

University of Belgrade  
Faculty of Political Science  
Regional Master's Program in Peace Studies

## Master Thesis

# Deconstructing Development -

*An epistemology of key determinants relevant for development, their  
persistence and their historical origins*

Case Study of **Cameroon**

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## Abbreviations

**ABD** African Development Bank

**ADF** African Development Fund

**BDEAC** Banque de Développement des Etats d’Afrique Central (CASDB Development Bank of Central African States)

**CDC** Cameroon Development Corporation

**CEMAC** Communauté Economique et Monétaire de l’Afrique Centrale/Economic and Monetary Community of Central African States

**CFAF** Communauté Financière Africaine franc (African Financial Community Franc; currency)

**DAC** Development Assistance Committee

**DSCE** Strategy for Growth and Employment

**ECCAS** Economic Community of the Central African States

**ECOSOC** United Nations Economic and Social Council

**EEC** European Economic Community

**EU** European Union

**FDI** Foreign Direct Investment

**FZ** Franc Zone

**GDP** Gross Domestic Product

**GNP** Gross National Product

**HIPC** Heavily Indebted Poor Countries

**HIV/AIDS** Human Immunodeficiency Virus Infection and Acquired Immune Deficiency Syndrome

**IBRD** International Bank for Reconstruction and Development (World Bank)

**IDA** International Development Association

**IISD** International Institute for Sustainable Development

**IMF** International Monetary Fund

**MDGs** Millennium Development Goals

**NEMP** National Environmental Management Plan

**OECD** Organisation for Economic Co – Operation and Development

**PPP** Purchasing Power Parity

**PRSP** Poverty Reduction Strategy Paper

**RDB** Regional Development Banks

**SAP** Société Africaine de Prévoyance or structural adjustment program

**UEAC** Union Économique de l'Afrique Centrale/ Economic Union of Central Africa ?

**UK** United Kingdom

**UN** United Nations

**UNDP** United Nations Development Programme or Union Nationale pour la Démocratie et le Progrès NUDP

**UNESCAP** United Nations Economic and Social Commission for Asia and Pacific

**US** United States

**USAID** United States Agency for International Development

**WCED** World Commission on Environment and Development

**WSSD** World Summit on Sustainable Development

## 1. Introduction

Development as a biological fact existed before political knowledge indicated anything political about it. Nowadays, it seems that contemporary world has become obsessed with development not only in purely economic sense, but with development of diverse spaces; social, human, culture and nature. The fact that 'to develop' and 'development' become focus of today's dominant discourse is enough to emphasize his political role.

The concept of development can be attributed to different meanings that are mainly determined by the specific scientific discipline whose perspective is accepted. 'Development' can be biological, individual, psychological that is not the subject of this paper and collective that arises from culture, exchange within culture and establishes canons of growth and values inseparable from certain ideas. Like a globalization, development aspirations were universal 'coverage', with little space for deeper understanding of different historical and cultural foundations that are 'natural' drivers of development. If there is nothing natural about the notion of development, what is the origin of this collective task?

After the World War II, social domain was faced with rapid changes and improvements. Another era of division is coming to an end, colonizers and colonized are slowly becoming past and formal equality between the states has emerged. Independence brought emancipation of countries from foreign authority. After the Truman speech in 1949, 'underdeveloped areas' of the globe were labeled as suffering areas in need, and turns out that „we possess the knowledge and skill to relieve the suffering”. Also, for the first time the world was officially introduced with this term. Definition of development was completely „monopolized“ by the powerful countries, the former colonizers. Universality of development is covered by pseudo – humanism not only because of the absence of deeper understanding of different historical and cultural foundations but also because it implies existence of pure *capital* and *technology* as necessary for the purpose of *helping people realize their aspirations for better life* (Escobar, 1995, p. 3).<sup>1</sup> Nevertheless, growing technological and institutional innovations that we possess are not culturally neutral so the greater cultural distance exists, transferring these aspects of development is less applicable to African space.

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<sup>1</sup> Escobar, Arturo: *Encountering Development*, Chapter 1, p.3, Princeton University Press 1995

*We*, from Truman speech are the one in position of strength. This implies that *we* represent various kinds of strength; political, intellectual, cultural, moral etc., while *they* represent the opposite, state of need.

These notions created new climate of divisions strongly influenced by the Cold War logic; First world nations were free, industrialized nations of the West, second world nations were mostly communist East and Third World countries that were poor, unindustrialized nations at first known as Non – Aligned countries. Reorganization of world power takes up residence not through guns but through delicate and redefined relations between elements of development. Most important arena of confrontation between West and East happened through salvation of poor countries – raised fear that ideological opponent could dominate by joining Non – Aligned countries to communism, motivated their salvation by the West. Institutional arrangements for these opportunities have been integral part of the development mediated by a Western episteme and historicity. Concept of liberty, human rights, participation, and democracy will gradually become an integral part of discursive practices designed by the official international agencies in coordination with global development agenda. Western perspective implied inferiority with assumption that undeveloped countries should follow path of prosperous countries and latter function of this division was creation of rich and poor world binary.

After the breakdown of this world division on capitalistic West and communistic East, economics moves to the top of the global agenda. Development, from the blind practice and statistic numbers, came to a social science in order to find new markets. At the end of the Cold War, socialist economies failing on their own, without share in the world trade now can enroll as becoming developing states in the world economy. Erased from the state level, the Other was simply replaced into social domain and problematized with the same purpose - division. But the problems of the African region are interlinked and it is difficult to imagine one solution applicable for all 55 recognized states of Africa, especially if solution is not sustainable within coherent, regional approach.

The end of development era qualified neoliberal doctrine that engineered structural adjustment programs and gap between binaries. These programs started during the 80s, when global powers conditioned countries to accept suggestions from powerful financial institutions which opened an unobstructed space to their actions. With previously mentioned emancipation of the authority, now comes and individuality as a most important achievement of new age. Customs and traditions now are obstacles for development while invention and innovation are becoming sources of the progress. Society will progress only if there is collective willingness to assimilate new ideas. The responsibility for less prosperous areas is now moved from the one in strength, to themselves.

## 1.1. Context of Research

Collective feeling of frustration after the World War II was smoldering and together with experience of decolonization, forced science to reevaluate problematization of documentary practices. Under the shadow of provision conditions necessary to recover restorative functions of the countries, institutional infrastructure for arrangement of international development help is established. Capital grants, loans and technical assistance to underdeveloped countries over the following years have been used in order to satisfy a long – running political interests. Besides moral obligation to offer reimbursement for humiliation and economic exploitation as a development tool, foreign aid has been used as an essential extension of foreign policy and soft power tool as well.<sup>2</sup> Modifications of classical theoretical thought of economic development essentially were designed to speed up economic growth. During the 1950s and 1960s, economic intervention was in central focus; savings, investment and foreign aid were magic formula for development. In the aftermath, 70s brought ideological replacement and put a more emphasize on discrepancy of international configuration of power and control, overcoming of formal constraints, domestic and international needed fundamental reforms, but no one recognizes what should be socially beneficiary in African settings. Countries that decided to move forward and implement suggested steps of national industrialization have generally failed when they have pushed special institutional packages for carrying out those reforms. Neoclassical counterrevolution during the 80s suggested that new problems and progressively raised inequality are consequences of internal nature. Caused by bad governing and too much of state intervention, lack of prosperity for undeveloped areas is direct consequence of corruption, lack of improving market forces, inefficiency, poor economic management. Free market forces should maintain economic opportunities, not institutions nor social norms, and even basic human needs must be sacrificed.

Social consciousness of delegates from less prosperous areas is occupied with the exotic market – friendly adjustments that are property of the two organizations, The International Monetary Fund and the World Bank. But again, free capital and potentially high industrial growth for Africa had disappeared. Nevertheless, development survived and came as a sustainable project, in order to protect environment from further pollution. Obviously important for all of us and our future generations, objectification of environment gives immortality to development.

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<sup>2</sup> Bortolletto, Ana Carolina: *American Foreign Aid: Recent Trends in Goals and Allocation*, Social Sciences Journal: Vol. 10: Iss. 1, Article 7. p.1 2010 URL: <http://repository.wcsu.edu/ssj/vol10/iss1/7>



All of mentioned directions tend to explain the nature of development but in the focus of their explanations we cannot find plurality of conceptions, rather simple replications of abstract development patterns that should be followed, that are fundamentally based on a one (Western) developmental model. This thesis urges from economic analyses of Western cultural transmission that is perceived as key of creating or strengthening institutions necessary. Aim of this work is to ascribe a basic importance to the phenomenon of development as a pattern toward which a country becomes a part of “appropriate” culture. Furthermore, during the last decades, development is understood like something natural, objective, that goes beyond politics and cultural difference. Contrary to this, it is obvious failure of development to articulate both culture and history through capital. At the end science failed to recognize that the very basis of contemporary civilization is accepting the language of ‘civilized’ nations that development speaks. New world order is necessarily connected with economic changes that are interlinked with structures of economy, politics and culture with ambition to create universal framework rather than rethinking the economy from another space.

## **1.2 Research topic, hypothesis, aim and methodology**

Subject of this research is peaceful aspect of development, in reference to culture of development. The author found important to emphasize here that this study is in most, interested in culture of development in African continent intended this continent is a less prosperous area according to Western development perspective so it is liable to Western interventions. Although development represent articulation of power and knowledge still have real foundation that is not abstract and that represent a consequence of singular historical experience. It is possible to feel development out of institutional actions that makes development alive, to be present, and to place itself where needed.

Desired social outcomes of policy engineers are not always desired social outcomes of stakeholders. Narratives about development have the purpose of creating boundaries between desired outcomes of ideological foundations and real improving of people’s living conditions.

**Development** is related to the whole social and cultural space in which exists. According to Galtung,

“If one civilization imposes its definition of development on another, then we are clearly dealing with a major case of cultural violence, of grafting another cultural

code onto another people's culture, thereby legitimizing what may have been illegitimate and vice versa” (Galtung, 1996).<sup>3</sup>

In this paper, development is placed within the Galtung’s definition based on the

“two propositions that point to two basic aspects of Western theories of progress, already built into the word 'development': differentiation, and growth. Western civilization understands itself as the universal civilization, and universalizes its history as development history for others, meaning that:

A. Development = Western development = Modernization and

B. Development = Growth = Economic growth = GNP growth.” (Galtung, 1996)<sup>4</sup>

According to the former, as Galtung explains, progress consists above all in increasing division of labor, meaning increasing specialization; and according to the latter, growth consists in increasing production of goods and services. The former is seen by some as a necessary and sufficient condition for the latter (Galtung, 1996, p. 131).

2010 HDR<sup>5</sup> definition implies that development is meaningless if it is not translated into the lives of people:

‘Human development is the expansion of people’s freedoms to live long, healthy and creative lives; to advance other goals they have reason to value; and to engage actively in shaping development equitably and sustainably on a shared planet. People are both the beneficiaries and drivers of human development, as individuals and in groups.’ (UNDP, 2010, p. 2)

In this paper, development is placed in the field of social and political, whose outcome is creation of culturally ‘appropriate’ ambient in which he operates (by this the author understood the ambience dominated with elements of universal culture mostly permeated through language, values, knowledge, in which are excluded the differences created through the history), fed with various

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<sup>3</sup> Galtung, Johan: *Peace by Peaceful Means* International Peace Research Institute, Oslo 1996, Ch 3 p.127, SAGE Publications

<sup>4</sup> Ibidem, p. 131

<sup>5</sup> Human Development Report 2010, p. 2 UNDP, PALGRAVE MACMILLAN 2010 accessed 07.08.2017. URL: [http://hdr.undp.org/sites/default/files/reports/270/hdr\\_2010\\_en\\_complete\\_reprint.pdf](http://hdr.undp.org/sites/default/files/reports/270/hdr_2010_en_complete_reprint.pdf)

ways of representations that are reflecting Western conceptions. It will offer review on insights of two segments of development:

1. *Role of institutions in state development*; Economic and political institutions are holders of social interaction. The way they evolve influence distribution of political power and resources which directly shape outcomes of social prosperity. Furthermore, attached to the market they have cumulative role serving as a vehicle of ideas and ideals at the same time demonstrating arrangements for the purpose of ‘good governance.’ Even economic thought raised since 18<sup>th</sup> century at least, says that economic institutions are foundation of prosperous societies, they cannot enforce prosperity if cultural variables determining attitudes that will affect reforms which is a manifestation of weak institutional framework. Cultural variables rise self – awareness within subject peoples that represent a major challenge to development. The state as a political entity formed in such an environment, faced inability to ensure an equitable representation and outcome for everyone. Without questioning of institutional quality imposition of Western institutions and values overlooked capacities of African social structures to follow patterns in economic performance.
2. Cultural violence that undermines state authority is related with *foreign aid*; new instrument of general preparation for disrupting past achievements of the state and concrete actualization of ideological, political and economic interests. Boom in the bank loans emerged, under the several demands for qualification that were defined by international donors that essentially represent just another form of imposition of Western mechanism of governance. The interest of various donors to cooperate was previously mentioned actualization of interests rather than improving life conditions of subject people. Furthermore, through the time of political liberalization “pop culture of aid” become part of the entertainment industry (Moyo, 2010, p. 9).<sup>6</sup> In this paper the author will analyze foreign aid in the field of cultural commodity that affects already impoverished economy of Africa in less opportunistic sense.

This paper should inquire how development became tool of political fight that led to dependency instead of improving living conditions. Below this initial scientific purpose lies question of how development became socio – political concept, how is imposed through culture and how is surviving like dominant discourse in contemporary world besides raised controversies and critics? Central focus will be on culturally generated and reproduced development that is justified with the utility of entrenched patterns of successful economic performance of West. In order to study change and stability within development framework the author will use the example of Cameroon

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<sup>6</sup> Moyo, Dambisa *Dead Aid; Why Aid Makes Things Worse and How There is Another Way for Africa*, p.9 Penguin Books, London 2010

experience of breaking and making state. The country is formed faced with two territories transferred from British and French colonial rule, fundamentally different colonial cultural heritage, languages and levels of economic development. What particularly distinguish this medium-size country from other African countries is potential to become leader of the continent, since this Central African country has one of the highest literacy rates on the continent. With an annual growth rate of some 6-7 per cent between 1970 and 1985, the Cameroonian economy was considered one of Sub – Saharan Africa’s success stories (Nyamnjoh & Konings, 2003, p. 6).<sup>7</sup> Instead, we have a paralyzed economy with widespread poverty, health problems and unemployment. The main force for shaping state was the rigid government suppression of social forces of West Cameroonian origin and monopolization of economic and political power. In this case, the social group in possession of greater political power was able to allocate resources towards their interests. This created arena of confronted interests and turn development into conflict directions. Some major agricultural failures in combination with unfavorable international economic conditions increased the risk of food insecurity and Cameroon had become insolvent nation with forced economic performance by the IMF and WB.

Main hypothesis that will be prove or refute in this paper is: Discourse of development in African states exists for the purpose of obtaining legitimacy for global dominance of Western values and political structures, whereby is this kind of domination enabled with established unaccountable transnational institutions that effectively rule large domain of African economy and society through dominant forms of global development strategies. For the purpose of this proving the author will use the example of state Cameroon.

First specific hypothesis is that economic stagnation is result of regional differences in state of Cameroon that existed before development era, incurred as a consequence of fundamentally different colonial cultural heritage, languages and levels of economic development, that are disabling the state ability to follow imposed institutions and patterns.

Second specific hypothesis is that discursive practices (programs and projects) as well as implementation of concrete development agendas of transnational institutions and official development organizations, lead to dependency instead of improving living conditions.

This research is based on the theoretichal framework of social constructionism that claims that development exists as a construct, trough interpretation of institutions and international organizations. The main theoretichal paradigm is part of the post-modern theory that insists on bottom-up growth strategies, created according to each specific contextual situations. Sociocultural

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<sup>7</sup> Nyamnjoh B. F. and Konings, P., *Negotiating and Anglophone Identity* p.6, Brill NV, Leiden, 2003

analysis is focused on political and economic institutions that are constructing, reproducing and allocating development.

### 1.3 Structure of the paper

The paper is divided on five chapters.

The second chapter will analyse the creation of the Other that is object of development. Without the Other that is in need, there will be no glorification of Western values as the right ones and as well, no need for development industry. This is, at the same time method of shaming the Other and blaming for the growth of the world inequalities.

The third chapter enlightening the real outcomes of development. With introducing of imposed institutional structure of foreign aid, this chapter will provide insights on adaptation of the essential machinery of the government and economic environment, more precisely political and economic reform on the Cameroon example and what is international function in both. Furthermore, this chapter will provide insights on management of international development aid and how the development planning and implementation are proceeded in a such complex circumstances. According to Daron Acemoglu, institutions are social decisions, chosen for their consequences.<sup>8</sup>

“Because different groups and individuals typically benefit from different economic institutions, there is generally a conflict over these social choices, ultimately resolved in favor of groups with greater political power” (*Acemoglu D.*, 2005, p. 387)

The fourth chapter will be focused on influence of international community and donors on development through foreign aid in the light of the Cameroon inconsistency. Main question raised here: What is the interest of various donors to cooperate with African countries – moral obligation or diplomatic influence? What motivated the provision of aid to Cameroon, and to what extent international aid contribute to the development of the country?

In the concluding, fifth chapter the author will briefly discuss the theoretical contribution of this paper.

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<sup>8</sup> Acemoglu, Daron *Chapter 6: Institutions as A Fundamental Cause of Long-Run Growth*, p. 387, Handbook of Economic Growth, Volume 1A. Edited by Philippe Aghion and Steven N. Durlauf 2005 Elsevier B.V

## 2. Demystifying Development

Through the history, West showed significant interest to conquer everything that is different, either in specific or general aspects. While social structure with its orientation on economic issues is under the domination of rationality and efficiency, culture is being dominated by the concepts of irrationality, self – regulation and self – satisfaction (Ritzer, 2009, p. 343).<sup>9</sup> In this context it is obvious that colonization is necessary, in fact, as matter of duty colonizers are responsible to provide and guarantee dynamic, systematic exchange of new conceptual frameworks, colored with values of ‘civilized’:

“Colonization is one of the highest functions of societies that have reached an advanced stage of civilization (...) A society colonizes when, having itself reached a high degree of maturity and strength, it procreates, protects, places in good conditions for development, and leads on to virility, a new society that has emerged from its entrails” (*Rist, 2008, p. 54*).

Philanthropic principle was not the only one leading to the ‘spread of civilization’. Together with economic and political principles persuaded public of the usefulness and naturalness of colonization. Colonial rule varied widely according to the metropolitan power concerned, the two largest favored indirect and direct rule. Britain favored indirect rule in which traditional authorities were used to keep legitimacy while direct rule had a policy of assimilating the natives as future citizens with the same Gallic ancestors as the French (*Ibidem, pp.53-56*). Rist reminds that real novelty is a rare thing, practices presented as new are actually thought long up ago. Those were the times of long – term trajectory into which current policies are implemented.<sup>10</sup> After the WW I, project of the League of Nations mandate system was revealed, to conceal annexation of territories taken from the enemy. In response to that, League justifies the colonial enterprise. After the WW II emerged new powers: Soviet Union and OUN (the defunct League was replaced with the United Nations Organization) (*Ibidem, p.68*). Within biggest part of the African continent the historical

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<sup>9</sup> Ritzer, George *Contemporary Sociological Theory and Its Classic Roots*, p.343 The McGraw-Hill Companies 2007, Copyright JP, Sluzbeni glasnik 2009

<sup>10</sup> Rist, Gilbert *The History of Development; From Western Origins to Global Faith*, p.56 London, Zed Books 2008

process of decolonization took place. The independence of a large number of European (British, Portuguese, French and Belgian) possessions and the formation of African countries emerged since after the 1945, colonial territory has no longer played a significant role in the European rivalry. With the experience of the WWII and decolonization, awareness about the universal regression of humanity has been raised. Collective feeling of frustration has laid the foundation to redress the existing, intense feeling of fear, shock and disgust. Nevertheless, in the immediate post – war period, the most urgent problems seem to be in the North, rather than the South. First type of foreign assistance was Marshall Plan, launched in 1947 to reconstruct ruined Europe, for the purpose of helping European economy and to provide America’s huge production capacity with the markets it needed for postwar conversion. Even though changes in the South were pushed into the background, this was the time when the concept of ‘development’ entered the socio – political arena (Ibidem, p.69). In the aftermath of the WWII, the World Bank was designed to facilitate capital investment for reconstruction and the International Monetary Fund was designed to manage the global financial system. In later years, both institutions would come to occupy centre – stage in the development discourse, but the original mandate targeted reconstruction, rather than development per se (Moyo, 2010, p. 7).<sup>11</sup> In the time of the Vietnam war, student movement, transition from pre-industrial across industrial, to the post-industrial societies, at the end of the 60s and beginning of 70s of the past century social theory is developing new directions: deconstruction, post – structuralism, post – modernism, post – colonial studies. These grand – theories about post – modern societies are based on the forms of providing resistance.<sup>12</sup>

Besides decolonization, various crises during the 60s and 70s motivated science to analyze the ways of subjugation. Committed to the ideology of progress while at the same time facing a crisis of confidence, these years brought into scientific focus the Other. The Other is everything that the Subject doesn’t want to be and with whom creates the distance, not for the purpose of separation, but the very opposite – for the purpose of existence. The Other is foundation of the Subject’s identity and at the same time source of the fear that is sufficient creating the discourse for the purpose of maintaining social power. Victor Hugo<sup>13</sup> put it like this:

“In the nineteenth century, the White made a man of the Black; in the twentieth century, Europe will make a world of Africa. To fashion a new Africa, to make

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<sup>11</sup> Moyo, Dambisa *Dead Aid; Why Aid Makes Things Worse and How There is Another Way for Africa*, p.7 Penguin Books, London 2010

<sup>12</sup> Ritzer, George *Contemporary Sociological Theory and Its Classic Roots*, p.118. 339. The McGraw-Hill Companies 2007, Copyright JP, Sluzbeni glasnik 2009

<sup>13</sup> Quoted in Rist, Gilbert *The History of Development; From Western Origins to Global Faith*, p.51 London, Zed Books 2008

the old Africa amenable to civilization – that is the problem. And Europe (a/n United States) will solve it” (*Rist, 2008, p. 51*).

In the aftermath, East – West confrontation made of development weapon in the competition between political systems. Soviet Union as the first country industrialized outside of capitalistic regime spread influence and become a threaten. Truman’s vision of engaged loyalty of decolonizing countries came up as necessary in order to maintain struggle against communism<sup>14</sup> (Sachs, 2010). The most important aspect of change that came after decolonization was in shift between economy and culture. Cultural influence prevails over economy and with time became more independent from capitalistic way of production. Still, culture retained direct role in maintenance of capitalism and new regimes of representations originate. Any attempt to re-evaluate the familiar, inevitably involves a reassessment of the alien while at the same time creating two essential pictures of superior ‘We’ and inferior ‘They’, in other words, Self and the Other (Almond, 2007, p. 1).<sup>15</sup>

In order to understand various political and ideological causes, the post-colonial studies emerged often using cultural theoretical models. Connected with discourse analysis and critics of Eurocentric constructions of space they are focusing on subjugated cultures and parts of the world. Father of the post – colonial studies that illuminate tendency of Subject to mastering violently is Edward Said:

“In our time, direct colonialism has largely ended; imperialism, as we shall see, lingers where it has always been, in a kind of general cultural sphere as well as in specific political, ideological, economic, and social practices” (*Said, 1994, p. 9*).<sup>16</sup>

Restructuring of global culture and political economy emerged after World War II and the problems of the poor areas irrupted into the international space – poverty, hunger, health issues, illiteracy, gender inequality, child mortality, maternal health, diseases. Before 1940 the conceptions and treatment of poverty were quite different because of the widespread belief that the development of natives was pointless and their capacities for basic economic progress were nonexistent. Thus, community ties were strong so they developed their own, traditional ways of defining and treating poverty<sup>17</sup> (Escobar, 1995, p. 22). Following the breakdown of the European colonial powers, US decided to use an opportunity to give worldwide comforting dimensions and call upon every nation to follow their patterns of Western rationalism. They launched the idea of development that provides fundamental frame of reference for Western mixture of generosity and oppression which

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<sup>14</sup> Sachs, Wolfgang *The Development Dictionary* p.xvii Zed Books, London, 2010

<sup>15</sup> Almond, Ian: *The New Orientalists* p.1 New York, I.B. Tauris & Co Ltd. 2007

<sup>16</sup> Said, Edward: *Culture and Imperialism* p.9 New York, A Division of Random House Inc. 1994

<sup>17</sup> Escobar, Arturo: *Encountering Development*, Chapter 1, p.22, Princeton University Press 1995



has characterized the imposed policies in relation to the South. The desire for equity was linked to economic growth and together was the conceptual cornerstone of the development age. Freed from colonial subordination, no matter whether democracies or dictatorships, African countries proclaimed development as their priority<sup>18</sup> (Sachs, 2010, p. xv). After centuries of subjugation issues of justice were raised, and settled in the form of economic growth that is supposed to bring equity for the world. Growth has been substitute for the decades of humiliation, justice itself, and Southern countries are finally part of the triumph.

Basic elements of the Western idea of economic progress that were nonexistent within Africa are capital, technology and knowledge and experts advocating all kinds of strategies and planning projects for raising their involvement. Experts highlighted lack of each of these elements, working hard on identifying new ones that will deepen the polarization. Process of creation this new perception about one's own self, and of the Other, was finished. The industrial mode of production and urbanization now is the final stage of social evolution, depriving the opportunities of the Other to form their own forms of social life. Development cannot be perceived at any other way but in which it was formed – background thoughts, maybe unwanted, are coloring the notion of development and cannot be delinked from it. This means that ethics, growth, equality, inclusion, security, technicalization, urbanization and other favorable changes will always remind us that development did not succeed in order to satisfy its social construction, but rather created undesirable living conditions<sup>19</sup> (Sachs, 2010, pp. 5-6).

## **2.1. Explanations of the ‘phenomena’**

Since underdevelopment got real existence it was necessary to explain this phenomenon. Explanations are followed with scientific debates about development behind which is elite, that determines development compass within society. Began to appear intense search for causes outside of historical robbery due to a colonization and capitalist exploitation, followed with overestimation of internal and external factors – countries are underdeveloped because of two reasons: they lack resources or they lack willingness/incentives to bring them or simply use them. This problem cannot be solved without certain costs for painful adjustments. Pragmatic attention is focused on good governance as vital factor for improving the quality of investment through education, research and development, infrastructure.

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<sup>18</sup> Sachs, Wolfgang *The Development Dictionary* p.xv Zed Books, London, 2010

<sup>19</sup> Ibidem.

The right of Wolfgang Sachs to be identified as the author of this work has been asserted by him in accordance with the Copyright, Designs and Patents Act, 1988

Disability, created by perception of the underdevelopment implies total reconstruction of the societies but not by themselves. Reconstruction is coming from the top and the one that is not prepared to pay the price of economic progress have to, at least prepare itself to live frustrated instead comfortable, within community (United Nations, Department of Social and Economic Affairs (1951), 15).<sup>20</sup> Overestimation in Truman's vision was followed with prediction of various experts, theorists, politicians what's going to happen if societies decide to go opposite of Western patterns for material prosperity and economic progress. These visions are presented in various symbols of prosperity that have to be adopted if society wants to achieve development at first, reduced to economic growth.

Classic economic approach proposed from both, Rostow and Lewis claims that transition from underdevelopment to development essentially requires moving from tradition toward high-productivity urban industrial sector. Structural transformation, according to Rostow happens in terms of a series of necessary steps or stages. He found that such generalization can be useful in facing up to the present challenges. According to Lewis, major alteration in the industrial composition of any economy includes surpasses of manufacturing over the agricultural sector. More generally, growth is determined by the rate of industrial investment and capital accumulation in modern sector (Todaro & Smith, 2010, pp. 111-114).<sup>21</sup> Clearly, theoretical contribution of these authors is far more than these representative examples of growth but these examples concretely describe the general trend of thought. Development was nothing more than overestimated public reaction converted to numbers, prognoses and solutions created by the experts from advanced societies and pursued by the politicians to solve the problems of underdeveloped.

Social and economic aspects of society were different spaces of reality. Balance between them at first came as idea but soon become object of systematic examination. In 1962 recommendation for their integration came from The Economic and Social Council of the United Nations (ECOSOC). During the same year is established that growth is not the only problem of underdeveloped, rather it is associated with development, that is "growth plus change"<sup>22</sup> (Sachs, 2010, p. 9). This revision made things more complicated – area surrounding concept of development is amplified on more aspects of society, not just growth. Concerns are transferred from economic into social and cultural domain which further required harmonization within their interdependency. Social development became necessary pre – condition for growth that is besides that, justifying moral concerns and help of developed world. It is a proof that society is mature enough to realize the fully implications of

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<sup>20</sup> For quote see Escobar, Arturo: *Encountering Development*, Chapter 1, p.4, Princeton University Press 1995

<sup>21</sup> Todaro, P. Michael and Smith, C. Steven: *Economic Development*, pp. 111- 114, 10th Edition, 2010, Pearson Education, Inc.

<sup>22</sup> For quote see Sachs, Wolfgang *The Development Dictionary* p.9 Zed Books, London, 2010.

the strategy for their development efforts, in general, to stand the sacrifice through the loss of other public good.

Decade after, numbers that are showing gross measures results did not bring satisfactory progress. President of the World Bank in 1970 Robert S. McNamara insisted that the 70s should see more than gross measures of economic growth (Ibidem, p.10). Second decade of development involved harmonizing social and economic aspect. United Nations established International Development Strategy that was further amplified with Africa's Strategy for Development in the 1973 mostly concentrated on the rural development and small farmers. Identifying the problems peculiar to African countries, Strategy brought new facts and concerns begin to emerge. Since Africa still did not achieve the early stage of development, there is a need for special emphasis on creating productivity – minded community in order to enable industry to access market for its industrial goods. In this phase, preparation of the country (in other words institutional arrangements) is more important than cumulative achievement. To the forefront were brought new problems, new objects that represent otherness requiring reconstruction. Key candidates of unification mentioned in Africa's Strategy for Development were agriculture, industry, trade, and mobilization of external and domestic resources, under the heading of human – centered development.<sup>23</sup> Human – centered development on the stage brought new approach that should be more effective in enabling social development, thus it is oriented on achieving the bare minimum defined standard of living – basic human needs approach. Human needs theories propose that all humans have certain basic universal needs, what can be different is nature of these needs. While Maslow and Burton emphasize human biological, psychological, and social needs, Marshall Rosenberg introduces a new set of needs that could best be categorized as psycho-spiritual in nature, among which are the need for “love integrity,” “celebration and mourning,” and “spiritual communion” (Danesh, 2011, p. 1).<sup>24</sup> As far as we can see, this concept is evolving one in the searching for a more integrated framework with the planetary coverage. Naturalistic conception of the social cannot be reference while using this approach, because we cannot reduce human nature on freedom and bare survival. It is necessary to understand how people are living within society. Still, no one gave up on potential of unitary applicable and at the same time country specific basic needs approach that was focused directly on satisfaction of human needs instead on waiting for development to result in their fulfillment. Nevertheless, significant questions remained unanswered: How can we define human needs? Are human needs universal or cultural in nature? Is there indeed a hierarchy of needs, making some

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<sup>23</sup> For more information, see United Nations, Economic and Social Council *AFRICA'S STRATEGY FOR DEVELOPMENT IN THE 1970s* E/CN.14/ECO/53 14 November 1972 accessed 09.08.2017. URL: <http://repository.uneca.org/bitstream/handle/10855/11154/Bib-52022.pdf?sequence=1>

<sup>24</sup> This is a pre-publication version of: Danesh, H.B. *Human Needs Theory, Conflict, and Peace: In Search of an Integrated Model* p.1 In D. J. Christie (Ed.), *Encyclopedia of Peace Psychology*, New Jersey, Wiley-Blackwell 2011

needs more important than others? (Ibidem, p.2) Critique of classic economic approach influenced conceptual changes of development, followed also with invention of basic human needs approach in order to gain more acceptance. Local peoples own criteria of development rejected the necessity of mechanically replicating patterns of industrial societies. Instead of imitating, participatory approach of integrating diverse cultures and different system of values into development interventions came into being in form of endogenous development. Empowering people to participate in their own development didn't prevail simply because in turn, development as we know will be lost and scientific paradigms that have been shaping development three decades backwards, dismantled.

Decade of failure emerged in the 1980. Broken promises and postponed hopes drains Africa's vitality. Asian Miracle success did not provide the optimism for the Africa that was possessed with the rapid expansion of despair. Nothing new came out of this failure and "debates on structural adjustment program or balanced budgets and trade, can be traced back to what used to be called the need for the colonies to be economically and financially self – supporting" (Rist, 2008, p. 58). Break of development era and decade of discontinuity were placed in the so called 'lost decade'.

### 2.1.1. Post – development era

The new belief in development forfeits cultural autonomy unlike the former one in which economic growth conquers every domain of society's free space. Revival of old themes was necessary because the problems facing the Africa had worsened. Re-development became part of the humanity, 'our common future' and we have to

"Ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs" (Rist, 2008, p. 181).<sup>25</sup>

Shape of sustainable development is being actively promoted in figures and tables. "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:

- the concept of **needs**, in particular the essential needs of the world's poor, to which overriding priority should be given; and
- the idea of **limitations** imposed by the state of technology and social organization on the environment's ability to meet present and future needs."<sup>26</sup>

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<sup>25</sup> For more information, see World Commission on Environment and Development, *Our Common Future*, with an introduction by Gro Harlem Brundtland, London: Fontana books, 1988. p.8

Sustainable development involves more than economic growth, it is consisted of three pillars/dimensions of sustainability; economic, social and environmental. The object is now environment that goes hand in hand with development with focus on deterioration of environment caused by both rich and poor countries. Ecological danger emerged in public as risk analyses of a real threat that is no one responsibility since risk exists outside of our field of action. Sustainable development depends on all of us and at the same time on none of us:

“Deforestation, soil erosion, the greenhouse effect, the hole in the ozone layer, demography, food chain, water supplies, energy, urbanization, extinction of animal species and biodiversity, massive stockpiling of weapons, protection of the ocean and space – nothing was left out of the inventory that the Commission compiled on the basis of extensive information” (*Rist, 2008, p. 180*).<sup>27</sup>

This was, next to the few humanitarian extras the only difference that new approach brought. Everything else remains the same; return to classical economies, state of technology, meeting the basic human needs of all, aspirations for better life conditions. Thus, we are again moving backward to the basic needs approach without ability to identify ‘needs of the present’, their potential hierarchy and speaking of that how were supposed to know what will be basic needs of the future generations and how many generations? Massive poverty in modern sense appeared with the consolidation of capitalism and spread of the market economy that broke the community ties and deprived people from access to resources. It was not just that the rupture of relations within community led to the modernization of poverty but also its replacement with new mechanisms of treatment<sup>28</sup> (Escobar, 1995, p. 22). Nevertheless, in the World Commission on Environment and Development view, ‘Poverty is an evil in itself’ which implies that development is good, healthy and preferably and that is not a new way of looking at the old problems. Thus, going back to the same old pattern that was previously abandoned suggest on lack of learning.

Since environmental crisis do not respect national borders we must go ‘global’. We have grown accustomed to a language of ‘global flows’ in thinking about globalization but according to Ferguson, much of Africa is marginalized from global economy and more is represented through point – to – point connectivity and networking. “A specific form of ‘global’ integration of the Africa coexists with specific and equally ‘global’ form of exclusion, marginalization and

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<sup>26</sup> International Institute for Sustainable Development (IISD): Definition is from *Our Common Future*, also known as the Brundtland Report accessed 02.09.2017. URL: <http://www.iisd.org/topic/sustainable-development>

<sup>27</sup> Rist, Gilbert *The History of Development; From Western Origins to Global Faith*, p.180 London, Zed Books 2008

<sup>28</sup> Escobar, Arturo: *Encountering Development*, Chapter 1, p.22, Princeton University Press 1995

disconnection”<sup>29</sup> (Ferguson, 2006, p. 41). Ferguson claims that the global may be just inadequate to environmental problems as the national and possible, even more so. This is because ecosystems do not work ‘point – to – point’ any more than they work nationally. Such common – sense turns of phrase invoke the ‘global’ as encompassing, overarching spatial level, a notion that has come to be widespread both in popular and journalistic understandings and in the scholarly literature on ‘globalization’. What is Ferguson further saying is that such language naturalizes globalization by making it analogous to the natural processes. Rivers do flow, but as the contemporary African material shows so vividly, the ‘global’ does not ‘flow’ (Ferguson, 2006, pp. 42-47)

“Ecological processes that depend on spatial contiguity are, to be sure, not exclusively ‘local’ – often they are regional and, indeed, sometimes even planetary. But universal and planetary projects in fact, rely on sharp spatial divisions and violently policed zones of exclusion. Such interventions are indeed ‘global’ in that they rely on the transnational organizations, institutions and moral concerns (...) (Nevertheless) an Africa centered view does not show us the ‘true nature’ of globalization” (Ferguson, 2006, pp. 48-49).<sup>30</sup>

Again, we are coming to the conclusion that development is rather attempt, not to improve living conditions but rather to depoliticize the problems that should solve or at least reduce.

Besides plenty of failures on Africa, negative stereotypes were raised in order to underpin moral panic of the world. The popular stereotypes of Africans under the Four Horsemen of the Apocalypse, or as a continent that coexist within the 21<sup>st</sup> century while is actually trapped in the clutches of the 14<sup>th</sup>: war, famine, plague, young combatants and death are just a small part of Western media representative images<sup>31</sup> (Easterly, *Can the West Save Africa?*, 2008, p. 12). Weakening of the notion of Africa implies radical breakdown with African anthropology, history and ideology as Mudimbe warns us.<sup>32</sup> Furthermore, the ruling elite is using stereotypes, that are preventively created in the media in order to obtain legitimacy (or an illusion of consent) for a potential problematic decision:

“West Africa is becoming the symbol of worldwide demographic, environmental, and societal stress, in which criminal anarchy emerges as the real "strategic"

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<sup>29</sup> Ferguson, James *Global Shadows: Africa in the Neoliberal World Order*, Ch. 1 p. 41 Durham, Duke University Press 2006

<sup>30</sup> Ferguson, James *Global Shadows: Africa in the Neoliberal World Order*, Ch. 1 p. 41 Durham, Duke University Press 2006

<sup>31</sup> Easterly, William *Can the West Save Africa?* Working Paper 14363 URL: <http://www.nber.org/papers/w14363> National Bureau of Economic Research NBER Working Paper Series, 2008

<sup>32</sup> Mudimbe, V. Y. *The Invention of Africa*, Bloomington: Indiana University Press. 1988

danger. Disease, overpopulation, unprovoked crime, scarcity of resources, refugee migrations, the increasing erosion of nation-states and international borders, and the empowerment of private armies, security firms, and international drug cartels are now most tellingly demonstrated through a West African prism. West Africa provides an appropriate introduction to the issues, often extremely unpleasant to discuss, that will soon confront our civilization. To remap the political earth the way it will be a few decades hence—as I intend to do in this article—I find I must begin with West Africa” (*Kaplan, 1994*).<sup>33</sup>

Widespread belief that without solving the Africa’s problems we cannot achieve global prosperity made of Africa source of the world dissatisfaction. Africa is the one that should be blamed whenever global security or political instability bothers international community. As a consequence, enthusiasm about human universality is replaced with fear and pessimism.

Flexible formula of a pragmatic, inescapable way of imitating the dominant model of pursuing growth called development is just a fiction of justice. Western efforts were nothing more than recycling ideas that were previously abandoned. In order to believe in a positive effect of development, first it is necessary to believe in a counterfactual conditional statement in this case, that African continent will be even worse without Western efforts, in other words, to be afraid of Africa.

According to Easterly, there is no reason to be afraid:

“As of 2005, 50.4 percent of Africa’s population (380 million) lives below the World Bank’s international extreme poverty line - \$1.25 a day in PPP terms - this proportion is about the same as it was in 1981. The 2006 level in the median African country is barely above the previous peak in 1973” (*Easterly, Can the West Save Africa?, 2008, p. 9*).<sup>34</sup>

Return to the classic economic thought and pushing re-development again through the theories of growth hand in hand with environment is actually telling us that the main sustainable subject here is development itself. Taking care of nature will always be in fashion, and so will be development.

## 2.1.2. Development today

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<sup>33</sup> The original article can be found here; *The Atlantic: The Coming Anarchy*, February 1994 URL: <https://www.theatlantic.com/magazine/archive/1994/02/the-coming-anarchy/304670/> accessed 11.08.2017.

<sup>34</sup> Easterly, William *Can the West Save Africa?* Working Paper 14363 URL: <http://www.nber.org/papers/w14363> National Bureau of Economic Research NBER Working Paper Series, 2008

Bad news is that many countries in Africa did not achieve the Millennium Poverty Reduction Target. According to MDG Report from 2014, achieved targets are:

- *Reduction of world extreme poverty by half* – In 1990, almost half of the population in developing regions lived on less than \$1.25 a day. This rate dropped in 2010 to 22% (700 million people less live in extreme poverty).
- *Fight against malaria and tuberculosis* – 22 million lives saved worldwide since 1995.
- *Access to safe drinking water source* – In 2012, 89 per cent of the world's population had access to an improved source, up from 76 per cent in 1990. Over 2.3 billion people gained access to an improved source of drinking water between 1990 and 2012.
- Fully or nearly *achieving of gender parity in primary schools* – By 2012, all developing regions have achieved, or were close to achieving, gender parity in primary education.
- *Growing participation of women in politics*.
- *Highest level of development assistance in 2013* – Development assistance rebounded, the trading system stayed favourable for developing countries and their debt burden remained low.

Still, there are a lot of things to be done:

- *Decline of hunger* (from 24% 1990–1992 to 14% in 2011–2013) but the process has been slowed down.
- 90% of children in developing regions are *attending primary school*, but since 2007 no progress.
- 162 million young children still suffer from *chronic malnutrition*.
- 2.5 billion people on the world still did not use an improved *sanitation facility*.
- There is a need for more *antiretroviral therapy* (for HIV – infected) expansion.
- Although, examples of successful global action exist, major trends that threaten environmental sustainability continue.<sup>35</sup>

World Bank new approach is inspired with tackling the poverty at the 'grass roots' by income and wealth redistribution and institutional change. The demands on African states are composed of elements identified as necessary in order to achieve required sustained growth in the level of per capita income. Poverty not only means low income and consumption but low levels of human development. Illiteracy and low access to health care exposing people to greater risk; feeling of vulnerability and powerlessness are leading toward greater sense of fear because poor people are

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<sup>35</sup> United Nations, The Millennium Development Goals Report 2014, New York 2014, accessed 20.09.2017. URL: <http://www.un.org/millenniumgoals/2014%20MDG%20report/MDG%202014%20English%20web.pdf>



not free.<sup>36</sup> This is the biggest consequence of the unification – capitalistic restructuring of Africa made of continent a symbol for destructive functions, negative perceptions, failures, problems, crises. African people are perceived as victims of hunger, disease, unending poverty, war and since no one can argue that these perceptions are completely mistaken, they don't just misunderstand social reality, but rather shape it with powerfully consequential results. That guide many investment decisions, low expectations and discourses of African lack and failure. West have found ways to capitalize on these conditions, and left little or not at all place within the globe for Africa outside of its old colonial purpose of providing raw resources.<sup>37</sup>

“Instead of high economic growth rates, the structural – adjustment era has seen the lowest rates of economic growth ever recorded in Africa, along with increasing marginalization and inequality” (Ferguson, 2006, p. 11).<sup>38</sup> What it means to be poor is illustrated from the World Bank study *The voices of the poor* which asked 60,000 poor people in 60 countries to articulate their feelings and ideas about good experience and bad experience of life. People speak about the importance of material well-being, lack of food, shelter and clothing, that are causing ill health is mentioned everywhere as critical. Security of income is closely tied to health but extends beyond ill health; crime and violence are often mentioned. Another two social aspects emerged, the freedom of choice and action as well as the power to control one's life. According to this study, the World Bank proposes a three – pronged strategy, necessary but not sufficient conditions for poverty reduction: promoting opportunity, facilitating empowerment and enhancing security. World Bank called for international action that is again reduced to given amount of technology, science and capital. Technological investment does not provide solution for unskilled labour (workers inability to respond adequately to technological inputs) or insufficient physical infrastructure. Shift of resources from low productivity agriculture to higher productivity industrial and service activities means that across the night, small producer will become entrepreneur but no one prepares them to even assume such level of competitiveness. Expectation of willingness and abilities to reinvest in the technology and education of people only makes authority stronger. Constant need for translation of the knowledge in order to use mechanization about which workers know barely anything is necessary for institutional functioning. In other words, development has utilized authority practices and patriarchy is again essential to the functioning.<sup>39</sup>

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<sup>36</sup> Todaro, P. Michael and Smith, C. Steven: *Economic Development*, p.47, 10th Edition, 2010, Pearson Education, Inc.

<sup>37</sup> Ferguson, James *Global Shadows: Africa in the Neoliberal World Order*, Ch. Introduction p. 2-23 Durham, Duke University Press 2006

<sup>38</sup> Ferguson, James *Global Shadows: Africa in the Neoliberal World Order*, Ch. Introduction p. 11 Durham, Duke University Press 2006

<sup>39</sup> Todaro, P. Michael and Smith, C. Steven: *Economic Development*, pp.47 - 66, 10th Edition, 2010, Pearson Education, Inc.

At the same time, Ferguson draws attention to the formidable institutions that are governing Africa from afar. Transnational financial institutions, (some of them already mentioned World Bank, International Monetary Fund, foreign banks) official development agencies from the US, UK, Germany, France, Canada etc., as well the non-governmental organizations, churches, missions clearly play the central role in the de facto governance and administration of the continent today. Unaccountable transnational institutions effectively rule large domain of African economy and society while local institutions and grassroots social movements are understood as regressions and throwback instead a potentially formidable political responses to contemporary realities (Ferguson, 2006, pp. 86-87).<sup>40</sup>

Next chapter will be focused on the organization of factors that development achieved within state, its legitimacy and imposed institutional elements. Since state became main obstacle of development and growth, the provision of government services is manifested through imposed institutions that have cultural and political influence on social life. How is paradigm “state and society” posted and what is international function in both, what are the insights on adaptation of the essential machinery of the government and how the local become synonymous for the backwards while nongovernmental organizations structuring policy and constructing problems from afar dealing with elites instead of dealing with citizens – these are some of the questions that will be discussed in the following chapter.

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<sup>40</sup> Ferguson, James *Global Shadows: Africa in the Neoliberal World Order*, Ch. Introduction p. 86-87 Durham, Duke University Press 2006

### 3. International Aid Architecture

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*“We, Ministers of developed and developing countries responsible for promoting development and Heads of multilateral and bilateral development institutions, (...) recognize that while the volumes of aid and other development resources must increase to achieve Millennium Development goals, aid effectiveness must increase significantly as well to support partner country efforts to strengthen governance and improve development performance. This will be all the more important if existing and new bilateral and multilateral initiatives lead to significant further increases in aid.” Paris Declaration on Aid effectiveness, 2005<sup>41</sup>*

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Each society functions within institutional framework created and enforced by the state and the citizens. Economic institutions shape economic incentives but it is the political process that determines under which economic institutions people live, and it is the political institutions that determine how this process works. Finally, the political institutions ensured stability and continuity. As institutions influence behavior and incentives in real life, they move forward steadily the success or failure of nations (Acemoglu & Robinson, 2012, pp. 27-28).<sup>42</sup> Growth and development cannot take place in an institutional vacuum. Economic maturity and the growth of the markets require an institutional framework that allows transactions to take place in an orderly manner. If rational,

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<sup>41</sup> The Paris Declaration on Aid Effectiveness (2005) Accra Agenda for Action (2008), URL: <http://www.oecd.org/dac/effectiveness/34428351.pdf> accessed 24. 08. 2017.

<sup>42</sup> Acemoglu, Daron; Robinson, James A: *Why Nations Fail*, pp.27-28, New York, Crown Publishers 2012

optimizing decisions are to be made, the framework of rules protected and enforced by law is necessary. Otherwise, the alternative to a lack of property rights, law, order and political stability is economic anarchy and failed states (Todaro & Smith, 2010, p. 118).<sup>43</sup>

Amartya Sen in his study about social exclusion says that we live and operate in a world of many institutions:

“Our opportunities and prospects depend crucially on what institutions exist, how they function, and how inclusionary they are. Not only do institutions contribute to our freedoms, their roles can be sensibly evaluated in the light of their contributions to our freedoms” (Sen, 2000, p. 33).<sup>44</sup>

Countries differ in their economic success because of their different institutions, the rules influencing how the economy works and the incentives that motivate people. All economic institutions are created by society, through process of politics by which society chooses the rules that will govern it. They are the rules that govern incentives in politics, which has power in society and to what ends that power can be used (Acemoglu & Robinson, 2012, pp. 106, 111). Because different groups and individuals typically benefit from different economic institutions there is a general conflict over these social choices, ultimately resolved in favor of groups with greater political power (Acemoglu D. , 2005, p. 387).<sup>45</sup>

There is a strong synergy between economic and political institutions – economic institutions can determine whether country will be high developed or less developed, but political institutions will determine what economic institution a country has (Acemoglu & Robinson, 2012, p. 38). As we will see later in the chapter, distribution of political power in Cameroon concentrate power in the narrow elite from dominant social group, that structures economic institutions for the purpose of extract resources, their mobilization and allocation from the rest of society.<sup>46</sup>

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<sup>43</sup> Todaro, P. Michael and Smith, C. Steven: *Economic Development*, p.118, 10th Edition, 2010, Pearson Education, Inc.

<sup>44</sup> Sen, Amartya: *Social Exclusion; Concept, Application and Scrutiny*, Asian Development Bank, Manila, 2000

<sup>45</sup> Acemoglu, Daron *Chapter 6: Institutions as A Fundamental Cause of Long-Run Growth*, p. 387, Handbook of Economic Growth, Volume 1A. Edited by Philippe Aghion and Steven N. Durlauf 2005 Elsevier B.V

<sup>46</sup> Acemogly D. and Robinson J.: *Why Nations Fail*, p.112 Crown Publishers, New York, 2012;

For example, throughout Ahmadou Ahidjo’s administration (who used to be prime minister and president of Francophone Cameroon before becoming the first president of the Federal Republic of Cameroon in 1961) seemingly impressive growth rate during this period was inflated by the discovery of oil in the Anglophone part of Cameroon. Strikingly, oil output and oil revenues remained a state secret. Apparently, most oil revenues were placed in foreign banks as ‘extra-budgetary’ accounts with primary function to cover

Recipient countries, must take reforms that are necessary for managing aid and other development resources effectively.

Another Nobel Prize - winning economist, Douglas North says that institutions in societies have a fundamental role:

“They are the underlying determinants of the long – run performance of economies – Third World countries are poor because the institutional constraints define a set of pay – offs to political/economic activity that do not encourage productive activity” (North, 1990).<sup>47</sup>

The largest aid package in history, “The Marshall Plan” was received by the Western European countries which helped them reconstruct the exhausted economies and generate resurgence of European industrialization after the World War II.<sup>48</sup> However damaged, Europe experienced efficient economic, legal and social institutions in place which have worked, and had an existing framework – political, economic and physical (infrastructure); whereas despite the legacy of colonial infrastructure Africa was, effectively, undeveloped (Moyo, 2010, p. 24).<sup>49</sup>

The aid that donor provide may have little impact on developing local sources of recipient countries and in fact, may inhibit their development because donors use their economic power to influence government policies in directions toward their interests. Thus, donors are often damaging local knowledge and traditional way of production by suppressing it and by using their superior knowledge and value judgments about the nature and meaning of development. Delivering effective aid implies long term vision for international engagement that is to build legitimate, effective and resilient state and other country institutions. Guiding principles of effective aid need to be adapted to environments of weak ownership and capacity and to immediate needs for basic service delivery. In

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parastatal deficits and to bolster the personal foreign bank accounts of the president and some of his privileged collaborators.

Under Ahidjo’s successor, Paul Biya, there has been little change in this respect. Anglophones have been repeatedly incensed by his arrogant declarations that oil revenues and statistics are too complex to be understood by ordinary Cameroonians and that no one had the need to concern themselves with such figures (Nyamnjoh & Konings, 2003, pp. 6 - 7).

<sup>47</sup> Quoted in Todaro, P. Michael and Smith, C. Steven: *Economic Development*, p.118, 10th Edition, 2010, Pearson Education, Inc.

<sup>48</sup> Ali A., Malwanda C., and Sulaiman Y. *Official Development assistance to Africa: An Overview*, Journal of African Economic, 8(4): 504-527 (1999) quoted in Tendongho, C. *The impact of Foreign Aid on the economic growth of Cameroon (1960- 2013)*, p.1, 2016 accessed 27.08.2017. URL:

[https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2948664](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2948664)

<sup>49</sup> Moyo, Dambisa *Dead Aid; Why Aid Makes Things Worse and How There is Another Way for Africa*, p.24 Penguin Books, London 2010

other words, recipient countries commit to “*make progress towards building institutions and establishing governance structures that deliver effective governance, public safety, security, and equitable access to basic social services for their citizens.*”<sup>50</sup>

In general, this means that foreign aid has terms and conditions since the most significant component of capital flows have been in the political area of recipient country.

Developing countries receive two source of foreign exchange: public (official, directly) bilateral and multilateral development assistance and private (unofficial, indirectly) assistance provided by nongovernmental organizations in the forms of concessional loans or grants, technical assistance as well as multilateral flows. Loan is financial assistance provided by the government of the donor country or multinational organizations, to the borrower for any personal or commercial purpose and it is repayable with interest rate. Grants are the financial assistance that is given for the specified purpose and it is non – repayable nature except when it is not used for the purpose, or when excess amount is extended. Both of these activities are forms of foreign aid, although only public aid is usually measured in official statistics, but not all transfers of capital to recipient countries means foreign aid. Commercial flows of private capital may benefit the developing country in which they take place but they are not representing foreign aid.

Therefore, economists introduced two necessary criteria that any flow of capital has to meet in order to be defined as foreign aid:

1. Its objective should be noncommercial from the point of view of the donor.
2. It should be characterized by the consensual terms; that is, the interest rate and repayment period for borrowed capital should be softer (less stringent) than commercial terms.<sup>51</sup> In other words, the consensual terms are terms for the extension of credit that are more favorable to the borrower than those available through standard financial markets (Toddaro & Smith, 2010, p. 698).<sup>52</sup>

According to Moyo, broadly speaking there exist three types of aid: humanitarian or emergency aid, which is mobilized and dispensed in response to catastrophes and calamities; charity – based aid which is disbursed by charitable organizations to institutions or people on the ground; and systematic aid – that is, aid payments made directly to governments either through government – to – government transfers (in which case it is termed bilateral aid) or transferred via institutions such

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<sup>50</sup> The Paris Declaration on Aid Effectiveness (2005) Accra Agenda for Action (2008), <http://www.oecd.org/dac/effectiveness/34428351.pdf> accessed on 24. 08. 2017.

<sup>51</sup> Military aid is excluded from international measurement economic measurement of foreign aid flows.

<sup>52</sup> Toddaro, P. Michael and Smith, C. Steven: *Economic Development*, p.698, 10th Edition, 2010, Pearson Education, Inc.

as the World Bank (known as multilateral aid). Aid is as well defined as the total sum of concessional loans and grants, in principle, all government resource transfers from one country to another. (Moyo, 2010, p. 5).<sup>53</sup>

The current definition of Official Development Assistance (ODA) comprises:

“Grants or loans provided by official agencies (including state and local governments, or by their executive agencies) to developing countries (countries and territories on the DAC List of Aid Recipients) and to multilateral institutions for flows to developing countries, each transaction of which meets the following test: (a) it is administered with the promotion of the economic development and welfare of developing countries as its main objective; and (b) it is concessional in character and contains a grant element of at least 25 percent (calculated at a rate of discount of 10 percent). In addition to financial flows, Technical Co-operation is included in aid.

The Official Development Assistance includes five elements:

- The type of flows (grants, loans or technical cooperation);
- The source (official sector of donor countries);
- The recipients (they must be on the DAC list);
- The development/welfare purpose of the related transactions; and
- Their concessional character” (International Development Association , 2007, p. 32).<sup>54</sup>

As we can see from below, some development assistance can be motivated by moral or humanitarian desire although the distinction between humanitarian aid and development can be blurred. Nevertheless, main motivators are political, strategic and economic self – interests of the donor countries to do so. Expectations of some corresponding benefits are interrelated within two most important considerations of influence: political and economic categories. Donors domestic political and economic environment, influence development assistance in order to support friendly political regimes in developing countries. As government regime becomes more traditional, authoritarian or conservative, the bigger chances are to aid effort fail.

Developing countries usually accept aid because of the economic reasons; naturally, any developing country would like to have more aid in order to achieve their best long – run development interests. They also tend to accept propositions implemented by advanced countries about aid as a vehicle of development, growth and necessary ingredient for structural economy transformation. The reality is

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<sup>53</sup> Moyo, Dambisa *Dead Aid; Why Aid Makes Things Worse and How There is Another Way for Africa*, p.5 Penguin Books, London 2010

<sup>54</sup> International Development Association: *Aid Architecture: An Overview of the Main Trends in Official Development Assistance Flows*, p.32, (FRM) World Bank 2007

that a good deal of aid has been wasted, it strengthens corrupt regimes or benefit donor countries while at the same time damaging poor.

Actual development assistance is not easy to measure and, in measuring aid a number of problems became apparent. What matter is a different value that any type of foreign assistance has for countries, donor and recipient, and it is not simply valued in dollars. Sometimes, aid can be tied to a project, that is not of the highest significance at the moment or, to a specified (monopolized) source whose provision of service and goods are more expensive than it would be if recipient countries could search for more suppliers of particular commodity. When it comes to the technical assistance it is not rare that following equipment for the machinery may impose additional costs in the forms of training, employment and capital from the same monopolistic source, on recipient country. At last, we need to distinguish between the nominal and real value of the assistance. Calculated in nominal value, without adjusting for inflation, assistance tends to show a steady rise over time. However, when deflated for rising prices, the actual, real volume of aid, declined substantially (Todaro & Smith, 2010, pp. 698-699).<sup>55</sup>

The reason why institutional structures and behavior are a necessary condition for economic activity is because, “markets are not self – creating, self – stabilizing, self – regulating or self – legitimizing.”<sup>56</sup> There is no such thing as a universal set of institutions that will suit all countries, but there is a consensus on institutions that are necessary to construct a framework for economic cooperation. Which institutions are priorities and which are not, will differ through the time according to the various factors such as historical conditions, current stage of development, political aspirations of the state and society.

So far, the author has introduced the main concepts relative for the third chapter, institutions and aid. It is important to understand them in order to move further, toward institutional structure.

The ‘aid system’ has developed gradually for the purpose of offering help recipient countries to achieve development goals, while delivering on promising inputs. It is constructed without evident systematic intense, over several decades. Aid system mainly includes the organizations, their political owners and civil servant managers as well as their sources and uses of funds. It managed to

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<sup>55</sup> Todaro, P. Michael and Smith, C. Steven: *Economic Development*, pp. 698-699, 10th Edition, 2010, Pearson Education, Inc.

<sup>56</sup> Quoted in Todaro, P. Michael and Smith, C. Steven: *Economic Development*, p.119, 10th Edition, 2010, Pearson Education, Inc.



adapt to the various events, theories and fashions shaping development practice during and after the Cold War (Rogerson, Waldenberg, & Hewitt, 2004, p. 7).<sup>57</sup>

During the 50s, donors started operating together through international consortia. The first such case was the Colombo plan that was launched in 1951 as a cooperative venture for the economic and social advancement of the peoples of South and Southeast Asia.<sup>58</sup> In the 60s, activism was focused on large – scale industrial projects. This led to the establishment of many donor agencies and ministries on the bilateral front that was matched with the creation of previously mentioned discourse of development. The new multilateral arrangements renewed a general idea that international consortia would overcome problems of aid programs. In this decade, the International Development Association (IDA) was established and changed the nature of the World Bank. Since the establishment of IDA meant that there is a legitimate need for concessional assistance and the World Bank started its concessional lending activities without compromising its strict standards for lending. However, IDA, with its periodic replenishments by member governments, meant that the World Bank had to pay increasing attention to the views and priorities of shareholding countries, and they started to play a larger role in the Bank's activities. Also, at the beginning of this decade, the Organization for the European Economic and Co-operation (OECC) established the Development Assistance Committee (DAC, first established as a Group), that was created as a key forum of major bilateral donors. Also, OECC was renamed with the important addition of 'development' to the name, Organization for Economic Cooperation and Development, OECD. OECD and DAC were imagined as a forum for the more diverse donor communities, while the IDA and the regional banks (in this period is established the African Development Bank) would provide soft loans for investments in infrastructure and production. The United Nations would provide funding for its many specialized agencies, programs, funds, new development themes on conferences that are supporting development (International Development Association , 2007, p. 30).<sup>59</sup>

New institutional forms for aid, enacted or proposed, reshape the 'system' considerably, since they are built on the premises of what constitutes effective aid delivery of the 21<sup>st</sup> century. The only discontinuity in developing aid system has been made during the post-Cold War transition period. After that period New Millennium development era brought conductive changes, some were built on radically different premises that were incompatible with the aid system that preceded them. The

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<sup>57</sup> Rogerson, A. Hewitt, A. and Waldenberg, D.: *The International Aid System 2005-2010: Forces For and Against Change* p.7 ODI, 2004

<sup>58</sup> Colombo Plan, History URL: <http://www.colombo-plan.org/index.php/about-cps/history/> accessed 26.08.2017.

<sup>59</sup> International Development Association: *Aid Architecture: An Overview of the Main Trends in Official Development Assistance Flows*, p.30, (FRM) World Bank 2007

more impact new institutional forms have and the more support they attract - the more existing aid institutions needed to adapt or yield ground to this reality (Rogerson, Waldenberg, & Hewitt, 2004, p. 7).<sup>60</sup> As a consequence, Specialized Agencies became the official institutions of the recipient countries and public support for development cooperation has been broadened. During the 70s price of oil increased to rapid, so the oil – exporting countries deposited additional amount of cash with international banks, which in turn lend this money to the developing world, even poorest and insolvent countries. In order to repay previous debts, many poorer economies start borrowing even more. In Africa, oil prices increase many countries saw food and commodity prices increase very rapidly and suddenly which inevitably led to the shift towards a poverty – based development approach.

In 1975 United Kingdom published its white paper “More Aid for the Poorest” in which claims that “*specific and proper objective of any aid strategy is the reduction of poverty (...) more aid is essential if their living standards are to show any improvement in next five years.*”<sup>61</sup> Redirecting aid from infrastructural project towards projects in agriculture, rural development, food production, malnutrition, social services, as a consequence had raising poverty - oriented lending for 50 per cent by the early 80s, and Africa was flooded with aid. “Lost decade of development” was also decade of the higher international interest rates in which Africa’s debt was accumulated. International financial structure was threatened with debt crisis so the solution was to restructure the debt. According to Moyo, in Africa this economic thorough examination with changes necessitated two new aid – based programs. Stabilization, for the purpose of reducing country’s imbalances and structural adjustment aimed at encouraging greater trade liberalization and removing subsidies. Aggressive aid programs imply cash in the form of the budgetary support for poor governments and in return, they will welcome the free market solutions to the development. While the issue of economic growth only goes backwards, donor community move toward idea that democracy and ‘good governance’ were missing across much of stagnated Africa. By this concept Moyo implies “strong and credible institutions, transparent rule of law and economies free of rampant corruption.”<sup>62</sup> Despite the corruption, World Bank continued with aid support but now with premise that money should be used for governance reform with the aim of improving civil services. More than three decades of aid resulted with highly indebted countries, that are stagnating and in the worst cases moved backwards, to a former or less developed states. Since the Cold War ended,

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<sup>60</sup> Rogerson, A. Hewitt, A. and Waldenberg, D.: *The International Aid System 2005-2010: Forces For and Against Change* p.7 ODI, 2004

<sup>61</sup> Overseas Development Institute; *The Changing Emphasis in the British Aid Policies; More Help for the Poorest: A Content on the White Paper*, London 1975 accessed 27.08.2017. URL: <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/6598.pdf>

<sup>62</sup> Moyo, Dambisa *Dead Aid; Why Aid Makes Things Worse and How There is Another Way for Africa*, p.14 Penguin Books, London 2010

political considerations were no longer bound the aid policy. Two important changes happened around this time; first, the main donor institutions are no longer governments but rather multilateral agencies dominated by World Bank and United Nations Development Program and second, they can choose when, why and to whom they administer aid (Moyo, 2010, pp. 10-18).

Period of aid exhaustion decrease the amount of aid to Africa dramatically but nevertheless, foreign aid remains to be the most important source of financing for much of the continent. Notwithstanding massive flows over the past decades<sup>63</sup>, aid didn't have any significant impact on development. Trapped in the cycle of absolute poverty with resource – scarce economies, African countries remain in explicit opposite of growth and prosperity, as the worst development performers. Main problem coming from international development aid system itself that is organized as a “business of development assistance”. Organized in this manner, at first place the donors have not generally had patience for the long-term challenge of building new institutions, process that takes predictable and continuous support over many years. Nancy Birdsall in her reflections on donors failings, besides other, claims that the donors impatience avoids and even undermines the challenge of building institutions focusing on short – run inputs. In addition, looking for faster results failing to ensure that projects and programs are ultimately incorporated into the government's own budgeting, staffing and other institutional arrangement which provide for continuity. It is wrong to delude that participation under this conditions creates or indicates political and social ownership of the major reforms. The donor focus on ownership and greater harmonization does not address the institutional problem that recipient countries face in coordinating among themselves. Thus, direct provisions with donors own bureaucracy further undermines the institution building in recipient countries.

The tendency of donors to operate in many countries and in many sectors within countries creates what is now called “fragmentation” at the recipient country level. The cost to recipients of donor fragmentation goes well beyond the reduction in the monetary value of donor transfers of high transactions and managerial costs. The impatience of donors is accompanied, by an inability and unwillingness to exit from programs and countries where their aid is not helping (defined as stopping the flow of large transfers not as abandoning engagement through dialogue and advisory services). The challenge of how to help the developing countries with limited institutional capacity and thus limited ability to absorb large infusions of external aid, remains. Addressing the problem

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<sup>63</sup> According to Moyo, “More than US\$2 trillion of foreign aid has been transferred from rich countries to poor over the past fifty years – Africa the biggest recipient by far.” Ibidem, p.18

of unpredictable and volatile flows requires a bigger step away from business as usual (Birdsall, 2004, pp. 4 - 21).<sup>64</sup>

### 3.1 Cameroon experience

Republic of Cameroon (CMR) is classified by the World Bank as a lower – income country, in the Sub – Saharan region, with a population of 23.3 million people. It shares its borders with Nigeria, Chad, the Central African Republic, Equatorial Guinea, and Gabon. Two of its regions are Anglophone (the northwest and southwest, which border Nigeria) while the rest of the country is Francophone.<sup>65</sup> Southern Cameroons came into being after the World War I, when the former German Kamerun Protectorate (1884 – 1916) was fragmented between the British and the French, first as ‘mandates’ under the League of Nations and later as ‘trust’ under the United Nations. Remarkably, the British territory consists of only one fifth of the total area and population of the former German colony. Fragmentation of the territory had notably consequences for future political and economic developments;

- The populations of each part of the territory came to see themselves as different, defined by the different colonial rule, colonial cultural heritage, languages, education, levels of economic development and world view.
- Fragmentation of the territory into two drastically unequal parts laid the foundation in a reunified Cameroon for having constructed identities; Anglophone minority and Francophone majority that would affect the social decisions and create conflict over the social choices within institutional structure, distribution of power, allocation of resources and opportunities between the two groups in the common state.
- Fragmentation led to marked differences in the administration and consequently, levels of development of each part of the territory. French Cameroon was integrated into French colonial empire, as a distinctive administered unit, separate from neighboring French Equatorial Africa. British Cameroon was instead administered as a part of Nigeria. Whereas the Northern Cameroons was administered as an integral part of the Northern Region of Nigeria, the Southern Cameroons was initially governed as part of the Southern Provinces of

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<sup>64</sup> Birdsall, Nancy: *Seven Deadly Sins: Reflections on Donor Failings*, pp. 4 – 21, Center for Global Development 2004.

<sup>65</sup> World Bank, Country: Cameroon, Overview accessed 27.08.2017. URL: <http://www.worldbank.org/en/country/cameroon/overview>

Nigeria and later as an integral part of the Eastern Region of Nigeria (Nyamnjoh & Konings, 2003, pp. 23-24).<sup>66</sup>

Administered as a separate unit, French Cameroon received significant development funds from the France. French aid was part of the general process of decolonization by France, but during the mandate and trust periods, France was developing a policy of “friendly co – operation” which denoted a new approach in foreign policy instead of outdated, colonial system. There was certainly some co – operation also between other development agencies that assisted, but aid was controlled mostly by mother country, former colonial power and effectiveness of the transfers resulted in a higher level of socio – economic development than in British Cameroon (Bossuat, 2003).<sup>67</sup> This greater French involvement, besides much more capital that have been invested and many French citizens that came to work in Cameroun, means higher gross national product (GNP) per capita as well as education levels, better health care, and a preferable if not better infrastructure, than British Cameroons (DeLancey, Mbuh, & Mark, 2010, p. 6).<sup>68</sup>

Being administered as a part that is added or attached to larger and more important territory of Nigeria, British Cameroon suffered severely from the lack of money in development funds. The administering authority and its economy “remained centered under the plantations which had been established under German rule.”<sup>69</sup> According to Nyamnjoh and Konings, there are “no exact figures kept about the territory’s revenues and expenditures, the Southern Cameroonians seems to have run a deficit throughout the mandate and trust periods that required the subsidies from the Nigerian budget. Economic viability outside the Nigerian structure became important issue since neglect of regional development and subordination of the Southern Cameroonians in the British – Nigerian colonial system was obvious so the separation movements grew stronger.” Voting for reunification in the plebiscite held in 1961, was the only political alternative to the Nigerian domination of the Southern Cameroonian economy, since secession and independence was rejected. The reasons for rejection were that African delegates were afraid of a further Balkanisation of Africa and British assumed that Southern Cameroonian economy is not viable enough to constitute independent state (Nyamnjoh & Konings, 2003, p. 24). Nevertheless, although Southern Cameroonians decided about the outcome of plebiscite result that is reunification with French Cameroon, the Northern Cameroonians voted for integration with the Federation of Nigeria.

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<sup>66</sup> Nyamnjoh B. F. and Konings, P., *Negotiating and Anglophone Identity* pp.23-24, Brill NV, Leiden, 2003

<sup>67</sup> Bossuat, G.: *French Development Aid and Co-operation under de Gaulle*, Contemporary European History, 12, 4 (2003), pp. 431–456, Cambridge University Press, Printed in the United Kingdom 2003

<sup>68</sup> DeLancey, D. M., Mbuh, N. R., DeLancey, W. M.: *Historical Dictionary of the Republic of Cameroon*, Fourth Edition, p.6 The Scarecrow Press, Inc., Plymouth UK 2010

<sup>69</sup> Nyamnjoh B. F. and Konings, P., *Negotiating and Anglophone Identity* p.24, Brill NV, Leiden, 2003

Since Cameroon became a unified and independent country, it has received large inflow of foreign aid. Most of this aid was coming from France, by providing it directly through bilateral aid and indirectly by making a big push to the European Economic Community, predecessor of the EU. It is also important to note that Cameroon is a member of the Franc Zone (FZ). This zone is governed by a number of principles: use of the same currency among members and hence, a common foreign exchange policy against the rest of the world; pooling together of foreign reserves of members; and the full convertibility of the CFA franc to the EURO through the “Operations Account” kept at the French Treasury in which at least two thirds of all foreign reserve earnings of member countries are held. The CFA Franc is the name of two currencies used in Africa which are guaranteed by the French treasury. The two CFA franc currencies are the West African CFA franc and the Central African CFA franc. Although theoretically separate, the two CFA franc currencies are effectively interchangeable. Some of the implications of belonging to the FZ are that monetary policy decisions are taken at the level of the Bank of Central African States (*Banque des États de l'Afrique Centrale*, BEAC) and implemented by the national branches, which are independent of national governments. This facilitates the control of inflation in the region, but puts a greater burden on other policy instruments for maintaining balance of payments equilibrium by individual countries, particularly on fiscal and wage policies. For investors, this means that today monetary policy for these countries is effectively set by the European Central Bank. Given that the European Central Bank is the institutional descendant of the famously inflation – averse German Bundesbank, one should therefore expect the CFA franc to be a consistently strong, stable currency that exhibits little in the way of inflation or depreciation. However, this is counteracted by anemic growth and significant political insecurity manifested through intense political conflict, not participation in a growing, increasingly diversified economy, becomes the deciding factor in domestic economic outcomes. A strong currency like the CFA franc makes exports from the CFA – franc zone much costlier than they would ordinarily be, and as a result, economic growth suffers accordingly. Since most of the countries that use the currency are poor, mostly agricultural economies, this has put a stranglehold on their trade and made them overly dependent upon continuing, privileged access to French and, though them, European markets. This effectively recreates a quasi-colonial trading relationship between France and its former African colonies that benefits France.<sup>70</sup>

Economic interaction with Asia and especially China has been very low, but is increasing rapidly. According to Khan and Baye, China will soon rival France as the main source of imports, and a

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<sup>70</sup> Cavanaugh, Jeffrey FOREX Africa: *The CFA Franc aka The African Euro*, February 2014, URL: <http://afkinsider.com/41946/forex-africa-african-euro/> accessed 21.09.2017.

number of Chinese financed infrastructural projects are important landmarks in Cameroon today<sup>71</sup> (Khan & Baye, 2008, pp. 2-5).

The regime's apparent political stability, its lack of ideological attitude and its liberal investment code, was attractive to Western donors and business circles (Nyamnjoh & Konings, 2003, p. 6).<sup>72</sup> Over the past fifty years, the value of the official development assistance has fluctuated between \$380,000 in 1960 and \$1,926,290,000 in 2007, in current U.S. dollars.<sup>73</sup>

**Table 1.0** *Value for Net official development assistance and official aid received (current US\$) in Cameroon*

1960	\$380,000
1970	\$59,270,000
1980	\$264,760,000
1990	\$444,380,000
2000	\$376,730,000
2006	\$1,718,930,000
2007	\$1,926,290,000
2014	\$852,290,000

Source: Development Assistance Committee of the Organisation for Economic Co-operation and Development, Geographical Distribution of Financial Flows to Developing Countries, Development Co-operation Report, and International Development Statistics database. Data are available online at: [www.oecd.org/dac/stats/idsonline](http://www.oecd.org/dac/stats/idsonline)

### 3.1.1. Political and Economic Context

As in other parts of the Africa, modernization of the Cameroon state started under difficult political circumstances, with the primary concern of how to integrate more than 240 ethnicities, partitioned on two territories transferred from British and French colonial rule, with fundamentally different levels of economic and political development. Britain's indifference to the Southern Cameroonian region and continuing support of the French government to the Francophone representatives, created complex circumstances that led to the interposed development, stuck in between two component units of state. The main concern of French authorities was to identify and promote into

<sup>71</sup> Khan, A. Sunday and Baye, M. Francis: *China-Africa Economic Relations: The Case of Cameroon*, p.5, Report Submitted to the African Economic Research Consortium (AERC) 2008

<sup>72</sup> Nyamnjoh B. F. and Konings, P., *Negotiating and Anglophone Identity* p.6, Brill NV, Leiden, 2003

<sup>73</sup> Index Mundi/ Cameroon, *Net official development assistance and official aid received*, URL: <https://www.indexmundi.com/facts/cameroon/net-official-development-assistance-and-official-aid-received> accessed 28.08.2017.

leader positions, moderate Africans who still favored France's continued presence in Africa. The selection of Ahmadou Ahidjo guaranteed the closer political, social, economic and military ties between two countries, as well as safety of French investments in Cameroon and extensive influence (Takougang & Krieger, 1998, p. 38).<sup>74</sup>

Southern Cameroonian region demonstrated larger degree of disunity between autochthonous population of South West province and North West province, as well as, the rivalry among Southern Cameroon political leaders, which was explosive material that could easily be manipulated. According to Nyamnjoh and Konings, propaganda machinery was heavily supported by Francophone businessmen and politicians in the southwestern quadrant who favored reunification with the ethnically – related Anglophone population in their pursuit of economic power (Nyamnjoh & Konings, 2003, p. 38). While making the state of Cameroon, plebiscite voters weren't informed sufficiently. Official brochures were printed in one hundred thousands of copies with complex written explanation of constitutional guarantees but with no single one about consequences of their choice, to a population with a low literacy rate. Divided on almost every issue with Anglophone representatives, in negotiations about the constitutional modalities of a future union, it soon became clear that Francophone part will strongly dismiss the opposed proposal of a loose federation since it is incompatible with the highly centralized form of the state and a strong executive power. (Takougang & Krieger, 1998, p. 46).<sup>75</sup> Moreover, the paradigm of development and modernization, which dominated the literature on political and economic development in the 50s and 60s, encouraged Ahidjo's view on the importance of a strong unitary state for nation – building and economic reconstruction (Nyamnjoh & Konings, 2003, pp. 15-36).<sup>76</sup>

Nation – building is the characteristic rhetoric of the developmental state, so the 'development' in such a view, is the natural reward for successful integration. In the nation – building scheme apparent are two levels of integration. First level is social and political integration and the second level of integration is national (Ferguson, 2006, p. 94).<sup>77</sup> Since Britain ceded the territory to the French sphere of influence, position of the Southern Cameroon representatives had been seriously weakened. Britain – preferred option was integration with Nigeria so the British government in a spirit of punishment, appeared not to care whether the new constitution sufficiently protected the Anglophone minority. The constitutional talks did not produce the form of federal state that Southern Cameroonians proposed. The constitution from 1961, created a presidential regime at the

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<sup>74</sup> Takougang J., Krieger, M. *African State and Society in the 1990s: Cameroon's Political Crossroads*, p.38 Westview Press, Boulder, Colorado 1998

<sup>75</sup> Takougang J., Krieger, M. *African State and Society in the 1990s: Cameroon's Political Crossroads*, p.46 Westview Press, Boulder, Colorado 1998

<sup>76</sup> Nyamnjoh B. F. and Konings, P., *Negotiating and Anglophone Identity* pp.15-36, Brill NV, Leiden, 2003

<sup>77</sup> Ferguson, James *Global Shadows: Africa in the Neoliberal World Order*, p. 94 Durham, Duke University Press 2006



federal level, with the centralized power in the capital, Yaoundé, with no real separation of legislative, executive, and judiciary power. Furthermore, Southern Cameroonians were excluded from the key government and party positions and in the decision – making councils and organs they have subordinated role, with lower status. In addition, in the most important and sensitive ministries they didn't have representatives. Territorial administration specify six regions and each region is placed under an inspector of administration which means that constitution stipulated the duality of authority that basically ignored the federal nature of the country, with no room for legal secession from the federation (Nyamnjoh & Konings, 2003, pp. 41-53).

Backdrop in Anglophone struggle for equality, recognition and representation, was not without foundation. Additionally, it is problematized with disunity between various Anglophone political representatives and organizations and ambiguity in their objectives. They disagree on the number of issues while articulating social and political problems, thus, political elite is more interested in seeking power under the president patronage than in advocating Anglophone interests.

Although officially bilingual country, with the equal use of English and French language, the French language became increasingly the only language in usage in almost every social and political field: administration, state corporations, university, public services, media, etc. Feeling of exclusion, marginalization and discrimination was widespread within the Anglophone population as a whole especially within political, economic and cultural domain. In the 1972, abolition of the federation expressed final triumph of hegemonic tendencies. The federal republic was transformed into a unitary state in a referendum. The constitution divides Cameroon into 10 semi-autonomous regions, each under the administration of an elected Regional Council. Also, the constitution had clause by which federation could not be dissolved, especially not with referendum since even the constitution were to be amended, majority of the representatives of each of the Federated States, should adopt proposal for revision (Ibidem, p.64).<sup>78</sup> Second level of integration is national. In the process of construction Cameroonian nation is stepping out for the first time to the world stage. Dual citizenship, proposed by the Southern Cameroonians, Ahidjo rejected and asserted that “there was a single Cameroon nation in which citizens had equal rights and duties (...) The people of West Cameroon massively voted in favor of reunification; after reunification itself we freely contested that it was necessary to create a federation between two states, and to create federal institutions. But that does not permit us to say that there are two Cameroon nations.”<sup>79</sup>

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<sup>78</sup> Nyamnjoh B. F. and Konings, P., *Negotiating and Anglophone Identity* p.64, Brill NV, Leiden, 2003

<sup>79</sup> Importance of this improvised identity and denoting politics of belonging can be found also in care of president Biya. He claims that language barrier is not and should not be a political problem in Cameroon since at start of this century, Cameroonians were neither Anglophones nor Francophones, so Cameroonians must not allow that the wars and culture of others divide them (Nyamnjoh & Konings, 2003, p. 63; 109)

At the same time, Ahidjo established policies aimed at eliminating some of the Anglophone cultural and economic heritage and assimilating the Anglophone community more and more into the Francophone dominated federal state; process that many authors describing as process of Francophonization.<sup>80</sup> In 1982, new president Paul Biya came into power and there were some hopeful indications that he might end Anglophone second – class status in the unitary state. He launched New Deal program, designed to transform Cameroon and promote sustainable development. Two years later, in the 1984, without announcement or any information, he changed the official name of the country into Republic of Cameroon. Unfortunately, claimed policy agenda and guidelines were intended to bring more about discontinuation of the new president with the old one.

West Cameroon's ties with the Commonwealth were completely reduced while Franco – Cameroonian accords stayed in force. This withdrawal affected economy at the local level since certain West Cameroonian export products lost 'Commonwealth preferences'. For example, the most threatened were West Cameroonians banana producers since they were exporting their bananas to Britain at a price 15 per cent higher than on the world market. Furthermore, the need to shift away from British and Nigerian imports to French and Cameroonian imports, severely affected West Cameroonian population because the differences in prices between the states that have been estimated as 100 per cent higher. Thus, most imports and exports were diverted to the port in East Cameroon. In addition to all of this, West Cameroon Electric Power have been closed. This was the company that supplied relatively cheaper electricity and it is replaced with the costlier company from the East Cameroon (Ibidem., p.56).

Initially, Cameroon relied mostly on export of major agricultural products, since agriculture is still the main economic activity in the Southern Cameroon. After the WWII, plantations were united under into one entity, the Cameroon Development Corporation that is still after the government, largest employer in the country. Southern Cameroon major agro – industrial enterprise, Cameroon Development Corporations and Plantations Pamol du Cameroun Ltd has been in great importance of development in the Southern territory. The Corporation has been a major instrument of modernization, it has created employment for local population, constructed numerous roads, supplied water and electricity, stimulated the supply of goods and services to itself and workers and it has played a key role in the commercialization and modernization of peasant production. In

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<sup>80</sup> In the cultural domain, Southern Cameroonians complain of the the Frenchification or what Kofele – Kale (1987) has called "The Galicising of public life". This means supremacy of French language as the official language besides equal status of both languages, and supremacy of inherited French institutions and bureaucracy practices in all aspects of state and public life, besides country's bicultural heritage with two distinct cultures. Later, this term in literature is used by Abel Eyinga in his book *Introduction a la Politique Camerounaise* from 1984, to criticize Francophone "neo – colonialism" (Nyamnjoh & Konings, 2003, p. 67).

addition, this corporation built and staffed schools, awarded scholarships and provided housing and medical facilities for a long proportion of the local population (Ibidem, p.176). Export of cocoa, coffee, bananas, rubber, timber, palm products, cotton were providing the foreign capital needed for development expenditures. Much greater agricultural development took place in French Cameroon since French took more interest in their mandate and later trust, than the British. The discovery of petroleum reserves in the Southern Cameroon in the 70s, inflated country's seemingly impressive growth since the petroleum became the most valuable export good. Furthermore, increased revenue resulted in good development manner since Cameroon was seen as one of the safest countries for foreign investment, not only in Africa. Oil resources are allegedly used by the Francophone dominated state to stimulate economic development in Francophone regions but also, for the personal satisfaction of the president and some privileged collaborators (DeLancey, Mbuh, & Mark, 2010, p. 11).<sup>81</sup> Unlike many other African states, where the production of oil led to the gross negligence of other sectors of the economy, president Ahidjo emphasized agricultural development. The policy encouraging agriculture continued into Biya's presidency for funds devoted to agricultural and rural development.

Mismanagement in public life and corruption rapidly caused the severe economic crises that affected Cameroon from the middle of 1980s. Financing of New Deal programs related to rail and road construction, building of low – cost housing units and sustaining excessively increased bureaucracy which doubled in five years, drained money from the national budget and extra budgetary accounts. By the 1986, Cameroon started experiencing decline in its foreign earnings because the price of oil in the world market falls. Other exports were equally affected by the fall in the price. The negative aspects of Cameroon's economic problem intensify the flight of the capital since most expatriates and foreign firms preferred to invest their money at home, in the environment of the greater return of their investments but also greater political stability. Combined with corruption among civil servants and misappropriation of government funds by political elite had repercussions in financial sphere. In an effort to address the country's economic problems, nation's burden was only intensified since it meant greater unemployment and domestic financial institutions began to fail. At the end of the 1980s the administration introduced a series of austerity measures to prevent the country from further economic crises, but at the end besides initial refusing, they were forced to seek additional financial support from the World Bank and International Monetary Fund (Takougang & Krieger, 1998, pp. 97-101).<sup>82</sup>

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<sup>81</sup> DeLancey, D. M., Mbuh, N. R., DeLancey, W. M.: *Historical Dictionary of the Republic of Cameroon*, Fourth Edition, p.11 The Scarecrow Press, Inc., Plymouth UK 2010

<sup>82</sup> Takougang J., Krieger, M. *African State and Society in the 1990s: Cameroon's Political Crossroads*, pp.97-101 Westview Press, Boulder, Colorado 1998

With introducing Structural Adjustment Program, the Cameroon government was required to broad macroeconomic interventions as setting currency – exchange rates, to privatize state owned enterprises, reduce social spending, restructuring state bureaucracy etc. It was necessary to accomplish proposed reforms under severe pressure of the Bretton Woods Institutions, World Bank and International Monetary Fund, for the purpose of receiving debt cancellation under Heavily Indebted Poor Countries (HIPC)<sup>83</sup> program.

In the economic domain, Southern Cameroons complain of the continued neglecting of their region's infrastructure, the lack of public investments and complete exploitation, drain and misspending of their region's economic resources. In addition, their region has failed to benefit from its extensive petroleum resource exploitation (Nyamnjoh & Konings, 2003, p. 67).<sup>84</sup>

Above the national level is the international level of integration, largely understood as a source of aid that is helping in the process of development. Drawing the Cameroon into international capitalist economic system by the France never stopped. By the time of gaining formal independence, Cameroon had become an attachment to the economic system of the Western Europe, more directly the majority of Cameroon had become a section of additional matter, supplement to the French economy. A dependent status had evolved whereby the mandates and later trusts produced raw materials for use by European industries, but they produced little for Cameroon needs and failed to benefit from their own national resources. The trusts were dependent on Europe/ France for finished goods and for a market for the raw materials the local population produced. This fragile, dependent economy continues to trouble and distress the people of Cameroon to this day jeopardizing their socio – economic and cultural development (DeLancey, Mbuh, & Mark, 2010, p. 6).<sup>85</sup>

### **3.1.2 Management of the international development aid system**

Until the 1980s the Cold War logic significantly influenced the process of distributing development aid to Africa. Rivaling the old, nation – building approach, at the end of the 1980s development system emerged with the 'new paradigm'. 'Local' is no longer symbol for backward, rather it is re – discovered as the cite of civil society, dynamic grassroots field with various possibilities. Despotic,

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<sup>83</sup> HIPC countries are among the poorest countries that are eligible for highly concessional assistance from the International Development Association (IDA) and from the Poverty Reduction and Growth Facility of the International Monetary Fund (IMF). These countries face an unsustainable debt situation even after the full application of traditional debt relief mechanisms (World Bank 2004).

<sup>84</sup> Nyamnjoh B. F. and Konings, P., *Negotiating and Anglophone Identity* p.67, Brill NV, Leiden, 2003

<sup>85</sup> DeLancey, D. M., Mbuh, N. R., DeLancey, W. M.: *Historical Dictionary of the Republic of Cameroon*, Fourth Edition, p.6 The Scarecrow Press, Inc., Plymouth UK 2010

bureaucratic and corrupt state that monopolizes political and economic space is chief obstacle for development, so the “governance” reforms are needed to minimize the role of the state first by reducing it, and bring into balance with civil society.

Society might make progress toward development if state actualizes three necessary conditions:

- Create space for civil society through the process of democratization
- Retreat of the way of a dynamic non – state sector which is conceived as development
- Implement draconian measures of “structural adjustment”

National level is now called state and it is understood as patrimonial, corrupt, stagnant, old. The local level that was previously understood as ‘tribal’, primordial, backwards, ethnical, now is becoming ‘client’ to the international community, understood as agent of change that could bring about development if the state allows it (Ferguson, 2006, pp. 94-96).<sup>86</sup> Major donors and international community are basing their aid on the condition that “good governance” is undertaken. Governance is the process of decision-making and the process by which decisions are implemented, or not implemented. Defined by the UNESCAP (United Nations Economic and Social Commission for Asia and the Pacific), “Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society” (UNESCAP).<sup>87</sup>

In the World Bank Report from 1991 *Managing Development - The Governance Dimension* and later in its 1992 Report, *Governance and Development*, the Bank defined governance “as the manner in which power is exercised in the management of the country’s economic and social resources for development”. According to Kale, it is not value – neutral term since it can be good or bad in sense that, good governance implies: “Predictable, open and enlightened public policy, a bureaucracy imbued with professional ethos acting in furtherance of the public good, the rule of law and a strong civil society participating in public affairs. Bad governance on the other hand is characterized by arbitrary policy – making, unaccountable bureaucracies, unenforced or unjust legal

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<sup>86</sup> Ferguson, James *Global Shadows: Africa in the Neoliberal World Order*, pp. 94-96 Durham, Duke University Press 2006

<sup>87</sup> UNESCAP *What is Good Governance?* p.1 URL: <http://www.unescap.org/sites/default/files/good-governance.pdf> accessed 31.08.2017.

systems, the abuse of the executive power, a civil society unengaged in public life, and widespread corruption” (Kale, 2001, p. 21; 35).<sup>88</sup>

Nevertheless, the concept of good governance is inaccessible concept because it means different things for different organizations and also to the different actors within these organizations, which may be related only peripherally to the good governance agenda. Good governance lacks theoretical utility since the concept is so fluid that analysts can easily define it in the way that best fits their data. In addition, its many possible characteristics, sometimes do not belong together, or simply do not necessarily fit together in any meaningful way so it lacks coherence. There is no way to differ well – governed countries from functioning liberal democracies and it is very difficult to have consensus on what precisely definition of good governance is (The United Nations University, 2012).

Some of the many issues that are treated under the governance programs of various donors, according to the UNU, include “election monitoring, political party support, combating corruption, building independent judiciaries, security sector reform, improved service delivery, transparency of government accounts, decentralization, civil and political rights, government responsiveness and “forward vision”, and the stability of the regulatory environment for private sector activities (including price systems, exchange regimes, and banking systems)” (Ibidem).<sup>89</sup>

International community is less simple source of aid that is helping in the process of economic development but rather inspector of the states, aimed to make them operational. By this the author means how it is likely to seem a distraction for donor officials, wanting to be sure programs get implemented through rigorously monitoring that is also, additional cost. Development is no longer project of the less prosperous countries but a societal process that is restrained by the suppression of the state. Structural adjustment program is needed to encourage private investment both local and foreign and to enable market forces to work their “development magic” (Ferguson, 2006, pp. 95-97).<sup>90</sup>

According to United Nations, civil society is the “third sector” of society, along with government and business. It comprises civil society organizations and non-governmental organizations (actors involved in governance vary depending on the level of government). The UN recognizes the importance of partnering with civil society, because it advances the Organization’s ideals, and

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<sup>88</sup> Kale, Kofele Ndiva: *Good Governance as Political Conditionality*, The African Anthropologist, Vol. 8, No. 1 (20-38) pp. 21; 35, 2001

<sup>89</sup> United Nations University, “*What Does Good Governance Means?*” 02.09.2012. URL: <https://unu.edu/publications/articles/what-does-good-governance-mean.html> accessed 31.08.2017.

<sup>90</sup> Ferguson, James *Global Shadows: Africa in the Neoliberal World Order*, pp. 95-97 Durham, Duke University Press 2006

helps support its work.”<sup>91</sup> Importance of partnering with civil society lies in political self – consciousness of society, able to organize itself and set the boundaries of the state, so the Organization’s ideals can be advanced. In rural areas, important actors could be influential land lords, associations of peasant farmers, NGOs, institutes, religious leaders, finance institutions and political parties. At the national level, in addition to the above actors, media, lobbyists, international donors, multi-national corporations, etc. may play a role in decision-making or in influencing the decision-making process, grouped together as “civil society”.<sup>92</sup>

Leslie Fox notes that “civil society is a political concept because it is essentially about power, the power of non – government actors to participate in making decisions that have an impact on them”. The failure of the nation – state system of integration, triggered a new wave of democratization in the 90s, that equally witnessed a marked reorientation of both academic and political discourse on development (Forje, 1999, p. 4).<sup>93</sup>

According to Ferguson, today most African nations is ruled in significant part by international organizations that work together with powerful First World states, what has characterized by Frederick Cooper as “internationalized imperialism”. In cooperation with largest development agencies such as World Bank or International Monetary Fund they often directly impose policies on African states. In addition, Ferguson further claims that the name for this process has been “structural adjustment program” and it has been made possible by general fiscal weakness of African states and the more specific compression created by the debt crises. Such governance from afar, represents a kind of transfer of sovereignty away from the African states into possession of the International Monetary Fund to take up state responsibilities without adequate cultural analyses (Ferguson, 2006, pp. 100-101). One of these states is Cameroon that has come under intense international political pressure to develop a more democratic society, accelerated by global political developments toward liberalization. Strong pressures from France and the other Western capitalist states tended toward legalization of the multiparty system, pluralism of thought, public accountability and respect for human rights and rule of law. Since Cold War ended and fear of Communism weakened, support of the authoritarian regime was not necessary anymore and democracy was again essential for economic prosperity. The persistent pressure for change, domestic protests and demonstrations during the 90s have failed towards leading the economy back to sustainable internal or external balance. Insistence on immediate privatization measures by

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<sup>91</sup> United Nations; *Civil Society* URL: <http://www.un.org/en/sections/resources/civil-society/> accessed 31.08.2017.

<sup>92</sup> UNESCAP *What is Good Governance?* p.1 URL: <http://www.unescap.org/sites/default/files/good-governance.pdf> accessed 31.08.2017.

<sup>93</sup> Forje, W. John, *Building a Vibrant State-Civil Society in Cameroon Facing the Changes of the New Millennium*, p.4, Bulletin de l'APAD, 18 | 1999, 20 September 2006, 01 October 2016. URL: [http:// apad.revues.org/461](http://apad.revues.org/461)

international agencies leads to the cheaply placing resources for the exploiters with the repercussion of a sliding country into further economic crises. Magic turnaround in the sphere of economy was missing and neoliberal policies continued to fail to achieve their promising results. This is reflected in Cameroon's increasing reliance and later dependence on foreign aid in forms of grants and loans which have increased the debt burden of the country. Despite the lack of the conceptual framework necessary to understand Cameroon problems, a new diagnosis has been made, and did result in the “state – versus – civil society grid”.<sup>94</sup> The 1992 parliamentary and presidential elections marked a new turning point in the political annals of Cameroon. Civil society has been a cause and a consequence of this election and furthermore, Cameroon civil society has made possible constitutionalization of power and a progressive return to democratic regime form in which civil and political freedoms and liberties are, even though sensitive, still guaranteed. The move towards democracy provides the much needed political space to manufacture new forms of governance whereby social capital can be constructed (Forje, 1999, p. 7).<sup>95</sup> Donors have started to focus their efforts on those countries with good governance system and gaining aid become dependent on the policy of environment in which it occurs. A synthesis of challenges along with approaches and tools identified in the Cameroon spans multiple sectors and covers one or two dimensions of sustainable development (type of cross-sectoral sustainable development strategies relating to specific dimensions of sustainable development). “The introduction of sustainable development to government or the private sector raises difficult management challenges because the concept is multi-faceted and broadly-defined. Strategic management thinkers conclude that compared to “rigid policy planning schemes in the past,” strategic public management “is certainly an important step forward.” (IISD, 2004, p. 5)<sup>96</sup> For a country to complete the first stage of eligibility for HIPC debt relief, it must establish a three - year track record of good performance and work with civil society to develop a Poverty Reduction Strategy Paper (PRSP). To complete the second stage and reach the decision point for debt relief, the country must build another track record by implementing a subset of policies that are linked to the PRSP.<sup>97</sup> This implies that Cameroon needs to provide justification for receiving international development assistance, as well as show willingness to reform policy. Cameroon has initiated several processes that relate to the three dimensions of sustainable

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<sup>94</sup> Feguson, James *Global Shadows: Africa in the Neoliberal World Order*, Ch. Introduction p.99; pp.100-101 Durham, Duke University Press 2006

<sup>95</sup> Forje, W. John, *Building a Vibrant State-Civil Society in Cameroon Facing the Changes of the New Millennium*, p.7 Bulletin de l'APAD, 18 | 1999, 20 September 2006, 01 October 2016. URL: [http:// apad.revues.org/461](http://apad.revues.org/461)

<sup>96</sup> International Institute for Sustainable Development: *National Strategies for Sustainable Development Challenges, Approaches and Innovations in Strategic and Co-Ordinated Action*, p.5, IISD 2004 URL: [https://www.iisd.org/pdf/2004/measure\\_nat\\_strategies\\_sd.pdf](https://www.iisd.org/pdf/2004/measure_nat_strategies_sd.pdf) accessed 03.09.2017.

<sup>97</sup> Unedited working paper, *Cameroon Case Study Analysis of National Strategies for Sustainable Development* This document is one of 19 country case studies from the report entitled “National Strategies for Sustainable Development: Challenges, Approaches, and Innovations Based on a 19-country Analysis.” p.4 accessed 03.09.2017. URL: [https://www.iisd.org/pdf/2004/measure\\_sdsip\\_cameroon.pdf](https://www.iisd.org/pdf/2004/measure_sdsip_cameroon.pdf)



development. Most notable of these are the National Environmental Management Plan (NEMP), the Poverty Reduction Strategy Paper (PRSP), the National Program on Good Governance, the National Plan for the Fight against Corruption, and a national strategic plan addressing HIV/AIDS. The NEMP is officially cited by the government of Cameroon as its national sustainable development strategy process and has been the focus of several recent World Summit of Sustainable Development (WSSD) preparatory reports and assessments” (Ibidem, p.10).

In an open and global economy, the Cameroon government will build capacity in:

- Forecasting and defining national development priorities;
- Planning and implementing economy-wide and sector policies;
- Developing strategic initiatives in priority sectors;
- Programming and monitoring of infrastructure, land planning, and housing development projects;
- Improving the efficiency of market operations;
- Designing human resources development policies;
- Preparing sector framework laws and programs;
- Building the capacities of various economic actors;
- Implementing an incentive system;
- Designing and implementing decent employment policies;
- Building capacities for regulatory agencies;
- Assessing the implementation of public policies (privatization programs, sector policies, etc.) (IMF, 2003, p. 88)<sup>98</sup>

Common – sense view of planning economic and social development requires stimulation by the government a “dynamic participation with the broadest representation of society. This requires a well-adapted consultation framework involving all partners: the government, civil society, NGOs, development partners, and the private sector. To facilitate the involvement of private sector and civil society players in the participatory process of implementing, monitoring, and evaluating the actions envisaged in the PRSP, is in concern of the government (Ibidem, p.89; 135).

According to Escobar, policy planning is composed of linear stages that construct agendas of problems which can be handled or solved. Definition of the problem is basis of this approach, so the planners take their practice as a true description of reality, uninfluenced by their own relation to that

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<sup>98</sup> International Monetary Fund; *Cameroon: Poverty Reduction Strategy Paper*, pp. 88-89; 135, IMF Country Report No. 03/249, Foreword, August 2003 URL: <https://www.imf.org/external/pubs/ft/scr/2003/cr03249.pdf> accessed 04.09.2017.

reality. Then they label the items of these agendas in particular ways. Policy options are usually affected by the kind of estimate chosen, for example, setting the norms and degrees of incidence is an area of active scientific-political struggle. “Common-sense” view of planning sees policy and planning as a systematic, information-based process composed of fixed stages (problem definition; identification and assessment of alternatives; policy formulation; program implementation; and evaluation). Policy-making and implementation are distinct, as if implementation were a problem for someone else (the implementing agencies), independent of policy. He further claims that “This separation is often utilized in the evaluation of policy performance: the policy failed, or was ineffective, because “politics” got in the way, or because the implementation agencies did not do their job properly, or because of lack of funds or of trained personnel, or due to a long list of “obstacles to implementation” which are never related to how policy was shaped in the first place” (Escobar, 1995, pp. 121-123).<sup>99</sup>

However, new approaches invented to overcome former lack of success, together with new forms of international connections increasingly enable local actors – civil society – to challenge the state one – party system and well established autocratic structure. For Mayekiso, it makes little sense; “the unthinking valorization of civil society for its own sake constrains the risk of following agenda of imperialist development agencies and foreign ministries, namely to shrink the size and the scope of third world governments and to force community organizations to take up state responsibilities with inadequate resources” (Ferguson, 2006, p. 104).<sup>100</sup> The truth is that national boundaries have become so permeable, that traditional distinction of local, national and international issues and responsibilities has become unable to be seen clearly.

### **3.1.3. Structure and level of implementation of the Official Development Assistance**

International development is a highly complex global enterprise, with “ability to provide an institutional mechanism that maximizes the development impact of the growing variety of players.”<sup>101</sup> Approach to aid coordination has changed once again and now it is based on the United Nations Millennium Development Goals (2000), the Paris Declaration for Aid Effectiveness (2005) and the Accra Agenda for Action (2008). The eight Millennium Development Goals (MDGs) –

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<sup>99</sup> Escobar, Arturo: *Encountering Development*, Chapter 4, pp. 121-123, Princeton University Press 1995

<sup>100</sup> Ferguson, James *Global Shadows: Africa in the Neoliberal World Order*, p.104, Durham, Duke University Press 2006

<sup>101</sup> Kharas, Homi: *Development Assistance in the 21st Century*, Contribution to the VIII Salamanca Forum “The Fight Against Hunger and Poverty”, July 2-4, 2009

range from halving extreme poverty to halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015. They have galvanized unprecedented efforts to meet the needs of the worlds poorest.<sup>102</sup> The Paris Declaration (2005) is a practical, action-oriented roadmap to improve the quality of aid and its impact on development. It gives a series of specific implementation measures and establishes a monitoring system to assess progress and ensure that donors and recipients hold each other accountable for their commitments. The Paris Declaration outlines the following five fundamental principles for making aid more effective:

- 1. Ownership:** *Developing countries set their own strategies for poverty reduction, improve their institutions and tackle corruption.*
- 2. Alignment:** *Donor countries align behind these objectives and use local systems.*
- 3. Harmonization:** *Donor countries coordinate, simplify procedures and share information to avoid duplication.*
- 4. Results:** *Developing countries and donors shift focus to development results and results get measured.*
- 5. Mutual accountability:** *Donors and partners are accountable for development results.*

Designed to strengthen and deepen implementation of the Paris Declaration, the Accra Agenda for Action (AAA, 2008) takes stock of progress and sets the agenda for accelerated advancement towards the Paris targets. It proposes the following four main areas for improvement:

- 1. Ownership:** *Countries have more say over their development processes through wider participation in development policy formulation, stronger leadership on aid co-ordination and more use of country systems for aid delivery.*
- 2. Inclusive partnerships:** *All partners - including donors in the OECD Development Assistance Committee and developing countries, as well as other donors, foundations and civil society - participate fully.*
- 3. Delivering results:** *Aid is focused on real and measurable impact on development.*
- 4. Capacity development** - to build the ability of countries to manage their own future - also lies at the heart of the AAA.<sup>103</sup>

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<sup>102</sup> United Nations: *Millennium Development Goals and Beyond 2015*, accessed 03.09.2017. URL: <http://www.un.org/millenniumgoals/>

<sup>103</sup> OECD: *Paris Declaration and Accra Agenda for Action*, accessed 03.09.2017. URL: <http://www.oecd.org/dac/effectiveness/parisdeclarationandaccraagendaforaction.htm>

Giving a more prominent role to recipient governments, approach to aid coordination implies a major effort at decentralization of decision – making process behind which is the idea of self – organizing process. This means that governments should create their own national strategies in accordance with “blueprint agreed to by all the world’s countries and all the world’s leading development institutions.”<sup>104</sup>

Most concessional development assistance is now provided in the form of grants that are non – payable nature. Grants have been the desirable vehicle for specialized aid program and program supported by bilateral donors that includes technical assistance and commodity aid programs. Most bilateral aid is driven by a complex set of historical circumstances, political interests or/and commercial motivations alongside broader development and poverty considerations. As a result, bilateral assistance to a large extent represents an element of donors’ foreign policy. Multilateral creditors can be seen as four separate categories – the UN, the European Union, the Bretton Woods Institutions, and the other Multilateral Development Banks – with different roles, development objectives and levels of concessionality. Two of these institutions – the UN and the EU – provide almost all of their assistance in the form of grants and account for almost all of the grant funding provided by multilaterals. IDA, the IMF and the Regional Development Banks (RDBs) provide almost all of their assistance in the form of concessional loans, and account for almost all of the concessional lending provided by the multilaterals.<sup>105</sup>

Almost all developing countries publish development plans. A development plan is “an ideal way for government to set out its development objectives and demonstrate initiative in tackling the countries development problems. A development plan can serve to stimulate effort throughout the country and also act as a catalyst for foreign investment and loans from international institutions” (Todaro & Smith, 2010, p. 316).<sup>106</sup> As an example, the agenda for development planning in Cameroon that was set in 2003 and covers the 2003-2015 period, a Poverty Reduction Strategy Paper, stated:

“The central objective of these reforms, which the Government is pursuing with determination, is to significantly reduce poverty, with a strong and sustainable economic growth, increased efficiency of public expenditure, more effective targeting of its poverty reduction policies and improvement in overall

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<sup>104</sup> United Nations: *Millennium Development Goals and Beyond 2015*, accessed 03.09.2017. URL: <http://www.un.org/millenniumgoals/>

<sup>105</sup> International Development Association: *IDA, Grants and the Structure of Official Development Assistance*, pp.1-4 URL: <http://siteresources.worldbank.org/IDA/Resources/Seminar%20PDFs/grantsANDstructure.pdf> accessed 03.09.2017.

<sup>106</sup> Todaro, P. Michael and Smith, C. Steven: *Economic Development*, p.316, 10th Edition, 2010, Pearson Education, Inc.

governance. These policies are strategically framed in the PRSP and reflect the Government's ambition to attain the Millennium Development Goals" (IMF, 2003).<sup>107</sup>

Seven economic and social objectives were set out:

- Priority 1: Promoting a stable macroeconomic framework;
- Priority 2: Strengthening growth through diversifying the economy;
- Priority 3: Revitalizing the private sector as the main engine of growth and a partner in delivering social services;
- Priority 4: Developing basic infrastructures and natural resources while protecting the environment;
- Priority 5: Accelerating regional integration in the framework of Central African Economic and Monetary Community;
- Priority 6: Strengthening human resources and the social sector and facilitating the integration of vulnerable groups into the economy;
- Priority 7: Improving the institutional framework, administrative management, and governance.

Implementation of the PRSP economic and social objectives will be financed via the governments budgeting process and through international development assistance, IMF concessional financial assistance, and debt relief under the HIPC initiative (Ibidem).<sup>108</sup>

Maintaining a healthy macroeconomic framework is a stone that forms the base of any growth and poverty reduction strategy. The government is committed to pursuing a prudent, two-pronged policy approach:

- Maintaining macroeconomic equilibrium while creating an enabling environment for growth and private sector development
- Allocating appropriate budgetary resources to priority sectors, ensuring actual progress toward poverty reduction and economic growth.

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<sup>107</sup> International Monetary Fund; *Cameroon: Poverty Reduction Strategy Paper*, IMF Country Report No. 03/249, Foreword, August 2003 URL: <https://www.imf.org/external/pubs/ft/scr/2003/cr03249.pdf> accessed 04.09.2017.

<sup>108</sup> International Monetary Fund; *Cameroon: Poverty Reduction Strategy Paper*, IMF Country Report No. 03/249, Foreword, August 2003 URL: <https://www.imf.org/external/pubs/ft/scr/2003/cr03249.pdf> accessed 04.09.2017.

Macroeconomic stability fosters growth and welfare improvement in the medium term. But besides policies that were created for the purpose of improving overall economic competitiveness and thereby accelerating growth developments, improvements remain weak. After the return of the economy to a stable 4.7 percent growth between 1996 and 2001, in the aftermath these development policies resulted in insufficient growth unable to maximize welfare. Government is determined to redouble its efforts to deepen ongoing structural reforms and to mobilize the population and development partners behind an ambitious program, aiming to progressively accelerate growth in the medium term while maintaining prudent tax and budgetary policies (Ibidem, pp.32 - 34). In addition, macroeconomic reforms alone will not suffice to diversify the economy and significantly reduce its dependence on the primary sector (agriculture and mining). The poverty profile shows that Cameroon's poverty is primarily rural, since Cameroon's economy continues to be dominated by the rural sector. An Integrated Rural Development Strategy has drafted with four strategic priorities:

1. Modernizing production facilities
2. Restructuring the institutional framework
3. Enhancing incentives
4. Sustainably managing natural resources.

The IRD Strategy adopted for the rural sector is consisted of a series of programs within strategic priorities to increase production and the productivity of small farmers. Strategy is intended to promote and encourage private initiative, establish conditions for more efficient markets, ensuring reliable local management of rural community infrastructures through capacity building (Ibidem, p.35). To the peasants, or small farmers is given the appropriate level of attention so they too, could be turned into productive citizens and increase their production. Capital, technology, training, and infrastructure — the “missing” factors accounting for the backwardness of small - peasant production — were to be provided as a package through a strategy unprecedented in both scope and style. The intent was to turn small farmers into entrepreneurs in the fashion of commercial farmers. Peasant farmers' adoption of technological packages was found to be obstructed by a number of constraints, such as the high cost of inputs compared with the low price and inadequate marketing conditions for peasant products and “cultural backwardness”. According to Escobar, the decentralization and deconcentration processes that the government started as a result of popular pressures to improve macroeconomic and institutional arrangements but produced what planners referred to as an organizational opening, which made possible a more significant peasant participation in the diagnosis, planning, and allocation of resources for the concrete projects contemplated by the program. Yet, it is also obvious that the government's aim in decentralizing the

state apparatus is not truly to promote the autonomy of local and regional communities but rather to open up “spaces for capital, a solution to the fiscal crisis, and the creation of new conditions for the management of the social and political conflicts generated by the pattern of development” (Escobar, 1995, pp. 137-142).<sup>109</sup>

Moreover, oil, which has greatly contributed to growth and public finances has been declining for several years owing to the depletion of oil reserves. Therefore, according to IMF, increased diversification of the non-oil sector in the medium term is essential for Cameroon. It is obvious that aid is in the macro/micro economy, civil service, political institutions, education, infrastructure, and it is endemic. The more it permeates - the more it erodes and creates the greater the culture of aid-dependency. Meeting these objectives must be based on clear institutional arrangements.

There is no such thing like universal set of institutions that will suit all countries, but there is a consensus among development economists about at least five market – friendly institutions necessary for rapid economic progress. According to Dani Rodrik (2008) they are:

- Property rights and legally binding contracts: market – creating institutions
- Regulatory institutions: market – regulating institutions
- Institutions for macroeconomic stability: market – stabilizing institutions
- Social insurance institutions: market – legitimizing institutions
- Institutions of conflict management: market – legitimizing institutions.

Rodrik also highlights the following institutional arrangements that are conspicuously absent in poor countries:

- A clearly defined system of property rights
- A regulatory apparatus curbing the worst forms of fraud, anti – competitive behavior and moral hazard
- A moderately cohesive society exhibiting trust and social cooperation
- Social and political institutions that mitigate risk and manage social conflict
- The rule of law and clean government (Todaro & Smith, 2010, p. 119).<sup>110</sup>

Actions undertaken toward building institutional capacities contribute directly to the implementation of the IDA. Imposition of rules and regulations set by donors to govern the conditions under which aid is disbursed become the necessary stipulation. The adoption of market – based policies; reducing the civil service, privatizing nationalized industries and removing trade

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<sup>109</sup> Escobar, Arturo: *Encountering Development*, p.137; 141-142, Princeton University Press 1995

<sup>110</sup> Todaro, P. Michael and Smith, C. Steven: *Economic Development*, p.119, 10th Edition, 2010, Pearson Education, Inc.

barrier, became the requirement upon which would aid be granted while democracy and governance are responsible for limiting corruption in all its form (Moyo, 2010, p. 26).<sup>111</sup> Improvement in the capacity of national systems to manage both internal and external resources, can achieve better development performances than focusing solely on agencies that manage foreign aid contributions. In Cameroon, the efficient implementation is obstructed by a number of constraints among which one IMF and WB notes institutional weakness, an unsuited legal framework, unstable macro – economic framework, a poorly coordinated intervention of the various stakeholders.

Institutional weakness is characterized on the one hand, by the non – functioning of implementation institutions. Implementation measures that were undertaken by Cameroon government in the field of improving institutional framework and governance were related to:

- Increased transparency in the management of public affairs and improved accountability of managers;
- Continuation of the in-depth reform of the justice system based on the recommendations of the technical audit of the justice system;
- Fight against corruption;
- Improving the circulation and accessibility of information on the management of public affairs;
- Strengthen local development through operational projects;
- Improving the production and dissemination of information;
- Developing the partnership and the participatory process for executing the Strategy; (IMF, 2003, p. 137)<sup>112</sup>

PRSP has expanded the policy dialogue between donors of aid and the Cameroonian government from specific sectors to all Cameroonian activities directed towards development. Participating in cross - sectoral approach, that has been introduced to overcome “project fragmentation”, gives donors the right to access discussions linked with formulating the sector development plan. Furthermore, participating in the common sector basket fund gives donors the right to access and speak on the entire sector budget, including the application of development expenditures, as well as participate in development planning. In other words, aid resources becoming part of the relevant ministries and agencies’ budgets. This gives donors both presence and greater influence in the

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<sup>111</sup> Moyo, Dambisa *Dead Aid; Why Aid Makes Things Worse and How There is Another Way for Africa*, p.26 Penguin Books, London 2010

<sup>112</sup> International Monetary Fund; *Cameroon: Poverty Reduction Strategy Paper*, IMF Country Report No. 03/249, Foreword, August 2003 URL: <https://www.imf.org/external/pubs/ft/scr/2003/cr03249.pdf> accessed 04.09.2017.



sector. This transformation of aid has changed the relationship between government and donors, so the weight of development has shifted to public service reforms, budgetary reforms, economic management, social services sector strategies, and anti-corruption. Aid disbursements to ministries and agencies concerned with efforts in these areas have expanded, as have government-donor interfaces. This development aid approach has led to a mechanism in which development planning and budget composition, the core processes of Cameroon's development policy, take place within the interfaces between the central government bureaucracy and donors (Furukawa, 2014, pp. 15-18).<sup>113</sup>

On the other hand, under the velocity of development Cameroon and China have signed several agreements in the domain of economic and technical cooperation and most of these agreements define the modalities of Chinese concessional lending to Cameroon. According to Khan and Baye, China's intensification of relations with developing countries like Cameroon has been attributed to the need to secure raw materials for its flourishing economy and markets for its manufactures, although China insist its relationship is based on "sincere friendship", "equality", "reciprocal benefit", and "win-win cooperation". China has long provided aid to Cameroon largely made up of grants, interest-free and concessional loans, therefore, comparatively less costly than some bilateral aid from Western donors which includes non-concessional lending and also, less costly than some multilateral assistance which seldom includes grants. Such assistance is on the rise and unlike other donors, is unconditional. In other words, such assistance is not attached with strings of policy reform, making it very much appreciated by Cameroonian authorities, as it undermines efforts to strengthen transparency, good governance and maintenance of social and environmental standards. It is also worth noting that Chinese aid is exclusively project-based. China does not give Cameroon assistance in the form of program or budget support as prescribed in the Paris Declaration on Aid Effectiveness (Khan & Baye, 2008, pp. 3-5).

Khan and Baye claim that one serious handicap in examining Chinese aid to Cameroon is the unavailability of data on aid commitments or payments on a yearly basis. However, appears that China is a more acceptable partner to African leaders because of its policy of non-interference in states internal affairs and domestic issues, although there is no doubt Cameroonians are benefiting from increased Chinese aid. Investment in both, physical and human capital, with a potential impact on growth and poverty reduction increases, thus, Chinese assistance in the health sector has increased the quantity and quality of healthcare services in the country. In addition, Chinese aid is providing Cameroon with cheaper resources to finance its development process. Assistance in the

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<sup>113</sup> Furukawa, Mitsuaki: *Management of the International Development Aid System and the Creation of Political Space for China: The Case of Tanzania*, pp. 15- 18 Japan International Cooperation Agency Research Institute, 2014

form of projects is seen by the majority of citizens as quite visible since it is typically in infrastructure, and lowers the possibility of it being swindled by some local bureaucrats, as is sometimes the case with Western aid.

The other side of the coin is that almost all Chinese aid projects are executed by Chinese firms, with imported Chinese labor. Cameroonians perform only the very low-skilled tasks like cleaning, driving, general labor, etc. Local contractors and labor appear to be losers as Chinese aid is tied to the procurement of Chinese goods and services i.e. aid projects executed by Chinese firms with Chinese labor and equipment. Local contractors cannot bid for Chinese funded projects. Some observers even see the rapid rise in Chinese aid and its focus on projects, as a way of promoting Chinese firms and setting them on the international stage, thus providing a convenient platform to succeed in forcing a way into new markets. It should be recalled that the international community has recognized the practice of tying aid as one of the main causes of its ineffectiveness. An appeal has consequently been made through the Paris Declaration to all donors to desist from tying aid and China was a signatory to this Declaration. The rapid increase in aid from China raises worries about the possibility of a new debt build-up in Cameroon, after effort by donors to render the debt sustainable through the heavily indebted poor countries (HIPC) initiative. Debt relief was granted on the basis that Cameroon was too poor to bear any debt. If Cameroon again starts borrowing, then some Western countries might view the debt relief accorded Cameroon as indirectly subsidizing new Chinese lending. Authorities of both countries are urged to always bear in mind the debt sustainability issue (Ibidem, pp.24-29).<sup>114</sup>

As far as we can see, heavily externally influenced policies under the velocity of aid, erodes Cameroonian economy while serving some other interests, especially during the extremely chaotic early 1990s early when French aid resources helped Biya's regime to maintain control. Instead of moving country toward development and reducing poverty, as it was pointed out during the last few decades, foreign aid *de facto* helps to maintain the poor conditions within country. Another proposal to improve the efficiency of foreign aid is conditional delivery. Aid will resemble a kind of reward – passively implementing more reforms, Cameroon will get more aid, while resistant to reform will get no aid at all, what is the subject of the following chapter.

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<sup>114</sup> Khan, A. Sunday and Baye, M. Francis: *China-Africa Economic Relations: The Case of Cameroon*, pp.3-5; 24-29, Report Submitted to the African Economic Research Consortium (AERC), 2008

## 4. Foreign Aid Effectiveness in Cameroon

Aid effectiveness is the extent to which foreign aid dollars actually achieve their goals of reducing poverty, malnutrition, disease, and death.<sup>115</sup> Contrary to official definition that comprises the economic development and welfare of developing countries as its main objective, foreign aid was characterized by both – the offer of reward and the threat of punishment. In addition, this force a complex, ambitious and comprehensive set of political and social engineering on countries with weak institutions and collapsed economies, using expensive Western consultants, insignificant best practices and universalist solutions. According to Easterly, over the past 50 years, the amount of distributed foreign aid totals over \$2.3 trillion dollars (measured in 2006 dollars).<sup>116</sup>

Certainly, most of the inefficiencies in Cameroons aid system are manifested as poor management and bureaucratic failings. Among other things, Cameroonian government needed to prepare a detailed plan for reducing poverty, a participatory Poverty Reduction Strategy Paper (PRSP) — extended donors condition to the process of the policy making itself, that the World Bank and International Monetary Fund (IMF) require before granting debt forgiveness and new loans. PRSP and HIPC initiatives have replaced SAPs. While claiming not to be prescriptive, the World Bank also stipulates that a PRSP needs to include “A description of the participatory process that was used, comprehensive poverty diagnostics, clearly presented and costed priorities for macroeconomic, structural, and social policies, appropriate targets, indicators, and systems for monitoring and evaluating progress.” The shift from SAPs to PRSs has amounted to cosmetic changes only. The fundamental principles of neoliberal lending have not really altered, only as shift in the emphasis of conditionality away from preconditions. Furthermore, despite a focus on flexibility and the claim that PRSPs have no blueprint, broad neoliberal principles – including privatization and trade liberalisation – must be followed under the assumption (if not the evidence)

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<sup>115</sup> Easterly, W. and Pfitze, T. *Where Does the Money Go? Best and Worst Practices in Foreign Aid*, The Journal of Economic Perspectives, Vol. 22, No. 2 pp. 29-52 (2008), American Economic Association

<sup>116</sup> Easterly, W.: *The white man's burden: Why the west's efforts to aid the rest have done so much ill and so little good* p. 4 New York: Penguin 2006

that neoliberal macroeconomic reform and faster growth with low inflation are conducive to poverty reduction. Moreover, ultimately, PRSPs do not address the causes of poverty but rather the symptoms (Chant & McIlwaine, 2009, p. 47).<sup>117</sup>

Easterly further explains: This document in turn must adhere to the World Bank's Comprehensive Development Framework, a 14-point checklist covering everything from labor policy to labor practices. And the list goes on: Policymakers seeking aid dollars must also prepare a Financial Information Management System report, a Report on Observance of Standards and Codes, a Medium Term Expenditure Framework, and a Debt Sustainability Analysis for the Enhanced Heavily Indebted Poor Countries Initiative. Each document can run to hundreds of pages and consume months of preparation time. The international aid bureaucracy will never work properly under the conditions that make it operate like a "cartel of good intentions". Furthermore, the principal output of the Paris Declaration was putting forward a bureaucratic solution to a problem that is largely political. Although Cameroonians have chances to express their needs and participate in discussion of development priorities, they cannot exit the system.<sup>118</sup> Cameroon's economic structure and performance do not meet the criteria for a socially responsible market democracy. Cameroon Country Report from 2016<sup>119</sup>, reveals results of Cameroonian progress and aid effectiveness, in following. The main dividing line of Cameroonian society is cultural with evident political roots. A division persists between Francophone and Anglophone regions, with segments of the Anglophone elite openly calling for autonomy and little progress has been done in that direction. Many state-sponsored institutions are ineffective, and many formerly public goods such as health and education are now administered in part by development agencies and NGOs. The government has also been shrinking due to the increasing privatization of services such as electricity. Decision-making remains strongly centralized in Yaoundé, its political capital, while the process of decentralization, intended to bring government administration closer to citizens, is not yet a tangible reality. In 2012, 45% of the population had access to improved sanitation and 74% to an improved water source, which would seem to indicate a medium level of government care. The results of all recent elections confirm Cameroon's status as a strongly personalized electoral autocracy, with a facade of democratic republican institutions that have not developed a foundation of their own. Deficiencies in the rule of law, the social and economic exclusion of entire population groups, little esteem for social justice, plus the absence of participatory policies precludes the country from

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<sup>117</sup> Chant, Sylvia and McIlwaine, Cathy: *Geographies of Development in the 21st Century; An Introduction to the Global South*, p.47, Edward Elgar Publishing Limited, Cheltenham 2009

<sup>118</sup> Easterly, W. *The Cartel of Good Intentions*, Foreign Policy, 2009, accessed 09.09.2017. URL: <http://foreignpolicy.com/2009/11/11/the-cartel-of-good-intentions/>

<sup>119</sup> This report is part of the Bertelsmann Stiftung's Transformation Index (BTI) 2016, Bertelsmann Stiftung, BTI 2016 — Cameroon Country Report, pp.5-20, Gütersloh: Bertelsmann Stiftung, 2016, accessed 09.09.2017. URL: [https://www.bti-project.org/fileadmin/files/BTI/Downloads/Reports/2016/pdf/BTI\\_2016\\_Cameroon.pdf](https://www.bti-project.org/fileadmin/files/BTI/Downloads/Reports/2016/pdf/BTI_2016_Cameroon.pdf)

having “functional equivalents” to institutions of representative democracies. Inter-communal trust is weak. When contacting state institutions, ordinary people frequently try to approach ethnic relatives somewhere in the hierarchy - and not the officially competent individual. The legacy of local conflicts has made efforts to build up social capital in rural areas challenging.

The institutional setting for free markets and competition is inadequate. Poorly functioning public institutions cannot prevent corruption and enforce rule of law in the economic arena. The informal sector plays a comparatively large role. Despite slight improvement, Cameroon ranks very low on the Index of Economic Freedom 2014, at 136th out of 178 countries (“mostly unfree”). Overall, market competition operates under a weak institutional framework. In mid-2014, the IMF found macro-stability slowly deteriorating compared to one year before. According to the IMF, the fiscal position has worsened and public debt has been rising at a less sustainable pace. It is therefore expected that public debt will continue to rise and may become again unsustainable. The state healthcare system is overextended and has been compromised significantly by corruption - including at the top level of government ministers. Public expenditure on health stands at a low 1.7% of GDP, and translates into comparatively bad health services. Life expectancy at birth stands at 54.6 years - below Malawi and Somalia. The under-five mortality rate is still high, with 95 per 1,000 births (2012). In rural areas, social risk is still largely absorbed by “traditional” family-based relationships of solidarity. This system is crumbling in the cities. Equal opportunity is limited in gender and also ethnic terms, with Anglophone citizens complaining about some discrimination. According to the latest figures, Cameroon has a GDP of \$29.6 billion (2013), below Bolivia and Côte d’Ivoire, which were just behind Cameroon in the last observation period which further means that Cameroon is not making progress despite quite similar sociopolitical and economic conditions. According to the Economist Intelligence Unit, Cameroon’s economic growth remains far below potential, and insufficient for it to achieve its oft-stated goal of becoming an emerging-market economy by 2035 (Bertelsmann Stiftung, 2016, pp. 5-20).<sup>120</sup>

In the case of Cameroon, it is also important to emphasize that the question of aid harmonization cannot be addressed without attempting to grasp the motivation of donors to cooperate with this country. There have been complaints about privileged treatment of French companies, especially in the context of privatization of state enterprises. This Central African country presents an important case in which aid sanctions were undermined by the behavior of the country’s major aid provider, France. Instead of contributing to the efforts of other donors by encouraging the democratization process underway among civil society groups and the political opposition on the ground in

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<sup>120</sup> Bertelsmann Stiftung: *Cameroon Country Report 2016*, Bertelsmann Stiftung, Gütersloh accessed 09.09.2017. URL: [https://www.bti-project.org/fileadmin/files/BTI/Downloads/Reports/2016/pdf/BTI\\_2016\\_Cameroon.pdf](https://www.bti-project.org/fileadmin/files/BTI/Downloads/Reports/2016/pdf/BTI_2016_Cameroon.pdf)

Cameroon, France dramatically increased its aid in an effort to shield the regime of President Paul Biya and to protect it from this combined international and domestic pressure for change. This case illustrates a general rule frequently evoked in the conditionality literature: ‘where bilateral relations are close, tied up with donors’ own strategic or economic interests, then the effectiveness of aid conditionality is compromised’ (Emmanuel, 2013, p. 2).<sup>121</sup>

#### **4.1. Donor – Recipient Relation**

Cameroon state structure, already in poor condition, was extremely weakened through unaccountable bureaucratic processes called foreign assistance. Almost like central planning (recently replaced with strategic planning), aid is collected and allocated by donors according to the development plan created in advance, regardless of future circumstances and its effects in the recipient country. Plans for aid are tailored by one entity, while the costs are born by another (Prokopijević, 2007, p. 33).<sup>122</sup> The typical aid agency forces governments seeking its money to work exclusively with that agency’s own bureaucracy — its project appraisal and selection apparatus, its economic and social analysts, its procurement procedures, and its own interests and objectives. Each aid agency constitutes a monopoly, so the recipients therefore have even less opportunity to find alternative aid suppliers.<sup>123</sup> This donor – recipient engagement created a state of continuously and expensive negotiations without progress. Donors estimate what is to be in the recipient’s interest. Furthermore, donors determine what is in recipient’s interest; they are meddling in internal policy and overall development approach, although they do not bear the consequences of their choice and influence. Experts decide on others’ fates from comfortable offices without being affected by the consequences themselves. The cost for central planning is carried by state budgets or foreign creditors; the cost for aid is carried by the taxpayers of rich countries and the recipient. No wonder the recipient, when struck with such an uneven structure, is frequently either indifferent or against such imposed choice (Ibidem, p.40). In addition, donors continue to proclaim their preferences in the form of estimation of recipient interests through traditional conditionality or participation in policy discussions, while micromanaging projects or through policy implementation. This place tremendously burden on foreign aid frameworks since short supplies of resources and economic principles dictate less expensive objectives that are beneficial to real

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<sup>121</sup> Emmanuel, N. G. “*With a Friend Like This...* ”: *Shielding Cameroon from Democratization*. *Journal of Asian and African Studies*, 48(2), 145-160, 2013.

<sup>122</sup> Prokopijević, M. *Why Foreign Aid Fails?* p.33; 40, *PANOECOMICUS*, 1, 29-51, 2007

<sup>123</sup> Easterly, W. *The Cartel of Good Intentions*, *Foreign Policy*, 2009, accessed 09.09.2017. URL: <http://foreignpolicy.com/2009/11/11/the-cartel-of-good-intentions/>

development achievements. The diffusion of the recipient government to control over its policy agenda led to a fragmented aid management structure. This is aggravating for already poor public administration and means that recipient government is in weak position to coordinate aid according to development plan. As a result, donors created discussion arenas to cover desired development of all policy sectors and form joint donor – government planning process. This joint policy process left no space for recipient government to reach policy decisions and create development policies through formal institutions, independently. Also, joint policy process left no space for adjustment to regional differences and needs while creating policies, especially in the countries with authoritarian regimes like Cameroon is (Whitfield, 2009, pp. 6-9).<sup>124</sup>

In the case of Cameroon, donor – patron behavior of the France is another reason of why Cameroon’s political and economic reform process was not positively influenced by the application of political conditionality through aid:

“While other bilateral donors were pulling their aid out of Cameroon and investors were fleeing the instability in droves, Paris reacted to shore up the position of its long-time ally, President Paul Biya, by dramatically increasing its foreign aid, forgiving outstanding debt, paying off creditors such as the World Bank, and convincing the International Monetary Fund (IMF) to increase Cameroon’s country quotas. Some go so far as to claim that ‘France holds the key to political developments in the country: if Paris closes the financial pipeline, few believe Biya’s government would survive’ (Africa Confidential, 1992b: 6). The massive wave of economic assistance from France submerged the relatively small trickle of funds coming from secondary donors like the United States or Germany. Without a doubt, French aid resources helped Biya’s regime to maintain control during the extremely chaotic early 1990s. Not only was this extraordinary external support useful in fending off the widespread domestic demands for his removal, but it also allowed the Cameroonian president to ignore pressures from other donors like the United States” (Emmanuel, 2013, pp. 11-12).<sup>125</sup>

Although recipients routinely view aid as something positive and supportive, this act of symbolic care can experience negative consequences like feelings of inferiority, threat to self – esteem, constant failure and regression, subordination and dependency. These negative consequences are especially emphasized with the popular trends in aid delivery – to blame the recipient for the failure of aid. Recipients are blamed for being lazy, inactive, disinterested, corrupt, and without appropriate

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<sup>124</sup> Whitfield, L. *Ownership and Donor – Recipient Relationship*, DIIS Working Paper 2009:18 p.6-9, Danish Institute for International Studies, Copenhagen 2009 accessed 09.09.2017. URL: [https://www.diis.dk/files/media/publications/import/extra/wp2009-18\\_ownership\\_donor-recipient\\_relationship\\_web\\_3.pdf](https://www.diis.dk/files/media/publications/import/extra/wp2009-18_ownership_donor-recipient_relationship_web_3.pdf)

<sup>125</sup> Emmanuel, N. G. “*With a Friend Like This...* ”: *Shielding Cameroon from Democratization* pp.11-12; *Journal of Asian and African Studies*, 48(2), 145-160, 2013.

institutions or understanding of the aid objectives. Given that donors are the one who actually have insight into the situation of the target country by analyzing progress of the country even before they have decided whether or not to give assistance, seems like the failure is rather caused by donors (Prokopijević, 2007, p. 41).

## 4.2. A Culture of Aid Dependency

Aid Dependency of the recipient countries is usually represented as misguided aid coordination by the recipient country, since recipient countries “rely on socialism rather than capitalism, and with foreign aid they receive more socialism.”<sup>126</sup> But donors actions can be harmful as much as they can be helpful for prosperity of the country, and there are no institutions for holding donors responsible for the outcome within recipient countries. What is aid dependency? Lensink and White’s propose one possible definition: “A country is aid dependent if it will not achieve objective X in the absence of aid for the foreseeable future.” Lensink and White point out that high level of aid are not necessarily “bad” and that countries that are getting aid but are not making progress toward some development objective are clearly not “dependent” on the aid for their development. Yet, by restricting the term “aid dependence” so tightly, Lensink and White end up with a very small number of “aid dependent” countries, and a puzzle. In “the vast majority” of developing countries, aid is not helping countries achieve development objectives. They suggest that either the governments in these countries lack “capacity or commitment”, or “that aid is for some other reason simply ineffective.” Roger Riddell has called aid dependence “that process by which the continued provision of aid appears to be making no significant contribution to the achievement of self-sustaining development.” Definition that the author will use for the purposes of this paper is the one from Rehman Sobhan, a Bangladeshi critic. He defines aid dependence as “a state of mind, where aid recipients lose their capacity to think for themselves and thereby relinquish control” (Bräutigam, 2000).<sup>127</sup> Besides social and cultural domination by those in power and capitalistic reconstructing of Africa, loss of their capacities arises from the issue of ownership. The issue of ownership that came out of Paris Declaration can be interpreted in two ways: ownership as “*commitment to policies* regardless of how those policies were chosen, and *commitment as control* over the process and outcome of choosing policies.” During the last three decades, aid relations between donors and recipients have evolved and degree of ownership is assessed by what proportion of the implemented

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<sup>126</sup> Prokopijević, M. *Why Foreign Aid Fails?* p.39, PANOECONOMICUS, 1, 29-51, 2007

<sup>127</sup> Bräutigam, D. *Aid Dependence and Governance*, p.9, Norstedts Tryckeri AB, Stockholm, 2000 accessed 09.09.2017. URL: [http://www.sti.ch/fileadmin/user\\_upload/Pdfs/swap/swap404.pdf](http://www.sti.ch/fileadmin/user_upload/Pdfs/swap/swap404.pdf)



policy agenda was decided by the government of the recipient country; what proportion came out of compromise between donor and recipient country; and what proportion was accepted reluctantly as a necessary price to pay for accessing financial aid. Task of distinguishing these proportion is further complicated with aid dependency that came out of scope of conditions attached to aid that goes beyond macroeconomic policy placing conditions on a wide range of internal political affairs of the recipient country. This continuous engagement created as set of common characteristics in aid dependent countries.<sup>128</sup> According to Lindsay Whitfield, these characteristics are:

- A state of permanent negotiations with donors;
- The gradual entanglement of donor and government institutions alongside the limited (re)building of the recipient's public administration;
- The political dimension of aid dependence.

From the donor – recipient relationship we can see that a state of permanent negotiating with donors left no space or time for developing coherent frameworks based on their development preferences. In order to maximize flows of resources and aid, recipient governments will keep the relationships friendly and prioritize consensus. Since most of the aid practices failed to reform problems within public administration system of recipient governments, emerged joint policy process parallel to a country's official policy processes. Out of this entanglement, emerged three side effects. First, this condition creates sort of consensual documents that are not completely supported by both, donor and recipient and secondly, governments do not want confrontations since entanglement means that government officials have to work together with donors while pursuing the development objectives and confrontations will only worsen that process. These effects combined as may be expected, led to the third – fragmented policy formulation and implementation. On this way, aid is used as a long – term strategy that consequently inhibits development which directly causes dependency. New imperatives together with continuous engagement with donors, resulted in contemporary political aid dependence of recipient governments since aid is vital resource necessary to deliver (com)promises they made. In combination with fragile internal political support of governments, aid dependency makes strong incentive for recipients to remain subordinated to donors. At the same time, intimate donor involvement into policy making and implementing provide strong disincentives to challenge their subordination (Whitfield, 2009, pp. 6-10).<sup>129</sup> This is the cycle that,

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<sup>128</sup> Whitfield, L. *Ownership and Donor – Recipient Relationship*, DIIS Working Paper 2009:18 p.5, Danish Institute for International Studies, Copenhagen 2009 accessed 09.09.2017. URL:

[https://www.diis.dk/files/media/publications/import/extra/wp2009-18\\_ownership\\_donor-recipient\\_relationship\\_web\\_3.pdf](https://www.diis.dk/files/media/publications/import/extra/wp2009-18_ownership_donor-recipient_relationship_web_3.pdf)

<sup>129</sup> Ibidem., pp.6-10

instead of moving country towards development – preserves underdevelopment, and guarantees economic failure in the poorest aid-dependent countries.

Speaking of Cameroon, self – interest as opposed to rhetorical support of democracy is an obvious donor rationale that explains assistance to authoritarian regimes. Emmanuel shows how one donor, France, can be overprotective and able to shield its recipient and former colony, Cameroon, from pressure to pursue political and economic development. While other donors during the crises and later, applied negative conditionality to country, a massive inflow of money and assistance from France helped the Biya regime to maintain power, prevent Cameroon political opposition to act against neglecting their fundamental rights and the wider international donor community to encourage political or economic reform. Last year in Yaoundé, France and Cameroon signed the 3rd Debt reduction and Development contract, an initiative to expunge the French debt in favor of developing countries. Attached to the HIPC initiative from the IMF, this 3rd contract between France and Cameroon represents an envelope of FCFA 394 billion. This is the highest amount made available by France as part of this initiative, the first two contracts in favor of Cameroon peaking only at FCFA 566 billion. In total, the French State gave FCFA 960 billion to Cameroon since 2006, as part of this debt reduction initiative, from which Cameroon has been the main beneficiary. In order to boost development in Cameroon the total amount of this money finance projects in agriculture, infrastructure, fishing, electrification, water supply, education and health sector.<sup>130</sup> France's interest in Cameroon does not have economic background but political, however, this long – standing paternalistic foreign (aid) policies and practices diminish government incentives to develop strategies outside of the France scope of the influence or to take stronger policy chart. According to Cameroon Today, in June this year, despite the advice and the warning of the World Bank, Cameroon proceeded in borrowing a total of 187.804 billion FCFA from the African Development Fund (ADF) and African Development Bank (ADB). The loan is for the purpose of renovate several road networks in Cameroon. In following, the author concludes that the half of this tremendous amount of loan will be used for personal pockets instead serving of the real development objective.<sup>131</sup> Besides obvious dependency of France, implementation of reforms in Cameroon were unequal and accidental, leaving unsolved structural problems necessary to push economy forward, as well as inadequate infrastructure of services. Since the late 80s, Cameroon

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<sup>130</sup> Business in Cameroon: *France and Cameroon sign 3rd C2D with global envelope kg FCFA 394 billion*, accessed 12.09.2017. URL: <http://www.businessincameroon.com/cooperation/0407-6351-france-and-cameroon-sign-3rd-c2d-with-global-envelope-kg-fcfa-394-billion>

<sup>131</sup> Cameroon Today: *World Bank Warns Cameroon Government on Borrowing Again for Road Networks Revamp*, accessed 11.09.2017. URL: <http://news.cameroon-today.com/world-bank-warns-cameroon-government-borrowing-road-networks-revamp/9451/>

was governed by heavily externally influenced policies and in most cases, policy options were burden to development framework since they are not representing the needs in the country.

## **5. Cameroon Today: Reported development**

According to World Bank, Cameroon's system is between "latent" and "emerging" for all the functional dimensions of policies and institutions in the strategic, system oversight, and service delivery. However, the prospects for Cameroon to move from lower – income to middle – income status are promising (World Bank Group, 2016). Five decades ago, the prospects for Cameroon were promising too, since Cameroon had the potential to become leader of the African continent. In the meanwhile, a lot of new strategies and frameworks for action were required to encourage economic growth and development. For every four years, new problems were formulated, new program cycle was created, effectiveness was analyzed and finally, contribution to development was missing. What Cameroon requires was analyzed through the perspective of development agency or international community while development priorities had occurred as a result of unsuccessful programs and not in line with Cameroon recognized or emerging needs. Numbers of principles that are constructing proposed frameworks were growing together with the recommendations for revised and renewed governance and institutional arrangements. With these agendas, strengthening their purpose, Cameroon become aid dependent – grounded into donor – recipient mentality, leaving the cash – strapped government little room to maneuver on programs, without chances to leave this vicious cycle. The authoritarian nature of the regime and corrosive role of France, based on significant reciprocal interests, heavily influenced Cameroons policy – making calculations. Cameroon's never democratically elected president Paul Biya, by the mercy of France, disabled political participation of social groups in situations of vulnerability, and the integration of their concerns remained marginal in the plans, policies and sectoral strategies. Economic diversification wasn't successful so the Cameroon remains highly oil – dependent country with oil industry as single biggest industry. In other words, Cameroon seen oil's share of GDP decline in recent years. The cost of the unfinished reform, the social and infrastructure sector suffer the most. In the education sector, although primary – school enrollment has risen, the increase has not yet translated into comparable improvement in completion rates, and large disparities remain between the poor and the non – poor and between rural and urban areas. Many

health indicators remain below the pre – crisis levels of the 1980s. Moreover, the disparities between rich and poor are wide and growing, partly as a result of the lack of affordability and equitable access to health facilities. The quality of and access to safe water and other essential infrastructure services remain far below what they should be given Cameroon’s level of per capita income and overall potential (World Bank, 2009).<sup>132</sup> In addition, Southern Cameroonians frustrations surfaced dramatically at the end of 2016, when a series of sectoral grievances escalated into political demands, leading to strikes and riots. Government’s repressive approach was no longer sufficient to calm the situation and many are now demanding federalism or secession. While the risk of partition of the country is low, the risk of a resurgence of the problem in the form of armed violence is high, as some groups are now advocating that approach. Cameroon, facing Boko Haram in the Far North and militia from the Central African Republic in the East, needs to avoid another potentially destabilizing front opening up.<sup>133</sup>

According to World Bank Report from 2016, the growth has slowed as the foundations and policy resolve have weakened in industries, so the World Bank emphasized shift away from focusing on poverty reduction and toward fostering growth as the source of prosperity and employment, premised on income redistribution and poverty reduction. Another cycle of cross – sectoral investments is recommended for the purpose of development since development of six sectors requires urgent attention in Cameroon (World Bank Group, 2016). In other words, the report provides a detailed set of recommendations, including goals and quantifiable targets, investment needs, design criteria, methodologies, and time sequences. Seems like it is still necessary that international organizations and governments lead active role of promoting and creating necessary efforts to overcome un – development.

The vision 2035, officially known as the Strategy for Growth and Employment (DSCE), describes the Government of Cameroon’s goals for the country’s growth and development—the main goal being for Cameroon to become an emerging economy by 2035. The vision 2035 includes medium-term objectives, with a focus on alleviating poverty, becoming a middle-income country, becoming a newly industrialized country, and consolidating democracy and national unity while respecting the country’s diversity. Vision 2035 also serves as the long-term anchor for the government’s recently updated poverty reduction strategy, which puts employment at center stage. Among other aspects,

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<sup>132</sup> World Bank: *Reforms for Inclusive Growth in Cameroon; A Development Policy Review*, p.xvii, The International Bank for Reconstruction and Development 2009, accessed 11.09.2017. URL: <https://openknowledge.worldbank.org/bitstream/handle/10986/2676/509370PUB0Came101Official0Use0Only1.pdf?sequence=1&isAllowed=y>

<sup>133</sup> International Crises Group: *Cameroon’s Anglophone Crises at the Crossroads*, accessed 11.09.2017. URL: <https://www.crisisgroup.org/africa/central-africa/cameroon/250-camerouns-anglophone-crisis-crossroads>

the DSCE identifies unemployment and weak productivity as key challenges for the country's development (World Bank Group, 2016).<sup>134</sup>

What the author found as most important challenge, is changing the main force for shaping state – currently represented in the rigid government suppression of internal social forces and monopolization of economic and political power. Pulling strings, in order to maintain hegemonic alliances are still corruption, abusive use of government money to increase wealth of government personalities and poor economy planning. Some actions that are necessary in order to strengthen country's position is building a vibrant, state – civil society that will work toward better governance system; creating a coherent development vision based on internal political and economic affairs, regional differences, needs, strategies for implementation; taking the risk that donor will not offer support for their own strategies.

## **5.1. Discussion and conclusion**

Development project is through literature usually perceived in two ways: as foundation of morality and as instrument of manipulation, for the purpose of imposing desired political objectives. The author showed through epistemology of key development determinants that development is constructed as a socially – political concept, hidden in the Western dominant culture, under the neutral concept of economic growth and the positive social outcomes that should follow. Also, pointed out on relations of development discourse and structures of power, and how development is used as a tool of political fight that led to dependency instead of improving living conditions. Finally, demonstrated how neoliberal order is using development industry to take desirable actions for the purpose of obtaining legitimacy for global dominance of Western values.

Having in mind the above, the author confirmed the main, and two specific hypotheses:

1. The author confirmed the main hypothesis that development discourse in African states exists for the purpose of obtaining legitimacy for global dominance of Western values and political structures, whereby is this kind of domination enabled with established unaccountable transnational institutions that effectively rule large domain of African economy and society through dominant forms of global development strategies, on the example of state Cameroon.

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<sup>134</sup> Sosale, S. and Majgaard, K. Fostering Skills in Cameroon; *Inclusive Workforce Development, Competitiveness, and Growth*, p.xvi, World Bank Group, 2016, accessed 11.09.2017. URL: <https://openknowledge.worldbank.org/bitstream/handle/10986/23736/9781464807626.pdf?sequence=3&isAllowed=y>

2. The author confirmed the first specific hypothesis that economic stagnation is a result of regional differences in state of Cameroon that existed before development era, incurred as a consequence of fundamentally different colonial cultural heritage, languages and levels of economic development, that are disabling the state ability to follow imposed institutions and patterns.
3. The author confirmed the second specific hypothesis that discursive practices (programs and projects) as well as implementation of concrete development agendas of transnational institutions and official development organizations, lead to dependency instead of improving living conditions.

Economic research on foreign aid effectiveness and economic growth frequently becomes a political football, as Easterly pointed out. But when a regression result is passed from one source to the next, context is often stripped away so that what the result means in public discussion is different than what the original research actually demonstrated (Easterly, *Can Foreign Aid Buy Growth?*, 2003).<sup>135</sup> Nowadays, seems like the foreign aid community simply maintains that “better coordination among international financial institutions is needed.” The difficulties of organizing parties with diverse objectives and interests and the inherent tensions within international aid community render such coordination forever elusive. By forming a united front and duplicating efforts, the international aid community is also able to diffuse blame among its various members when economic conditions in recipient countries don’t improve according to plan. Traditionally, aid agencies justify increasing the total aid money by identifying the aid “requirements” needed to achieve a target rate of economic growth, calculating the difference between existing aid and the requirements, and then advocating a commensurate aid increase.<sup>136</sup>

The role of foreign aid in development is to be just an instrument of general preparation for disrupting past achievements of the state and concrete actualization of ideological, political and economic interests. Development itself became tool of political fight that led to dependency instead of improving living conditions. The international aid architecture does not deliver the benefits of institutional coordination that it was originally designed for.

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<sup>135</sup> Easterly, William: *Can Foreign Aid Buy Growth?* p.1 The Journal of Economic Perspectives, Vol. 17, No. 3. pp. 23-48. 2003

<sup>136</sup> Easterly, W. *The Cartel of Good Intentions*, Foreign Policy, 2009, accessed 21.09.2017. URL: <http://foreignpolicy.com/2009/11/11/the-cartel-of-good-intentions/>

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