~ limited usefulness because the definition of traditional de facto includes all African farmers (even fertilizer and insecticide using tree crop or cotton growers) and virtually all African craft and repair units (again apparently without regard to whether power, material use and technology show a pattern of stability or change). Food farming - including that for cash sale - along with livestock production and fishing remain non-modern in the sense of basically static ~~and~~ applying only limited innovations partly or largely because appropriate new techniques, tools, pesticides and fertilizers are either not developed, not demonstrated or not financially available. Tree crop, cotton and tobacco production represents a clear shift in technology employed (including a high ~~ratio~~ ratio especially in the tree crop case).*

Capital Output

A similar - but less easily definable - division almost certainly exists in both small scale secondary and tertiary production. Local beer and spirit brewing shows no discernable signs of modernization but construction, furniture making and carpentry do; small scale market trading remains basically unchanged (albeit on its present scale it is a response both to the expansion of the commercial economy and to its unsatisfactory employment opportunity pattern especially for women) but transport, medium scale (including rural to urban wholesale food trade) commerce and tailoring are much more dynamic, both technically and institutionally.

Gross Domestic Product by Sector

Gross domestic product in 1962-63 was 142.7 million CFA (\$578 million) and 28,540 CFA (\$116) per capita. In the East it was 123.1 million CFA and 32,800 CFA per capita, and in the West 19.6 million CFA and 15,700 CFA per capita. 1965 Federal estimates are 165.7 million CFA (\$671 million) and 31,560 CFA (\$128) per capita with the inter-state disparity slightly wider both absolutely and proportionately.

In 1962-63 the primary sector (approximately 80% agriculture, 11% livestock and fishery, 9% forestry) accounted for 43% of G.D.P. Its share had fallen steadily from 60% in 1951, a fall which continued to 39% in 1965.

The secondary sector (approximately 63% industry and crafts, 30% construction and 7% power**) accounted for 11% of G.D.P. in 1962-63 and 13% in 1965. Its share has steadily risen from 7% in 1951. Tertiary production (74% commerce, 13% transport and 13% other - excluding government and domestic) generated 36% of the 1962-63 and 38% of the 1965 G.D.P. versus a 1951 proportion of 27%.

Production declined from 95% of produit (G.D.P) in 1951 to 90% in 1962-63 and 1965 largely because of a fourfold rise in government labour bill

* Examination of rural development patterns in both Africa and Southeast Asia casts severe doubt on willful stubbornness as the chief cause of continued non-modern production and even greater doubt on the appropriateness and viability of many of the techniques and innovations proposed by agricultural services. The Camerounian case does not appear to be an exception. For a fuller exposition (including reference to East African and Southeast Asian experience) see R.H. Green and S.H. Hymer, "Cocoa in the Gold Coast: A Study in the Relations between African Farmers and Agricultural Experts", Economic History Review, July, 1966.

** These figures are for 1962-63. In earlier years the industry and crafts share was smaller and construction larger.

September

from 1951 to 1962-63 (in that year government labour bill was 86% and domestic service 14% of this sector). However, the change in share came prior to 1957 with the "non-production" share in G.D.P. basically constant thereafter.

East Cameroun results dominate Federal but show distinctly lower primary sector G.D.P. generation shares, distinctly higher tertiary and general government, and since 1959 higher secondary proportions.

West Cameroun data show very substantially higher primary sector G.D.P. generation shares - 58% in 1962-63 and 66% in 1951-as well as much less shift in the pattern of G.D.P. ~~Summary~~ Tertiary production has risen from 22% to 28%, secondary was 7% (then parallel to Eastern) in 1951 and again in 1962-63, although this in part represented a post-1959 construction slump and the 1965 share may have been 11-12%. "Non-production" parallel at 5% in 1951 rose only to 8% in 1962-63 with at most a threefold rise in government labour bill. Movements in the West Cameroun data are harder to isolate in detail because the series are less accurate and not fully comparable over time.* However, the greater primary sector dependence, lower levels of government labour bill, per capita, and relative sluggishness of structural change when contrasted to the East Cameroun are clear and are confirmed by sectoral and micro-data, e.g. on government expenditure, employment and secondary production.

output

Cameroun

Overall the G.D.P. makeup has shifted toward a more "modern" and economically advanced structure. The ratio of intermediate to final transactions has risen as has that of commercialized to total production. The share of secondary production has virtually doubled, and that of total government more than doubled, while primary production has fallen from three fifths to under two fifths.

and whose value added is probably put fully counts in GDP estimates.

Labour force-G.D.P. relationships must be posited tentatively because of the extreme fragility of the labour force data (see Section IX). They appear to show a lesser degree of change than do output data, a perfectly plausible result in that productivity per man is probably virtually static in domestic food production (including livestock and fisheries).

The primary sector utilized 69% of the labour force in 1962-63 (71% in 1959) giving a ratio of .62 (.68 in 1959) of average sectoral to overall national productivity. For the secondary sector the labour force share was 10% in 1962-63 (9% in 1959) giving a ratio of 1.1 (1.1 in 1959). However, this ratio is heavily depressed by the craft and rural construction elements which dominate labour force utilized but not value added.** For manufacturing the ratio is perhaps 3.0 and for "modern" construction 2.5. The tertiary sector with 18% of the labour force (17% in 1959) has a ratio of 2.0 (1.9 in 1959) with finance, transport and large scale commerce probably averaging 3.0 or above and small scale commerce less than 1. Government employment has a 2.4% (2.1% in 1959) share in the labour force and a 3.8 (3.9 in 1959 possibly because of the higher proportion of expatriates in this salary dominated sector) ratio of sectoral to national output per labour force member.

The relationship of exports and imports to G.D.P. has not followed a constant path. For Cameroun Federale and Orientale three periods - 1951-57, 1957-59 and 1959-1962/3 - can be isolated, while for the West Cameroun 1951-60 and 1960-62/3 show different trends.

* See Note B, Table III-A-1.

** The Comptes Economiques probably both under-estimates "craft" value added and classify much of it, e.g. rural brewing and distilling and small scale food and vegetable oil processing, in the primary sector. These factors might raise secondary sector product to 15-17% and the overall sectoral labour force output ratio to 1.5-1.7.

From 1951 to 1957 both exports and imports (which exceeded exports by over 30% in the initial and 20% in the terminal year) fell as a per cent of G.D.P. with the import share decline - 25.6% to 21.7% - more marked than that of exports - 19.5% to 18.6%. Both fell sharply as a share of commercialized product - 37.2% to 29.1% for exports and 49.2% to 34.1% for imports. *as the internal cash market grew absolutely and as a proportion of total domestic goods and services,*

From 1957 to 1959 (with the completion of the Edea smelter and both quantity and price gains for agricultural exports) exports rose to 28.5% of G.D.P. and imports to 23.3% (a normal export surplus now having reappeared for the first time since the 1930's). As a per cent of commercialized G.D.P. exports rose to 41.6 while imports remained constant at 34.1%.

From 1959 to 1962/3 the slow growth (negative until 1962/3) of exports and a resultant slowing of import growth resulted in falls to 22.2% for exports (distinctly above 1951's 19.5%) and to 21.3% for imports (distinctly below the 25.6% of 1951 and marginally below the 21.7% 1957 share). Exports stood at 30.2% and imports at 29% of commercialized product (well below their respective 37.2% and 49.2% levels of 1951, and for imports well below the 34.1% of 1957 but for exports marginally above that year's 29.1%).

For the West Cameroun, exports rose from circa 25% in 1951 to 33% in 1960 before declining to 22% by 1962-63 (there was an absolute decline of over 20%). Imports were of the order of 20% of G.D.P. in 1951, 37% in 1960 and 22% in 1962-63, but the import decline is exaggerated by the shift from "foreign ex post" Nigerian to domestic Camerounian sources in the final year. With the exception of initial year imports and terminal year exports, West Camerounian foreign trade shares have been distinctly above East, a divergence which is even more marked in relation to commercialized G.D.P. to which exports stood at over 55% and imports at over 60% in 1960.

The declining share of both imports and exports to G.D.P. - and especially to commercialized G.D.P. - taken in conjunction with the shift in the structure of production and the rising levels of G.D.P. per capita for the East Cameroun confirms the development both of domestic production and of domestic markets at rates leading to a more "balanced" economic structure.* The 1957-59 "exception" represents a shift in the export level tied to the Edea smelter. *The 1930s-1950s experience was different - exports rose as a share of GDP and remained dominant (quite possibly growing in the 1930s) share of commercialized GDP.* The West Cameroun pattern is distinctly less satisfactory. Primary export oriented growth to 1960 generated distinctly less structural change than in the East, in fact the economy (albeit possibly not the commercialized sector) became less "balanced". While 1960-1962/63 appears to show a trend toward structural change and greater balance when trade shares alone are considered the absolute decline in exports and probably imports (even correcting for East Cameroun "imports") in conjunction with the absolute fall in the secondary and relative falls in the secondary and tertiary sectors suggests regression not development, although income per capita appears to have risen slightly in real terms for the first time in the post-1951 period.

Public recurrent expenditure - after its share 1951-57 rise - has continued to expand in relation to G.D.P. On balance general government has declined somewhat as a share of total recurrent expenditure and specified productive services risen.** In 1959 recurrent expenditure totalled 14.2% and in 1962-63 15.9% of G.D.P. while the share of commercialized G.D.P. was more stable, moving from 20.8% to 21.5%.

* "Balanced" is here used in R. Nurkse's sense of relationship between the domestic structure of production and of demand. Such balance exists by definition for self-use production so that "balance" in this sense needs to be viewed in relation to the commercialized sector. (C)

** The division cannot be estimated directly from the Comptes Economiques because its "Administration" item represents government labour bill (i.e. government value added) not the coincidentally parallel Debt Service - Foreign Affairs - Security - Administration budget classification sectors.

See "Balanced and Unbalanced Growth" and "Patterns of Trade and Development" in Equilibrium and Growth in the World (1965).

proportion of total domestic goods and services,

Gross Domestic Supply : Sources and Uses

Analysis of 1962-63 domestic supply and its use shows the substantial complexity and diversity of production within the Cameroun economy. Similarly, the pattern of household consumption is a complex one diverging very significantly from a "subsistence" pattern either in the self-production or the physical necessity sense.

(172,900)

(218,300)

Total supply was ~~172.9~~ million CFA (excluding margins, ~~218.3~~ million including) of which 83% was domestic production and 17% imports. Domestic share exceeded 39% in all categories (albeit for heavy manufacturers only by a rather broad definition and inclusion of assembly and repair) - for non-food manufacturers and energy combined it was 43%.

Of total supply, including margins, 18% was exported leaving 186,600 million CFA for domestic use. Of this, ~~43,900~~ million or 25% represented intermediate inputs - a measure of the increasing complexity of the economy in that it means approximately one third of all domestic consumption and investment passes through one or more processing or manufacturing stages between the initial producing and the final using unit.

Consumption accounted for 66% of domestic supply use (88% of final uses) when defined to include maintenance and replacement of non-commercial buildings and public works and 62% (83% of final uses) excluding them. At ~~104,900~~ million CFA, household consumption took 55% of domestic supply and state at ~~19.8~~ million CFA 11%. 19,800 million CFA 11%.

9% (12% of final uses) was invested excluding all construction maintenance and repair, or 13% (17% of final uses) including it. These levels, while not high, are by no means exceptionally low even by technically advanced economy standards and give a rather different picture than the apparent 10% gross investment level a casual glance at the Comptes Economiques suggests.

Household consumption expenditure - excluding direct taxes and including total housing construction and maintenance as an alternative to rent - totals 105,700 million CFA (~~6428~~ million) or 21,140 francs (~~86~~) per capita. Approximately two thirds represents commercial transactions which represent over half of all consumption except for unprocessed food (over half of total food consumption including processed food is commercialized), fuel (dominated by firewood) and construction (dominated by rural housing whose commercialized component is under-estimated). For non-food consumption, the commercialized share is almost three-quarters.

58% of total household consumption is food divided 35% basically unprocessed and 23% processed. The second largest item is clothing (including textiles and footwear) at 11%. Other non-durable manufacturers stand at 8% as do consumer durables and housing taken together. Services (commercialized only) are 9% and fuel-light energy 5%.

of total

The pattern clearly indicates the intermediate nature of the Cameroun economy and secondarily the leeway allowed by a tropical climate in regard to fuel and housing. Food does not totally dominate consumption - ~~and~~ especially not commercialized consumption of which it is approximately half. Manufactured goods (excluding processed food) account for 22% (30% of commercialized) consumption. However, the 3% consumer durables (outside the expatriate and Camerounian elite, largely bicycles and sewing machines) and 5% dwelling figure underline the low level of housing and hard goods available to 95-99% of the population. The pattern can be seen to be relatively modern even more clearly if the 5.5 million CFA public health and education expenditure are considered jointly with household consumption thereby raising services to approximately 14% and reducing food to 55% and non commercialized to little over 30%.

consumption

and its makeup by source

The 22% expenditure on non-food manufacturers underline the substantial unbalance in the economy. Only 12,8⁰ million or 9% of domestic output of goods and services fall into these categories as opposed to 17.3 million or 58% of all imports.

G.D.P. Growth 1951-1965 : Patterns and Forces

Terms

of GDP

1951-1965 saw a steady rise in real purchasing power ~~G.D.P.~~ per capita in the Cameroun Republic as a whole, but not in the West Cameroun. While the major dynamic force - at least until 1959 - was export expansion and investment directed to furthering exports, the short-term relationship is more complex, e.g. 1957-59, the most notable export boom in the East Cameroun was also the sub-period with static real G.D.P. purchasing power per capita.

only

1951's use as a base year is dictated by the absence of earlier national accounts, not any particular economic logic - 1946-47 would be a rather better benchmark for post-war economic change. In 1946 East Cameroun real import capacity* stood at 135 on a 1930 base and per capita real import capacity at 85, while by 1951 they had risen (about half by physical export expansion and half by commodity terms shifts) to 535 and 320. For the West 1946 real import capacity probably stood at about 50 to a 1930 base and per capita at 35, which by 1951 they had recovered to 120 and 70. (See Section IV for a somewhat more detailed analysis of 1930-1951 trade volume, terms and import capacity changes). Per capita product in constant purchasing power terms probably stood at 160-170 (to a 1930 base) in the East and 90-95 in the West.**

From 1951 to 1957 the East maintained a 6.8% rate of growth of G.D.P. partly generated by a 4.8% export growth rate, but also by the rapid increase in government consumption and private as well as government investment-both directed to re-establishing and broadening the export oriented mise en valeur strategy of the 1930's. Throughout the period a substantial but declining gap was maintained by budget subsidies and net private capital inflow (largely for Edea). Deflating for a 2% price and a 1.8% population increase rate yields a 3.1% growth of per capita G.D.P. purchasing power (in 1959 prices).

1957-59 saw the fruition of the export investment with exports leaping over 30%, but with slackened investment and government expansion (private investment actually fell with Edea's completion) G.D.P. growth fell to 4% about equal to combined population and price increase rates.

From 1959 to 1962-63 government expenditure on recurrent account and both public and private investment resumed a more rapid tempo but one increasingly directed (explicitly so from 1961) to national and regional (UDEAC) production and a 7.4% G.D.P. growth rate was attained. Exports were stagnant in import capacity terms, while imports rose at a 7.5% rate virtually eliminating the 1959 trade surplus. Allowing for 2.5% price increase (partly related

* Defined in terms of export purchasing power.

** The indices and weighting used are:

	<u>Non-Commercial</u>	<u>Local Commercial</u>	<u>Exports</u>	
East:	100	160	320	Per capita 1951 (Base 1930)
	45	35	20	(1930 = 100)
				Weight 1951
West:	100	100	70	Per Capita 1951 (Base 1930)
	50	25	25	(1930 = 100)
				Weight 1951

to sharp tax boosts to place the recurrent budget on a territorially balanced basis) and 2% population growth rates per capita G.D.P. purchasing power rose at a rate of 2.7%. Some slackening in growth occurred from 1962-63 to 1965 but an overall rate of 6.4% and a constant per capita G.D.P. purchasing power one of 1.8% were maintained.

The West Cameroun growth was much less dynamic albeit weaker and partly non-continuous data series make the computed magnitudes subject to wider margins of error. From 1951 through 1957 at 4.8% growth rate of G.D.P. ~~was~~ ^{took} place secured, but more than matched by 4.1% price increase and 1.8% population growth rates leaving an annual decline of 1.5% in per capita G.D.P. purchasing power in 1959 prices. 1957-59 apparently saw lower G.D.P. (2.8%) and price (2.0%) growth for a somewhat lower (1.0%) rate of fall of constant purchasing power G.D.P. per capita.

After 1959 - apparently based on increased government spending and possibly greater home market directed commercial production as the 7.4% 1951-57 and 9.4% 1957-59 export growth rates were reversed with a 6.1% 1959-63 decline - G.D.P. growth rose to 5.5%. After allowing for 3% price increase (partly the result of reunion price shifts) and 2% population growth rates, a .4% increase in per capita constant purchasing power G.D.P. is suggested. 1962-63 to 1965 was characterized by basically similar magnitudes.

1965 per capita G.D.P. in constant purchasing power terms to a 1951 base was on the order of 140 in the East and 90 in the West. To a 1930 base, the values are on the order of 170-180 for the East and 80-85 for the West.*

Labour force data (see Section IX-*) suggest a ^{somewhat} more rapid increase in wage and salary workers than of the population or the labour force as a whole for the Cameroun as a whole and for the Eastern state but a fall in employed as a share of the labour force in the West over the period 1959-1962/63. If one lumps "modern commercialized" farmers - the larger Cameroun tree crop, cotton and tobacco growers fit this definition in that they market the bulk of their output, purchase most of their consumption needs, and employ at least some non-family labour paid at rates presumably related to its incremental productivity - with wage and salary workers the "modern commercialized" segment of the labour force probably stands at 25-30% of the total for the Federal Republic in 1962-63 vs. 22-28% in 1959 with the East 28-33% (26-31% 1959) and the West 18-23% (19-24% 1959).

Such a pattern of modernization in labour force structure - both in employment and in modern commercial agriculture - is of critical significance in ensuring that development and higher levels of productivity become generalized rather than increasingly enclavized. A very small modern sector with rapidly rising productivity but directly involving a declining share of the labour force can certainly support short run economic growth but is unlikely

* In 1962-63 West G.D.P./capita was slightly under one half that of the East. Apparently in 1930 G.D.P./capita was of the same order of magnitude in West as East - a result not inconsistent with the higher average level of development in the West Cameroun under German rule and the observed 1930-1951 and 1951-1962/63 trends.

** The estimates are exceedingly tenuous. Official figures showing constant declines from 1958 through 1963 are inconsistent, incomplete, and implausible but data for alternative estimates are exceedingly subjective and overaggregated.

to provide - in itself - an adequate base for cumulative development.*

Cameroun G.D.P. growth and make up change suggest the varying importance of a series of external opportunities (stimuli) and of policy responses and initiatives over time. The sharp divergence of East and West results clearly underlines the limitations on the initial export market stimuli - at least in a small economy - in the absence of a strategy of generalizing from them into broader internal market production.

1951-1959 (in fact 1946-1959) was a "vent for surplus" export prospect and proceed supported (prospects resulted in external investment and budget support on the international level and construction - public service employment internally) period of fairly rapid growth. The economic structure changed toward commercialization and (slightly) toward greater relative direct dependence on foreign trade to provide markets and both consumption and investment items. Somewhat atypically for such a period domestic market directed commercialized production grew at the same order of magnitude as exports at least in the East. *a rate of*

In the West - which had a rather lower rate of export expansion apparently because the plantation sector was either higher cost or less responsive to export market and price incentives than the African farmers (whose share in Western exports grew rapidly) - ~~the~~ primary export sustained growth became "fossilized".*** Development beyond the export sector did not take place and continued growth became totally dependent on a massive and growing budget subsidy for recurrent as well as capital expenditure.****

The East, however, partly implicitly and as a sum of individual decisions but since 1960 increasingly explicitly and through policy tools, has followed a strategy of development generalization. The initial creation of linkages between an increasing share of the rural population and the export sector and the return flow involving the commercial-distribution and rural

* Cf. J.C. Fei and G. Ranis, Development of the Labour Surplus Economy, Yale Economic Growth Center Publications, Homewood, Illinois, 1964, and Ranis "Planning for Resources and Planning for Strategy Change", Welt-wirtschaftliches Archiv, Vol.95, #1, 1965, for a fuller exposition of this criterion. While Ranis and Fei are basically concerned with land short economies the central importance of increasing the proportion of labour in sectors with payment related to incremental product and higher than average and growing productivity per man holds for labour and land surplus economies such as the Cameroun. However, a greater weight can be placed on rapid expansion of modern commercialized agriculture. Gabon may exemplify the enclavized-declining share case in that while it has a higher present employed per cent, this is largely in construction of extractive sectors and may well decline with their entry into the operational phase unless expansion of its modern commercial agricultural sector (relatively much smaller than the Camerounian) receives priority attention both to expand directly dynamic involvement in the economy and to release labour for employment expansion.

** See H. Myint, "The 'Classical Theory' of International Trade and the Underdeveloped Countries", Economic Journal, June 1958.

*** Cf. H. Myint, "An Interpretation of Economic Backwardness", Oxford Economic Papers, June 1954.

**** The subsidy by the mid-1960's represented a transfer of over 1% of East Cameroun G.D.P. to the West where the gain represented nearly 5% of state G.D.P. The East Cameroun, in fact, meets the UNCTAD goal for industrial economy aid transfers (1% of GDP)!

United Nations "Development Decade"
and Conference on Trade and Development

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sectors have given rise to more complex linkages. Agriculture has acquired increasing urban consumption and industrial cash markets. These have arisen not only from the commercial sector but from the growth in processing and manufacturing divided between taking on additional productive stages in regard to exports (working forward from raw materials or, in the case of alumina, intermediate goods) and consumption-construction goods (working backward from import distribution either through processing and assembly of semi-finished imports or direct use of locally produced raw materials).*

The result has been one of broadening involvement in the economy and continued development after a slackening of export growth. However, the process is still not fully autonomous both because of high export-import dependence for market base and for specific goods and because investment (especially public investment) cannot be financed out of domestic savings (public or private) although a balance on recurrent expenditure has become attained within the growth process (and without noticeably checking it).

Capital Stock and Investment

1962-63 Cameroun capital stock totalled 373 million CFA (1,510 million). The per capita capital stock was 74,600 CFA (330) and the domestic capital/output ratio 2.6. For the East the figures were 315 million, 84,000 per capita and 2.6, and for the West 58 million, 46,400, and 3.0.

These data clearly contradict any view of the Cameroun economy as basically non-capital using. The λ ratio is within - although on the low end of - the "normal" range for industrialized economies. Capital stock per capita relatively much lower is 60% of that in Japan. If one takes the commercialized sector and the assets attributable to it, the λ ratio is 3.2, distinctly a normal result for a modern economy.

Rather more surprising - and contradictory to both accepted logic and experience in at least some other developing economies - the λ ratio appears to have fallen from 1959-1962/63 - from 3.0 to 2.6 overall and from 3.9 to 3.2 for the commercial sector. Although in part this relates to the problem of valuation (the basic capital stock data are in 1959), there does appear to have been a genuine fall explicable in terms of the association of rapid increases in G.D.P. and low incremental λ ratios and of changes in the composition of the capital stock - especially in the East - with the shares infrastructure and housing declining and those of plant and equipment rising.

Overall capital stock makeup includes 56% construction (of which one sixth is "traditional" housing), 31% rural investment (three quarters tree crops), and 13% transport equipment and machinery. 40% of all capital is of the direct labour investment or direct reproduction varieties not involving substantial capital inputs in its creation (three fifths of this element is in tree crops).

The divergence between East and West Cameroun capital stocks is marked both on the per capita and the makeup levels. Construction is 57% in the East and 51% in the West because of the latter's much poorer infrastructure - 19.4% vs. 27.7% - and lower share of modern buildings (housing - commercial - directly productive) of 15.5 vs. 18.4%. Transport equipment and machinery is 6.9% (3,200 CFA per capita) vs. 14.3% (12,000 CFA per capita.) Direct labour and reproduction investment is 37.6% in the East and 57.3% in the West (although absolutely and per capita the Eastern stock is much larger).

The relative paucity of capital in the West - and its structural makeup - go far to explaining not simply its lower per capita product but

* Cf. Ranis, "Planning For Strategy Change", op cit, pp. 37 ff. for a schematic presentation of such a strategy over a full economic development period from "subsistence" to "autonomous industrialized." Cf also Green Stages op cit, for a discussion of economic and socio-political structural and institutional implications.

capital/output
21. 16
whose economic viability

also its higher ratio. Inadequate infrastructure hampers use of productive investment (including the direct labour category which requires access for its products to market as much as any other type of investment) reducing both its productivity and its rate of flow (and thus ~~stock~~ resultant stock).

1959-1962/63 reductions in the % ratio (in the West these may almost totally reflect price changes but not in the East) can be attributed in part to fuller utilization of infrastructure and modern construction (notably Edea dam) and to the increase in the share of transport equipment and machinery (from an eighth to a seventh in the East) which is itself an index of more intensive infrastructural use.

Unfortunately, this particular shift and the low Eastern incremental % ratio - 2.0 after adjusting for price changes - cannot be expected to continue over the next decade. Indeed, the 1962/63-1965 lower growth rate with a higher ratio of investment to G.D.P. suggests the reversal has already begun. Three factors are involved:-

- (a) Development requires territorial expansion of the area integrally linked to the present centres of dense economic activity necessitating massive investment in infrastructure which initially will be under-utilized;
- (b) The rapid expansion of the manufacturing sector will ~~necessitate~~ ^{require} additional infrastructural investment (power, water, technical education, health, housing, urban facilities) which for technical reasons of unit size and gestation have relatively long payoff periods;
- (c) Much of the new investment - including industrial plant - will require from 2.5 to 6 years from ground breaking to initial production and another 1 to 2 years to attain full demanded capacity use.*

INSERT

Admittedly there is the offsetting factor that the construction process itself generates additional incomes (and G.D.P.) immediately, but this poses problems until the real flow of consumer goods and services develops because the resultant demand either increases the increase in import requirements associated with investment to .8 or more** or leads to inflationary pressures (or both).

* This is not abnormal. Czech estimates for construction time range from 2 years for typical light industry to over 6 for heavy industry and basic infrastructure.

** Direct import requirements are probably .6 for construction and .8 for equipment and machinery. If only domestic food among wage goods is in elastic supply - with additional transport facilities more marketed food at constant real prices will become available judging by the past decade's record - the import component of additional construction - investment wages and salaries could be up to .8. The construction import component can be reduced through early investment in materials production and fabrication notably cement, some wood products not now produced, and aluminium fabrication (fabricated aluminium is a significant import). Similarly early investment in mass consumer goods - notably clothing and footwear - will reduce the wages and salaries import component. Progress along both of these lines is, in fact, already under way on a significant scale.

(d) Direct labour and natural reproduction investment are almost necessarily limited to the primary sector. As it declines in relative importance so - in the absence of a real breakthrough on the plan vulgarization and investment human fronts - will they. The required ratios of monetary savings, of capital goods imports, and of high level manpower to total growth in GDP will thus rise because of the shift in productive structures integral to development.

2. 17

netural

Both gross and net investment totals are exceedingly hard to derive. Comptes Economiques figures exclude direct labour and reproduction investment (except for rural housing which is lumped into household consumption) and list a substantial share of public (and private productive building) replacement investment under consumption. Adjusting for this gives a gross investment ratio of the order of 15% (excluding replacement direct labour investment) to 18% (including it) as opposed to the apparent 10%.

Between 1959 and 1962/63 approximately 62% of an investment total of 66,2⁰⁰ million CFA (268 million) - excluding rural housing replacement of 10-12 million - represented net additions to capital stock and 38% replacement. 36.5% of total investment (25% of net additions and 60% of replacement) was for equipment, 23.5% for modern buildings (24% of net additions 24% of replacement), 24% for infrastructure (24% of net additions, 26% of replacement), and 15% (25% of net additions) direct labour investment. By economic sector the approximate breakdown of gross investment over the 1959-1962/63 period was 60% directly productive, 24% physical infrastructure and 16% social infrastructure and administration.

Capital/output

Adjusting for price changes, the net incremental Δ ratio was 2.0 over the period and the gross about 2.9, excluding, and 3.4, including replacement rural housing.

* This is dominated by traditional rural housing whose short life span may make the 18% gross figure misleading in comparison to economies with longer average housing stock lives. This is not necessarily the case, however, as the low absolute housing capital per person capital stock tends to offset the high depreciation rates.

The working of an economy on the macro-level cannot be understood fully - at least from the policy or pedagogical viewpoints - without a picture of the pattern of institutions through which it operates. The functioning of these institutions not only determines the actual effects of exogenous and endogenous economic forces and the rate at which economic change takes place but also, through its determination of resource control and income distribution, can act as an independent determinant of the structures of production and demand. In no field is systematic description and analysis of the Cameroun economy (or other African economies) weaker and more fragmentary.* Only monetary institutions have been treated with any completeness; quasi-public and autonomous state bodies have received fragmentary attention, as have large foreign corporate groups; small and medium concerns, whether expatriate or Camerounian, as well as the entire Camerounian agricultural - craft - small trade sectors, have had next to no economic research devoted to them. A body of generalizations exists but most are of the non-economic man, backbending labour supply curve, irrational conservatism variety which have regularly collapsed under analysis elsewhere in Africa and form both a misleading basis for analysis and a disfunctional guide to policy.**

The Cameroun-Equatorial African monetary system is best described as a franc exchange standard operating through a semi-flexible currency board type system backed by overdraft facilities with the French Treasury. The Banque Centrale des Etats de l'Afrique Equatoriale et du Cameroun, the 1960 successor to a series of currency emission institutes dating to 1940, is based on a Franco-African agreement governing external reserves (largely in the Bank - totally in francs), exchange control, credit creation, banking, the value of the CFA franc (alterable only by joint agreement of all six states). Separate national monetary committees (of which the Camerounian alone has a national majority membership) determine short term credit allocation and levels within a regional ceiling determined by the Board of the Banque which has (counting the Chairman) an overall French majority. De facto credit is limited to short term rediscounting of commercial paper as the Cameroun and Equatorial states handle short term borrowing through French Treasury advances not Treasury bills.***

The Banque held external reserves of about 16,000 million CFA and had made advances of 21,000 million CFA at the end of 1964, while its note issue stood at 25,500 million CFA at the end of 1964, 40% of the note issue and rather more of the advances being attributable to the Cameroun. The

* See H. Myint, "Economic Theory and The Underdeveloped Countries", Journal of Political Economy, October 1965, for more extended comments on this point and D. Seers "The Stages of Economic Development of a Primary Producer in the Middle of the Twentieth Century" Economic Bulletin of Ghana, 1963 4; B. Van Arkadie "Nature of Structural Analysis of East African Economies", East African Institute of Social Research Conference Papers 1965, and R.H. Green Stages in Economic Development : Changes in The Structure of Production, Demand and International Trade, Bank of the Sudan, 1964, for attempts to integrate institutional elements into structural macro-economic analysis.

** V. Thompson and R. Adloff (French West Africa, and The Emerging States of French Equatorial Africa, Stanford, 1959, 1961) present descriptions of large scale commercial sector and the African agricultural sector institutions for other Francophonic African states. J. Suret-Camale (Afrique Noire : L'Ere Coloniale 1900-1945, Editions Sociales, 1963) offers an historical-analytical model of the operation of French public and private economic institutions in Africa especially during the "mise en valeur" period. The former suffers from rather too little analysis and the latter from rather too much polemicism.

*** See P. Robson, "Economic Integration in Equatorial Africa" op cit and "Monetary Systems and Integration : A Note" East African Economic Review, June 1965; G. Le Duc, op cit, and the Jeanneney Report (Printed in English with commentary by the Overseas Development Institute) for a more detailed description and evaluation.

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local 24.11

combination of exchange control externally and identifiable state notes (in fact the Cameroun notes are now totally different albeit freely exchangeable at banks though not de facto in circulation with Equatoriale notes) allows recording of interterritorial flows and attribution of effects on overseas Banque reserves (which are separated ~~territorially~~ for accounting purposes but pooled for short run operating transactions). International transactions are made through an operations account with the French Treasury which allows overdraft facilities automatically in the case of a Banque short term deficit.*

Looking beyond the formal statutes, the Banque represents both an embodiment of and a factor for maintaining French monetary-financial control in the Cameroun and Equatorial Africa. The Jeanneney Report was quite frank in indicating that monetary tutelage and access to the French Treasury for short loans and the Caisse Centrale de Co-operation Economique for longer ones were the two sides of one coin. At least implicitly it also underlined the relationship between the monetary system - especially exchange and banking control - and maintenance of the French share in exports to, and commercial and banking operations in, Francophonic Africa. The system - which at the moment includes the taking of all substantive operating decisions in the Paris headquarters of the Banque presumably in consultation with the Banque de France and French Treasury - is viable only so long as Cameroun economic strategy in regard to industrialization and regional economic orientation, diversification of trading partners, and Camerounianization of economic policy making in general is acceptable to France. Insert

term In 1962-63 Cameroun masse monetaire (currency and bank deposits, the latter rather widely defined to include special government deposit accounts, commercial short time accounts, and postal current accounts) averaged 19,515 million CFA, 13.7% of G.D.P. Of this, 52% (10,150 million odd) was currency and 48% (9,365 million odd) deposits. There is a very significant seasonal pattern with the peak in March (coffee and cocoa financing begins in the fourth quarter and is repaid in the second) and the trough in the late summer.

Cameroun money supply has grown more rapidly than G.D.P. - although in 1962-1964 this element is hard to separate from the introduction of the CFA currency (and deposit accounts) into the West Cameroun which (allowing for lower monetization) represented perhaps half of the 24% increase of 1962-63 and for at least two-thirds of that year's 15% rise in currency. However, 1964's March peak again showed an increase of 23%, 32,858 million CFA vs 26,702 in 1963 - at which point in the year the deposit component stood at 63% (58% 1963) as opposed to its average of about 50% of money supply.

Total credit outstanding at the end of February 1963 totalled 25,490 million CFA (\$116 million) vs 20,222 a year earlier. In November 1963 they stood at 18,331 million CFA (\$74 million) vs 15,124 in 1962.

Short-term credit (February) was 19,835 million CFA (77%) of which 44.5% was for general commerce, 33.3% to export produce (the source of most of the seasonal swing), 10.7% for industry including lumbering. Of this credit 93.5% was in the East and 6.5% in the West Cameroun.

Medium term credit of 1,672 million and long term of 3,983 million came largely from the Banque Camerounaise de Developpement (2,520) and the (French) Caisse Centrale (2,908) although a somewhat higher proportion was distributed through commercial banks. November 1963 Banque Centrale rediscounts by commercial banks stood at 9,187 million CFA or 70% of their total loans of about 13,000 million and at 85-90% of deposits somewhat exceeding 10,000 million.

* From the French point of view this provision avoids crisis sale of French securities. In the medium run French control of the Banque and its credit policy would act to restore a credit balance to the account.

Alternatively it could be put that a change in the system is conceivable only if Cameroun policy goals diverged so widely from those of France as to be worth incurring aid losses of thousands of millions CFA, the problems of operating a new currency with neither reserves nor a balance of payments surplus, and — unless the ex-AEF states also broke with the Paris centered monetary institutions — probable demolition of UDEAC.

The Banque Camerounaise de Developpement - successor to the 1949-1961 Credit du Cameroun - is a broadly based, rural sector emphasis directed (over 40%) development promotion body. Capital (1,000 million CFA as of June 30th, 1963) is subscribed by the Cameroun Government, the Banque Centrale, the Caisse Centrale and the Bremer (Bremen) Landsbank. Borrowings and deposits totalled nearly 3,500 million CFA at June 30th, 1963, and about 6,000 million a year later.

CFA Loans-advances-participations totalled 3,600 million CFA (14.6 million) in 1963 and 7,025 million (28.4 million) in 1964, of which 226 million represented participations in equity with 224 million further commitments to these firms. By July 1964, nearly 40,000 credits had been granted, about three-quarters in agriculture (45% of the value with 29% to building loans, 10% each to commerce and artisanry-small industry, 3% for automobile purchase and 2% for light equipment). Loans were concentrated in the Douala, Nkongsumba, Yaounde triangle, with nearly two-thirds of the value and over six-sevenths of the loans. The North received almost an eighth of the loans and almost a fifth of the value (over a third in agriculture) and West Cameroun (where activity began in 1963-64) a tenth of the value (a third of commerce and a half of vehicles) but less than a hundredth of all loans. An increase in industrial credit and participations by the B.C.D. is seen as a part of Cameroun development strategy as is the intensive support to broadening commercial agriculture in the North and growing efforts to spur economic activity in the West.

Both West and East Cameroun possess stabilization funds (Marketing Board, Caisses de Stabilisation) for main export crops except bananas (coffee, cocoa, palm oil in the West, and coffee, cocoa, groundnuts, cotton in the East) and license exporters to deal in these crops at fixed buying prices and pay or receive a levy depending on the world market price.

In the East* groundnut and cotton stabilization was - until the early 1960's - greatly simplified by the French colonial preference system which both subsidized and stabilized export receipts. Cocoa - which had a tariff preference but not a non-franc quota system parallel to that for oilseeds and cotton - was, moreover, sold as much to non-franc as franc markets. Coffee held an intermediate position on both counts. On sales to France there were a variety of "intervention prices" at which either automatic purchases (e.g. oilseeds) or loans to the Caisse (e.g. coffee, cocoa) were provided. World price movements were also wider for coffee and cocoa. Groundnut, cotton and - surprisingly - cocoa** producer prices were extremely stable. Coffee prices were, however, less stable albeit more so than export prices.***

The Western Board was a fairly standard British colonial marketing board but - partly because of its smaller size and partly because of the plantation role in export production - was substantially less active in economic policy implementation beyond short run stabilization.****

than those of Ghana and Nigeria

* For a more detailed study of Francophonic African stabilization see Commodity Stabilization Funds in the French Franc Area, FAO-UNO, E/CN.13/51, Rome, 1962.

** Until 1960-61 Cameroun (East) producer cocoa prices were below the Cote d'Ivoire as well as Anglophonic Africa but for the next three seasons (and again with 1965 Nigeria-Ghana cuts) they were comparable or higher.

*** Non-stabilization activities of industry promotion in production, quality, and market expansion have been distinctly secondary except for (apparently highly successful) cotton acreage incentive payments and technique improvement programmes. Quality differentials have been used to a limited extent with somewhat unclear results.

**** For more detailed analysis of the possible scope of Board operations cf. R.H. Green "Multi-Purpose Economic Institutions in Africa", Journal of Modern African Studies, Vol. I, No. 2, 1963, and G.K. Helleiner, Economic Journal, September, 1964.

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P 20

Neither crop was (or is today) sold to a substantial extent outside the Zone Franc. Cocoa had a tariff preference but, unlike cotton and groundnuts no quota systems limiting non-Zone export sales. In fact as much was sold to non-Franc as Franc markets since the Zone had a substantial surplus in this crop. Coffee was largely but not totally sold to France (and the Maghreb) and had rather varying protection and subsidization in these markets. On sales to France a variety of "intervention prices" existed below which either automatic purchases (e.g. oilseeds) or loans to the Caisse (de Stabilization) to bolster territorial export earnings and producer prices (and thus French exports and territorial revenue needed to limit demands for French budget subsidies) were provided. Coffee, oilseeds, and cotton appear to have enjoyed the widest margin of price preference. Producer prices for groundnuts, cotton, and - rather surprisingly cocoa - were extremely stable**. This was less true for coffee although even in this case some stabilization vis a vis world market fluctuations was achieved. Coffee and cocoa showed the widest world and Zone price fluctuations and (partly because of its high

shares of non-Zone sales) cocoa
the most erratic export proceeds
record apart from rubber another
crop exported to world rather than
specifically French markets. ***

2621

The price falls of cocoa, oilseeds and coffee in the late 1950's and early 1960's sharply reduced Caisse reserves. In the West they were under 400 million CFA (1.6 million) at the end of 1962 and in the East 2,200 million (8.9 million).

In the past three years the impact of the E.E.C. substitution of (fairly limited) overall tariff protection for the French quota-tariff-subsidy system has combined with weakening world prices for coffee, cocoa and oilseeds to force producer price cuts to further deplete reserves.

The bulk of the crops have been, and are, handled by French (and secondarily UAC-Unilever) firms. Co-operatives and African firms do hold a growing number of licenses but their share in turnover is still relatively low. Both the financial requirements of large short- to medium-term credit to finance the producer advance-purchase-export and shipment-receipt period (3 to 8 months) and the value of established contacts with major buyers combined with knowledge of the market severely hamper small, new, and Cameroun based firms.

Para-statal and quasi-public corporations have in the past been basically in railroads and harbours and electricity and communications in the East, plus the Cameroun Development Corporation (plantation agriculture) and hotels in the West. All have been run on basically commercial lines by dominantly expatriate managers and - with the exception of C.D.C. which has an extremely erratic and overall unsatisfactory record especially in regard to sluggish growth and delayed shifting out of bananas - reasonably satisfactory financial and service provision results. However, Insert 21 I

The role of para-statal bodies has increased to some extent in the areas of airlines, hotels and construction and may include a limited number of industrial ventures (e.g. cement) although these - like ENELCAM (electricity) - will probably be normal corporations with state board members and shareholdings rather than specially constituted autonomous public bodies. The most important of the new corporations is the Transcam which is joint Cameroun-Chadian-French with effective French executive and directoral control.

The largely closed circuit institutional pattern of the franc zone with its "balancing" transfers of high priced manufactured goods and personnel on the one side and artificial commodity prices and budget subsidies on the other has undergone limited changes, all designed primarily to reduce the cost of the African franc zone to the French Treasury. The ending of recurrent budget subsidies (see Section VII), the phasing out of most primary product price support, and the initiation of F.E.D. through which ex-colonial development costs are partially transferred to France's E.E.C. partners all fit into this pattern which is most fully formulated in the Jeanneney Report.*

However, these changes - despite their short run costs and dislocative effects - are also in the long run interest of the Cameroun. In conjunction with the revised E.E.C. Associate status provided in the Yaounde Convention, they do increase Cameroun fiscal autonomy, focus attention on efficiency of the export sector, reduce the degree of dependence on France, and open a broader array of import sources, foreign firms, and public resource transfer sources to the Cameroun.

The short-run impact of F.E.D. and of equal access for E.E.C. "Five" and French goods, commercial houses, and investors to the Cameroun has been limited. The highly concentrated and basically French commercial community has not shifted sources of supply nor has the Camerounian government - para statal sector altered its "buy French" tradition except for loans from the U.S.A. and - partially - West Germany. For example over three

Insert - P2 II
F.E.D., until 1964, received project proposals from Metropolitan governments not overseas territories. At least for ex-A.E.F., Cameroun, Togo, ex-A.O.F., it operated as a finance house for metropolitan decisions taken in a still French centered context. Since the Yaounde Convention came into operation

* cf La Politique de Coopération, op cit, and T. Hayter, French Aid, Overseas Development Institute, London, 1966.

Inset 21-I

in 1966 the Kamerun Bank (an Occidentate joint venture with a CDC majority of shares but management by the private banking interest minority shareholders) ran into difficulties at least partly related to a large proportion of loans to individuals whose KNDP status was higher than their economic success.

quarters of FED contracts appear to have gone to French Firms. This is related to the thought patterns (and interests) of French advisors and technical experts both directly and through Cammerounian civil servants who have come to think of France as the standard source of supply. Similarly technical specifications, consistency with existing patterns of construction or machinery, Firm experience, and knowledge (by the Cammeroun and by the Firms) all bias contract awards and purchases to known and established French concerns even when more systematic shopping within other EEC member economies could result in cost savings.

Associates approach F.E.D. directly. The Commission - and to some extent the "Five" - are more disposed to support structural change, at least potentially including industry, than was France and, in any event, F.E.D. decisions are now independent of F.A.C. and Caisse Centrale approval on a project by project basis. Nonetheless, F.E.D. grant policy is still based on a cautious development strategy and - perforce - is linked with that of France both as the largest contributor to F.A.C. and the other major source of Cameroun development funds (see Section IV).*

activities

Insert P22-I

second and

Private economic institutions fall into four classes: large expatriate, medium and small expatriate, urban Cameroun, and rural Camerounian. The first ~~is~~ non-agricultural enterprise except retail and domestic produce wholesale and transport which fall into the third, while the fourth dominates primary sector production. The second is partially dependent on the resident expatriate and urban African service and processed foodstuffs market and partly on its role as an intermediary between the larger expatriate enterprises and small African producing or trading units. Direct competition is greatest between the second and third sectors and is almost certain to intensify, although both state intervention on behalf of Camerounian businessmen and public reaction against European-Mediterranean small and medium proprietors are relatively mild compared to Anglophonic West, or a fortiori East, Africa.

dominates

The large scale foreign sector is highly concentrated, partly as a result of the small size of the Cameroun economy and the relatively high capital and overhead requirements on long distance trade and partly as a reflection of cartelization in France. Three groups CFAO - SOCA - and (distinctly smaller) UAC/Unilever dominate import-export trade, departmental stores and wholesaling of import-export goods, and shipping.

Forestry and industry are somewhat more diversified in ownership (albeit the Big Three are involved) so far as the Cameroun is concerned, but again the key firms are subsidiaries of major French oligopoly groups. ALUCAM, for example, is a fully controlled member of the Pechiney-Ugine group, Air Liquide is one of the African subsidiaries of the European group, La Maison du Cycle is closely tied to (though not owned by) Peugeot, Bata Cameroun is a member of the global group (in this case not a dominantly franc zone one).

industry

This cartelized, French centered institutional pattern has several effects. Purchases and sales within groups are usually preferred to outside transactions so long as the group benefits whether this is in the interests of the Cameroun unit or not. Intra-group prices are potentially artificial and may be used to channel profits to any selected unit either to ~~secure tax~~ secure tax savings or further group investment policies.** Competition among the handful of oligopolists is less likely than a live and let live accommodation, especially as regards prices. The small, geographically and socially compact nature of the managerial community further reinforces tendencies to avoid both competition and arduous attempts to raise efficiency and lower costs. The "equilibrium" - except in the case of depression pressures - is likely to be one of high costs, use of traditional sources and methods, low competition, and absence of intense concern with efficiency.***

savings or

period

* See E.E.C., European Economic Community Bulletin, Brussels; Jeannery Report (English Summary by Overseas Development Institute, London, 1963; Yaounde Convention (English Translation by Chatham House, London, 1963) for fuller details on the institutional and legal patterns of Associate status.

Jeannery

** In principle both intra-group transaction preference and artificial prices could benefit the Cameroun units. On balance this seems unlikely, there is more room for selling high-cost manufactures in the Cameroun than primary products in France and a parallel bias toward preferring to take profits in the accounts of the home company. Cf. Section IV on ALUCAM's apparent capture of profits from FRIA and transfer of (rather larger) profits to Ugine-Pechiney by "non-free market" pricing.

To 22
INSERT II

*** Suret - Canale, op cit, and Dumont in fact demonstrate this pattern although both, especially

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¶ France has, in fact, adopted a considerably more favourable outlook on consumer goods and assembly type industries in Africa since 1960. The promotion of the textile industry in the Chad and the Cameroun is a case in point as is probably the Chad-Cameroun cement plant in a negative sense. The industries pushed appear to be those in which French exports can be expected to face increasingly severe overseas competition, e.g. from Japan, a national or sub-regional protected market on a scale adequate to support profitable private investment exists, and in which firms of other EEC states might (given their new equality of treatment with French firms in the EEC-Associate status) enter to the detriment both of French exports and investment opportunities.

¶ The textile case involved official French pressure on private French textile firms to invest in the face of Japanese negotiations to build two textile mills and to supply imports while they were under construction. Designed to serve the UDEAC market, the Chad-Cameroun plants have been

joined by a CAR plant which has not had equal official French blessing since it is viewed as disruptive of regional planning efforts. The Nord Cameroun-Chad cement plant is in the regional production frame but involves German, not French, capital substituting local production for former French imports, a less satisfactory situation than a French firm's involvement from Paris' (but not necessarily from Yaounde's) point of view.

¶ The reinforced French concern with economic regionalism — especially in ex-AEF, Cameroun — is related to this market defensive industrialization policy. The tiny territorial markets would not deter national demands for plants nor the provision of contractor finance for them but it would render the operations unprofitable and deter reputable firms from investing.

the former, tend to assume colonial oligopoly is more efficiently profit maximizing than is the case. An impeccably conservative author Peter Bauer has demonstrated the economically inefficient and exploitative character of the somewhat less tight oligopoly structure of British Colonial West Africa in West African Trade, Cambridge, 1954. The inefficiency is a matter of quite as serious concern as the profit rates because it has limited the growth of productivity per man and unit of capital in the modern sectors of the economy and the growth of these sectors. As Joan Robinson has argued in Economic Philosophy efficient generation of investible surplus (even in the form of exploitation) is preferable to inefficient from the point of view of the worker (the exploited) as well as the owner. The most economically deprived people eg the Kirdi in the Cameroons, are precisely those no one has ever found it worthwhile to exploit.

The medium and small sized expatriate firms are largely Mediterranean with substantial Greek, Cypriot, Italian and Levantine participation. They range from rather substantial establishments - e.g. in oil-crushing, soap manufacture, sawmilling and baking - moving into the large scale group to small boutiques and service establishments catering to the expatriate and high income African elite.* Between are a number of larger service, e.g. garages, and smaller manufacturing, e.g. furniture establishments and a number of wholesalers and wholesale-retail establishments serving largely as intermediaries between the major import-export houses and the African consumers-small traders-producers.

B. By and large this sector appears to be a high cost one, partly because of scale and partly because of credit risks. It does not appear to be highly price competitive and, with the limitations independence has put on new entrants from the Mediterranean, may become less so. *To date effective African competition in these fields is limited.*

Urban African enterprise is relatively small, both in size of most units and in overall sectoral scope. Some service, boutique, and intermediate trading units are in direct competition with the small scale expatriate units. Governmental financial and regulation policy support and large expatriate firm public relations interests tend to favour them while lack of experience, own capital, and technical expertise (e.g. re garages, hotels) hamper their advance.

State-political involvement is probably highly pervasive, not simply through B.C.D. loans but even more because higher civil servants and politicians are prominent among the business community both as operating owners and "influential" partners. Given their higher than average educational levels, private resources, and access both to the state and to large expatriate concerns, this trend is not surprising. It does, however, raise conflict of interest (and at the extreme corruption) issues and ties economic opportunity into the political structure in a way likely to increase social tensions.

Small to medium scale commerce - urban and rural markets, lorry transport of domestic produce and passengers, initial collection and bulking of export produce, collection and transfer of food and charcoal to urban markets - is a major source of employment. *Opportunity for* The market segment *provides* is probably the dominant non-agricultural employment of women. However, this sub-sector is not highly specialized as a majority of market traders, collectors, and even transport owners are also farmers or lower civil servants.

Farming is, both in numbers employed and in earnings, the leading African sector. The dynamic sub-sector includes the tree crop growers (cocoa, coffee, planted oil palms) of the forest belt and the larger cotton, tobacco, groundnut producers of the savannah. While most livestock raising (and

than in Ghana, Nigeria or Sierra Leone

* The petit blanc element is less pervasive than in Senegal or the Ivory Coast but far more pronounced than in Anglophonic West Africa. The Levantine element is, however, much smaller, apparently being less able to compete with the small French, other European Mediterranean entrepreneurs than with the larger British firms.

colu 7

** See P.J. Bohannen (Editor), Markets In Africa, Northwestern University, 1962, for accounts of West and Equatorial African (not specifically Camerounian) markets.

certainly the related long distance internal trade in cattle)*, coastal and lacustrine market fishing, and some of the larger domestic foodstuff farmers are also dominantly market oriented, the majority of food producers are unable to concentrate on marketable surplus generation partly because food farming techniques do not yield large surpluses above family needs and partly because neither domestic cash markets nor access to them are adequate. There is little reason to doubt that market incentives linked with effective rural transport and purchasing services could lead to increased output for sale even within the limits of present technology. The relative stability of Cameroun Urban Food prices strongly suggests that food production for market is elastic even at constant real prices when the transport and purchasing networks are improved. Similarly the rapid growth in cotton production both absolutely and per acre is evidence of positive response to demonstrably effective technological changes, appropriate to farmer capacities, supported by adequate field staff, and offering cash rewards to the farmer. This instance is particularly forceful as cotton growing has developed in areas outside the established cash crop coastal-forest zone.

* The standard view of the African cattle owner as non-economically motivated has never fully and rarely even largely stood up to intensive examination. Source of food, "natural" interest yielding investment, and purchasing power reserve (including but not simply famine and reverse dowry needs) have been dominant while urban market supply orientation grows very rapidly as soon as sizeable markets and even minimally adequate transportation routes to them become known. Cf. S. Amin, Trois Experiences Africaines du Developpement, op cit, on the growth of the market directed livestock sector in Mali. Polly Hill has made similar findings in regard to both Northern and Southern Ghanaian cattle growers as have recent studies of East African pastoralists long the anthropologists' locus classicus for the "antieconomic man." In all of these cases, selling of cattle for cash and/or barter for agricultural commodities - salt - clothing - baskets is an integral *

(*) To insert p 24

part of the pastoral society's way of life and increased market opportunities rapidly lead to increased cash sales if both buyers and desired goods come to the cattle raisers. Technically the herding may be relatively static but judgments of irrationality are often misplaced. In the presence of effective disease control, quality differentials for meat and hides, and effective prevention of cattle raiding small herds of high grade cattle concentrated in the hands of the owner are rational. In their absence a higher number of cattle scattered with relatives and herdsmen makes better sense. No one epidemic, drought, or raid is so likely to wipe out the pastoralist. Faulty or incomplete analysis of pastoral socio-economic patterns is endemic — even René Dumont appears gravely to overstate the degree of "sentimentalism" involved in African savannah pastoralism.

the attainment of

45.25

IV. Cameroun International Economic Relations:
The Structures of Trade, Resource Transfers
and Economic Dependence

The Cameroun economy has been - and to a lesser but still dominant degree remains - externally dependent not simply for markets and manufactured products but even more for the financing of domestic investment and the meeting of domestic high level manpower requirements. Substantial growth has been attained within the externally dependent structure and, with it, increased opportunities for development reducing the degree of dependence. This strategy is all the more urgent in that the growth prospects for Camerounian exports (even including additional processing) are decidedly poor and maintenance of a high growth rate is not compatible with present import content of consumption and investment barring quite implausible capital transfers. Cameroun external dependence is extremely concentrated on a handful of states, a pattern which has shifted only marginally (except perhaps on the resource transfer side) despite the creation of E.E.C. and the Yaounde Associate Convention and the attempts of the Cameroun to improve its bargaining position through diversification of economic partners since independence.

Long Run Trade Growth

From 1930 through ~~to~~ 1963 East Cameroun real export volume (100 to 875), income terms of trade or domestic import capacity (100 to 1,100) and domestic import capacity per capita (100 to 565) have grown steadily with the exception of a wartime hiatus. However, 1959-1963 shows a significant decline in growth (real domestic import capacity per capita if anything fell slightly).

EEC

levels of real (constant price)

Commodity terms of trade have behaved erratically, falling to 65 in 1946 but recovering to 150 in the 1950's before falling to 125 in 1963 (base 1930). Actual real per capita imports have also behaved less regularly, falling to 70 in 1946, exploding to 380 in 1951, declining to ~~345~~ (after peaking at about 400 in 1958) in 1959, and recovering to 390 in 1963.

to 345

projects directed to

In the short run, the association between import levels and growth rates and G.D.P. growth appears closer than that with exports. Investment in advance of export increases (or since 1959 in domestic market oriented production) has given rise to high and rising imports as well as rapid G.D.P. growth, while the 1957-59 export boom resulting in much higher remittances (both household and corporate) and net private capital outflow was accompanied by a slackening in growth rate. The 1959-1963 pick-up in investment and resource inflows led to rapid growth of G.D.P. and of imports* even though exports actually remained below 1959 value until 1963.

West Cameroun performance, especially by contrast, is dismal. 1963 export volume stood at 135 (base 1930) down from 155 in 1959 which culminated a rise from 85 in 1946. Income terms stood at 170 down from 230 in 1959 (a recovery and growth from 55 in 1946) but real domestic import capacity per capita was only 80 vs. 120 in 1959 and 90 in 1951 (but 35 in 1946). Real per capita imports, however, stood at 135-160 - depending on treatment of East Cameroun substitutes for Nigerian goods - only marginally down on 1959's 170 and well above 1951's 90, let alone 1946's 35. The import boom came later because it was supported by present and past exports and not advanced by pre-export investment as in the East. The 1959-63 figures cast some doubt on the apparently satisfactory (see Section III) rate of growth for those years.**

which show higher 1957-59 and lower 1959-63 import growth

* But cf. Tables IV-C-1 and IV-D-1. However, the 6,000 million CFA unrecorded import figure for 1959 is distinctly implausible, especially compared to 1,000 in 1957 and 400 in 1962/63. *basically* *Fragmentary*

** The problem is with the real per capita growth figures and may mean that the available price data understate the rate of price increases.

Export-Import Patterns by Commodity

Cameroun exports are exceedingly concentrated with cocoa and products (31%), coffee (20%), aluminium (16%) accounting for two-thirds, and cotton (6%), bananas (6%), logs and timber (6%), rubber (4%) and oilseeds (4%) about 80% of the remainder for a total of 93% in 1963.

The state patterns are somewhat divergent, but ~~at least as~~ ^{even more} concentrated. In the East cocoa-coffee-aluminium total 70%, and cotton-logs and timber-oilseeds-bananas-rubber 23%. Bananas (24% - down from 1960-62 levels in the 30-35% range with the loss of U.K. preferential market entry), cocoa (23%), rubber (20%) and coffee (16%) accounted for 83% of West Cameroun exports in 1963, ~~and~~ timber (6%), palm oil (7%) and palm kernels (3%) 80% of the balance for a total of 96%.

There have been significant changes in specific commodity contributions over the period 1951-1963. Banana proceeds have declined absolutely for both regions - a disastrous development for the West. Cocoa earnings overall - especially in the East - have grown much less rapidly than those from coffee. Rubber earnings have been distinctly erratic - linked to both price and output swings. Log and timber earnings have grown steadily as a share of Eastern exports, but in the West exploded upward in the mid and late 1950's to fall by nearly 75% between 1960 and 1963.

Two significant and one potentially significant new exports have appeared - all in the East.* Cotton has moved from insignificance to 7% of total exports (East) while plywood and veneer has (beginning in 1961) come to somewhat under 1%. The ~~major~~ addition, however, is aluminium based on imported bauxite which accounted for 18% of 1963 exports, ~~albeit~~ ^{Over 40%} of this represented current import content which is negligible in other exports. ~~so that the share in exports, net of current import content is perhaps 10-12%~~

Except for aluminium and cocoa - about 10-12% of which is converted to cocoa butter and powder - processing has either not extended past the stages necessary for export, e.g. latex curing, cotton ginning, coffee curing, cocoa fermenting - or has actually declined in its share of exports handled as with lumber and rough forms (even plus plywood and veneer) vis-a-vis. raw logs. ~~Similarly, aluminium smelting has not been extended backward to the bauxite mining - alumina processing stages.~~

Useable import composition data are available only for the East Cameroun prior to 1962-63 because West Cameroun import data did not record either Nigerian imports or foreign goods imported via Nigeria. The 1962-63 pattern underlines the less developed, less internal market oriented, and less buoyant nature of the Western state economy with food and alcoholic beverages and tobacco higher and all other categories - except fuel and vehicles - lower as a share of total imports.

* From a purely Western point of view, tea may be a potentially ~~significant~~ ^{Useful} addition. It is unlikely, however, to become a significant portion of overall Cameroun exports.

** The aluminium export price (£150 per ton) and the alumina import price (£18 per ton) appear to represent artificial inter-company transactions to shift profits away from Guinea and, to a lesser degree, Camerounian operations and to other (presumably French) corporate units. The "world market" (also rather artificial) prices in 1963 were around £25 and £170 ^{the} respectively - a shift of £14 to Cameroun, on 2 tons of alumina to ~~one~~ ^{used in} of aluminium, and of £20 from the Cameroun per ton of aluminium. (For detailed price and cost data cf. H. Bachman, Aluminium as an Export Industry, UNCTAD, Geneva, 1964, cited by T. Killick in Birmingham, Neustadt, Omaboe (Editors), The Economy of Ghana, Allen and Unwin, 1966, pp. 399 ff.) 1963 alumina imports at nearly 150,000 tons represent 30-35% stockpiling and cannot be compared directly with 1963 aluminium exports of 52,000 odd which consumed only 100-105,000 tons.

largest gross

In 1963, 49% of East Cameroun imports were consumer goods, 22% intermediate current imports (including fuel) and 29% machinery, transport equipment and construction imports.* The 1948 shares were 63-13-24, the 1951 55-16-29, the 1957 53-18-29 and the 1959 56-22-22. The changes in import makeup portray the impact of alumina (intermediate) imports from 1959, the growth of domestic manufacturing especially after 1959, and the 1948-51 upward shift and 1957-59 slump in investment /G.D.P. ratios. The low growth in fuel imports presumably reflects the substitution (relative share) of hydro-electric power.

Textiles-clothing-footwear form the largest single commodity group at 16%, a result predictable from consumption analysis. Alumina stands at 9%. Major construction material imports include cement (1.5%), iron and steel (4%) and - surprisingly - aluminium bars, rods, tubes and forms (1%). The machinery and transport equipment category breaks down 11% transport equipment, 4% electrical machinery and 7% other machinery, with a 6% fuel category required for its operation.

The pattern is - again - by no means that normally associated with a "backward" economy. Both the capital and the current intermediate goods shares are relatively high and rising. While textiles are a very substantial component, they do not dominate consumer goods imports which reflect the moderately diversified consumption pattern outlined above (Section III). On the other hand, a 49% final consumer goods import share (especially with one third of it representing textiles-clothing-footwear in a cotton, leather, rubber producing country) suggests only limited import substitution to date and an absence of effective protection.

Trade, Production, Use Patterns

Examination of import patterns against domestic production reveals substantial overlap in food, tobacco and beer plus aluminium household ware and significant overlaps in health-sanitation goods (actually soap) and clothing-footwear but very little in other consumer goods, construction materials, fuel or machinery and equipment. On the export side only timber products among the major exports have a significant Cameroun market if one separates export and local consumption, bananas. Ironically, nearly half of cotton export volume is imported in the form of textiles and clothing and both rubber and (basic form) aluminium imports are significant.

On the one hand, this division between imported and domestic production for local use and between local demand and export production lowers the flexibility of the economy. It is not feasible - given present plant and agricultural investment - to shift exports to meet local demand or to substitute marginally between domestic production and most key imports. However, the nature of imports taken jointly with the raw material base (cotton, tobacco, rubber, vegetable oils, meat and fish, potable alcohol, sugar, rice, timber limestone, potentially bauxite and alumina, hydro-electric power) and the existing market size affords opportunities for fairly extensive import substitution based commercial agricultural and industrial expansion. Mass market consumer soft goods, furniture and furnishings, construction materials, and assembly of machinery and transport equipment, plus limited component manufacture offer substantial possibilities for industrial value added creation and, in most cases, for domestic import production leading to low recurrent import content and a high domestic multiplier.**

* Textiles are treated 75% as a final consumer good and 25% as a current import into industrial and craft clothing production.

** The objections raised to import substitution based industrialization on the grounds that it ignores projected demand growth or concentrates on meeting "elite" not mass consumption or investment needs (cf. e.g. J. La Croix "Principes Pour Une Strategie du Developpement Industriel" in Problemes Socio-Economiques Actuels du Congo, Institut de Recherches Economiques et Sociales, Louanium University) are not directly relevant given the actual makeup of prospective import substitute production and its relevance to demand patterns under conditions of rapid development.

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A short list of import substitution based development apparently practicable over the next decade (see Table IV-C-8) totals 10,075 million CFA (\$41 million) domestic product, of which 6,165 million CFA (\$25 million) would be industrial value added ~~at~~ 1963 import levels. Assuming a 6-7.5% G.D.P. growth rate, this group of products should have a rate of domestic demand growth of perhaps 5-6%. The initial industrial base is 32% of 1963 imports, 62% of 1962-63 industrial value added (51% of 1965) and 150% of 1962-63 domestic market directed industrial value added, (~~actually the domestic market directed share would be 120% as 18% of the 6,165 is in alumina processing~~).

Assuming early scheduling of the construction outputs, the import component should run to 8-9,000 million CFA (\$32.5-36.5 million) of a total of about 15,000 million CFA (\$61 million) industrial and perhaps ~~200,000~~ 22,500 million CFA (\$91 million) total investment. Given the recurrent import saving involved, the import intensity of this programme would appear low enough to cause net improvements in the balance of trade to appear once 40-50% of the units are in full production.*

Export processing possibilities, while less extensive, are also significant. A parallel ten year short list (Table IV-C-9) suggests a total processing value added of 3,250 million to 5,000 million CFA - 10-15% of 1963 exports and 33-51% of 1962-63 industrial value added (27-42% of 1965). The probable investment cost would be on the order of 7,500-12,500 million, with a direct import content (assuming early expansion of construction materials production) of 4,500-7,500. The success of this method of increasing exports is heavily dependent both on securing African markets (particularly for textiles, tyres and aluminium basic forms) and on results of UNCTAD efforts to secure less discriminatory tariffs on processed as opposed to raw materials, particularly in E.E.C.**

Substantial achievement of these possibilities would not only free 14-16,000 million CFA (44-51% of 1963 imports), for more complex consumer, intermediate and capital imports. Equally important, it would lead to a doubling of the 1965 industrial value added base, quite apart from parallel G.D.P. growth supported expansion and support, a major construction and investment spur to G.D.P. growth and the fuller utilization of projected physical and social overhead investment. However, beyond 1975 - and for some industries well before - further expansion will come to depend heavily on markets broader than those of the Cameroun Republic and - for machinery and equipment - probably broader than those afforded by UDEAC.

Balance of Payments

Camerounian balance of payments statistics run from extremely weak to quite non-reconstructable. In the East, major problems include lumping of ~~the~~ invisible imports in the c.i.f. import price (or apparently in some cases their non-appearance in the accounts), exclusion of reinvested foreign owned profits (up to 80% of total private investment in some years) rather than their double entry as factor payments and capital receipts, and general over-aggregation of estimates.***

* cf. C. Diaz-Alejandro, "On the Import Intensity of Import Substitution", Kyklos, #3, 1965.

** cf. Towards a New Trade Policy for Development ("The Prebisch Report"), UNCTAD, UNE/Conf.46/3, New York, 1964, and World Economic Survey 1963 (Part I, Chapters 5,7), United Nations, New York, 1964.

*** All Comptes Economiques balance of payments presentations are partly estimates, although total public and partial private transfer data do provide a hard core of statistical evidence. Banque Centrale data cover net transfers but do not provide adequate information on types of flow or gross levels in sectors with both in and out movements.

The accomplishment of an import substitution/export processing and manufacturing programme of this scale within the next decade would have several effects critical for rapid development. First it would through import substitution and export expansion improve the gross foreign balance position by 14-16,000 million CFA (45-50% of total 1963 imports) — allowing for 3-4,000 million annual dividend-interest-repayment charges (15% on 18-25,000 million CFA foreign investment of 30-35,000 million total) the net balance of payments improvement should be of the order of 11-12,500 million CFA (33-40% of 1963 imports). Only a saving of this order on simple mass consumption and construction goods import substitution and processed exports will allow the rapid expansion in capital goods and complex consumer goods imports needed for rapid development with a mixed and relatively non-autarchic economy.

Second by providing for a doubling of the 1965 industrial value added base, this programme would carry out substantial structural change in the economy. Associated GDP and investment growth would provide outlets for further expansion within the secondary sector — including construction and power as well as

and similar
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goods

Manufacturing, relatively more rapid of the secondary sector than of the economy as a whole is necessary for sustained internal growth as well as for external balance because on the one hand internal demand for its output represents a growing share of GDP as output per capita rises and, on the other, primary export earnings and therefore domestically financed import capacity cannot be expected to grow at a rate over 4-5% annually (2-4% if manufactured import prices continue to rise) vs 6-7.5% for GDP and 7.5-10% for secondary sector output.

Over the next decade industrialization centered on lists similar to these (plus bauxite mining - alumina processing) is probably the most feasible strategy. Emphasis and phasing among domestic market import substitution, world market oriented processing, and regional market directed medium to large scale manufacturing could be left flexible in response to domestic and world demand growth, the progress of UDEAC as an effective channel for integration, and the availability of foreign and local finance and expertise for specific industries. However, by

1975, at the latest, rapid industrial growth will have reached a plateau beyond which further development will require sharply expanded regional or world market exports of manufactures. The so-called easy stage of import substitution based on industries capable of operating efficiently on a scale consistent with the territorial market and using basically domestic raw materials will be largely exhausted. So will the so-called easy manufactured (more accurately processed) export expansion phase built on initial or secondary semi-manufacturing of primary exports. At that point either further structural change within the industrial sector must be achieved or that sector's growth rate can be expected to decline to 5-7% a year and that of national product to perhaps 3-5%.

25.

Several facts do stand out clearly. The first is a massive and continued public transfer inflow for general recurrent expenses (to 1960), public (including autonomous corporation) investment, and payment of technical assistance and service (especially education and health) personnel running over a quarter of export receipts. The second is a somewhat larger outflow of personal remittances (over 10% of imports) and profit flows (over 20% of exports) running in recent years at 6-7% of East G.D.P. Net inflows of new (as opposed to reinvested profit) private capital were massive in 1951 (over 75% of exports and over half of imports), but much lower in 1957 and 1962-63 (11% and 6-7% of exports respectively) and negative (-7% of exports) in 1959. Only in 1951 did they exceed profit remittances. Finally, since 1957, the Cameroun has in most years reduced its foreign debt (although this trend has now been reversed with new long term loans, especially for the Transcam) and/or increased its overseas (franc) reserves.

any detail

West Cameroun balance of payments statistics are not reconstructable because of the extreme approximation required to secure import estimates. Over the period 1951-1961, there appears to have been a substantial deficit on goods and services account, plus a significant flow of remittances from Nigerian workers and small businessmen (now drastically cut) balanced by public recurrent and capital subsidies, depletion (especially after 1955) of marketing board (and in some years of Cameroun Development Corporation) net foreign assets.

Trade-Aid-Personnel : Patterns of Concentration

Cameroun trade is highly concentrated - 50% of both imports and exports are carried on with France and 80% of imports and 83% of exports with five countries (not identical for exports U.K.-U.S.A.-Netherlands-West Germany, and for imports where Japan replaces the Netherlands). Only in the West Cameroun - with the end of British preference - has there been any massive shift since 1951 and, vis-a-vis., 1938 the East Cameroun import pattern is distinctly more concentrated* and the export one only marginally less so.

East Cameroun trade patterns have been remarkably constant since 1957. The increase of imports from African states from 7 to 13% stems directly from alumina imports from Guinea - the other major African imports (dating to 1951) are wine, sugar and fish from the Mahgreb. France accounts (1963) for 57% of imports, other franc zone for 15%, other E.E.C. for 13%. 57% of exports go to France, 4% to other franc zone (Mahgreb coffee-cocoa exports usually approximately equal imports; 1963 was an exceptionally low export year), 27% to other E.E.C. (16% Netherlands). Total African exports have - since 1960 - run 6-8%, 2-4% to the Mahgreb, 2% to U.D.E., 1% to Nigeria.

While the "E.E.C. Five" share in exports rose from 23% in 1951 to 27% in 1963 and in imports from 6% to 13%, most of the increase came prior to 1957 and the Treaty of Rome's equal access provisions seem to have been relatively ineffective. The probable reason lies in the French (more particularly CFAO and SCAA groups) dominance of trade and the ties of the French commercial houses with suppliers and purchasers.

West Cameroun trade patterns have shifted steadily since 1951 with the U.K. share in exports falling from 99-51% and that of E.E.C. rising from nil to 36 (18% Italy - largely bananas, 14% Netherlands). Exports to France remained negligible in 1962-63. On the import side, 1962-63 still showed 43% U.K. and 49% E.F.T.A. vs 7% France and 16% E.E.C. ~~imports~~ with the U.S.A. equal to and Japan higher than France as import suppliers. The pattern, however, remains in flux both with continued tariff-fiscal unification and the supplanting of Nigerian and British by Camerounian (often East Camerounian) and French commercial concerns.

* As noted earlier, this is the result of deliberate French policy aimed at foreign exchange husbanding in the early post-war period and captive market creation throughout, which was freed after 1945 from earlier League of Nations restraints.

In the case of aid, E.E.C. associate status provisions - especially the Fonds Europeen de Developpement (F.E.D.) - have resulted in a substantial, if slightly equivocal, shift in sources*. Prior to 1958 virtually 100% of Cameroun capital and personnel aid receipts were from France. In 1960-64, however, F.E.D. capital aid commitments (13,500 million CFA - \$45 million) were 45% of the 30,000 million CFA (\$121 million) total, French 33% and West German 3% (a per cent which has since risen significantly). U.S.A. commitments were 13%, representing a success of Cameroun efforts to broaden aid sources, but British capital aid commitments were only 1,100 million CFA (4%) virtually all prior to reunification as opposed to hopes for a continued annual flow of perhaps 500 million a year.

Of total capital aid commitments, 32% (32% of E.E.C., 29% of French, 61% of U.S.A.) were for the Transcam, about half in loan and half in grant commitments. The bulk of the other aid - including all of F.E.D.'s - has been on a grant basis for infrastructure and agricultural diversification (F.E.D. grants to offset loss of French market subsidies and other primary export price declines). The reason that F.E.D. aid is a somewhat doubtful "alternative" to French is that F.E.D. represents a deliberate French policy of shifting some of associate development cost on the Five, combined with French dominance (as the largest contributor) over its allocation. In the First Fund (1958-62) F.E.D. was a basic physical and social overhead investment support source closely linked to French public and private directly productive investment programmes. Although the Second Fund (1963-68) reflects both European Commission and "Five" (especially Netherlands and W. German) belief that F.E.D. should be both more independent and more daring in its development strategy (e.g. including support for mixed and possibly public industry), the real impact of these principles is not yet clear, especially as West Germany favours harder aid terms.

France remains the dominant supplier of aid personnel with about 1,000 or 77% of a total of approximately 1,300. The United States is second with 150 (12%), dominantly West Cameroun Peace Corps teachers. United Nations agencies and ~~other~~ organizations with 50 (4%) are third in personnel aid and sixth in capital aid commitments with 2%.

The Structure of External Dependence

Cameroun external economic dependence is not satisfactorily seen or discussed solely in export and import to G.D.P. ratios. At slightly under fifty per cent in relation to total G.D.P. and about sixty per cent to Commercialized G.D.P. the combined trade total is high but not of an order of magnitude above that of several of the smaller industrial economies, or of the United Kingdom. A number of additional indicators are needed to illuminate the full extent of dependence.

One group presents the concentration of trade, capital, transfer and personnel supply with a limited number of economically much larger states.** Another shows the share of capital and high level manpower which must be secured from abroad and a third the degree of flexibility or inflexibility in domestic resources.***

* cf. Convention of Association and Annexed Documents ("Yaounde Convention") OCAM, Yaounde, 1963, and J.J. van der Lee "Association Relations Between the European Economic Community and African States", International Seminar on Economic Co-operation in Africa, University College, Nairobi, December 1965. Summarized by R. H. Green and K. E. V. Krishna.

** See S. Kuznets, "Level and Structure of Foreign Trade: Comparisons for Recent Years", Economic Development and Cultural Change, October 1964, esp. pp. 22-23 and B. Hoselitz, Sociological Aspects of Economic Growth, Free Press, Glencoe, 1960 for fuller discussions of this point.

*** See H. Myint, "An Interpretation of Economic Backwardness", op cit., and "The Gains from Trade", op cit., for fuller exposition of these aspects.

Cameroun exports are 83% directed to five markets and 95% to ten. For imports the figures are 76% for five sources and 89% for ten. The average economic size of the Cameroun's trading partners (weighted by their share in exports or imports) is 130 times that of the Cameroun for exports and for imports alike. Even these figures understate the extent of Cameroun bargaining weakness. A major supplier of no commodity, she is de facto limited in choice of markets by preferential E.E.C. duties integrally tied both to her supplying preferred markets for (often high cost)* French and E.E.C. exports and to her hopes of substantial capital transfers from France-F.E.D.-West Germany (81% of recent aid commitments). A further reinforcing factor is commercial institutional dominance by French firms whose preferential (parallel to other E.E.C.) treatment is guaranteed under the Yaounde Convention.

Lack of resource flexibility in use has already been noted in comparing import-production and export-use patterns. In the case of exports it is underlined by the fact that 96% of all export earnings are provided by ten commodities - 80% by five - of which at most two had substantial domestic markets in 1962-63.

Cameroun net domestic investment is approximately 80% dependent on foreign savings transfers. For the Administration sector this can be seen by comparing public revenue allocations to the capital budget with Administration investment. For the private and autonomous corporation sector (including tree crops but excluding traditional housing) exact data are not available but the autonomous corporations, e.g. ~~FINACAM~~ TRANSCAM, do not generate significant surpluses available for new investment and, outside tree crops, the overwhelming majority of private investment is by foreign owned firms whose decision to reinvest or remit is - at present - beyond Cameroun control.

Foreign capital aid comes 78% from two partially linked sources and 98% from five. The average weighted economic size of aid suppliers, vis-a-vis. the Cameroun is 325:1. Given their limited number, massive size advantage, and 80% share in administrative and probably 90% share in autonomous state corporation investment - it is clear that while Cameroun public sector development plans and projects can be, and increasingly are being, proposed in Yaounde and Douala, they are still ultimately disposed in Paris and Brussels. Private capital ^{has} come almost entirely from France (economic size ratio about 120:1) and dominantly from corporate groups whose annual turnover exceeds Cameroun G.D.P. and whose flexibility in project location and therefore ability to extract favourable terms is high.

Perhaps one third of Cameroun high level manpower requirements are met by Cameroun nationals. At a 6-7 $\frac{1}{2}$ % rate of G.D.P. growth even 1965 output could barely keep pace with new posts and Camerounian retirements without replacing expatriates. Of the foreign personnel, 80-85% come from one state and 90-92% from four. The quarter who are personnel aid appointees are only slightly less concentrated with 78% from one state and 89% from two.

Quite clearly the Cameroun Federal Republic's degree of economic sovereignty or autonomy (not synonymous with autarchy) is extremely limited. Exogenous market and policy forces are far more critical than endogenous, the major economic decisions affecting the development of the Cameroun economy either are taken outside the state or can be implemented only subject to external approval leading to resource transfers both of capital and manpower. The degree of economic dependence of the Cameroun is such as to justify the term "satellite" or "neo-colonial". With very limited bargaining power - related both to her economic lack of size and flexibility and to her limited

* cf. F. Bloch-Laine, La Zone Franc, Presses Universitaires de France, 1956 for data on these differentials which appear to have averaged at least 10% and much higher on consumer durables, construction inputs, and machinery-transport equipment.

array of external economic partners - the Cameroun finds it difficult and expensive to secure support for her development and often de facto must bargain in terms involving her international political and economic position within international organisations.*

[A] policies - at least of major industrial states - are largely determined by perceived national interests and by effective sectoral pressure groups of nationals either in the metropot or abroad. The perception may be wrong or may change with time - in the case of France it has become increasingly economic and increasingly centered on building up viable territorial and subregional economies self sufficient on recurrent public account and with expanding demands for French exports and widening opportunities for French investment. The expensive policy of Franc zone raw material self-sufficiency has been sharply downgraded in importance, a more flexible attitude to African industrialization adopted (especially where this can mean substituting profitable investment for increasingly shaky export markets), responsiveness to individual French interest groups particularly in the trading and plantation sectors has declined especially when promotion of their short run welfare is seen as inconsistent with medium
(INSERT)

* An example would appear to be Cameroun support for the French "Cru" proposals. Their negative impact on international liquidity and intensification of balance of payments strains could only add to Cameroun difficulties in securing needed resource transfers, especially from either the United Kingdom or United States. For an extended discussion of economic and political dominance and dependence on the international policy and programme level see G. Lagos, International Stratification and Underdeveloped Countries, University of North Carolina, 1963.

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run overall French economic interests.

L French national interests are not perceived purely in economic terms in aid policy determination and use any more than in other areas. The shifts in emphasis are obscured in that during the period of colonial expansion economic arguments were advanced to support great power expansionist policies (notably by such men as Jules Ferry) whose basic motivation was international political and cultural power and prestige linked with overseas reversal of European military and political losses. Today economic aims are stated to be secondary or even peripheral precisely at a time when their relative importance is rising and economic calculations are entering into the costing even of aid designed to serve non-economic ends.

L Besoin de rayonnement has been and remains critical. France - probably rightly - is deeply committed to the retention and expansion of the worldwide influence of her culture and - certainly correctly - sees languages, education, and personnel as central to attaining this end. Teachers, courses in France, technical assistance, advisors are all seen in this light as well

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however
as in that of direct economic and political gains. A state which abandoned the French language for a national one (let alone English) could expect sharp reductions in aid. Certainly linguistic-educational-cultural personnel links do result in patterns of contacts, of thought, and of habit increasing French political influence and economic benefit, a fact clearly recognized if not often spelled out in those terms in French governmental circles. The continued effective French presence in her most radical ex-colonies eg: Mali, Congo-Brazzaville, Mali, Cambodia, The Democratic Republic of Vietnam, and - from time to time - even in Guinea as opposed to British loss of influence under parallel circumstances owes much to the cultural base France has built up and maintained. At the same time this policy has been - as now recognized in Paris - overdone. Assimilation created an all too French and all too small African elite with all too model (as in the Oxford dictionary definition - "a small imitation of the real thing.") French institutions and customs very far separated from either the socio-political and economic realities of the African state or the attitudes, culture, and living conditions of the masses of the population. Indeed France, herself,

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has apparently felt the need to call the unwisdom of being more French than France - an unwisdom that Ahmedu Ahidjo and Ucamu always grasped both because they came to power at the expense of a "parti d'administration" government and because they retained a heavy Islamic influence in their own culture and way of life - on several Francophone African states, notably the Ivory Coast, Gabon, and the Malagasy Republic.

L Another facet of maintaining and reestablishing the "grandeur de la France" lies on the international organizational front. A feature of all great powers - almost certainly regrettably in the long run - has been their chorus of semi-automatic international supporters eg: the USA and Latin America, the USSR and Eastern Europe, the UK and the Commonwealth. French prestige and influence (in unofficial as well as governmental bodies) has been significantly strengthened by the voices of her African and Asian ex-colonies. In recent years there has been a shift here too - pressure for agreement on all issues has been abandoned, only certain key points and a general record of agreement or sympathy on these is sought, a

much more workable long run goal as the UK and USA who have often used a more rigid approach have on occasion learned to their cost. Both the Guinea debacle of 1958 and the value of the critical but distinctly sympathetic and moderate stand of Francophone Africa on Algeria - a stand of immense value to France because it prevented unified Afro-Asian pressure on Latin America, Scandinavia, and the USA - have influenced this shift. Only Tunisia has gravitated out of the Paris led group (into a rather uneasy balance threatening to precipitate her into the Washington led group) and even that case is far from irreversible.

From the French point of view as sketched above some policies and actions by Francophone African states are critical and have major effects on aid policies, others are of secondary concern and have limited impact. A continued French cultural, educational, and technical presence and sustaining significant economic relations with France are seen as essential and maintaining a Foreign policy stance which is at least on balance similar to France's on major issues only slightly less critical. (Cambodia and Congo-Brazzaville qualify on all three counts when their policies are examined closely, Mali only on the first

two with predictable resultant aid problems and the Democratic Republic of Vietnam only on the first and in certain limited areas on the third with the result of receiving limited technical assistance only.) Favourable attitudes to French investment are desired - and are a cause for greater aid - but by no means required so long as the French private sector is at least treated as well as or better than other foreign firms. (A significant complaint against the late President Olympio of Togo was his fairly open encouragement of US, UK, and Continental European over French economic involvement). Internal political patterns - and a fortiori expressed political philosophies - are of distinctly secondary concern as is the presence or absence of state economic activity even in industry and trade. Economic viability and enough political stability to ensure it are important, however. Unstable and unviable states such as Dahomey cannot expect much help, even an overtly pro-French coup (eg Colonel Bokassa's in the CAR) is not welcome unless the previous regime was seen to threaten basic French interests.

It while it appears that the greater

the French economic stake in an ex-colony the less flexible French attitudes tend to be, vide the French para-troop backed counter-coup in Gabon versus non-intervention in Congo-Brazzaville and limited involvement in Dahomey which did not include saving President Maga, the overall framework is one of allowing significant and growing national option in policy determination without drastic repercussions on the aid front.

¶ Cameroun policy is defined in terms quite consistent with that of France in this area. Indeed she could be described as following virtually a mirror image strategy, in itself a significant comment on French influence over her political and economic thinking and style. President Ahidjo has steadily moved his country toward greater national determination of internal policy (economic, educational, political), greater diversification of international contacts and relationships, and a more distinctively Camerounian and African style on both fronts. At all times, however, Cameroun policy has remained within the limits basically acceptable to Paris. Frictions and minor conflicts have arisen but overall the Cameroun has been cautious and pragmatic

probably preferring to err on the side of not attempting as much as it could rather than risking a major rupture with France. (In this it has diverged significantly from President Bourguiba's Tunisia which while more radical and nationalist has also sought to follow a pragmatic policy toward France but has either consistently overestimated what was acceptable in Paris or taken a more radical view of what was essential to consolidate and expand effective Tunisian determination of internal and external policy, action, and development.)

¶ Caution has characterized wording and publicity as well as action. Increased economic (including aid) links abroad have been presented as additions to, not substitutes for, French. The same holds for technical personnel and the use of Peace Corps teachers in the West and the introduction of English as a second language in Eastern schools was carefully balanced by introducing French and French teachers in the West. Cameroun regional policy in UDEAC and African policy in OCAM, ECA, and the OAU is not simply a reflection of French—it seeks to promote Camerounian economic interests, increase Cameroun political influence and

prestige, and project a Cammeronian image as a truly independent, Forward looking African state. An attempt to add serving as a link between Francophonic and Anglophonic Africa is a likely addition. In all of these areas French and Cammeroun interests diverge, certainly in emphasis, fairly clearly in long run strategy, sometimes in particular short term objectives. Cammeroun ministers - unlike present officeholders in all three neighbouring Francophonic states - are not inclined to say in answer to queries about French policy "But if it were not in our interests France would not propose it." On the other hand non-French criticisms of French and Franco-African policy are usually met with a firm defence of France even in fields such as EEC-Associate relationship about which the Cammeroun has distinct reservations. Public criticism of France except for a specific end is seen as counter-productive. Foreign policy divergences are, when possible, phrased and timed so as to make the difference appear to be from Abidjan (widely viewed as France's chosen spokesman for Africa but also as more rigid and unrealistic than France) not Paris. In part this

is a real feeling, Yaounde increasingly resents President Houphouët-Boigny's claims to be the preeminent Francophone African leader. It sees in them a threat to Cameroun Francophone Central African leadership, a slur on Cameroun ability to determine her own foreign policy, and an obstacle to growing involvement with radical and/or Anglophonic Africa. In part also it represents a determination to deal with Paris direct not via the Ivory Coast. However to a significant extent it is another expression of the Cameroun Republic's determination to avoid accidental clashes with France on secondary matters which might cumulate into a serious confrontation.

Ⓐ If French strategy in Francophone Africa remains pragmatic and continues its trend toward flexibility and President Ahidjo's government continues in office - both likely over the next five to ten years - there is little likelihood of any major clashes much less a break between Yaounde and Paris. Increasing disagreement and hard bargaining, growing Cameroun national style and content in economic and foreign policy, and probably more frequent Cameroun statements designed to dem-

onstrate the reality of her independence to the outside world are probable.

Both absolutely and relative to other Foreign countries French influence in and on the Cameroun will almost certainly decline unless other European states, the USA, and to a lesser extent Japan, the UK, and Socialist European states and their public and private economic sectors prove uninterested in Cameroun initiatives. Precisely how this will affect Franco-Camerounian relationships is less clear. To some degree mutual disengagement and reduced Cameroun dependence on France should lead to freer and more cordial contacts and to expanded absolute French economic gains. On the other hand a significant French presence is essential to the overall effectiveness of the present flexible French African policy. The greater the non-French economic, cultural, educational, and technical links in relation to the French the less the advantages of overtly belonging to the Paris centered group, however loose, and the less the effectiveness of the always understood ultimate sanction of aid, trade, and personnel withdrawal à la Guinea or Tunisia. (Tadate while Guinea's

Western

political survival and new international contacts do demonstrate that a break with France is not fatal her continued economic malaise is scarcely an incentive to follow her course as Mali and Congo-Brazzaville appear to have noted. Tunisia's post-Bizerte and land nationalization record is a more effective illustration that a temporary rupture with France need not be economically disastrous and that if it is not mutual interest will lead to at least partial resumption of French economic assistance and involvement on a basis more consistent with national self-assertion though at a lower level.) This potential basis for conflict - if France seeks to block or reverse erosion of her position - is unlikely to become of major significance over the next decade provided that France is willing to maintain or increase present official capital flows and substantial personnel provision while encouraging French private industrial investment in the Cameroun and UDEAC in general.

V. The Evolution of Economic Development and Planning Strategy

Neither planning nor a government strategy for economic growth is a recent innovation in the Cameroun Republic. However, the attempt to establish comprehensive national planning and to formulate an economic strategy aimed toward development of the Camerounian economy as a separate unit (as opposed to a segment of the France - Outre Mer economic unit) did not begin seriously before (East) Cameroun independence in 1960.

French economic policy in the Cameroun - as indeed most African colonial economies - was neither strictly laissez faire nor pro-competition.* The mise en valeur strategy involved use of administrative and fiscal coercion as well as transport routes and law and order to raise Camerounian exports and revenues. Private sector policy involved agreements - including concessions for forestry and plantations - with large private units, especially the members of the SOCA and CFAO groups. † Tariff, concession, and administrative policy were designed to favour French investment and trade connections - even more in the 1945-1960 period than in the inter-war years.*** In the 1930's, 60-65% of exports went to France and 30% of imports came from France; by 1949 the percentages were 77 and 73.

The general lines of Camerounian growth were, to this extent, planned but as part of the French economy. Basic decisions for both the public expenditure programme and the private investment projects were taken in, and finance supplied from, France. After 1945 this pattern was formalized through the French planning structure which included an overseas territory committee made up of French officials, business executives, Unionists, and independent economists. Expenditure levels were

* Cf. E.V. Berg "Socialism and Development in Tropical Africa", Quarterly Journal of Economics, November 1964, for a fuller development of this theme.

** Cf. V. Thompson and R. Adloff, French West Africa, Stanford, 1958; and Thompson, The Emerging States of French Equatorial Africa, Stanford, 1960, passim for details of these groups' ramifications.

*** On the one hand League Mandate rules tended to limit overt discrimination against non-French imports before World War II while on the other France's post-war payments position made limitation of non-Franc zone imports a priority. The 1945 French devaluation which fixed the French African francs as equal to 2 French francs when 1:1 would have been a more plausible purchasing power parity for imports played a substantial role in trade redirection as did central control over Franc zone foreign exchange.

Cf. M. Leduc Les Institutions Monetaires Africaines : Pays Francophone, Pedone, Paris, 1965, Chapitre II.

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service elite was French this continuity was to be expected. Subsequent changes are similarly very much Gallic in their intellectual and technical approaches. They differ in drawing on more radical French left Catholic and university thinking and proposals. Indeed the Cameroun adaptations - partly because the constraints operative immediately after independence have by no means disappeared - tend to be less radical and innovating and closer to French official thinking than that of authors and advisors eg Pere Lebret, Rene du Mont Fromm whom they stem. French Marxist-Leninist advisors and writers have been noticeably absent physically and in terms of significant influence on Camerounian planning policy as opposed to that of Mali or Tunisia. Anglo-Saxon (including North American) direct influence on the Federal level or in the East Cameroun was also negligible until 1965. The Economic Commission for Africa's Central Africa Mission and subsequent closer Cameroun-ECA contacts mark the first substantive move by the Cameroun to avail itself of non-French planning experience and techniques. ECA, of course, is not an Anglo-Saxon body even including Anglophonic Africans in that term but the economic background of a substantial majority of its staff is in the Anglo-American not the French tradition and style.

raised (in both the public and the private sectors). Three limitations characterized this post-war, pre-independence planning:

- (1) No overall macro ~~goals~~ ^(- economic goals) were set nor was any structural analysis of the economy conducted on which to base a co-ordinated macro-plan;
- (2) Project selection was ~~even more~~ explicitly in terms of Franc zone current interests - especially easing of France's foreign exchange stringency - not long term territorial development;
- (3) Planning - and especially the ^(crucial) decentralized consultation with all major governmental, private, and academic decision makers and suppliers of data - was carried out in France.

British economic policy in the West Cameroons was far less interventionist. Indeed until 1945 it would be hard to discern any concerted policy. The seized plantations were sold either to their old German owners or to the major British African groups (e.g. UAC, Holt, Elders) who also took over import-export trade and shipping. Imperial preference did provide effective protection for Cameroons' bananas but was ~~probably more~~ specifically intended to benefit West Indian producers, ~~not~~ the West Cameroonian economy.

While the Cameroon Development Corporation emerged as the leading plantation producer after 1945, this resulted not from any real initiative but the 1939 re seizure of German holdings. An autonomous body, the CDC played little overall development role, failing even to expand output substantially in its own sector* which fell behind smallholder totals in export generation during the 1950's. While government expenditure on development rose, the approach remained an extreme example of the government department "shopping list" plan and - compared either to Nigeria or to the French Cameroun - the level of effort remained low.

Initially, Camerounian national development strategy - as well as approaches to planning and to institution creation - was dominated by official French thinking and in particular by the conception of "animation rurale" via "investissement humain" as the high road to rapid, broadly based development concentrated on export agriculture. ^(independent) Public sector dominance, except in agriculture, industries and mines, continued the French policy, adopted faute de mieux in the absence of substantial private capital interest (except for the Edea complex) or of locally owned savings.

Direct labour investment - in transport and public works as well as in massive agricultural renovation - was supposed to provide up to a third of the investment during a 1960-1980 doubling of per capita income. This concept of "animation rurale" - which despite its use in underpinning certain Malian and Guinean ideological concepts ~~is~~ ^{is} with the French agricultural civil servants** - springs on the one hand from the historic pattern of direct "labour tax" (corvee) construction, and on the other from a reaction toward widely based agricultural education and extension and

* This judgement on the CDC may be too harsh. It has taken steps to diversify out of bananas into oil palms and other crops more suitable to capital and management intensive production. The plantation sector is therefore on a rather sounder basis than a decade ago.

** Cf. S. Amin, Trois Experiences Africaines de Developpement : Le Mali, La Guinee, et Le Ghana, Presses Universitaires de France, Paris, 1965; and R. Dumont, L'Afrique Noire Est Mal Parti, op. cit for more detailed exposition and critiques.

xy Since the planning personnel continued to be French, the dominant source of investment finance was the French budget, and the whole orientation of the political and civil

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of very large, unit size

away from ~~large~~ capital (and deficit) intensive state projects (e.g. Office du Niger, Richard Toll in Mali and Senegal). Attempted on a grand scale in virtually every ex-French African territory, it has had limited local successes but consistently failed to generate broadly based agricultural advance or - except in Guinea and Mali - much voluntary labour for community and local public works and communications.*

animation rurale

The concept of a mass attack on rural stagnation, ^{through} mobilization of labour time otherwise not economically useable and the identification of extension and education as critical to this process are valid. However, a series of major conceptual and procedural errors have limited implementation, especially in the Cameroun Republic:**

- (1) the need for considering production changes in the context of total rural socio-political institutional patterns and of their alteration was ignored, or at least underestimated;
- (2) the absolute requirement of mass understanding of and enthusiasm for any programme based on local action to succeed was never faced;***
- (3) The degree to which direct labour could be used effectively without intensive technical and monetary capital support was overestimated.

Overall Cameroun Plan

As a result, the ~~entire~~ "animation rurale" programme has proven grandiose and impracticable and a new rural development strategy based on

* The contrasting of "animation rurale" and "community development" is instructive. These are not - as is sometimes assumed - simply French and British titles for the same programme. "Animation rurale" places primary emphasis on economic advance and on supplying technical personnel and activity oriented rural training to achieve it. "Community development" stresses community fulfilment of felt local needs especially for health, education, road and recreation facilities through mass based action backed by attitude and idea oriented education and some central personnel and funds. Each appears to be weak in the other's fields of strength with "animation rurale" more clearly identifying the importance of local action to raise productivity and "community development" more clearly centering on the need to secure mass enthusiasm and participation.

** See Bulletin Trimestriel D'Information, No. 4, June 1964, Part I, especially pages 11, 15-16, and Part III. (Direction du Plan et de la Co-operation Technique, Ministere des Finances et du Plan). Community Development in the West Cameroon has apparently been more successful within its more modest focus. It has a substantial ~~local~~ local support in many areas but its concentration on road building appears to lack a sufficient base of studies and personnel to ensure that only roads of adequate quality and real economic value are built. See also "Un element essentiel de developpement: La Recherche Agricole Appliquee et les Instituts"

active

*** This problem is particularly critical in the southern areas where acceptance of the government and of ~~UNR~~ is not necessarily indicative of the support needed to ensure effective participation in government proposed schemes. In some areas e.g. Bamileke, Bassa much of Nyong et Sanaga, the dominant attitudes appear to be hostility and suspicion toward the government and especially to lower level administrative functionaries.

passive

→ specialists "OCLAM REVUE No. 3, July 1963, Yaounde and Pere L. J. Lebrat "Les conditions requises pour une planification authentique", ibid.

This in no sense implies either an opting for autarchy or any really basic discontent with the concept of a Franc zone as such. The Cameroun is inextricably bound into the world economy and its attempts to lessen the degree of concentrated dependence on a few primary exports are on the one hand linked to world market export expansion schemes of a rather optimistic nature and on the other to seeking greater economic interdependence within (Francophone) Central Africa. The Franc zone — both in the world and in the African context — remains a central concept in Camerounian official economic thinking. Shifts in emphasis turn on rendering it more responsive to "outlying economy" as well as metropolitan French interests and on building up direct economic interrelationships among its African members via UDEAC and OCAM.

administrative and land reform, intensive "vulgarization"* and agro-training, and depth concentration of personnel and funds on selected areas has been developed for the Second (1966-71) Plan period.**

Independent Camerounian development strategy has evolved away from the French Colonial model in several other respects. The caution - not unrelated to the fact of concentrated Camerounian economic dependence on France discussed ~~earlier~~ - with which strategy has been altered and the continuation of certain key elements - "opening up" the interior, the Transcam, economic regionalism - tend to blur the real extent of the changes.

Perhaps most important is the basic fact that ^(independent) Camerounian development strategy is seen as a way of attaining Camerounian socio-political goals and is centered on the Cameroun Republic, whereas French Camerounian development strategy was ultimately concerned with the economic and political interests of France and of the Franc Zone. The change in outlook is basic because it renders rapid development imperative and Camerounian interests paramount, at least to the extent they can be attained, when these clash with those of other states or foreign economic interests.***

^{recently} The shift from basic pessimism to determined (but reasoned) optimism on the role of industry (cf. VIII below) springs in part at least from this change in outlook. Heavily influenced by French writings on development as a process of change in the structure of production with a central role given to industrial expansion**** Camerounian official economic thinking has concentrated on maximizing industrial opportunity through tax incentives, regional market broadening, and increasing ease

* "Vulgarization", in this context, refers to formulation and presentation of programmes on a level and in a way designed to secure popular understanding, commitment, and support. The aim is to provide concrete appreciation of how government programmes will - if attained - benefit the particular groups of people to whom "vulgarization" is addressed and to demonstrate the need for their active participation in the programme if the benefits are to result. The mass public relations, local contact, and particular context appreciation required are very different from those of plan formulation and presentation - even in the case of broad leadership level official-unofficial working parties. Not surprisingly, therefore, plan body success in "vulgarization" is usually low in Africa unless effective participation by popular mass parties, community development and extension personnel, and accepted local leaders, has been enlisted.

** Cf. Bulletin 4, op cit, Part III. Here as elsewhere in the report the essential role of "vulgarization" is stressed.

*** Cf. F.X. Sutton, "Planning and Rationality in the Newly Independent States in Africa", Economic Development and Cultural Change, October 1961, on the nature of this change.

**** Cf. F. Perroux, L'Economie des jeunes nations, Presses Universitaires de France, Paris, 1962; D. de Bernis et al, Industrialisation au Maghreb, Maspero, Paris, 1963; R. Aron, Dix-huit lecons sur la societe industrielle, Gallimard, 1963, as examples of this outlook.

More immediately see V. Kanga "La poursuite de l'industrialisation et la protection des industries nouvelles au Cameroun" OAMCE Revue, Numero 2, Mars 1963, Yaounde.

Involvement in plan formulation which has not existed in the Cameroun

shifted toward

increasingly

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of access to raw materials, regarding the question "Should we promote industry on a broad front?" as rhetorical.*

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Closely interlocked is a reduction in the degree of emphasis to be placed on export agriculture. The problem of price trends** and of quotas, e.g. coffee, combined with the EEC's policy of scaling down the preference for Associate crops and phasing out the former French price subsidization reinforcing the growing belief that additional dynamic sectors must be sought. Within the primary sector added stress is now placed on expanding the share of output, e.g. timber, cocoa, processed before export and of additional raw material and food production limited to domestic or regional market industrial and food processing plans.

Similarly the strategic role of the Transcam and of regional economic co-ordination are seen in a broader focus emphasizing commercial and industrial expansion in the Cameroun Republic based on regional markets and the integrating of the interior Cameroun into the national economy in addition to the long-standing import-export expansion and cost reduction roles of the Transcam and customs union as seen in "mise en valeur" terms.

Finally, the Cameroun Republic has - rather tentatively and cautiously - sought to broaden its international economic contacts as part of the process of increasing effective Camerounian control over economic decision making. The addition of EEC and FED to France and FAC - whatever its more general effects and implications - is seen as a step in this direction and has been followed up by greater trade with the "5" and by seeking (with some success) West German loans. The USA and the IBRD (which is viewed as an Anglo-Saxon body) have also been approached.

US resource supply, especially in the context of Transcam financing and of personnel for West Cameroon educational expansion, has become significant. The UK's very limited continuing assistance and ending of trade preference to the West Cameroon has been a distinct disappointment in terms of the broader economic contact strategy as well as in loss of resources and markets.

The main elements of present Camerounian development strategy can be summed up under headings:

- (1) Creation of a more nationally integrated Camerounian economy with lower relative dependence on primary exports and greater national control over economic decisions and forces;
- (2) Encouragement of industrial development on a broad front linked to increased processing of exports and national production of agricultural raw material imports;
- (3) Construction of the Transcam as a multi-purpose means to national and regional economic integration including expansion of effective industrial market size;

* See Revue, UAM-OAMCE, 1962-1964 for various articles on planning and on industrialization expressing this point of view. The views of Pere Lebret - who has visited the Cameroun - and his school appear to have been influential in the short lived UAM-OAMCE secretariat burst of economic development strategy formulation and preplanning.

** See e.g. "La Degredation Des Cours Mondiaux Des Produits Tropicaux - Son Incidence Sur Le Developpement Economique Du Cameroun", Bulletin de la Statistique Generale, March 1961, Ministere de L'Economie Nationale, March 1961, J-B Yonke, "L'agriculture Camerounaise" and E. Mba "La stabilisation des cours des produits tropicaux" in OAMCE Revue, #2, op cit.

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This change in emphasis has been subsequent to the publication of the Five Year Plan in 1961. It still remains more pervasive in statements than in policy. While the Cameroun is certainly committed to industrial development it has remained cautious - to the point of hesitancy - as to how hard to push along what policy lines. The very rapid industrial growth from 1959 through 1965 reflects the "easy import substitution" burst in processed foods and miscellaneous soft consumer goods almost all developing economies with national markets of any economic significance experience. Whether Cameroun policy has really played a significant role in promoting it is at least unclear and whether the policy buildup is proceeding fast enough to sustain rapid industrial advance as the easiest import substitution opportunities are used up remains uncertain.